



SIX MONTHS OF DELIVERING ON PROMISES

WEDNESDAY, FEBRUARY 27 2019 – The Foley Wines Limited (FWL) Half Yearly Report to December 31 2018, published to the New Zealand Stock Exchange today, represents another period of significant progress.

HIGHLIGHTS

- Bottled sales revenue \$21.1m ↑13.8%
- Operating earnings \$2.387m ↑145.8%
- Export Cases 210,000 dozen ↑46.8%
- Profit for period after tax \$1.672m ↑461%
- Operating cash flow \$4.936m ↑17.2%
- Completion of Mt Difficulty purchase on 3 January 2019
- Lion NZ Ltd subscribed for shares in FWL

Mark Turnbull, Foley Wines CEO said, “It’s satisfying to have delivered on our promises; the purchase of Mt Difficulty, entering into a long term strategic partnership with Lion, and moving to the NZX main board.”

“The NZX listing enables New Zealanders to participate in our business moving forward, which has been Bill Foley’s intention since he began investing here.”

Packaged exports were up 46.8% with strong growth in Australia, the USA & Canada, and the UK & Europe. This compared very favourably to recently published data from New Zealand Wine Growers indicating that packaged wine export volumes for the industry declined by 0.5%.

“It is particularly pleasing to see our relationships with trading partners in key markets continue to gain strength. Increasingly these customers want to reduce the number of suppliers they deal with, so having one point of contact for such a diverse, high quality portfolio across three acclaimed regions offers real value,” said Turnbull.

“Export growth is a key criteria for gaining overseas investment approvals and clearly we’re well on our way to delivering this objective.”

Bill Foley, Chairman of Foley Wines said, “We now have a world-class portfolio of wines from New Zealand. Over the past 12 months my team here in the USA has made some real progress and we are focused on taking the New Zealand brands to a new level. We are taking on two dedicated personnel in the USA to support our New Zealand growth strategy in addition to the over 150 sales staff I have already in the USA”.

New Zealand performance is in line with expectations as a new pricing and promotional strategy is implemented with Lion New Zealand. While New Zealand volume has decreased by 25% for the first six months, margin per case from New Zealand sales is up 100%.

Turnbull said, “The partnership with Lion is a critical component of our growth strategy in New Zealand. The initial period of the partnership is 10 years which enables us to work together to formulate a long-term strategy of building our brands in New Zealand.”

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- NOTES TO EDITORS -

About Foley Wines

Foley Wines is a collection of iconic wineries and brands from New Zealand’s most acclaimed wine regions. Each with a unique story of New Zealand to tell, our wineries are linked by a common unrelenting purpose; to make great wine that people love to drink around the world – Made by Land & Hand.

Foley Wines is proud custodian of Martinborough Vineyard, Te Kairanga, Grove Mill, Vavasour, Mt Difficulty and Lighthouse Gin.