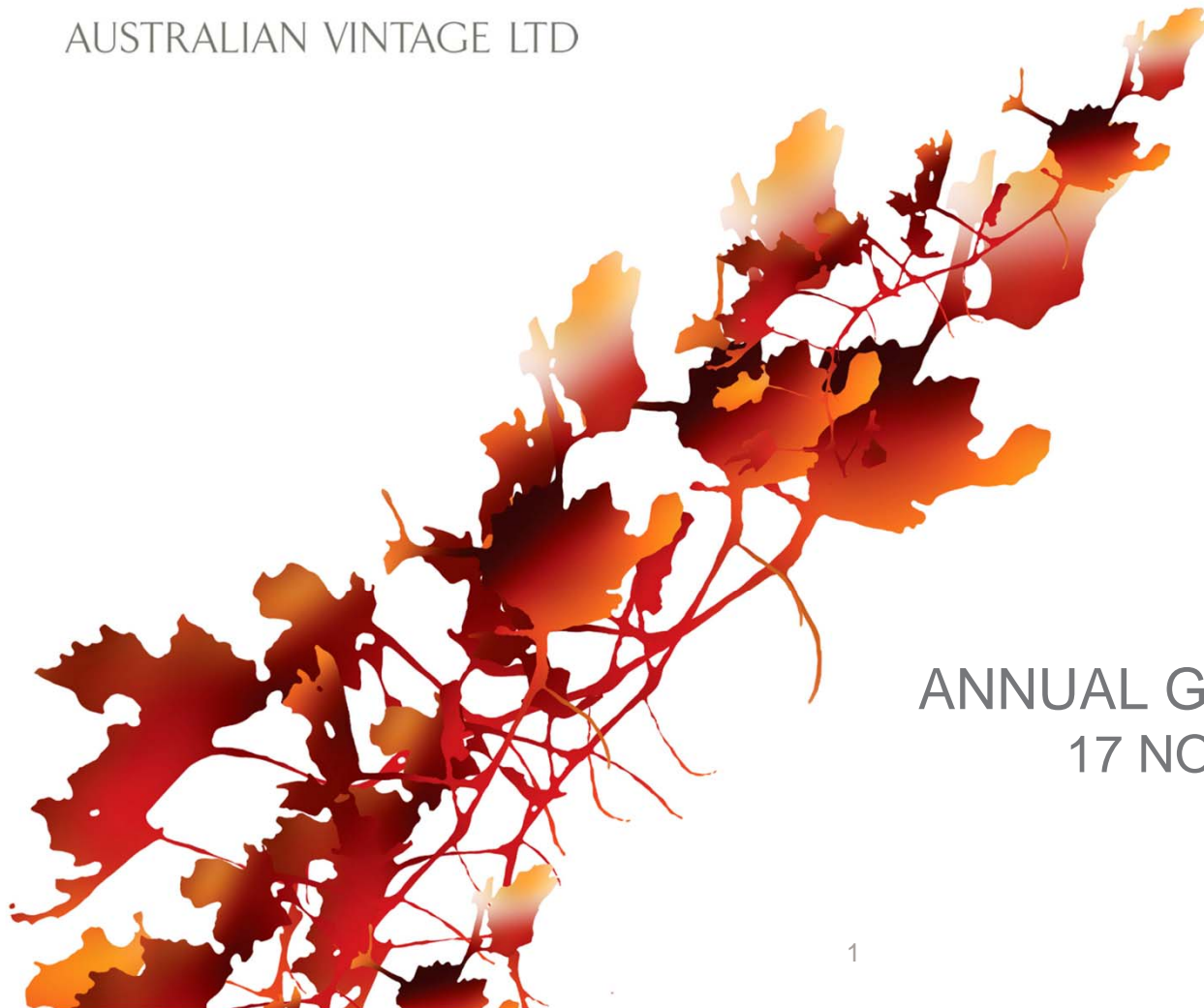




AUSTRALIAN VINTAGE LTD



ANNUAL GENERAL MEETING
17 NOVEMBER 2015

Disclaimer

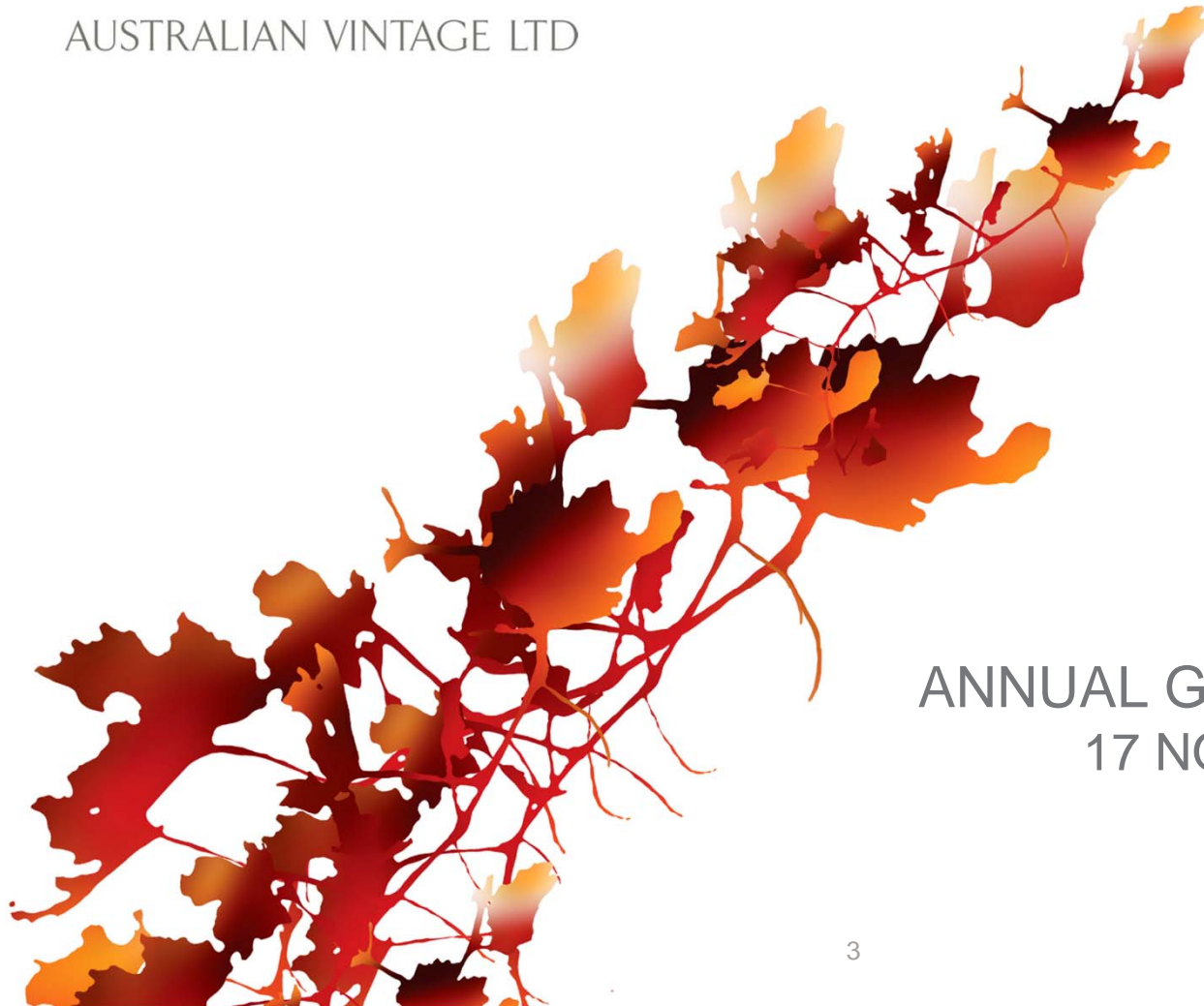
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Before making an investment in Australian Vintage Ltd, the investor or prospective investor should consider whether such an investment is appropriate to their particular investments needs, objectives and financial circumstances.





AUSTRALIAN VINTAGE LTD



ANNUAL GENERAL MEETING
17 NOVEMBER 2015

Today's Agenda

Performance Summary

Richard Davis

Business Update

Neil McGuigan

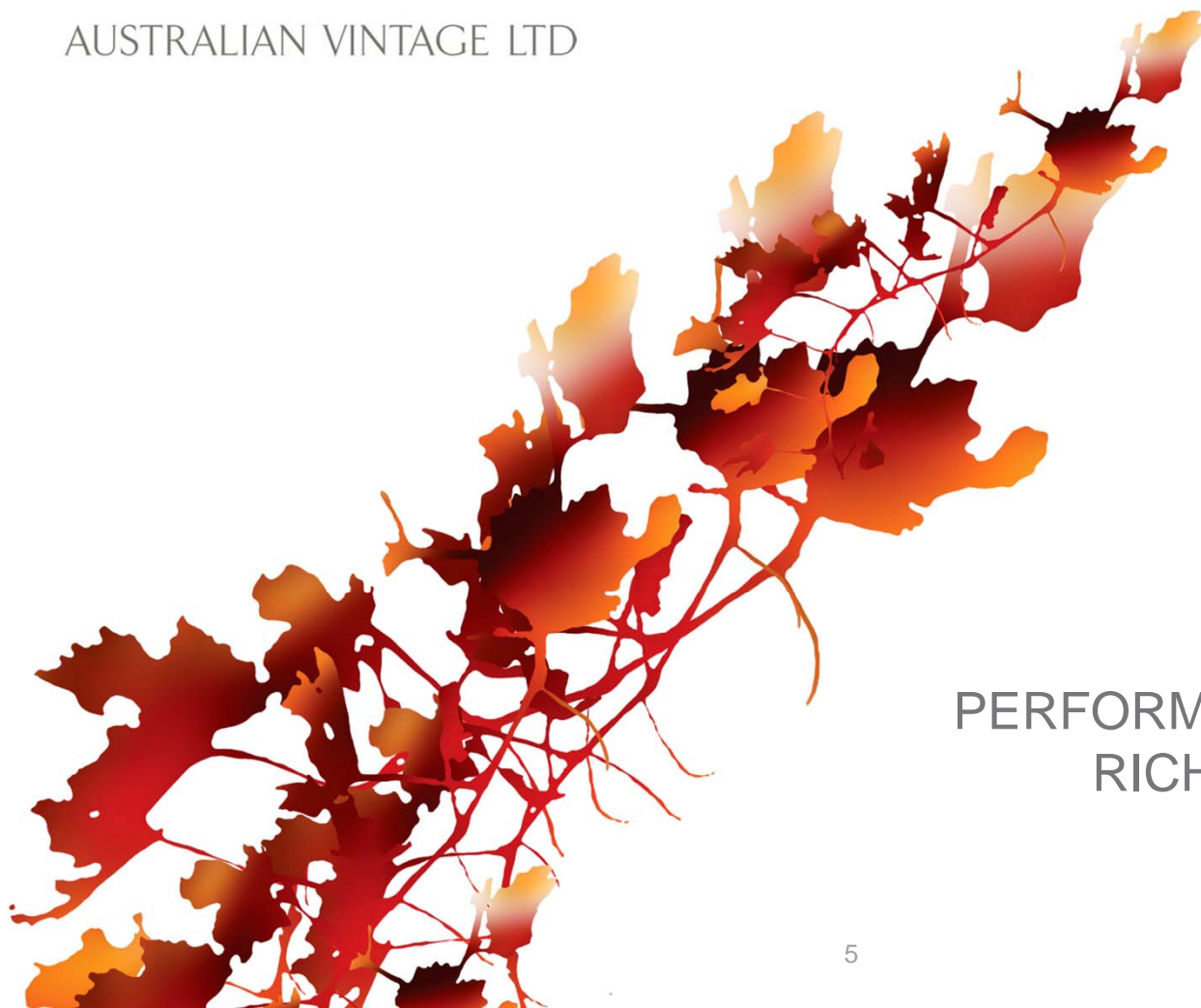
Formal Proceedings

Richard Davis





AUSTRALIAN VINTAGE LTD



PERFORMANCE SUMMARY RICHARD DAVIS

Your company

1. One of Australia's largest wine producers

- Crushes 110,000 tonnes a year.
- Sells 80 million litres of wine.
- 2,900 planted hectares in 11 vineyards.
- Production facilities capable of producing 1.5m casks and 6m cases of bottled wine.
- Produces one of the most popular red wines in Australia.
- McGuigan is the 2nd most popular Australian brand in the UK.



Highlights and Key Points

1. Revenue increased 7.5% to \$230.9 million versus prior year, reflecting higher branded sales despite anticipated lower bulk and processing sales
2. Net Profit after tax down 11% to \$9.4 million versus \$ 10.5 million in prior year
3. Net Profit after tax (and before one off items) of \$7.1 million versus \$7.6 million in prior year
4. Branded sales continues to grow with sales of our 3 keys brands growing 43% over the last 3 years
5. Cash flow from operating activities positive \$2.1 million versus negative \$3.6 million in prior year



Highlights and Key Points (continued)

6. Net Debt of \$104.3 million compared to \$111.8 million as at 30 June 2014. Gearing now at 36%
7. Expensed \$3.9 million (after tax) in non-recoverable incentives to customers
8. Finalised sale of Yaldara winery for \$15.5 million with an after tax profit of \$6.2 million
9. Long term lease on Del Rios Vineyard terminated from 31 December 2015
10. No final dividend due to the allocation of additional funds to continue to drive more profitable branded sales and improve operational efficiency



Continued Strong growth in Branded Sales

1. Total revenue up 7.5% to \$230.9 million due mainly to the ongoing improvement in branded sales offset by reduced bulk wine sales and reduced contract processing.
2. Australasia/North America packaged sales up 11% to \$99.0 million with bottled sales up 9% and cask sales up 14%.
3. UK/Europe up 12% to \$98.0 million. Bottled sales up 16% and low margin bulk wine sales down 28%.
4. Australasia/North America bulk wine revenue down \$5.2 million due to expiry of a large contract processing contract.
5. Focus on branded sales has resulted in 18% sales growth for our three key brands, McGuigan, Tempus Two and Nepenthe.



Market Conditions

Global conditions remain challenging:-

1. For the period ended September 2015 total Australian wine exports increased by 5% to 734 million litres valued at \$2.0 billion (Wine Australia – Wine Export Approval Report).
2. Whilst the Australian dollar has weakened, the average value of exports increased by only 3% to \$2.67/L with the average value of bottled wine exported increasing by 4% to \$5/L.
3. The weaker Australian dollar, the free trade agreements with China, Japan and South Korea, a rebound from austerity measures in China and improved economic conditions in the UK and USA, have helped Australian exports.
4. The International Organisation of Vine and Wine (OVI) recently estimated that global wine production for 2015 increased by 2% compared with 2014 and is in line with the long term average.



Australian Wine Industry

1. The 2015 Australian grape crush is 1.67 million tonnes. This figure is just below the 8 year average crush of 1.70 million tonnes. (July 2015 Vintage Report prepared by the Winemakers Federation of Australia).
2. In 2009, total bearing area in vines in Australia was around 157,000 hectares. Since then it has declined and in 2013 total bearing area was around 133,000 hectares (October 2014 Vintage Report prepared by the Winemakers Federation of Australia).
3. For the total domestic market, wine sales have increased by 14% to 609.5 million litres. Sales of Australian wine was relatively flat at 455.1 million litres with the balance of 154.4 million litres representing imported wine. Imported wine volumes increased by 90% or 73.2 million litres (Wine Sales in Australia – Quarterly Report: June 2014 prepared by the Winemakers' Federation of Australia).
4. The Australian dollar continues to weaken against the main currencies. Whilst this has helped margins, the full benefits have not flowed through as overseas customers continue to put pressure on margins.



Outlook

1. Global industry conditions remain challenging.
2. In the long term the weakening of the AUD should improve margins and create other profitable opportunities.
3. AVL continues to focus on the core strategies of quality, growing branded business, growing export and maintaining low cost position.
4. We continue to face short term challenges due to our high cost from the 2014 vintage and the ongoing margin pressure.
5. The 2016 result will continue to be negatively impacted by the high cost of the 2014 vintage. However, the 2015 vintage cost is lower and will help improve margins in the second half of the 2016 financial year.
6. The work this Company has done to reduce its cost base and build branded sales has delivered a robust company. We continue to monitor market conditions accordingly.



Outlook (continued)

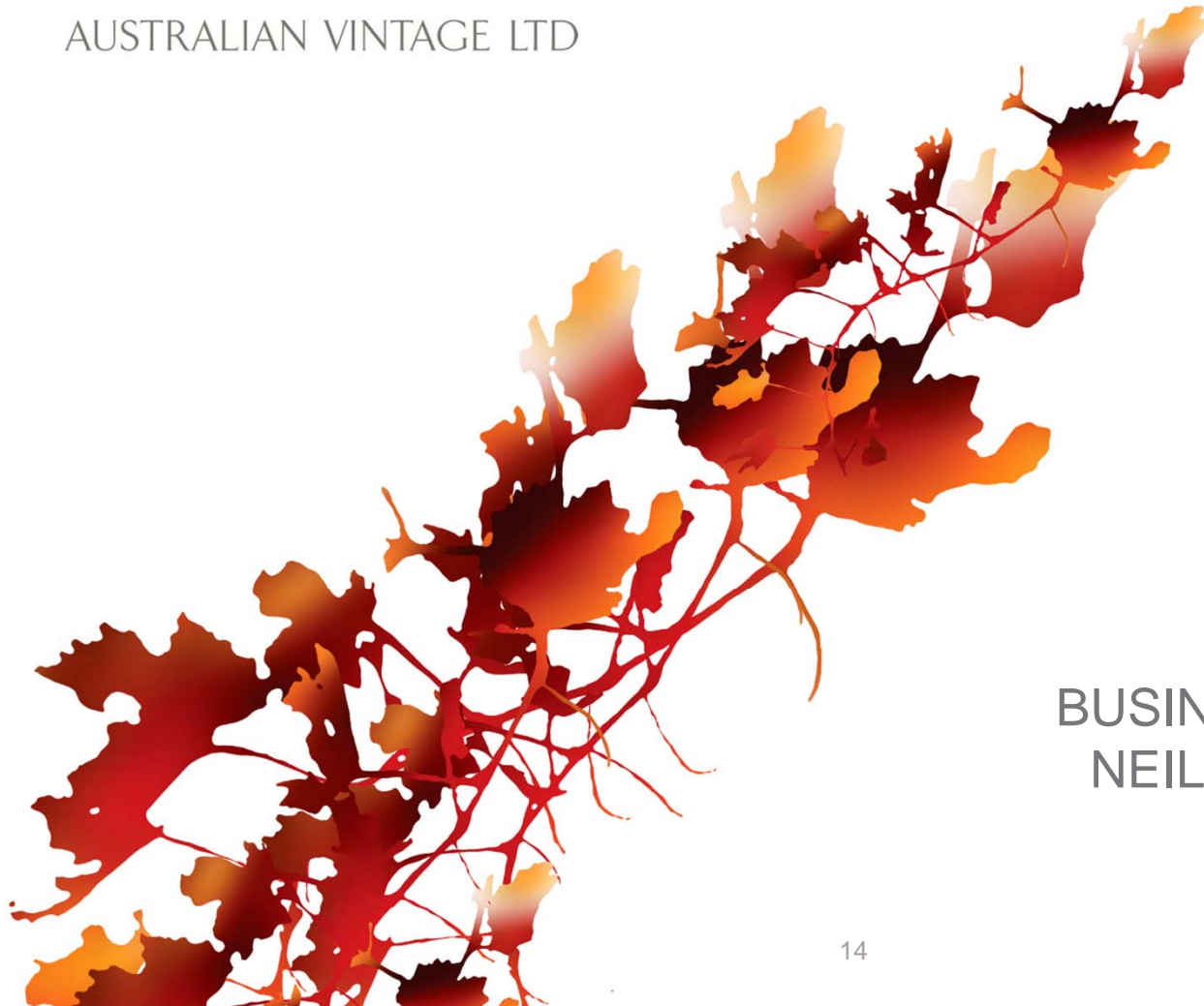
7. Sales for the first four months to October 2015 are very encouraging with stronger than last year demand and growth.
8. Subject to normal 2016 vineyard yields and forecast FX, we expect our 2016 net profit to be about 10% above last year (before one off items)*.

* The 2015 net profit after tax and before one-off items was \$7,132k.





AUSTRALIAN VINTAGE LTD



BUSINESS REVIEW
NEIL MCGUIGAN

1. AVL's Business Strategies

- Growing and strengthening our distribution channels in the China / Asia region, UK and North America.
- Building sales and profitability of our core brands both domestically and internationally.
- Reviewing and decreasing our cost base.
- Creating new products for developing and emerging markets



2. FY15 Scorecard

- **Growing and strengthening our profitable distribution channels in the China/Asia region, UK and North America.**
 - China
 - Increased Asian resources
 - Increased distribution footprint to all major UK Supermarkets
 - Added resources to the UK independent sales channel
 - North America



2. FY15 Scorecard (continued)

- **Building sales and profitability of our core brands both domestically and internationally.**

Domestically

- McGuigan Brand grew by 15% in the domestic market
- Black Label Red continues to be the No 1 branded bottled red wine in Australia
- Retailers – Coles Black Label grew by 11%
 - Independents Black Label grew by 4%
 - Woolworths Black Label grew by 3%
- Exclusive Labels – McGuigan Classic.
 - McGuigan Bin.
 - McGuigan Reserve
 - McGuigan “The Brothers”
- Tempus Two Brand grew by 14%
- The Nepenthe brand grew by 47%



2. FY15 Scorecard (continued)

- **Internationally**

- The McGuigan brand has grown 18% globally.

China

- COFCO's distribution footprint still growing and emerging.

Canada

- The McGuigan brand has grown 44.5% in the last 12 months.

United Kingdom

- The McGuigan brand is now the 2nd largest Australian brand and the 4th largest global brand up from the 6th position last year.

- McGuigan Wines are now available in all major supermarkets and our distribution through the independent channels is growing rapidly.

Europe

- Major opportunity for growth.

Ireland

- Major fight back campaign starting 1st October 2015.

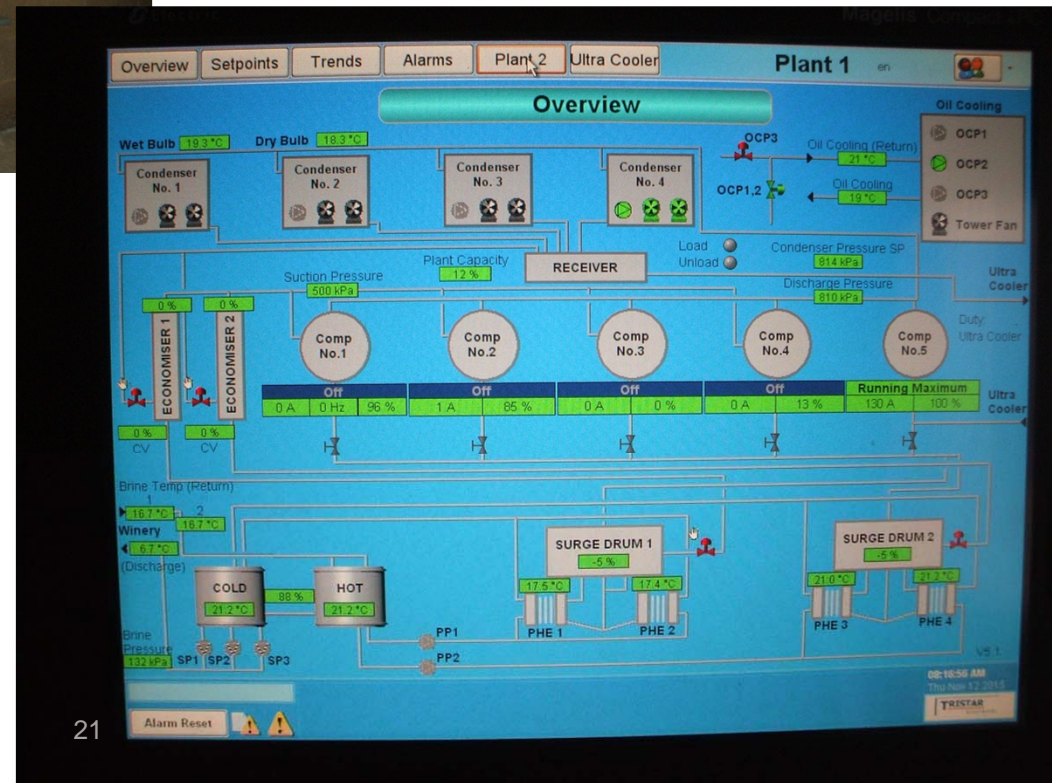


2. FY15 Scorecard (continued)

- **Reviewing and decreasing our cost base**
 - Continuing to review long term grape supply leases/contracts to reduce grape cost.
 - Investment in power reduction at Buronga Hill Winery.
 - * Solar Power
 - * Refrigeration upgrade
 - Reduction in vineyard water usage
 - * Increase use of compost
 - Sustainability Focus
 - * Packaging
 - * Waste Water
 - * Decrease vineyard machinery usage













2. FY15 Scorecard (continued)

- **Creating new products for developing and emerging markets.**
 - Frizzante
 - The Shy Pig
 - Orchard Grove
 - Tempus Two Silver Series
 - YOU



**EVERYDAY
LUXURY**

True Australian Style

NEW!




**McGUIGAN
FRIZZANTE**

EVERYDAY LUXURY

True Australian Style



**McGUIGAN
WINES**
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3. Work In Progress

- **Wine Quality and Innovation**

The Show results for the three key brands have been very pleasing again this year. Here are some of the highlights –

MCGUIGAN AWARDS

- International Wine Challenge, London, 2015: 6 Trophies, 9 Gold, 5 Silver, 18 Bronze
- International Wine and Spirit Competition, Hong Kong, Trophy for the Best New World Riesling and Best Riesling of show Trophy, 2008 Shortlist Riesling
- Cowra Wine Show 2015: Trophy Best Single Vineyard Riesling; Trophy Best Single Vineyard Dry White Table Wine of Show; Trophy Best Riesling of Show.
- China Wine & Spirits Awards 2015: 7 Double Gold Medals
- James Halliday Wine Companion 2016: The Philosophy 2010 – 97 points
- Cairns Wine Show 2015: Trophy Best Chardonnay; Trophy Wine of Provenance Shortlist Riesling 2010 – 2014
- Winestate Magazine: 5* Shortlist Chardonnay 2013



3. Work In Progress (continued)

NEPENTHE AWARDS

- Royal Queensland Food & Wine Show 2014: Trophy Best Sauvignon Blanc of Show
- 5* Winery: James Halliday Wine Companion 2014
- James Halliday Wine Companion 2015: Ithaca Chardonnay 2013 – 95 points
- Cairns Wine Show 2015: Best Pinot Noir in Show
- Winestate Magazine: 5 * Altitude Tempranillo 2013; 4.5* Ithaca Chardonnay 2013

TEMPUS TWO AWARDS

- International Wine Challenge 2015: 2 Trophies, 3 Gold, 6 Silver, 2 Bronze medals
- Cowra Wine Show 2015: Best Single Vineyard Chardonnay; Ian Armstrong Trophy Best Chardonnay of Show
- James Halliday Wine Companion 2016: Uno Shiraz 2013 – 95 points
- Cairns Wine Show 2015: Champion Wine in Show; Champion White Wine in Show
- 5* Winery: James Halliday Australian Wine Companion 2016, 5 wines scored 90+ points. 8 wines scored 90+ points



3. Work In Progress (continued)

KEY POINTS

McGuigan

- International Wine and Spirit Competition London 2015
Trophy for Best Semillon of Show for the McGuigan 2006 Bin 9000 Semillon
- International Wine Challenge London 2015
6 Trophies, 9 Gold, 5 Silver, 18 Bronze

Tempus Two

- International Wine and Spirit Competition Hong Kong 2015
Trophy for Best Australian Wine of Show for the Tempus Two 2003 Copper Semillon
- Cowra Wine Show 2015 Best Single Vineyard Chardonnay and Best Chardonnay of Show 2014 Copper Chardonnay

Nepenthe

- Cairns Wine Show 2015 Best Pinot Noir of Show



3. Work In Progress (continued)

- Building relationships with all key retailers worldwide
 - AVL relationships with key retailers in the UK and in Australia are stronger than ever.
 - Working closely with our retail partners is essential to ensure that our sales and marketing proposals are in keeping with the changing demands of the consumer.
- Re connecting with the consumer
 - Having engaging and co-operative relationships with our retailer partners is incredibly important but our work doesn't stop there.
 - We must re-energise and double our efforts to ensure the consumer doesn't see wine as a fast moving consumable goods.
 - What are we doing to make this happen
 - i) Cellar door / Clubs
 - ii) Digital activity
 - iii) Branded promotional activities



3. Work In Progress (continued)

Examples of Branded Promotional Activities include:

McGuigan

- The launch of the “Bring a McGuigan’ advertising campaign – across cinema, radio and digital.
- Sponsorship of the St George Illawarra Dragons NRL team and Port Adelaide Power AFL team increasing brand awareness and sales.
- ‘Win a Fiat Freemont’ Black Label consumer promotion in the independent channel.
- Exclusive ‘Win a Jeep’ promotion conducted nationally in BWS, driving 154% uplift in sales.
- Neil McGuigan and John Torode ‘long table Aussie BBQ’ consumer promotion across all retailers in the UK.
- ‘Win one of five trips to Australia to have lunch with John Torode and Neil McGuigan in the McGuigan Vineyard’ consumer promotions has been launched again in the UK.
- Joint Black Label / Bin Series consumer promotion ‘two for one movie tickets for 3 months’ in the independent channel.
- Consumer event schedule in the UK with Tesco Wine Club Fairs in Manchester, Bristol, Edinburgh and London.



3. Work In Progress (continued)

Tempus Two

- Sponsorship of Mercedes Benz Fashion Week Australia (MBFWA) as the Official Wine Partner, increasing nationwide brand awareness.
- Leveraging of MBFWA sponsorship to partner with Australian design duo, Aje, for both media and consumer events.
- Sponsorship of Portsea Polo and Victorian Polo Club to raise brand awareness in Victoria.
- Varietal Series promotion, buy two bottles of Tempus Two and receive a twin pack of stemless wine glasses.
- New export label – Tempus Two Silver Series – launched into key markets.
- Christmas consumer promotion, buy two bottles from the Tempus Two Varietal Sparkling range and receive a twin pack of flutes, in the independent channel.

Nepenthe

- Sponsorship of the AAMI Kooyong Classic tennis in Melbourne.
- Participation at Noosa Food & Wine Festival, one of Australia's largest food & wine festivals.
- Launch of Altitude Sparkling Chardonnay Pinot Noir, Altitude Gruner Veltliner and Altitude Arneis to continue to drive varietal evolution



3. Work in Progress (continued)

- Not being Fast Moving Consumable Goods
 - i) Winemaker involvement in the trade and with customers
 - ii) Wine and Food engagement
 - * Lyndey Milan
 - * John Torode
- Industry Discussions
 - Wine Equalisation Tax (WET) rebate changes on bulk wine
 - Signing of Free Trade Agreements (FTA) around the globe.
 - Rationalisation of production capacity.
 - Exchange Rate



Summary

- AVL has a very strong and experienced board that provide very clear strategies to management.
- AVL continues to focus on 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 and continue to make the "Wine the Hero"
- AVL will continue to evolve our wine styles, innovate with packaging and increase our category performance, particularly in sparkling wine and with low and reduced alcohol.
- AVL is focusing our marketing activities on distribution and execution close to the point of sale. As this is being achieved we then couple this with targeted advertising campaigns.
- AVL will continue to capitalise on existing markets, and increase investment in time and resources in emerging markets.
- We have a number of exciting initiatives and products that we will be released during FY16.
- We are totally convinced that our strategies are correct, and we are enthusiastic about the future of our company but we remain patient.





AUSTRALIAN VINTAGE LTD



FORMAL PROCEEDINGS
RICHARD DAVIS

Accounts

“To consider and receive the Financial Report, the Directors’ Report and the Auditor’s Report of the Company for the year ended 30 June 2015.”



Resolution 1

- To consider and if thought fit, pass as an ordinary resolution:

“That John D Davies is elected as a non-executive Director of the Company.”



Resolution 2

- To consider and if thought fit, pass as an ordinary resolution:

“That Naseema Sparks is elected as a non-executive director of the Company”



Resolution 3

- To consider and if thought fit, pass an ordinary resolution:

“That Richard H Davis is re- elected as a non-executive director of the Company”



Resolution 4

- To consider and if thought fit, pass an ordinary resolution:

“That the Remuneration Report of the Company for the year ended 30 June 2015 be adopted.”



Resolution 5

- To consider and if thought fit, pass an ordinary resolution:

*“That approval is given for as required by the Corporations Act and the Australian Stock Exchange (**ASX**) Listing Rules (**LR**) for:*

- 1. The continuation of the AVG Performance Rights and Option Plan (**Plan**) providing incentives to eligible Company employees (**Participants**);*
- 2. The grant of performance rights or options, and the subsequent issue or transfer of ordinary Company shares, to Participants under the Plan; and*
- 3. The provision of benefits to Participants under the Plan as described in the Explanatory Statement accompanying this Notice of Meeting.”*



Resolution 6

- **To consider and if thought fit, pass an ordinary resolution:**

“That approval is given as required by the Corporations Act and ASX Listing Rules for:

- 1. The grant of 2,000,000 Options under the Plan to the CEO and Executive Director, Neil McGuigan, in accordance with the terms of the 2015 LTI award as described in the Explanatory Statement accompanying this Notice of Meeting; and*
- 2. The pro rata vesting of the Options under the Plan granted to Neil McGuigan in the event of cessation of his employment as described in the Explanatory Statement accompanying this Notice of Meeting.”*





AUSTRALIAN VINTAGE LTD

