Wednesday
25 February 2004

ACN 052 179 932

McGUIGAN SIMEON WINES LIMITED

ASX ANNOUNCEMENT AND PRESS RELEASE

**McGuigan Simeon Wines records a very strong half year:
Sales, Profit, Dividend all rise**

Interim result for six months to 31 December 2003 *

- **Revenue** **$126 million** **up 18%**
- **EBITA** **$22.6 million** **up 18%**
- **Net profit** **$10.8 million** **up 16%**
  (before significant items)
- **Significant items**
  - Tax benefit $6.5 million
  - Loss on sale of vineyard ($2.5 million)
- **Net profit** **$14.8 million** **up 59%**
  (after significant items)
- **Interim dividend** **9.75 cents** **up 8%**
- **Earnings per share** **10.5 cents** **up 7%**
  (after significant items)

* compared to same period 2002

McGuigan Simeon Wines Limited today released its financial results for the six months ended 31 December 2003.

Highlights

- Sales up 18% with significant gains in higher margin branded products
- NPAT up 16% reflecting productivity gains across the group
- Miranda integration successfully completed with a gain in business momentum (acquisition finalised October 2003)
- Dividend per share up 8% from 9.0 cents to 9.75 cents in line with growth in EPS

.../more

Operational review

Domestic Sales

- Bottled sales of $36 million up 81% reflecting focus on higher margin branded products, scale and mature distribution and the acquisition of Miranda

- Bulk sales fell 26% to $8.3 million reflecting the increased emphasis on the company's own brands and a more competitive bulk wine market.

- Awarded 2003 Wine Company of the Year

Export Sales

- Total export sales, bottled and bulk, grew 5.6% to $58.6 million due to increased marketing efforts to market and sell branded products in an environment of stronger international competition and higher Australian dollar. This strategy to focus on branded products was advocated at the time of the merger with Simeon.

- Exports of branded bottled sales increased 55% to $25.4 million based on strengthening distribution alliances with customers, particularly in the UK and Europe.

- The fall of 15% in export bulk wine (bottled and bulk) to $33.2 million reflects the company's redirection of wine into the branded market and a more competitive market for bulk wine.

Comments

"These are strong results for the company. Given the oversupply of some grape varieties and shortage of others, the impact of the strengthening Australia dollar and increased competition, this is a very solid performance," McGuigan Simeon chairman David Clarke said today.

"They demonstrate the strength of McGuigan's geographic diversity and balanced income streams," Mr Clarke said.

"Over the past few years McGuigan Simeon has developed the scale and flexibility, together with production efficiency that allows us to do well throughout the cycle.

"Miranda further strengthened our business allowing us to offer a complete range of products across all our markets. Our portfolio now includes casks and sparkling wine from the Miranda product range.

This result reflects three months contribution from Miranda, and we believe there is further upside opportunity as we integrate this business.

.../more

Managing Director Brian McGuigan said "this is a great result, given the market conditions, and reflects the strength of the company's strategy. This strategy involves a dedication to our brands at home and abroad, and our continued focus on restraining company costs".

"The result reflects years of investment in developing strong distribution in Australia, the UK and Europe and a very clear strategy to develop a truly world class integrated wine company.

"Despite severe competition and the Australian dollar we have grown profitable markets outside Australia.

"Our national distribution system is starting to pay real dividends which allows us to supply quality wine across all price points.

"Miranda strengthens our range and we can now offer customers a complete portfolio.

"We remain committed to being the lowest cost producer of wine and in the past six months we have focused on grape supply and security to address quality and cost of supply. We believe there is further opportunity to improve productivity with the integration of Miranda.

Outlook 2004

"It is still early in the season, but on current indications, we expect vintage will be up by 15% to 25% on last year (which was a poor season), although we intend to provide our usual vintage update in May," Mr Clarke said.

"We believe that competitive trading conditions for the industry will continue and the impact of currency movements will continue to dampen wine exports in general.

"While we recognise these challenges, our trading results for the first month of the second half, together with the flow through of benefits from the Miranda acquisition, should see McGuigan Simeon continue to grow and meet our target of double digit profit growth in 2004."

ends

Further information:

David Clarke	Brian McGuigan
Chairman	Managing Director
Ph: 02 8232 3413	Ph: 0418 493 486

Briefing details

McGuigan Simeon Wines' Chairman, David Clarke, and Managing Director, Brian McGuigan, will be holding a briefing to provide details about the results and the company's activities.

The briefing details are:

Date:	Wednesday 25 February 2004
Time:	11.15am (AEDT)
Venue:	Level 3 Auditorium Macquarie Bank 1 Martin Place (enter from Pitt Street) Sydney

Those people unable to attend in person can participate via teleconference.

Dial in details are:

Australia Toll Free:	1800 730 040
International callers:	61 8 8220 0778

(Copies of the slides used at the briefing will be available on the company's website: www.mswl.com.au)

To RSVP or for further information about the briefing phone Gabrielle Notley on 02 9232 1033.