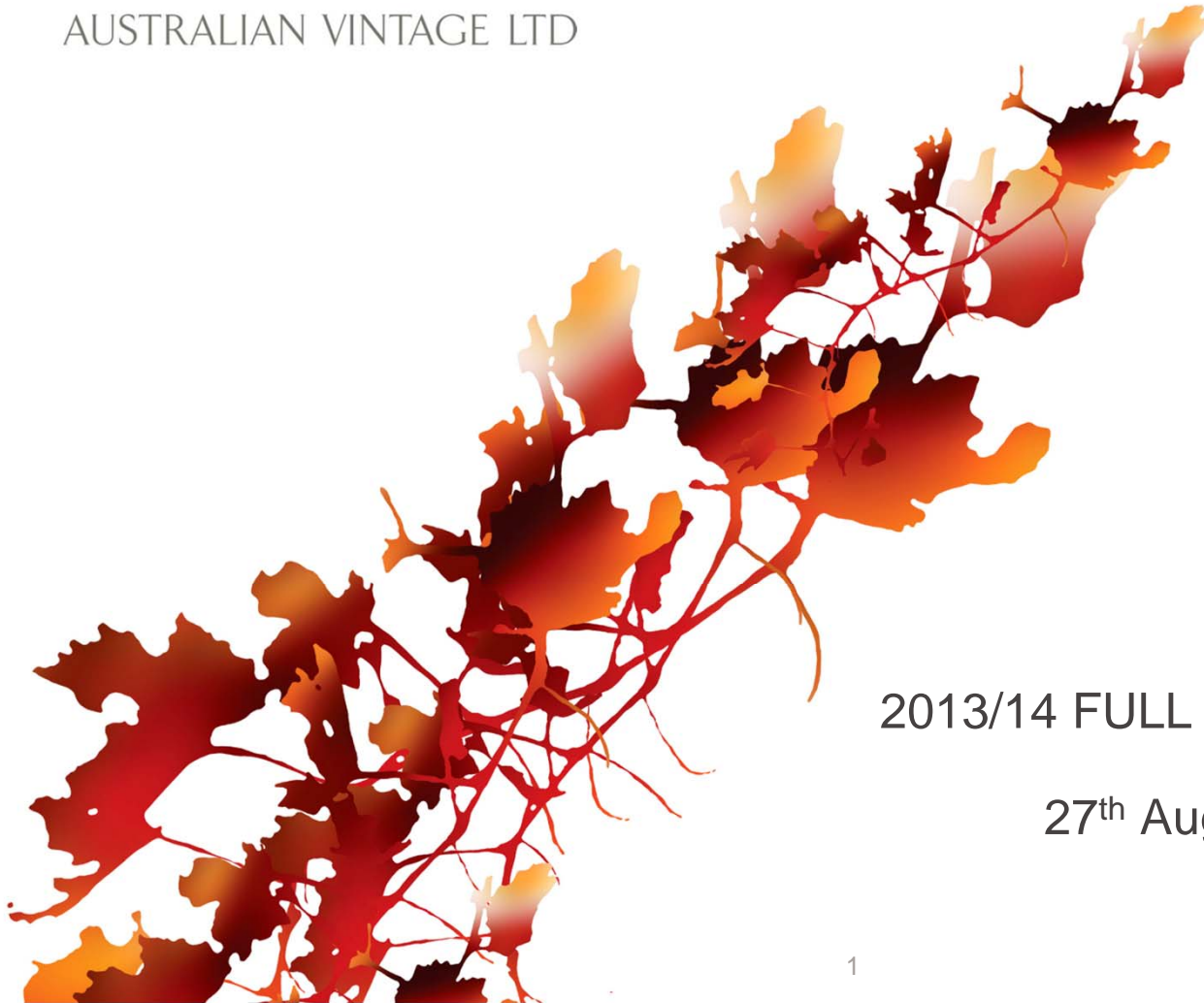




AUSTRALIAN VINTAGE LTD



2013/14 FULL YEAR RESULTS

27th August 2014

Disclaimer

The information in this presentation is general advice, given in good faith and derived from sources believed to be accurate at this date but no warranty of accuracy or reliability is given and no responsibility arising in any other way including by reason of negligence for errors or omissions herein is accepted by Australian Vintage Ltd.

Before making an investment in Australian Vintage, the investor or prospective investor should consider whether such an investment is appropriate to their particular investments needs, objectives and financial circumstances.



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AUSTRALIAN VINTAGE LTD



TOP LINE RESULT

Australian Vintage Grows Profit

1. Net Profit increased by 49% to \$10.5 million in difficult trading conditions.
2. Fully franked dividend at 2.2 cents per share.
3. A smaller vintage at 124,000 tonnes compared to 153,000 tonnes in 2013 resulting in an increase in our 2014 average cost per litre.
4. EBIT of \$23.8 million compared to \$24.1 million last year.
5. Net Debt of \$111.8 million compared to \$142.1 million at June 2013.
6. Gearing (net debt to equity) at 39% compared to 59% as at June 2013.



Strong growth in Branded Sales

1. Total revenue up 3% to \$214.8 million due mainly to the ongoing improvement in branded sales offset by reduced bulk wine sales and reduced contract processing.
2. Australasia/North America packaged sales up 11% to \$88.9 million with Australian bottled sales up 15% and low margin cask sales up 2%.
3. UK/Europe sales were marginally down \$1.3 million or 1%. Bottled sales were in line with last year and low margin private label sales were down 56%.
4. Australasia/North America bulk wine revenue was down \$2.5 million due to reduced bulk wine sales and lower processing tonnes.
5. In terms of Branded Sales, sales of the McGuigan brand grew by 11% and Tempus Two by 12%. Nepenthe sales declined by 9% after a 18% growth in FY13.



Highlights and Key Points

1. The Australasia/North America segment contribution increased by 53% to \$8.0 million due to a significant increase in the sales of McGuigan branded product. McGuigan branded sales are up 25% in Australia.
2. The UK/Europe segment contribution improved by 17% to \$3.9 million. The contribution from bottled sales increased by 97% or \$2.9 million. However, most of this was eroded by loss making bulk sales.
3. The Cellar Door segment continued to improve with contribution up by 71% to \$1.2 million on the back of increased investment and focus.
4. The Australasia/North America bulk wine and processing segment contribution decreased by \$4.6 million due to reduced profitable bulk wine sales and reduced margin on contract processing.
5. Gearing reduced from 59% to 39% due to the recent capital raising. Cash Flow from operating activities was negative \$3.6 million, an improvement of \$0.7 million on last year. Working Capital increased by \$17.8 million due to additional inventory.
6. Bank facility extended 3 years to October 2017 reflecting our banks confidence in the business.



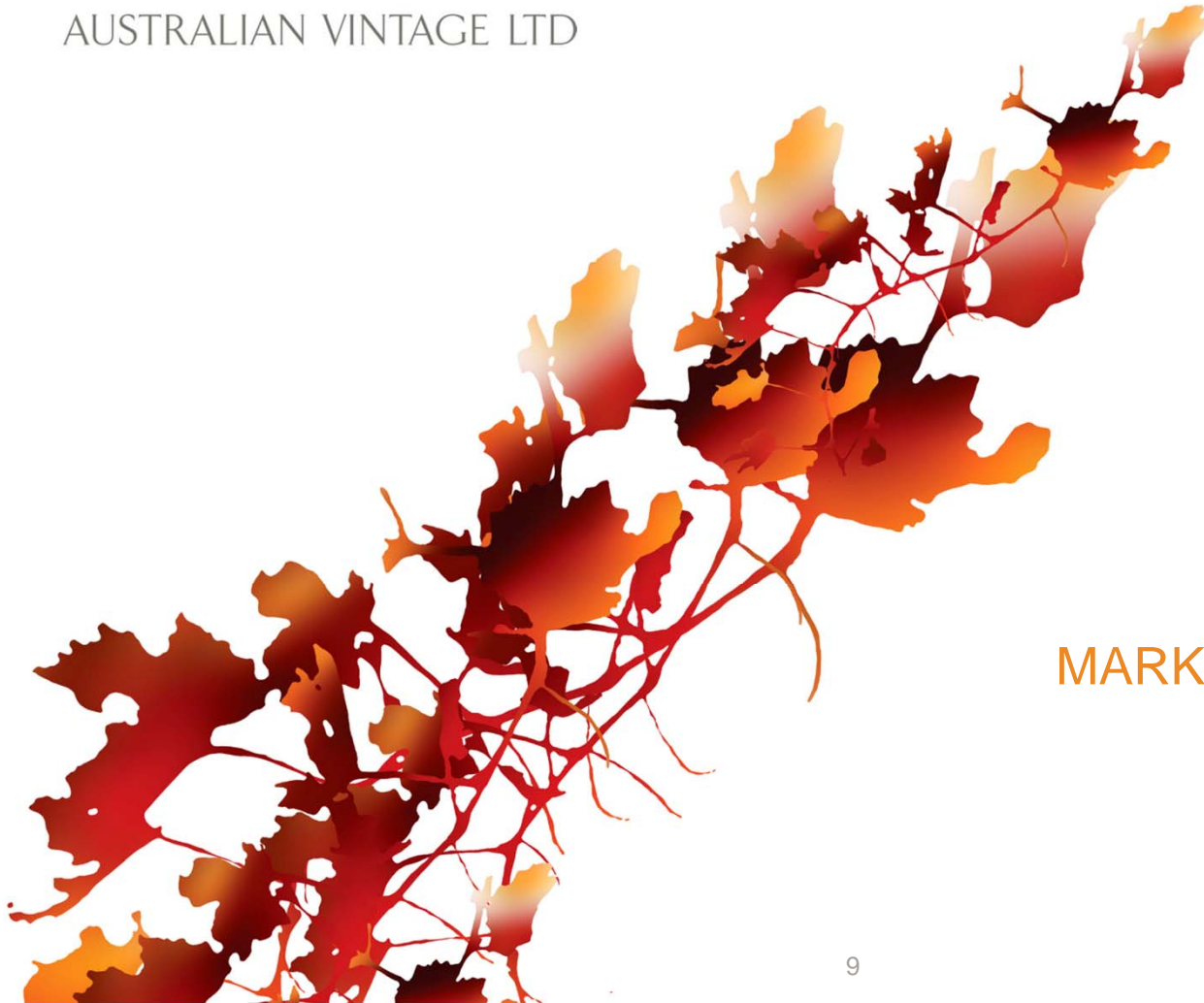
Highlights and Key Points (continued)

7. Signed a long term, strategic China – wide distribution agreement with COFCO Wine & Spirits Co Ltd – a subsidiary of China’s largest food processing, manufacturing and trader, COFCO.
8. Signed contracts for the sale of the Yaldara Winery. This sale will further allow us to reduce our cost base whilst still providing the quality wine we are known for.





AUSTRALIAN VINTAGE LTD



MARKET OVERVIEW

Market Conditions

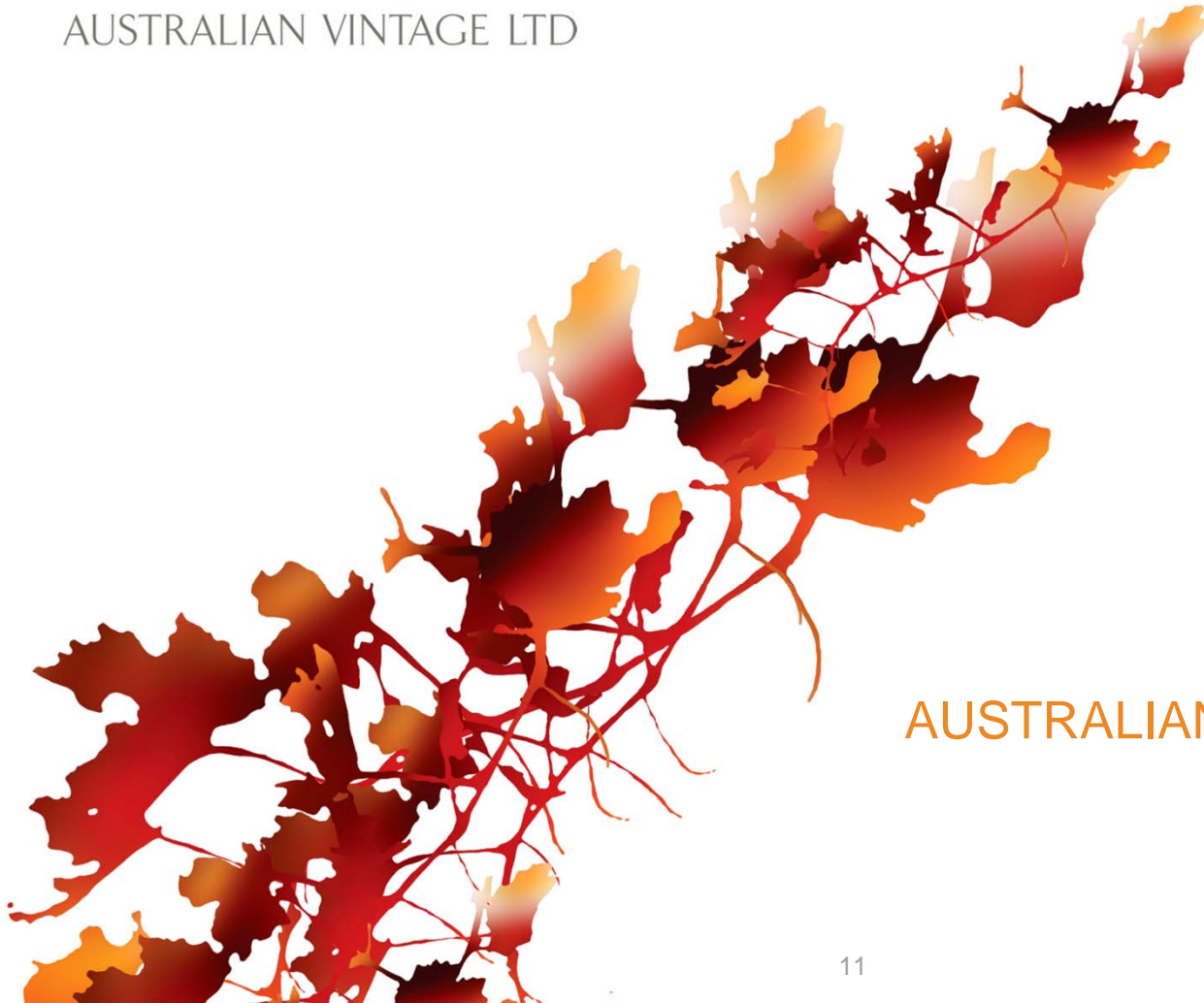
Global conditions remain challenging:-

1. In the year ended June 2014 total Australian wine exports declined by 2% to 684 million litres valued at \$1.8 billion (Australian Grape and Wine Authority – Wine Export Approval Report).
2. Recent duty increases in Ireland have resulted in wine sales dropping by up to 10% (Irish Independent 24th December 2013). It is only in the last 3 to 4 months that we have seen sales getting close to normal.
3. The US produced large vintages in 2013 and 2012 which resulted in a 15% decline in the export of Australian Wine (Australian Grape and Wine Authority).
4. Wine inventories in Europe have rebounded as both Italy and Spain have had significant vintages in 2013. Spain's production was up by almost 40% compared to the previous year. France bucked the trend with another below average vintage.
5. The Australian dollar has weakened against the USD and GBP. This has helped margins and will provide for more sales opportunities in the future.





AUSTRALIAN VINTAGE LTD



AUSTRALIAN WINE INDUSTRY

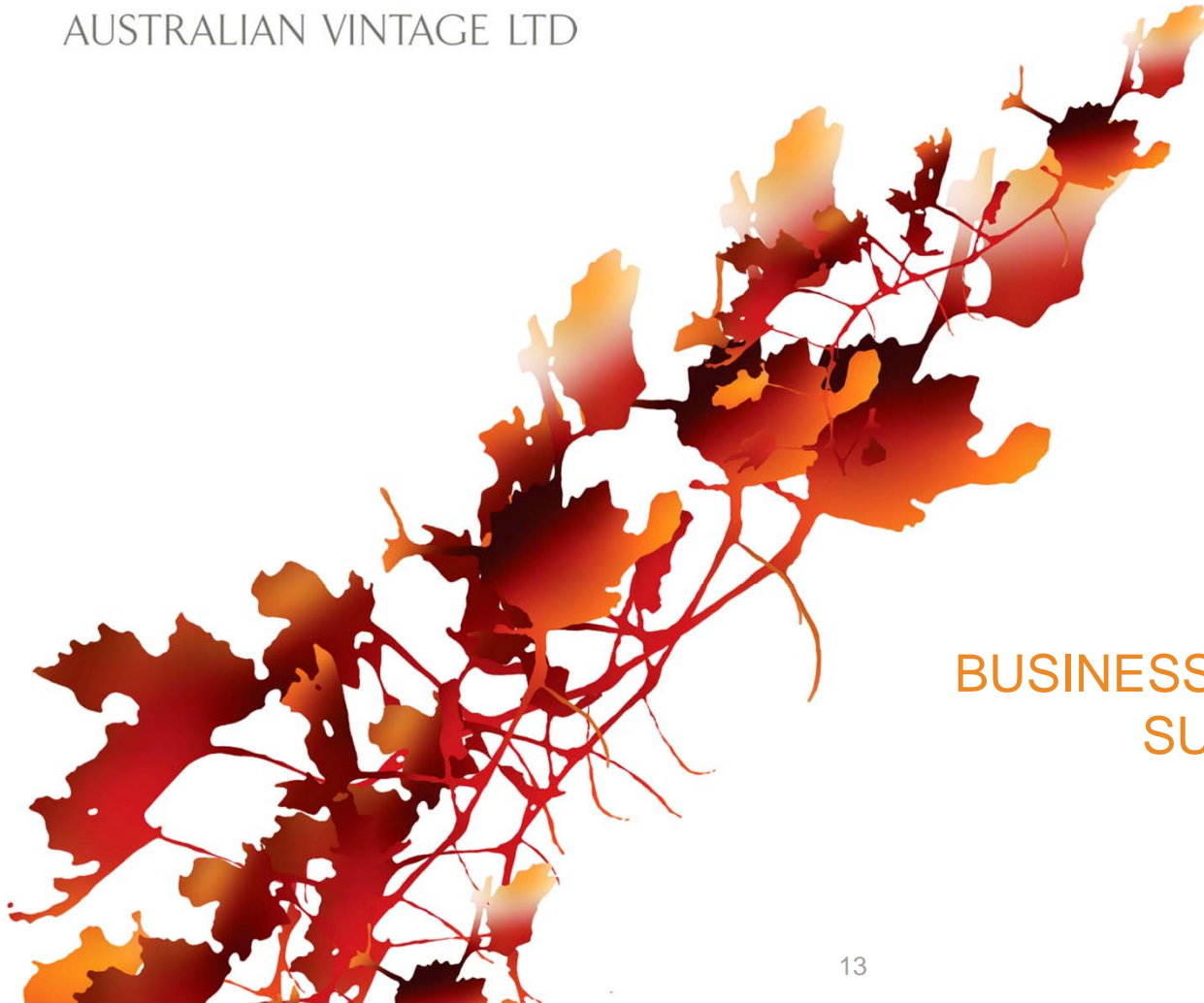
Australian Wine Industry

1. Vintage 2014 - The wine quality from dry land vineyards is outstanding and the quality from irrigated regions is equal to the outstanding 2013 vintage.
2. The Australian industry crush is expected to be less than the 1.83 million tonnes in 2013. Vintage 2014 has produced low yields in certain grape growing regions due to significant frost events late last year.
3. For the total domestic market, wine sales have increased by 12% to 607.7 million litres. Sales of Australian wine was relatively flat at 455.3 million litres with the balance of 152.4 million litres representing imported wine. Imported wine volumes increased by 78% or 67.0 million litres (Wine Sales in Australia – Quarterly Report: March 2014 prepared by the Winemakers' Federation of Australia).
4. The Australian dollar has weakened against the USD and GBP. This has helped export margins but overall volumes have declined.





AUSTRALIAN VINTAGE LTD



BUSINESS AND RESULTS SUMMARY

Australian Vintage Limited

Results Summary (\$'000)

	12 months to		Change	
	30/06/14	30/06/13	\$'000	%
Australasia / North America Packaged	7,956	5,214	2,742	53
UK / Europe	3,903	3,350	553	17
Cellar Door	1,213	708	505	71
Australasia / North America bulk and processing	3,384	8,000	(4,616)	(58)
Vineyards	3,237	3,485	(248)	(7)
Total	19,693	20,757	(1,064)	(5)
Finance costs	(9,139)	(13,910)	4,771	(34)
Interest received	447	312	135	43
Profit Before Tax	11,001	7,159	3,842	54
Tax	(3,331)	(2,144)	(1,187)	(55)
Net Profit	7,670	5,015	2,655	53
Impairment of water licences		(901)	901	(100)
Adjustment to provision for onerous contracts <i>(note)</i>	4,106	4,223	(117)	(3)
Tax	(1,232)	(1,267)	35	(3)
Total impairment and provision for onerous contracts adjustments	2,874	2,055	819	40
Total Net Profit	10,544	7,070	3,474	49
EBIT before impairment and provision for onerous contracts adjustment	19,693	20,757	(1,064)	(5)
EBIT after impairment and provision for onerous contracts adjustment	23,799	24,079	(280)	(1)



Australian Vintage Limited – Business & Results Summary

1. Branded Sales

During the 12 month period to June 2014, sales of the McGuigan brand grew by 25% in the domestic market and 4% in the UK/Europe market.

The McGuigan Brand continues to be well received in the UK market and stands as the 6th biggest selling still wine in that market. (The Grocer 21 December 2013 – The Grocer’s Top products Survey 2013 up from 7th last year).

The Tempus Two brand continued its growth in the domestic and export market. Total sales increased by 12% during the 12 month period.

2. Australasia / North America Packaged

This segment provided a contribution of \$8.0 million compared to \$5.2 million in the prior period.

The significant increase in McGuigan branded sales in the domestic market was the main contributing factor in the improved result.

The contribution from the Asian division was up on last year by 15%. This is on the back of a 15% increase in sales. Asia still remains less than 10% of our business but it is growing.



Australian Vintage Limited – Business & Results Summary (cont.)

3. UK / Europe

This segment contributed \$3.9 million compared to \$3.4 million in the prior period.

Total sales were down by \$1.3 million to \$87.6 million due to a significant decrease in lower margin bulk wine sales.

The contribution from our branded and bottled sales was up 97% or \$2.9 million. The continued growth of our branded sales and the favourable FX contributed to this increase. However, the contribution from bulk sales decreased by \$2.4 million due to the significant pressure on margins.

Our brands continue to perform well and we are now looking at expanding our distribution footprint in the UK.

4. Other Segments

Cellar Door contribution increased by \$0.5 million or 71%. The increase was due to improved sales mix, tighter cost control and real focus on consumer engagement.

Australasia / North America bulk and processing contribution declined by \$4.6 million due to reduced profitable bulk sales to United States as a result of the large 2012 and 2013 vintages in the US and the lower margin from contract processing.

The vineyard segment contribution was \$0.2 million below last year. SGARA was down \$0.5 million on last year.



Australian Vintage Limited – Business & Results Summary (cont.)

5. Financial Position

The gearing (debt to equity) as at 30 June is 39% compared to 59% 12 months ago. This is in line with our forecast gearing that was provided to the market at the time of the capital raising.

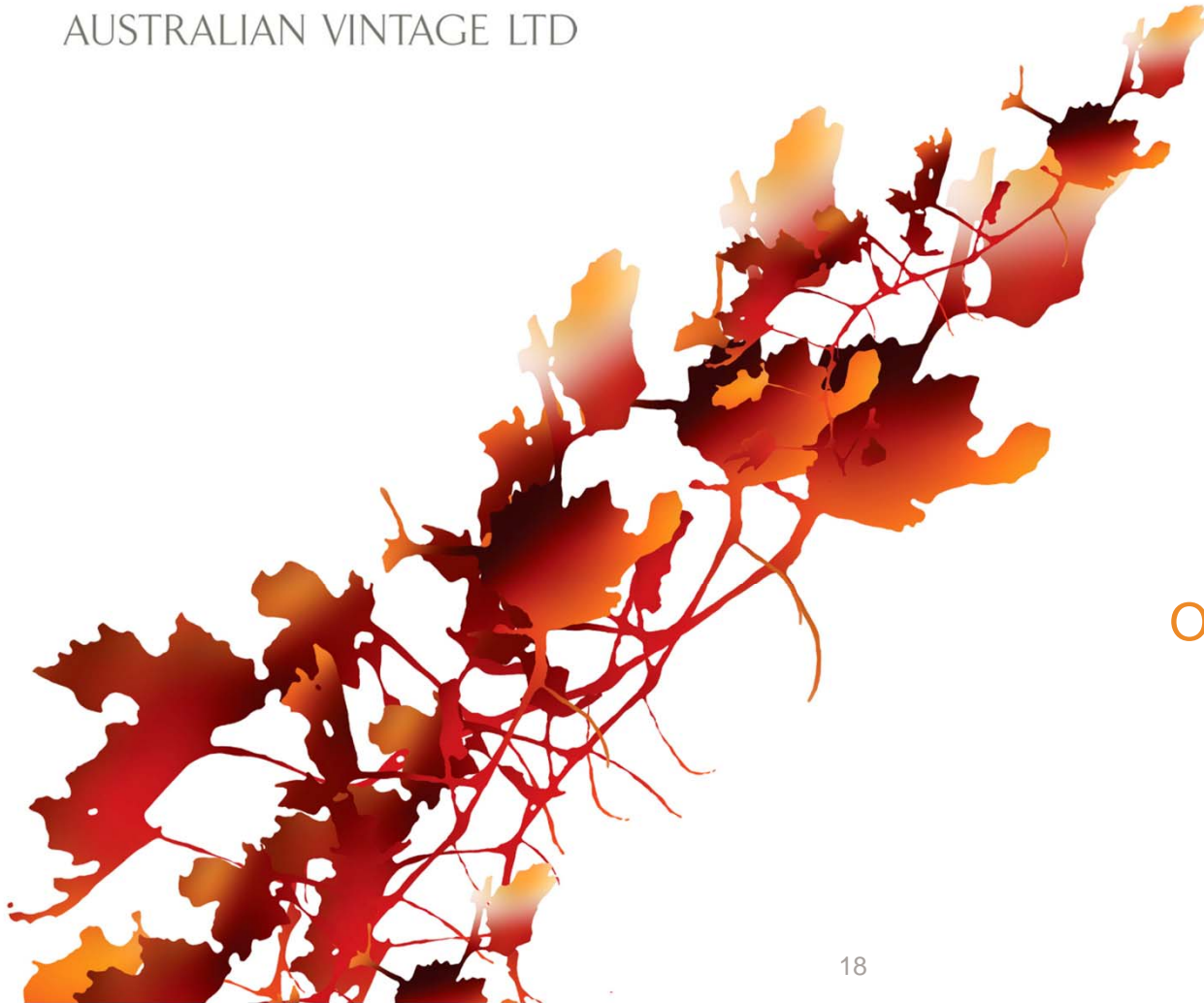
Our bank facility has been extended out to October 2017. This is the first time that we have been able to secure a three year facility. This shows that our banker has confidence in our future.

Operating cash flow was negative \$3.6 million compared to negative \$4.3 million for the previous corresponding period. Our working capital has increased by \$17.8 million over the last 12 months. We remain very comfortable about our stock position.





AUSTRALIAN VINTAGE LTD



OUTLOOK

Outlook

Industry

Global industry conditions remain challenging particularly as a result of big vintages in Europe.

Weakening AUD against GBP, USD and EURO are expected to improve margins. The weakening AUD could also create profitable opportunities at different price points.

Competition remains fierce across the Australian and overseas markets.

The low 2014 vintage has resulted in a higher cost of our wine which will impact margins.

Australian Vintage Limited

Quality reputation of our brands continues to grow and is reflected in the growth of our branded sales.

We remain optimistic about our business.

We continue to face short term challenges in some of our export markets.

The Australasian / North American segment performance is encouraging with stronger than expected demand and growth.

The recent signing of the distribution agreement with COFCO will enhance our presence in the Asian market.

We remain confident that our brands will continue to grow and that the quality of our business, in terms of sustainable sales growth, will be achieved. Like any other wine company, we are subject to agricultural risks such as the low 2014 vintage. At this early stage and subject to normal 2015 vineyard yields and forecast FX, we expect our 2015 profit to be slightly above the 2014 result. We will further update the market on our 2015 profit forecast at our Annual General Meeting in November 2014.



Additional Information



Branded Success

Our branded success continued throughout FY14...

McGuigan Wines

- Runner up White Winemaker of the Year at the International Wine Challenge in London – 2014.
- Hunter Valley and Australian Semillon Trophy – Bin 9000 Semillon 2007 – International Wine Challenge 2014.
- International Trophy for Best White Single Varietal under £15 – Shortlist Semillon 2007 – Decanter World Wine Awards 2014.
- Best Semillon Trophy – McGuigan Bin 9000 Semillon 2007 – International Wine and Spirit Competition 2013.
- Best Syrah Trophy – Handmade Shiraz 2010 – Hong Kong International Wine and Spirit Competition 2013.
- 5* Winery – James Halliday Australian Wine Companion 2014. Total of 9 wines scoring over 93 points.

Nepenthe

- Trophy – Best Sauvignon Blanc in show – Nepenthe Petraea Sauvignon Blanc 2013 – Royal Queensland Wine Show 2014.
- Trophy – Altitude Pinot Noir 2012 – Hong Kong International Wine and Spirit Competition 2013.
- 5* Winery – James Halliday Australian Wine Companion 2014. Total of 8 wines scoring over 90 points.

Tempus Two

- Trophy – Zenith Semillon 2005 – Hong Kong International Wine and Spirit Competition 2013.
- Sweet International Trophy – Pewter Botrytis Semillon 2009 – Decanter Asia Wine Awards 2013.
- 5* Winery – James Halliday Australian Wine Companion 2014. Total of 4 wines scoring over 91 points.



Branded Success

Our success is more than just medals...

- McGuigan Black Label Red is the # 1 ranked branded bottled red wine in the country.
- Australian Vintage Ltd was awarded 'Most Successful Exhibitor' at the 2014 Cowra Wine Show on the back of McGuigan winning three trophies, six gold, three silver and 15 bronze medals. Trophies were awarded to McGuigan The Shortlist Hunter Valley Semillon 2007, McGuigan The Shortlist Barossa Valley Montepulciano 2013 and McGuigan Personal Reserve Hunter Valley Chardonnay 2013.
- McGuigan Wines is the #6 global wine brand in the UK market – up from 153rd just over none years ago.
- McGuigan Wines is the #1 global wine brand in Ireland on the strength of the Black Label and Black Label Reserve ranges, and a focused marketing strategy.
- McGuigan The Shortlist Semillon 2007 was awarded the International Trophy White Single Varietal <£15 for the 'best single varietal white wine in the world', at the prestigious Decanter World Wine Awards 2014 in London.
- McGuigan Estate distributed to 40,000+ 7Eleven stores in Japan...the only Australian wine ranged.
- McGuigan Black Label remains the #1 selling global brand in Tesco Malaysia.
- In February 2014, and again in May 2014, McGuigan Black Label Red out sold all other red wines to become the best-selling Australian red wine for the month in British Columbia.
- McGuigan Wines is the #1 global wine brand in Nova Scotia, Canada.
- Industry recognition through the Advantage Survey Report 2013 sees Australian Vintage rated:
 - #1 in Business Relationship & Support
 - #1 in Customer Service
 - #2 in Supply Chain



Portfolio Extensions

New ranges drive premiumisation strategy...



Bin Series



Reserve



Expressions



Founder's Series



The Philosophy

