



AUSTRALIAN VINTAGE LTD

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ASX RELEASE
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AUSTRALIAN VINTAGE SELLS YALDARA WINERY FOR \$15.5 MILLION

Australian Vintage Limited (Australian Vintage) today signed binding agreements for the sale of the 10,000 tonne Yaldara Winery and the Yaldara brand to 1847 Winery (SA) Pty Ltd (1847). Settlement, which is subject to 1847 obtaining a liquor licence for the Winery, is expected to occur in November or December 2014.

1847 will offer employment to some existing staff working at the Yaldara winery. A processing agreement will also be entered into between Australian Vintage and 1847 for a period of two years from completion. Existing grower contracts for the supply of grapes from the Barossa and adjacent regions will be retained by Australian Vintage.

Australian Vintage CEO, Neil McGuigan said "Yaldara has been an important part of our history and the people are first class. The staff have made a significant contribution to our business. To ensure that our high quality is maintained we have entered into a two year processing agreement with 1847 and we will also retain a number of winemakers on site post completion. We will retain our Barossa Valley Farms vineyard the grapes from which are critical to our super premium wines program".

"The company's focus remains on its three fundamental strategies: grow export business, build branded sales with emphasis on the McGuigan, Tempus Two and Nepenthe brands, and be the lowest cost producer of quality wines. The sale of the Yaldara Winery and the Yaldara brand is another step towards achieving those strategies. Over the next two years we will be exploring various options regarding the long term processing of our super premium grapes from the Barossa, Adelaide Hills and adjacent regions."

"The net funds from the sale of the Yaldara Winery and Yaldara brand will initially be used to reduce debt".

John Curnow, CEO of 1847 Winery (SA) Pty Ltd, added "we are very pleased to be adding the Yaldara Winery and the Yaldara brand to our existing vineyards in the Barossa Region. The winery acquisition, over two years in the making, provides 1847 with the certainty that ownership of our own winemaking facility brings.

Previously 1847's operations were restricted with winemaking operations sourced from various contract winemaking facilities on an annual basis. Chateau Yaldara now provides opportunity for continued expansion of both the brand and range in both domestic and international markets.

The Chateau Yaldara brand, will be, along with 1847, core to the future success of the company,"

Further information

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