



McGuigan Simeon Wines Limited
Annual General Meeting

McGuigan Simeon Wines Limited
26 November 2003

2003 Financial Performance Highlights

	2003 \$m	2002(*) \$m	variance
Sales	293.1	234.9	▲ 25%
EBITA	58.6	47.2	▲ 24%
PAT	32.2	25.3	▲ 27%
EPS	33.3cents	25.9cents	▲ 29%
Dividend	20cents	15cents	▲ 33%

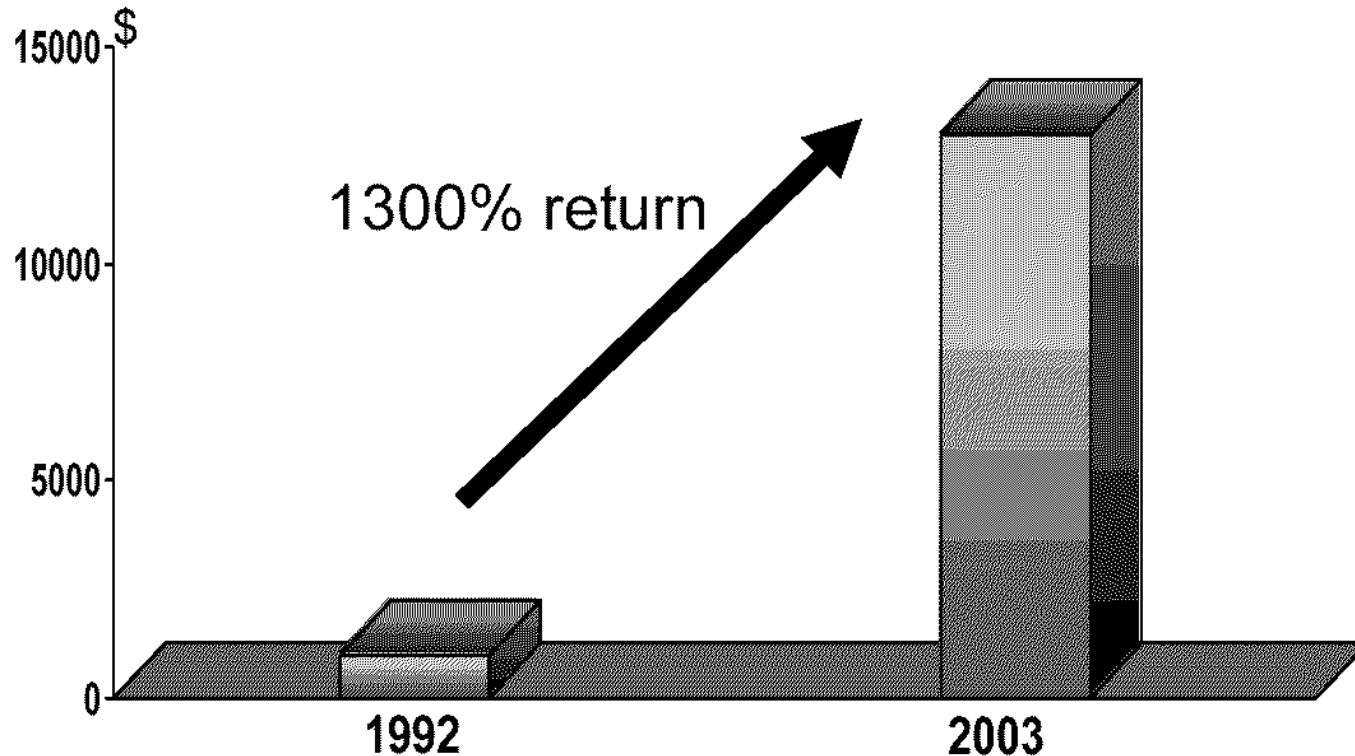
(*) normalised

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minerals limited

Commitment to increasing shareholder return



\$1,000 invested in MGW in 1992, would today be worth in the order of \$12,998 a **1300%** return

including reinvesting dividends



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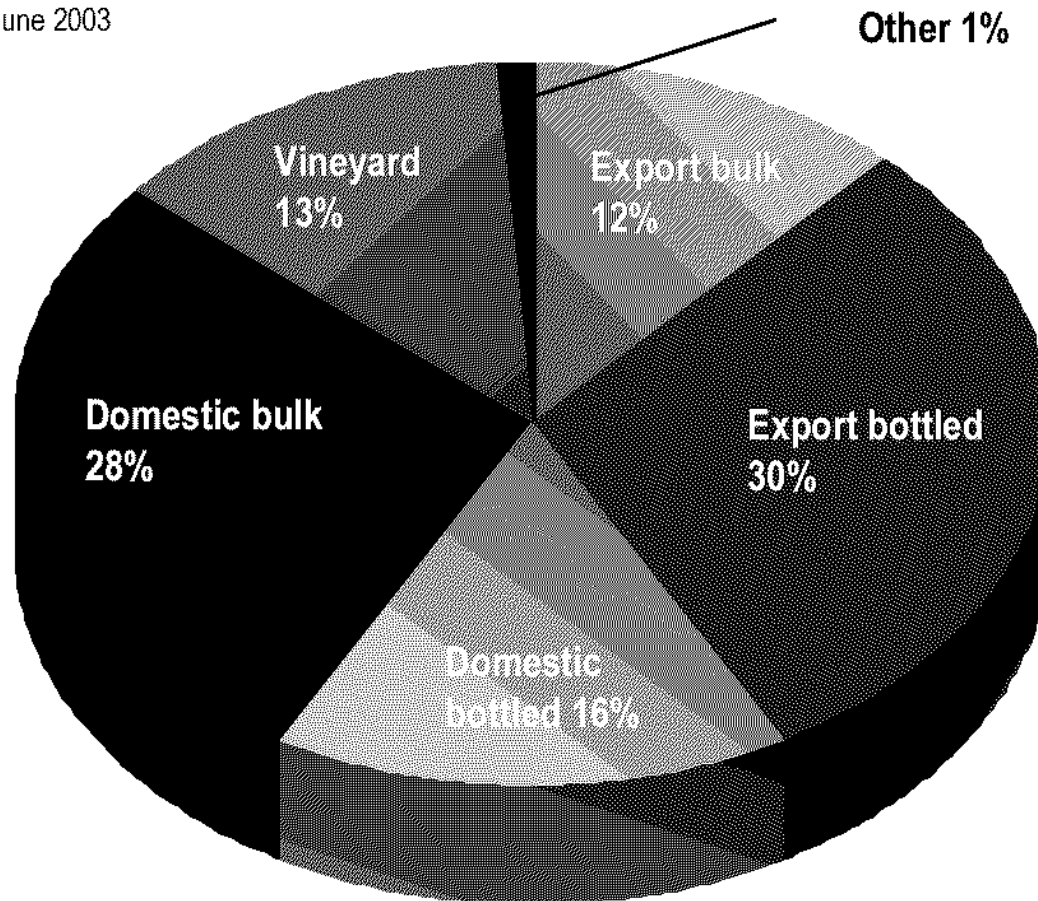
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Product and geographic diversity reduces risk : Gives earnings stability

Sales breakdown

\$ for 12 months to 30 June 2003



Developing strategic position

- Key alliances in Australian and overseas markets
- Extended valuable contracts
- Improved self sufficiency of grape supply to address security, quality and cost of supply
- Continued focus on productivity and costs
- Continued building management team

Miranda: a perfect fit

- **Adds to sales**

- \$60m gross sales revenue in 2003

- **Access to Riverina**

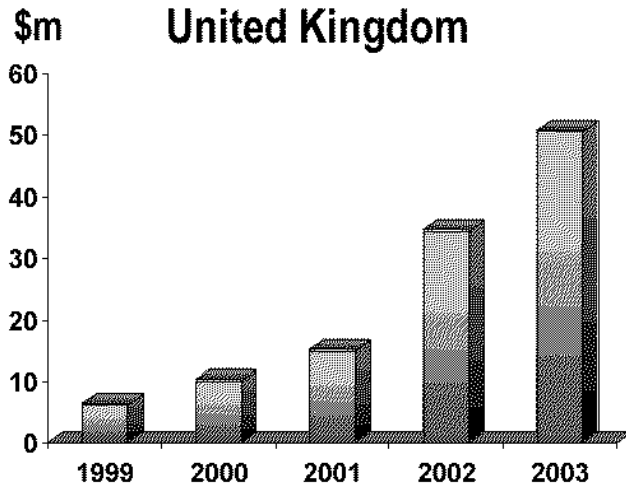
- 3rd largest wine growing region in Australia

- **Access to cask wine production and packaging**

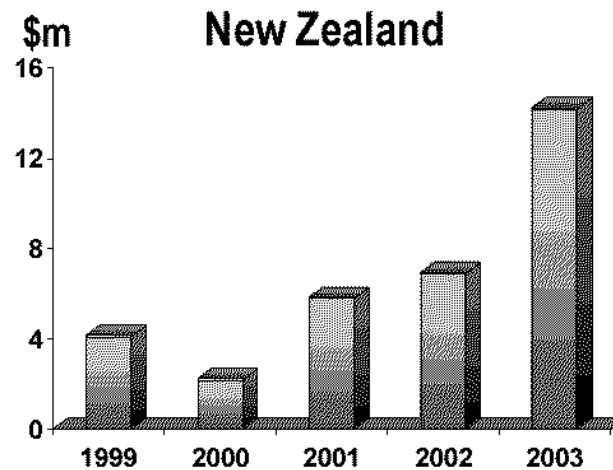
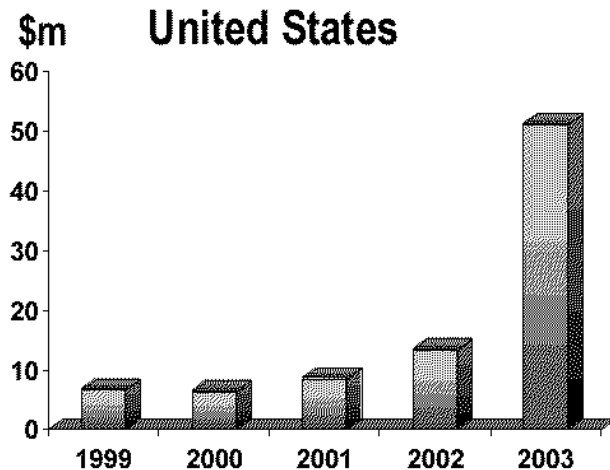
- **Adds to winery capacity**

- Griffith, MIA – 20,000 tonnes

Export performance



- UK growth from range of distribution arrangements
- New Zealand extended growth
- Distribution alliances in USA and new opportunities with branded product coming through





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Operational review

Brian McGuigan

Sales up across the group

Twelve months to 30 June	2003 \$m	2002 \$m	Variance
Export bottled sales	88.6	43.0	▲ 106%
Export bulk sales	36.0	17.7	▲ 103%
Domestic bottled sales	45.9	40.5	▲ 13%
Domestic bulk sales	82.6	100.0	▼ 17%
Vineyards	37.3	29.7	▲ 26%
Other	2.7	4.0	▼ 33%
Total	293.1	234.9	▲ 25%

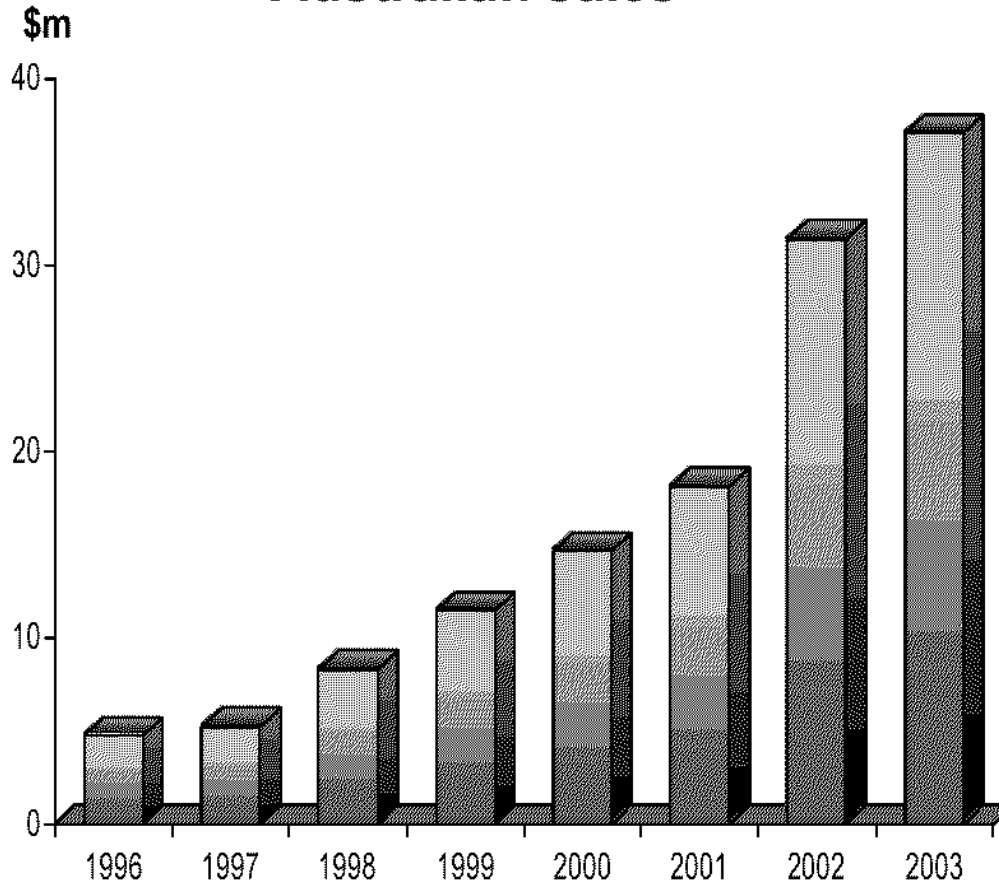
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Strong growth in Australia

Australian sales



Annual \$ sales of Domestic bottled (excluding cellar door)

Drivers of growth

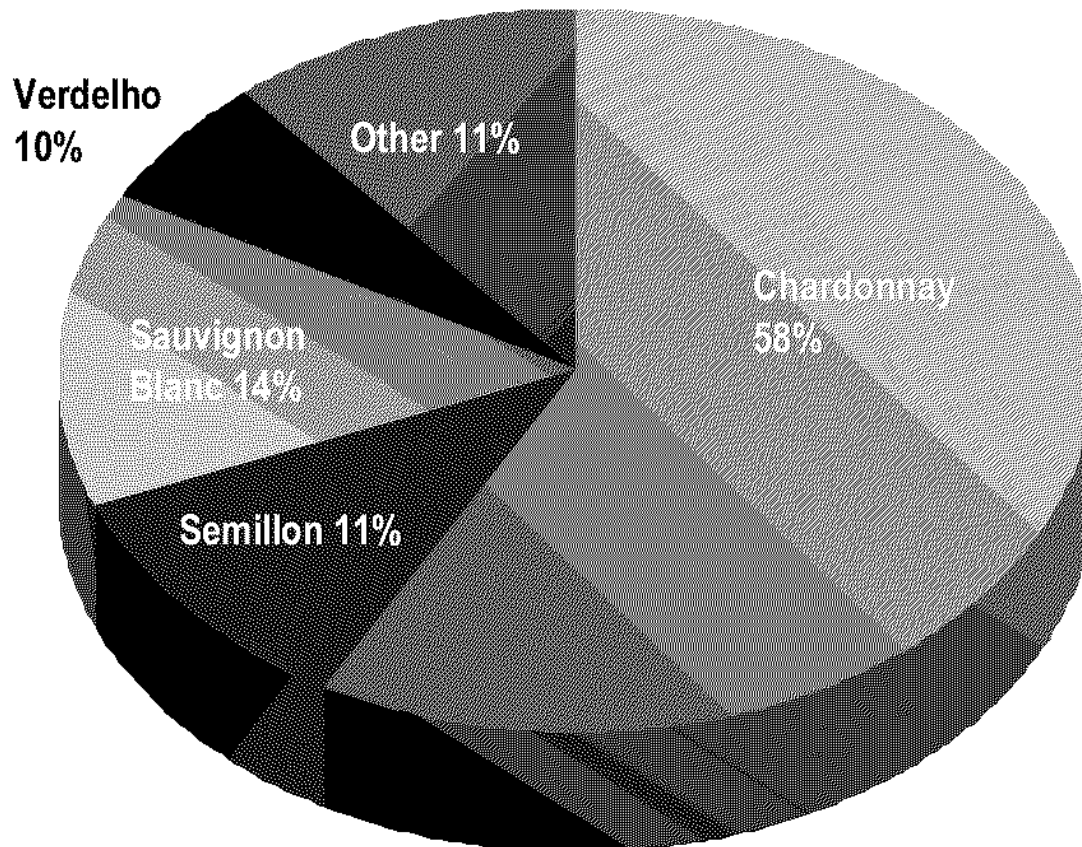
- Distribution matured
- Consolidated brand strength
- Continued innovation
- Scale
 - The big '5' – ability to supply volume and service
- Full coverage of bottled product range
- High quality wine



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Hectares of white grapes

Total 2125 hectares



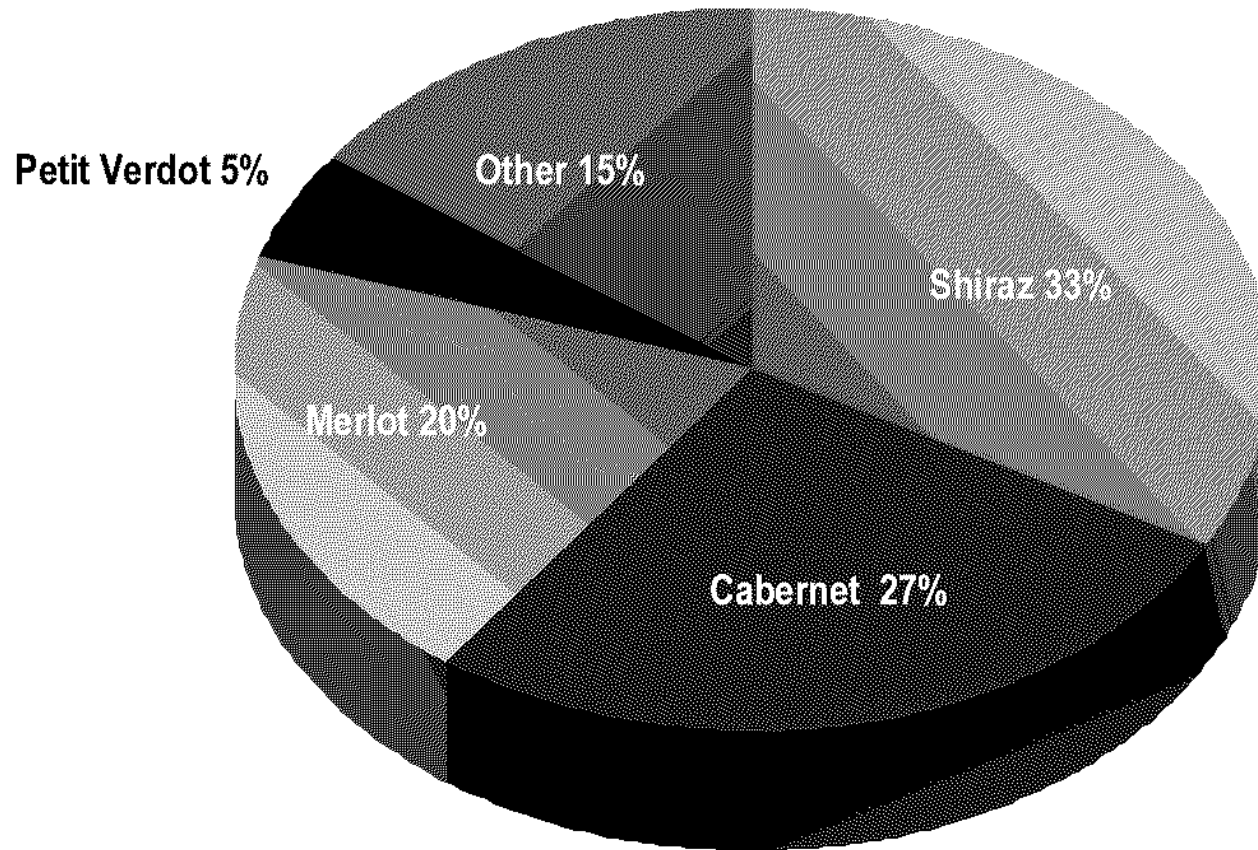
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Hectares of red grapes

Total 2744 hectares



What sets
McGuigan Simeon Wines
apart

The new global wine market:

- Growth in “popular premium” segment of the markets (ie. wines at \$A9.99, \$US5.99 - \$US6.99, £4.99 per bottle – on shelf)
- For growth must be a low cost producer / high value provider
- Intensified competition
 - Old world / US / multinationals / nationals
 - Low priced wines in USA
 - Movement in the exchange rate against major trading partners
- Retail and industry consolidation
- The middle range market is disappearing:
 - super premium and value products remain
- Opportunities will Arise
 - Brand fallout – opportunities to grow by “bolt on” acquisitions
 - Large retailers want an alternative supplier
 - Low cost producer / High Value providers can thrive

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So, in this new global wine market a new response is needed:

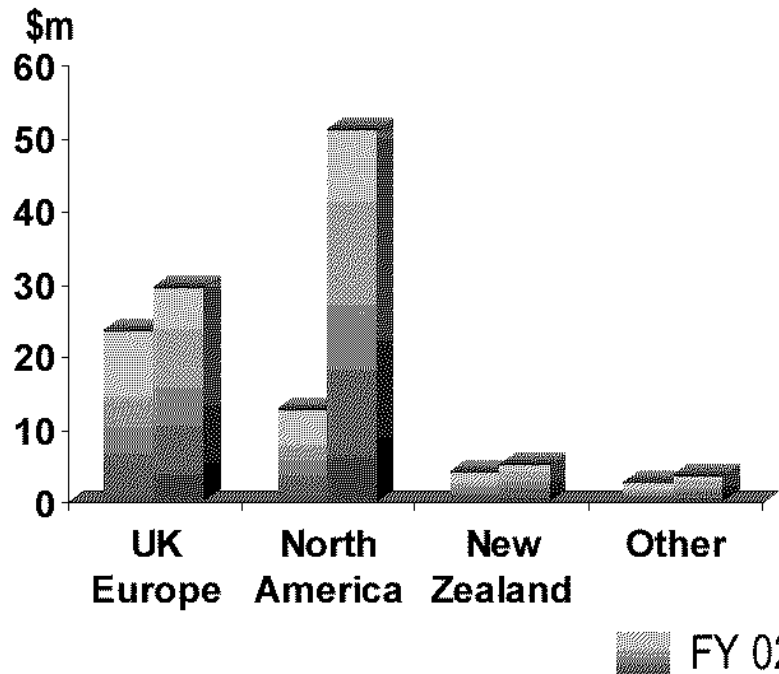
- Low cost producer / high value provider – to supply into the “popular premium” end of the market
- MGW has scale with responsiveness
- MGW has geographic and product diversity
- MGW has production efficiency
- MGW is customer responsive
 - Innovative across the business
 - Production
 - Marketing
 - Distribution
 - Packaging
 - Price points
- MGW has strong customer and industry partnerships
- Margin protection – addressing cost and sale price

We are building scale

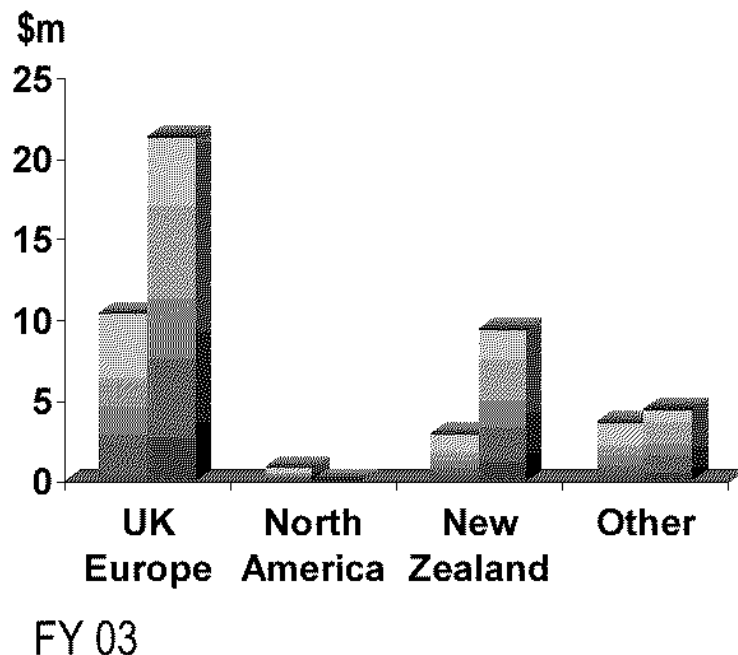
- 3rd largest listed Australian wine company
- Crush 14% of national crush
- 2 of the largest wineries
- 2nd largest vineyard holding
- Supermarkets see MGW as scale supplier
- Greater range of brands across all price points and offerings
- Move into casks
- Move into Riverina

Geographic diversity adds to stability of earnings and growth

Export bottled sales up 106% (03/02)



Export bulk sales up 103% (03/02)



- New brands into US
- UK relationships strengthened
- New Zealand continues to be strong

(2002 figures include Simeon Wines)



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And we are one of the world's most efficient full service wine producers

- Buronga Hill and Loxton are amongst the most efficient, low cost, technologically advanced wineries in the world
- Our winemakers produce high value products at all price points and offerings
- Low cost and high value gives MGW enormous flexibility
- Our production is in the area in Australia which can supply wines to the growth segment of world wine market (“popular premium”)

Environment response

Commitments

- Water use efficiency
- Conversions of irrigation systems to drip irrigation
- Employee incentive schemes to save water
- No use of GMOs
- Ongoing improvements to winery effluent treatment systems
- Capital expenditure to reduce electricity usage at wineries

Research & development

Commitment

- Development of new efficient viticultural technologies
- New processing technologies
- New scientific testing technology of red grape quality
- In the process of developing new technology for establishing white grape quality
- Close working relationship with AWRI

MGW: The momentum

- **Growth**



- 2003 sales up 25% on 2002
- 2003 profit up 27% on 2002

- **Acquisitions and alliances**



- US alliance
- Miranda

- **Capital and operating discipline**



- Sale and Leaseback
- Focus on productivity
- Shareholder returns

Miranda: a perfect fit

- **Adds to sales**

- \$60m gross sales revenue in 2003
- \$48 million in Australian domestic packaged sales
- \$12 million export sales to UK, US, Australia, Europe and Asia

- **Access to Riverina**

- 3rd largest wine growing region in Australia – new efficient supply opportunities
- Greater diversity in supply opportunities.

- **Access to cask wine production and packaging**

- Cask wine is 45% of the Australian wine market (by volume)
- MGW is already one of the most efficient producer of cask wine in Australia
- Griffith packaging and distribution facilities are very efficient

- **Adds to winery capacity**

- Griffith, MIA – 20,000 tonnes



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Miranda

- **Adds new brands**

- Mirrool Creek - Somerton - Sparkling range
- Golden Gate - Miranda - Firefly
- Sunnyvale - Golden Gate 4L cask
- Kilkenny Cream Liqueur

- Existing national sales and marketing

- **Strategic and financial opportunities**

- Synergies in management, distribution, sales, marketing, cost of funds/interest, buying power, grapes
- Increased sales
- Confident e.p.s. positive in 2005
- At least e.p.s. neutral in 2004

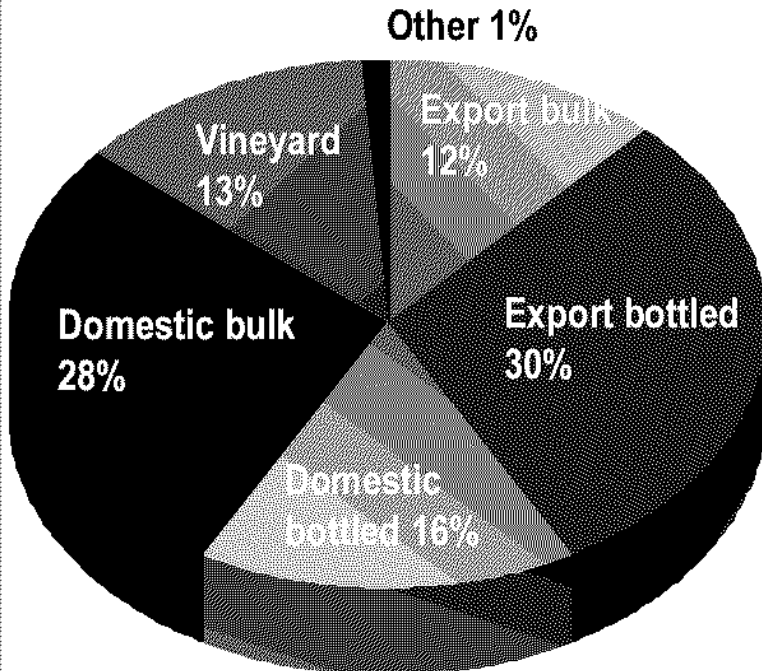


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Miranda improves earnings mix

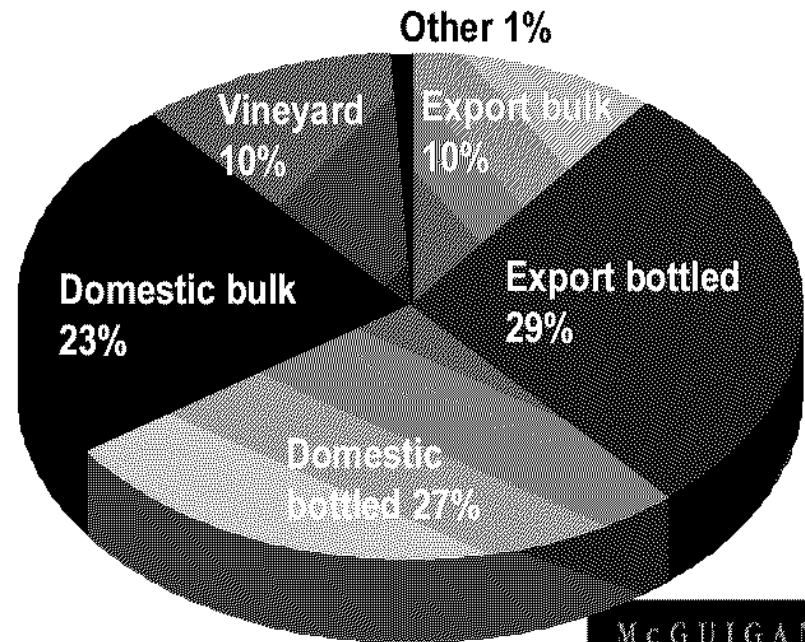
Sales before Miranda

\$ for 12 months to 30 June 2003



Sales after Miranda

\$ for 12 months to 30 June 2003



Miranda – Achievements Since Acquisition:

- **Savings Achieved:** Senior management, marketing, insurance, finance and other operational expenses reduced
- **Production Packaging and Despatch:** Record months of productivity since acquisition. Integration of MGW products into Miranda system ongoing.
- **Domestic Sales:** Achieving budget - good growth in tight market
- **Profit in October:** Miranda business achieved profit in October (significant turnaround since acquisition)
- **Further Improvements:** Further profit from savings in:
 - (a) operational expenses
 - (b) cost of goods

The year ahead

Miranda

- Integration to continue

Scale

- Use scale to be competitive at the “popular premium” end of the market

Grape Cost

- Develop mix of intake to lower total cost

Export

- Maintain and deepen key alliances and contracts
- Provide appropriate hedge arrangements

Sale and Leaseback

- Strengthen balance sheet
- New opportunities



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Annual general meeting

Ordinary business

- A** To consider and receive the Financial Report, the report of the Directors and the Auditor's Report for the year ended 30 June 2003

Resolution 1

Ordinary business

B Re-election of directors

To consider, and if thought fit, pass as an ordinary resolution:

“That David S Clarke is re-elected as a director of the Company”

Resolution 1

Proxies held

For

35,365,166 (96.02%)

Against

102,382 (0.27%)

Open

1,365,524 (3.71%)

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Resolution 2

Ordinary business

B Re-election of directors

To consider, and if thought fit, pass as an ordinary resolution:

“That Nicolas F Greiner is re-elected as a director of the Company”

Resolution 2

Proxies held

For

30,638,917 (94.10%)

Against

557,524 (1.7%)

Open

1,361,693 (4.19%)

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Resolution 3

Special business

- C Amendments to and issue of shares under the non executive directors' share scheme**

Resolution 3

Proxies held

For

33,254,187 (91.44%)

Against

1,736,550 (4.77%)

Open

1,380,465 (3.79%)

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Resolution 4

Special business

- D Approval of issue of shares to non-executive directors**

Resolution 4

Proxies held

For

29,093,669 (81.26%)

Against

5,688,999 (15.89%)

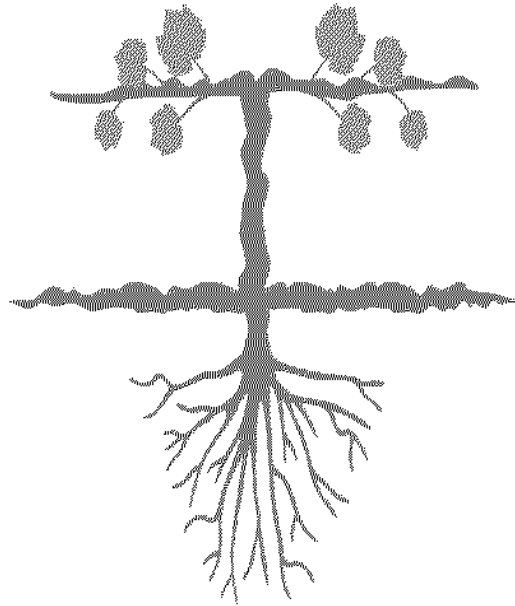
Open

735,159 (2.06%)

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