



COCKATOO RIDGE

MARCH 2009 APPENDIX 4C COMMENTARY

Cash Flow from Operating Activities

Cockatoo Ridge Wines Limited (“the company” or “Cockatoo”) is reporting a net operating cash flow of \$1.062m for the March Quarter 2009.

Receipts from customers were \$7.9m comprising solid sales of bulk inventory and receipts from packaged product sales both domestic and export

Cash Flows from Financing Activities

During the quarter the Company reduced net debt by \$1.55m to a level of \$18m as at 31st March 2009. The company received the first of two tranches of its recently announced capital raising being \$216,000.

Summary

The quarter’s trading reflects very tough market conditions for the sale of packaged and bulk wines both domestically and internationally. The company’s focus continues to be on reducing its bulk wine inventory. It is the Company’s intention to have reduced inventory on hand further by June 2009, enabling it to return to more normal trading conditions and continue to reduce its debt levels through Q4.

The Company has already reduced operating costs and is continuing to implement further long term cost savings in the areas of production and wine making. The most recent budget prepared by management and reviewed by the Board indicates that the company will receive sufficient cash to meet its operating requirements in the near term.

Shareholder approval of Tranche 2 of the capital raising at the General meeting to be held on 29th April 2009, is critical to Cockatoo’s ability further reduce its bank debts, meet trade creditor payments and fund its operations.

The company is continuing to operate with the support of its financier and creditors.

For further information, please contact:

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Managing Director
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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Cockatoo Ridge Wines Limited

ABN

72 008 095 207

Quarter ended ("current quarter")

31 March 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (nine months) \$A'000
1.1 Receipts from customers	7,867	20,945
1.2 Payments for		
(a) staff costs	(497)	(1,590)
(b) advertising and marketing	(22)	(325)
(c) research and development	-	-
(d) other working capital	(5,844)	(15,360)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	15
1.5 Interest and other costs of finance paid	(443)	(1,541)
1.6 Income taxes paid / refund	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	1,062	2,144

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (six months) \$A'000
1.8 Net operating cash flows (carried forward)	1,062	2,144
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) Intellectual property	-	-
(d) physical non-current assets	-	(115)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	200
(d) physical non-current assets	-	2
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (Additional cost for acquisition)	-	(85)
Net investing cash flows	-	2
1.14 Total operating and investing cash flows	1,062	2,146
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	216	216
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(1,555)	(5,911)
1.19 Dividends paid	-	-
1.20 Other – cost of Share Issues	-	-
Net financing cash flows	(1,339)	(5,695)
Net increase (decrease) in cash held	(277)	(3,549)
1.21 Cash at beginning of quarter/year to date	302	3,574
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	25	25

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	73
1.25	Aggregate amount of loans to the parties included in item 1.11	NIL
1.26	Explanation necessary for an understanding of the transactions	
	Payment of directors' fees and salaries in relation to the provision of management services to the group.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities – Total	28,000	17,949
3.2	Including Credit standby arrangements	15,000	9,395

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

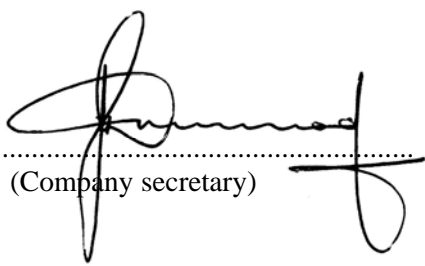
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	25	302
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	25	302

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(d))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 24 April 2009
 (Company secretary)

Print name: M J S Drummond

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.