

ASX & Media Release

Date 16 June 2009
Entity International Wine Investment Fund (The)
Homex Adelaide



International Wine Investment Fund (IWI) Proposed Reconstruction

Questions and Answers

In relation to the proposed reconstruction of IWI, we have received a number of questions from unitholders and we have therefore decided to publish those questions and answers for the benefit of all unitholders.

The questions fall broadly into three categories as follows:

1. *Franking Credits*
2. *Distributions*
3. *Communications and Corporate Governance*

Franking Credits

Q What is the status of existing franking credits in IWI if the reconstruction goes ahead?

A As stated in the Explanatory Memorandum, Berren had received tax advice including advice to the following effect:

“The Reconstruction will not lead to an adverse tax event for Unitholders, provided rollover relief is chosen.”

Specifically, in relation to franking credits, the amount of franking credits potentially available to investors in IWI **remains the same after the restructure as before** assuming that former IWI unitholders continue to hold the shares in IWIF Holdings Limited received by them in the restructure. In other words, assuming the restructure proceeds, **dividends paid by IWIF Holdings Limited will carry the same franking credits as equivalent distributions out of IWI would have carried had the restructure not proceeded.**

The release of franking credits is limited to the ability of IWIF Pty Limited or, after if the restructure is successful, IWIF Holdings Limited to pay dividends out of retained profits and reserves. It is the amount of these retained profits and reserves which will dictate the release of franking credits.

There is no loss of franking credits due to the restructure process.

As was also stated in the Explanatory Memorandum, Unitholders should seek specialist tax advice tailored to their circumstances.

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Q What is the amount of the franking credits currently held?

A The amount of franking credits available can only be accurately ascertained following completion of IWI's financial statements and tax return for the current financial year. This information is generally provided to unitholders in the month of September.

Q Why were the last two distributions unfranked?

A The level of franking associated with the last two distributions will be advised following completion of IWI's financial statements and tax return for the current financial year. This information is generally provided to unitholders in the month of September. **The reconstruction will have no effect on the extent to which the last two distributions will be franked.**

Q If IWIF Holdings Limited is subsequently wound up, will the franking credits be lost or can they all be distributed?

A It is expected that on a full distribution of profits and reserves in connection with a winding up of IWIF Holdings Limited, those profits and reserves will be fully franked. Any remaining franking credits will be lost. The position would be no different on a winding up of IWI if the reconstruction did not proceed.

However note that if the proposed resolutions for the restructure are successful, the release of franking credits is limited to the ability of IWIF Holdings Limited to pay dividends out of retained profits and reserves. It is the amount of these retained profits and reserves which will dictate the release of franking credits.

Distributions

Q Please advise me why there was no estimate of income with the proposed reconstruction. This would help when consideration is made of the proposal?

A As stated in the Explanatory Memorandum, **the only business of IWI Holdings Limited is to sell the two remaining unlisted investments, pay associated expenses and distribute the surplus cash.** Hence there will be no trading and no new investments will be made.

The only income which will be available to IWI Holdings Limited is the distributions (if any) received from the investments now held in IWI which are to be sold and the gains (or losses) from the sale of the two remaining unlisted investments. No dividends are being paid by these investments at the moment.

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As with IWI, the only distributions from IWI Holdings Limited will be of surplus cash. **The purpose of the reconstruction as stated in the Explanatory Memorandum is to reduce the holding costs while the investments are being sold.**

Q If I sell my units in IWI before the reconstruction meeting, will I will lose the 11c distribution payable in August 2009?

A The record date to be eligible to receive the 11 cent distribution is 30 June 2009. If you sell before that date you will not be eligible to receive that distribution. This is the case whether or not the reconstruction proceeds.

Q. Why is the final announced distribution only 11cents having regard to the available reserves in IWI?

A The directors of Berren considered that that it was prudent to keep funds in IWI in case the reconstruction is not approved and the current listed status of IWI is retained.

If the reconstruction is approved, and given that the sole purpose of IWIF Holdings Limited as stated in the explanatory memorandum is to sell the remaining investments within a reasonable time and then be wound up, there would be no reason for IWIF Holdings Limited to retain surplus cash. **If the reconstruction is approved, an assessment of surplus cash available for distribution will be made after all expenses associated with the final audit and tax returns of IWI are known and IWI is wound-up.**

Communications and Corporate Governance

Q Will IWIF Holdings Limited maintain a website and provide updates to investors?

A Yes, IWIF Holdings Limited will maintain a website and provide timely updates and information to investors with reports on the investments, accounts, valuations etc and progress on the asset sales process. In addition, as a public company, IWIF Holdings Limited **must hold an annual general meeting**, the first of which is likely to be held in the third quarter of 2010.

Q We are not sure how Centrelink will value shares that are not listed, we may have to provide some evidence of values.

A You should make your own enquiries to Centrelink having regard to your personal circumstances but as a general rule, the value of shares in an unlisted company is the net tangible asset (NTA) value of the shares. It is

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proposed that the website to be maintained by IWI Holdings Limited will update the NTA of shares monthly.

Q If the reconstruction goes ahead, will regular reports on the share price be announced and how?

A It is proposed that the website to be maintained by IWI Holdings Limited will provide the unaudited net tangible asset value of shares in IWI Holdings Limited on a monthly basis. Annual audits will be carried out and annual external valuations of the unlisted investments will be carried out as part of the audit process.

Q Will IWIF Holdings Limited conduct any activities in addition to those outlined in the Explanatory Memorandum?

A No. As stated in the Explanatory Memorandum:

“All assets of IWI will be transferred to IWIF Holdings and IWIF Holdings will assume the liabilities of IWI. IWI will then be terminated. IWIF Holdings will sell the investments at a reasonable price and within a reasonable time having regard to current circumstances. On completion of the sale, IWIF Holdings will be wound up.”

IWIF Holdings Limited will not undertake any activities other than as stated above.

Q What does the constitution of IWIF Holdings Limited provide?

A The constitution of IWIF Holdings Limited is a standard form constitution for an **unlisted public company**. The rights of shareholders in relation to IWIF Holdings Limited are substantially the same as the rights of IWI unitholders in relation to IWI. A copy of the constitution will be made available on IWI's website at <http://www.iwif.com.au>.

For further information, contact Berren Asset Management Limited on 1800 638 790 or Jim Caddy on 0417 844 029 (+61 417 844 029 if dialling from outside Australia).