

**MARKET RELEASE**

28 September 2018

**Cavalier Corporation finalises sale of wool scouring business**

Further to Cavalier Corporation Limited's (NZX: CAV) announcement on 27 September 2018, Cavalier advises that it has now entered into agreements to sell its 27.5% shareholding in its wool scouring business, Cavalier Wool Holdings Limited (CWH) and the property held by 50% owned CWS Assets Limited which has been leased to CWH, for approximately \$13.5 million, to Woolscour Holdings Limited.

The sale of the shares in CWH, which were held by Cavalier Bremworth Limited, Cavalier's wholly-owned subsidiary, settled earlier today. Settlement of the land sale is expected to take place later today or on Monday.

At the same time, Cavalier has also entered into a long-term scouring agreement with CWH to secure its ongoing access to wool scouring services on arm's length commercial terms.

Cavalier Chairman, Alan Clarke, commented: "As previously advised, the sale proceeds will significantly reduce our debt and strengthen our balance sheet, enabling us to explore investments in our core business of manufacturing and marketing high end carpet solutions.

"Cavalier has redefined its focus – to be a marketer of carpets, not simply a manufacturer – and the Board is confident the company is on track to realise long-term sustainable growth, with improving margins and quality earnings."

A waiver to Listing Rule 9.2.1 was sought and granted by the NZX in relation to this transaction.

ENDS

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