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Moa Group Limited

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MOA GROUP LIMITED: MOA REGAINS MOMENTUM

Moa Group Limited (NZX: MOA) today releases its audited financial results for the year ended 31 March 2014.

After changes in distribution models in both New Zealand and Australia, Moa increased its sales volume from 40,000 9LE cases in the first six months to 96,300 9LE cases in the second six months. Notwithstanding seasonality factors this increase demonstrates the company has regained its sales momentum.

Revenue was \$1.4m and \$3.2m respectively for the two half year periods. Gross profit improved from \$195k in the first six months to \$597k in the second half which represents an improvement from 13.6% to 18.9%. The company plans to improve this further with increased efficiencies gained from production scale and purchasing power improvement. The company's recent announcement regarding the McCashin's Brewery long-term contract brewing agreement is part of this.

Revenue for the full year was \$4.6m with a loss before tax of \$5.8m. This is within the guidance previously given to the market of \$5.0m to \$6.0m, as the company invests in high growth here and in its export markets.

Moa CEO, Geoff Ross states "The first six months were particularly negative for the company across all measures. However changes made have us back on the right track, with a particularly motivated and confident team in the market – getting the required results."

Moa cash reserves as at 31 March 2014 were \$4.1m. Chairman Grant Baker advises "The major shareholders have given their commitment to provide financial support to the extent required to enable the company to continue its growth plans and capitalise on opportunities. The company is looking at a range of financing alternatives and timing and we will keep the market abreast of plans as soon as they are finalised."

Ross adds "The beer market is changing rapidly both here and in Australia. Moa is now the fastest growing of the top five craft beers in New Zealand; and now the largest New Zealand-owned beer brand. It is important we push hard with this momentum, continue to invest here and in our export markets to become a brewer of scale, and become a 'must stock brand with clout.' There is a race on to become the dominant craft player, with data confirming we are now moving the fastest."



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The appeals to Moa's resource consents for expanding its Marlborough Brewery have significantly delayed production expansion plans resulting in our decision to enter into a long-term contract brewing agreement with McCashin's Brewery in Nelson. This accesses significant brewing capability to add to our arsenal, particularly for the high volume brands, allowing us to position our own brewery for the production of the specialty high margin beers. Ross states "In short this gets us the efficiencies of scale without significant capital investment. The market opportunity is huge and this gives us the capacity to realise that opportunity."

All export markets are also in growth. The company sees a major opportunity in Australia, where its recent collaboration with Shane Warne has the brand partnered with major national retailers.

For enquiries please contact:

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