

The Wine Society

Annual General Meeting 2010

17th February 2011



Robert Whitton: Chairman

Daryl MacGraw: C.E.O

FY10 Summary

FY10 Financial Results

Our Strategy

FY10 Summary

- *“ The Wine industry is working through the most difficult period in Two Decades”*
(Winemakers Federation)

FY10 Summary

- *The Market :*
- *Volume Growing + 4.7% faster than Value + 1.8%*
- *Private Label – Controlled Brands are driving the Value Growth + 16% on year ago,*
- *Other brands are flat .*
- *New Zealand wine is driving all the value growth in bottled wine up 16% on year ago*

FY10 Summary

- *Another very challenging year but a number of successes of which our members can be proud*
- *The ongoing tough trading environment impacting business financially.*
- *We continue to strive to maintain our commitment to our Members*
- *FY11 shows little sign of economic improvement...*

Vision & Co-Operative Philosophy

“Delivering the very best wine experience”

Philosophy:

- To make available a broad quality of wines and other beverages to members at the best possible prices
- To advance wine appreciation and knowledge
- To promote and support excellence in the wine industry
- To be the recognised independent authority on wine matters in Australia
- To further develop a viable business enterprise that supports these objectives in the interests of members



FY10 Financial Results

	<u>FY10</u>	<u>FY09</u>
Revenue	\$44.15m	\$ 43.15 m
Operating Profit Pre Tax	\$(0.569)m	\$(0.592)m
Net Profit after tax	\$(0.569)m	\$(0.988)m
Notional Surplus	\$3.22m	\$ 2.94 m

FY10 Non-Financial Results

- 2,995 new members
- x% of active members attended any one of the x wine events held
- Kettle Lane 2009 Riesling of the Year awarded by Winestate.
- Ongoing success of Society Label Wines: 18 Wines

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FY10 Key Achievements

- Despite tough financial position, maintained comprehensive member benefit proposition
 - Increased minimum spend re-engaged members
- Successful entry into 'On-premise': 150+ accounts
- Our new product brands launched in market



FY14 Strategic Intent - Maintained

- **Members:** *Compelling wine member benefit proposition driving member growth & referral*
- **Customer / Non-Members:** *75% of returns are generated by non-member businesses to return back to members to improve member benefits*
- **Brand:** *Building brand equity, through product and businesses*
- **Culture:** *Passion and knowledge for wine, whilst being commercial and competitive*

FY11 Strategic Plan - Member

- Grow awareness of our brand and value proposition to a wider audience....no longer want to be Australia's best kept secret
 - Gourmet Traveller, Food Wine Sleep,
 - Acquire Younger members: Facebook, wine blogs
- 'Regular Tasting Dozen' Enhancements
- Build strong relationships – great product & service
- Greater focus on wine education, not just events

FY11 Strategic Plan - Customer

- CBD Cellars (Corporate Business): Continues to serve a large number of high profile organisations;
- Opened 'On-premise' operation in Melbourne
- Operate third-party wine clubs
 - David Jones Wine Club – June 2011
- Events and education integral component of the customer business model

Growing Our Brands Portfolio

Business Brands:

Members:



Corporate:



Non-Members: SocietyCellars



- Pale Ale Keg Launched

Product Brands:

Wine:



Beer:



Agency: Foxes Island

In Conclusion

- Times are tough, the market is tough
- Continue to operate to the co-operative philosophy and for the benefit of our members, and hope that our members will continue to support us
- We can no longer continue to operate as Australia's best kept secret...help spread the word

Thank You...

Questions ?