



# Cockatoo Ridge Wines Limited


Chairman's Presentation  
Annual General Meeting 2009



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**COCKATOO  
RIDGE**

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- Year of consolidation/restructuring
    - Focus on debt reduction
    - Inventory reduction
    - Rationalisation of costs in line with leaner operational base
  - Sale and/or lease of winery
    - Progress slow – difficult wine industry environment is proving hard to finalise a transaction
  - Challenging packaged wine sales environment – particularly for export market

# Restructured Management Team

- Managing Director, Peter Perrin's recent departure – will not be replaced in short-term
- Established senior management team to run a substantially smaller operation
  - Alan Thompson – National Sales Manager
  - Mark Starick – Operations Manager
  - Hayley Herbst – CFO
  - Katrina Neldner – Cellar Door Manager
- Experienced team in key locations covering all aspects of the business

# Industry

- Industry remains oversupplied with grapes/wine inventory
- Strong A\$ impacting export market opportunities/margins
- Domestic market pricing aggressive with “redirected” export product in local marketplace
- Solid performance YTD from “Cockatoo Ridge” brand (refer to Alan Thompson presentation)

# Outlook



- Cockatoo Ridge continues to work closely with bank on reducing debt levels
- Cash flow must be directed towards debt reduction
- Outlook remains challenging
  - Focus on cash flow/debt reduction
  - Sales growth
  - Further containing costs



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## Sales & Marketing Overview

AGM Presentation

NOVEMBER 2009

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- Brand Commentary
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# Brand Marketing Commentary

## COCKATOO RIDGE

- Sparkling Packaging Upgrade Completed
- Released Sparkling Pink Moscato
- Show success in Elanora / Shiraz / Brut & Sparkling Rose
- Reinforced Pricing Strategy
- Tastings Programs
  - Targeted in line with Consumer Campaign plus new Product Releases
- Trade Activities
  - National Account Promotional Exposure
  - Off Premise Bonus Stock Program
  - On Premise Pouring Program
  - Tactical Marketing
  - Wholesaler Support Program
- Point of Sale Production
  - Twin Packs

## FY10 Priorities

- Table Wine Packaging Upgrade
- Apply new Re-sealable Closures
- Broaden Distribution Base and Maximise Promotional Opportunities

# Brand Marketing Commentary

## **KELLY'S PROMISE**

- Established Sales Base in Tasmania
- Terminated Glasscase Distribution Agreement

## **FY10 Priorities**

- Peruse Direct Sales / Distribution Opportunities
- Develop Tasmanian Sales Base
- Explore 'Private Label' / 'Exclusive ' Brand Option

## **NXG**

### **FY10 Priorities**

- Clear existing Stock on Hand
- Implement Exit / Deletion Strategy

## **HOUND DOG**

- Exclusive offering to Liquor Stax
- Promotional Program Exposure

### **FY10 Priorities**

- Develop Accurate Forecast Model
- Rationalize Range



# New Product Development

- 'Urbane' Barossa Shiraz - \$15 to \$20 price segment / Edgy / Contemporary / Premium Packaging
- Yarra Valley Pinot Noir - \$15 to \$20 price segment –Upgrade existing Yarra Glen Label
- 'Boho' Aromatic White Wine - \$15 to \$20 price segment / Funky / Contemporary / Premium Packaging
- 'Boho' Premium Sparkling – \$20 plus price segment / Funky / Contemporary / Premium Packaging
- Cleanskin Sauvignon Blanc – Sell through Cellar door for \$25 per dozen
- Cockatoo Ridge Sparkling Burgundy – Move to Crown Seal
- Cockatoo Ridge Sparkling Rose – move to 'Zork' Resealable Closure

# Packaged Sales Overview

## DOMESTIC

### OBJECTIVE

To continue to develop trading relationships with all key customers in the Chains, Off-Premise and On-Premise channels – including all 'Web' based traders.

### STRATEGIC DIRECTION

- Work collaborately with FWP maximizing sales opportunities
- Development of profitable BOB's
- Work on expanding KP distribution base
- Establish distribution base for new SKU's

## EXPORT

### OBJECTIVE

Consolidate customer base pursuing reputable distributors in key markets

### STRATEGIC DIRECTION

- Assess profitability of all export sales
- Seek sales opportunities in line with existing domestic brands / SKU's

## CELLAR DOOR

### OBJECTIVE

To become the 'Number One' cellar door in the Barossa achieving an increased profile within CKR and the greater wine community

### STRATEGIC DIRECTION

- Further develop staff through internal training program
- Promotional Program
- Events Calendar
- Expand Direct Marketing Business

# Key Priorities & Opportunities FY '10

- Continue to build CKR brand equity
- Establish a domestic Sales Team
- New Brand / Product development
- Expand domestic and international revenue / sales base
- Mutual value creation strategies with supply & consumer base
- Deliver excellence in 'customer service'

## Summary

- The CKR brand does have 'Traction' in the domestic market
  - Need to keep the CKR brand relative and innovative for today's consumer
  - FY '10 – Time to create new opportunities with alternative offerings
  - Need continued focus on execution of sales strategies
- 'Great execution will compensate for poor strategy but great strategy won't compensate for poor execution'