



Welcome Shareholders to the AGM of Terra Vitae

24th November 2014

Vidal Estate - Keltern Vineyard, Hawkes Bay, New Zealand

Financial Highlights

The Directors believe that the results *before revaluation adjustments* best reflect the performance of the vineyard operation. These results were as follows:

	Movement 2013-2014	2014	2013	2012	2011
Operating profit before tax & NZ IFRS adjustments	215% 	\$1,792,088	\$569,790	-\$230,210	-\$216,831
Grape Harvest Income	18% 	\$7,534,399	\$6,386,312	\$5,107,402	\$5,466,492
Grape Harvest Tonnes	10% 	4196	3818	3211	3585
Average Price per tonne	7% 	\$1,796	\$1,673	\$1,591	\$1,525

Financial Highlights cont.

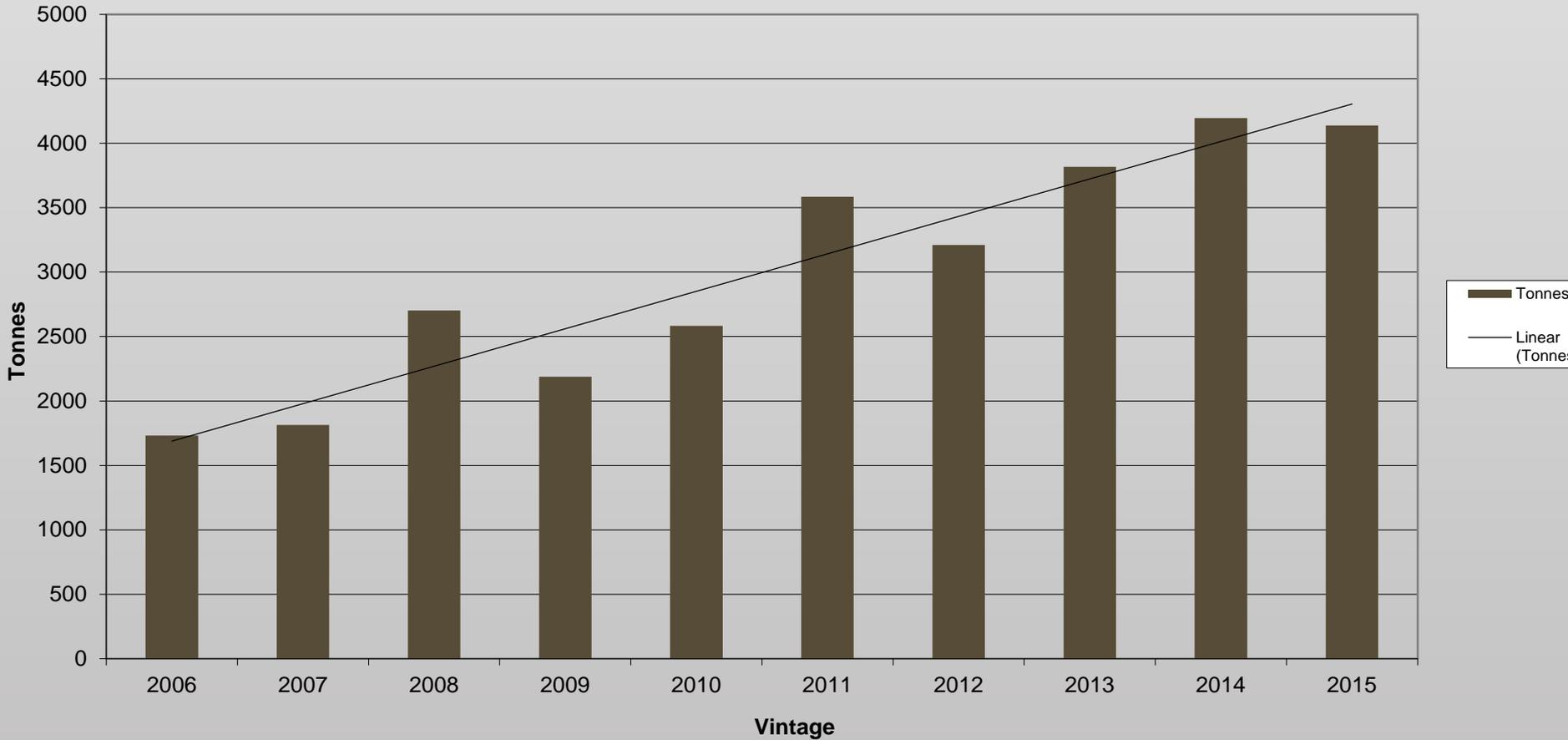
- The Financial Accounts included in the 2014 Annual Report are reported under NZ IFRS.
- Under NZ IFRS and as a result of our Valuers' valuation as at 30 June 2014, fair value adjustments of \$350,131 and redevelopment expenses of \$232,764 were taken as costs to the Income statement.
- The IFRS rules require us to value fixed rate loans as at balance date based on the interest rate available at balance date. Any variance between rates is disclosed in the notes to the accounts.
- Prices continue to rise in Marlborough for developed vineyards and bare land suitable for viticulture. Those prices are getting close to the 2008 prices as many of the larger wine companies secure their own vineyards.

Financial Highlights cont.

- Our production costs continue to track on budget with economies of scale in our larger vineyards.
- We are continuing to catch up and deal with deferred maintenance and capital projects.
- This includes the Keltern replanting project which is almost complete, a long overdue staff facility building at Higgins Road and an upgrade of the Taylors Pass irrigation system.
- We are also replacing some of the tractors which has been long overdue and adding frost fans to save on the high cost of using helicopters.

Harvest Tonnes

(budgeted from 2015)



Banking Relationship

- We continue to have an excellent relationship with Rabobank and being a specialist Agri Business bank, they have a very good understanding of the viticulture and wine industries.
- We have today concluded negotiations with our bankers and secured favourable terms for the following year. The positive results over the past two years have assisted us in these negotiations.
- I welcome our bankers who are here today.

Share Trades

Shares traded in past 12 months	556,400
Price range	35c-40c
Present price	36c
NTA per share	72c

The External Influences

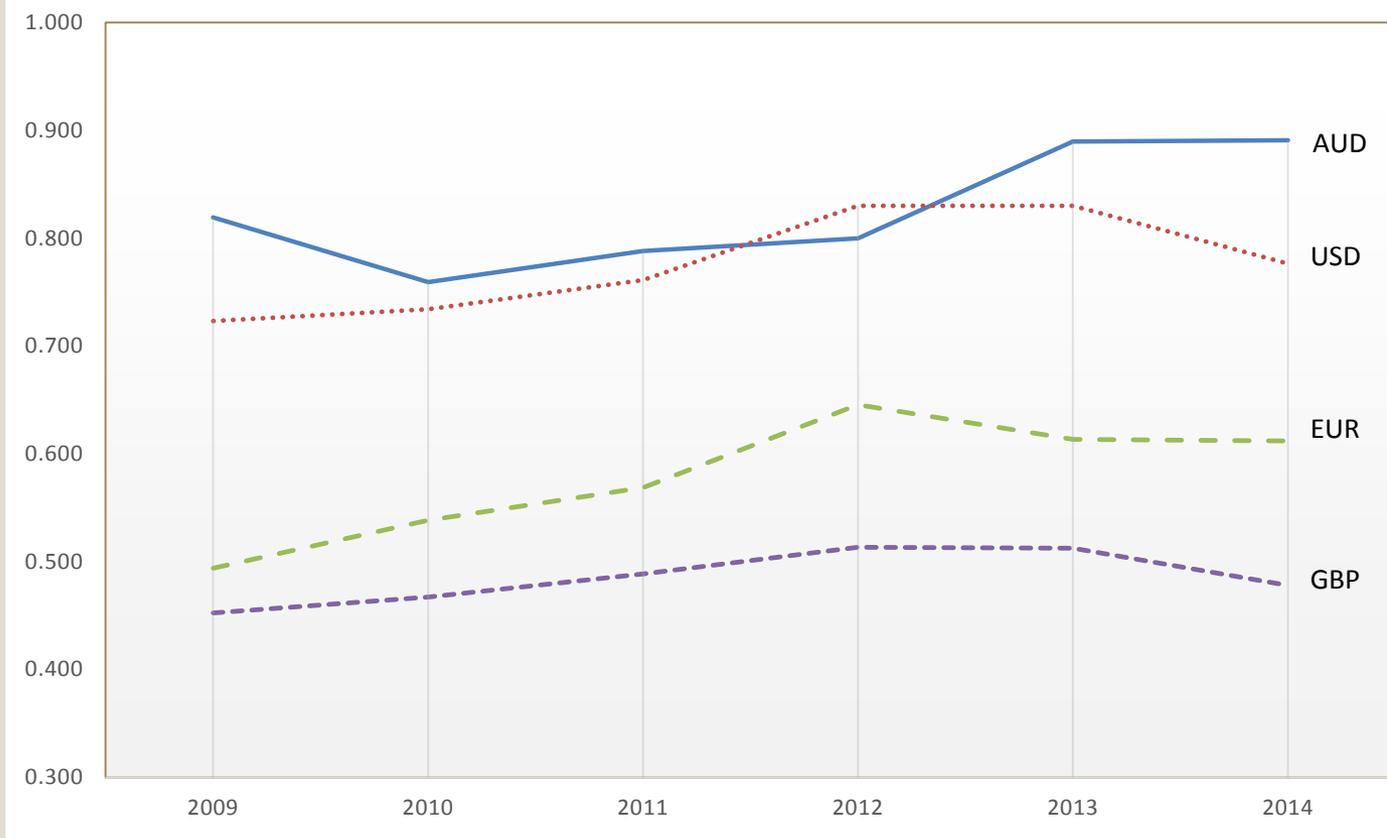
Total Wine Industry Export Volume and Value Year ended 31 August

- Total exports \$1.332b, up 9%
- Total exports 192.0m litres, up 11%
- Total value packaged wines \$8.13 litre down \$3.9%

The External Influences

The continuing global crisis in many parts of the world is continuing to cause the \$NZ to remain high against our main trading partners. This results in lower revenues for exporters.

Exchange rate positions at 30 Sept 2014



Exports by Variety/Style year ended 30th September 2014

	Litres (000's)	% of total	% change
Sauvignon Blanc	164,609	85.7	12
Pinot Noir	10,685	5.6	7
Pinot Gris	4,925	2.6	31
Chardonnay	4,970	2.6	1
Sparkling	1,502	0.8	-13
Merlot	1,739	0.9	-8
Riesling	902	0.5	-8
Cabernet & Blends	943	0.5	-29
Sparkling Sauvignon	99	0.1	-58
Other	1,630	0.8	-13
	192,002	100.0	11

Export Volume by Country of Destination

(year ended 30 September 2014)

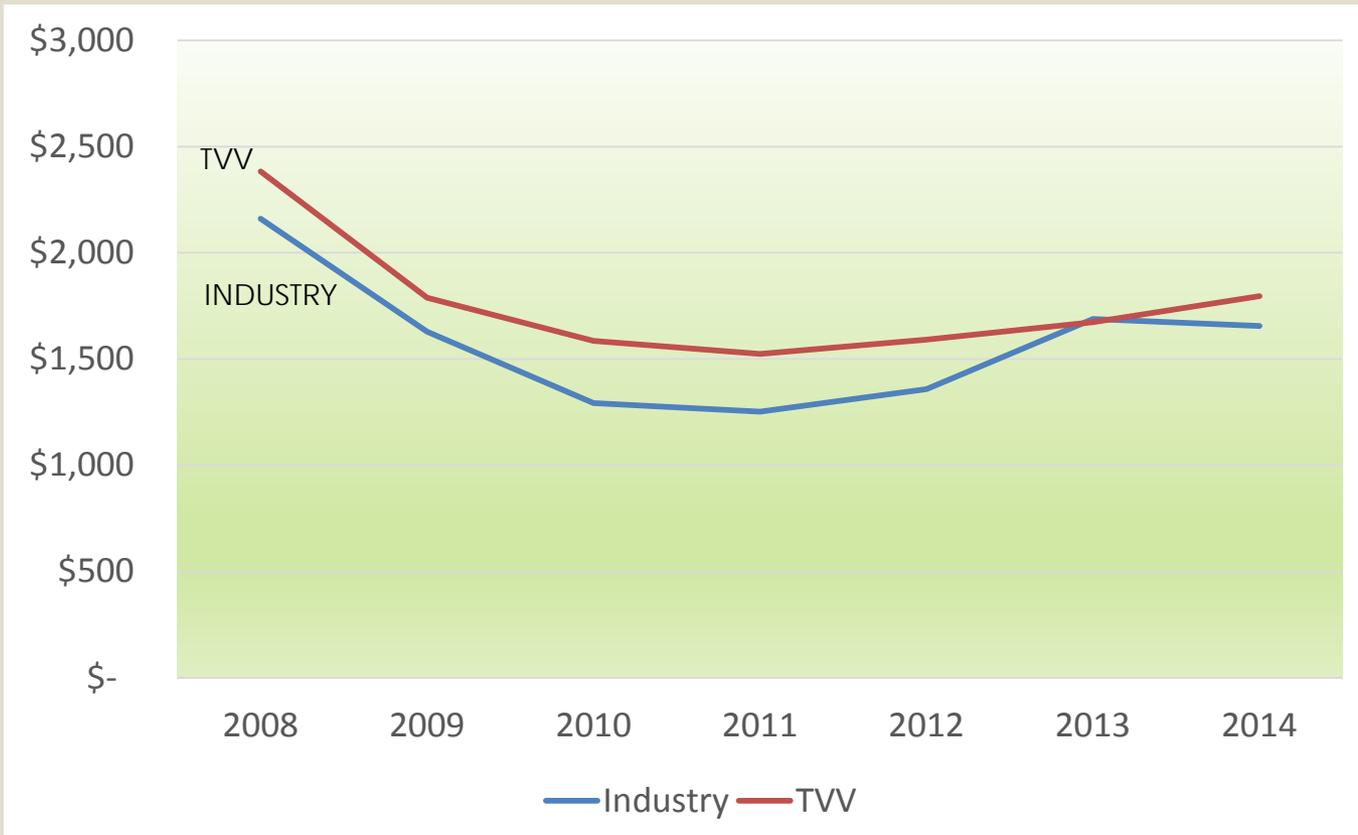
	Litres (1000's)	% of total	% change
UK	53,158	27.7	10
Australia	54,057	28.2	8
USA	50,526	26.3	15
Canada	8,960	4.7	10
Germany	4,917	2.6	9
Ireland	2,479	1.3	6
Netherlands	2,425	1.3	16
Singapore	1,399	0.7	9
Denmark	1,098	0.6	37
Sweden	1,549	0.8	-8
Hong Kong	1,300	0.7	-1
China	1,737	0.9	-9
Japan	1,130	0.6	-8
Other	7,267	3.8	26
	192,002	100	11

Grape Prices

- Other than Mother Nature, grape prices is the variable that can have the most influence on the company's profitability.
- The movement in prices has been governed by supply and demand.
- Supply and demand varies season by season.
- 2012 was a poor harvest which left no surplus. 2013 saw a 28% increase in yield and 2014 was a record harvest resulting in some pressure on our markets. I have asked Sir George to comment on how the markets are looking at present.

Average Grape Prices

TVV vs Industry Average



The 2013 – 2014 season

- Vineyard plantings have lifted this year, with some private development, but as I said earlier, most of it has been led by the bigger wine companies.
- 2013 saw a 28% increase in yield over 2012 for the industry, which will be reflected in the wine sales for the current year.
- We had a record production this year with the Marlborough vineyards achieving maximum production and the Hawke's Bay vineyards achieving great yields.
- The new plantings at Keltern are performing very well and the replanting is in its last phase. Thank you Phil.

The 2013 – 2014 season cont.

- The weather was kind until half way through harvest in Marlborough.
- Flowering was exceptional resulting in the vines carrying huge crops which required thinning, some mechanically and some by cutting one of the four canes carrying fruit.
- This needed to be done as the vines would not have been able to carry on and ripen the huge crops they were carrying.
- In fact the vineyards in Marlborough who did not thin their crops in many cases were not harvested as the crops did not ripen and then were ruined when the rains arrived.

The Challenges

- The weather, world wide economies, the strength of the \$NZ and the continuing pressure being put on wine prices by the bulk market and poor quality wines.
- Your Board continues to focus on producing high quality grapes for the quality end of the market.
- The Board is focussed on maximising sustainable long term returns to its shareholders.
- We were pleased to produce a profit in the year ended 30.06.14 and to pay a dividend

The Challenges cont.

- Achieve our projected budget in this current season which would enable a dividend to be paid
- Complete the replanting program at Keltern
- Lift returns at the Twyford Gravels vineyard
- Continue with the repairs and maintenance and capital programs on all vineyards.
- Assess any expansion opportunity that may arise.
- Look at planting a small area at Higgins Road that has not yet been developed.
- Be very vigilant about health and safety on our vineyards.

Celebration

- Congratulations to the Vineyard managers and the Villa Maria winemaking team for once again producing some outstanding wines from our vineyards, as evidenced by the numerous medals and trophies they were awarded over the past year.
- It is also a good opportunity to recognise the tremendous work performed by the highly skilled and loyal staff who perform the day to day duties on our vineyards.

Celebration cont.

Awards

A small sample of some of the awards achieved over the last year from wine produced from your vineyards is listed below.

Seddon Vineyard

2014 *Single Vineyard Pinot Gris*

Trophy-Marlborough Wine Show Nov 2014

2012 *Single Vineyard Pinot Noir*

Trophy-Marlborough Wine Show Nov 2014

2011 *Single Vineyard Pinot Noir*

Trophy-Marlborough Wine Show Nov 2014

2013 *Single Vineyard Pinot Gris*

Trophy-Marlborough Wine Show Oct 2013

2012 *Single Vineyard Pinot Noir*

Gold-Bragato Wine Awards Aug 2014

Taylor's Pass Vineyard

2014 *Single Vineyard Chardonnay*

Trophy-Marlborough Wine Show Nov 2014

2013 *Single Vineyard Chardonnay*

Gold-Bragato Wine Awards Aug 2014

2011 *Single Vineyard Pinot Noir*

5/5 Stars Cuisine Magazine 2013

Keltern Vineyard

2012 *Single Vineyard Chardonnay*

Pure Gold-Bragato Wine Awards Aug 2013

2012 *Single Vineyard Chardonnay*

Trophy-Air NZ Wine Awards Nov 2013

2013 *Single Vineyard Chardonnay*

Gold-Bragato Wine Awards Aug 2014

2012 *Vidal Legacy Hawke's Bay Chardonnay*

Trophy- Bragato Wine Awards Aug 2014

Twyford Gravels Vineyard

2010 *Villa Maria Reserve Syrah*

Gold-Easter Show Wine Awards 2013

2010 *Villa Maria Reserve Syrah*

5/5 Stars Cuisine Magazine 2014

Thank You

- To you the shareholders for your support, to our vineyards managers and the Villa Maria viticulture team who support them, Mark Allen our advisor, Alan O'Sullivan our accountant and finally your board for your wisdom and hard work.

I move we adopt the annual report and financial statements for the year ending 30.06.2014



Vidal Estate - Keltorn Vineyard, Hawkes Bay, New Zealand

Questions?