

## MOA STRATEGY DELIVERS GROWTH IN REVENUE AND MARGIN.

Moa Group Limited (NZX:MOA) today gives a market update and releases its result for the six months to 30 September 2016.

MOA's strategy to build value through stronger margin is demonstrated as both revenue and margin growth drives significant improvements to MOA's bottom line in 2016, compared to 2015. 'The strategy to build greater value and take MOA through to profit is being executed and we have confidence it will continue' says MOA CEO, Geoff Ross.

Key Results for the half year :

- Revenue of \$3.73M - up 13% from the same period last year
- Gross Profit is \$1.1M - up 20% from the same period last year
- Bottom Line loss of \$1.2M is an improvement of 27.1% over the same period last year.

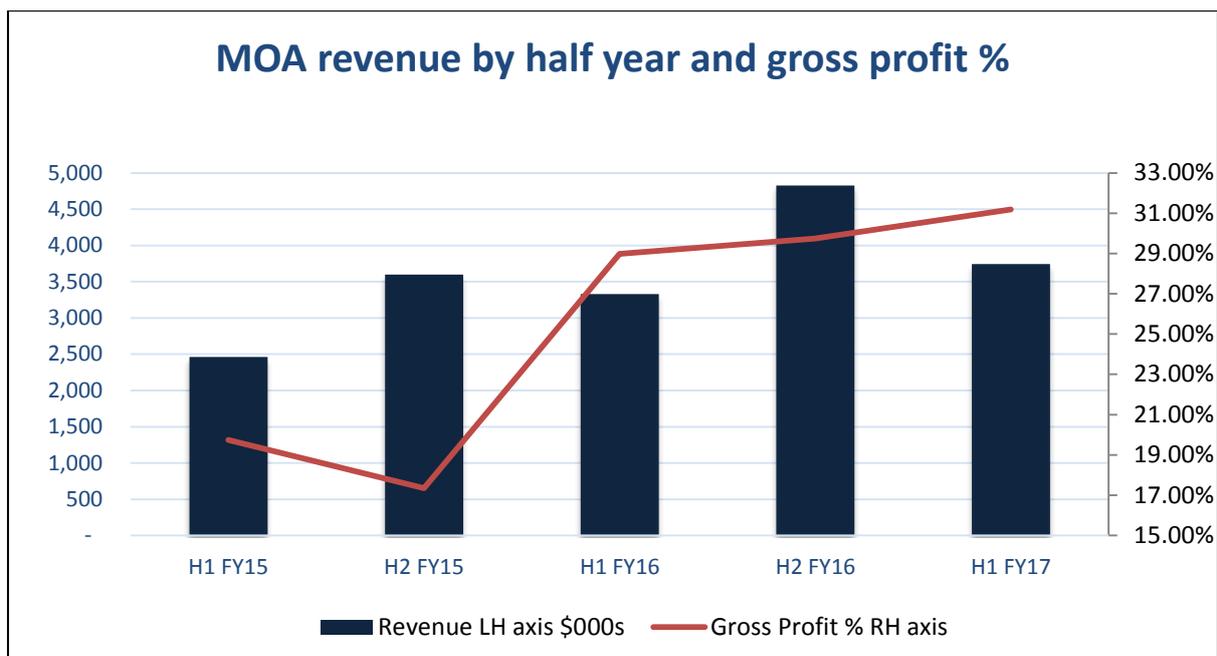
The New Zealand market remains the Company's focus. MOA is the number three player in the growing New Zealand Craft Beer market according to recent AC Nielsen Grocery data (*AC Nielsen NZ Premium Craft Beer – Total NZ Supermarket data 30 October 2016*). MOA is the largest New Zealand owned beer brand and continues to grow. Key measures in the home market include;

Metric	6 months to September		Improvement
	2015	2016	
NZ Volume (Litres)	801,936	923,904	15.2%
NZ Revenue (\$M)	2.54	3.32	30.7%
NZ Gross Profit (\$M)	0.72	0.93	29.3%

Table1 MOA - Key NZ metrics first half 2015 & 2016

Revenue growth in the New Zealand market for the period was 30.7% and MOA is looking forward to its traditionally busier second half, which includes the summer months. These growth trends are expected to continue through the second half of the financial year as MOA launches its new Reserve 6-pack range and achieves nationwide ranging of MOA's Pale Ale Cans. They will be further boosted by the distribution of Wellington brewer ParrotDog's products, which MOA started in October.

Total volume sold in the same period last year included a large one off promotion to the Dan Murphys chain in Australia. Whilst this level of in-selling wasn't repeated this year, the promotion set a solid base for ongoing sales through Dan Murphys in Australia.



MOA also reduced costs by 11% during the period. The enclosed financials show expenses falling from \$2.7 million for the six months to September 2015 to \$2.4 million in the equivalent period this financial year. Geoff Ross anticipates the Company will be able to further build revenue and margin while maintaining a similar cost base.

The Company received support from two New Zealand Institutions in September this year who accepted placement offers for new shares. The Company offered a 1 for 30 rights issue to shareholders on the same terms. MOA is now in a position to consider partnerships and acquisitions as it moves to cement its position in the New Zealand Craft Beer landscape in 2017.

The company continues to brew at its own facility in Blenheim and also with a contract brewing partner in Nelson. Our brewery sustained very minor damage in recent earthquakes and thankfully, production at both facilities has not been disrupted.

For more information contact ....Geoff Ross, CEO 021 424 219