



AUSTRALIAN VINTAGE LTD



ANNUAL GENERAL MEETING
28 NOVEMBER 2012

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Today's Agenda

Performance Summary

Ian Ferrier

Business Update

Neil McGuigan

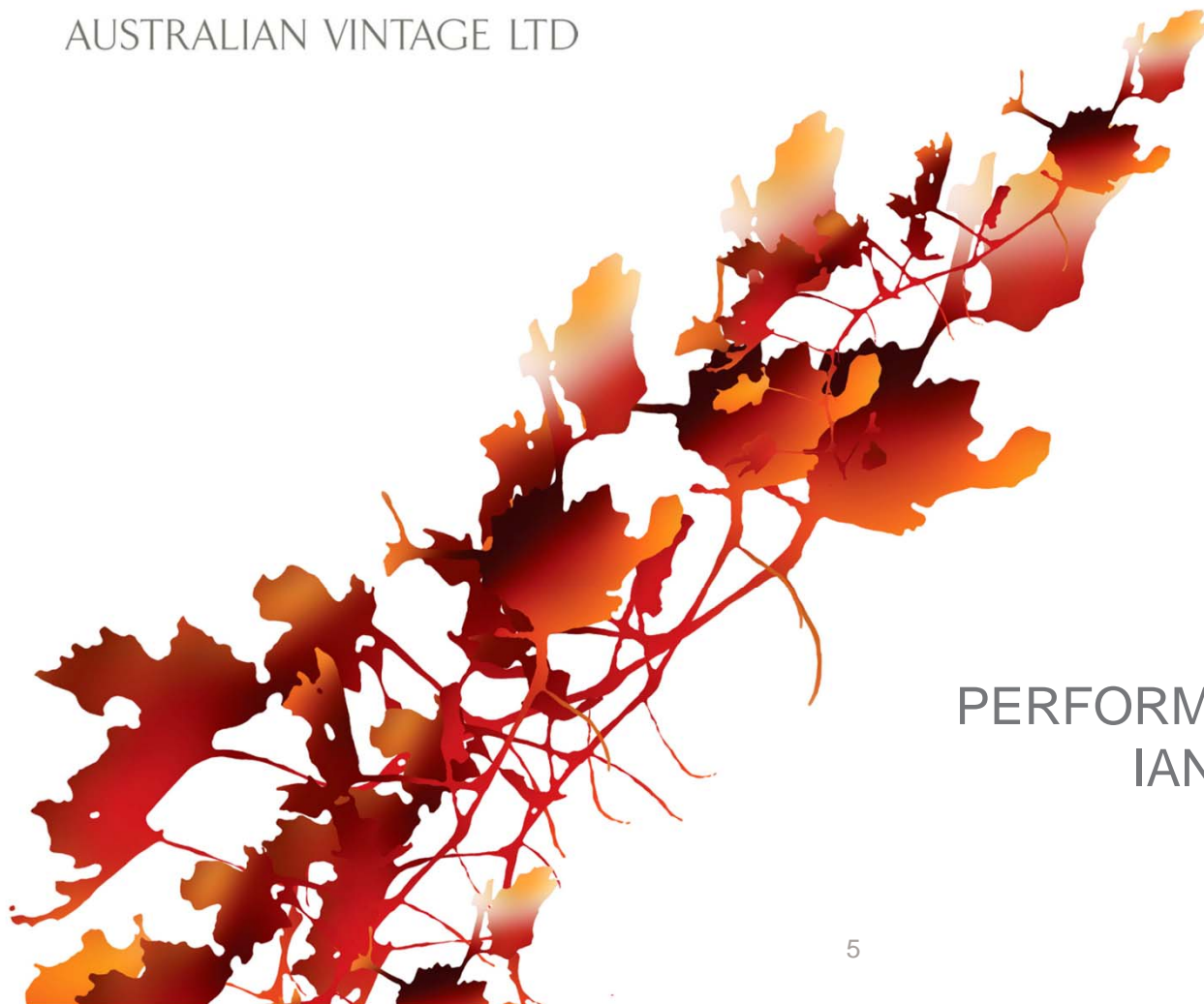
Formal Proceedings

Ian Ferrier





AUSTRALIAN VINTAGE LTD



PERFORMANCE SUMMARY IAN FERRIER

Shareholders Rewarded for Operating Profit Improvement

1. Net profit up 8% to \$7.1m
2. EBIT (after significant items) of \$23.4m compared to \$22.6m last year
3. Net Profit (before significant items) down by \$3.2m against prior year due mainly to reduced yield from owned vineyards
4. Cash flow from operating activities positive \$10.6m v \$1.3m last year
5. Net debt reduced by \$31.9m to \$129.1m



2012 a Standout Vintage for Quality

1. Vintage estimated at 1.6 million tonnes in line with 2011. Expectations are that it will be recognised as a standout vintage in terms of quality
2. While overall grape production is close to balance with total sales, the Australian industry is vulnerable to returning to oversupply because current bearing area could produce higher yields in the future
3. Short term world wine shortage has been predicted after forecasts that the global production would slump to its lowest in at least 37 years following inclement weather



Strong Revenue Performance Despite Strong \$A Impact

1. Operating revenues amounted to \$228.0m after unfavourable exchange rate movements of \$3.9m
2. Operating Cash Flow positive \$10.6m
3. Net debt to equity reduced to 54% from 69% last year
4. SGARA (fair value of grapes picked), down \$4.1m due to below average crop from owned vineyards
5. Bank funding secured for another two years



Continued Response to Industry Challenges – Focus on Branded Sales & Cash flow

1. Continued focus on branded sales

- McGuigan Wines ranked the World's 19th most admired wine brand by UK trade publication Drinks International
- McGuigan Wines entered the top ten global wine brands in the UK

2. Take advantage of our enhanced reputation as a low cost premium wine producer

3. Continue to control cash flow and expenditure



Outlook

- **Industry**

- will remain very challenging
- oversupply continues to reduce
- while grape production appears to be in balance, we are vulnerable to returning to oversupply because our bearing area could produce higher yields in future vintages
- competition fierce across Australia and overseas markets
- high Australian \$ continues to hamper margins making recovery of the wine industry slow

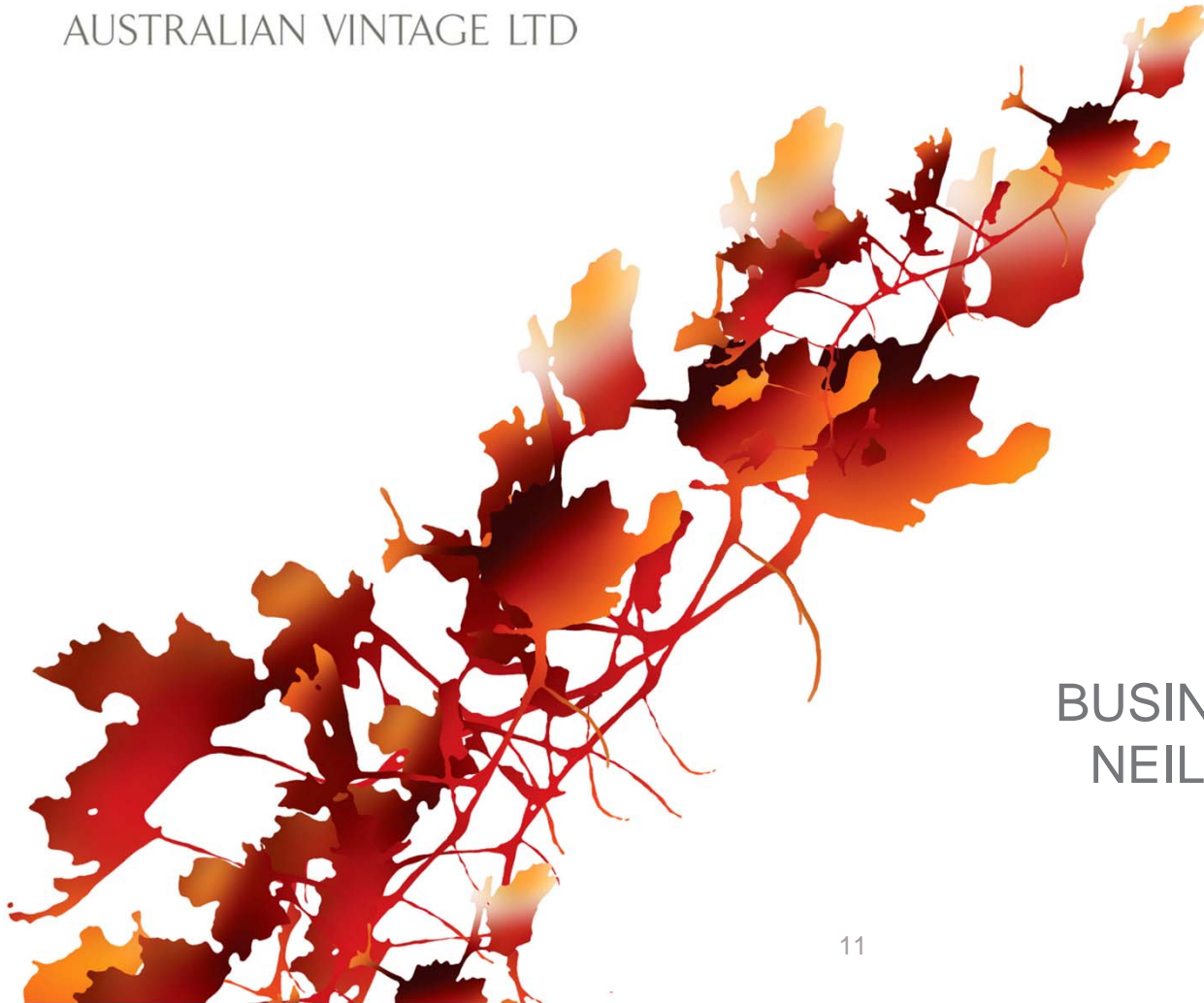
- **Australian Vintage**

- expect to continue to grow the export and domestic segment
- Sales for the six months to December 2012 are expected to be down 6% year on year. Decline mainly in lower margin products such as casks
- Profit to December 2012 is expected to be lower than last year as a result of higher grape costs from the lower 2012 vintage
- But, based on normal vintage conditions, we expect our full year profit to be in line with last year





AUSTRALIAN VINTAGE LTD



BUSINESS REVIEW
NEIL MCGUIGAN

Vision for AVL

TO MAXIMISE RETURNS ON SHAREHOLDERS FUNDS

1. How will this be done

- Putting the “wine” back into the wine business
- Making the wine the “hero” in every facet of our business
 - branded
 - private label
 - exclusive label
 - contract winemaking
- Putting personality and romance back into wine
- Building confidence in our brands with our customers and consumers
- Creating strategic alliances in developed and emerging markets
- Innovation in wine style and packaging that is market appropriate

2. Areas of concern

- Foreign exchange rates
- Global over production and the emergence of quality alternatives



Impact on Foreign Exchange Movements on Results and Business

- With approximately 62% of our total export sales in GBP, 6% in Euro and 2% in CAD, AVL's exposure to exchange rates is significant
- The average weighted GBP in 2011/12 was 0.65 compared to 0.62 in the previous year. This resulted in a negative impact on 2012/13 UK sales of \$3.0M with a further negative impact of \$0.9M on other foreign currency sales
- The higher exchange rates have had a negative impact of \$2.6M on EBIT, after taking into account all foreign currency production costs and other foreign currency expenses
- AVL has adopted a number of strategies to reduce the impact of the high GBP including:-
 1. Shifting 90% of export product packaging and bottling from Australia to the UK.
 2. Hedging to cover 75% of net exposure in Year 1, 50% in Year 2 and 25% in Year 3 (in accordance with the hedging policy).



Global Production

Short Term

2012 Vintage Volumes

- Very good - Australia, USA
- Poor - NZ, Spain, Italy, France

Long Term

- Globally planting is continuing in USA, Chile and Argentina
- Grape growing is agriculture, and a low yielding year is usually followed by a higher crop, therefore Australia has the potential for a large 2013 vintage.
- Therefore Australia's differentiation must be driven by quality, new varieties and innovation

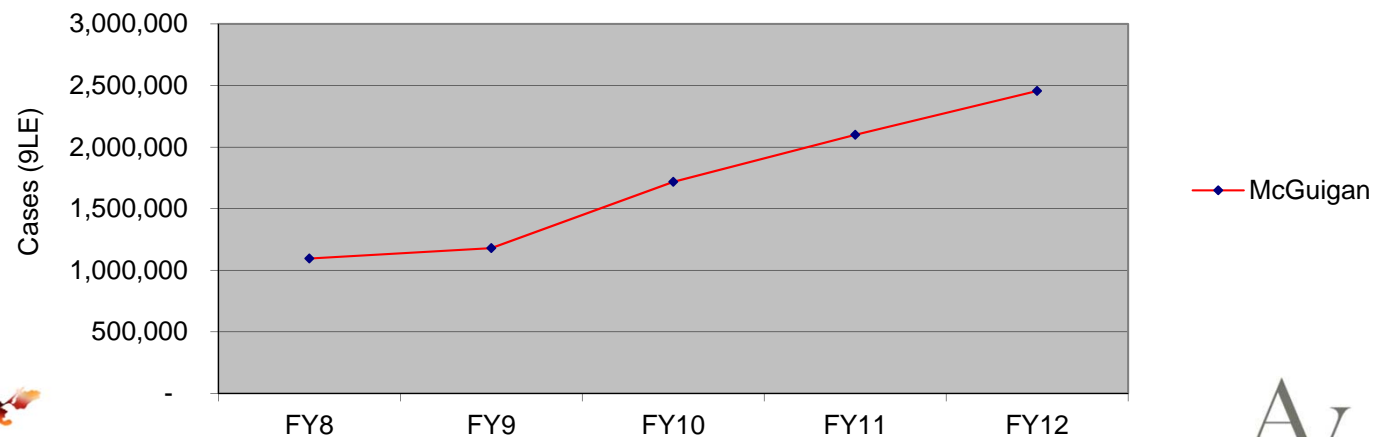


Brand Growth across all major brands

1. McGuigan

- International Winemaker of the Year 2009 | 2011 | 2012 – International Wine & Spirits Competition
- Australian Producer of the Year 2009 | 2011 | 2012 - International Wine & Spirits Competition
- White Winemaker of the Year 2009 | 2012 – International Wine Challenge
- International Semillon Trophy 2011 | 2012 – International Wine & Spirits Competition
- Black Label Red – Australia's top selling branded bottled red wines by volume
- McGuigan is the 8th largest wine brand in UK by value
- McGuigan is the 2nd largest wine brand in Ireland by value
- *19th Most Admired Global Wine Brand* – Drinks International (UK)
- Globally, McGuigan Wines enjoyed a 17% volume increase, & 10% value growth YOY
- McGuigan Wines sold 2.5M cases (9LE) world wide in FY12

Global McGuigan Volume Growth



Tempus Two

Varietal Semillon Sauvignon Blanc 2012 – Trophy Perth Wine Show

Varietal Semillon Sauvignon Blanc 2012 – Trophy Riverina Wine Show

Pewter Semillon 2011 – Trophy Hunter Valley Wine Show

Pewter Botrytis Semillon 2009 – Gold Medal Pacific Rim Wine Competition

Varietal Verdelho 2012 - Gold Medal Pacific Rim Wine Competition

Copper Zenith Semillon 2003 – Trophy Hunter Valley Wine Show

Copper Zenith Semillon 2007 – Semillon Trophy Perth Wine Show

Domestically, the Tempus Two Varietal range enjoyed a 12% value increase YOY; the Tempus Two Copper range was in value growth by 9% YOY.

Tempus Two 2010 Sparkling Pinot Chardonnay

FRESH white peach and passionfruit flavours add sparkle to these classy bubbles from a leading label. Crisp with creamy overtones.
FOOD: Salmon on dill pikelets.

RATING: 93/100
RRP \$31.99



Tempus Two 2011 Hunter Valley Verdelho

PACKED with tropical fruit flavours and aromas of passionfruit and pineapple. Verdelho fans will like this one

FOOD: Spaghettini with tuna and bottarga.
RATING: 93/100
RRP \$14.99



top shelf

Tempus Two 2010 Copper Series Wilde Hunter Chardonnay, \$22

CRAFTED by Scott Comyns, this excellent Hunter chardonnay ticks all my boxes.

It is brassy gold in the glass and has scents of honeydew melon and crushed almonds. Elegant white nectarine flavour comes through on the front of the palate and passionfruit, orange peel and brioche fruit characters integrate with cashew oak on the middle palate. Lemony acid refreshes at the finish.

It's available at the Tempus Two cellar door on the corner of Broke and McDonald roads, Pokolbin, in independent liquor stores and at tempustwo.com.au.

DRINK WITH: linguini with Balmain bugs, prawns and lime mascarpone

AGEING: eight years

RATING:



Nepenthe Wines

Australian Sauvignon Blanc Trophy 2009 | 2012 – Decanter World Wine Awards

Altitude Shiraz 2010 – Gold Medal Decanter World Wine Awards

Winemaker Select Late Harvest Riesling 2010 - Trophy International Sweet Wine Challenge

Ithaca Chardonnay 2011 – Gold Medal Australian Cool Climate Wine Show

Ithaca Chardonnay 2010 – Gold Medal International Wine Challenge

International Chardonnay Trophy 2009 – Decanter World Wine Awards

Domestically, the Nepenthe Altitude range enjoyed a 9% value increase YOY



WINE AWARDS

Aussie gold haul

AUSTRALIAN winemakers have taken home a record 69 gold medals at the 2012 International Wine Challenge in London.

Australian Vintage Limited won seven gold medals, across its brands McGuigan, Nepenthe and Yaldara.

Wolf Blass Wines won six gold medals and Hardys Wines and Yalumba four apiece. Penfolds received two gold medals, including one for its Bin 707 Cabernet Sauvignon.

Australia finished second on the medal tally with 673 medals in total, behind France's 1136 medals.



WINE MATCH

Nepenthe
2012
Sauvignon
Blanc

\$21

The richly spiced curry flavours in this dish can be tricky to match with wine, though a wildly aromatic, fruit tingly sauvignon blanc can really work a treat.



2012 AVL Show Results

Total Medals: Trophies 22, Gold 57, Silver 107, Bronze 201 = 367

McGuigan	Trophy	IWSC – Australian Producer of the Year	McGuigan
	Trophy	IWSC – International Winemaker of the Year 2012	McGuigan
	Trophy	IWC – International White Winemaker of the Year	Neil McGuigan
	Trophy/Gold	IWC – Best Eden Valley Riesling	McGuigan Shortlist Riesling 2010
	Trophy	IWSC – Best Semillon	McGuigan BIN 9000 Semillon 2004
	Trophy/Gold	COWRA – Best Dry White Table Wine of Show	McGuigan Vineyard Select Semillon 2005
	Trophy	CAIRNS – Champion Wine in Show	McGuigan BIN 9000 Semillon 2003
	Trophy/Gold	CAIRNS – Champion Wine in Show	McGuigan BIN 9000 Semillon 2003
	Trophy	HUNTER VALLEY – Museum Vintage Dry Red Wine	McGuigan Personal Reserve Shiraz 2000
	Trophy/Gold	GRIFFITH – Best Semillon	McGuigan Vineyard Select Semillon 2005
	Trophy	RUTHERGLEN – Best Dry White Table Wine Semillon	McGuigan BIN 9000 Semillon 2007
Tempus Two	Trophy	HONG KONG IWSC – Best Semillon	McGuigan Vineyard Select Semillon 2005
	Trophy	HUNTER VALLEY – One Year Old Dry White Wine	Tempus Two Pewter Semillon 2011
	Trophy	HUNTER VALLEY – Museum Vintage Dry White Wine	Tempus Two Copper Zenith Semillon 2003
	Trophy/Gold	GRIFFITH – Best Semillon Blend	Tempus Two Semillon Sauvignon Blanc 2012
	Trophy	PERTH – Best Sem Sauv Blanc or Sauv Blanc Sem	Tempus Two Semillon Sauvignon Blanc 2012
	Trophy	PERTH – Best Dry White Table Wine Blend	Tempus Two Semillon Sauvignon Blanc 2012
	Trophy	PERTH – Best Semillon	Tempus Two Copper Zenith Semillon 2007
	Best of Class	PACIFIC RIM	Tempus Two Copper Zenith Semillon 2010
	Gold x 3	DECANTER, COWRA, ADELAIDE	Tempus Two Copper Zenith Semillon 2007
	Gold	ADELAIDE	Tempus Two UNO Semillon 2011
Nepenthe	Trophy/Gold	DECANTER – Best Aust Sauvignon Blanc over £10	Nepenthe Altitude Sauvignon Blanc 2011
	Trophy/Gold	INTERNATIONAL SWEET WINE CHALLENGE	Nepenthe Winemaker Select Late Harvest Riesling 2010
	Gold	DECANTER	Nepenthe Altitude Shiraz 2010
	Gold	IWC	Nepenthe Ithaca Chardonnay 2010
	Gold	AUST COOL CLIMATE WINE SHOW	Nepenthe Ithaca Chardonnay 2011



Marketing Initiatives to continue to drive growth

McGuigan Wines

McGuigan City Vineyard Dublin

McGuigan Black Label 'Win a VW Golf' Promotion

Exclusive Labels: McGuigan Reserve & McGuigan Classic

UK Celebrity Partnership: John Torode

Official Sponsor:

St. George Illawarra Dragons

Tempus Two

Official Sponsor:

Mercedes-Benz Fashion Festival

Official Sponsor:

Fashion Week

Tempus Two Pewter Distribution Drive / Promotion / Window Displays

Nepenthe Wines

'Best Australian Sauvignon Blanc' Decanter World Wine Awards Campaign

Tryst by Nepenthe Relaunch

Official Sponsor:

Kooyong Classic

Miranda

Summer Hues 'Health & Well Being' Campaign

Cellar Door

Wine Club Focus:

Continuity Programme across McGuigan Wines, Tempus Two & Nepenthe Wines



Show footage

New Product Launch - UK

- Vinni
 - Sparkling Moscato
 - 5.5% Alcohol
 - Pint Bottle
 - £3.49



• **VINNI** •
Says

V IS FOR VINNI

**V IS ALSO FOR VELICIRAPTOR, VELOUR
AND VOODOO AMONGST OTHER THINGS!**

Allow me to introduce myself. I'm **VINNI** and I stand here before you all frisky and ready to launch exuding vivacity, charisma and I'm ever so slightly sparkling.

I am crisp, fruity and wine based to boot and more than ready to be poured long over ice. Well, I say ready... I will be any day now. I don't like to be pigeon holed but folk say I'm a little like those bottled ciders, but not so...well... cidery. And whilst they can be heavy and overbearing on the palate after a while, I'm light and delicious and can be enjoyed all right long!

Members of my fan club call me all sorts of things, particularly my buddy Kevin who insists that I am "light and playful" and according to his weird wisdom "the most innovative thing to come in a pint bottle for yonks" but then what does he know? He collects jam jar lids for goodness sake!

Personally, I think I am a bit different. There's nothing I like more than being picked up from the shelf at Tesco and Sainsbury's and being taken home for a spontaneous party or sipped in some fun night spot while contemplating life, the universe and why more people are killed every year by coconuts than sharks!

I'm most definitely a social butterfly so why not come and find me on Facebook and Twitter to find out more about me and my unique take on life. You never know you might even learn something!

ENDS

VINNI's Notes to Very Important People

- You will find me in a range of stores any day now including Sainsbury's Local and Tesco stores nationwide at the recommended retail price of £3.49. I will also be ranged in selected bars nationwide.
- I'll be making my debut in a 56cl bottle with a flip top crown cap. Say hello if you see me.
- At 5.5% ABV I'm light, playful and perfect to enjoy at home or when out with friends in a bar.

For further information please contact Nio Forster at LightBrigade PR on:
P: 020 7148 7222 • E: nioforster@lightbrigade.co.uk
Twitter: @VinniSays • Facebook/VINNISAYS • www.vinnisays.com



2012 International Wine & Spirit Competition UK

McGuigan Wines

International Winemaker of the Year

Australian Producer of the Year

Best Semillon in the World – 2004 Bin 9000

1 Trophy, 9 Gold, 22 Silver, 8 Bronze

100% Strike Rate



Responsibility to Shareholders

1. AVL management is fully aware that we work for you, the shareholders.
2. AVL's management is continually reviewing costs, new business opportunities and innovation to increase profitability and to maximise a return on shareholders funds.



Summary

- AVL continues to review its cost base to ensure it is appropriate for the size of its business.
- AVL's branded business, private label, exclusive label business and contract winemaking services have the same level of quality commitment.
- AVL will continue to focus on our core brands, McGuigan, Tempus Two, Nepenthe and Miranda.
- AVL will continue to evolve our wines styles, innovate with packaging and increase our category performance, particularly in sparkling wine and in the reduced and low alcohol areas.
- AVL is focusing our marketing activities on distribution and execution closer to the point of sale.
- AVL will continue to capitalise on existing markets, and increase investment in time and resources will be increased in emerging markets eg: China
- AVL is proud of the quality across our brands and ranges and will continue with the objective of delivering "the best quality wine at every price point."
- AVL believes that quality is what will ensure the Australian wine industry overcomes its present challenges.

