Preliminary Final Report of McGuigan Simeon Wines Limited for the Financial Year Ended 30 June 2004

(ACN 052 179 932)

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A.

Current Reporting Period:	Financial Year ending 30 June 2004
Previous Corresponding Period:	Financial Year ending 30 June 2003

Source Reference: ASX Appdx 4E.1, ASX Listing Rules 4.3C.1

McGuigan Simeon Wines Limited

Results For Announcement To The Market
For the Financial Year Ended 30 June 2004

Revenue and Net Profit

		Percentage Change %		Amount $'000
Revenue from ordinary activities	up	34%	To	394,022
Profit from ordinary activities after tax attributable to members	up	25%	To	40,248
Net profit attributable to members	up	25%	To	40,248

Dividends

	Amount per security	Franked amount per security
Final dividend (cents)	13.75	13.75
Interim dividend	9.75	9.75
Record date for determining entitlements to the dividend:		
• final dividend	05/11/04	
• interim dividend	29/03/04	

Brief Explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions)

See the attached press release.

Statement of Financial Performance
For the Financial Year Ended 30 June 2004

	Note	2004 $'000	2003 $'000
Sales revenue (sales of goods)		262,025	248,381
Sales revenue (rendering of services)		43,683	35,069
Net market value of grapes picked during the year		14,475	7,040
Cost of sales		(216,777)	(209,354)
Gross Profit		103,406	81,136
Net market value decrement - grape vines		(346)	-
Other net revenue from ordinary activities		2,091	2,019
Proceeds from the sale of vineyards		70,200	-
Written down value of vineyards sold		(72,277)	-
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method		(51)	(142)
Distribution expenses		(8,402)	(3,928)
Marketing/Selling expenses		(20,216)	(13,935)
Occupancy expenses		(389)	(260)
Administration expenses		(11,348)	(8,017)
Borrowing costs		(11,372)	(10,802)
Profit From Ordinary Activities Before Income Tax Expense	2	51,296	46,071
Income tax expense relating to ordinary activities		(11,048)	(13,867)
Profit From Ordinary Activities After Related Income Tax Expense		40,248	32,204
Profit/loss from extraordinary items after related income tax expense/(benefit)	5	-	-
Net Profit		40,248	32,204
Net profit/loss attributable to outside equity interests		-	-
Net Profit Attributable to Members of the Parent Entity		40,248	32,204
Adjustments to retained profits at 1 July 2003 as a result of the adoption of AASB 1028 "Employee Benefits"		-	(34)
Total Revenue, Expense and Valuation Adjustments Attributable to Members of the Parent Entity Recognised Directly in Equity		-	(34)
Total Changes In Equity Other Than Those Resulting From Transactions With Owners As Owners		40,248	32,170

Statement of Financial Position
As at 30 June 2004

	Note	2004 $'000	2003 $'000
Current Assets			
Cash assets		2,654	773
Receivables		126,534	125,028
Inventories		199,812	125,902
Other		3,319	4,151
Total Current Assets		332,319	255,854
Non-Current Assets			
Receivables		8,251	7,991
Inventories		51,176	32,271
Investments accounted for using the equity method		1,865	1,901
Other financial assets		939	961
Property, plant and equipment		134,685	130,295
Self generating and regenerating assets		32,889	79,789
Intangibles		52,357	51,835
Deferred tax assets		9,218	4,787
Other		1,307	1,232
Total Non-Current Assets		292,687	311,062
Total Assets		625,006	566,916
Current Liabilities			
Payables		105,529	91,947
Interest-bearing liabilities		20,351	2,559
Current tax liabilities		9,037	1,968
Provisions		7,124	3,203
Other		7,610	6,098
Total Current Liabilities		149,651	105,775
Non-Current Liabilities			
Payables		380	1,964
Interest-bearing liabilities		131,036	175,071
Deferred tax liabilities		9,219	12,088
Provisions		2,079	1,566
Total Non-Current Liabilities		142,714	190,689
Total Liabilities		292,365	296,464
Net Assets		332,641	270,452
Equity			
Contributed equity		334,834	290,965
Accumulated losses	7	(2,193)	(20,513)
Total Equity		332,641	270,452

Statement of Cash Flows
For the Financial Year Ended 30 June 2004

	Note	2004 $'000	2003 $'000
Cash Flows From Operating Activities			
Receipts from customers		327,005	282,372
Payments to suppliers and employees		(305,925)	(277,829)
Interest and bill discounts received		267	808
Interest and other costs of finance paid		(8,726)	(11,381)
Income tax paid		(6,853)	(4,010)
Net cash provided by/(used in) operating activities	8(g)	5,768	(10,040)
Cash Flows From Investing Activities			
Proceeds from repayment of related party receivables		-	1,137
Amounts advanced to related parties		(1,583)	(4,093)
Payment for property, plant and equipment		(25,006)	(18,913)
Proceeds from sale of property, plant and equipment		64,801	527
Payment for investment in Miranda Wines, net of cash balances acquired	8(b)	(12,509)	-
Payment for purchase of equity investment		(590)	-
Payment for intangible assets		-	(31)
Proceeds from sale of investments		-	3,500
Other		2	(101)
Net cash provided by/(used in) investing activities		25,115	(17,974)
Cash Flows From Financing Activities			
Proceeds from issues of equity securities		14,549	13,725
Proceeds from borrowings		-	26,797
Repayment of borrowings		(34,468)	(1,897)
Amounts received from related parties		2,531	-
Dividends paid		(14,400)	(9,464)
Other		(182)	395
Net cash provided by/(used in) financing activities		(31,970)	29,556
Net Increase/(Decrease) In Cash Held		(1,087)	1,542
Cash At The Beginning Of The Financial Year		82	(1,460)
Cash At The End Of The Financial Year	8(a)	(1,005)	82

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the 2003 annual financial report, except as described below:

Details of changes in accounting policies:

None.

2. Profit From Ordinary Activities

Profit/(loss) from ordinary activities before income tax includes the following items of revenue and expense:

	2004 $'000	2003 $'000
(a) Revenue		
Sale of goods	262,025	248,381
Contract processing	12,295	4,765
Rendering vineyard contracted – contract services	25,388	24,304
Lease revenue	6,000	6,000
Net market value of grapes picked during the financial year	14,475	7,040
Interest revenue	1,083	1,067
Proceeds from disposal of vineyards	70,200	-
Other	2,556	1,864
	394,022	293,121
(b) Expenses		
Cost of sales	216,777	209,354
Net bad and doubtful debts	750	291
Net decrements arising from the revaluation of non-current assets:		
Investments	164	-
Property, plant and equipment	346	-
Depreciation of non-current assets	9,556	7,637
Amortisation of non-current assets	3,090	2,929

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

Written down value of vineyards sold	72,227	-

2. Profit/(Loss) From Ordinary Activities (continued)

(c) Revision of Accounting Estimates

Details of the nature and amount of revisions of accounting estimates:

Nil.

3. Commentary on Results

- The income tax expense has been reduced by an income tax credit of $6.3 million as a result of a future income tax benefit from the adoption of the tax consolidation regime from 1 July 2003.
- Included in the operating profit from ordinary activities after tax, is a loss of $3.3 million in relation to the sale of vineyards.
- See attached press release.

4. Fundamental Errors

Nil.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

	2004 $'000	2003 $'000

5. Extraordinary Items

	2004 $'000	2003 $'000
Profits		
Applicable income tax	-	-
	-	-
Losses		
Applicable income tax	-	-
Total Extraordinary Items	-	-
Extraordinary items before tax	-	-
Applicable income tax	-	-
	-	-

6. Sales of Assets

Sales of assets in the ordinary course of business have given rise to the following profits and losses:

	2004 $'000	2003 $'000
Net Profits		
Receivables	-	-
Investments	-	-
Property, plant and equipment	-	-
Intangibles	-	-
	-	-
Net Losses		
Receivables	-	-
Investments	-	-
Property, plant and equipment	3,554	85
Intangibles	-	-
	3,554	85

7. Accumulated Losses

	2004 $'000	2003 $'000
Balance at beginning of financial year	(20,513)	(43,725)
Net profit	40,248	32,204
Initial adoption of AASB 1044 – "Provisions, Contingent Assets and Contingent Liabilities"		
- Writeback of prior year provision for dividend	-	7,928
Dividends provided for or paid	(21,928)	(16,886)
Initial adjustment on adoption of AASB1028	-	(34)
Balance at end of financial year	(2,193)	(20,513)

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

8. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2004 $'000	2003 $'000
Cash	2,654	773
Bank Overdraft	(3,659)	(691)
	(1,005)	82

(b) Businesses Acquired

During the financial year the Miranda Wines group of companies was purchased on 9 September 2003. Details of the acquisition are as follows:

	2004 $'000	2003 $'000
Consideration		
Incidental Costs	868	-
Cash	8,000	-
Ordinary Shares	17,500	-
	26,368	-
Fair Value of Net Assets Acquired		
Current assets:		
Cash assets	5	-
Receivables	15,848	-
Inventories	20,896	-
Other	45	-
Non-current assets:		
Deposits	8	-
Investments	54	-
Property, plant and equipment	21,850	-
Other	5,809	-
Current liabilities:		
Payables	9,394	-
Interest bearing liabilities	2,456	-
Provisions	7,390	-
Non-current liabilities:		
Interest bearing liabilities	16,514	-
Provisions	3,362	
Net assets acquired	25,399	-
Goodwill on acquisition	969	-
	26,368	-
Net Cash Outflow on Acquisition		
Cash consideration	8,000	-
Incidental costs	868	-
Restructure costs	1,767	-
Bank overdraft acquired	1,874	-

12,509	-

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

8. Notes to the Statement of Cash Flows (continued)

(c) Business Disposed

During the financial year, the company did not dispose of any businesses. Details of the disposal are as follows:

	2004 $'000	2003 $'000
Consideration		
Cash	N/A	N/A
	N/A	N/A
Book Value of Net Assets Sold		
Current assets:		
Non-current assets:		
Current liabilities:		
Non-current liabilities:		
Net assets disposed	N/A	N/A
Profit/(loss) on disposal	N/A	N/A
Net Cash Inflow on Disposal		
Cash consideration		
Less cash balances disposed		
	N/A	N/A

8. Notes to the Statement of Cash Flows (continued)

(d) Non-Cash Financing and Investing Activities

Under the Dividend Re-Investment Plan, shares to the value of $7.5m were issued during the financial year.

	2004 $'000	2003 $'000
(e) Financing Facilities		
Unsecured bank overdraft facility, reviewed annually and payable at call:		
Amount used	3,660	691
Amount unused	1,340	4,309
	5,000	5,000
Unsecured revolving lease facility		
Amount used	1,035	-
Amount unused	965	10,000
	2,000	10,000
Unsecured bill acceptance facility, reviewed annually:		
Amount used	128,900	143,500
Amount unused	26,100	21,500
	155,000	165,000

(f) Cash Balances Not Available for Use

Nil.

8. Notes to the Statement of Cash Flows (continued)

(g) Reconciliation of Profit From Ordinary Activities After Related Income Tax to Net Cash Flows From Operating Activities

	2004 $'000	2003 $'000
Profit from ordinary activities after related income tax	40,248	32,204
Loss on sale of non-current assets	3,554	85
Share of associates' profit (less dividends)		
Share of joint venture entities profit/(loss)	36	99
Unrealised foreign exchange losses	771	248
Amounts written off:		
Amortisation of non-current assets	3,090	2,929
Investments	164	-
Depreciation of non-current assets	9,556	7,637
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Receivables	14,342	(36,832)
Inventories	(71,919)	(34,096)
Other current assets	877	2,069
Other Non-current assets	1,105	3,693
Increase/(decrease) in liabilities:		
Current trade and other payables	4,188	12,284
Current Provisions	3,600	(3,599)
Other non-current provisions	(5,718)	3,626
Other non-current liabilities	1,874	(387)
Net cash from operating activities	5,768	(10,040)

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

9. Details Relating to Dividends

		Date dividend payable	Amount per security ¢	Amount per security of foreign sourced dividend ¢
Final dividend	2004	22/11/03	13.75	-
	2003	21/11/03	11.0	-
Interim dividend	2004	29/03/04	9.75	-
	2003	28/03/03	9.0	-
Total	2004		23.5	-
	2003		20.0	-

Total dividend (distribution) per security (interim plus final)

	2004 ¢	2003 ¢
Ordinary securities (each class separately)	23.5	20.0

Interim and final dividend (distribution) on all securities

	2004 $'000	2003 $'000
Ordinary securities (each class separately)	23.5	20.0
Total	23.5	20.0

Any other disclosures in relation to dividends (distributions).

The final dividend in respect of ordinary shares for the year ended 30 June 2004 has not been recognised in this preliminary final report because the final dividend was declared subsequent to 30 June 2004.

9. Details Relating to Dividends (continued)

Dividend Reinvestment Plans

The dividend or distribution plans shown below are in operation.

McGuigan Simeon Wines Limited Dividend Re-investment Plan

The last date(s) for receipt of election notices for the dividend or distribution plans	05/11/04

10. Earnings Per Share

	2004 ¢ per share	2003 ¢ per share
Basic EPS	38.2	33.3
Diluted EPS	37.6	33.1

Basic Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2004 $'000	2003 $'000
Earnings (a)	40,248	32,170

	2004 No. '000	2003 No. '000
Weighted average number of ordinary shares (b)	105,456	96,592

10. Earnings Per Share (continued)

(a) Earnings used in the calculation of basic earnings per share reconciles to net profit in the statement of financial performance as follows:

	2004 $'000	2003 $'000
Net profit	40,248	32,204
Changes in accounting policy adjusted directly against opening retained earnings in accordance with the transitional provisions of Accounting Standards and UIG Consensus Views (note 1):		
Adjustments to retained profits at 1 July 2003 as a result of the adoption of AASB 1028 "Employee Benefits"	-	(34)
Goodwill write down	-	-
Earnings used in the calculation of basic EPS	40,248	32,170

(b) The employee share options are considered to be potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share (refer below).

Diluted Earnings per Share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

	2004 $'000	2003 $'000
Earnings (a)	40,248	32,170

	2004 No. '000	2003 No. '000
Weighted average number of ordinary shares and potential ordinary shares (b), (c), (d)	107,084	97,285

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

10. Earnings Per Share (continued)

(a) Earnings used in the calculation of diluted earnings per share reconciles to net profit in the statement of financial performance as follows:

	2004 $'000	2003 $'000
Net profit	40,248	32,204
Changes in accounting policy adjusted directly against opening retained earnings in accordance with the transitional provisions of Accounting Standards and UIG Consensus Views (note 1):		
Adjustments to retained profits at 1 July 2003 as a result of the adoption of AASB 1028 "Employee Benefits"	-	(34)
Goodwill write down	-	-
	40,248	32,170

(b) Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2004 No. '000	2003 No. '000
Weighted average number of ordinary shares used in the calculation of basic EPS	105,456	96,592
Shares deemed to be issued for no consideration in respect of:		
Employee share options	1,628	693
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted EPS	107,084	97,285

10. Earnings Per Share (continued)

(c) The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share:

	2004 No. '000	2003 No. '000
	N/A	N/A

(d) Weighted average number of converted, lapsed, or cancelled potential ordinary shares used in the calculation of diluted earnings per share:

	2004 No. '000	2003 No. '000
	N/A	N/A

11. Net Tangible Assets Per Security

	2004 $	2003 $
Net tangible assets per security	2.57	2.19

12. Details of Entities Over Which Control Has Been Gained or Lost

Control gained over entities

Name of entity (or group of entities)	Miranda Wines Group
Date control gained	9 September 2003

	2004 $'000
Contribution of the controlled entity (or group of entities) to profit from ordinary activities during the period, from the date of gaining control.	2,998

	2003 $'000
Net profit/(loss) of the controlled entity (or group of entities) for the whole of the previous corresponding period.	(11,427)

12. Details of Entities Over Which Control Has Been Gained or Lost
(continued)

Loss of control of entities

Name of entity (or group of entities)	N/A
Date control lost	N/A

	2004 $'000
Contribution of the controlled entity (or group of entities) to profit from ordinary activities during the period, to the date of losing control.	N/A

	2003 $'000
Contribution of the controlled entity (or group of entities) to profit from ordinary activities for the whole of the previous corresponding period.	N/A

13. Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit	
Name of Entity	**2004 %**	**2003 %**	**2004 $'000**	**2003 $000**
Associates				
Tempus Two Pty Ltd	50%	50%	(36)	(99)
Mangola Vineyards Pty Ltd	45%	45%	-	-
			(36)	(99)
Joint Venture Entities			-	-
			-	-
Aggregate Share of Profits/ (Losses)			(36)	(99)

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

Source
Reference

14. Contingent Liabilities and Contingent Assets

	2004 $'000	2003 $'000
Contingent liabilities		
The company is in dispute with a former supplier of services. Disclosure of information regarding likely developments and the expected results is likely to result in unreasonable prejudice. Accordingly this information has not been disclosed.	-	-

15. Segment Information

Segment Revenues

	External Sales		Inter-Segment (i)		Other		Total	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Bottled wine	129,694	85,339		-		-	129,694	85,339
Bulk wine and processing	99,855	121,969		-		-	99,855	121,969
Bulk in bottle	44,772	52,877		-		-	44,772	52,877
Vineyard development and management division	45,862	30,303		-		-	45,862	30,303
Other	-	-		-		-	-	-
Total of all segments	320,183	290,488		-		-	320,183	290,488
Eliminations							-	-
Unallocated							73,839	2,633
Consolidated							394,022	293,121

(i) *N/A*

15. Segment Information (continued)

Segment Results

	2004 $'000	2003 $'000
Bottled wine	18,778	8,202
Bulk wine and processing	21,305	24,856
Bulk in bottle	5,906	5,819
Vineyard development and management	20,216	14,043
Total of all segments	66,205	52,920
Eliminations		
Unallocated	(14,909)	(6,849)
Profit from ordinary activities before income tax expense	51,296	46,071
Income tax expense relating to ordinary activities	(11,048)	(13,867)
Profit from ordinary activities after related income tax expense	40,248	32,204
Goodwill write-down	-	-
Net profit	40,248	32,204

Segment Assets and Liabilities

	Assets		Liabilities	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Bottled wine	94,143	66,722	31,706	21,642
Bulk wine and processing	376,289	271,343	84,026	100,458
Bulk in bottle	15,501	14,886	-	-
Vineyard development and management	69,135	146,046	23,819	11,976
Other	-	-	-	-
Total of all segments	555,068	498,997	139,551	134,076
Eliminations	-	-	-	-
Unallocated	69,938	67,919	152,814	162,388
Consolidated	625,006	566,916	292,365	296,464

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

15. Segment Information (continued)

Other Segment Information

	Bottled Wine		***Bulk Wine & Grapes***		***Bulk in Bottle***		***Vineyard Development & Management***	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**
Carrying value of investments accounted for using the equity method	1,865	1,901		-		-		-
Share of net profit/(loss) of associates and joint venture entities accounted for under the equity method	(36)	(99)	-	-	-	-	-	-
Acquisition of segment assets	77	56	21,254	46,920	-	-	-	-
Depreciation and amortisation of segment assets	27	9	9,472	6,774	-	-	-	-
Significant revenues or expenses *[describe]*	-	-	-	-	-	-	-	-

Products and Services within each Business Segment

Bottled Wine	• Sale of branded bottled wine throughout Australia and overseas.
Bulk Wine & processing	• Sale of bulk wine throughout Australia and overseas.
Bulk in Bottle	• Bulk wine which has been contract packaged.
Vineyard Development and Management	• Contract management and development of vineyards. • SGARA profit on owned/leased vineyards.

15. Segment Information (continued)

Information on Geographical Segments (secondary reporting format)

	Revenues from External Customers		Segment Assets		Acquisition of Segment Assets	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**
Australia	267,528	160,438	553,654	516,616	21,618	47,607
United Kingdom	61,988	50,593	45,525	21,727	-	-
North America	38,216	51,052	14,929	14,772	-	-
New Zealand	5,703	14,263	1,779	9,852	-	-
Other	20,587	16,775	9,119	3,949	-	-
	394,022	293,121	625,006	566,916	21,618	47,607

Composition of each Geographical Segment

See above.

16. Discontinuing Operations

N/A

17. Subsequent Events

N/A.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

18. Other Significant Information

Nil.

19. Information on Audit or Review

This preliminary final report is based on accounts to which one of the following applies.

☐	The accounts have been audited.	☐	The accounts have been subject to review.
☑	The accounts are in the process of being audited or subject to review.	☐	The accounts have not yet been audited or reviewed.

Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review.

Nil.

Description of dispute or qualification if the accounts have been audited or subjected to review.

Nil.