



Investor News



Wine Investment
Services

May 2008

April Auction Clearance

The bulk sale discussed in the last Newsletter is now underway. Given the very large size of this it will take a few weeks to go through. Many investors have contacted us regarding this and some have been disturbed by the frequent delays. It has been a challenging project for us too and we're glad that it has begun.

Since there are hundreds of investors involved, it will take a little time to organize proceeds but we have a system in place to post your returns to your WAM account. Here you can contra any storage charges and have the balance deposited into a bank account of your choice. If you haven't already done so, please let us know your bank details so we can do this for you. There's a section in WAM to do this.

Wine For Life

We are currently getting huge growth in our on-line sales with each week seeing more and more sales and a bigger buyer group. This is turning into a considerable little market and we expect when the new web site arrives that little market will get a whole lot bigger.

Despite the current site successfully selling wine in good quantities, it is quite antiquated by today's standards. One of the things it doesn't let us do is to market Heritage wines properly and bring good deals and great wine to the attention of the buying public. We need strong dialogue with investors and buyers and the new site will allow quick information exchanges to get the best outcome

If your wine is not part of this big sale it is because you didn't nominate wine till after the close-off date, your prices were outside the criteria required or your wine was too over-represented. We had to draw a line somewhere.

Some investors have had some nominated wine go to this sale and the rest not. The ones that didn't are still listed on Wine For Life for sale and if your prices are good you should still be able to sell.



for investors while still being attractive to the buying market. Each day I talk with many investors and most share the same concerns. It would be great to be able to talk with dozens or hundreds simultaneously, to convey the same information to everyone as well as tailoring solutions for individuals. The new site will do this for us as well as being able to give industry news, events and reviews.

We are hopeful the site will be live in May. It's coming along quite nicely but is a huge project. Keep your eye out.

- Brad McPherson -

Wine For Life Top 10

1. 2002 Neck Oil Shiraz Grenache
2. 2001 Glaetzer Goldbeater Shiraz
3. 2001 Vito McLaren Vale Shiraz
4. 2001 Kilikanoon Parable Shiraz
5. 2002 Binder Mitchell Dovetail
6. NV James Estate Grand Cuvee
7. 1999 Classic McLaren La Testa
8. 2001 Willow Bridge "The Black Dog" Shiraz
9. 2001 Gartner Coonawarra Cabernet
10. 2000 Primo Estate 'Joseph Moda' Cabernet Merlot

Wine Returns

If you want us to return wines to you, please understand that it takes a while to gather it together from the various warehouses, pack it and ship it. If you need it urgently please give us enough time to get it together and contact us so we can expedite the request as best we can. We normally need at least 7 days to get it ready to ship and if you're from WA, SA or north QLD it will take a few more days to arrive.



Wine Investment Services

PO Box 3220
Hamilton NSW 2203

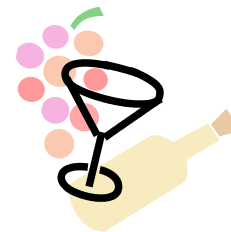
Phone: 1300 852 117
Fax: (02) 4962 4611

E-mail: wisinfo@wineinvestment.com.au

A part of the
James Australia Group

www.wineforlife.com.au

New WAM System



The WAM system we all know and 'love' is about to be replaced. I can already hear many investors groaning with frustration but really it will be a lot better. We inherited the current WAM from the liquidator and it was a modified program for something else. As a result, user friendliness was not a design feature, the system was designed to be short lived; an ad hoc measure.

Since WIS is looking to the future. we need a system that can accommodate investor needs on a more permanent basis. I share the investors' feedback that it's hard to read WAM and get a clear picture of your account.

The new one is nearly finished and is built by us using the feedback you have given us and our own experiences. For the more technophobic among you it will be a pain in the neck learning a new system but it will be worth it. First, it will be easier to use and read. Second, it will allow you to do more and quicker.

WIS is trying to build something positive into the Heritage world and the new website and new WAM will be central to this. Eventually, WAM will be incorporated in Wine For Life and this will be the central portal for all wine exchange and portfolio management. It will be coming soon complete with instructions.

Getting Priced to Sell



The single most asked question we get is "how much do I sell my wine for?"

We can't give a straight answer on this because ultimately it depends on how much a buyer is prepared to pay for it. In WAM there's a column in your portfolio called 'median estimated auction value'. This is a guide based on auction market prices. You do not have to stick to this but remember that for most of the wines in Heritage there are up to 70 investors trying to sell it. This means there will be a wide variety of prices for the same wine and buyers will obviously be looking to buy the best bargain they can. Now, we don't recommend burning off stock in a fire sale as this only cheapens the product and ruins it for everybody but you have to think like a buyer. To buy on-line at all we need to have wines you can't get anywhere else or wines significantly cheaper than retail. We can do both. Heritage wines are exclusive and most are highly esteemed and because we don't have to provide the high

retail margins the price is very attractive. Of course, there are cult wines like Grange, Three Rivers and Hill of Grace that are scarce and carry values outside normal pricing mechanisms and for these you need a separate strategy but for all the others price is more important than desirability. For instance, a Kilikanoon Covenant sells typically for around \$25/bottle but for that price you could buy a Willow Bridge Black Dog, a Mount Lang Ghiran, a Glaetzer Nefertiti, Penfold's Bin 138. All very good wines from outstanding wineries but none are 'must haves' and each has to compete with each other equally. This makes the price the decider unless the buyer has a particular fondness for one or the other. That's something the investor can't control, but you can control price. So think carefully about your nomination. Think like you were buying it yourself.

