



DELEGAT'S GROUP LIMITED



DELEGAT'S GROUP LIMITED

2013 RESULTS ANNOUNCEMENT

26 August 2013





AGENDA

Business Performance – FY13

Investing for the Future

Barossa Valley Estate

Outlook



PERFORMANCE HIGHLIGHTS YEAR-TO- DATE



DELEGAT'S GROUP LIMITED

- ◆ Operating NPAT of \$26.3 million – up 3% on last year, after absorbing the adverse effect of FX (\$1.3m) and BVE acquisition costs (\$2.0m).
- ◆ Operating cash flows of \$39.2 million.
- ◆ Completing the acquisition of Barossa Valley Estate Pty Ltd.
- ◆ Dividend increased on strong operational performance and cash flows – 10.0 cents.



CASE SALES, CASE PRICE REALISATION AND FX

CASE SALES, CASE PRICE REALISATION AND FOREIGN CURRENCY

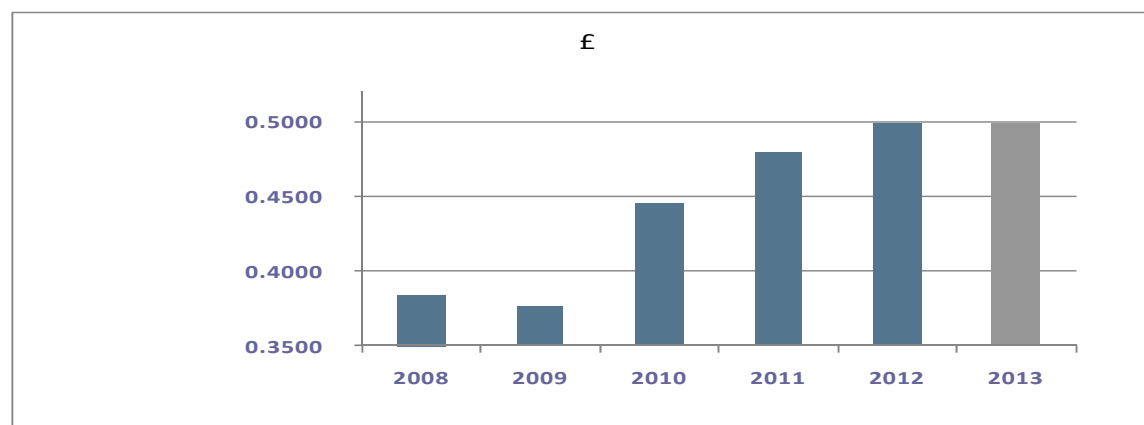
Case Sales (000's)	Jun 2013 Actual	Jun 2012 Actual	% Δ 2012
UK, Ireland and Europe	604	622	-3%
North America (USA, Canada)	670	534	25%
Australia, New Zealand, and Asia Pacific	672	694	-3%
Total Cases	1,946	1,850	5%
Case Price Realisation¹ (\$)	114.1	116.3	-2%

¹ Case Price Realisation is sensitive to: Foreign currency, country and product mix.

Foreign Currency Rate	Jun 2013 Actual	Jun 2012 Actual	% Δ 2012
£	0.4996	0.4989	0%
A\$	0.7858	0.7704	-2%
US\$	0.8004	0.7689	-4%
C\$	0.8216	0.8003	-3%



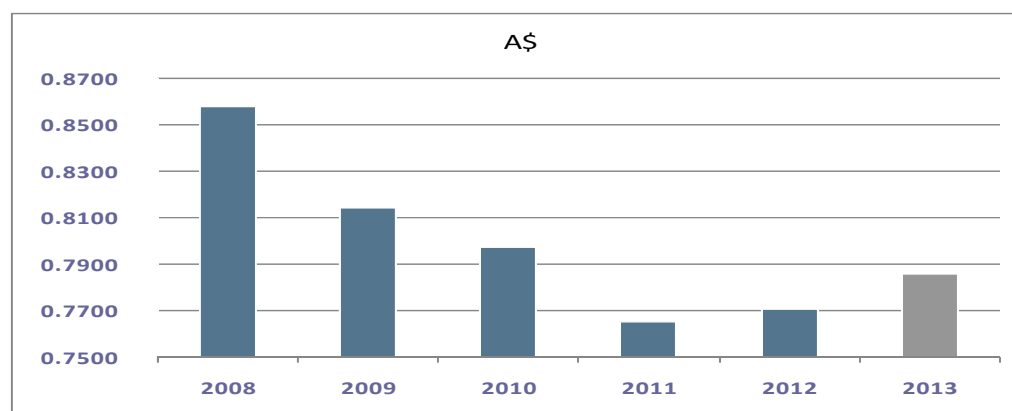
CASE SALES, CASE PRICE REALISATION AND FX - GBP



	Jun 2013 Actual	Jun 2012 Actual	% Δ vs 2012
FOREIGN CURRENCY RATES			
£	0.4996	0.4989	0%
A\$	0.7858	0.7704	-2%
US\$	0.8004	0.7689	-4%
C\$	0.8216	0.8003	-3%



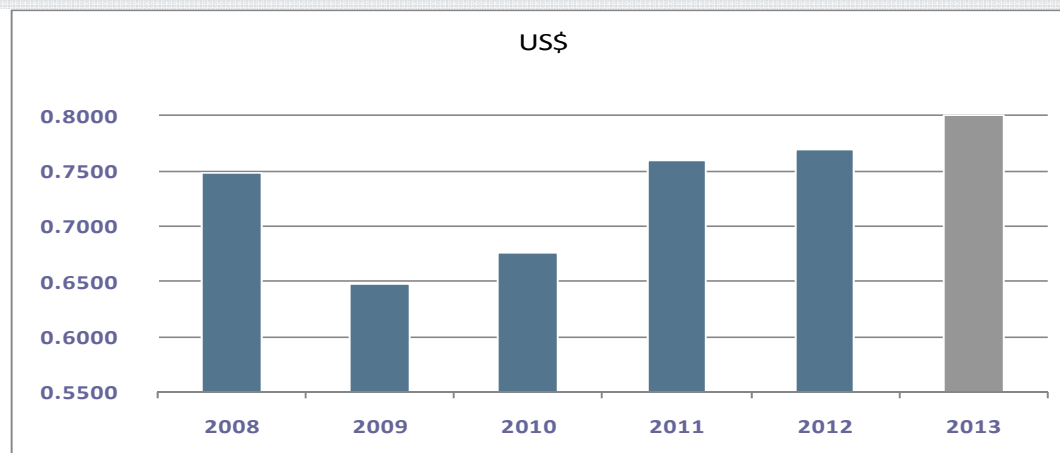
CASE SALES, CASE PRICE REALISATION AND FX - AUD



	Jun 2013 Actual	Jun 2012 Actual	% Δ vs 2012
FOREIGN CURRENCY RATES			
£	0.4996	0.4989	0%
A\$	0.7858	0.7704	-2%
US\$	0.8004	0.7689	-4%
C\$	0.8216	0.8003	-3%



CASE SALES, CASE PRICE REALISATION AND FX - USD



	Jun 2013 Actual	Jun 2012 Actual	% Δ vs 2012
FOREIGN CURRENCY RATES			
£	0.4996	0.4989	0%
A\$	0.7858	0.7704	-2%
US\$	0.8004	0.7689	-4%
C\$	0.8216	0.8003	-3%



SALES REVENUE GROWTH ANALYSIS

NZ\$ millions	Jun 2013 Actual	Jun 2012 Actual	% Δ vs 2012
SALES REVENUE	222.0	215.1	3%

SALES MOVEMENTS BREAKDOWN:

VOLUME		5%
VALUE		-2%
Foreign Exchange	-2%	
Underlying Price and Product Mix	0%	



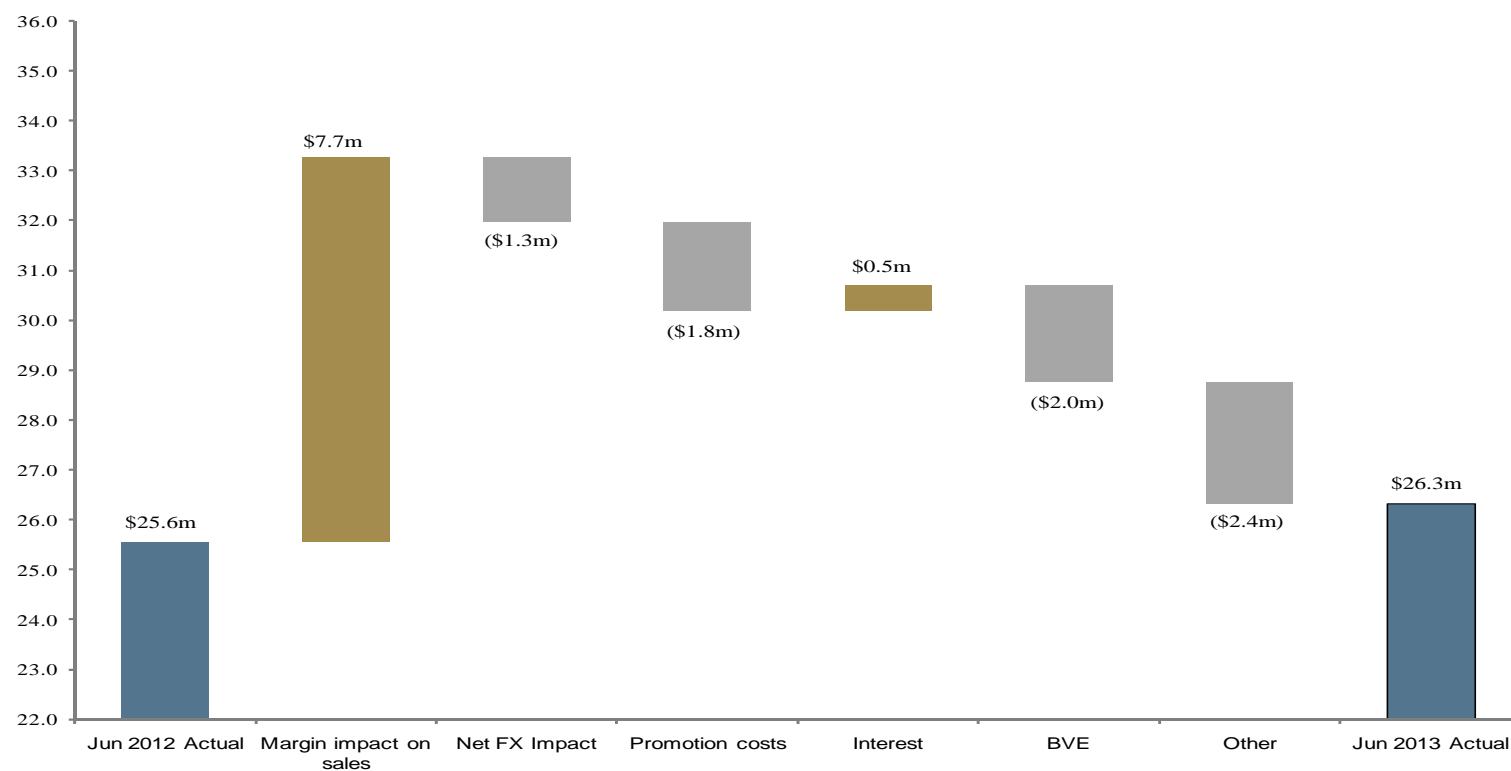
OPERATING PERFORMANCE

NZ\$ MILLIONS	Jun 2013 Actual	Jun 2012 Actual	% Δ vs 2012
Sales Revenue	222.0	215.1	3%
Total Operating Revenue	223.1	220.1	1%
Operating Gross Profit	125.7	120.6	4%
Operating Gross Margin	56%	56%	
Operating Expenses	(81.1)	(77.1)	-5%
Operating EBIT	44.6	43.5	3%
Operating EBIT % of Sales	20%	20%	
Interest and Tax	(18.3)	(17.9)	2%
Operating NPAT	26.3	25.6	3%
Operating NPAT % of Sales	12%	12%	
Operating EBITDA	56.8	54.9	4%
Operating EBITDA % of Sales	26%	26%	



OPERATING PROFIT MOVEMENT – LAST YEAR

NZ \$millions





IMPACT OF 'FAIR VALUE' ADJUSTMENTS

NZ\$ MILLIONS

	Jun 2013 Actual	Jun 2012 Actual	% Δ vs 2012
Operating NPAT	26.3	25.6	3%
Operating NPAT % of Sales	12%	12%	
Biological Assets (Vines)	2.9	1.4	117%
Harvest Provision Release (Grapes)	14.2	0.1	n/m
Derivative Instruments	3.5	(1.5)	333%
Other Fair Value Items	(0.0)	(0.1)	54%
Total Fair Value Items	20.6	(0.1)	n/m
Less: Taxation	(5.7)	0.0	n/m
Fair Value Items after Tax	14.9	(0.1)	n/m
Reported NPAT	41.2	25.5	62%

1. Harvest Provision Release is the reversal of fair value adjustments in respect of biological produce sold as finished wine in subsequent years.
2. Other Fair Value Items includes accounting for share-based payments.



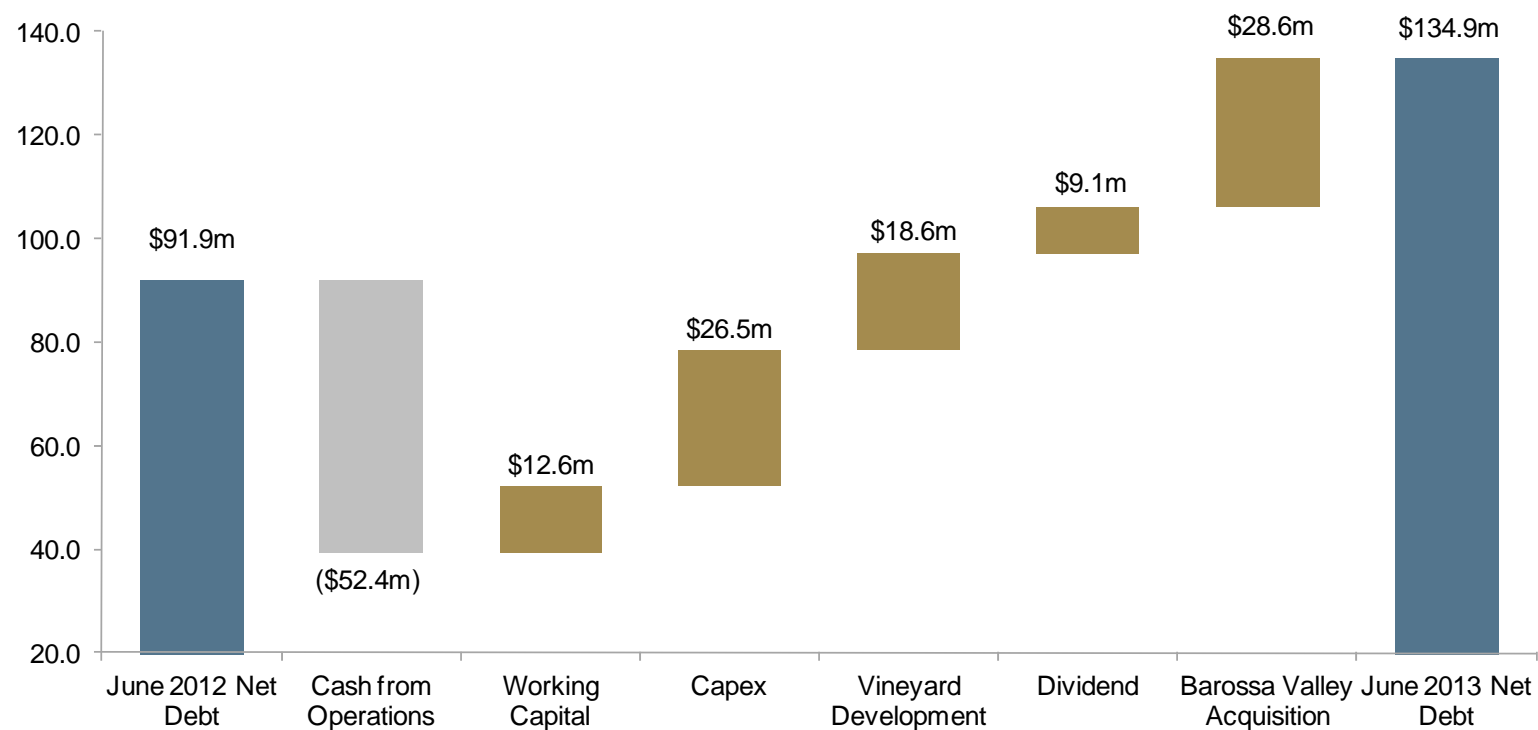
BALANCE SHEET SUMMARY

NZ\$ MILLIONS

	Jun 2013 Actual	Jun 2012 Actual	% Δ vs 2012
<u>Assets</u>			
Current Assets	123.7	100.7	23%
Fixed Assets	233.4	186.0	26%
Biological Assets	58.9	47.9	23%
Total Assets	416.0	334.5	24%
<u>Liabilities</u>			
Current Liabilities	36.5	35.5	-3%
Deferred Tax Liabilities	27.2	22.0	-24%
Net Debt	134.9	91.9	-47%
Total Liabilities	198.6	149.4	-33%
<u>Equity</u>			
Shareholders' Equity	217.4	185.1	-17%
Total Equity	217.4	185.1	-17%
Total Liabilities and Equity	416.0	334.5	-24%



NET DEBT MOVEMENT– ACTUAL FY12 TO ACTUAL FY13





NET DEBT OVERVIEW

NZ\$ MILLIONS

Funding (NZ\$ millions)

Operating Cash Flow

Jun 2013
Actual

39.2

Jun 2012
Actual

49.6

% Δ
vs 2012

-21%

Net Debt

134.9

91.9

-47%

Key Ratios

Operating Interest Cover

6.36

5.69

12%

Equity / (Equity + Net Debt) %

61.7%

66.8%

-8%

Senior Debt Ratio

2.38

1.66

-43%

Return on Equity (Operating)

15.5%

16.8%

-8%

Return on Capital Employed (Operating)

15.6%

16.6%

-6%



AGENDA

Business Performance – FY13

Investing for the Future

Barossa Valley Estate

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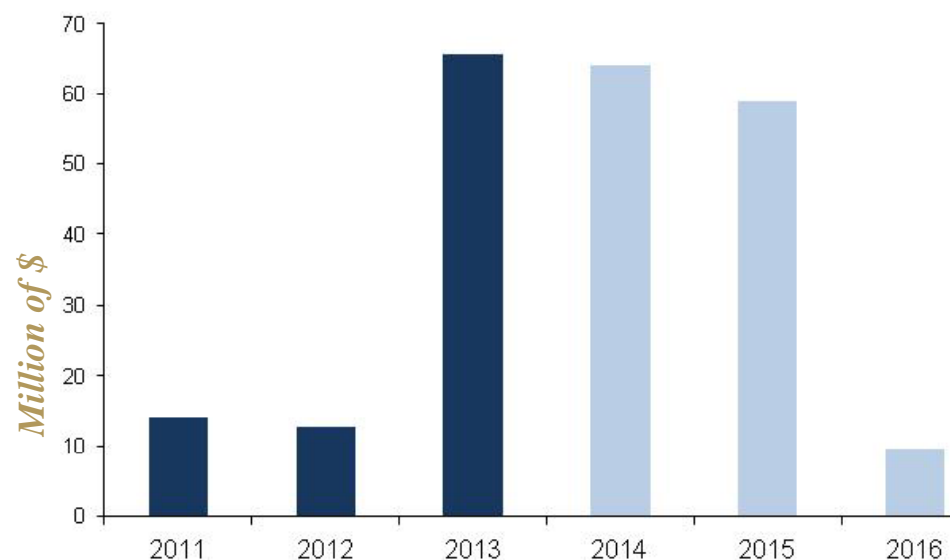
INVESTING IN GROWTH



- ◆ Acquired 102 hectares of fully productive vineyards in Marlborough's Wairau Valley.
- ◆ Acquired an additional 153 hectares of land in Marlborough's Awatere Valley. Pinot Noir to be planted in 2013.
- ◆ Acquired an additional 241 hectares of land in Marlborough's Wairau Valley.
- ◆ Acquired several vineyards in the famed Gimblett Gravels sub region of Hawkes Bay increasing total holding to 160 hectares.



INVESTING IN GROWTH - CAPITAL EXPENDITURE PROGRAM



- ◆ 2013: Includes acquisition of fully productive vineyards, bare land and Barossa Valley Estate.
- ◆ 2014-2015: Includes Vineyard developments for bare land in Marlborough
- ◆ Hawkes Bay Winery development of 10,000 tonne capacity (\$60 million over next 3 years)
- ◆ Expansion of Marlborough Winery to 35,000 tonne capacity.



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Business Performance – FY13

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BAROSSA VALLEY ESTATE



Barossa Valley Estate is recognised as one of Australia's outstanding Super Premium winemakers.

Our focus is to make exceptional Shiraz and Cabernet Sauvignon expressing the character, elegance and intensity of the famed Barossa Valley wine region.

Our goal is to build on Barossa Valley Estate's iconic position as a producer of Shiraz and establish a leading Super Premium Shiraz brand in global markets.

Barossa Shiraz and Cabernet Sauvignon are complementary to current business and provide an opportunity for substantial future sales growth globally.



BAROSSA VALLEY ESTATE ASSETS ACQUIRED



- ◆ Modern 5,000 tonne winery and 41 hectare vineyard on 80 hectares in the heart of the Barossa Valley.
.....
- ◆ Acquisition cost includes \$8.1 million of inventory.
.....
- ◆ Grape grower contracts assigned.
.....
- ◆ Iconic E&E and highly regarded Ebenezer and Barossa Valley Estate brands.



E&E BLACK PEPPER SHIRAZ



An icon wine of Australia.

Named in the top 25 Benchmark wines from Australia by Wine Spectator.

Rated “Outstanding” in the Langton’s classification.

Langton’s Classification of Australian Wine, the most famous and widely respected wine Classification outside of Europe is followed by wine collectors and wine trade around the world. The Outstanding status given to E&E Black Pepper Shiraz defines it as a ‘benchmark quality wine with a very strong market following’.



BAROSSA VALLEY ESTATE GROWTH PLANS



- ◆ Icon brands E&E (RRP \$A 100) and Ebenezer (RRP \$A 40) will be marketed by the Group's in-market sales teams.
- ◆ Super Premium brand development project underway - Targeting Q4 2014 launch.
- ◆ Long term sales plan 293,000 cases by 2019 (10% of global sales).



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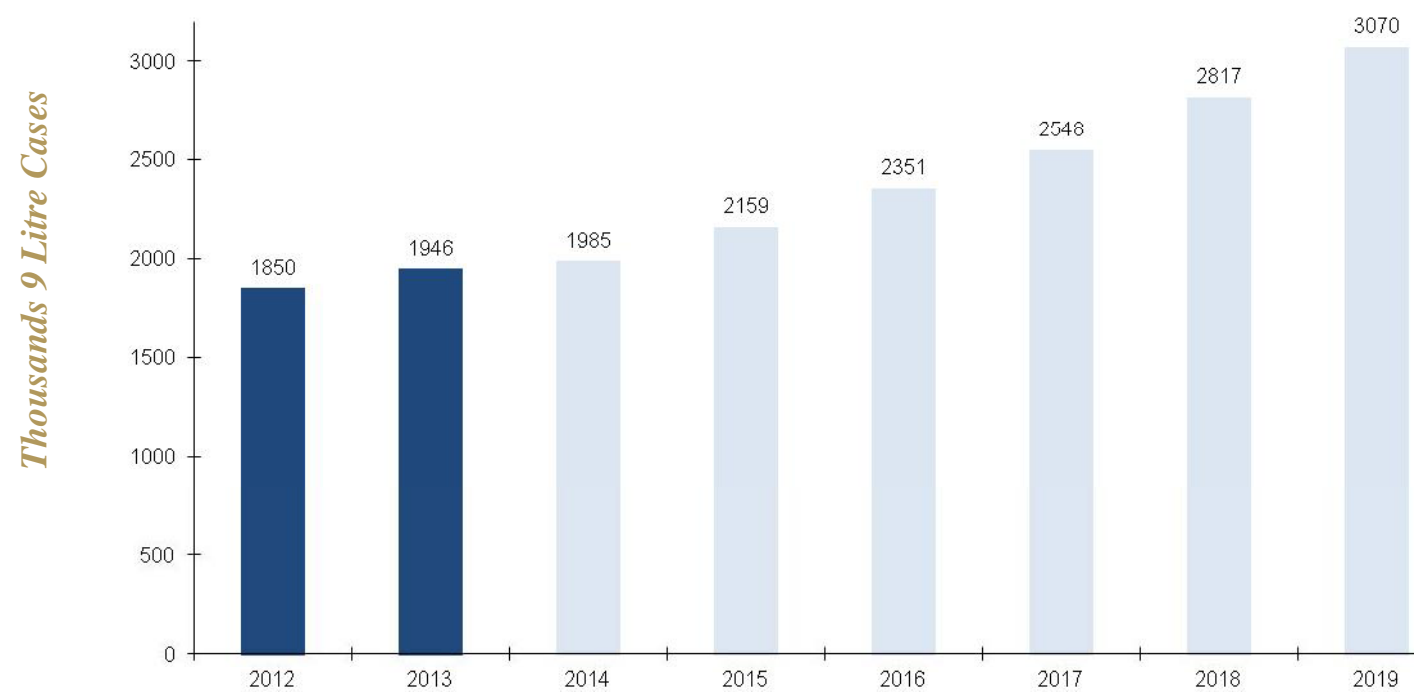
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DELEGAT'S SALES GROWTH – 2012 TO 2019





DELEGAT'S GROUP LIMITED

UNITED KINGDOM, IRELAND AND EUROPE



DELEGAT'S GROUP LIMITED





UNITED KINGDOM, IRELAND AND EUROPE REGION



- ◆ 2014 is the first full year since price increases in the United Kingdom and Ireland.
- ◆ The Group will continue to focus on profitability in these markets.
- ◆ Sales volume is forecast to be stable with modest growth targeted longer term.



DELEGAT'S GROUP LIMITED

AUSTRALIA, NEW ZEALAND AND ASIA PACIFIC



DELEGAT'S GROUP LIMITED





AUSTRALIA, NEW ZEALAND AND ASIA PACIFIC REGION



- ◆ Sales volumes are planned to return to growth in 2015.
- ◆ The Group will establish an in-market sales team in Japan and China this year.
- ◆ Longer term sales growth in Asia and from Barossa Valley Estate underpins projected growth in the region.



DELEGAT'S GROUP LIMITED

NORTH AMERICA



DELEGAT'S GROUP LIMITED





NORTH AMERICA REGION



- ◆ North America will be the key growth region for the Group over the next 6 years.
- ◆ Sales volumes are forecast to grow by 18% in 2014.
- ◆ Planned growth to 1.39 million cases by 2019 will provide significant in-market distribution scale benefits.



DELEGAT'S GROUP LIMITED



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THANK YOU

