



FY16 Results Presentation

August 2016



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Non-IFRS measures: Throughout this presentation, Costa has included reference to Transacted Sales, which is a non-IFRS measure. Costa believes that this non-IFRS measure provides useful information to recipients for measuring the underlying operating performance of Costa's business. Non-IFRS measures have not been subject to audit. A further explanation of this measure is provided in the Appendix.

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Highlights

Highlights

The core elements of our business model were again tested and proven to be highly successful, especially when viewed against the prevailing competitive landscape in our industry

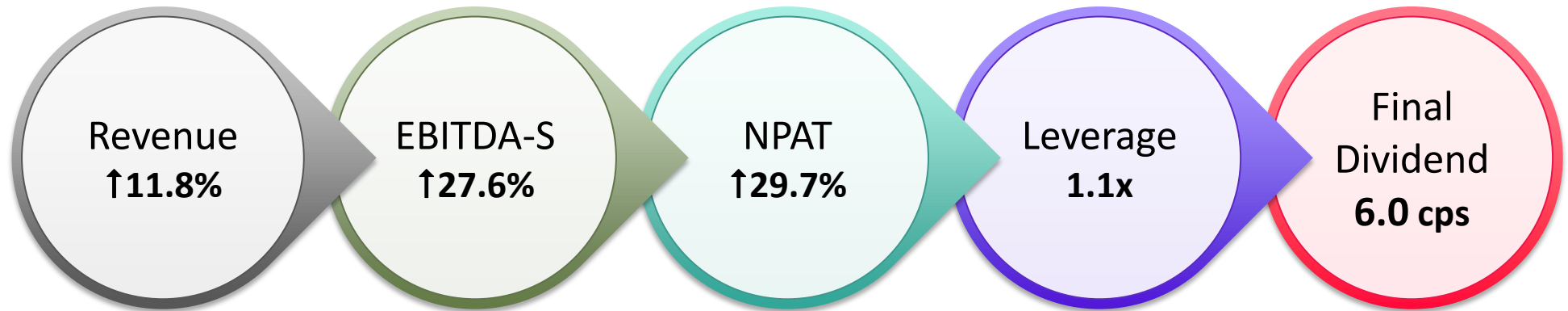
Highlights

- Costa has exceeded its prospectus forecast earnings
- Favourable performance within the portfolio has offset challenging market conditions in the tomato category
- Contribution from the International segment continues to grow meaningfully
- Strong cash flow generation and growth capacity
- Successful transition from private to public delivering positive/strong shareholder returns

Growth Program

- 2nd year of the first Berry expansion program completed with 3rd year plantings now underway
- Initial projects from the second Berry growth program have been initiated
- New tomato glasshouse commissioned and operating at capacity
- China Joint Venture now developing second farm
- Morocco farm expansion continuing to plan
- Pike Creek Riverland citrus orchard acquisition completed in March 2016

Highlights



Financial Performance

- Pro forma revenue growth of 11.8% on FY2015
- Pro forma EBITDA before SGARA (EBITDA-S) growth of 27.6% to \$91.1m
- Pro forma NPAT of \$49.3m (+29.7%) and statutory NPAT of \$25.3m⁽¹⁾
- Leverage reduced to 1.1x of pro forma EBITDA at June 2016⁽²⁾
- Final dividend of 6.0 cents per share (full year 9.0 cps)
- Results include early adoption of changes to the accounting standard for bearer plants (biological assets). Net impact of \$1.2m loss included in pro forma FY2016 NPAT.

(1) Pro forma adjustments mainly relate to IPO expenses. A reconciliation between pro forma and statutory results is included in the Appendix

(2) Calculated as Net debt / Pro forma EBITDA before SGARA

Segment Performance - Produce

Mushroom

- Solid performance, driven by yield growth through production refinements across the national network
- Demand has been positive, with increased retailer engagement supported by improved industry association marketing effort
- Mushroom industry value growth of 4.3%* over the past year

Berry

- Solid performance for the year despite early setback in first half due to three hailstorms
- Category demand growth continues unabated largely driven by new Costa volume
- FNQ – second commercial blueberry crop harvest being completed. There was a slight delay in harvest due to unseasonably high temperatures
- From FY2017, over 50% of Costa blueberry production will be outside the main August-December production period
- Raspberry contribution has been exceptional, and following six years of continuous growth is now equally as significant as the blueberry crop to the company

Segment Performance - Produce

Citrus

- Outstanding results through a combination of yield, quality and price
- Record yields achieved for the calendar 2015 growing season
- Export market demand buoyant with particularly strong engagement in Japan. Approx. 59% of the total crop was exported
- Contribution from new Amaroo citrus farm at top end of expectations
- The new 2016 calendar year citrus growing season is a lighter crop, as per the biennial growing cycle, but fruit is of excellent quality and demand is strong, particularly from exports
- The early season grape farm at Mundubbera performed above expectations, as did the export grape program

Tomato

- A very challenging year for this category, with price deflation*:
 - Truss -9.7%, Field -10.9%. Snacking has remained the best performing sub-category with average pricing +1.7%
 - Pricing over Q4 improved with seasonal change
- The new glasshouse is operating well, with yield performance better than expected
- The two major supermarkets are well progressed with their range reviews to redefine their tomato category offering.

Segment Performance

Costa Farms & Logistics

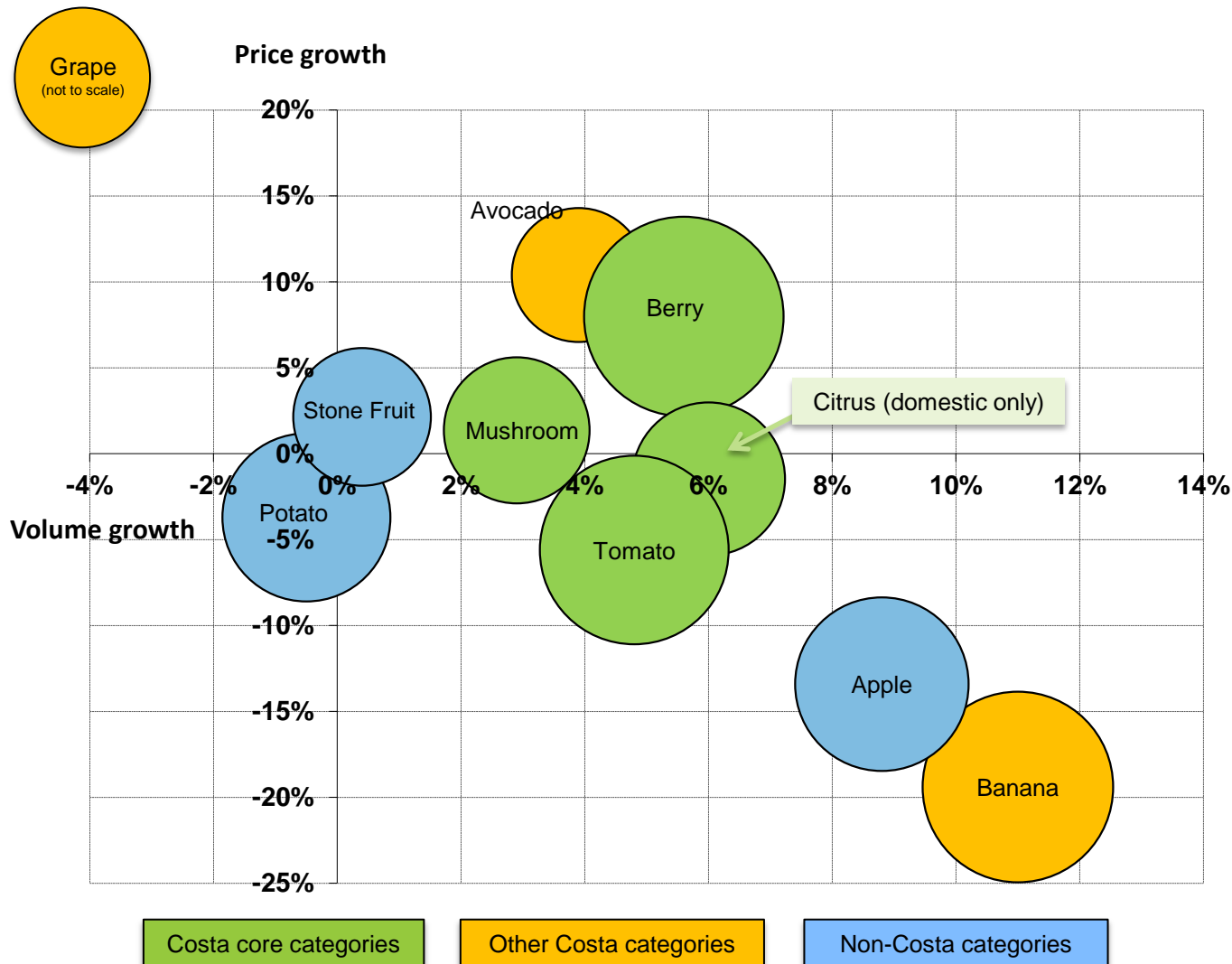
- Strong performance from the Polar Fresh JV through enhanced gain share outcomes
- Improved earnings from the distribution centres through increased throughput and strong cost management
- Negative impact from banana price deflation caused by industry oversupply
- Melbourne wholesale market operations successfully relocated to Epping, with warehousing and ripening requirements further integrated into Costa's existing Derrimut facility

International

- Significant year on year growth, driven largely by the success of Costa's blueberry varieties worldwide
- With growth in Morocco production these varieties are now available in volume in the UK and European markets. Retailers routinely rate the varieties as most preferred and African Blue commands a price premium
- Similarly, in the America's, as Driscoll's rolls out its blueberry expansion program it is using Costa varieties as the largest individual platform
- The latest variety being planted in volume is the late season blueberry variety Arana which combines large fruit with attractive flavour and a crunchy texture
- Arana will be available in Australia in substantial volumes from next year's season

Produce industry performance

Price deflation has impacted only certain categories

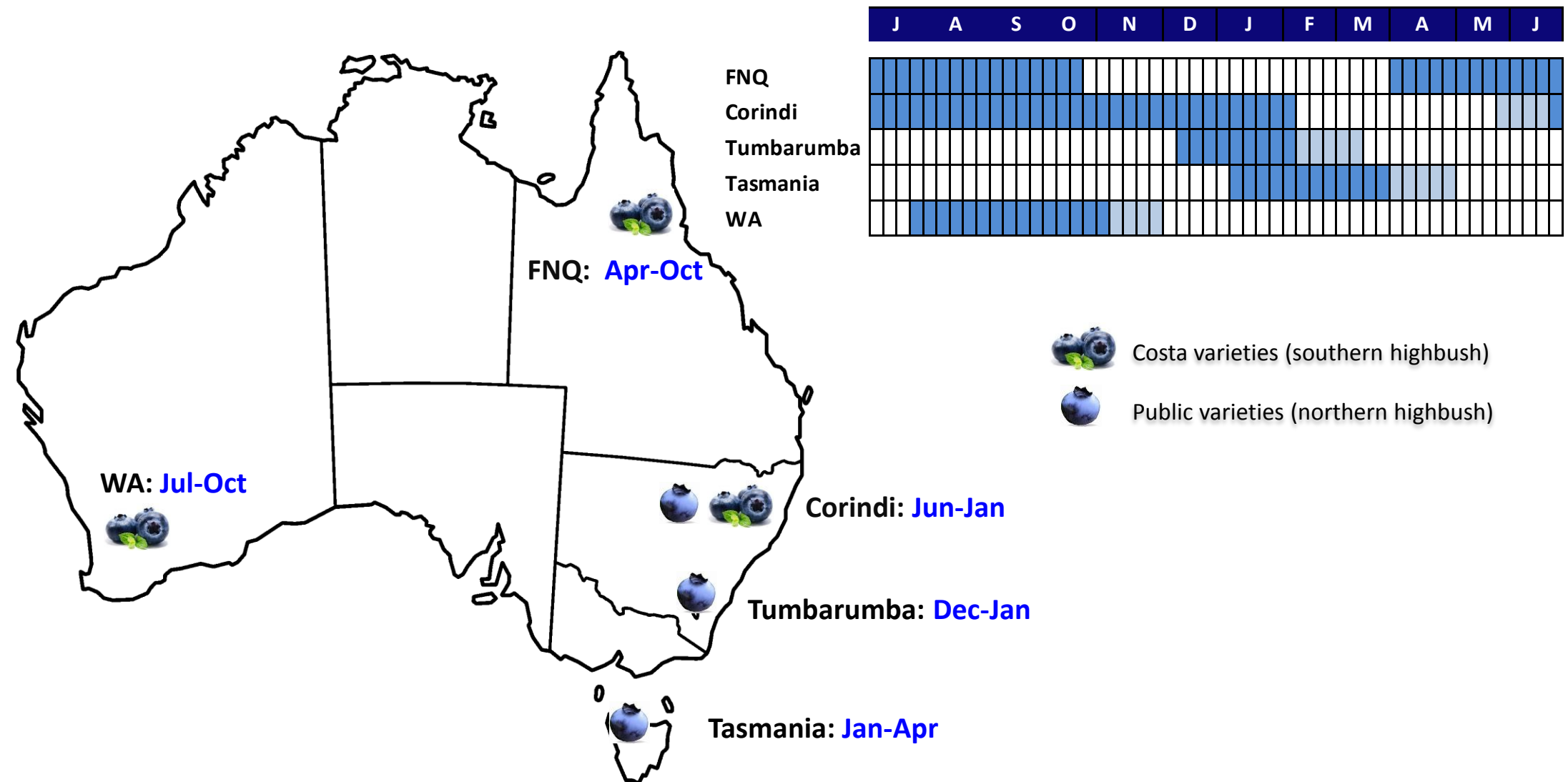


- Overall Fruit and Vegetable segment price deflation of 1.67% over the past year
- Costa categories (except grapes) have seen volume growth over the past year
- Largest price deflation impact felt in banana, apple, tomato (field and truss) and potato categories
 - Costa's price exposure has been limited to bananas and truss tomatoes
- Other Costa categories have shown stable or positive growth
 - Citrus as shown excludes exports, export pricing has been positive
 - Berries overall price growth led by strawberries. Blueberry pricing slightly higher. Raspberry pricing has reduced with increased volume

Source: Nielsen Homescan, MAT 11 June 2016. Chart shows all categories > 3% of total fruit and vegetable consumption by value

Costa blueberry production

Year round supply of blueberries achieved in FY2017 through Costa varieties and geographic diversification





Financial Results

FY2016 Pro Forma Results vs Prospectus

A\$m	Prospectus Pro forma FY16	Actual Pro forma FY16	Actual vs Prospectus
Revenue	738.0	809.0	71.0
EBITDA before SGARA	90.4	91.1	0.7
EBIT	70.9	71.9	1.0
NPAT (Pro forma)	47.6	49.3	1.7
EBITDA-S margin	12.2%	11.3%	(0.9)%
Transacted sales	978.8	1,042.5	63.7

Key Highlights

- **Revenue and Transacted Sales** have exceeded the Prospectus forecast by 9.6% and 6.5% respectively, with stronger citrus and mushroom sales outweighing the sales impact from lower tomato and banana pricing
- **EBITDA before SGARA** above forecast by \$0.7m. Favourable performance throughout the portfolio has offset lower tomato and banana contribution
- **EBITDA before SGARA margin** 0.9% lower than forecast, primarily due to impact from tomato and banana pricing
- **NPAT** above forecast by \$1.7m, including \$1.2m net expense from the early adoption of the change in accounting standard for bearer plants

Note: Refer to the Appendix for a reconciliation between Pro forma and statutory results, restatement of FY2015 amounts due to the change in accounting for bearer plants, and the definition of Transacted Sales

FY2016 vs FY2015 Pro Forma Results

A\$m	Pro forma FY2015	Pro forma FY2016	Variance
Revenue	723.5	809.0	85.6
Other revenue	9.0	12.7	3.7
Share of associates and joint ventures	9.5	14.4	4.9
Operating expenses	(670.6)	(745.1)	(74.5)
EBITDA before SGARA	71.4	91.1	19.7
Fair value movements in biological assets	3.4	4.3	1.0
EBITDA	74.7	95.4	20.7
Depreciation & amortisation	(19.0)	(22.5)	(3.5)
Profit/(loss) on sale of assets	0.5	(1.0)	(1.5)
Impairment losses	(1.6)	-	1.6
EBIT	54.6	71.9	17.4
NPAT	38.0	49.3	11.3
Transacted Sales	922.0	1,042.5	120.5

Key Highlights

Revenue +11.8%:

- Transacted sales have exceeded \$1 billion for the first time in FY2016
- Revenue growth achieved across all four core Produce categories
- Costa Farms & Logistics (CF&L) revenue lower due to weaker banana pricing

EBITDA before SGARA +27.6%:

- Contribution from all segments has increased year on year
- All joint ventures have exceeded expectations
- EBITDA-S margin improvement from 9.9% to 11.3%

EBIT +31.8%:

- SGARA increase predominantly relates to the new season citrus crop
- Depreciation expense increase due to new capex, and includes \$1.8m due to capitalised bearer assets
 - FY2015 impairment loss due to write-down in the carrying value of grape vines capitalised as part of the change in accounting for bearer assets (previously recognised as a SGARA movement)

Note: Refer to the Appendix for a reconciliation between Pro forma and statutory results, restatement of FY2015 amounts due to the change in accounting for bearer plants, and the definition of Transacted Sales

Produce

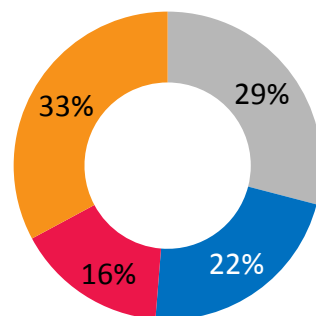
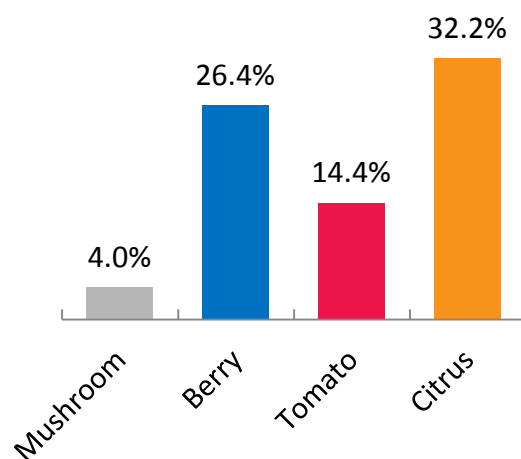
Pro Forma segment financial and operating metrics

A\$m	Pro forma FY15	Pro forma FY16	Var	Prospectus FY16
Revenue	531.7	631.1	99.4	560.8
EBITDA before SGARA	55.7	69.1	13.4	73.6
EBITDA-S margin	10.5%	10.9%	0.4%	13.1%

Transacted sales	695.9	808.2	112.3	765.0
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Revenue growth: + 18.7%

FY16 share of revenue



- **Revenue** growth 18.7%, led by citrus, berry and mushroom volume growth
- **EBITDA before SGARA** growth of 24.1% against FY15, but below prospectus forecast due to tomato pricing impact
- **Mushroom:** a solid year driven by production yield improvement
- **Berry:** farming expansion. Overall volume growth across all berry categories +29.2%:
 - Blueberry volume growth 6%. Average blueberry price across the year improved reflecting shoulder season production and lower peak industry volume due to earlier hail storms
 - Raspberry volume growth 40%, with pricing reduction due to increased volume
- **Tomato:**
 - Revenue and earnings impact from lower pricing
 - Sweet snacking volume growth of 28% with commissioning of Costa's new glasshouse
- **Citrus:**
 - An exceptional year due to combination of strong yields, good quality and favourable exchange rates. Offsetting this was lower mandarin pricing
 - Strong grape farming and trading outcome
 - The 2016 citrus season has started well, with buoyant market conditions offset against lower yields

Costa Farms & Logistics

Pro Forma segment financial and operating metrics

A\$m	Pro forma FY15	Pro forma FY16	Var	Prospectus FY16
Revenue	231.5	217.8	(13.7)	220.7
EBITDA before SGARA	9.3	10.5	1.2	9.0
EBITDA-S margin	4.0%	4.8%	0.8%	4.1%
Transacted sales	250.6	246.7	(3.9)	238.7

Revenue down \$13.7m or 5.9% against FY15:

Costa Farms -6.1%:

- includes wholesale market, banana and avocado operations
- Revenue decrease due to lower banana pricing, and higher proportion of marketed produce being undertaken on an agency basis

Logistics -5.5%:

- reduction due to the transition out of the Coles services contract at Eastern Creek in Q1 FY15
- The warehouse has been back filled with new work and further integrated with Costa Produce category requirements

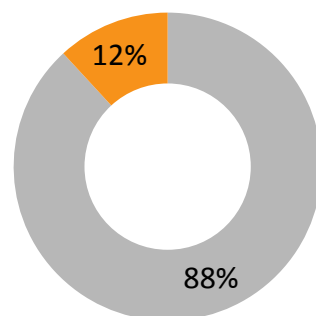
EBITDA before SGARA improvement of \$1.2m on FY15:

- Improved Logistics earnings through cost control, site utilisation and service volumes. Polarfresh delivered strong gain-share outcomes
- FY15 result impacted by Eastern Creek transitional activities following Coles exit
- Offset by Costa Farms earning reduction due to banana pricing

Revenue growth: -5.9%



FY16 share of revenue



International

Pro Forma segment financial and operating metrics

A\$m	Pro forma FY15	Pro forma FY16	Var	Prospectus FY16
Revenue	-	-	-	-
EBITDA before SGARA	6.4	11.4	5.0	7.8
EBITDA-S margin	-	-	-	-

Transacted sales	15.3	27.4	12.1	18.7
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- **Transacted Sales** increase of \$12.1m or 79.1% on FY15:

- **Royalty income +94.4%:**

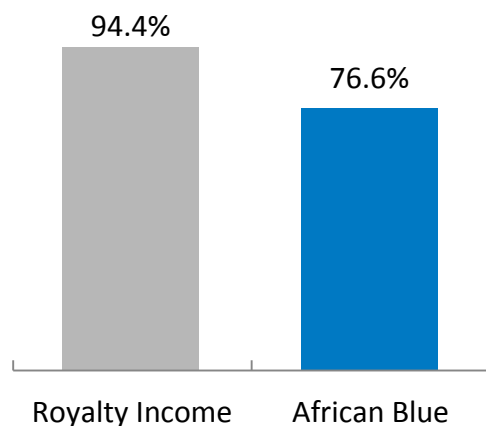
- Increased fruit based royalties with farm expansion/maturity across Morocco and Driscoll's Americas plantings
- Royalty income from plant sales for plantings in newer regions (eg Mexico)

- **African Blue +76.6%:**

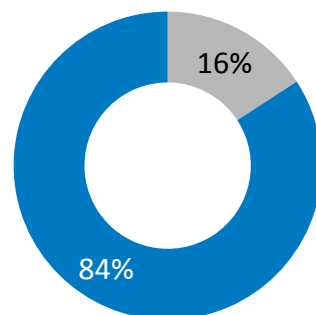
- The 2016 season has exceeded expectations.
 - Favourable growing conditions enabled a longer season with peak occurring about a month earlier than in FY15
 - Consistent high quality has continued to position African Blue as a premium brand attracting stronger pricing in target markets of UK and Europe, even during the more competitive parts of the season

- **EBITDA before SGARA** growth of \$5.0m or 78.1% against FY15.

Transacted sales: +79.1%



FY16 share of T/Sales



Balance sheet and cash flow

A\$m	Pro forma FY15	Pro forma FY16	Var	Prospectus FY16
EBITDA before SGARA	71.4	91.1	19.7	90.4
Less: share of JVs profit	(9.5)	(14.4)	(4.9)	(11.5)
Dividends from JVs	6.1	8.1	2.0	7.8
Movement in working capital	(5.9)	(4.6)	1.2	(2.9)
Operating capex	(9.8)	(12.1)	(2.3)	(12.2)
Free cash flow	52.3	68.0	15.7	71.6
Productivity & growth capex	(73.6)	(41.9)	31.8	(27.1)
Loan repayments from investments	-	1.9	1.9	-
Disposals of PPE	0.3	0.3	-	-
Net cash flow before financing, tax & dividends	(21.0)	28.3	49.3	44.5
Cash conversion ratio ⁽¹⁾	74%	75%		79%

Note:

(1) Cash conversion ratio is Free Cash Flow / EBITDA before SGARA

(2) Pro forma balance sheet post completion of the IPO

	Pro forma Actual FY2015	Actual FY2016	Variance
Total Assets	527.6	568.5	40.9
Net debt	122.7	100.5	(22.2)
Net debt / LTM pro forma EBITDA-S	1.7x	1.1x	(0.6)x

- Pro forma net leverage has decreased from 1.7x in June to 1.1x
- Free cash flow generation of 75%, with increased portion of JV contribution and strong start to citrus export season (working capital) impacting the overall conversion ratio
- JV dividends has exceeded prospectus, but % distribution has reduced due to strong African Blue H2 outcome, and cash retained in African Blue to fund growth
- Operating capex in line with prospectus forecast of \$12.2m
- Growth capex includes Tomato glasshouse (complete), Berries expansion (including new Berry growth program) and Pike Creek citrus farm purchase (not forecasted). Increase from prospectus forecast also due to timing of payments from FY15 into FY16.
- China funding to occur from Q1FY17 - \$6.8m accrued at June
- Strong balance sheet for future growth in conjunction with existing debt facilities

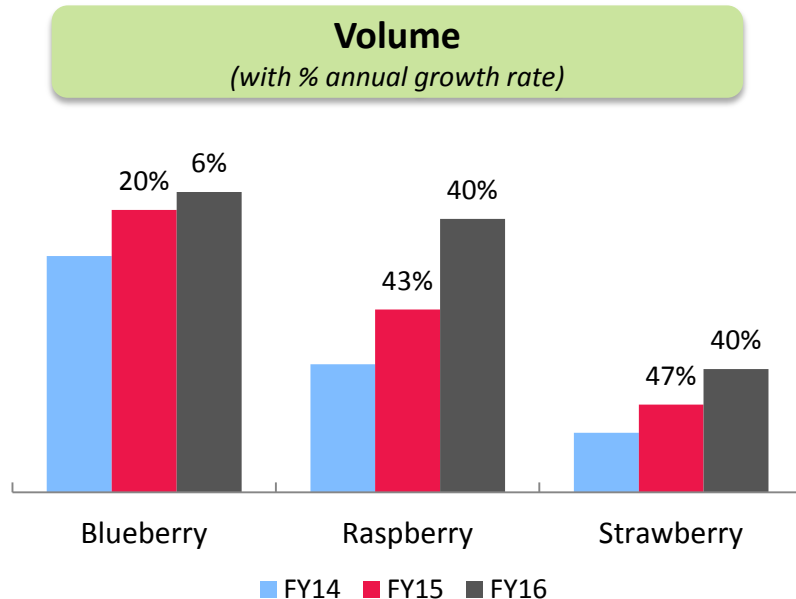
Growth Plan Update



#1 Australian Berry expansion

Costa continues to grow its market volumes in blueberries, raspberry and summer strawberry production. Importantly we have achieved unique year round production of high quality blueberries

- FY16 projects (76 ha) across 4 regions – FNQ, WA, Tasmania and Corindi – have been completed on schedule
- Acceleration of Tasmania raspberry and FNQ blueberry expansion as part of the second growth program
- Good progress on final FY17 tranche of the original growth plan (~35ha). Further 38ha to be planted as part of the second growth program.
- Small blueberry farm in Tasmania acquired in August 2016 to supplement shoulder season volumes
- New Driscoll's blackberry genetics have cleared quarantine, with a small trial planting scheduled for FY17
- Yields and results from the growth plan to date have exceeded expectations
- Capex in line with forecast



One of the new blueberry plantings, Far North Queensland

#2 Australian Citrus expansion

- As at June 2016, Costa has 2,171ha of planted citrus in the Riverland region across 5 farms.
- Costa's operations are large scale and highly mechanised, with an export advantage of being in Australia's only fruit fly free region, with ~55-60% of the total crop exported
- Future growth in this category will be driven by:
 - Government funded 3IP program, with 170ha of new plantings, and 130ha replanting/topworking being undertaken from 2015-2018 on Costa's Riverland farms
 - Amaroo farm 292ha leased in 2014, expected to increase in yield with improved agronomic practices and tree maturity
 - Pike Creek farm 109ha acquired in 2016, with expansion to 120ha through 3IP
- These initiatives are expected to increase yield progressively through to 2025



Renmark packing facility



Section of the Kangara citrus orchard

#3 International growth projects - Morocco

Strong demand for Costa varieties underpinning continued growth

- FY2016 saw continued strong demand for African Blue product, with a price premium being achieved through the season
- Original plantings are now in their 8th year of production, and expected to yield productively for a further 2 years before replacement. In Australia, these varieties are normally replaced by the 8th year. This is due to ideal soil and growing conditions
- At the end of FY2016, African Blue has 208ha planted across 5 farms, including 13ha of substrate production. A further 70ha is planned to be planted in FY17
- A new packing facility to support the northern farms will be operational for the FY17 harvest
- New Costa trial varieties are also being tested in Morocco
- The joint venture continues to self fund its growth in addition to payment of dividends to its shareholders



Substrate trials, Larache Farm, Morocco

#4 International growth projects - China

China

- The joint venture agreement was executed in January 2016
- Ownership: Costa 70%, Driscoll's 30%
- First farm established, with second raspberry harvest in progress and first blueberry harvest expected Dec-March.
- Second farm is currently being established in a new region at Manlai (near the Burmese border). Further land for future expansion has been identified with lease negotiations in progress
- Management team is being assembled – mix of local and Australian staff
- Response to date from the market on small volumes has been extremely positive
- PRC subsidiaries incorporated, with formal JV capitalisation to occur H1 FY2017



Initial berry farm at Shiping, Yunnan Province, China

Outlook

Outlook

- FY2017 will see continued execution of the announced domestic and international growth initiatives. A pipeline of new initiatives is in progress
- The company is projecting NPAT (pre-SGARA) growth at approximately 10% for FY2017⁽¹⁾. Trading for the initial six weeks was ahead of budget with all portfolio units contributing well.
- Due to seasonality and increased weighting of international operations, performance will be more heavily weighted towards the second half.
- The strong balance sheet supports continued organic growth and a disciplined M&A program.
- FY2017 dividends will be balanced against the company's need to fund growth objectives, but indicatively will be in the range of 50-70% of NPAT (pre-SGARA).

(1) FY16 Pro forma, but including China

Appendix



Costa Farms wholesale market stand at the new Epping (VIC) market

Statutory to Pro forma results reconciliation

A\$m		FY16
Statutory EBITDA before SGARA		67.2
IPO transaction costs	1	21.8
Costa Asia	2	2.0
Pro forma EBITDA before SGARA		91.1

Statutory NPAT		25.3
IPO transaction costs	1	15.3
Costa Asia	2	2.0
Site Closure	3	0.1
Interest Expense adjustment	4	6.7
Pro forma NPAT		49.3

- 1. IPO transaction costs:** costs associated with the IPO.
- 2. Costa Asia:** initial start-up costs for Costa Asia.
- 3. Site Closures:** profit from sale of grape farms impaired in FY2015. These sites were reported as a pro forma adjustment in the prospectus.
- 4. Interest expense adjustment:** The new IPO banking facilities were effective from 29 July 2015. Amount includes write-off of capitalised borrowing costs relating to the pre-IPO facilities, and adjustment to reflect the terms of the new Banking Facilities as if they were in place for the full financial year.

Restatement of FY2015 – change in accounting for bearer assets

A\$m		Reported Pro forma FY15	Adj.	Restated Pro forma FY15
EBITDA before SGARA	1	71.0	0.4	71.4
Fair value mvt. in biological assets	2	1.4	2.0	3.4
EBITDA		72.4	2.4	74.7
Depreciation and amortisation	3	(18.0)	(1.0)	(19.0)
Impairment losses	4	-	(1.6)	(1.6)
EBIT		54.9	(0.3)	54.6
NPAT		38.3	(0.3)	38.0

A\$m		Reported Statutory FY15	Adj.	Restated Statutory FY15
EBITDA before SGARA	1	59.9	0.3	60.3
Fair value mvt. in biological assets	2	(0.3)	3.6	3.4
EBITDA		59.6	3.9	63.7
Depreciation and amortisation	3	(18.5)	(1.1)	(19.6)
Impairment losses	4	(15.7)	(3.2)	(18.9)
EBIT		26.0	(0.4)	25.6
NPAT		4.6	(0.3)	4.3

The change in the accounting standard has the following overall impact:

- Planting and replanting costs are capitalised, with the capitalised value depreciated over the plant's useful life
- Previously costs were expensed with asset values recognised through a fair value adjustment for biological assets at each balance date

- EBITDA before SGARA:** replanting costs previously expensed now capitalised
- Fair value movement in biological assets:** in FY15 the carrying value of grape vines was impaired through a charge to line. This is reversed and replaced with an impairment charge per item 4.
- Depreciation:** additional depreciation on bearer plants now capitalised
- Impairment losses:** reduction in the carrying value of grape vines (previously taken up as a movement in the fair value of biological assets)

Explanation of certain non-IFRS operating measures

Transacted Sales

Transacted Sales are used by management as a key measure to assess Costa's sales and marketing performance and market share. Transacted Sales represent the aggregate volume of sales in which Costa is involved in various capacities (including sales of third party-grown produce marketed by Costa under agency arrangements), as well as royalty income. Transacted Sales are not considered by Costa to be a revenue measure. There are material differences between the calculation of Transacted Sales and the way in which revenue is determined under AAS.

Transacted Sales comprise:

- statutory revenue;
- gross invoiced value of agency sales of third party produce;
- Costa's proportionate share of joint venture sales relating to the African Blue and Polar Fresh joint ventures;
- royalty income from the licensing of Costa blueberry varieties in Australia, the Americas and Africa; and
- 100% of Driscoll's Australia Partnership sales after eliminating Costa produce sales to the Driscoll's Australia Partnership. Prior to the formation of Driscoll's Australia in 2010, all of Costa's domestic sales and marketing activities for the berry category were managed by Costa.

Other market participants, including Costa's retailer customers, frequently do not distinguish between the various capacities in which Costa may transact with them. For example, the arrangements under which Costa delivers produce to its customers usually does not specify whether the produce is grown by Costa, marketed by Costa on behalf of third party growers under agency arrangements or otherwise sourced from third party growers. Accordingly, Costa believes that other market participants perceive the aggregate of all sales in which Costa is involved (including as a grower, sales agent, trader and joint venture party) as reflective of Costa's market share and therefore indicative of its negotiating position.

Similarly, management looks at Transacted Sales as a measure that indicates, on a comparative basis, Costa's sales and marketing performance. While movements between the various components of Transacted Sales can be relevant for this assessment, the aggregate of all components is a key indicator of Costa's overall sales and marketing performance.

Investors should note that Transacted Sales are presented for the purposes described above and are not considered by Costa to be a revenue measure. There are material differences between the calculation of Transacted Sales and the way in which revenue is determined under AAS, including that, under AAS:

- the invoiced value of agency sales is excluded from revenue with only the commission associated with the agency sales recognised as revenue;
- joint ventures are accounted for under the equity method, with only Costa's share of the joint venture NPAT recognised in the statement of profit or loss; and
- royalty income is recognised as other income in the statement of profit or loss.