

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Prince Hill Wines Limited

ABN

99 000 094 995

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	976	3,597
1.2 Payments for (a) staff costs	(468)	(1,238)
(b) advertising and marketing	(6)	(70)
(c) research and development		
(d) leased assets		
(e) other working capital	(649)	(2,343)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	25	93
1.5 Interest and other costs of finance paid	(82)	(253)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net operating cash flows	(204)	(214)

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	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(204)	(214)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		(190)
(b) equity investments		(160)
(c) intellectual property	(58)	
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		2,217
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
	(58)	1,867
Net investing cash flows		
1.14 Total operating and investing cash flows	(262)	1,653
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	136	161
1.18 Repayment of borrowings	(31)	(2,283)
1.19 Dividends paid		
1.20 Other (provide details if material)		
	105	(2,122)
Net financing cash flows		
Net increase (decrease) in cash held	(157)	(469)
1.21 Cash at beginning of quarter/year to date	(289)	23
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	(446)	(446)

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000				
1.24	Aggregate amount of payments to the parties included in item 1.2	64				
1.25	Aggregate amount of loans to the parties included in item 1.11					
1.26	Explanation necessary for an understanding of the transactions					
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Payments to Directors in their capacities as Directors</td> <td style="text-align: right; padding: 2px;">11</td> </tr> <tr> <td style="padding: 2px;">Payments to Directors in their capacities as Employees</td> <td style="text-align: right; padding: 2px;">53</td> </tr> </table>	Payments to Directors in their capacities as Directors	11	Payments to Directors in their capacities as Employees	53	
Payments to Directors in their capacities as Directors	11					
Payments to Directors in their capacities as Employees	53					

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Refer to table below

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	630	468
3.2	Bill Facility	1,190	1,190

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	22	134
4.2	Deposits at call		
4.3	Bank overdraft	(468)	(423)
4.4	Other		
Total: cash at end of quarter (item 1.23)		(446)	(289)

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity Coonawarra Premium Vineyards Limited	
5.2	Place of incorporation or registration Australia	
5.3	Consideration for acquisition or disposal 353	
5.4	Total net assets 353	
5.5	Nature of business Responsible entity for Managed Investment Scheme and Coonawarra Australia Property Trust	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 29/04/2011.....
 (Director/Company secretary)

Print name: Andrew Parkinson

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Additional information relating to cash resources

The company announced on the 28 October that the conditions precedent set out in the contracts for its wholly owned subsidiary Prince Hill wines Services Pty Ltd (ABN 40 062 979 588 (“PHW Services”) to acquire Coonawarra Premium Vineyards Limited (ACN 086 944 265) and certain assets and assume certain liabilities from:

- Watson Wine Group Pty Ltd (ACN 093 886 509)(“WWG”);
 - The Wine List Pty Ltd (ACN 125 768 336) (“TWL”)
 - Coonawarra Vineyard Management Services Pty Ltd (ACN 086 942 010 (“CVMS”); and
 - Essential Project Administration Pty Ltd (ACN 094 312 295) (“EPA”),
- (together “The Watson Group”), have been satisfied. The assets and liabilities acquired effective 1 July 2010 were:-

Assets transferred	Sale
Trade receivables from TWL	303,165
Prepayments	11,335
Managed and unmanaged Growers Units	0
Inventory	2,246,434
Land, Buildings and Vines	1,400,000
Plant and equipment	744,663
TOTAL ASSETS	<u>4,705,597</u>
Less Liabilities transferred	
Financing facilities	1,555,206
Lease facilities	444,886
Trade payables WWG	1,701,592
Trade payables CVMS	368,503
Employee provisions and liabilities	246,085
TOTAL LIABILITIES	<u>4,316,272</u>
Consideration	<u>389,325</u>
Coonawarra Premium Vineyards Limited	353,184
Total issue of Shares	742,509

The cash and cash equivalents of this transaction are recognised in this report with effect from 1 July 2010 as all economic benefits flowed to Prince Hill Wines Limited in accordance with the various contracts.

Cash funds available consisted of Cash on hand \$22,000 and unused facilities of \$162,000 totalling \$184,000 as at 31 March 2011.

In the June Quarter the Group will be invoicing management fees of \$1,954,000 which will be partly received in the June quarter. The Group will also be receiving grape proceeds for vintage 2011 in accordance with contracted payment schedules.

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