



AUSTRALIAN VINTAGE LTD

ABN 79 052 179 32

27 April 2012

Company Announcements
Australian Securities Exchange

VINTAGE AND TRADING UPDATE

KEY POINTS

- 2012 Net Profit (after significant items) expected to be in line with previous year
- Net Profit (before significant items) expected to be down \$2.8 million after tax due mainly to SGARA
- Lower than expected yields from our vineyards adversely affected SGARA
- Vintage 2012 has produced low yields but outstanding quality
- In line with current industry view, the AVL crush was down 27,000 tonnes compared to last year
- Exchange rates continue to put pressure on export margins

VINTAGE UPDATE

AVL crushed 120,000 tonnes of grapes compared to 147,000 tonnes last year. As foreshadowed in our Half Year Results Release, the 2012 vintage has produced exceptional quality grapes with yields down in most regions.

Neil McGuigan, Chief Executive Officer said "Overall the quality is outstanding and despite the lower than expected yields we are confident that we can meet our demand requirements. Some regions were affected by rain and flooding however, as the timing of these events were late in the season, crop and quality loss was kept to a minimum."

"With the lower yield, SGARA (self generating and regenerating assets) income from our owned vineyards is expected to be significantly down."

"The pleasing aspect of our business is that our wine stock continues to be in balance with our needs. The smaller than expected 2012 vintage will ease the pressure of oversupply from past years."

TRADING UPDATE

"Australian Vintage continues to achieve outstanding show success on the back of the International Winemaker of the Year Award at the 2011 International Wine and Spirits Competition (London)." Mr. Neil McGuigan said. "Our winemaking continues to achieve world wide credibility."

"McGuigan branded sales continue to grow in the UK and Europe. However, exchange rates continue to erode the benefits from these improved sales. We are continually looking at ways of improving the efficiency of our business and during the year we moved more of our UK/Europe packaging requirements from Australia to the United Kingdom".

"We believe that our sales and marketing strategies are appropriate for each market segment and are confident that with time our consistent approach will pay dividends".

"With wine supply now moving towards balance we are starting to see some improvement in wine prices. What is also pleasing is that the volume of bulk wine available for sale at heavily discounted prices, has reduced dramatically."

OUTLOOK

The low yielding vintage this year will impact negatively on SGARA profit for 2012. Current estimates are that our 2012 net profit will be in line with last year due to the non-repetition of the loss on sale of the Loxton winery in 2011.

"The industry continues to restructure. Volatility is creating some uncertainty but it is also creating opportunities which we are continually monitoring and reacting to." said Neil McGuigan.

ENDS

Further information

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