MARLBOROUGH WINE ESTATES

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

Date: 3 September 2018

MWE Key Operating Milestones

The Board of Marlborough Wines Estate Group Limited (MWE), in accordance with the NXT Market Rules, has completed a review of the Company's Key Operating Milestones (KOMs) and wishes to advise it has set the following KOM targets for the year ended June 30 2019 (FY19) as outlined in the table below:

Key Operating Milestones	Full year FY19 Targets
Gross Harvest (tonnes)	1,800
Bulk Grape Sales (tonnes)	1,200
International Wine sales revenue	$1,500,000
New Zealand Bottled Wine sales revenue	$610,000

In the directors' opinion, MWE's KOMs, taken together, address the most significant factors by which the performance of MWE's group's business should be assessed and monitored and will result in understandable reporting for investors and therefore meet the NXT standard.

Name of director: Jack Zhong Yin

Signature:

Name of director: Songyuan Huang

Signature:

Commentary regarding KOMs

Gross Harvest:

MWE is forecasting a small lift in Gross Harvest volumes for the FY19 year to 1,800 tonnes, up from 1,784 tonnes for the June 30 2018 financial year (FY18).

Gross Harvest is an annual measurement of grape production from the vineyards and shows the vineyards growth and grape supply capacity. Harvest yields are expected to increase from the existing vines until they mature. The importance of increased gross harvest is to meet bottled wine sales growth. In particular, it demonstrates the ability of MWE to meet growth in sales without a need to reduce or cease bulk grape sales in the short term.

Gross Harvest is a seasonal metric which is normally reported in the last quarter of the financial year (April to June) following the annual harvest of the grapes.

Bulk Grape Sales:

Grape supply agreements have been signed to supply bulk grapes from certain vineyard blocks but MWE is expecting bulk grape sales to fall to 1,200 tonnes in FY19 compared with 1,306 tonnes in FY18 as the business looks to allocate more grapes to its own production to supply its international and domestic bottled and bulk wine markets.

Due to increased operating efficiency and vine maturity, MWE expects a lift in gross harvest volumes as outlined in the Gross Harvest KOM. The Bulk Grape Sales measurement shows the bulk grape allocation of the total harvest under the first KOM (Gross Harvest) with the remaining harvest being processed for bottled wine and bulk wine sales. MWE's key strategy is to significantly increase exports of bottled wine that will be supported over time by more allocation of grapes to bottled wine processing.

International Wine Sales:
MWE slightly exceeded the reset international bottled wine sales target of $1.3m in FY18 and is forecasting a lift to $1.5m for FY19. The premium wine market in China has slowed and MWE is working with its distributor to improve its competitiveness by improving its pricing strategy and product range. MWE is also looking for other channels in the China market to expand its presence.

MWE started exporting to many new markets in FY18, including Taiwan, UK, Australia and Finland and the Company will continue to focus on opening up new markets and improving sales in its existing export markets in FY19.

MWE has also extended the bulk wine contracts with a large US importer. These bulk wine sales will improve MWE's cash flow in the short term and support MWE building and establishing relationships in the international markets.

New Zealand Bottled Wine Sales:
New Zealand Bottled Wine sales revenue grew strongly in the last financial year and MWE expects a further good growth in sales in FY19 to $610,000 (up from $340,000 in FY18).

MWE launched its products in the Lower North Island region and South Island near the end of FY18. With the new markets and the new products, and increased promotion, MWE is expecting to grow its market share and sales further in New Zealand in FY19.

FURTHER INFORMATION REGARDING KOMS

All NXT companies are required to set 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	31/08/2018
Annual Report Due	30/09/2018
FY19 1st Quarter Business Update Due	30/10/2018
Annual General Meeting Scheduled	December 2018

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Authority for this announcement

Name of senior manager or director authorised to make this announcement:	Catherine Ma
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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.