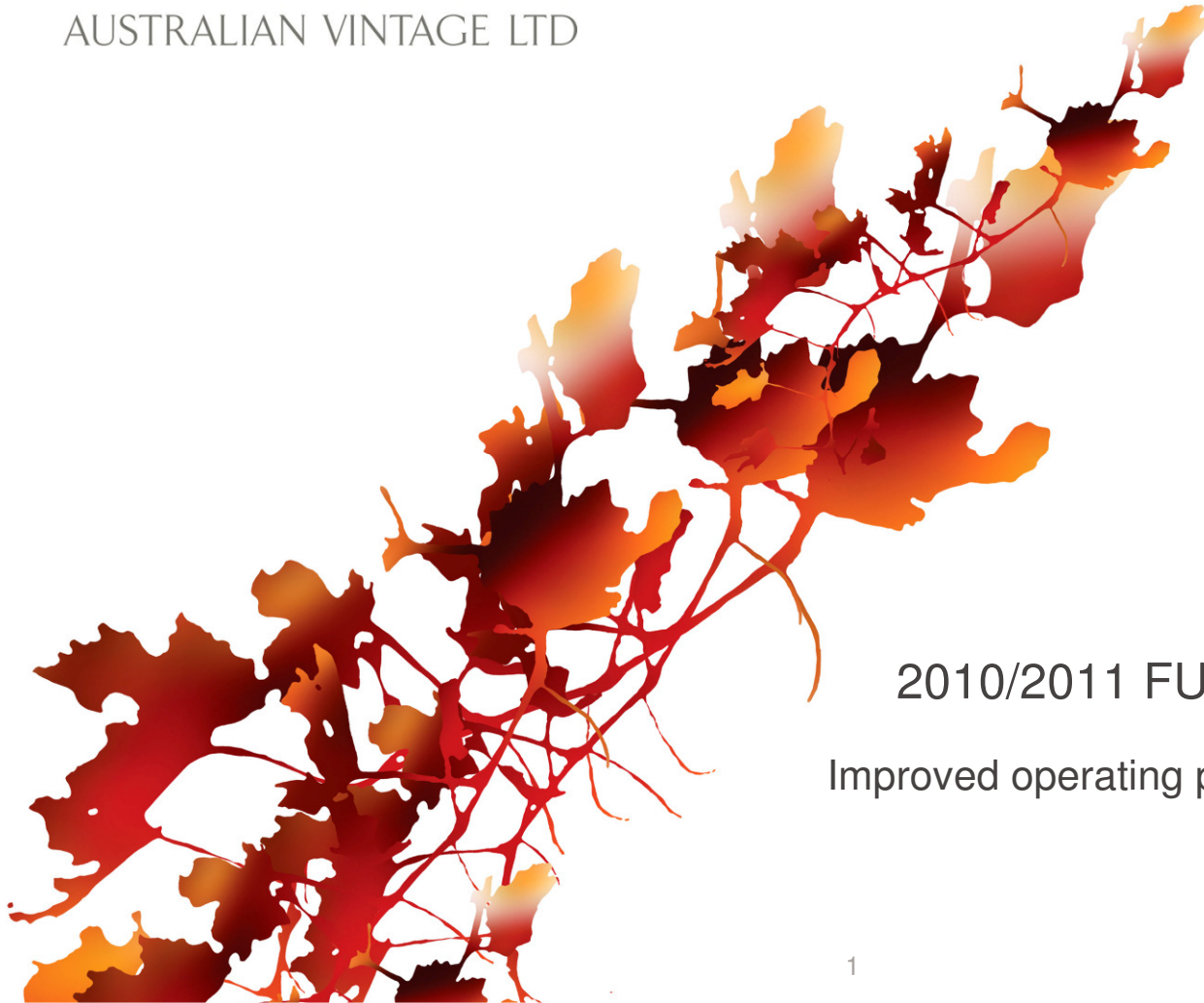




AUSTRALIAN VINTAGE LTD



2010/2011 FULL YEAR RESULTS

Improved operating profit in a tough environment

Disclaimer

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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

Shareholders Rewarded for Operating Profit Improvement

1. Net profit (before significant items) up 72% to \$10.2m
2. EBIT margin increased 30% to 13%
3. Significant items after tax negative \$3.7m including Loxton Winery impairment of \$3.1m
4. Net Profit (after significant items) \$6.6m v \$9m prior year
5. 2.5 cent fully franked dividend declared, payable 18 November 2011
6. Dividend Reinvestment Plan reinstated



Strong Revenue Performance Despite Strong \$A Impact

1. Operating revenues amounted to \$225.8m after unfavourable exchange rate movements of \$14.4m
2. Operating Cash Flow positive despite \$10m investment in bulk wine
3. Net debt increased \$18.9m to \$161m due to bulk wine purchase and settlement of operating leases amounting to \$15.3m
4. \$25m net proceeds from sale of Loxton Winery received in August 2011 applied to debt repayment
5. Bank funding secured for another two years





AUSTRALIAN VINTAGE LTD



MARKET OVERVIEW

Industry Inventory Problem Being Addressed

1. 2011 final crush higher than expected at an estimated 1.6m tonnes taking into account weather conditions
2. Estimated 0.1m tonnes utilised for concentrates to address low baume's reducing final crush to 1.5m tonnes
3. Industry addressing prior period inventory problem



Evidence of Grape Supply Reducing and Prices Increasing

1. Major wine companies continue to reduce supply either by way of contract renegotiation or exit
2. Pockets of Australian wine increasing in price domestically and overseas despite strong Australian dollar



Australian Vintage Continues Response to Industry Challenges – Sale of Loxton Winery Delivers Net Proceeds of Approximately \$25m

1. Underutilised Loxton Winery sold for net proceeds of approximately \$25m in August 2011 incurring a book loss after tax of \$3.1m
2. Lenswood winery and adjacent vineyard sold for \$2m
3. Continue to exit high cost 3rd party contracts
4. Future annual tonnage intake below anticipated sales allowing Australian Vintage to purchase cheaper bulk wine from either Australia or overseas



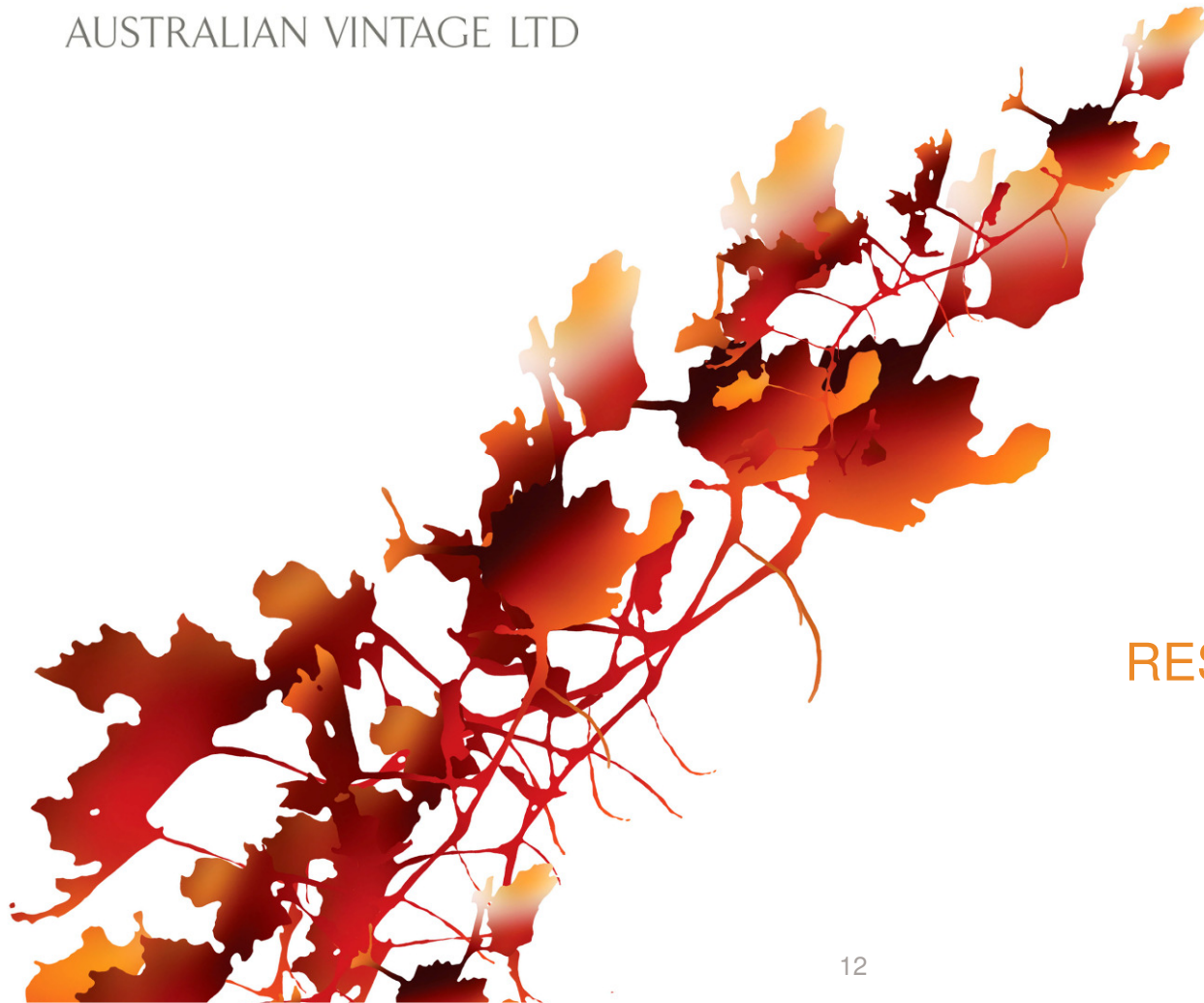
Australian Vintage Continues Response to Industry Challenges (continued) – Focus on Branded Sales & Cashflow

1. Continued focus on branded sales
2. Continue to control cash flow and expenditure
3. Take advantage of our enhanced reputation as a low cost premium wine producer





AUSTRALIAN VINTAGE LTD



RESULTS SUMMARY

Branded Sales Drive Revenue

Full Year Sales

	Dollar Sales (\$'000)		
	2009/10	2010/11	% Change
Domestic Wine			
Branded Bottled	40,239	42,165	5
Branded Cask	8,516	6,976	(18)
Private Label – Bottled	151	-	na
Private Label – Cask	23,376	23,030	(1)
	72,282	72,171	0
Export Wine			
Branded	74,717	77,361	4
Private Label	23,725	17,325	(27)
Bulk	27,245	23,501	(14)
	125,687	118,187	(8)
Cellar Door	7,135	6,975	(2)
Domestic Bulk Wine & Processing	24,976	24,922	0
Vineyards	7,583	3,522	(54)
Total	237,663	225,777	(5)
Volume Sold ('000 Litres)	137,719	121,796	(11)



McGuigan Brand Continues to Outperform

Domestic branded bottled sales increased by 5% to \$42.2m due mainly to the increased sales of the McGuigan product range (up 13%) and Tempus Two (up 31%).

Branded cask sales declined as the shift to private label continues.

Export branded sales increased by 4% even after allowing for the unfavourable shift in exchange rates. The McGuigan brand continued its export growth with a 4% growth in sales and 7% growth in volumes.

Both export private label and bulk declined during the year as the company continues to focus on higher margin sales.

Reduced vineyard management income resulting from vineyard negotiations undertaken last year.



Loxton Winery \$3.1m Impairment Impacts Results

\$M		2010*	2011	Change %
EBITDA	(before Significant items)	30.7	36.1	18
EBIT	(before Significant Items)	23.6	29.3	24
EBIT	(after Significant Items)	26.6	22.6	(15)
NPAT	(before Significant Items)	5.9	10.2	72
NPAT	(after Significant Items)	9.0	6.6	(27)

* adjusted to reflect the transfer of \$2.9m interest unwind from significant items to normal profit.



Export and Domestic Bulk Wine and Processing Shine

\$'000	Results 2010	Results 2011	Change vs PY
Domestic Wine Trading Result	4,907	5,116	4%
Export Wine Trading Result	5,572	7,224	30%
Cellar Door Trading Result	1,436	1,219	(15%)
Domestic Bulk Wine and Processing Trading Result	7,925	10,481	32%
Vineyards Trading Result	3,726	5,238	41%
Unallocated*	(12,715)	(22,629)	(78%)
Total	10,851	6,649	(39%)
Tax	(1,880)	(85)	
Net Profit/(Loss)	8,971	6,564	(27%)

* Unallocated results include finance costs and significant items.



Austflavour and Contract Processing Benefit from Adverse Weather Conditions Around Vintage

- The domestic wine segment improved its contribution by \$0.2m due to improved branded sales partially offset by reduced contribution from cask sales.
- The Export wine segment contribution improved by 30% even after allowing for the unfavourable movement in the foreign currency. Higher sales of branded product was the main reason for this improvement.
- The domestic bulk wine and processing contribution was up by \$2.5m due to increased contribution from our Austflavour business and contract processing.
- Vineyard contribution up 41% due mainly to the first full crop from the owned Grande Junction Vineyard.
- Unallocated increased by \$9.9m due mainly to the 2010 favourable provision for onerous contracts adjustment of \$10.5m.



Significant Items

	2010 '000	2011 \$'000
Transaction Costs	(3,716)	-
Provision for onerous contracts – write back	10,527	865
Employment contract payment	(1,491)	-
Impairment of Assets		
- Impairment of Loxton Winery	-	(4,425)
- Impairment of other Assets	(4,591)	(3,201)
Winery under utilisation costs	(2,597)	(2,919)
Sale of water licence	-	1,570
Settlements received	4,937	1,433
Significant items before tax	3,069	(6,677)
Tax	(15)	3,021
Significant items after tax	3,054	(3,656)



Impact of Foreign Exchange Movements on Results and Business

- With approximately 60% of our total export sales in GBP, 5% in Euro and 1% in CAD, AVL's exposure to exchange rates is significant. The balance of our export sales is in AUD.
- The average weighted GBP in 10/11 was 62.2 compared to 53.5 the previous year. This represents a negative movement of 16% and resulted in a negative impact on 2010/11 UK sales of \$13m.
- The impact of the higher exchange rates has had a negative impact of \$9.8m on EBIT.
- AVL has adopted a number of strategies to reduce the impact of the high GBP including:-
 1. Shifting most of the export product packaging and bottling from Australia to the UK
 2. Additional hedging
- For 2011/12 and based on our current hedging strategy, any GBP movement of 1 point above or below 62.0 will result in a \$200k(approx) movement in our EBIT.



Bulk Wine Purchase and Tank Operating Lease Payout Adversely Affect Improved Cash Flow

	2010 \$m	2011 \$m
Operating Activities		
Receipts from customers	250.4	258.1
Payments to suppliers and employees	(231.1)	(244.5)
Interest and other costs	(12.6)	(12.8)
Other	(1.0)	0.5
Net cash from operating activities	5.7	1.3
Investing Activities		
Capital Expenditure	(3.4)	(5.0)
Payout of tank operating leases	-	(15.3)
Proceeds from sale of assets	1.9	1.6
Other	(0.4)	-
	(1.9)	(18.7)
Total movement in borrowings	3.8	(17.4)



Bulk Wine Purchase and Tank Operating Lease Payout Adversely Affect Improved Cash Flow (continued)

- Receipts from customers increased by 3% due to timing of cash receipts
- Payments to suppliers and employees are higher, even though the vintage tonnes were down, due mainly to the purchase of \$10m of bulk wine during 2010/11
- The payout of tank operating leases relates to Buronga and Loxton tank operating leases paid out in March 2011





AUSTRALIAN VINTAGE LTD



FY12 OUTLOOK

Outlook

- **Industry**

- will remain very challenging
- oversupply exists but problem continues to reduce
- competition fierce across Australia and overseas markets
- global financial uncertainty continues to impact individual countries and unfortunately this uncertainty is slowing the recovery of the wine industry

- **Australian Vintage**

- expect to continue to grow the export segment
- domestic segment is expected to remain flat
- debt levels will decline with the sale of Loxton and expected positive cash flow in 2011/12
- while we remain realistically cautious about any near term recovery, we are confident in Australian Vintage's ability to respond successfully to the challenges



Additional Information



Continued focus on evolving relevant & compelling wine styles – launch of McGuigan “The Semillon Blanc”

- A new millennium white burgundy style
- Floral, fresh, crisp and lively
- Aromatics and lift on the nose
- Special commendation award for best launch: Drinks Magazine in UK
- Launch of product into UK has doubled Semillon sales in that market alone
- Over 26,000 cases sold in Year 1

–“This is the most exciting white wine to come out of Australia in the last 5 years. It’s got the flavours, it’s got the style...” Dan Jago – Tesco UK



We are achieving our business objective of “growing branded wine sales” through remaining relevant with consumers



McGuigan Bin Range re-launched:

- 66% growth on PY by value (domestic)
- Bin UK 30% growth on PY by value



Tempus Two Varietal Range re-launched:

- Sparkling Blanc de Blanc launched and sold out in 6 months
- 48% growth by value in domestic market
- Total Tempus Two brand up 31% on prior year (domestic)



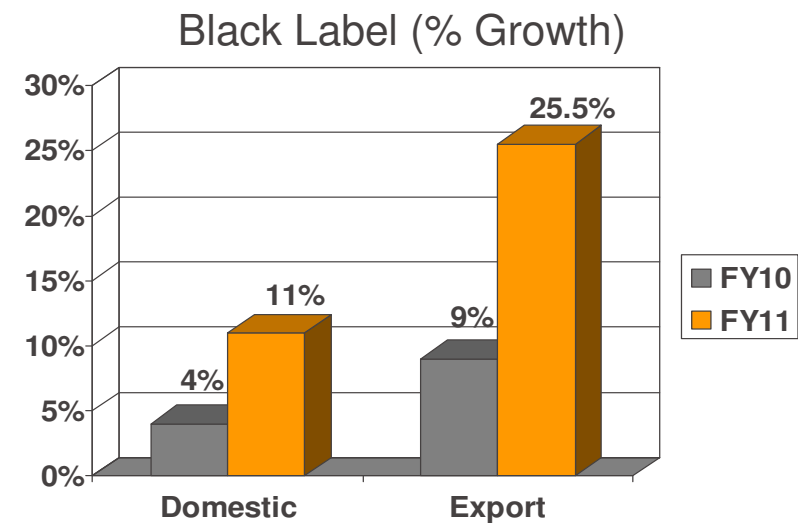
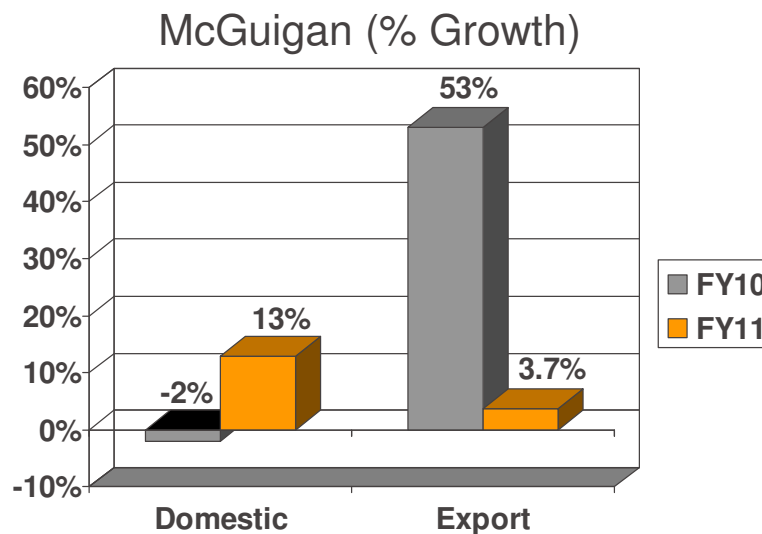
Our core brands continue to perform on the world stage across multiple varietals & price points

Brand	Awards		
McGuigan	Trophy	IWC - International Riesling of the Year	2004 The Shortlist Riesling
	Trophy	IWC - Australian Riesling of the Year	2004 The Shortlist Riesling
	Trophy	IWC - Eden Valley Riesling	2004 The Shortlist Riesling
	Gold	Decanter	2004 The Shortlist Riesling
	Gold	IWC	2009 Personal Reserve Shiraz
	Gold	Pacific Rim Wine Show USA	2008 Farms Shiraz
	Gold	Sydney Wine Show	2010 Discover Pinot Grigio
	Gold	Sydney Wine Show	2007 Bin Semillon
Tempus Two	Trophy	IWC - International Semillon of the Year	2003 Zenith Semillon
	Trophy	IWC - Australian Semillon of the Year	2003 Zenith Semillon
	Gold	Decanter	2004 Zenith Semillon
	Gold	Decanter	2005 Zenith Semillon
	Gold	Decanter	2007 Zenith Semillon
	Gold	Pacific Rim USA	2009 Cabernet Merlot
	Gold	Pacific Rim USA	2010 Pinot Gris
	Gold	Pacific Rim USA	2008 Vine Vale Shiraz
	Gold	Brisbane Wine Show	2010 Tempranillo
	Gold	Brisbane Wine Show	2008 Botrytis Semillon
Nepenthe	Trophy	Brisbane Wine Show	2010 Tempranillo
	Gold	Finger Lakes USA	NV Tryst Sparkling
	Gold	Brisbane Wine Show	2010 Tempranillo



McGuigan continues solid annual growth globally increasing its value sales by \$3.5m

- Black Label Red No. 1 selling brand by volume in the Australian market
- McGuigan is now the 14th largest wine brand in the UK market



Results Summary

Revenue
Other Revenue

Gross Profit
Fair Value of grapes picked
Other Income (excl Interest Rec'd)

Expenses (excluding interest)

Significant Items

EBIT
EBIT margin

Interest Expense
Interest Unwind
Interest Received

Profit before tax

Tax (excluding Significant)
Tax on Significant Items

Net Profit

EBITDA

EBIT
Add Depreciation

EBITDA

Total result		Significant Items		Total (excl Significant)	
2011	2010	2011	2010	2011	2010
225,777	237,663			225,777	237,663
3,051	2,573			1,781	2,573
228,828	240,236			227,558	240,236
65,411	63,027			65,411	63,027
5,036	2,725			5,036	2,725
1,212	1,906			1,212	1,906
71,659	67,658			71,659	67,658
(42,380)	(44,092)			(42,380)	(44,092)
(6,677)	3,069	(6,677)	3,069	-	-
22,602	26,635	(6,677)	3,069	29,279	23,566
				13%	10%
(14,230)	(13,304)			(14,230)	(13,304)
(2,119)	(2,935)			(2,119)	(2,935)
396	455			396	455
6,649	10,851	(6,677)	3,069	13,326	7,782
(3,106)	(1,865)			(3,106)	(1,865)
3,021	(15)	3,021	(15)	-	-
6,564	8,971	(3,656)	3,054	10,220	5,917

27,027	26,635	(2,252)	3,069	29,279	23,566
6,832	7,154			6,832	7,154
33,859	33,789			36,111	30,720



Restatement of 2009/10 results

	Original 2010	Restatement		Revised 2010	Significant Items	Pre significant
		Tax on leased Tanks	Reclass of Int Unwind			
Revenue	237,663			237,663		237,663
Other Revenue	2,573			2,573		2,573
	240,236			240,236		240,236
Gross Profit	63,027			63,027		63,027
SGARA	2,725			2,725		2,725
Other Income (excl Interest Rec'd)	1,906			1,906		1,906
	67,658			67,658		67,658
Expenses (excluding interest)	(44,092)			(44,092)		(44,092)
Significant Items	134		2,935	3,069	3,069	-
EBIT	23,700	-	2,935	26,635	3,069	23,566
<i>EBIT margin</i>	<i>10%</i>					
Interest Expense	(13,304)			(13,304)		(13,304)
Interest Unwind	-		(2,935)	(2,935)		(2,935)
Interest Received	455			455		455
Profit before tax	10,851	-	-	10,851	3,069	7,782
Tax (excluding Significant)	(2,624)	(122)	881	(1,865)		(1,865)
Tax on Significant Items	866		(881)	(15)	(15)	-
Net Profit	9,093	(122)	-	8,971	3,054	5,917

