



# COCKATOO RIDGE

(Administrators Appointed)

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## DECEMBER 2009 APPENDIX 4C COMMENTARY

### Cash Flow from Operating Activities

Cockatoo Ridge Wines Limited (“the company” or “Cockatoo”) is reporting a net operating cash in flow of \$738K for the quarter just ended. Receipts from customers were \$3.247M, a combination of bulk inventory sales and domestic and export packaged product sales.

Working capital payments of \$1.636M were comprised mostly of settlement of current debts with the majority of older debts having been paid in the previous quarter.

### Cash Flows from Financing Activities

During the quarter, the company decreased net debt by \$787K to a level of \$16.904M as at 31 December 2009. The repayment of borrowings included payment of \$250K against the core debt facility.

### Summary

Stronger sales of packaged wines were achieved in the period, whilst sales of bulk wine inventory reduced in comparison to the previous quarter. Sales levels are expected to decrease in the March quarter as the industry enters its cyclical downturn period. The company will continue to make sales of bulk wine, but taking into account its own bottling requirements in 2010.

Opportunities regarding the possible disposal of the Monash winery to further reduce debt levels remain under active review. The winery was leased on commercial terms for one year during January 2010.

On 20 January 2010, the company and four of its subsidiaries were placed in Voluntary Administration by the directors.

*For further information, please contact:*

*Hayley Herbst  
Chief Financial Officer  
08 – 8304 8700*

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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

**Cockatoo Ridge Wines Limited (Administrators Appointed)**

ABN

72 008 095 207

Quarter ended ("current quarter")

31 December 2009

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (six months) \$A'000
1.1 Receipts from customers	3,247	5,985
1.2 Payments for		
(a) staff costs	(429)	(837)
(b) advertising and marketing	(103)	(178)
(c) research and development	-	-
(d) other working capital	(1,636)	(4,659)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(341)	(655)
1.6 Income taxes paid / refund	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>738</b>	<b>(344)</b>

+ See chapter 19 for defined terms.

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**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (six months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>738</b>	<b>(344)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) Intellectual property	-	-
(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	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (Additional cost for acquisition)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
<b>1.14 Total operating and investing cash flows</b>	<b>738</b>	<b>(344)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	307
1.18 Repayment of borrowings	(787)	-
1.19 Dividends paid	-	-
1.20 Other – cost of Share Issues	-	-
<b>Net financing cash flows</b>	<b>(787)</b>	<b>307</b>
<b>Net increase (decrease) in cash held</b>	<b>(49)</b>	<b>(37)</b>
1.21 Cash at beginning of quarter/year to date	116	104
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	<b>67</b>	<b>67</b>

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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	80
1.25	Aggregate amount of loans to the parties included in item 1.11	NIL

1.26 Explanation necessary for an understanding of the transactions

Payment of directors' fees and salaries in relation to the provision of management services to the group, including termination benefits to Mr P Perrin.

**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

NIL

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

NIL

**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 – Total	25,536	16,904
3.2	Including Credit standby arrangements	15,000	6,368

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**Reconciliation of cash**

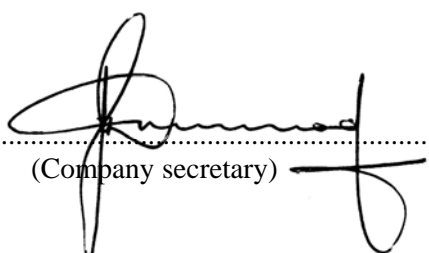
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	67	116
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)	67	116

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(d))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**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 January 2010  
 (Company secretary)

Print name: M J S Drummond

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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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