



# FOLEY FAMILY WINES

7 August 2018

## **Foley Family Wines & Lion extend strategic partnership**

Foley Family Wines Limited (**FFW**) announces it has entered into a strategic partnership with Lion – Beer, Spirits & Wine (NZ) Limited, effective October 1st, 2018.

In May FFW announced Lion (who currently distributes Mt Difficulty) will take a 3.7% shareholding in FFW as part of the acquisition by FFW of Mt Difficulty.

As part of this strategic partnership, Lion (who currently distributes the Martinborough Vineyards and Russian Jack brands for FFW) will now distribute the wider FFW portfolio - taking on brands such as Vavasour, Te Kairanga and Dashwood.

The signing of the distribution agreement now means that the only substantive condition to Lion's investment in FFW is satisfaction of the remaining conditions to the Mt Difficulty transaction, the key one of which is obtaining the Overseas Investment Office (OIO) approval. FFW advises that its application is still being reviewed by the OIO. In the event that OIO consent was not granted or the other conditions to the Mt Difficulty transaction are not satisfied, Lion will not subscribe for the FFW shares and the distribution of Mt Difficulty brands will simply be excluded from the agreement.

Mark Turnbull, CEO Foley Family Wines, says, "We have made the decision to consolidate our distribution and work predominately with one partner going forward. We have a great relationship with Lion already and they've done an excellent job growing distribution of Mt Difficulty and Martinborough Vineyards. With Lion's strong networks and experience in building brands, we believe they're ideally placed to help us achieve our growth ambitions and cement our future in the NZ market."

Rory Glass, Lion New Zealand's Managing Director, says, "We're really looking forward to expanding our partnership with FFW. They have a world-class portfolio of wines that complement our existing range nicely and will help us deliver on our growth ambitions in the premium wine segment."

Authorised for public release.

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