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12 June 2020

To Shareholders

Dear Sir/Madam

McWilliam's Wines Group Ltd ACN 000 024 108
Mount Pleasant Wines Pty Ltd ACN 000 024 813
(Both Administrators Appointed)(Collectively referred to as "the Group")

I refer to the appointment of Tim Mableson, Ryan Eagle and myself, Gayle Dickerson as Administrators of the Group on 8 January 2020 pursuant to Section 436A of the Corporations Act 2001 (Cth).

Recapitalisation or sale process

As you are well aware, we commenced our formal sale of business and recapitalisation campaign in February 2020. Following the most recent circular to shareholders, we would like to provide a further update on the sale campaign as follows:

- We have continued to progress the recapitalisation or sale process on the original timeline as detailed in our previous circular to shareholders.
- We had approximately 180 parties contact us during the sale process, 90 parties signed Non-Disclosure Agreements, 18 parties submitted expressions of interest, 7 parties were shortlisted and multiple final binding offers were received.
- Interested parties submitted Non-Binding Indicative Offers by 31 March 2020 and Binding Offers by 30 April 2020.
- In May 2020 we progressed discussions and clarification of offers presented with a number of parties, and in mid-May determined to proceed with a final preferred bidder, on the basis, (among other reasons) it will deliver the most certainty, highest financial return, least conditionality and in the timeliest manner.
- We subsequently entered into a short period of exclusivity with the preferred bidder and are in final negotiations in relation to the terms of contracts for sale. As it stands, this is proposed via a sale of business, and therefore there is no creditor (or shareholder) approval required.
- The period of exclusivity has expired, and whilst we continue to negotiate with the preferred party, we are not bound under exclusivity arrangements.
- We continue to strive towards completion occurring around 30 June 2020, which is consistent with our original timetable, although depending on the timing of this process, completion may now not occur until July 2020.
- We will provide a formal announcement to employees, customers, suppliers, creditors and shareholders when appropriate confirming details of the transaction and timing for completion.

At this stage, we are unable to provide the estimated outcome to creditors or shareholders. We will provide an estimate in our report to creditors (and will make this available to shareholders) when we hold the second meeting of creditors (intended in late July 2020).

We continue to work hard to finalise a positive outcome and provide certainty for all the stakeholders of the Group and we will provide updates when it is appropriate and meaningful to do so to all relevant stakeholders (including shareholders).

In respect to recent media reports, we do not comment or respond to media reports in circumstances where those reports are speculative or not commissioned by KPMG.

Further information

Should you change your address or contact details, we request that you advise in writing to ensure you continue to receive future correspondence regarding the Group.

If you have any questions, please contact Irene Tang of this office on (02) 9273 5594 or via email at itang2@kpmg.com.au.

Yours faithfully



Gayle Dickerson
Administrator