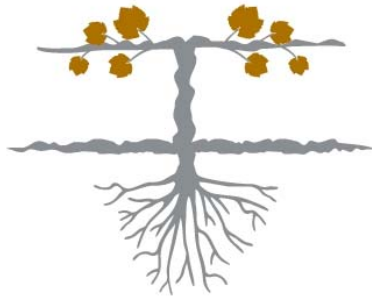


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McGuigan Simeon Wines Limited
Full Year Result
22 August 2007



Today's Agenda

Overview

David Clarke

Business Review

Dane Hudson

Outlook

David Clarke

Questions



FY 07: Australian wine industry's Perfect Storm

1. Oversupply from three record Australian vintages
 - Surplus impacted global market pricing
2. New World wine oversupply
3. AUD at historic highs
4. 2007 vintage smallest since 2000
5. Retail consolidation combined with oversupply impacted pricing power for majority of year

However,

- Signs of Australian industry returning to balance
- Global market still growing



Results reflect market

- Net sales \$287 million, \$24m below prior year
- Cash flow from operating activities \$7.7m
- Debt to equity 44% (June 06: 46%)
- NPAT loss \$4.0m prior to one off items; \$5.9m after one off items
- No final dividend



Key Ratios

	2006	2007
EBIT / Sales	11%	1%
EBIT / Enterprise Value (1)	7%	1%
Return on equity (2)	5%	(1%)
Gearing	46%	44%
Cashflow from operating activities	\$33.4m	\$7.7m
Net interest cover (3)	3.4	0.3

1. EV is equity plus debt
2. Net profit on equity
3. EBIT / net interest
4. 2007 figures pre Griffith Impairment, Grand Junction Vineyard writedown and impact of accounting change; 2006 figures pre stock writedown



Three key drivers of NOPAT loss

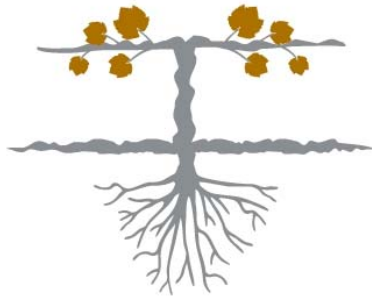
- Small 07 vintage had immediate impact
 - Contract wine making margin \$10m below 2006
 - SGARA \$2.3m below prior year
- Oversupply meant bulk wine market remained very competitive for first three quarters of 07
 - Sales made at breakeven to maximise cashflow/ reduce excess stock
- Two writedowns
 - \$2.5m pre tax loss on sale of Griffith Winery
 - Grand Junction vineyard development and lease back arrangement changed generating \$2.2m pre tax writedown



2007: Building more sustainable organisation

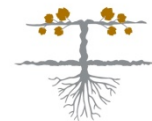
- Strengthening organisation capability
 - Right structure, right people
 - Enhanced international distributor capability with world class partners
 - More disciplined procedures and systems
- Building defendable brands
 - Reducing reliance on bulk wine sales
 - Understand opportunities for branded products
 - Positioning brands for growth
- Maximising return on assets
 - Prices increased in May 07
 - Fully utilise or exit

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Business Review

Dane Hudson



Key Topics for Today

- Industry and Vintage Update
- Building Sustainable Modern Wine Company
- Progress against Strategic Priorities



World wine consumption increasing...

Country	Volume (ml)	Annual Growth
North America	2,987	3%
UK	1,214	2%
Asia	1,160	7%
Australia	450	4%

Source: International Organisation of Vine and Wine – March 2007 Report; WFA Sales Report June 07

Australian wines remain attractive...

2006/2007 Export Performance	Volume (ml)	YOY Growth
UK	285	+ 6%
North America	272	+ 4%
Europe	140	+ 16%
Asia	52	+ 30%
Total Export	805	+10%

Source: Australian Wine & Brandy Corporation



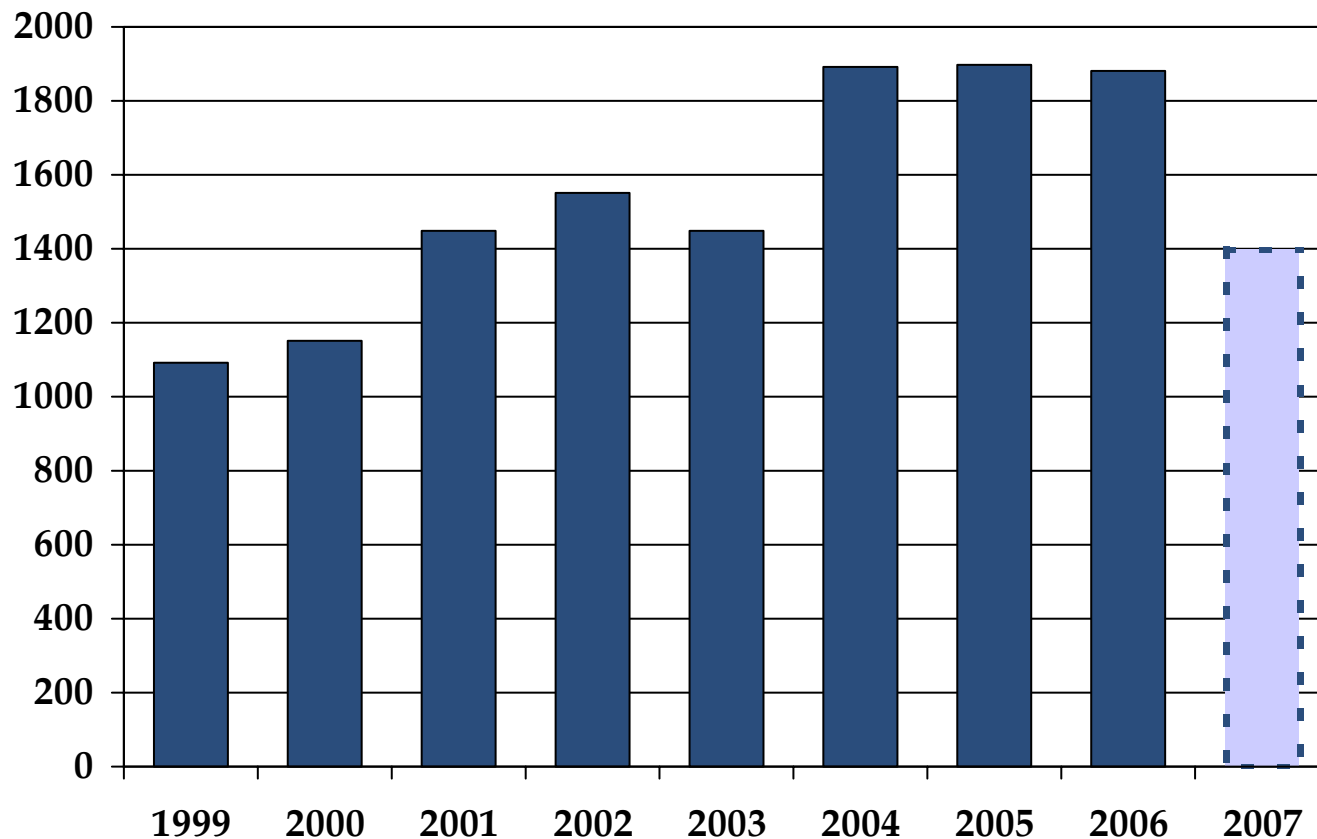
New trends working in our favour

- ‘Premiumisation’:
 - Major trend defining alcohol drinks market
 - New Europe and Asia brand conscious
 - General move to better quality; consistent with “Directions to 2025”
- Private/exclusive label brands growing in USA and Australia



Vintage 2007 lowest in 7 years

Australian Wine Harvest (Tonnes '000s)



- Driven by drought, frosts and bushfires
- Will increase costs but will bring industry into balance and allow for more sustainable pricing

Source: Australian Wine and Brandy Corporation, August 2007

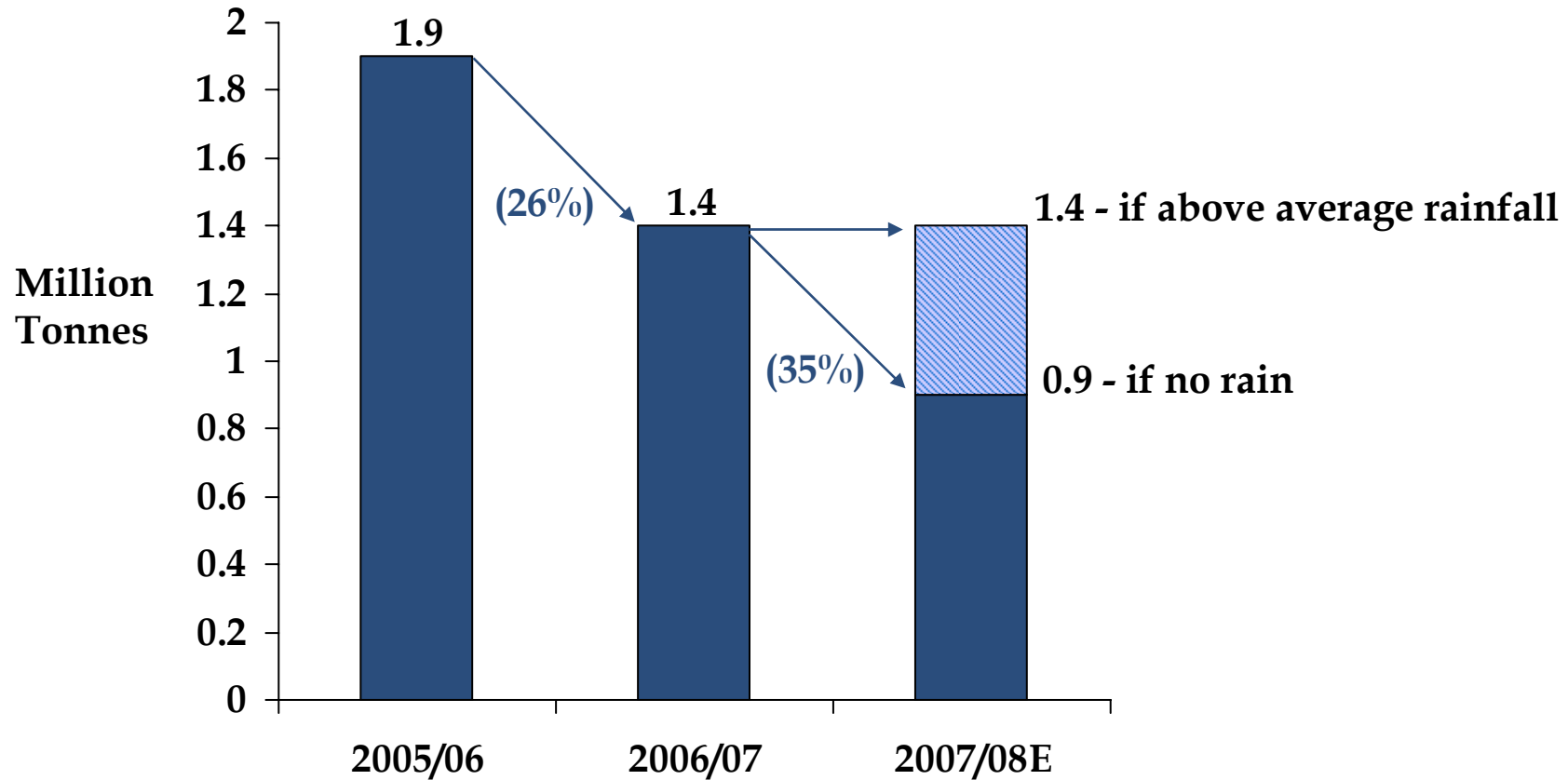


Industry returning to balance – Simple analysis

	2004	2005	2006	2007
Crush/Production (m tonnes)	1.9	1.9	1.9	1.4
Crush/Production (m litres)	1425	1425	1425	1050
Sales:				
Domestic (ML)	414	426	435	449
Export (ML)	<u>575</u>	<u>657</u>	<u>725</u>	<u>805</u>
	989	1083	1160	1254
Annual Oversupply	436	342	265	(204)



Vintage 08 uncertain: Down 35% if no rain, flat if above average rainfall



Source: Abare



MSWL Sales Scorecard – Volume growth achieved

Million Litres	2005/06	2006/07	Change
Export			
- Branded	14.4	14.9	3%
- Private Label	13.0	6.5*	(50%)
Domestic			
- Branded	25.4	26.3	4%
- Private Label	3.8	6.6	74%
Bulk (Export & Domestic)	85.2	104.4*	23%
Contract Winemaking	36.4	33.5	(8%)
Total	178.2	192.2	8%

Total Sales 14 million litres above Prior Year

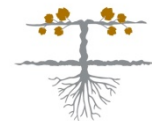
* Over 4 million litres of Gallo's Black Swan moved from bottled Private Label to bulk wine segment



Sales Segment Performance

Segment Revenue (\$'000)	2005/06	2006/07	Change
Bottled wine division – branded / casks	134.7	132.2	(2%)
Bottled wine division – private label	47.6	39.0	(18%)
Bulk wine and processing	103.0	104.0	1%
Vineyards	25.1	11.5	(54%)
Total of all segments	310.4	286.7	(8%)

Geographic Wine Sales (\$'000)	2005/06	2006/07	Change
Australia	147.9	135.6	(8%)
Export	162.5	151.1	(7%)



Tactical focus in 07: Building a Sustainable Modern Wine Company

1. Right Structure, Right People

2. World Class Partners

3. More Disciplined Procedures and Supporting Systems



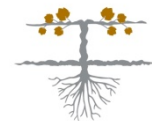
Tactical focus in 07: Building a Sustainable Modern Wine Company (cont.)

Key Initiative:

1. Right Structure, Right People

Progress:

- Built Australian export team
- Recruited North American leader and account manager
- New marketing leader; team reorganised with brand focus
- Recruited FMCG sales executive; restructured sales force
- Recruited dedicated legal counsel
- Created group HR, group Purchasing and Strategic Planning responsibilities
- Centralised administration in operational centre (Mildura)



Tactical focus in 07: Building a Sustainable Modern Wine Company (cont.)

Key Initiative:

2. World Class Partners

Progress:

- 18 new direct international relationships:
 - Great Britain: WaverleyTBS (largest alcoholic beverage distributor in UK, 34,000 on trade accounts)
 - Northern Ireland: Golf Holdings (largest liquor wholesaler, own 30% of retail market)
 - Republic of Ireland Barry & Fitzwilliam (largest wine distributor)
 - Canada: Vins Phillipe Dandurand (2nd largest wine agency)
 - Netherlands: Groupe LFE (part of Castell, largest wine company in Europe)
 - Russia: Rotor House (124 sales representatives)
 - Asia: 12 new distributors across region with 6 in China
- Tendered Australian domestic distribution



Tactical focus in 07: Building a Sustainable Modern Wine Company (cont.)

Key Initiative:

3. More Disciplined Procedures and Supporting Systems

Progress:

- Performance Management
 - Personal/Team objectives, appraisals and bonus system
 - Monthly “racking and stacking” of sales rep performance against balance scorecard of KPI’s and trade standards
- Operations and Administration Support
 - Centralised administration and standardised procedures
 - JDE Enterprise One 75% implemented
 - Group stock allocation system implemented
 - Established global trading standards (B2B connectivity with key customers)
- Executive Decision Support
 - KPI focused reporting tightening controls around profit and supply chain
 - Profit by customer by product versus target divisional return



Throughout year also drove three strategic priorities

⇒ Grow Export

⇒ Build and Buy Defendable Brands

⇒ Remain Low Cost Quality Producer



Total Sales performance

	Sales Volume		Sales Value	
	2005/06 ml	2006/07 ml	2005/06 \$m	2006/07 \$m
UK/Europe	52.6	45.7	124.1	114.0
North America	14.7	14.8	26.3	22.0
Asia/New Zealand/Other	5.1	9.5	12.1	15.1
Total	72.4	70.0	162.5	151.1



UK & Europe performance

- Expanding Tesco relationship
- Sales momentum starting with new partners: WaverleyTBS (GB), Phillip Russell (Nth Ireland), Groupe LFE (Netherlands), Rotor House (Russia)
- McGuigan brands growing in Great Britain (Off Licence Liquor News July 2007 survey)

- Callaway Crossing	+33%	24 th largest brand in off trade and up 1 position
- Rawnsley Estate	+117%	39 th largest brand, new entry on top 50
- McGuigan Brands	-25%	45 th largest brand, new entry on top 50
- Yaldara Brands	+255%	46 th largest brand, new entry on top 50



North America performance

- North America becoming largest market for Australian wines
 - MSWL share less than 6% versus target of at least 10%
- Appointed first employees; Infrastructure in place; Ability to direct import
- Driving current importers and establishing new direct relationships
 - Gallo relationship remains strong; although Black Swan sales disappointing
 - Supporting Tesco US launch
- New Canadian distributor in August 2007
- Will remain a challenge if AUD at +75¢



Asia performance

- 12 new distribution relationships established
- Branded sales growing rapidly
 - McGuigan Black Label +40%
 - Tempus Two +64%
- Leveraging Tesco UK relationship with sales into Japan, China, Korea, Thailand
- Further opportunities in play



Branded Sales performance

	Case Sales ('000)			Dollar Sales (\$000)		
	2005/06	2006/07	Change	2005/06	2006/07	Change
Export	1,595	1,665	4%	67.7	69.1	2%
Australia	2,122	2,160	2%	67.0	63.1	(6%)
Total	3,717	3,825	3%	134.7	132.2	(2%)

- Australian branded sales impacted by mix shift to lower value cask product.



Significant opportunities exist

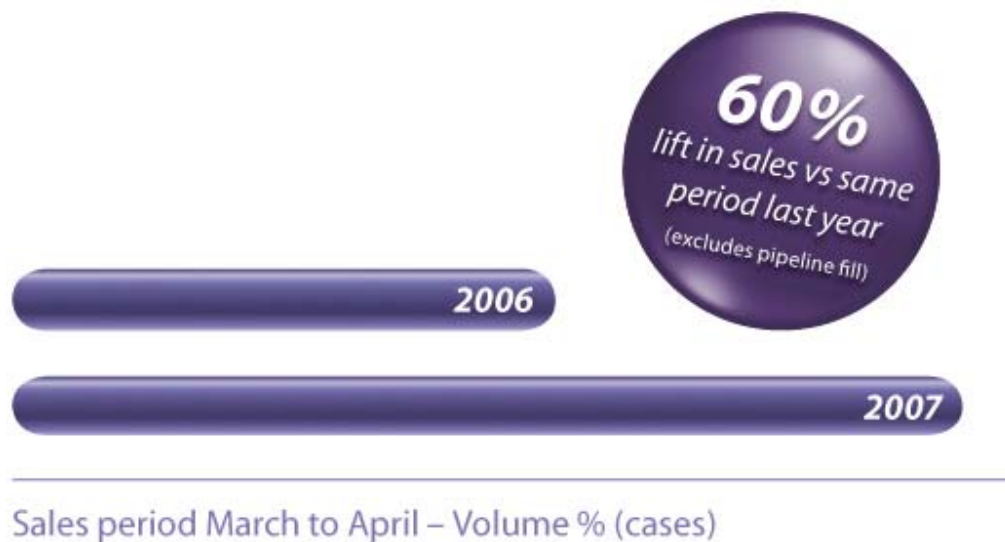
- MSWL branded market share approximately 4%, below target of at least 10%
 - Share of +\$10 price point category less than 1%
- Many initiatives improving profitability
 - Increased prices in May 07
 - Restructured sales force with clear KPI's and targeted incentive system to shift mix to higher margin products
 - Strong new product pipeline
 - Rebranding of Passion Pop and McGuigan
- Trade feedback: more professional/sophisticated



Launch of Passion Pop into Victoria lifted the brand

- Selling tools assisted in achieving executional excellence
- Improved volume at a higher retail price point

Passion Pop – Victoria launch performance



PASSION POP

Marketing Support

Advertising/PR

- Full page ad in Cosmopolitan - On sale 2nd April
- Full page ad in Cleo - On sale 16th April
- Full page ad in W - On sale 16th April
- Full page ad in Femina - On sale 16th April
- Fly posters throughout metro and regional Victoria
- Targeted PR activity in street press, metro and regional newspapers and radio

Point of Sale:

- Posters (A1 and A2)
- Header Cards
- Wobblers
- Bunting
- Staff T-Shirts
- Gondola displays

Launch date 20th March 2007

Posters/Headercard

Wobbler

Bunting

T-shirts

Gondola

"Sheet Love the new packaging... it's hot and fresh!"

"Thanks so much for involvement in this launch, the current one they will be doing again"

"Thanks so much for try it more, to think it's obviously changed!"

Source: Abbott Wine Passion Pop research groups, February 2007

⇒ Build and Buy Defendable Brands



Brand McGuigan being driven by consumer promotions and range extension/rationalisation

- Restructure the portfolio as a McGuigan family
- Reduce reliance on price promotions through bigger and better events
- Increase relevance with targeted consumer segments
- Remain innovative



⇒ Build and Buy Defendable Brands



Targeting +\$15 price point with new McGuigan offering

- New range to shift consumer perceptions of McGuigan to being more vibrant and appealing
- Position McGuigan in a unique and uncluttered communication environment
- Positive feedback from retail

Launching Sept 07



⇒ Build and Buy Defendable Brands



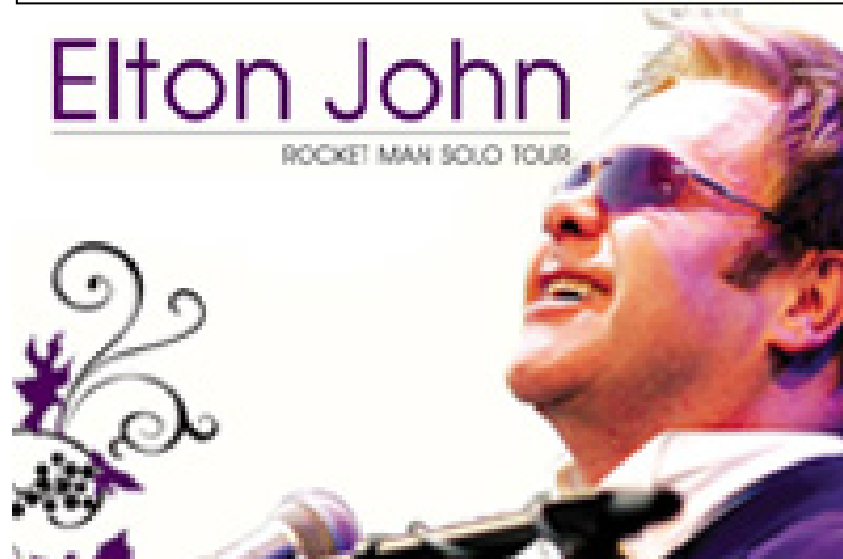
Concerts at Tempus Two driving awareness and introducing consumers to the brand

- Over 45,000 attended since 2005

Upcoming Events:

- 29 Sep Grease The Musical
- 3 Nov Beach Boys, Daddy Cool & Christopher Cross
- 24 Nov Bryan Ferry, Joan Armatrading
- 1 & 2 Dec Elton John

1st & 2nd Dec Concerts - SOLD OUT



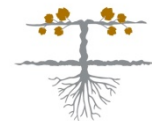
Carole King: 25th Nov 07



INXS: 31st Mar 07



⇒ Build and Buy Defendable Brands



Nepenthe acquisition integration

- Smooth transition with overseas distributors
- Expect 50% increase in 2007/08 sales
- EBIT to 30 June \$0.3m
- MSWL to establish premium brand division to incorporate Nepenthe and Tempus Two

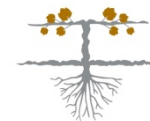
⇒ Build and Buy Defendable Brands



Remain Low Cost Quality Producer

- Continue to review the utilisation and return from each of our assets
 - Major decision made to investigate sale of Loxton Winery
 - Expect Griffith Winery sale to be completed shortly
 - Exiting Hunter Valley Winery after vintage 2008
- Transferring Griffith packaging equipment to Merbein to improve utilisation
- Working with our vineyard partners to maximise yield and quality while reducing cost

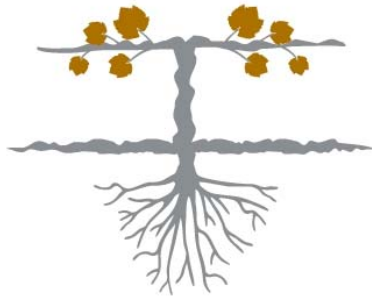
⇒ Remain Low Cost Quality Producer



Summary

- Next 12 months remain challenging
 - Industry returning to balance with bulk wine prices increasing
 - Wine costs will increase significantly due to very low V07, and likely low V08
 - Obtaining price increases to fully cover cost increases unlikely
- MSWL's Strategic initiatives remain correct and gaining traction
 - Grow Export
 - Build and Buy Defendable Brands – embed FMCG best practices
 - Maintain Low Cost Position

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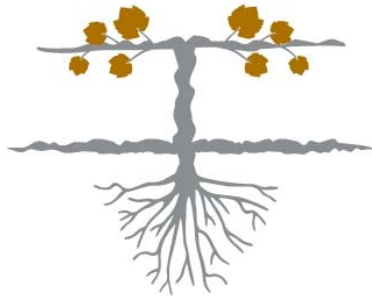
Outlook 2008

Outlook



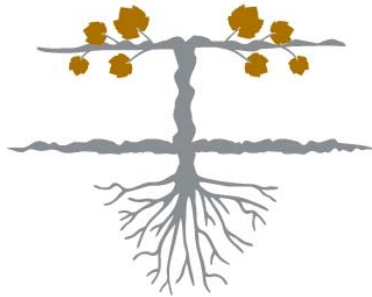
- Vintage 08 likely to be similar to V07; although considerable risk due to the ongoing drought and availability of water for irrigation
- Market in state of flux moving from oversupply to better balance
- Anticipate little change in contract wine making margins due to small vintage and under utilization of big wineries
- Targeting a small positive FY08 NOPAT.

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Questions & Answers

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Back up



Delivered positive operating cash flow

Cash Flow (\$m)	2005/06	2006/07
From Operating Activities	33.4	7.7
From Net Capital Expenditure	(13.4)	(34.5)*
		(12.2)**

* Includes \$22.3m for Nepenthe

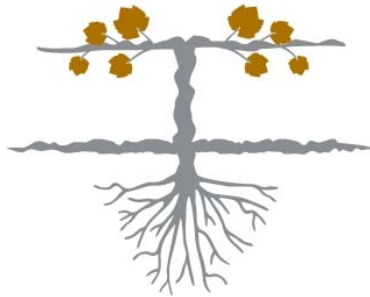
** Excludes Nepenthe



Reconciliation of 2006/7 Results

	2006 \$000	2007 \$000
EBIT (before one-off items)	34,510	3,280
Interest Expense (net)	(10,011)	(9,962)
OPBT	24,499	(6,682)
Tax Expense	(6,959)	(2,688)
OPAT (before one-off items)	17,540	(3,994)
One-off items (after tax)		
• Grand Junction Vineyard		(1,554)
• Accounting Policy change	(1,319)	1,334
• Griffith Winery Impairment		(1,730)
• 2006 Stock Adjustment	(31,060)	
NPAT	(14,839)	(5,944)

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