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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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Top Line Result

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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







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







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 - Impairment of other Assets	- (4,591)	(4,425) (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:-
 - 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	2011
	\$m	\$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







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





Our award success is a critical success factor in driving 3rd party endorsement that flows directly through to the consumer

SUPER-TALENTED Neil McGuigan has taken on the might of New Zeoland's

has taken on the right of New Zooland's sourtigion blanc producers with a risk warrington blanc producers with a civil wine he befores most overstands out significantly into the MacDonwigh regist's dominance with the variety. On a soak to London two Forms ago, McGruggan tons solvared by one of the UKS besting retail claim that Association was to be a source of the ChS besting retail claims that Association was to be a considerate of the following the observations of the following best of the considerate of the considerat

Schillon Blanc, in what amounts to an Australian ambests to cash in on the Australian amount to con as an our train 11,000 doesn sales later, it's now being halled as Britain's top white

wine discovery.
McGuigan is new banking on the 2001
McGuigan. The Soration. Blanc. (\$12)

making a starting diffrat in Australia.
Ultimately, he hopes the some will lead consumers on the guidate path to the Hanter Valley's enterned aged with-loss which rank in the very top exhelon of super-premium Australian wine. The 200 McGoigan The Semilon

in the old white lumparity style that the raidal the rasol in Australia four raidal the rasol in Australia four rose-funiter regions five-stand Surroy-tecadre curies.

Commoverably, he labelled in This labelled A five constituted McGaigan had

streaked a little survigion blanc into the bland but he awared those at the launch this was definished not the case.

this was definitely not the case.

It certainly his sourigner blane tharseties, though that complement in fresh, floroursour, arounds appeal. "Serriflon is the variety that produces

three defining styles—chalds, needing and white burgundy," explains McGuigan, whose winemaking team too destinated trajer show judgings in the UK in the past two years.

"The Semilian Rane is a secot-up

resion of white bargarsh;
"B's our hope that once consumers
give it any they will runnially gostume
to dessic semillors."

joint@fistorchamangany.com.au



McGuigan 2009

The Shortlist Chardonnay Adelaide Hills, SA www.mcguiganwines.com.au



THE big question with modern chardonnay where do the fine fruit and focused winemaking meet? This wine, like all of them, answers in its unique way, with barrel ferment and subtle oak influences to begin, beautiful textures backed un with a glimpse of lemon and curd flavour, classi Hills white nectarine showing all the way to a long, lingering finish. Very well crafted.





Food Portuguese spiced chicken



In what, the grapes are mainly from the Mensy shilly (the Simment and Surroysha) with a Gibbs should be surroysha) with a Gibbs should be shill be

the day we hould slit, we have 384 days in him sells.

He could have sell-root a shallow some the root of him sells in the sells in the

he retorted: "There's not a berry of sauvignon blane in it."



2009 TEMPUS TWO Cabemet Sauvignon (\$29)

IMPRESSIVE Coonawarra with elegant flavours and great length.



TASTINGS BY HUON HOOKE

WINE OF THE WEEK

Nepenthe Chardonnay, Adelaide Hills 2010, \$19 These days, Nepenthe is part of the buge Australian Vintage (formerly McGuigan Simeon) group, with Andre Bondar as winemaker. The winery was closed and winemaking moved to the Barossa but the naysavers have been silenced as the quality has been more than maintained. This is a levely fruit-driven chardonnay with great drinkability and a great price. The colour is palish, the aromas clean and simple. with herbal and melon but no obvious oaky notes, plus some grapefruit that really builds on the palate. li's soft and harmonious in the mouth, not especially complex but delicate, restrained, refined and intense Excellent modern Australian chardonnay. Drink now to two or three years, 90/100.

Food Most fish and lighter poultry dishes, especially whole snapper baked with herbs and served with a hollandaise.

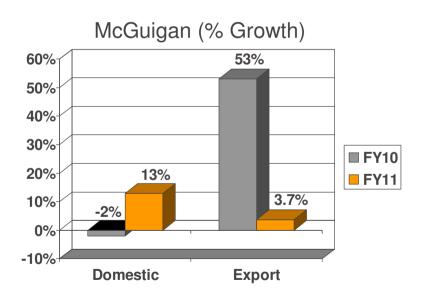




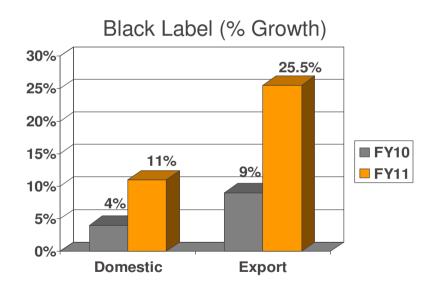
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McGuigan continues solid annual growth globally increasing its value sales by \$3.5m

- 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

	2011	2010	2011	2010	2011	2010
Revenue Other Revenue	225,777 3,051	237,663 2,573			225,777 1,781	237,663 2,573
	228,828	240,236			227,558	240,236
Gross Profit Fair Value of grapes picked Other Income (excl Interest Rec'd)	65,411 5,036 1,212	63,027 2,725 1,906			65,411 5,036 1,212	63,027 2,725 1,906
	71,659	67,658			71,659	67,658
Expenses (excluding interest)	(42,380)	(44,092)			(42,380)	(44,092)
Significant Items	(6,677)	3,069	(6,677)	3,069	-	-
EBIT EBIT margin	22,602	26,635	(6,677)	3,069	29,279 13%	23,566 10%
Interest Expense Interest Unwind Interest Received	(14,230) (2,119) 396	(13,304) (2,935) 455			(14,230) (2,119) 396	(13,304) (2,935) 455
Profit before tax	6,649	10,851	(6,677)	3,069	13,326	7,782
Tax (excluding Significant) Tax on Significant Items	(3,106) 3,021	(1,865) (15)	3,021	(15)	(3,106)	(1,865) -
Net Profit	6,564	8,971	(3,656)	3,054	10,220	5,917

Total result

EBITDA

EBIT

Add Depreciation

EBITDA

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

Significant Items

Total (excl Signficant)





Restatement of 2009/10 results

	Original	Restate	ement	Revised	Significant	Pre significant
	2010	Tax on leased	Reclass of	2010	Items	
		Tanks	Int Unwind			
D	007.000			007.000		007.000
Revenue Other Revenue	237,663 2,573			237,663 2,573		237,663 2,573
Other Neverlue	240,236			240,236		240,236
	240,200			270,200		240,200
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)
O' 'C' and Harra	404		0.005	0.000	0.000	
Significant Items	134		2,935	3,069	3,069	-
EBIT	23,700	_	2,935	26,635	3,069	23,566
EBIT margin	10%	-	2,333	20,033	3,003	23,500
EBH ma.g						
Interest Expense	(13,304)			(13,304)		(13,304)
Interest Unwind	-		(2,935)	(2,935)		(2,935)
Interest Received	455			455		455
D (1) ()	10.051			10.051	0.000	7 700
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	(2,024) 866	(122)	(881)	(1,865)	(15)	(1,000)
rax on digninicant items	000		(001)	(13)	(13)	
Net Profit	9,093	(122)		8,971	3,054	5,917
	-,	,		- , -	-,	-,-