



## QUARTERLY UPDATE & APPENDIX 4C

During the year under review Australian Whisky Holdings Limited (ASX : AWY; the Company) made several steps in implementing its longer term strategy which is aimed at achieving a significant position in the premium quality, craft whisky industry in Australia. Currently in its investment stage, this strategy includes direct equity participation in selected branded distillery businesses and in developing export markets in partnership with these distilleries. In addition AWY will build and manage its own whisky funds to both assist the growth of our distillery partners, and to build an inventory of maturing whisky for future sale.

The Company has maintained its 32.9% equity in Lark Distillery Pty Ltd, who in turn, is the owner of the Overeem Distillery. Both Lark and Overeem have increased inventory of “new make” in response to continuing strong demand for their Lark and Overeem brands as they plan for further capacity expansion in coming years. In addition, AWY has acquired a 12% equity interest in Redlands Estate Distillery, to be one of six owners who include Bill Lark, the founder of the Lark Distillery and the southern hemisphere’s only inductee to the Whisky Hall of Fame. Redlands, located at historic Dysart House, at Kempton, Tasmania believe their “paddock to bottle” philosophy of growing their own barley imparts a unique flavour to their single malt whisky.

In further pursuing this acquisition strategy, the Company is currently conducting due diligence on several Tasmanian distilleries which it has identified as potentials for outright purchase or equity partnership.

During the year under review the Company commenced purchasing selected barrels of “new make” from individual distilleries, to begin building an inventory of maturing whisky. These barrels will form the base of the Company’s whisky fund, the final structure of which is nearing





completion. The Company plans to continue to build this inventory and is being advised on the selection of product by Mr Tim Duckett, the owner of Heartwood Whisky and internationally recognised for the quality of his limited release, branded whisky. By year end the Company had acquired the following inventory of “new make” single malt, from several distilleries:

Distillery	Port	Bourbon	Other	Total
Lark			1	1
Archie Rose	16	16	-	32
Redlands	8	-	-	8
Total				41

The Company has also purchased 522 empty 100 litre Oloroso sherry casks which will facilitate the further growth of inventory within the whisky fund.

During the year the Company has initiated or further implemented several elements of the investment phase of its longer term growth strategy and will continue to seek opportunity to build on this base, both through further acquisition or in continuing to build single malt whisky stocks.

By order of the Board,

Company Secretary  
Kenneth Lee



# 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

Australian Whisky Holdings Limited

ABN

62 104 600 544

Quarter ended ("current quarter")

30 June 2016

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	-	-
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(106)	(410)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	6
1.5 Interest and other costs of finance paid	-	(71)
1.6 Income taxes paid	-	-
1.7 Other – trading stock	(146)	(321)
<b>Net operating cash flows</b>	<b>(251)</b>	<b>(796)</b>

+ See chapter 19 for defined terms.

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

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(251)</b>	<b>(796)</b>
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) business (item 5)	-	-
(b) equity investments	26	(355)
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	(3)	(30)
1.10 Proceeds from disposal of:		
(a) business (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 (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>23</b>	<b>(385)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(228)</b>	<b>(1,181)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	313
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	200	1,273
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other – Capital raising cost	-	(39)
<b>Net financing cash flows</b>	<b>200</b>	<b>1,547</b>
<b>Net increase (decrease) in cash held</b>	<b>(28)</b>	<b>366</b>
1.21 Cash at beginning of quarter/year to date	437	43
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>409</b>	<b>409</b>

+ See chapter 19 for defined terms.

**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	41
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Directors Fees

**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

Not Applicable

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

Not Applicable

**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	-	-
3.2	Credit standby arrangements	-	-

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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	409	437
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other – Trust Account	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>409</b>	<b>437</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Not applicable	Not applicable
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.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: .....  
 (Company Secretary)

Print name: .....

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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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