



12 September 2013

Dear Shareholder

Pro-Rata Non-renounceable Entitlement Offer - Notification to Ineligible Retail Shareholders

On Wednesday, 11 September 2013, the Directors of Australian Vintage Ltd (**AVL** or **the Company**) announced that the Company will undertake a fully underwritten, accelerated non-renounceable, pro-rata entitlement offer of approximately 79,632,382 fully paid ordinary shares in the capital of the Company (**New Shares**) to existing shareholders at a price of \$0.42 per New Share to raise approximately \$33.4 million before costs (**Entitlement Offer**).

The Entitlement Offer consists of an offer to institutional and sophisticated shareholders for shares at a price of \$0.42 per New Share (**Institutional Entitlement Offer**) and an offer to shareholders (other than institutional and sophisticated investors) for shares at a price of \$0.42 per New Share (**Retail Entitlement Offer**).

Eligible shareholders will be offered 3 New Shares for every 5 ordinary shares in the Company held by eligible shareholders at 7.00pm (AEST) on Monday, 16 September 2013 (**Record Date**).

Details of the Entitlement Offer are set out in the Offer Booklet to be released on the Australian Securities Exchange (**ASX**) on Friday, 13 September 2013. The Offer Booklet will be available on the ASX website www.asx.com.au.

AVL will be making the Retail Entitlement Offer to eligible retail shareholders only. Eligible retail shareholders are those shareholders who:

1. are registered as a holder of AVL shares at 7.00pm AEST on the Record Date;
2. are recorded on the Company's share register as having a registered address in Australia or New Zealand;
3. are not in the United States and are not nominees or custodians acting for the account or benefit of persons in the United States; and
4. are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Pursuant to section 9A(3)(a) of the *Corporations Act 2001* (Cth) (**Act**) and ASX Listing Rule 7.7.1(a), the Directors have determined that it would be unreasonable to make offers in connection with the Retail Entitlement Offer to shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Retail Shareholders**). In determining eligibility for participation in the Retail Entitlement Offer, the Company has had regard to the:

- number of Ineligible Retail Shareholders;
- number and value of New Shares Ineligible Retail Shareholders would be offered; and
- cost of complying with the legal requirements, and requirements of regulatory authorities, applying in the locations of Ineligible Retail Shareholders.

As you are an Ineligible Retail Shareholder, the Company is unfortunately unable to extend to you the opportunity to participate in the Retail Entitlement Offer. You will not be sent the Offer Booklet relating to the Entitlement Offer, nor will you be able to subscribe for New Shares under the Entitlement Offer.


As the Entitlement Offer is non-renounceable (that is, the rights are unable to be transferred or assigned), Ineligible Retail Shareholders may not be entitled to receive payment in respect of AVL shares that would have been offered to them under the Entitlement Offer if they had met the relevant eligibility criteria set out above.

This letter is neither an offer to issue New Shares to you, nor an invitation to apply for New Shares. As an Ineligible Retail Shareholder, you are not required to do anything in response to this letter.

If you have any queries, please contact the Company on (08) 8172 8333, or its share registry Computershare Investor Services Pty Limited on 1800 298 715 (within Australia) or +61 3 9415 4182 (outside Australia).

On behalf of the Directors, I thank you for your continued support of the Company and trust that you understand the reasons as to why we have not been able to allow Ineligible Shareholders to participate in the Entitlement Offer.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Mike Noack', with a stylized flourish extending upwards and to the right.

Mike Noack
Company Secretary