



AUSTRALIAN VINTAGE LTD  
ABN 78 052 179 932

**Company Announcements  
Australian Securities Exchange**

**5 June 2017**

**VINTAGE AND TRADING UPDATE**

**Key Points**

- 93,000 tonnes of grapes crushed in Vintage 2017 compared to 99,000 tonnes last year
- Grape yields from owned and leased vineyards in line with last year
- Total volume sales of our three key brands, McGuigan, Tempus Two and Nepenthe up 5% to the end of April 2017. Actual dollar sales of our three key brands down by 8% due to unfavourable exchange rates
- Cash Flow from operating activities on track to be significantly up on last year
- As previously advised and subject to no material changes in the current exchange rates, the 2017 Net Profit after tax is expected to be around \$4.1 million

**Vintage Update**

Australian Vintage (ASX: AVG) today reported that it crushed 93,000 tonnes of grapes from the 2017 vintage compared to 99,000 tonnes last year.

Neil McGuigan, Chief Executive Officer said "our tonnes decreased by 6,000 tonnes compared to last year due mainly to a reduction in volumes processed for external customers.

Yields from owned and leased vineyards are marginally above expectation and in line with last year.

The 2017 vintage has again been an outstanding vintage, with strong indications of very high quality. Whilst the cool weather conditions delayed the vintage, the quality has again been exceptional and the Australian industry harvest tonnage looks to be up from 2016."

**Trading Update**

"Total volume sales to the end of April 2017 are 6% below last year due to reduced bulk wine and cask sales. Sales volumes of our 3 key brands, McGuigan, Tempus Two and Nepenthe are up 5% against last year but this has not translated into increased sales dollars due to the unfavourable foreign currency. Actual sales of the three key brands has declined by 8% and all of this is attributable to the exchange rate. What is really pleasing is that our increased focus on the higher priced Tempus Two brand has resulted in a 29% volume growth and a 23% sales dollar growth.

Our focus on having a truly global footprint continues with the recently signed distribution agreement with Vintage China and we expect sales to start in late July this year. Our recently signed US distribution agreement with Palm Bay has resulted in the commencement of sales into the US market. Whilst the sales into the US are not significant we believe that this is the start of a long term and growing relationship with this top US distributor."

## **Outlook**

"The Company continues to focus on increasing branded sales and at the same time improving the efficiency of the business and improving the quality of our outstanding wines. We continue to put in place strategies that will see this company become a branded global wine company.

Whilst the significant unfavourable movement in the exchange rates has dented our profit for this year we continue to focus on our core strategies.

As previously advised and subject to no material changes to the current exchange rates we remain confident that the 2017 Net Profit after tax will be around \$4.1 million."

## ***ENDS***

## **Further information**

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