



# FOLEY FAMILY WINES

24 October 2018

## **Foley Family Wines Limited (FFW) Mt Difficulty Acquisition Update**

Foley Family Wines Limited [NZX: FFW] refers to its previous announcements in connection with the agreement in principle reached with Mt Difficulty Wines Limited (MDW) to extend the time period for FFW to obtain OIO approval for its purchase of the Mt Difficulty Wines business, and FFW's commitment to the expansion of Mt Difficulty Wines' cellar door and restaurant as part of the deal to buy MDW's business.

FFW now advises that, as a result of the above, FFW and MDW have now agreed to amend the sale and purchase agreement signed for the purchase of the Mt Difficulty Wines business in November 2017.

Under the terms of the amendment, the purchase price is reduced to \$52m, provided that if the total cost to FFW of the cellar door and restaurant expansion (exclusive of GST) is less than \$3m, FFW will pay, as an adjustment to the purchase price, the difference to MDW. Any adjustment payment would be due when the expansion has been completed and is operational.

### **Strong First Quarter Sales**

FFW total case sales were up 34% to 129,000 for the quarter compared with 96,000 for the same period last year. Bottled sales revenue was up 40% to \$10,901,000 for the quarter compared with \$7,771,000 for the same period last year.

Mark Turnbull, CEO Foley Family Wines said "It's been a strong first quarter when compared with the recent industry data which showed a 1% decline in packaged wine for the 12 months end July 2018. We continue to see significant interest in our entire portfolio internationally and clearly the quality of our wine is extremely appealing to consumers around the world."

Authorised for public release.

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