



FOLEY FAMILY WINES

23 August 2018

Foley Family Wines Reports a Year of Significant Progress

Foley Family Wines Limited (FFW) announces a Profit for the period after income tax of \$1,805,000 on sales revenue of \$38,084,000 for the Group for the year ended 30 June 2018.

Highlights:

Case sales 471,000 (up 21%)

Bottled sales revenue \$38,084,000 (up 25.2%)

Operating cash flow \$7,175,000 (up 104.8%)

Mt Difficulty acquisition conditionally approved (OIO approval pending)

Strategic Partnership with Lion announced.

Chief Executive Officer of FFW, Mr Mark Turnbull, said:

“The 2018 year has been a year of significant progress for FFW recording an operating profit before revaluations and income tax (“operating earnings”) of \$2,752,000, compared with \$4,979,000 for the previous financial year. Excluding the effect of non-recurring revenue and expenses from each financial year this would have been \$2,180,000 this year vs \$1,431,000 last year, representing a 52.3% increase.”

“In terms of bottled wine case sales, these increased from 389,000 last year to 471,000 this year, a 21% increase, with New Zealand and Australia having stand out results. It’s been very apparent that the quality of the FFW wine and tremendous wine accolades have been a driving force in this growth.”

“FFW’s focus now is to grow value commensurate with the quality of the wine. To address this, Lion will become the dominant distributor for FFW and will implement new strategies in New Zealand. This will have a material impact on profitability in the New Zealand market and FFW overall for future years.”

“Last year FFW stated that it intended to actively seek out a new acquisition. The directors firmly believe the acquisition of Mt Difficulty will strengthen FFW’s position as New Zealand’s foremost wine groups in the premium segment. The quality of the wine produced across the portfolio will set us apart from competitors.”

“FFW is well placed to satisfy the most discerning retailers and restaurateurs in any market. In addition, having the ability to manage all brands from a central point from a logistics perspective has received very positive feedback.”

The Directors have resolved to maintain a final fully imputed dividend of 3 cents per share.

The Annual Shareholders’ Meeting of FFW will be held in Wellington this year. Further details will be provided in due course.

Authorised for public release.

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