



CONTINUED MOMENTUM DESPITE GLOBAL HEADWINDS

THURSDAY, AUGUST 27 2020 – Foley Wines announces another record year and genuine progress despite global headwinds in the Company’s Annual Report to June 2020, published to the New Zealand Stock Exchange today.

HIGHLIGHTS

Bottled sales revenue \$49,951,000 (up 13.4%)

Operating earnings \$7,750,000 (up 53.2%)

Reported profit after tax \$6,921,000 (up 96.7%)

Dividend of 3 cents per share fully imputed declared

Foley Wines CEO Mark Turnbull said, “2020 has been a year of significant progress, but one which was also impacted by Covid-19. Despite global headwinds, the strategy has been one of continued premiumisation, which continues to gain traction in our key markets.”

Although the global situation had significant implications, the business continues to make genuine progress. “Thankfully we were able to successfully complete harvest during alert level 4 under strict conditions. However, our portfolio of premium brands is served in restaurants (on-premise) and airlines around the world and these sectors have been hit hard. While case sales were up 2% for the year, case sales for the final quarter were down approximately 27,000 cases compared to the prior year. The business was also able to retain all staff during the global crisis. “Like many businesses we were eligible for the wage subsidy. This enabled us to retain all staff across the Company and no staff have lost their jobs. This means we were able to quickly reopen both the cellar doors and also the restaurant at Mt Difficulty to a 7 day a week operation,” said Turnbull

“However, this doesn’t reflect the positive momentum the business is gaining on the sales front as all markets were performing well prior to the disruption of Covid-19. We are confident that with the foundations laid over the last 12 months will underpin the future growth of the company” said Turnbull.

The business secured significant new routes to market in Australia and Asia during the year in line with its premiumisation strategy. “Our intention is to focus on channels that want brands, and this is very much a value over volume play. As outlined in 2019, the value of the Company’s portfolio and centralised business model is creating significant opportunities with retailers and importers seeking premium brands and streamlined procurement. It is fundamental we keep to this course and continue to build our brands, underpinned by high quality winemaking,” said Turnbull.

The business’s sustainability credentials are also drawing the attention of retailers around the world. “We’ve seen events during the year, including the bushfires in Australia, propel environmental issues even further into the forefront of consumers’ minds. The use of recycled glass from New Zealand, the use of solar, recycled paper stocks are tangible examples of what we’re doing to safeguard our environment,” said Turnbull.

Earlier in the year, the company announced that it would be building a new restaurant, cellar door, distillery and barrel facility in Martinborough. These plans are well advance with construction planned to start in November with a planned opening date of December 2021.

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Authorised for public release.

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Notes to Editors:

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.

Our ambition is to be New Zealand's most revered wine group through the ownership of iconic wineries in New Zealand's most acclaimed regions, inspiring the most discerning retailers and restaurants around the world.

Established in 1988 as Grove Mill Wine Company Ltd, the company merged with Foley Family Wines NZ Limited in September 2012. The Company listed on the NZAX Board of the NZ Stock Exchange when this was first established in November 2003 and migrated to the NZX Main Board and changed its name to Foley Wines Limited (ticker code FWL) on 3 December 2018.

Foley Wines' major shareholder is Bill Foley who is a major investor in the US wine industry. His company Foley Family Inc. is a Top 20 wine company in the US, owning 17 wineries with over 150 dedicated sales personnel in the US market.

Foley Wines wholly owns Martinborough Vineyard and Te Kairanga and the Lighthouse Gin brand in Martinborough, Grove Mill and Vavasour in Marlborough, and Mt Difficulty in Central Otago.