



AUSTRALIAN VINTAGE LTD  
ABN 78 052 179 932

**Company Announcements**  
**Australian Securities Exchange**

**30 April 2019**

**TRADING AND VINTAGE UPDATE**  
**IMPROVED BUSINESS PRUNED BACK BY EXTREME WEATHER CONDITIONS**

**Key Points**

- Total sales to the end of March up 9% on last year with the UK/Europe segment up 19% and the Australasia/North America Packaged segment up 5%
- Cash Flow from operating activities on track to be significantly positive but down on last year due to significant bulk wine purchases
- 83,000 tonnes of grapes crushed in Vintage 2019, down 11% on last year and 28% down on expectation
- Grape yields from owned and leased vineyards down on last year by 18% and down 22% on expectation
- 2019 Australian wine industry crush is estimated to be at least 20% down on the 2018 crush
- Subject to no material changes in the current exchange rates, the 2019 Net Profit after tax and before SGARA is expected to be up by 35% to 40%. After SGARA, Net Profit after tax is expected to be in line with last year.

**Vintage Update**

Australian Vintage (ASX: AVG) today reported that it crushed 83,000 tonnes of grapes from the 2019 Vintage compared to 93,000 tonnes last year and an expected crush of 114,000 tonnes.

Neil McGuigan, Chief Executive Officer said "This year's vintage has been significantly impacted by the frost that occurred in some of our vineyards late last year and the extreme heat in January and February this year. In the Adelaide Hills our vineyard yields were down 51% and, in the Barossa, they were down 48%. In the irrigated regions total yields were down 17% against last year and 25% against expectation.

Whilst our contract processed tonnes were up by 3,500 tonnes to 7,600 tonnes, they were well short of the contract tonnes of 15,700. Third party grower tonnes were down 24% or 8,500 tonnes.

The overall negative impact from the significant decline in grape yield on SGARA (Self Generating and Regenerating Assets) income is about \$4.4 million against last year and \$6.5 million against expectation.

At this stage it appears that the 2019 Australian wine industry crush is estimated to be at least 20% down on the 2018 crush. Whilst yields are down the early indications are that the quality is exceptional."



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### **Trading Update**

“Our core business is performing well with UK/Europe sales to the end of March up 19% and Australasia/North America sales are up 5%. Our branded business continues to grow with sales of our 3 key brands, McGuigan, Tempus Two and Nepenthe up 11% on last year, and together with an improved sales mix, our core business has improved significantly. Unfortunately, the frost and extreme weather conditions have resulted in lower yields from our vineyards which, this year, will erode the benefits from the improved core business”.

### **Outlook**

“For the full year and assuming no material movement in the exchange rates, we expect our Net Profit after tax and before SGARA to be up between 35% and 40% on last year. After the impact of SGARA we are expecting our Net Profit after tax to be in line with the previous year”.

***ENDS***

### **Further information**

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