



MARLBOROUGH WINE ESTATES GROUP LIMITED (NXT: MWE) – NXT Market Announcement

Date: 30 August 2017

MWE Interim Update

The Marlborough Wines Estate Group Limited (MWE) board is pleased to advise that in accordance with the NXT Market Rules it has undertaken an annual review of the group's Key Operating Milestones (KOM's) including setting targets for the financial year ending 30th June 2018.

As part of the review, and after consulting with its NXT Advisor, the board has determined that it has one KOM, being International Bottled Wine Sales, that it considers no longer meets the NXT standard.

As discussed in MWE's July Business Update there has been a softening in demand for premium wine in its key export market of China which directly affects this KOM. At the same time however there has been increased international interest for bulk wine produced by MWE. Accordingly for the current financial year, MWE is expecting an increase in international bulk wine revenue from the last financial year. Given this expected change in revenue composition, the board's preliminary view is that the KOM for international bottled wine sales revenue should be restated to include revenue from all international wine sales, being either bottled wine or bulk wine, to ensure that the KOM captures what is likely to be a material revenue stream.

Bottled wine sales provide a higher profit margin for MWE than bulk wine sales and bottled wine sales will therefore remain a key focus for MWE. However, while bottled wine demand remains soft in MWE's key Chinese market, which is expected to continue for the current financial year, bulk wine sales will be an important source of revenue for MWE.

In accordance with the NXT Market Rules, MWE will now engage with NZX with respect to formally restating this KOM and subject to that process expects to update the market within the next 10 business days.

The Board considers that MWE's other three KOMs continue to meet the NXT standard and will shortly advise the market of the new targets for these KOM's.

FURTHER INFORMATION REGARDING KOMS

All NXT companies are required to set Key Operating Milestones (KOMs) and targets and must report against those targets on an ongoing quarterly basis. A KOM is a metric for measuring and reporting on the performance of MWE. The KOMs must meet the NXT standard. This means that the KOMs when taken together, address the most significant factors by which the performance of MWE's business should be assessed and monitored and will result in understandable reporting for investors.

Future Events

Event	Date
Full Year Preliminary Result Due	31/08/2017
Annual KOM Review and Targets Due	31/08/2017
Annual Report Due	30/09/2017
FY18 1st Quarter Business Update Due	30/10/2017
Annual Meeting Scheduled	December 2017

ENDS

MWE

Authority for this announcement

Name of senior manager or director authorised to make this announcement:	Catherine Ma
Contact phone number:	09 215 6650
Contact email address:	catherine.ma@otuwines.com
Date of release:	30 August 2017

Marlborough Wine Estates Group Limited's shares can be traded on the NXT Market. Marlborough Wine Estates Group Limited is required to disclose information under the NXT Market Rules. Information about the NXT Market and the NXT company is available here www.nxt.co.nz.