PROSPECTUS

25 January 2002

Issue of Wine Class Shares

IN AWX CAPITAL LIMITED
BY AWX CAPITAL LIMITED
ACN 096 176 377
(THE "COMPANY")
TO BE TRADED ON THE
STOCK EXCHANGE OF NEWCASTLE LIMITED.

Applications for
Wine Class Shares can only
be received from within Australia.
A free paper copy of this Prospectus
can be obtained upon request.

awx
Australian Wine Exchange

Prospectus Number : 02

Important Information

Information and Representations

This Prospectus has been prepared by AWX Capital Limited (the "Company"), the Issuer of the Wine Class Shares. Potential investors should note that no person is authorised by the Company to give any information to investors or to make any representation on behalf of the Company not contained in this Prospectus.

No offer or invitation in relation to securities of the same class as those offered in this Prospectus has been made or issued in the last 12 months.

This Prospectus is dated **25 January, 2002**. The expiry date of this Prospectus is 13 months after the date of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Applications can be made only on the application forms attached to this Prospectus or on an application form which was accompanied by an electronic version of this Prospectus at http://www.awx.com.au or at any participating broker web site.

Details of where to lodge the application form (electronic and paper) and the method of payment are set out in the application form.

Prospectus Lodged with ASIC

This Prospectus has been lodged with the Australian Securities and Investments Commission ("ASIC") on 25th January, 2002. ASIC takes no responsibility as to the contents of this Prospectus. A number of words and terms used in this Prospectus have defined meanings that appear in the Definitions section.

Application for listing on NSX

Application has been made for listing the AWX Capital Limited Wine Class Shares offered by this Prospectus on the Stock Exchange of Newcastle Limited ("NSX"). The fact that the Stock Exchange of Newcastle Limited may list the Wine Class Shares of AWX Capital Limited is not to be taken in any way as an indication of the merits of AWX Capital Limited or the listed Wine Class Shares.

The Stock Exchange of Newcastle Limited takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.

Investment Decisions

It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each potential investor. Accordingly, nothing in this Prospectus is a recommendation by the Company or any other person concerning investments in shares or any other security. Potential investors should not rely on this Prospectus as the sole basis for any investment decision in relation to shares or any other security and should seek independent professional investment and taxation advice before making a decision whether to invest in the Wine Class Shares.

Prospective investors should read the entire Prospectus before making any decisions to invest in the Wine Class Shares. If prospective investors have any doubt as to their course of action they should consult their stockbroker, solicitor, accountant or other professional adviser.

Jurisdiction

The offers made in this Prospectus are, subject to the terms described in this Prospectus, available to persons receiving an electronic Prospectus within Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Failure to comply with relevant restrictions may violate those laws. This Prospectus is not an offer or invitation in relation to shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to register or qualify the offers under this Prospectus or otherwise permit a public offer of the Wine Class Shares in any jurisdiction outside Australia. The Wine Class Shares have not been, and will not be, registered under the United States Securities Act, 1933 and may not be offered or sold in the United States or to or for the account of or benefit of, United States persons.

Further Information

Further information relating to the Wine Class Shares can be obtained from your stockbroker or financial adviser.

Prospectus

Important Dates

Date of the Prospectus	January 25, 2002
Applications Open	February 5, 2002
Applications Close (may be extended or closed early at the discretion of the Company)	March 4, 2002
Expected dispatch of Wine Class Share investor statements	April 10, 2002
Wine Class Shares expected to commence trading on the NSX	April 15, 2002
Wine Class Shares De-list from the NSX	April 14, 2003
Delivery Notice Close Date	June 5, 2003

Further Information

Investors with questions in relation to this Prospectus should contact their broker or ASX Perpetual Registrars Limited Helpdesk on (02) 8280 7175.

Please note that delivery of the wine that relates to the Wine Class Share will occur within 3 months after the Wine Class Shares have delisted and only after your Wine Class Share has been redeemed.

The offer for each class of Wine Class Shares is set out in detail in the Schedules contained in Section 13 (Page 70) of this Prospectus.

Contents

Section 1 Details of the Issue

Overview of the Offer

The Company is offering several classes of shares ("Wine Class Shares") for subscription.

A Wine Class Share is a redeemable preference share and an entitlement to a case of bottled wine.

The wine may be pre-release, current release or museum release that is offered by a wine producer directly to the AWX to list for trading on the Stock Exchange of Newcastle ("NSX").

Each label and vintage of wine relates to a separate class and listing of Wine Class Shares. One Wine Class Share gives you an entitlement to one case of a specified wine.

At a pre-set future date, which will be 12 months after listing for Wine Class Shares offered in this prospectus, the Wine Class Shares will de-list from the NSX and be redeemed by AWX. This is when you can take physical delivery of the specified wine.

All storage and insurance costs are pre-paid for the life of the Wine Class Share.

Prior to allotment of Wine Class Shares and whilst listed on NSX, the wine that relates to Wine Class Shares will be held in trust and kept in a climate controlled facility managed by Toll Holdings Limited, Australia's largest logistics company.

Holdings in Wine Class Shares will be represented by CHESS* or Issuer-Sponsored statements. Like company shares, you will receive a holding statement from CHESS* or the registry in the mail.

The payments that the investor will have to make for the Wine Class Share (and the wine) are:

(a) the price under this Prospectus – which will pay for the wine itself, the transport of the wine from the wine producer, storage and insurance of the wine; and

(b) the cost of delivering the wine to the investor (if delivery is taken).

The offer for each class of Wine Class Shares is set out in detail in the Schedules contained in Section 13 (Page 70) of this Prospectus.

The use of "offer" in this Prospectus means the invitation made to the public under this Prospectus.

When to Apply

Completed application forms for the public offer of Wine Class Shares must be received by 5:00pm on the Applications Close Date set out in the Important Dates section earlier in this Prospectus.

How to Apply

Applications may only be made on:

(a) the application form attached to this Prospectus (as a paper copy); or

(b) a printed application form which was accompanied by an electronic version of this Prospectus available at www.awx.com.au or any participating broker websites; or

(c) an electronic application form available on the websites of some online brokers.

Details of where to lodge the application form (both paper and electronic) and the method of payment are set out in the application form.

Applications must be for a minimum of two (2) Wine Class Shares (2 cases of wine), either of the same Wine Class Share, or different ones. If there is a maximum number of shares per applicant for a particular offer of Wine Class Shares, this will be set out in the Schedules contained in Section 13 of this Prospectus. If any offer is oversubscribed above the number of Wine Class Shares on Offer (or the oversubscription amount where one has been set) the Company may at its discretion reject applications.

Application Cheques

Applications sent to the Company must be accompanied by a cheque in Australian dollars, crossed "not negotiable" and made payable to **AWX Capital Limited Applications Account**.

Payment for applications sent to your broker should follow the instructions specified by your broker.

Completed Application Forms and accompanying cheques should be lodged with your broker or sent to the following address:

AWX Wine Class Share Offer No 2

ASX Perpetual Registrars Limited

Locked Bag A14

SYDNEY SOUTH NSW 1232

The precise number of Wine Class Shares issued will not be determined until after each offer closes.

The Company reserves the right, in its absolute discretion, to:

(a) close an offer early without prior notice; or

(b) reduce the number of Wine Class Shares to be issued (but not below the minimum subscription level); or

(c) vary any of the important dates set out in this Prospectus, including extending the offer; or

(d) withdraw an offer and refund any application monies relating to any Wine Class Shares; or

(e) make firm allocations to select brokers and other parties.

Allotment of Wine Class Shares

Issue of Wine Class Shares is at the discretion of the Company who may accept or reject any application for Wine Class Shares wholly or in part.

Where an application for Wine Class Shares is unsuccessful wholly or in part, the Company will forward refund cheques to applicants as soon as possible after the issue of Wine Class Shares to successful applicants (if any).

The minimum subscription level for each offer of Wine Class Shares is set out in the Schedules contained in Section 13 of this Prospectus. If an offer of Wine Class Shares does not reach the minimum subscription level, and therefore shares for this Wine Class are not issued, this will not affect any other offer of Wine Class Shares. The Company may at its discretion accept oversubscriptions where detailed in the relevant Schedule in Section 13.

No interest will be payable on refunded application monies unless required by law.

NSX Listing

Within seven (7) days of the date of this Prospectus, the Company will submit applications for admission of the Wine Class Shares offered in the Schedules in Section 13 of this Prospectus for quotation on NSX.

Investors should note that April 15, 2002 is an expected date only from which trading of the Wine Class Shares on the NSX is expected to commence. The NSX has not indicated that it will list the Wine Class Shares nor has it indicated that official quotation (if permission to list were granted) would take place on that date. If the NSX does not approve the listing of the relevant Wine Class Shares, the issue will not proceed and the Company will forward refund cheques to applicants as soon as possible thereafter. The NSX takes no responsibility for the contents of this Prospectus.

Wine Class Shares are expected to be listed for trading on the NSX until the De-listing Date set out in the Schedules contained in Section 13 of this Prospectus, unless an event occurs that requires trading of the particular Wine Class Shares to cease at an earlier date.

The NSX has indicated that it will grant the Company a number of waivers from the NSX Listing Rules. The main waivers will be of Listing Rules 3.6 and 3.10.

Listing Rule 3.6 provides a new applicant must have an adequate track record which will normally be at least two financial years under substantially the same management. The NSX has indicated that it will grant a waiver from this Listing Rule because, although the Company is a newly formed company, its parent company does meet the Listing Rule requirement.

Listing Rule 3.10 provides that the Issuer must have net assets of at least $2million, and the nominal amount of each class of debt securities for which listing is sought must be at least $500,000. The purpose of this Listing Rule is to protect holders of debt securities and ensure that sufficient funds are available to repay the debt securities. However, a Wine Class Share is not a debt security which requires re-payment of the principal by the Company. The value of the Wine Class Share is in the wine and protection is required to ensure the investor receives the wine rather than cover the share price. (Please see Section 2 for a description of a Wine Class Share). NSX has indicated that it will grant a waiver from this Listing Rule on the condition that investor protection is provided for by the parent of the Company placing protected funds in trust to be used to administer the early redemption of Wine Class Shares (and facilitate the early delivery of the wine) in the event of an insolvency of the Company, the holding entity of the Company or a major service provider.

One (1) week before the first Wine Class Shares are allotted, the parent of the Company will place $100,000 on trust for the benefit of investors in the event of an insolvency. The number of Wine Class Shareholders will be reviewed on a six monthly basis and if this number exceeds 10,000, the parent of the Company will place a further $10 on trust per shareholder above that level.

NSX Fidelity Fund

The NSX maintains a fidelity fund in accordance with the requirements in the Corporations Act. The fidelity fund provides protection to investors who suffer pecuniary loss because of a defalcation or fraudulent misuse of securities or documents of title to securities or of any other property by participating organisations of the NSX. In respect of securities, documents of title or other property that was entrusted to the participating organisation in the course of the participating organisation's business of dealing in securities.

The Board of NSX, as administrator of the Fidelity Fund, has indicated that it is of the view that if a claim is made on the NSX Fidelity Fund during the life of the Wine Class Shares, irrespective of whether the activity giving rise to the claim has taken place in relation to the Wine Class Shares in AWX Capital Limited, or the Beneficial Interest in the AWX Trust, any compensation payable out of the Fidelity Fund in respect of that claim will be calculated by having regard to the combined value of the Wine Class Share and the Beneficial Interest, rather than the value attaching to the individual components thereof.

CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System ("CHESS"). The Company will not issue certificates for Wine Class Shares to applicants who are issued Wine Class Shares. The Registry or CHESS, on behalf of the Company, will provide each holder with an uncertificated securities holding statement which will set out the Wine Class Shares issued to the holder and the Shareholder Reference Number or their Holder Identification Number.

Wine Class Share Register

ASX Perpetual Registrars Limited will maintain a register of the Wine Class Shares in New South Wales.

The Constitution and Trust Deed of the Wine Class Shares

The Wine Class Shares are issued upon and subject to the terms and conditions of the Constitution dated on 23rd August 2001 and the Trust Deed dated on 2nd August 2001 as amended from time to time.

The Wine Class Shares are not secured by any charge or other encumbrance over any asset of the Company. Please see Section 10 for a summary of the Constitution and the Trust Deed.

Continuous Disclosure

The Company has continuous disclosure requirements to the NSX and to investors in respect of the Wine Class Shares.

Commissions

The Company will distribute the Wine Class Shares through brokers and may pay them a commission of up to 6% of the value of successful applications submitted through them.

Use of funds resulting from issue

The monies received by the Company under this Prospectus will be used to pay:

(a) the Producer for the wine (inclusive of the Wine Equalization Tax ("WET") and the Goods and Services Tax ("GST")). At least 69% of the monies received by the Company under this Prospectus will be used to pay the Producer for the wine. In some cases, the amount used to pay for the wine may be as high as 77%. The weighted average across all the wines of the amount used to pay for the wine is 72%; and

(b) for movement and handling of the wine and the Spoilage Stock from the Producer to the storage facility; and

(c) for storage of the wine and the Spoilage Stock from the date the wine is delivered to the storage facility to the Final Redemption Date; and

(d) for insurance of the wine and the Spoilage Stock from the date the wine is delivered to the storage facility to the Final Redemption Date; and

(e) for marketing and administering the Wine Class Shares and in producing this Prospectus. See Section 12 Disclosures, "Expenses of the Issue".

The monies may also be used to pay :

(f) for insurance of the wine and the Spoilage Stock during transport from the Producer to the storage facility.

Section 2 Description of a Wine Class Share

What is a Wine Class Share ?

A Wine Class Share is a redeemable preference share representing one case of a particular wine. (Details of the redemption follow in "What happens on maturity?"). There will be a separate class of shares (a "Wine Class") for each individual label and vintage of wine that is offered and each Wine Class has a separate Offer Schedule specifying the exact details of the offer including the number and size of the bottles in the case.

Investment in a Wine Class Share is an investment in a particular label and vintage of wine. On completion of a successful offer the Company will:

(a) transport the wine from the Wine Producer to the wine storage facility; and

(b) store the wine for the investor until the Final Redemption Date; and

(c) insure the wine for the investor until the Final Redemption Date.

Wine held in Trust

A separate trust will be established for each individual case of wine that relates to a Wine Class Share. The wine that corresponds to a holder's Wine Class Share, is held on trust for the holder by the Trustee. The holder therefore holds:

(a) a Wine Class Share; and

(b) a beneficial interest in a trust that holds the physical wine.

The Trust is a bare trust so the holder is absolutely entitled to the wine. However, the holder agrees, in the Constitution, not to call for delivery of the wine before receiving a Delivery Notice.

Each time the holder transfers a Wine Class Share to a new holder, the beneficial interest in the wine automatically transfers to the new holder.

The Separate Trust for each case of wine is established by the Master Bare Trust Deed, a summary of which is set out in Section 10.

Rights of Wine Class Share Holders

Holders of Wine Class Shares only have the right to vote:

(a) on a resolution to approve the terms of a buy-back agreement for that Wine Class; and

(b) on a proposal that affects rights attached to a particular Wine Class Share (except the issue of additional Wine Class Shares, a capital reduction or the redemption of the Wine Class Shares); and

(c) on a proposal to wind up the Company; and

(d) during the winding up of the Company.

Holders of Wine Class Shares are not entitled to:

(a) any right to the payment of any dividends; or

(b) any rights of participation in any surplus assets and profits of the Company; or

(c) priority of payment of capital or dividends in relation to other shares or other classes of shares, except on the winding up of the Company.

Capital reduction

The subscription monies paid under this Prospectus comprise:

(a) funds to pay for the purchase of the wine; and

(b) funds to pay for services relating to the wine and the Wine Class Share (eg. storage, insurance).

The amount described in paragraph (a) will be used to purchase the wine and the amount described in paragraph (b) will become part of the capital of the Company. The Company will reduce its capital to make any payment of fees or expenses relating to the wine or the Wine Class Share, such as the payment for storage and insurance of the wine. This capital reduction will take place within 1 week after the allotment of the Wine Class Shares and the amount will be used by the Company on behalf of each holder to pre-pay for all services relating to the wine or Wine Class Share.

Please refer to Section 11 for a summary of the taxation implications.

Trading Wine Class Shares on NSX

The Wine Class Shares will be listed for trading on the NSX. The market value of the Wine Class Shares may be affected by:

(a) the price of the underlying wine;

(b) the Final Redemption Date;

(c) volatility in trading;

(d) liquidity in trading; and

(e) other factors that affect the market values of shares from time to time, such as general market and economic conditions.

What happens on maturity ?

(a) Delivery Notice
Within 30 Business Days following the de-listing of a Wine Class Share from the NSX, all holders of the de-listed Wine Class Shares will be sent a Delivery Notice. The Delivery Notice will set out the options available to the holder which will be one or more of the following:

(i) physical delivery of the wine;

(ii) continued storage of the wine;

(iii) sale of the wine.

Option (i) (physical delivery of the wine) will always be made available. Options (ii) and/ or (iii) will be made available at the discretion of the Company. Delivery of the wine will be subject to the standard terms and conditions prevailing at the time of delivery, unless otherwise stated in the Delivery Notice.

Holders are requested to complete and return the Delivery Notice to the Company by 5:00pm on the date specified in the Delivery Notice (Delivery Notice Close Date).

(b) Receipt of a valid Delivery Notice
On receipt of a valid Delivery Notice the Company will:

(i) arrange for the wine to be delivered; or

(ii) arrange for the continued storage; or

(iii) arrange for the sale of the wine

according to the preference stated in the Delivery Notice.

(c) No Delivery Notice
If the Company does not receive a Delivery Notice by 5:00pm on the Delivery Notice Close Date; or the Delivery Notice is invalid; or delivery is selected but through no fault of the Company or its logistics partner, Toll Transport Pty Ltd, the wine is not successfully delivered or claimed by the Holder within one calendar month of delivery being attempted; the Company may decide in its absolute discretion:

(i) to store the wine for up to twelve (12) months from the Redemption Date; or

(ii) to sell the wine at any time.

At any time while the wine is being stored, the holder may request physical delivery of the wine after payment of all of the Company's costs and expenses in handling and storing the wine after the Redemption Date (including any storage, transportation and insurance costs).

On sale of the wine the Company will send the holder a cheque for the net sale proceeds (being sale proceeds minus costs for handling storage, transportation and insurance, if any, after the Final Redemption Date; and costs for the sale of the wine; and any taxes payable).

(d) Valid Delivery Notice
A Delivery Notice must include:

(i) a warranty from the holder that he/she is not a minor ; and

(ii) consent from the holder to the holder’s details in the Delivery Notice being passed to the Company’s logistics partner, Toll Transport Pty Ltd.

Further requirements for completing a valid Delivery Notice are detailed in Section 10, “Trust Deed Summary”.

If the Company becomes aware the holder is a minor, the Company is prohibited from sending the physical wine to the holder and will sell the wine and forward the sale proceeds.

(e) Redemption
Five (5) Business Days after receipt of a valid Delivery Notice, or on the Final Redemption Date, the Company will redeem each Wine Class Share for $0.01 and cancel the Wine Class Share. This $0.01 will be applied against any costs or expenses that each customer is required to pay after maturity. On redemption, legal title will pass to the holder.

(f) Unclaimed wine and unclaimed money
If twelve (12) months after the Delivery Notice Close Date the holder has neither taken delivery of the wine or cashed the cheque of the proceeds from the sale of the wine, the Company may use any sale proceeds to cover any costs with respect to the wine. The remaining balance may be used by the Company to offset the costs of any future issue of Wine Class Shares.

(g) Delivery outside Australia
The holder must arrange for its’ own delivery and insurance of the wine if delivery is required outside Australia. The holder is responsible for any customs duties and any other taxes in exporting the wine from Australia and importing it to the destination country and also for ensuring the wine may legally be imported into the destination country.

Costs after maturity ?

After maturity of the Wine Class Share the holder is responsible for all risks to, and expenses of the wine including:

(a) any costs associated with the delivery of the wine and for insurance whilst in transit if the delivery option was chosen; and

(b) any costs associated with the storage and insurance of the wine after the Final Redemption Date if continued storage was chosen; and

(c) customs duties and any other taxes on export of the wine and import into another jurisdiction.

Insurance of the wine after the Final Redemption Date is at the option of the holder.

Can the Wine Class Shares mature early ?

The Company will de-list, redeem and cancel Wine Class Shares and deliver the wine earlier than advised in the Schedules in Section 13, in the event of:

(a) an insolvency of the Company; or

(b) an insolvency of the holding entity of the Company.

The Company may de-list, redeem and cancel Wine Class Shares and deliver the wine earlier than advised in the Schedules in Section 13, in the event of:

(a) an insolvency of a significant service provider (such as insurance or storage); or

(b) an insurance event that causes all or a part of the Wine Class Shares to be redeemed; or

(c) the early de-listing of a Wine Class from trading on the NSX for whatever the reason.

Australian Wine Exchange Pty Ltd, the holding entity of the Company, will establish an Early Redemption Fund within one (1) week of the allotment of the first Wine Class Shares that is protected from any controller, liquidator or administrator appointed to the Company or to the holding entity. The money within this fund is for the sole benefit of Wine Class Shareholders in the event of an insolvency, and will be used to pay for the preparation, issue, mailing, receipt and processing of delivery notices to Wine Class Shareholders.

Section 3 The Wine

The Wine

Wine Producers have agreed to meet the following standards for all wine relating to Wine Class Shares offered under this Prospectus:

(a) the standards prescribed by the *Australia New Zealand Food Authority Act (1991) Cth;* and

(b) the labelling standards prescribed in the *Australian Wine & Brandy Corporation Act (1980) Cth;* and

(c) the Company's packaging standards agreed with the Wine Producer.

In addition an AWX Certificate detailing the results of chemical tests performed on the wine will be provided.

AWX Certificate

The AWX Certificate is a certificate detailing the results of chemical tests on the wine. These tests are similar to the standard chemical tests required for wine to be exported.

To obtain an AWX Certificate, the Wine Producer is required to send two (2) bottles of the wine, including all labelling, to an Approved Laboratory to conduct chemical tests. Once the tests are completed, the Laboratory will send the results in the form of the completed AWX Certificate to the Producer. The Producer will pay for all costs incurred in obtaining the AWX Certificate including payment to the Laboratory for conducting the tests.

The AWX Certificate is reproduced at www.awx.com.au and a paper copy can be provided upon request.

There is no pass or fail for an AWX Certificate. The inclusion of the AWX Certificate should not be taken in any way as an indication by the Company or the Approved Laboratory of the merit of the wine. It is the responsibility of the investor to make their own assessment of the quality of the wine using the details provided in the Schedules and any other information deemed necessary.

Approved Laboratory

An Approved Laboratory is one that NATA has accredited for the purposes of performing the tests required for an AWX Certificate.

NATA is the National Association of Testing Authorities. NATA accredits laboratories against criteria based on the internationally recognised ISO standards.

The Conditional Wine Purchase Agreement

The Conditional Wine Purchase Agreement ("CWPA") is an agreement between the Company and the Wine Producer whereby the Wine Producer agrees to reserve and sell to the Company the number of cases of wine corresponding to the number of shares on offer, if applications for Wine Class Shares reach the number of shares on offer as detailed in the Schedules in Section 13.

The portion of the monies paid under this Prospectus which are allocated to buy the wine will be used to acquire the interest which the Company has in the wine under the CWPA. The Wine Producer retains legal title to the wine until payment is received at which time the wine is held on trust for the holder, legal title transfers to the Trust and the holder holds the beneficial interest in the wine.

The CWPA also stipulates the specific details of the wine on offer (which are reproduced in the Schedules in Section 13 of this Prospectus).

Spoilage Stock

Spoilage Stock refers to the wine that has been provided to replace wine if loss or damage occurs prior to maturity (subject to the conditions set out in Section 8). Currently, the full case equivalent to the rounded up total of 3% of the wine corresponding to the number of Wine Class Shares issued will be provided for Spoilage.

The Company will arrange to collect, store and insure the Spoilage Stock along with the wine that relates to Wine Class Shares. Legal title to the Spoilage Stock remains with the Wine Producer, however the Company has the right to buy this in the event that there is any loss or damage to the wine that corresponds to Wine Class Shares. There will be no additional cost to the investor in this event.

Spoilage Stock will be used by:

(a) replacing any damaged case of wine with a full case from the Spoilage Stock (regardless of how many bottles are affected); or

(b) replacing damaged bottles and repackaging the wine in accordance with the standards set by the Company.

Storage of the wine

The wine will be stored in a secure facility whereby:

(a) bottles are stored horizontally or inverted (bottles standing on their necks); and

(b) wine cases will not be stored directly on the floor of the facility; and

(c) wine cases will be kept dry at all times; and

(d) wine will be kept in its original packaging; and

(e) wherever possible the wine will be kept free from exposure to UV lighting; and

(f) movement of the wine will be kept to a minimum; and

(g) a regular pest control program will be maintained (to reduce the risk of damage to the wine or packaging due to pests such as rodents, cork moth and silver fish).

The facility will be monitored daily for both temperature and humidity such that:

(a) the temperature:

  (i) will generally be kept between 14 and 17 degrees Celsius (and will not be outside this range for a continuous period of 96 hours or more); and

  (ii) will not exceed 20 degrees Celsius for a continuous period of 48 hours or more; and

  (iii) will not exceed 23 degrees Celsius for a continuous period of 36 hours or more; and

  (iv) will not exceed 26 degrees Celsius for a continuous period of 24 hours or more; and

  (v) will not exceed 29 degrees Celsius at any time.

(b) the humidity:

  (i) will generally be kept between 60 and 80 percent (and will not be outside this range for a continuous period of 96 hours or more); and

  (ii) will not be less than 50% for a continuous period of 48 hours or more; and

  (iii) will not be less than 40% at any time.

Insurance of the wine

Please refer to Section 8 for a summary of insurance.

Stocktake

Toll Transport Pty Ltd, the Company's logistics provider, will conduct checks on the wine when it first arrives at the storage facility to ensure that each case of wine is :

(a) clean; and

(b) free from damage to the packaging; and

(c) free from wine stain or any visible sign that the bottles within the packaging are damaged or leaking; and

(d) is appropriately sealed.

After this date, a count of the stock will take place at the following times:

(a) an annual count of all wine corresponding to Wine Class Shares;

(b) a monthly cyclical count of 25% of all the wine corresponding to Wine Class Shares such that each Wine Class will be counted every quarter;

(c) a stock take of the wine corresponding to a specific Wine Class just prior to the maturity of the Wine Class Shares.

Wine Producers

Wine Producers and their associates may hold Wine Class Shares and from time to time buy and sell these shares. Wine Producers are required to disclose any price sensitive information.

All queries with regard to the condition of the wine after delivery should be raised with the Wine Producer. Please see Section 7 Risk Factors.

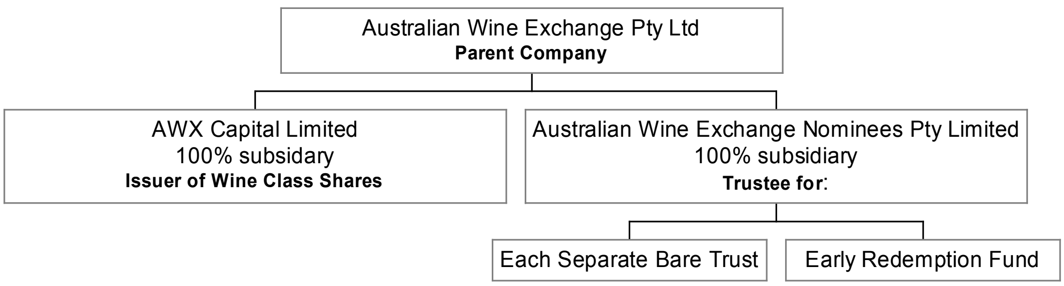
Section 4 The Business of AWX Capital Limited

Corporate Structure

Australian Wine Exchange Pty Ltd, ABN 94 087 049 705, owns 100% of the ordinary shares of AWX Capital Limited. Australian Wine Exchange Pty Ltd also owns 100% of the ordinary shares of Australian Wine Exchange Nominees Pty Limited, which will be the trustee of the AWX Trust. Australian Wine Exchange Nominees Pty Limited has no other classes of shares on issue.

Australian Wine Exchange Pty Ltd provides services to AWX Capital Limited and to Australian Wine Exchange Nominees Pty Limited under a facilitation agreement. This agreement specifies that in return for a facilitation fee, Australian Wine Exchange Pty Ltd will ensure that AWX Capital Limited meets all its obligations to the holders of Wine Class Shares.

The directors of Australian Wine Exchange Nominees Pty Limited are the same as AWX Capital Limited.



Description of the Company's business

AWX Capital Limited is a single purpose entity created to offer Wine Class Shares to the public.

Funds raised by AWX Capital Limited through an issue of Wine Class Shares is to be applied by the Company to:

- conduct the marketing and distribution of Wine Class Share offers;
- buy the nominated amount and type of wine for the benefit of the investor;
- transport, store and insure that wine;
- list the Wine Class Shares on an approved stock exchange and comply with the listing requirements in respect of them until a predetermined date; and
- administer the maturity and redemption of the Wine Class Shares.

History of AWX Capital Limited and Australian Wine Exchange Pty Ltd

AWX Capital Limited, ACN 096 176 377, was incorporated under the laws of Victoria on the 15th of March 2001 and has its registered address at Level 8, 380 St. Kilda Road, Melbourne.

At the time of lodgement of this prospectus, AWX Capital Limited has not carried on any business.

A brief history of Australian Wine Exchange Pty Ltd ("AWX"), the holding entity of AWX Capital Limited, is as follows:

- Founded by Stephen Thompson and incorporated under the laws of Victoria on 8th April 1999;
- Completed a seed round capital raising in March 2000, with TOLL Holdings Limited (the parent company of Toll Transport Pty Ltd) taking a 20% equity stake and Board representation;
- Completed a second capital raising in May 2001, with TOLL Holdings Limited re-investing to secure an equity stake slightly above 20%.

Directors' Profiles

The Directors of the Company at the date of this Prospectus are as follows:

Clive Batrouney, non-executive director of AWX Capital Limited

Mr Batrouney is the Vice-Chairman of The Australian Stock Exchange Limited ("ASX"), having been a Director since 1990, and is Chairman of the Securities Exchanges Guarantee Corporation Ltd, which is the trustee of the National Guarantee Fund.

Mr Batrouney is also a Director of Victorian Funds Management Corporation, Hansen Yuncken Pty Ltd, builders and contractors, Committee for Melbourne and is a consultant to Salomon Smith Barney, share brokers and investment bankers.

Previously, Mr Batrouney was Managing Director of ANZ McCaughan Securities Ltd, a business he founded in 1973 with three other partners.

Stephen Thompson, executive director of AWX Capital Limited

Mr Thompson is the founder of Australian Wine Exchange Pty Ltd. Before this, he held management positions with Toll Holdings Limited.

Prior to joining Toll, Mr Thompson held positions as National Sales Manager for the Red Earth retail chain and as Senior Consultant for PricewaterhouseCoopers.

Mark Rowsthorn, non-executive director of AWX Capital Limited

Mr Rowsthorn is an Executive Director of Toll Holdings Limited and is responsible for the operating performance of all Divisions. He is also CEO of the Toll subsidiary, Toll Technologies Pty Ltd.

Mr Rowsthorn is a director of the majority of the Toll related companies in addition to being a director of several other companies including Medica Holdings Limited.

Bob Watson, non-executive director of AWX Capital Limited

Mr Watson is a director of several companies including SEEK Communications, Beethoven Computer Services and Sharinga.

Previously, Mr Watson was Chief Executive Officer of Icon Recruitment, prior to Icon's sale to Adecco.

Prior to Icon Recruitment, Mr Watson's previous corporate positions included Chief Executive roles with Mayne Nickless Computer Services, Data Sciences International (UK) and Lend Lease Employer Systems (Australia).

AWX CAPITAL LIMITED

ACN 096 176 377

Financial Report

30 June 2001

Contents

Directors' Report

Your directors present their report on the company for the period from incorporation on 15 March 2001 to 30 June 2001.

1. Directors

The following persons were directors of the company during the period. Each were appointed as directors on 15 March 2001 and continue to be directors at the date of this report.

Stephen Thompson

Bob Watson

Mark Rowsthorn

Clive Batrouney

2. Principal activities

AWX Capital Limited is a single purpose intermediary created to offer securities (Wine Class Shares), to the public, under prospectus and through licensed securities dealers, where those securities provide rights to investors in a specified amount of premium

wine.

3. Trading results

There was no profit or loss for entity for the period ended 30 June 2001 and no tax expense incurred.

4. Dividends

No dividends have been paid. The directors do not recommend the payment of a dividend for the current year.

5. Review of operations

The entity has not engaged in any operations during the period.

6. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company.

7. Matters subsequent to the end of financial year

There is, at the date of this report, no matter or circumstance which has arisen since 30 June 2001 that has significantly affected or may significantly affect:

(a) the company's operations in future financial years

(b) the results of these operations in future financial years

(c) the company's state of affairs in future financial years.

8. Likely developments and expected results of operations

The company will soon commence operations as a single purpose intermediary created to offer securities (Wine Class Shares), to the public, under prospectus and through licensed securities dealers, where those securities provide rights to investors in a specified amount of premium wine.

9. Environmental regulation

The operations of the company do not have a significant environmental impact. The directors are not aware of any breaches of environmental regulation during the period ended 30 June 2001.

10. Information on directors

Director	Experience
Stephen Thompson CEO, Chairman	Stephen is the founder of AWX. He has several years' strategy consulting experience with a focus on acquisition and managing large scale re-structuring. He has also held a range of senior positions with Toll Holdings Limited, Price Waterhouse Urwick and the Red Earth retail chain. Age 31.
Bob Watson Non- Executive Director	Bob has over 20 years experience in the Information Technology industry in Australia and the United Kingdom. Bob has also established and developed a number of successful businesses in the areas of IT consulting, Software Development and Systems Integration. Bob is a director of several private companies including SEEK Communications. Age 45.
Mark Rowsthorn Non- Executive Director	Mark is an Executive Director of Toll Holdings Limited. Mark is CEO of Toll Technologies Pty Ltd, a subsidiary of Toll Holdings Limited. Mark has 24 years experience in the Transport Industry, including 13 years as Group General Manager of Toll. Age 46.
Clive Batrouney Non- Executive Director	Clive is currently Vice-Chairman of The Australian Stock Exchange Limited ("ASX"), having been a Director since 1990, and is Chairman of the Securities Exchanges Guarantee Corporation Ltd, which is the trustee of the National Guarantee Fund. Age 60.

11. Meetings of directors

The numbers of meetings of the company's board of directors and of each board committee held during the period ended 30 June 2001, and the numbers of meetings attended by each director were:

	Meetings of Directors held whilst a Director	Meetings attended by Directors
Numbers of meetings attended by:		
Stephen Thompson	1	1
Bob Watson	1	1
Mark Rowsthorn	1	1
Clive Batrouney	1	1

No separate committee meetings were held during the year.

12. Insurance of officers

Marsh Pty Ltd (Insurance Brokers) have been advised of the establishment of the 2 new legal entities under existing Directors & Officers Liability Insurance.

13. Auditor

PricewaterhouseCoopers accepted appointment as auditors of AWX Capital Limited during the period.

This report is made in accordance with a resolution of the directors.

Stephen Thompson
Director

Melbourne
19 July 2001

Statement of Financial Performance

For the period of 15 March to 30 June 2001

	15 March - 30 June 2001 $
Revenue from ordinary activities	-
Expenses from ordinary activities	-
Operating profit from ordinary activities before income tax	-
Income tax expense	-
Operating profit after income tax	-
Retained profits at the beginning of the financial year	-
Retained profits at the end of the financial year	-

The above statement of financial performance should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2001

	Note	2001
		$
Current Assets		
Cash	3	100
Total Current Assets		100
Non-Current Assets		
Total Non-Current Assets		-
Total Assets		100
Current Liabilities		
Total Current Liabilities		-
Non-Current Liabilities		
Total Non-Current Liabilities		-
Total Liabilities		-
Net Assets		100
Equity		
Share capital	4	100
Retained profits		-
Parent Equity Interest		100
Total Equity		100

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the period of 15 March to 30 June 2001

	Note	15 March – 30 June 2001 $
Cash Flows from Operating Activities		
Net Cash Flows from Operating Activities		-
Cash Flows from Investing Activities		
Net Cash Flows from Investing Activities		-
Cash Flows from Financing Activities		
Cash receipts from issue of shares		100
Net Cash Flows from Financing Activities		100
Net Increase in Cash Held		100
Cash at the beginning of the financial year		-
Cash at the End of the Financial Year	3	100

The above statement of cash flows should be read in conjunction with the accompanying notes.

Note 1. Summary of Significant Accounting Policies

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Law.

It is prepared in accordance with the historical cost convention.

(a) Cash

For the purpose of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

Note 2. Operating Profit

The entity has not traded during the period and no profit or loss transactions have arisen in the period.

Note 3. Current Assets – Cash	2001 $
Cash at Bank	100

	No. of Shares 2001	2001 $
Note 4. Equity		
Share Capital		
Ordinary Shares – fully paid	100	100

Note 5. Auditor's Remuneration

Amounts received, or due and receivable, by the auditor's for auditing the financial statements and other services were paid by a controlling entity.

Note 6. Remuneration of directors

	2001 $
Income paid or payable, or otherwise made available to directors	-

The number of directors whose total income from the company was within the specified bands are as follows:

Income of:

Nil to $9,999	4

Note 7. Related Party Information

Controlling Entity

The ultimate controlling entity is Australian Wine Exchange Proprietary Limited.

Transactions with Entities in the Wholly Owned Group

During the period audit fees and costs associated with formation and incorporation were paid by Australian Wine Exchange Proprietary Limited.

Note 8. Financial Instruments

The only financial asset of the company is $100 cash held on deposit with the Commonwealth Bank of Australia. The interest rate is variable but has averaged 4% for the year to 30 June 2001.

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 6 to 10:

(a) comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements; and
(b) give a true and fair view of the company's financial position as at 30 June 2001 and of its performance, as represented by the results of its operations and its cash flows, for the period ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; and
(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Stephen Thompson
Director

Melbourne
19 July 2001

PRICEWATERHOUSECOOPERS

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Australia
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Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

Independent audit report to the members

AWX Capital Limited

Scope

We have audited the financial report of AWX Capital Limited ('the Company') for the financial period from 15 March 2001 to 30 June 2001 as set out on pages 6 to 11. The Company's directors are responsible for the financial report which includes the financial statements of the Company. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Corporations Act 2001 in Australia so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the financial report of the Company is in accordance with:

(a) the Corporations Act 2001, including:

 (i) giving a true and fair view of the Company's financial position as at 30 June 2001 and of its performance for the financial period from 15 March 2001 to 30 June; and

 (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants

SC Bannatyne
Partner

Melbourne
19 July 2001

Section 6 Toll Transport Pty Ltd and Toll Holdings Limited

The Toll business was founded by Albert Toll in 1888 in Newcastle. It was sold in 1986 to a management buy out team led by current Managing Director Paul Little. Since then, it has progressively grown to become Australia's only integrated total logistics provider.

In 1993 the company floated on the Australian Stock Exchange to become a public company now known as Toll Holdings Limited. Toll Transport Pty Ltd is a wholly owned subsidiary of Toll Holdings Limited.

Toll Holdings Limited's annual turnover for the financial year up until June 2001 was $1.603 billion with net assets of $198 million. The company currently employs over 8,500 employees and sub-contractors and is quoted in the top 100 companies by market capitalisation on the Australian Stock Exchange Limited ("ASX").

Acquisitions in 2001 include Finemores, ARN Logistics and Strang Stevedoring.

As an ASX listed company, Toll Holdings Limited has continuous disclosure obligations to the ASX and information on the company including company financials is publicly available.

AWX has entered into a deed with Toll Transport Pty Ltd for the transport, storage and insurance of the wine. Details of the Deed are summarised in Sections 3 and 8 in this Prospectus. Toll Transport Pty Ltd will be paid in advance for these services.

Section 7 Risk Factors

Introduction

This section outlines the major investment risks associated with the Wine Class Shares.

Spoilage, Theft and Damage

There is a risk to investors that their wine may be lost, stolen or damaged prior to the Wine Class Share's maturity. The Company will replace the lost, stolen or damaged stock from the Spoilage Stock if possible, in accordance with Section 8. If there is insufficient Spoilage Stock available, some holders of Wine Class Shares will be selected in accordance with the Damaged Stock Redemption Policy to have some, or all of their Wine Class Shares redeemed. All those investors who have had Wine Class Shares redeemed will be paid compensation in accordance with Section 8.

The NSX Market Price, at which the Wine Class Share was trading, may exceed the compensation that you may be paid in the event of an insurance claim.

Credit Risk

An investment in Wine Class Shares involves a risk that the Company, the holding entity of the Company or Toll Transport Pty Ltd (the Company's logistics partner) will not have the capacity to perform their contractual obligations.

Investors are relying on the credit worthiness of Toll Transport Pty Ltd as funds are paid to Toll Transport Pty Ltd in advance for the storage and insurance of the wine that relates to the Wine Class Share until its maturity. Investors are also relying on the credit worthiness of the Company and the holding entity of the Company.

Investors must make their own assessment of the ability of the Company and Toll Transport Pty Ltd to meet their obligations. Investors should note that Toll Holdings Limited and Toll Transport Pty Ltd are parties to a Deed of Cross Guarantee and relief has been granted to Toll Transport Pty Ltd from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports. Consequently Investors must make their own assessment of the ability of the consolidated entity of Toll Holdings Limited to meet its obligations.

Insurance Risk

There is a risk that an event detailed as an exclusion in the insurance policy (as summarised in Section 8) occurs resulting in investors not being compensated for any loss or damage to their wine and losing all or part of their investment.

Insurance (including self-insurance by Toll Transport Pty Ltd) is paid in advance. The terms of the insurance are at the discretion of Toll Transport Pty Ltd. There is a risk that the insurance premium will substantially rise after a claim is made on the policy. There is also a risk that the existing insurer does not renew the insurance policy and an alternative insurer cannot be found at an economically sustainable cost. In this event the Company may exercise it's discretion to request that the NSX de-lists the Wine Class Shares early. The Company will then redeem and cancel the Wine Class Shares and arrange for the delivery of the corresponding wine.

There may be a delay between the Company making a claim and receiving any insurance monies, and thus compensating the investor.

No operating history

The Company was established in March 2001 as a single purpose entity created to offer Wine Class Shares to the public. Activities to date are based around product design and market implementation so there is no operating history upon which to evaluate the Company.

Key Personnel

There is the risk of a detrimental impact to the group's future business should the Listing and Relationship Manager resign and a person with comparable relationships with Wine Producers not be available.

The Company does not have "key person" insurance policies, nor does it have any long term agreements in place to secure the services of key personnel.

Risks which may affect the price of Wine Class Shares

There are a number of events that may affect the pricing of Wine Class Shares. These include but are not limited to :

- a favourable or unfavourable review by a wine critic; or
- a favourable or unfavourable wine show result; or
- the granting of an award or recognition in Langton's Classification; or
- an increase or a reduction in the consumer demand for wines; or
- an increase or a reduction in export demand for Australian wines; or
- an increase or a reduction in competitively priced wine imports; or
- climatic influences leading to an increase or decrease in the volume and quality of wine available; or
- a merger of a Wine Producer with another Wine Producer; or
- contamination of a wine by a Wine Producer which may affect the price of any other wine by the same Producer; or
- the withdrawal of a Wine Producer's license for liquor production; or
- a default under material contracts; or
- a material adverse change to the financial capability of the counterparties to the material contracts.

Stelvin Closure

An increasing number of Wine Producers are now using stelvin closures. Light white wine varieties such as Riesling are most affected by cork taint and the use of stelvin eliminates the risk of cork taint. The effect on price, if any, due to the use of stelvin is yet undetermined.

Condition of the Wine

An investment in a Wine Class Share involves a risk that a common wine fault may affect the condition of the wine. The major faults that can affect wine are:

Corked Wine

Corked wine occurs when the wine is in contact with a cork infected with a fungus that produces 2,4,6-trichloranisole (TCA).

Oxidation

Oxidation is caused by exposure of the wine to oxygen. This may occur due to the bottle being stored upright, leakage caused by storage with a lack of humidity, 'cooked' wine cooling, or a poor closure. Once a wine is oxidised its quality is permanently impaired.

Sulphur Dioxide

Sulphur dioxide is commonly used in winemaking as an antioxidant and antibacterial agent. Over use of sulphur dioxide can result in an unpleasant aroma. Some wine consumers are particularly sensitive to this compound. The AWX Certificate requires that sulphur levels are tested and this certificate would indicate what the sulphur levels are.

Temperature Affected Wine

Exposure to high and / or extreme temperature ranges during storage increases the risk of "cooked" wine.

The Wine Producers have agreed to deal with any queries or complaints holders have in relation to their wine and the conditions set out above.

General Investment Risk

General movements in local and international stock markets, and factors that affect the investment climate such as inflation rates, interest rates and investor sentiment could all affect the level of trading and therefore the market price of Wine Class Shares. These risks are generally applicable to any investment on any stock market and investors should be aware that Wine Class Shares can go down in price as well as up.

Illiquid Market

The Wine Class Share is a new security and it has no trading record. Whilst the Company will apply to list the Wine Class Shares on the NSX, if there are relatively few potential buyers or sellers, the Wine Class Share liquidity and the prevailing market price investors will receive if they sell the Wine Class Shares may be affected.

There can be no assurance that active trading will develop in the Wine Class Shares.

NSX Risk

NSX may not admit a particular Wine Class to its Official List for quotation. NSX may also halt or suspend trading of Wine Class Shares:

- at the request of the Company if an insurance event occurs;
- if the Wine Class no longer meets the Listing Rules; or
- whenever NSX deems this action appropriate in order to maintain a fair and orderly market.

If the Wine Class Shares do not resume trading they will be de-listed from NSX. Wine Class Shares will resume trading at the absolute discretion of NSX.

The key NSX Listing Rule which a particular Wine Class may not satisfy is Listing Rule 3.9 which requires that each Wine Class must at all times have 25 or more investors.

There is a risk that due to system interruption, a holder may not be able to trade their Wine Class Share when desired.

Competitive Threats

There are no direct market competitors offering the retail market the opportunity to apply for tradeable wine securities to be listed on an approved stock exchange. There are a number of organisations (auctioneers, wholesalers and retailers) in direct competition with the Company in securing a percentage of the vintage from a Wine Producer. This may affect the quantity of wine a Wine Producer will allocate to the Company, which may affect liquidity.

In addition, the Company and its competitors are competing, to an extent, for the same investors.

Government Policies, Legislation and Regulation

Changes to Government policies, legislation and corporate regulation, particularly in regard to the Viticulture Industry and to taxation matters, may impact on the Company and on the Company structure.

In particular the wine industry is subject to a range of taxes and duties such as GST and WET that materially affect the price at which wine can be sold. Any change to these policies may affect existing Wine Class Shares in addition to any future offers.

Supplier Risks

The Company indirectly relies on the support from the Wine Producers to continue to list wines for its on-going viability. In addition there is a reliance on the on-going support from brokers to market and sell the Wine Class Shares.

The Company has in place an integral arrangement with Toll Transport Pty Ltd, its logistics partner, which supplies transport, storage and insurance services. If this relationship is affected in any way (for example, by Toll Transport Pty Ltd becoming insolvent or breaching the contract) the Company may not be able to find another logistics partner that can provide the same services at a similar commercial price.

NSX is the operator of the approved stock exchange on which the Company will apply to list the Wine Class Shares. If this relationship is affected in any way the Company may not be able to find another exchange that can provide the same services at satisfactory terms.

Section 8 Summary of the Storage Insurance

1 How is the wine insured ?

The Company will arrange for Toll Transport Pty Ltd, its logistics partner, to either:

(a) insure; or
(b) self insure

the wine while it is in storage in accordance with the obligations and subject to the exclusions set out in the Constitution and the Wine Storage and Distribution Deed (summarised in this section). Insurance for the wine will commence from as soon as possible after the allotment of Wine Class Shares. After this, insurance will be taken out once a year on an annual basis and the wine will be insured until the Final Redemption Date for the relevant Wine Class.

If insurance is arranged through a third party, the Company and the trustee of the AWX Trust will be noted on the insurance policy as the persons who are entitled to the benefits of the insurance policy in respect of their rights and interests in the wine.

If Toll Transport Pty Ltd self-insures, it will provide an indemnity to the Company and the AWX Trust for any loss or damage to the wine as if the wine were insured with a third party and subject to the same exclusions.

2 What is the insurance value ?

The wine will be insured for the Agreed Insurance Value. This means that insurance will cover:

(a) payment to the Producer of the agreed Producer Price for the Spoilage Stock where this is available and used to replace damaged wine; and

(b) in all other cases it will cover payment to the investor (whose Wine Class Share is redeemed) of the lesser of:

 (i) the weighted average of the market price that the Wine Class Share to be redeemed has been traded on the 5 business days before the date of loss or damage; or

 (ii) the IPO Price plus some interest (Adjusted IPO Price). Please see the Definitions Summary for details of this calculation.

The insurance value for the wine will be the same regardless of whether Toll Transport Pty Ltd self-insures or arranges insurance through a third party.

3 What is the wine insured for ?

The wine will be insured for loss or damage to all or part of the wine, including any loss or damage to the wine that arises, directly or indirectly, as a result of the wine not being stored in accordance with the conditions in Section 3 except for the exclusions set out below.

4 What are the exclusions ?

The insurance, whether through a third party or self insured, will not provide cover for the standard exclusion clauses generally accepted in the insurance industry in Australia. These exclusions may change. If there are any material changes to the exclusions, all holders of Wine Class Shares will be notified. The following are the relevant exclusions in the insurance policy as at the date of this Prospectus:

(a) loss or damage to property in the open air caused by wind, rainwater or hail;

(b) physical loss, destruction or damage occasioned by or happening through:

(i) moth, termites or other insects, vermin, oxidation, mildew, mould, contamination, evaporation, dampness of atmosphere or other variations in temperature, change in flavour texture or finish,;

(ii) error or omission in design, plan or specification or failure of design;

(iii) normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration;

(iv) faulty materials or faulty workmanship;

(v) wear and tear, gradual fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;

provided that this exclusion (b) shall not apply to subsequent loss, destruction of or damage to the insured property occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion;

(c) physical loss, destruction or damage occasioned by or happening through:

(i) theft of property in the open air;

(ii) unexplained or inventory shortage, disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials to or from the insured;

(d) physical loss, destruction or damage occasioned by or happening through:

(i) A fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting, data corruption, unauthorised amendment of data and erasure by electronic or non-electronic means involving the insured property by the insured or any employees of the insured acting along or in collusion with any other person;

B access by any person other than the insured or the insured's employees to the insured's computer system via data communication media that terminate in the insured's computer system;

provided that these exclusions (d)(i)A and (d)(i)B shall not apply to:

(I) theft consequent upon unauthorised entry upon premises; or

(II) felonious concealment or entry upon premises committed by an employee of the insured; or

(III) theft of money whilst in transit;

(ii) A. the cessation of work whether total or partial;

B. the cessation, interruption or retarding of any process or operation, as a result of strikes, labour disturbances or locked out workers,

provided that these exclusions (d)(ii) A and B shall not apply in respect of physical loss, destruction or damage directly caused by strikers, locked out workers or similar persons;

(iii) erosion, subsidence, earth movement or collapse resulting therefrom;

(iv) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat, provided that the exclusions (d)(i) to (iv) shall not apply to subsequent loss, destruction or damage to the insured property occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion.

5 *Liability of Toll Transport Pty Ltd ("Toll")*

In accordance with its obligations under the Wine Storage and Distribution Deed with the holding entity of the Issuer, Toll agrees to provide a storage facility which meets the requirements set out in Section 3 of this Prospectus. This storage facility is located in Victoria. Toll has excluded its liability for any loss or damage to the wine that arises out of:

(a) any of the exclusions listed in paragraph (4) above except:

(i) those in paragraphs (b)(i), (b)(ii) (to the extent that the error in design, plan or specification results in the wine being stored outside the humidity or temperature ranges set out in Section 3 of this Prospectus, and in paragraph (4)(c),and (4) (d)(i)(A) above; and

(ii) where the facts or circumstances which would otherwise be the subject of a standard exclusion from insurance coverage arise solely as a result of the negligence or default of Toll.

(b) any unintended or undesirable characteristics or faults or latent undesirable characteristics or latent faults in wine, including:

(i) faults in the manufacture of corks and/or the installation of corks in bottled wine which results in the event known as "corkage", or other similar contamination or spoilage of wine which diminishes its value or attractiveness;

(ii) "cork taint" or other contamination, fungal growth, mould, chemical reaction or similar circumstance, event or development which spoils, contaminates or lessens the quality or attractiveness of wine;

(iii) the formation of sediment or crystals in wine, the development of unattractive odours, clouding or discolouring of wine;

(iv) oxidation of wine or other chemical imbalances, contamination or spoilage of wine;

(v) faults due to sulphur dioxide; and

(vi) early maturation of wine;

except to the extent that any faults or undesirable characteristics in the wine are caused by storing the relevant wine other than in accordance with the temperature or humidity requirements set out in Section 3, “Storage of the wine”. Toll will maintain records of temperature and humidity at its storage facility and these records will be prima facie evidence of the temperature and humidity at which the wine was stored.

This means that Toll is liable for damage or loss to the wine that falls outside the exclusions to Toll’s liability listed above, including:

(a) physical loss or damage caused through moth, termites or other insects vermin, oxidation, mildew, mould, contamination, evaporation, dampness of atmosphere or other variations in temperature, change in flavour texture or finish;

(b) physical loss or damage caused through the error or omission in design, plan or specification or failure of design to the extent that the error, omission or failure results in the wine being stored outside the humidity and temperature requirements;

(c) physical loss or damage caused by

(i) theft of property in the open air;

(ii) unexplained or inventory shortage, disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials to or from the insured;

(d) physical loss or damage caused by fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting data corruption, unauthorised amendment of data and erasure by electronic or non-electronic means involving the insured property by the insured or any employees of the insured acting along or in collusion with any other person;

(e) where the facts or circumstances would otherwise be the subject of a standard exclusion from insurance coverage but arise solely as a result of the negligence or default of Toll (for example, if Toll leaves the wine outside the storage facility and a hail storm destroys the wine, Toll would be liable);

(f) any damage caused to the wine by storing the wine outside the temperature or humidity requirements in Section 3 of this Prospectus.

However, to the extent permitted by law, Toll limits its liability for damage to the wine to an amount equal to the Agreed Insurance Value.

Liability of the Company

The Company is liable to the holders for loss or damage to the wine to the same extent as Toll only. The Company has excluded and limited its liability to holders in respect of any loss or damage to the wine to the same extent that Toll has, that is, as set out in paragraph 5 above.

6. *What happens if the wine is lost, stolen or damaged ?*

The Company has a Damaged Stock Redemption Policy detailing the procedures that will take place should any of the wine that relates to Wine Class Shares be damaged, stolen or lost. A copy of the Damaged Stock Redemption Policy can be obtained from Brad O'Connor on (03) 9694 2828 or at http://www.awx.com.au.

The policy provides:

(a) Damage, loss or theft occurs post allotment and prior to the Redemption Date of the Wine Class Share and the cause is not an exclusion listed in point 4 above.

An assessment will be made and stolen, lost or damaged wine will be replaced from the available Spoilage Stock. If there is insufficient Spoilage Stock to cover the deficit for a particular Wine Class:

(i) trading in the Wine Class Shares will be suspended;

(ii) the holders of Wine Class Shares who will receive compensation (ie. insurance monies) instead of the physical wine will be determined in accordance with the Damaged Stock Redemption Policy;

(iii) the selected holders are notified, and their Wine Class Shares redeemed and cancelled;

(iv) a claim will be made under the insurance policy or under the indemnity if Toll Transport Pty Ltd has self-insured;

(v) the selected holders are paid compensation.

If significant damage occurs in the storage facility, the Company will disclose this to the NSX and may ask for suspension of trading pending assessment of the damage in a number of Wine Classes.

(b) Damage, loss or theft occurs post allotment and prior to maturity and the cause is an exclusion.

No compensation will be payable for any loss or damage caused by an exclusion listed in point 4. above except where Toll is proven to be liable or has accepted liability for the loss or damage.

An assessment will be made and the following will occur:

(i) trading in the Wine Class Shares will be suspended;

(ii) the holders of Wine Class Shares who will have their shares redeemed will be determined in accordance with the Damaged Stock Redemption Policy;

(iii) the selected holders are notified, and their Wine Class Shares redeemed and cancelled. They will not receive compensation.

(c) Damage occurs after the Final Redemption Date.
The Wine Class Share holder is responsible for insurance to cover storage post this date and for transit insurance if the wine is being delivered. If the Holder has **not** organised insurance and the wine is damaged, neither the Company nor the storage provider have any responsibility for the damage nor any liability to the holder whatsoever, for replacing the wine or compensating the holder for loss.

The Company also has internal procedures in place should the wine be lost, stolen or damaged prior to allotment of Wine Class Shares.

As described in Section 3 of this Prospectus, a stock take will take place when the wine first arrives at the storage facility. If the stock take identifies that there is any damage to the wine, or that any wine has been lost or stolen, the Company will endeavour to secure additional stock from the Wine Producer. At its' discretion, the Company will proceed with allotment and, if necessary, reduce the number of Wine Class Shares allotted to ensure a minimum of 3% Spoilage Stock is maintained.

7. Insurance Examples

Excluded Peril:

There is state-wide electricity 'load shedding' in Victoria caused by extended strikes by workers in the power generation industry during the middle of summer. The load shedding results in the storage facility being without power for an extended period of time. The backup generators also fail. Consequently the temperature inside the facility exceeds the standards set out in this prospectus. It is proven that the wine suffers oxidation.

In this event, the cause of the damage to the wine was excluded (under para 4. (d) above), and will not be covered by insurance.

Non-Excluded Peril:

There is a breakdown of the refrigeration units used to maintain temperature in the storage facility during the middle of summer. Toll Transport Pty Ltd is unable to rectify the faults with the refrigeration and the temperature inside the facility exceeds the standards set out in this prospectus. It is proven that the wine suffers oxidation. In this event, the cause of the damage to the wine was not an exclusion and the investor will be compensated.

If the investor had been allotted one Wine Class Share offered under a prospectus dated 1 February 2002, paying $300 for the share. On the date of the prospectus, the 5-year swap rate published in the Australian Financial

Review is 6.00%. The wine that relates to the Wine Class Share is received into the storage facility on 30 March 2002.

The refrigeration breakdown occurs 179 days after the day that the wine was received into the storage facility. There is insufficient Spoilage Stock (see Section 3 "Spoilage Stock") to replace all of the damage. This investor's Wine Class Share is selected in accordance with the Company's Damaged Stock Redemption Policy to be redeemed and cancelled.

In the five Business Days prior to the refrigeration breakdown occurring, the weighted average price at which the relevant Wine Class Share traded on NSX was $315 per share.

The Adjusted IPO Price was calculated by the Company to be = (300+(300*8.5%*180/365)) = $312.58 per share.

After processing an insurance claim, the Company pays compensation of $312.58 to the investor, as this was the lesser amount.

Notes

If there is sufficient Spoilage Stock to cover the loss or damage, no Wine Class Shares will be redeemed.

If all, or a large proportion of, the cases are damaged, early maturity will occur. The Wine Class Shares will be de-listed, redeemed and all holders whose shares are redeemed will be compensated with insurance monies where this event is covered by insurance. The Company has the discretion to continue to store any remaining wine and follow the Delivery Notice and redemption process as per the scheduled De-listing Date detailed in the Schedules in Section 13.

8. *What happens if the wine is lost, stolen or damaged due to an event listed in the exclusions?*

No compensation will be payable for any loss or damage to the wine caused by an event which is listed in the exclusions above and where Toll is not proven to be liable nor accepts liability for the loss or damage.

9. *Insurance during transport from the Wine Producer*

Insurance during transport from the Wine Producer to the storage facility is provided at the discretion of the Company. The insurance value for this cover is also at the discretion of the Company.

If there is any loss or damage prior to allotment the Company will attempt to obtain additional wine from the Wine Producer. If this is not possible, investors will be returned the difference between application monies sent and Wine Class Shares allotted.

Section 9 Definitions Summary

"**Adjusted IPO Price**" means the amount calculated in accordance with the formula:

$$X = \left(I + \left(IxRx \frac{Y}{365} \right) \right)$$

Where:

I = the price paid per Wine Class Share by Holders as detailed in the relevant Prospectus

R = the Swap Rate on the date of the relevant Prospectus.

Y = the number of days the Wine has been stored at the storage facility from the date the Wine is received into the storage facility to the date of loss and damage (both inclusive).

"***Agreed Insurance Value***" means

(a) if Spoilage Stock is used to replace the damage or loss, the Producer Price;

(b) if Wine Class Shares have been traded on the NSX during 5 days prior to the date that the loss or damage occurred, the lesser of:

(i) the Market Value of the Wine Class Shares calculated as at the date that the loss or damage occurred; or

(ii) the Adjusted IPO Price;

(c) in any other case, the Adjusted IPO Price;

"**Applicant**" means a person or persons making an Application;

"**Application**" means an offer by a person to the Issuer to subscribe for Wine Class Shares, being an offer on terms referred to in an Application Form and the Prospectus;

Application Form" means the form attached to, or accompanying this Prospectus, upon which an Application must be made;

"**Associates**" has the same meaning given in the Corporations Act 2001.

"**Auction**" means an auction arranged or carried out by the Issuer at any time at which the Wine is sold by the Issuer or its agent for and on behalf of the Holder;

"**AWX**" means Australian Wine Exchange Pty Ltd, being the holding company of the Issuer;

"**AWX Trust**" means:

b) the trust through which the Conditional Wine Purchase Agreement is entered into; and

c) each Separate Trust;

"**Beneficial Interest**" means after payment for the Wine, the beneficial interest which an investor acquires in the Wine upon registration as Holder of an Wine Class Share or any substituted asset as adjusted in accordance with the Trust Deed;

"Business Day" has the meaning given in the Business Rules of the NSX;

"**CHESS**" means the Clearing House Electronic Subregister System established and operated by SCH;

"**CHESS Approved Securities**" means securities approved by SCH in accordance with the SCH Business Rules;

"**Commencement Date**" means in relation to a Separate Trust, the date on which the first Holder's name is added to the Register;

"**Completion**" means the act of lodging a valid Delivery Notice in accordance with the Trust Deed;

"**Conditional Wine Purchase Agreement**" means any agreement entered into by the Trustee, the Issuer and a wine producer to purchase premium Wine on the condition that the Issuer successfully raises capital for the purchase of that particular Wine;

"**Constitution**" means the constitution of the Issuer, as amended from time to time;

"**Contractual Interest**" means, before payment for the Wine, the contractual rights and obligations which the Issuer has in the Conditional Wine Purchase Agreement;

"**Collection Date**" means the date on which the Issuer arranges for the Wine purchased from the Wine Producer by the Trustee to be collected;

"**Damaged Stock Redemption Policy**" means the policy published by the Issuer from time to time relating to the procedures employed by the Issuer in relation to the Holder’s interest where Wine is damaged prior to the Redemption Date;

"**Deal**" or "**Dealing**" means to:

(a) acquire or dispose of any legal or beneficial interest; or

(b) mortgage, charge or in any way encumber or alienate;

"**De-listing Date**" means the date set out in each Offer Schedule to this Prospectus, or such earlier date determined in accordance with the Trust Deed;

"**Delivery Instructions**" means the instructions provided by the Holder to the Issuer and the Trust which in the Issuer's reasonable opinion are sufficient to allow the Issuer to effect the delivery or storage of the Wine in accordance with the Constitution. The Delivery Instructions must include as a minimum, the name, HIN/SRN for the Wine Class Share, contact telephone number, delivery address of the recipient, an appropriate delivery day and time and payment instructions;

"**Delivery Method**" means one of the Wine Delivery Method, the Wine Storage Method or the Wine Sale Method as offered in a Delivery Notice by AWX Capital Ltd in its absolute discretion from time to time;

"**Delivery Notice**" means a written notice in the form approved by the Trustee and Issuer from time to time to be lodged by the Holder with the Issuer which instructs the Trustee how to deal with the Wine and confirms redemption of the Wine Class Share;

"**Delivery Notice Close Date**" means the date specified in the Delivery Notice as the final date on which completed Delivery Notices will be accepted;

"**Delivery Obligation**" means the obligation of the Issuer, on behalf of the Trust, to deliver the Wine to the Holder in accordance with the terms of the Constitution;

"**Directors**" means the directors of the Issuer from time to time;

"**Expected Listing Date**" means the date the Company has requested as the date for commencement of trading in its' application for listing to NSX. This is specified in the Important Dates section at the start of this Prospectus;

"**Final Redemption Date**" means the date specified in the relevant Offer Schedule to the Prospectus which is five (5) Business Days following the Delivery Notice Close Date;

"**Holder**" means the person whose name is for the time being entered in the Register as the holder of a Wine Class Share;

"**Insolvency Date**" means the date on which the first Insolvency Event, in relation to either the Issuer or AWX or both, occurred.

"**Insolvency Event**" means , for the Issuer or AWX, the happening of one or more of the following events:

(a) except for the purpose of a solvent reconstruction or amalgamation:

(i) process is filed in a court seeking an order that it be wound up or that a Controller be appointed to it or any of its assets, unless the application is frivolous, bona fide contested, withdrawn, struck out or dismissed within 21 days of it being filed; or

(ii) an order is made that it be wound up or that a Controller be appointed to it or any of its assets; or

(iii) a resolution that it be wound up is passed or proposed;

(b) a liquidator, provisional liquidator, controller or any similar official is appointed to, or takes possession or control of, all or any of its assets or undertaking;

(c) an administrator is appointed to it, a resolution that an administrator be appointed to it is passed;

(d) it enters into, or resolves to enter into, an arrangement, compromise or composition with any of, or any class of, its creditors or members, or an assignment for the benefit of any of, or any class of, its creditors, or process is filed in a court seeking approval of any such arrangement, compromise or composition;

(e) a reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors is effected;

(f) any action is taken by the Australian Securities and Investments Commission with a view to its deregistration or its dissolution, or an application is made to the Australian Securities and Investments Commission that any such action be taken unless such action is frivolous or bona fide contested;

(g) it is insolvent within the meaning of section 95A of the *Corporations Act 2001*, as disclosed in its Accounts or otherwise, states that it is unable to pay its debts or it is presumed to be insolvent under any applicable law;

(h) as a result of the operation of section 459F(1) of the *Corporations Act 2001*, it is taken to have failed to comply with a statutory demand;

(i) any event or circumstance set out in section 461 of the *Corporations Act 2001* occurs in relation to it; or

(j) anything having a substantially similar effect to any of the events specified in paragraphs (a) to (j) inclusive happens to it under the law of any jurisdiction;

"**Insolvency Event Delivery Notice**" means a Delivery Notice forwarded to Holders if an Insolvency Event occurs and cannot be remedied;

"**IPO Price**" means the relevant Wine Class Share Offer Price specified in the relevant Offer Schedule to the Prospectus;

"**Issuer**" means AWX Capital Limited, the issuer of the Wine Class Shares;

"**Law**" means the Corporations Act 2001;

"**Listing Rules**" means the Listing Rules of the NSX and any other rules of the NSX which apply while AWX Capital Ltd is admitted to the Official List, each rule as amended or replaced from time to time, except to the extent of any express written waiver by the NSX;

"**Market Value**" means in relation to a Wine Class Share the weighted average price of the Wine Class Share traded on the NSX for the 5 days on which trading is conducted on the NSX immediately before the date on which this calculation is made.

"**Maturity Date**" means the Delivery Notice Close Date specified in the relevant Offer Schedule to the Prospectus or such earlier date as determined in accordance with the Trust Deed;

"**Museum Wine**" means a wine which has been previously released and a proportion of it retained by the Producer for release as an aged wine;

"**NSX**" means the Stock Exchange of Newcastle Limited;

"**Offer Schedule**" means the schedule relating to a particular Wine attached to the Prospectus;

"**Official List**" has the same meaning given to that term in the Listing Rules;

"**Producer Price**" means the net price per bottle which the Wine Producer is entitled to receive under the Conditional Wine Purchase Agreement;

"**Prospectus**" means an offer document issued by the Issuer from time to time in relation to the issue of any class of Wine Class Shares by the Issuer;

"**Redemption Date**" means the date that is 5 Business Days following:

(a) the Maturity Date if no Delivery Notice is received; or

(a) receipt of a Delivery Notice by the Issuer;

"**Register**" means the register of Holders of Beneficial Interests kept and maintained by the Registrar;

"**Resolution**" has the meaning given in the Corporations Act 2001;

"**Registered Address**" means in relation to a Holder, whether or not there is one or more than one Holder registered in respect of that Wine Class Share, the last single address recorded in the Register in respect of that Wine Class Share;

"**Registrar**" means any person the Issuer may appoint from time to time to maintain the Register;

"**Related Body Corporate**" has the same meaning given to the term "related body corporate" in the Law;

"**Relevant Portion**" means that part of the Subscription Amount which the Issuer holds on trust for the Trust and which corresponds to the purchase price in the Conditional Wine Purchase Agreement;

“Sale Costs” means a proportion of all of the costs of arranging the sale of Wine as determined by the Issuer as referable to the sale of a Holder's Wine;

“Sale Proceeds” means the actual amount for which the Wine is sold on behalf of the Holder, including at Auction of the Wine, less the Sale Costs, storage costs, insurance costs and any applicable Transfer Taxes;

"**SCH**" means ASX Settlement and Transfer Corporation Pty Ltd as approved as the Securities Clearing House under the Corporations Act 2001;

"**SCH Business Rules**" means the business rules of SCH from time to time;

"**Separate Trust**" means each of the trusts constituted under the Trust Deed;

"**Service Provider**" means any agent or contractor of AWX or the Issuer who provides transport, storage or insurance for the Wine;

"**Share Register**" means the register maintained by the Issuer in respect of the Wine Class Shares;

"**Spoilage Stock**" means an amount of Wine prescribed by the Issuer from time to time that is of exactly the same brand, grape varietal, vintage and class and is packaged and otherwise handled in exactly the same manner as the Wine the subject of an offer to AWX Trust under a CWPA;

"**Storage Period**" means the time from when the Wine is delivered to the Issuer (or the Trust) up to the Final Redemption Date;

"**Storage Provider**" means the entity that provides storage facilities for storing the Wine from time to time;

"**Subscription Amount**" means the amount that a person pays to the Issuer on subscription for the issue to it of a Wine Class Share;

"**Swap Rate**" means the rate of interest expressed as a percentage per annum published in the Australian Financial Review as the "5 year swap rate", plus 2.5% per annum;

"**Termination Event**" means if:

(a) a contract that either:

(i) the Issuer or AWX has with a Service Provider (such as the Wine Storage and Distribution Agreement between Toll Transport Pty Ltd and Australian Wine Exchange Pty Ltd); or

(ii) a Service Provider has entered into or arranged in accordance with its obligations to either the Issuer or AWX

is terminated for whatever reason and a replacement contract on similar commercial terms cannot be negotiated or executed; or

(b) if all or any of the Wine Class Shares are de-listed from trading on NSX for any reason whatever;

"Transaction Documents" means the Trust Deed, the constitution of the Issuer and AWX Trust and the Conditional Wine Purchase Agreement and any other document identified in the relevant Offer Schedule of the relevant Prospectus;

"Transfer Tax" means the amount per case of Wine of all income tax, capital gains tax, goods and services tax, withholding tax, stamp, registration and other duties and other related taxes, levies, imposts, deductions, interest, penalties and charges payable by any person on, as a consequence of, or in connection with, the sale or transfer of the Wine;

"Trust" means the AWX Trust established pursuant to the Trust Deed;

"Trust Deed" means the Master Bare Trust Deed of the AWX Trust (as amended from time to time);

"Trustee" means the trustee for the time being of the AWX Trust, appointed as such by the Trust Deed and includes any subsequent Trustee or any nominee, custodian, delegate or agent of the Trustee as the context requires;

"Trust Register" means the register maintained by the Trust which contains the holding details in relation to a Holder's Beneficial Interest;

"Wine" means one case containing the specified number of bottles of the type of wine identified in the Offer Schedule corresponding to the class of Wine Class Share held by the Holder, as described in this Prospectus;

"Wine Class " is separate class of shares representing each individual label and vintage of wine that is offered in this Prospectus;

"Wine Class Share" is a redeemable preference share issued by the Issuer which represents a particular class of Wine;

"Wine Delivery Method" means the method used by the Issuer to discharge its Delivery Obligations as summarised in Section 10, Summary of Constitution, paragraph 8;

"Wine Delivery and Storage Undertaking" means the undertaking given by the Issuer to the Holder as summarised in Section 10, Summary of Constitution; and

"Wine Delivery Representations" means the representations and warranties given by the Issuer to the Holder as summarised in Section 10, Summary of Constitution.

"Wine Producer" or "Producer" means a person that offers wine for sale to the Issuer in accordance with a Conditional Wine Purchase Agreement;

"Wine Sale Method" means the method used by the Issuer to discharge its Delivery Obligations as summarised in Section 10, Summary of Constitution, paragraph 10;

"Wine Storage Method" means the method used by the Issuer to discharge its Delivery Obligations as summarised in Section 10, Summary of Constitution, paragraph 9;

Section 10 Summary of Transaction Documents

This summary has been prepared by Baker & McKenzie, solicitors to the Issuer. Baker & McKenzie have given, and have not before the date of lodgment of this Prospectus with ASIC withdrawn, their written consent to the summary appearing in the form and context in which it appears.

The Wine Class Share and entitlements to the corresponding Beneficial Interest (in this summary together referred to as "**Wine Securities**") are constituted by:

(a) the Constitution of AWX Capital Limited (the "**Constitution**") dated on or about 23rd August 2001; and

(b) the Master Bare Trust Deed No. 1 ("**Trust Deed**" or "**Deed**") dated on or about 2nd August 2001 between the Issuer, Australian Wine Exchange Nominees Pty Limited ("**the Trustee**") and each Holder; and

(c) this Prospectus.

Certain key provisions of the Constitution and Trust Deed are summarised below. This summary is not intended to set out in detail all the provisions of the Constitution and Trust Deed, it is a summary only. The Constitution and Trust Deed are available for inspection by Holders and potential investors at the offices of the Issuer during the usual business hours.

Certain capitalised terms used in this summary have defined meanings in the Constitution that are not always repeated or paraphrased in this summary or this Prospectus. A number of defined terms are repeated or paraphrased in Section 9 - Definitions.

Summary of the Constitution

The Constitution sets out the rights attaching to both the ordinary shares and the Wine Class Shares. This Prospectus only offers Wine Class Shares for subscription. Consequently only the sections of the Constitution that deal with the Wine Class Shares have been summarised below. A verified copy of the Constitution is available for inspection free of charge between 9:00am and 5:00pm at the Company's business office.

Nature of Wine Class Shares

Wine Class Shares are redeemable preference shares.

The Issuer may issue different classes of Wine Class Shares, each of which will relate to a different type of Wine.

Rights attaching to Wine Class Shares

Holders of Wine Class Shares only have the right to vote:

- on a Resolution to approve the terms of a buy-back agreement for that class of shares only;
- on a proposal that affects rights attached to the Wine Class Share (except the issue of additional Wine Class Shares, a capital reduction or the redemption of the Wine Class Shares);
- on a proposal to wind up the Issuer; and
- during the winding up of the Issuer.

Holders of Wine Class Shares are not entitled to:

- any right to the payment of any dividends;
- any rights of participation in any surplus assets and profits of the Issuer;

- priority of payment of capital or dividends in relation to other shares or other classes of shares, except on the winding up of the Issuer.

Obligations of Wine Class Shareholders

The Holder of a Wine Class Share:

- is bound by the terms and conditions of the Constitution, the Prospectus and the Trust Deed;
- agrees not to request redemption of the Wine Class Shares or physical delivery of the Wine from the Trustee before the Redemption Date; and

must ensure that any change to its Registered Address details are immediately notified to the Issuer for recording in the Register.

Redemption of Wine Class Shares

Wine Class Shares will be redeemed by the Issuer on the Redemption Date whether or not a valid Delivery Notice has been received by the Issuer.

Consequences of redemption

On the Redemption Date, the Issuer will redeem each Wine Class Share and the following will occur:

- the Issuer will instruct the Trustee to transfer the unencumbered Wine to the Holder;
- subject to any right of set-off, the Issuer will pay the Holder a redemption amount of one cent per Wine Class Share redeemed on the Redemption Date. This redemption amount may be set off against any costs or expenses the Holder has to pay after maturity;
- the Holder's rights and interests in the redeemed Wine Class Share cease to have effect; and
- the Issuer will cancel the Wine Class Share.

All title to the Wine and all risks in and relating to the Wine pass to the Holder on the Redemption Date and the Issuer is not responsible or liable for any loss or damage that occurs to the Wine after the Redemption Date.

Delivery of the Wine

Upon de-listing, the Issuer will offer to physically deliver the Wine to the Holder. In its absolute discretion, the Issuer may also offer to the Holder the options of continuing to store the Wine, or selling the Wine. These options, if available, will be set out on the Delivery Notice. The Holder may elect an option by completing the Delivery Notice and returning it to the Issuer.

Wine Delivery Method

If the Wine Delivery Method applies, the Issuer will arrange for physical delivery of the Wine to the Holder in accordance with the Delivery Instructions by notifying an appropriate transport company (as at the date of this Prospectus this will be Toll Transport Pty Ltd) of the details of the Wine delivery and the Holder's Registered Address. The Holder is responsible for paying the costs of delivery of the Wine. If the Holder's address is outside Australia, the Holder must organise its own delivery of the Wine.

Wine Storage Method

If the Wine Storage Method applies, the Issuer will arrange for continued storage of the Wine. The Holder will be responsible for all costs of storage from the date that is 5 Business Days after the Maturity Date (Final Redemption Date). The Issuer's Delivery Obligations will be discharged by notifying the storage facility that the Holder has elected the Wine Storage Method. As at the date of this Prospectus, the storage facility will be managed by Toll Transport Pty Ltd.

Wine Sale Method

The Wine Sale Method will apply if:

(a) the Issuer does not receive from the Holder a valid Delivery Notice by 5:00pm on the Maturity Date (Delivery Notice Close Date);

(b) the Holder elects the Wine Delivery Method but, through no fault of the Trustee or the Issuer, the Wine is not successfully delivered and is not claimed by the Holder within one calendar month of the Redemption Date; or

(c) made available as an option on the Delivery Notice, the Holder elects the Wine Sale Method.

If the Wine Sale Method applies because of paragraphs (a) or (b), then the Issuer may elect to store the Wine for up to 12 months from the Redemption Date before selling the Wine. During this time the Holder may claim the Wine and, after payment of all of the Issuer's costs and expenses, request physical delivery of the Wine.

If the Holder has elected the Wine Sale Method, the Issuer will arrange for the sale of the Wine within a reasonable timeframe.

If the Wine Sale Method applies:

- the Issuer is irrevocably authorised to accept physical delivery of the Wine for and on behalf of the Holder from the Trust;
- the Holder irrevocably authorises the Issuer to sell the Wine, and for it or any of its nominees to take all necessary or desirable action to effect the sale;
- the Issuer will deliver the Sale Proceeds to the Holder at the Holder's Registered Address;
- the Holder acknowledges and agrees that:
  - the Issuer will sell the Wine on behalf of the Holder on a best efforts basis;
  - the Holder will accept the price negotiated by the Issuer and sell the Wine at this price;
  - the Issuer makes no representation or warranties as to the price at which it will be able to sell the Wine or the amount of Sale Proceeds;
  - as permitted by law, the Issuer is not responsible or liable for any loss, costs or expense incurred by the Holder as a result of the sale of the Wine except to the extent that such loss, cost or expense arises as a result of the Issuer's negligence, default, fraud or dishonesty; and
- upon payment by the Issuer to the Holder of the Sale Proceeds the Issuer will have discharged all its obligations to the Holder and the Holder will cease to have any rights or interest in the Wine Class Share, the Issuer or the Trust.

Set Off Rights

The Issuer may set off amounts payable to the Issuer, the Trust or their agents by a Holder against any amount payable by the Issuer, Trust or their agents. The Issuer may withhold any amounts payable by the Issuer, Trust (or their agents) in satisfaction of any amount payable to the Issuer, the Trust or agents.

Wine Delivery and Storage Undertakings

The Issuer undertakes to the Holder that it will:

- arrange for the storage of Wine on behalf of the Holder from the time that the Wine is delivered to the Issuer (or the Trust) by the Wine Producer up to the date that is 5 Business Days after the Maturity Date (the "Storage Period");
- arrange the delivery of the Wine from the Wine Producer to the Trust.

The Issuer will pay the costs and expenses of maintaining the Spoilage Stock for the Storage Period, and in its absolute discretion pay costs and expenses outside this period, including the costs of delivery of Spoilage Stock to the warehouse and the cost of insurance during transport to the warehouse.

Wine Delivery Representations

The Issuer represents and warrants to the Holder that:

- the Wine delivered to the Holder or sold on behalf of the Holder will be as represented in the Prospectus; and
- the Wine will be stored and insured in accordance with the standards set out in Section 3, "Storage of the wine" and Section 8, "Summary of the Storage Insurance" during the Storage Period.

Insurance

The insurance provisions of the Constitution are summarised Section 8, "Summary of the Storage Insurance").

Appointment of Agents

The Issuer may appoint agents to perform the obligations or undertakings or carry out its functions.

Application of Subscription Amounts

When a person subscribes for a Wine Class Share, the Issuer will hold the Relevant Portion of the Subscription Amount on trust for the benefit of the Holder under the Trust. This amount will be used by the Trust to purchase the wine from the Wine Producer and the Issuer is authorised to pay the amount to the Trust or the Wine Producer when called for. The remainder of the Subscription Amount will become part of the capital of the Issuer (which may then be subject to a capital reduction).

Reduction of Capital

The Issuer may reduce its capital to:

- make any payment or pay any person for storage, registry, insurance costs and other fees or expenses relating to the Wine or Wine Class Shares; and
- pay any amount to any person or entity, to otherwise discharge the Issuer's Wine Delivery and Storage Undertakings.

Unclaimed money or Wine

If the Holder fails to take delivery of the Wine or accept the Sales Proceeds within 12 months after the Maturity Date (Delivery Notice Close Date), the Wine or Sales Proceeds will become the property of the Issuer. Any such Wine may be sold and any Sales Proceeds may be used by the Issuer to pay for any costs incurred in relation to holding the Wine. Any remaining balance may be used by the Issuer to reduce the cost of any future issues of Wine Class Shares.

Indemnity, Exclusion and Limitation of Liability

The Issuer excludes and limits its liability to the Holder for loss or damage the Holder's Wine may suffer in certain circumstances. These are set out in full in Section 8, "Summary of the Storage Insurance").

Trust Deed Summary

Conditional Wine Purchase Agreement

The Issuer will enter into one or more Conditional Wine Purchase Agreements ("CWPA") with Wine Producers to purchase wine for and on behalf of the Trustee.

The Issuer will pay the outstanding purchase price for the wine under any such CWPA to the Wine Producer for and on behalf of the Trustee (as agent for the Holder). Upon payment of the purchase price, the legal interest in the Wine will pass to the Trustee who holds it as bare Trustee for the Holders.

The Wine Securities

An investor becomes a Holder of Wine Securities on the date the investor is registered as Holder by the Registrar. Upon receiving notice of registration, the Trustee will hold the Beneficial Interest in the Wine as bare trustee for the Holder and the Holder will be absolutely entitled to the Wine.

The Wine Class Shares are transferable in accordance with the NSX Business Rules and SCH Business Rules and are CHESS Approved Securities.

Dealing with Wine Securities

When a Holder deals with a Wine Class Share in any way (including transferring to a new Holder) then the same dealing will occur in respect of the Beneficial Interest. Similarly, if a Holder deals with its Beneficial Interest, then the same dealing occurs in respect of the Wine Class Share.

For example, if an existing Holder transfers a Wine Class Share to a new holder, then all the rights and obligations of the Wine Class Share as well as the Beneficial Interest are transferred from the old holder to the new.

If a Holder tries to deal with a Wine Class Share or a Beneficial Interest contrary to the above, then the legal and the Beneficiary Interest in the Wine Class Share immediately transfers to the Trustee who will hold them on trust for the largest ordinary shareholder in the Issuer (Australian Wine Exchange Pty Ltd.).

Instructions

The Holder authorises the Issuer to instruct the Trustee to act on all matters relating to the Wine (provided that the instructions are in accordance with the Transaction Documents), and authorises the Trustee to accept any instructions given by the Issuer and to request that the Issuer, or a third party, as agent, carry out the Trustee's duties.

Separate Trusts

A Separate Trust is established in respect of each case of Wine. The Trustee is the trustee of each Separate Trust.

Aggregation

The Trustee and the Registrar must keep separate, and not pool, the interests or the property of the Separate Trusts. However, for administrative ease, the Trustee and Registrar may:

- aggregate all the Wine held for a particular Holder from time to time;
- aggregate all Beneficial Interests held by a particular Holder from time to time;
- deposit any money received in respect of the Separate Trusts in the same bank account; and
- prepare consolidated accounting, taxation and other records or returns.

Holders' rights and liabilities

Each Holder is bound by the terms of the Trust Deed. Subject to the Deed, a Holder does not indemnify the Trustee or any creditor of the Trustee for any liabilities of the Trustee arising from any of the Separate Trusts, the exercise of the Trustee's rights under the Deed, or the discharge of the Trustee's duties under the Deed.

Liquor License

The Trustee will apply for, pay the costs of and maintain any liquor licence if one is required.

Maturity of the Wine Securities

Delivery Notices and Completion

The Trustee (on the Issuer's instructions) will send the Holder a Delivery Notice within 30 Business Days after the De-Listing Date, advising the Holder that their Wine Class Share will be redeemed and requesting Delivery Instructions for the Holder's Wine.

The Holder must lodge a valid Delivery Notice with the Issuer no later than 5.00pm on the Maturity Date (Delivery Notice Close Date).

If a valid Delivery Notice is lodged with the Issuer, then on the Redemption Date:

- the legal title to the Wine automatically passes to the Holder and the Holder's Beneficial Interest merges with the legal interest;
- the Wine Class Share will be redeemed;
- the Separate Trust is dissolved; and
- the Issuer will ensure that all things necessary to deal with the Wine in accordance with the Holder's Delivery Instructions, occur.

When the Trustee and Issuer have fulfilled all their Delivery Obligations, the Trustee and Issuer will have discharged all their obligations to the Holder and the Holder will cease to have any rights or interest in the Issuer, the Beneficial Interest or the Trust whether or not the Holder actually receives the Wine or the Sale Proceeds.

Validity of Delivery Notice

A Delivery Notice is only valid if:

- the Holder has warranted on the Delivery Notice that she/he is not a minor;
- the Holder has nominated one Delivery Method only for each Wine Class Share;
- the Delivery Notice is given by the Holder;
- the Holder has provided sufficient cleared funds for payment of any costs, expenses and taxes payable by the Trustee associated with Completion; and
- the Holder agrees that the Issuer may disclose the Holder's information to a third party so that the Wine can be delivered or storage continued.

The issuer may decide whether or not a Delivery Notice is valid. If it is invalid, the Delivery Notice is void and the Issuer will promptly notify the Holder.

Failure to provide a Delivery Notice

If a valid Delivery Notice is not received by the Issuer before 5:00pm on the Maturity Date, the Holder is deemed to have elected the Wine Sale Method. The Issuer may store the wine for up to 12 months before selling it. All proceeds of the sale will be sent to the Holder's Registered Address.

Wine Sale Method

If the Wine Sale Method applies, the Holder is deemed to instruct the Trustee, as its agent, to arrange for the sale of the Wine in accordance with the Constitution and irrevocably authorises the Trustee to appoint the Issuer its agent and to act in accordance with the Issuer's instructions. The Wine Sale Method is explained in more detail in Section 10 – Summary of the Constitution, paragraph 10.

If the Wine is sold, the Trustee makes no representation or warranty as to the price at which the Wine will be sold and agrees to sell at the price negotiated by the Issuer. The Trustee is not liable for any cost, expense, loss or liability incurred by the Holder in relation to the sale. The Holder indemnifies the Trustee from any liability incurred by the Trustee in relation to the sale of the Wine.

No Delivery To Minor

The Trustee will not deliver Wine to any Holder who the Trustee is aware will be under 18 on the Redemption Date. The Trustee will instead sell the Wine in accordance with the Wine Sale Method and send the proceeds to the Holder's Registered Address or the address nominated on the Delivery Notice by the Holder.

Risk and Expenses

Upon transfer of the legal interest in the Wine to the Holder on the Redemption Date the Holder becomes responsible for all risks and all costs, expenses and liabilities in relation to the Wine, including but not limited to:

- the premium for any insurance or the costs of storage which are payable 5 Business Days after the Maturity Date (which is the Final Redemption Date);
- the cost of physically delivering the Wine to the Holder;
- the costs associated with the sale of the Wine if the Wine Sale Method applies; and
- liaising with the relevant storage company and line haul company in relation to the on-going storage or delivery of the Wine after the Issuer and Trustee have satisfied their Delivery Obligations.

Set off Rights

The Trustee may, and on instruction from the Issuer must:

- set off any amount payable to the Trustee, the Issuer or any of their agents by a Holder against any amount payable by the Trustee or the Issuer or their agents to the Holder; and
- withhold any amount payable by the Trustee, the Issuer or any of their agents to a Holder in satisfaction of any amount payable to the Trustee, the Issuer or any of their agents by the Holder.

Holder's Sole Responsibility for Investment

Each Holder is solely responsible for making its own enquiries and decisions in respect of the Issuer, and of whether or not to deal or invest in Wine Securities.

Duration of Separate Trusts

Each Separate Trust begins on the Commencement Date for that Trust.

A Separate Trust terminates on the earlier of:

- the Redemption Date at 5.00pm;
- the date designated as such in the Damaged Stock Redemption Policy; or
- by operation of law.

Insolvency Event

If an Insolvency Event occurs in relation to the Issuer and/or AWX, all Wine Class Shares are suspended and cease to trade on NSX. The Holders may not transfer their Wine Class Shares off-market during the period of suspension.

If the Holder receives a notice that the Issuer or AWX or both can remedy the Insolvency Event within a reasonable time frame, the Wine Class Shares may, at the discretion of NSX, recommence trading.

If the Insolvency Event cannot be remedied, then on the date that the first Insolvency Event occurred:

- the Holder's Beneficial Interest is deemed to have merged with the legal interest in the wine and the legal title passed to the Holder;
- the Wine Class Share shall be redeemed; and
- the Separate Trust is dissolved.

In this event, an Insolvency Event Delivery Notice will be immediately sent to each Holder, specifying the date on which it must be lodged with the Issuer. Upon receipt of a valid Insolvency Event Delivery Notice the Trustee will act as if a valid Delivery Notice has been lodged. If the Holder does not lodge a valid Insolvency Event Delivery Notice, the Trustee will sell the Wine in accordance with the Wine Sale Method.

In addition, if a Termination Event occurs, then the Issuer may treat the Termination Event as an Insolvency Event.

The Trustee

Trustees Powers

All of the Trustee's powers are expressly set out in the Trust Deed. The Trustee will exercise its powers in good faith and at the direction of the Issuer. The Trustee holds the Wine, without any interest in it, other than that existing by reason of the office and legal title as Trustee, and without any duties to perform, except as directed by the Holder.

The Trustee's powers include:

- **Sale or ongoing storage**: where the Holder fails to lodge a Delivery Notice the Trustee may act as agent and arrange for the sale or continuing storage of the relevant Wine for up to 12 months after the Redemption Date, and hold any sale proceeds on trust for the Holder; and
- **Delegation**: the Trustee may authorise any person (including the Issuer or its Associates) to act as its delegate to hold title to the Wine, perform any act or obligation or exercise any discretion within the Trustee's power. The Trustee remains liable for the acts or omissions of a delegate except in respect of transactions through a recognised settlement or clearing system or a delegate whose acts or omissions are not reasonably capable of supervision by the Trustee.

Voting Rights

The Trustee has no voting rights in relation to the Wine Class Shares.

Indemnity

AWX Trust indemnifies the Trustee for any liability it may incur in performing or exercising any of its powers or duties in relation to any Separate Trust except liabilities arising from a breach of trust, negligence or fraud of the Trustee.

Retirement and Removal

The Trustee must retire as trustee when required to by law, or may do so upon giving 3 months' notice to the Issuer and the Holder.

The Holder has no rights to request the removal of the Trustee unless the Trustee was fraudulent, dishonest or grossly negligent.

If the Trustee retires or is removed, the Issuer may appoint a replacement trustee by deed. Any new Trustee will execute a deed in which it agrees to be bound by the same terms as the Trust Deed.

Upon retirement or removal, the Trustee is released from all obligations in relation to each Separate Trust except that the Trustee must hand over to the new trustee and the Trust Deed continues in effect in respect of anything done or omitted to be done by the retiring Trustee when it was Trustee.

No Guarantee

The Issuer and its Associates do not guarantee the Trustee's performance.

Rights and Liabilities of Trustee

The Trustee must not be a Holder at any time. The Trustee or its Associates may:

- deal with each other, the Issuer, any Separate Trust or a Holder;
- have interests in any contract or transaction with each other, the Issuer or any Holder and retain for its own benefits any profit or benefits derived from such transaction;
- act in the same or a similar capacity in relation to any other scheme; or
- sell Wine to the Issuer.

Limitation on Liability

If the Trustee acts in good faith and without default or negligence in endeavouring to perform its obligations under the Trust Deed, it is not responsible to Holders for any loss suffered in respect of the relevant Separate Trust.

The liability of the Trustee in relation to each Separate Trust is in any case limited to the Wine of the Separate Trust. The Trustee is not liable for the acts or omissions of:

- any brokers or other agents whose acts or omissions are not reasonably capable of supervision by the Trustee; or

- the Issuer or Registrar (including its agents) or the performance of their obligations under the Trust Deed or Transaction Documents; or
- any storage providers who store the Wine for all, or part, of the Trust's duration.

A liability or obligation of the Trustee arising under the Trust Deed is strictly limited to the extent to which the liability or obligation can be lawfully satisfied out of the cases of Wine of a Separate Trust. Liabilities of, or relating to, each Separate Trust are to be satisfied from the Wine of that Separate Trust.

No responsibility for Trust Deed
The Trustee has no responsibility for the form or contents of the Trust Deed or any disclosure document issued in relation to the Wine Class Shares and will not be liable for any loss incurred as a result of the inadequacy, invalidity, unenforceability or any statement in, omission from or publication of any such documents.

Appointments
The Trustee may appoint any officers, agents, sub-contractors, experts or nominees on such terms as the Trustee thinks fit.

Providing Information
The Trustee must, on request and where it is lawful to do so, provide the Issuer with information concerning the Wine, whether or not the Trustee is aware of the Issuer's purpose for requesting that information.
The Trustee is not obliged to disclose any information relating to the Issuer or its Associates to a Holder or any other person.

Funding of Trustee
The Trustee may be reimbursed, and may require the Holder to pay, for all costs, expenses and liabilities properly incurred in performing its obligations. However, the Trustee must not dispose of the Wine during the term of the Separate Trust.

Taxes
Holders must pay all Transfer Tax payable by the Trustee in connection with the ownership, transfer or Completion of an Wine Class Share. It is each Holder's own responsibility to ensure that the correct tax treatment is applied in relation to the Holder's Wine Class Shares and cases of Wine. If the Holder does not pay any Transfer Taxes when required, the Issuer will pay the amount of the Transfer Taxes on behalf of the Trustee and the Holder. The Issuer may recover that amount and any related costs, expenses and reasonable interest from the registered Holder as a debt due.

The Holder is responsible for paying all stamp duties assessed in respect of the Separate Trusts of the Wine to which Wine Class Shares of that Holder relate.

Statements of Account and Audit
The Trustee must prepare and lodge consolidated accounts and financial and taxation returns (with the assistance of accountants) and must ensure compliance with applicable audit requirements in respect of the Separate Trusts and the Trustee's performance of its functions under the Trust Deed.
Subject to contrary provisions of the Trust Deed or as required by the NSX, the Trustee has no obligation to provide information including financial reports, accounts and statements to Holders about the Separate Trusts or the cases of Wine or its own financial accounts, reports or statements.

Register

The Trustee will maintain a register of Beneficial Interests, in which the Trustee recognises the Holder as the absolute owner of the Beneficial Interest. The details of the Holder's Beneficial Interest on the Register maintained by the Trustee will be identical to the register of members maintained by the Issuer.

General Provisions

Notices

Notices may be sent or mailed to Holders, or if permitted, advertised once in a national daily newspaper.

Payment to Holders

Any money payable to a Holder will be paid in a manner as determined by the Trustee acting on the Issuer's instructions. The receipt of the Holder in respect of the Wine and any money payable in respect of it is a good discharge to the Trustee.

Any payments made to Holders which remain unclaimed for more than twelve months (after the payment date) may, subject to applicable laws, be paid to the Issuer to be used to reduce future costs of issue and the relevant Holder has no claim to any such amount paid to the Issuer against any person.

Amendments to the Trust Deed

The Trustee may, by supplemental deed, amend the Trust Deed if authorised by a Holder's resolution or in certain other circumstances, including where (in the Trustee's belief):

- the amendment is necessary or desirable and is not materially prejudicial to the rights of Holders;
- the amendment is necessary or desirable to comply with any statutory or other requirement of law or the NSX or to rectify any inconsistency, defect, error or ambiguity in the terms of the Trust Deed; or
- the amendment is necessary or desirable for a particular class of Wine Class Shares and the amendment does not affect the rights of current Holders of Wine Class Shares.

The Trustee must notify all Holders in writing of a proposed amendment. Holders have twenty (20) Business Days in which to return ballot papers to the Trustee. Each Holder is entitled to one vote for each Wine Class Share held. A resolution is duly passed if 75% or more of the votes cast are in favour of the amendment.

Obligation of Holders to provide information

A Holder must provide such information as the Trustee may request as required by law.

Section 11 Summary of Tax Considerations

Introduction

This statement of tax considerations has been prepared for inclusion in a Prospectus dated on or about 25th January 2002 to be issued by AWX Capital Limited ("AWX Capital") in relation to the proposed offer of Wine Class Shares.

This statement is intended only as a general summary of some of the taxation consequences arising from an investment in a Wine Class Share by an Australian resident individual taxpayer who does not trade or deal in securities or wine and who acquires a Wine Class Share as an investment.

This statement is necessarily general in nature and does not take into account the specific taxation circumstances of each investor and potential investors should not rely on this statement and should obtain advice referable to their own circumstances prior to making any investment decision.

In this statement the "CGT" means the capital gains tax provisions contained in the *Income Tax Assessment Act 1997*.

In summary, the taxation consequences arising from an investment in a Wine Class Share are as follows:

1. The Wine Class Share comprises two distinct assets from a tax perspective, a share and wine.

2. For CGT, the cost base of the share includes that part of the IPO price that is specifically apportioned to acquire the share. The cost base of the wine is that part of the IPO price that is apportioned to acquire the wine.

3. If the investor sells a Wine Class Share on the NSX, then the investor sells both the share and the wine and will be taxed on any capital gain. If the investor holds the Wine Class Share for 12 months or more, then the investor may be taxed on only 50% of the gain.

4. At the end, the share is cancelled and the investor is left with the wine. If the investor instructs AWX Capital to sell the wine at the end, then the investor may be taxed on any gain arising from the disposal, unless the wine is a "personal use asset" and was bought for no more than $10,000. An investor who has the wine physically delivered at the end, will not be taxed.

5. No GST should apply on the acquisition or trading in a Wine Class Share. No GST should apply to the distribution of wine on maturity.

6. Wine Equalization Tax (WET) should not apply to the issue of nor subsequent dealings in a Wine Class Share, nor to the distribution of the wine on maturity. WET may apply to later sales of the wine by the investor.

7. Stamp duty will not be payable on the acquisition of Wine Class Shares. No stamp duty is payable for transfers of Wine Class Shares on the NSX.

A Wine Security

In acquiring a Wine Class Share, investors will purchase a share in the capital of AWX Capital which will be listed.

Correspondingly, an investor will acquire a beneficial interest in wine. This means that particular cases of the wine are held by Australian Wine Exchange Nominees Pty Limited (the "Trustee") solely for the benefit of the investor and means that an investor is the effective owner of the wine to which the Wine Class Share relates.

Although an investor owns two assets for CGT purposes, any dealings with the Wine Class Share will mean that the investor is dealing with both a share and wine. Therefore, when a Wine Class Share is sold it is in effect a sale of the share and the wine.

If an investor is neither a trader in securities nor in wine, it is considered that the investor will be taxed solely in accordance with the CGT in respect of any dealings with the Wine Class Share.

Investor holds Share at maturity

An investor who holds the Wine Class Share until maturity will not be subject to tax on the maturity of the investment. However, because the Wine Class Share is in fact two assets, a share and wine, it is necessary to consider the tax position at maturity for both assets.

The wine

An investor who takes delivery of the wine after maturity will not be taxed.

An investor may be taxed on any gain arising on a disposal of the wine after maturity. For example, if the investor instructs AWX Capital to sell the wine that will be a taxable event. However, no tax will be payable if the wine can be regarded as a "personal use asset" and was acquired by the investor for no more than $10,000. See the discussion below under the heading, "Personal use assets".

If the wine is not a personal use asset and a gain arises on disposal of the wine that gain will be a capital gain. The amount of the capital gain is the difference between the cost base of the wine and the capital proceeds received on the sale of the wine.

The cost base of the wine will include that part of the Wine Class Share acquisition price that related to the acquisition of the wine. It will not include that part of the acquisition price that relates to the share.

The share

With respect to the share, an investor will make a capital loss if the capital proceeds on the redemption of the share are less than the cost base of the share – see the discussion below under the heading, "Cost base" for more information regarding this issue.

Disposal prior to maturity

A sale of the Wine Class Share prior to maturity will be regarded as a sale of both the share and the wine. It is unlikely that the Commissioner of Taxation would accept that the wine is held as a "personal use asset" prior to maturity and therefore the investor is likely to have the treat the sale as a taxable transaction under the CGT, the taxable gain being essentially the difference between the sale price of the Wine Class Share and the cost of acquiring it.

Discount Capital Gains

A discount capital gain arises when an investor has held the relevant asset for 12 months or more. If all the requirements for a discount capital gain as set out in the CGT are satisfied, then an investor is taxed on only 50% of the gain.

Personal use asset

As noted above, a capital gain from the disposal of a personal use asset will be tax free if the cost of acquiring the asset is $10,000 or less. An asset is a personal use asset if:

(i) it is used or kept mainly for your personal use or enjoyment or for your associate's personal use or enjoyment; or

(ii) it is an option or right to acquire such an asset.

If wine was acquired directly by an investor it is clear that it could satisfy the definition. However, in this instance, the wine is "kept" prior to maturity by the Trustee (albeit solely for the benefit of an investor) and the Commissioner may form the view that until the wine is in the possession of an investor it cannot satisfy the definition of a personal use asset.

Cost base

As indicated above, an investor, when making an investment, acquires a share and wine. Although the two cannot be dealt with separately, the two are considered to be distinct assets giving the investor rights that are different.

For an investor who acquires a Wine Class Share at the initial public offering (the "IPO"), the cost base of the share will include that part of the IPO price that is specifically apportioned to acquire the share. Correspondingly, the cost base of the wine will include that part of the IPO price apportioned to acquire the wine.

Where an investor acquires a Wine Class Share in the secondary market, then if the investor is required to apportion the price paid between the share and the wine, it must be done on a reasonable basis.

The reduction in capital

The rights attaching to the share are limited. AWX Capital will not carry on any commercial activities directed at the making of a profit. Rather AWX Capital will expend its capital to secure services from Australian Wine Exchange Pty Limited with respect to the wine held by the Trustee for an investor. In effect, AWX Capital will use its subscribed capital to undertake a transaction that requires it to reduce its capital (in accordance with the *Corporations Act*). The nature of this reduction in capital is also unusual in that it will involve no direct return of capital to an investor. The only amount ever returned to an investor will be a nominal sum on the redemption of the share and that is only if the share is held at maturity.

For CGT purposes, it is considered that the reduction of capital will not result in either a deemed disposal of the share or a reduction in the cost base of the share. Consequently, when a share is actually redeemed or sold the cost base of the share would appear to be the cost base unadjusted by the capital reduction.

In determining whether a capital gain or loss is made by an investor at the maturity date when a share is redeemed it is considered that an investor will be taken to have received the nominal sum as the capital proceeds of the redemption and not the nominal sum plus the wine.

Transfer taxes

No GST should apply on the acquisition or trading in a Wine Class Share. To the extent that this is a share in AWX Capital, the supply or acquisition of the share will be exempt from GST. The same applies to the supply or acquisition of the equitable interest in the wine. No GST should apply to the distribution of wine on maturity as the Trustee holding the wine is not required to register for GST and will not be registered.

Wine Equalization Tax ("WET") should not apply to the issue of nor subsequent dealings in a Wine Class Share. Nor should WET apply to the distribution of the wine on maturity. WET may apply to later sales of wine by the investor.

It is unlikely that credit will be available for any WET amounts (or GST amounts) paid initially by the Trustee on acquisition of the wine.

Stamp duty will not be payable on the acquisition or trading in Wine Class Shares. To the extent that the subject of a dealing is a share, a general exemption from duty applies in all jurisdictions of Australia for transfers of shares quoted on the NSX. No duty will apply to dealings in the wine on the NSX.

Section 12 Disclosures

Consents
Baker & McKenzie

Baker & McKenzie, solicitors, has given its written consent to being named as having acted as solicitors to the company in connection with the issue of this Prospectus. It has, in that capacity, been involved in the preparation of Sections 8, 9, 10 and 11 of this Prospectus and in reviewing the Prospectus for consistency with the Constitution and Trust Deed. Baker & McKenzie take no responsibility for any other part of this Prospectus and makes no representation as to the completeness, truth and accuracy of any other part of this Prospectus. Baker & McKenzie does not make any statement in this Prospectus nor does any statement herein purport to be based on a statement made by Baker & McKenzie and Baker & McKenzie has not authorised or caused the issue of this Prospectus.

ETRADE Australia Securities Limited

ETRADE Australia Securities Limited has consented to being named as a Broker to the Offer in the form and context in which it is named in the public Prospectus. ETRADE Australia Securities Limited has not been involved in the preparation of any part of this Prospectus and specifically disclaims liability to any person in the event of omission from, or a false and misleading statement included in this Prospectus. ETRADE Australia Securities Limited has not authorised or caused the issue of this Prospectus and takes no responsibility for its contents.

Macquarie Equities Limited

Macquarie Equities Limited does not make, or purport to make, any statement in this Prospectus or any statement on which a statement in this Prospectus is based; and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus, other than a reference to its name.

Orlando Wyndham Group Pty Ltd – trading as Orlando Wines

The information supplied by Orlando Wyndham Group Pty Ltd ("Orlando Wyndham") within this prospectus:

- has been provided as fact only;
- is not a forecast or opinion by Orlando Wyndham of the performance of Wine Class Shares or the wine that relates to those Wine Class Shares; and
- is accurate to the best of Orlando Wyndham's knowledge and belief at the time the information was provided to AWX Capital Limited.

Orlando Wyndham does not warrant that the information provided and included herein will continue to be accurate after the date of this prospectus.

Orlando Wyndham makes no warranty, express or implied, as to the results to be obtained by any person or any entity from:

- investing in wine;
- investing in Wine Class Shares; or
- the use of any information provided by Orlando Wyndham and accurately included herein, provided that the information was not false or misleading as at the date of this prospectus due to the negligence, fraud or dishonesty of Orlando Wyndham, its officers or employees.

Without limiting any of the foregoing, in no event shall Orlando Wyndham have any liability for any direct, special, punitive, indirect, or consequential damages (including loss of profits), of any party where such liability is caused (whether in whole or in part) by reliance by that party on any information provided within this prospectus that has not been:

- provided by Orlando Wyndham; or
- accurately transcribed from the information provided by Orlando Wyndham to AWX Capital Limited.

PricewaterhouseCoopers

PricewaterhouseCoopers has given its consent to be named as the Auditor of the Company and for the inclusion in the Prospectus of the audited accounts of the Company for the period 15 March 2001 to 30 June 2001.

PricewaterhouseCoopers has not authorised or caused the issue of this Prospectus. and has not made, not purports to have made, any statement other than the Audit Report.

Pritchard & Partners Pty. Limited

Pritchard & Partners Pty. Limited does not make, or purport to make, any statement in this Prospectus or any statement on which a statement in this Prospectus is based; and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus, other than a reference to its name.

Salomon Smith Barney Securities Australia Pty Limited

Salomon Smith Barney Securities Australia Pty Limited does not make, or purport to make, any statement in this Prospectus or any statement on which a statement in this Prospectus is based; and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus, other than a reference to its name.

Toll Holdings Limited and Toll Transport Pty Ltd

Toll Holdings Limited is the ultimate holding company of Toll Transport Pty Ltd (together referred to as "Toll"). Toll has consented to being named as a logistics partner to the Offer in the form and context in which it is named in the public Prospectus. Toll has not been involved in the preparation of any part of this Prospectus and specifically disclaims liability to any person in the event of omission from, or a false and misleading statement included in this Prospectus. Toll has not authorised or caused the issue of this Prospectus and takes no responsibility for its contents.

Tonkin Scorer Menzies

Tonkin Scorer Menzies does not make, or purport to make, any statement in this Prospectus or any statement on which a statement in this Prospectus is based; and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus, other than a reference to its name.

Other Consents

Each of the following persons has consented to be named in this Prospectus as performing in the capacity specified and has not withdrawn that consent:

ASX Perpetual Registrars Limited	Share Registry
Cameron Stockbrokers Limited	Broker to the offer
Westpac Banking Corporation	Broker to the offer

Taylor Collison	Broker to the offer
NATA	National Association of Testing Authorities

Clarendon Hills Nominees Pty Ltd – trading as Clarendon Hills has given, and has not withdrawn, its consent to the inclusion of the statements included in Schedules Number 01 in Section 13 Offer Schedules in this Prospectus in the form and context in which they are included.

Howard Park Wines Pty Ltd – trading as Howard Park Wines has given, and has not withdrawn, its consent to the inclusion of the statements included in Schedules Number 02 in Section 13 Offer Schedules in this Prospectus in the form and context in which they are included.

Wingara Wine Group Pty Ltd – trading as Katnook Estate has given, and has not withdrawn, its consent to the inclusion of the statements included in Schedules Number 03 in Section 13 Offer Schedules in this Prospectus in the form and context in which they are included.

Knappstein Lenswood Vineyards Pty Ltd – trading as Knappstein Lenswood Vineyards has given, and has not withdrawn, its consent to the inclusion of the statements included in Schedules Number 04 in Section 13 Offer Schedules in this Prospectus in the form and context in which they are included.

Mountadam Vineyards Pty Ltd has given, and has not withdrawn, its consent to the inclusion of the statements included in Schedules Number 05 in Section 13 Offer Schedules in this Prospectus in the form and context in which they are included.

Sally's Paddock Pty Ltd – trading as Sally's Paddock has given, and has not withdrawn, its consent to the inclusion of the statements included in Schedules Number 07 in Section 13 Offer Schedules in this Prospectus in the form and context in which they are included.

Xanadu Wines Ltd – trading as Xanadu has given, and has not withdrawn, its consent to the inclusion of the statements included in Schedules Number 08 in Section 13 Offer Schedules in this Prospectus in the form and context in which they are included.

Responsibility Statement

AWX Capital Limited is the issuer of this Prospectus.

Litigation

The Company is not and has not been involved in any legal or arbitration proceedings since its date of incorporation. Nor, so far as the Directors are aware, are any such proceedings pending or threatened against the company.

Expenses of the Issue

The expenses of the issue are payable by the company. The holding entity of the company, Australian Wine Exchange Pty Ltd , will receive a facilitation fee of up to 31 % of the capital raised from each IPO which covers :

(a) Storage of the wine until the Final Redemption Date;

(b) Insurance of the wine until the Final Redemption Date;

(c) Transportation of the wine to the storage facility;

(d) Storage, insurance and transportation to the storage facility of the Spoilage Stock;

(e) Creation of the Prospectus documentation;

(f) Lodgement fees with ASIC and security code fees from ASX;

(g) Broker distribution commission;

(h) NSX listing fees;

(i) Registry set up and maintenance;

(j) CHESS fees;

(k) Administration of the maturity process;

(l) Marketing;

(m) Australian Wine Exchange Pty Ltd margin.

Expert's and Advisers' Interests

Except as set out in this paragraph, no expert and no firm in which an expert is a partner, has any interest that exists when this Prospectus is lodged with the ASIC, nor has had such an interest that existed within 2 years before lodgment of this Prospectus for registration in connection with the formation or promotion of the company and no amounts, whether in cash or shares or otherwise has been paid or agreed to be paid to any expert or to any firm in which such expert is a partner for services rendered by the expert or the firm in connection with the promotion or formation of the company. The expenses listed below will be paid by the Company's holding entity.

Baker & McKenzie	$35,000
PwC (Auditors)	$3,800
PwC (Nominating Advisor)	$20,000
Pritchard & Partners	$1,100

Director's Interests

Except as set out below, no Director or proposed Director of the company and no firm in which a Director or proposed Director of the company is a partner, has any interest that existed when this Prospectus is lodged with the ASIC, nor has had such an interest that existed within 2 years before lodgment of this Prospectus for registration, in the promotion of or in any property proposed to be acquired by the company in connection with the formation or promotion of the company and no amount, whether in cash or shares or otherwise, has been paid or agreed to be paid to any Director or proposed Director or to any firm in which such Director or proposed Director is a partner to induce the Director or proposed Director to become, or to qualify the Director or proposed Director as, a Director or otherwise for services rendered by the Director or proposed Director or by the firm in connection with the promotion or formation of the company:

(a) Remuneration of Directors
for the period from incorporation on 15th March 2001 until 30th June 2001, each Director can be paid up to $9,999 at the discretion of the Board.

(b) Granting of Options
Subject to vesting conditions, each director of the Company has been granted 263,125 options on ordinary shares in Australian Wine Exchange Pty Ltd. The shares granted to Mr. Rowsthorn are for the benefit of Toll Holdings Limited.
The options will be granted at no cost and will have a term of 5 years. The exercise price of the options will be forty (40) cents per share.

(c) the Directors may hold other property whether in their own right or non-beneficially, in which the Company may have an interest from time to time;

(d) the Constitution of the Company contains indemnities in favour of the Directors within the limits prescribed by the Corporations Act 2001;

(e) Associates (including Directors) of the Company may hold Wine Class Shares and from time to time buy and sell these.

Material Contracts

The company has entered into the following contracts which in the opinion of the Directors may be material to the issue of this prospectus.

(a) Toll Transport Pty Ltd
The holding entity of the Company has entered into a Deed with Toll Transport Pty Ltd whereby Toll Transport Pty Ltd agrees to provide 5 years of transportation of the wine from the Wine Producer to the Company's storage facility. The agreement also specifies that the storage has been out sourced to Toll Transport Pty Ltd for 5 years.

(b) Wine Producers
The Company has an agreement, the Conditional Wine Purchase Agreement with each Wine Producer whose wine is offered as Wine Class Shares in this Prospectus.

(c) Constitution of AWX Capital Limited

(d) Master Bare Trust Deed 01

(e) Australian Wine Exchange Pty Ltd
The Company has a facilitation agreement with Australian Wine Exchange Pty Ltd.

(f) Stock Exchange of Newcastle Limited
The holding entity of the Company has entered into an agreement with NSX whereby for competitive fees the Company will exclusively apply to NSX for listing of Wine Class Shares.

Documents Available for Inspection

Verified copies of the following documents are available for inspection free of charge between 9:00 am and 5:00 pm at the company's business office, for a period of twelve months after the lodgement of this Prospectus with the ASIC:

- Constitution of the Company.
- Constitution of AWX Trust.
- Damaged Stock Redemption Policy.

EXECUTION

This Prospectus is signed on behalf of all of the Directors of the company.

Each director of AWX Capital Limited has given his or her consent to the lodgment of this disclosure document in accordance with the Corporations Act 2001.

Stephen Thompson

Section 13 Wine Class Share Offer Schedules

Disclosure /Disclaimer

Technical information (from the Wine Producer or elsewhere), which refers to a wine offered in this Prospectus, may differ from the test results detailed in the relevant AWX Certificate. The tests may have been carried out on different dates and the accuracy of the tests undertaken may be different. Please note the AWX Certificate must be obtained no more than 9 months before the date of this Prospectus. The exact date of the tests is detailed on the certificate.

Australia New Zealand Food Authority Act (1991) Cth; Standard P4 states that the label on or attached to a package containing wine must include a statement of the percentage by volume of ethanol therein at 20 degrees Centigrade, expressed to the nearest first decimal place and accurate to within 1.5%. Please note that the AWX Certificate results for the alcoholic strength on the label and the alcoholic strength from the laboratory's test may differ by up to 1.5 %.

Guideline to the Offer Schedule

The Schedules attached provide details of the offer for each wine for which the Company is offering Wine Class Shares under this Prospectus.

Each Offer Schedule details:

- the specific Wine Producer, Label and Vintage;
- the Wine Class Share Offer Price;
- the size and number of bottles in the case;
- the number of shares on offer;
- the minimum subscription level;
- the maximum oversubscriptions that will be accepted;
- the maximum number of Wine Class Shares per application;
- the De-listing Date;
- the Delivery Notice Close Date (this is the same date as Maturity Date which is the term referred to in the summary of the Constitution and the Trust Deed);
- various details on the wine including :
  - the grape variety
  - the region
  - the range of the number of cases produced
  - the first public release date
  - some technical details
  - vinification notes
  - storage notes (if applicable);
- Wine Producer and / or Wine Maker profiles.

Offer Schedule Contents

Liandra Shiraz 1999
Clarendon Hills

Schedule Number : 01

Wine Producer:	**Clarendon Hills**
Label:	**Liandra Shiraz**
Vintage (year):	**1999**

Wine Class Share Offer Price:	**$696**
Number of Wine Class Shares on Offer:	180
Oversubscription up to:	750
Minimum Subscription Level:	100
Maximum Number of Wine Class Shares per application:	Not applicable
One (1) share relates to:	12 * 750 ml bottles of wine
Equivalent price per bottle:	**$58.00**
Anticipated Listing Date:	15/04/2002
De-listing Date:	14/04/2003
Delivery Notice Close Date:	05/06/2003
First Release Date (cellar door or retail trade):	November 2001
Range of the total number of cases produced:	0 – 2499

Product Description and Technical Analysis *(as provided by the Wine Producer)*

Grape Variety %:	Shiraz 100%		
GI Region(s):	Clarendon		
Bottling date:	August 2000		
% Malolactic Fermentation:	N/A	Fining:	None
Filtration Level:	None	Closure:	Cork
Type of Oak:	French Burgundy	% New Oak	100%
Barrel Maturation Time (mths):	18 months		

Wine Producer Notes

Vinification *(as provided by the Wine Producer)*

Old dry grown vines, hand picked fruit fermented in open stainless steel tanks with wild yeast. Macerated on skins up to 21 days in tank, then pressing fruit through a pneumatic membrane press and returning to barrel. All wines assembled and racked once for 18 months and then back into barrel. Vines planted in 1906.

Storage *(as provided by the Wine Producer)*

All wines are stored on the estate at a constant temperature between 16-18 degrees Celsius.

Wine Producer Profile *(as provided by the Wine Producer)*

Clarendon Hills Winery is situated 6 km south of Clarendon in the southern Adelaide foothills. It was established in 1989 with the first vintage in 1990. Roman Bratasiuk is the Owner/Winemaker, and his philosophy is to express the full character of the vines in the glass and with food, by working with old dry grown vines, handpicked grapes, using no fining or filtration and using 100% fully imported French Oak. At Clarendon Hills we work with single vineyards, making 100% varietal wines from old dry grown vineyards in the Blewitt Springs, Clarendon and Kangarilla Regions of S.A. (all within a 6km radius of each other). Our aim is to make complete, complex wine, that ages brilliantly and complements food.

Winemaker Profile *(as provided by the Wine Producer)*

Roman Bratasiuk worked as a Biochemist for 25 years and has a B.App.Sc. His degree in Biochemistry, Analytical Methods, and Microbiology, coupled with a passion for both tasting and making wine has resulted in the formation of this focused winery. “I have been tasting and analysing the great wines, of France in particular, for 30 years, using the French regions as my laboratory”.

Wine Producer:	**Howard Park Wines**
Label:	**Howard Park Cabernet Sauvignon / Merlot**
Vintage (year):	**1998**
Wine Class Share Offer Price:	**$300**
Number of Wine Class Shares on Offer:	400
Oversubscription up to:	590
Minimum Subscription Level:	233
Maximum Number of Wine Class Shares per application:	Not applicable
One (1) share relates to:	6 * 750 ml bottles of wine
Equivalent price per bottle:	**$50.00**
Anticipated Listing Date:	15/04/2002
De-listing Date:	14/04/2003
Delivery Notice Close Date:	05/06/2003
First Release Date (cellar door or retail trade):	September 2000
Range of the total number of cases produced:	0 – 2499

Product Description and Technical Analysis *(as provided by the Wine Producer)*

Grape Variety %:	75% Cabernet Sauvignon; 13% Cabernet Franc; 12% Merlot		
GI Region(s):	Great Southern / Margaret River / Pemberton		
Bottling date:	12th September 2000		
% Malolactic Fermentation:	100%	Fining:	None
Filtration Level:	Coarse	Closure:	Cork
Type of Oak:	100% French	% New Oak	100%
Barrel Maturation Time (mths):	24 months		

Wine Producer Notes

Vinification *(as provided by the Wine Producer)*

Selected parcels of Cabernet Sauvignon and Merlot grapes from our best vineyards situated in the Great Southern, Margaret River and Pemberton harvested at night, crushed and de-stemmed immediately into static open topped ten tonne fermenters. Must is chilled for 24 hours with inoculation by neutral yeast stains and acid adjustment. Fermentation management consisting of twice daily pumpover with active aeration to aid tannin development and polymerisation. Pressing at complete sugar dryness. Wine put immediately to barrel, 100% French oak 100% new. Maturation with periodic racking for approximately 24 months. No fining required, minimal filtration.

Storage *(as provided by the Wine Producer)*

Since bottling, the wine has been stored either at the winery or insulated warehouse with the bottles packed in a laydown position.

Wine Producer Profile *(as provided by the Wine Producer)*

Howard Park was established in Denmark, WA in 1986 with tiny quantities of super premium Riesling and Cabernet Sauvignon / Merlot under the Howard Park label. Since then the range has expanded to include the Howard Park Chardonnay and a full stable of the earlier drinking Madfish range. Recently, Howard Park produced their first regional wine, the Howard Park 'Leston' Shiraz from Margaret River fruit. Howard Park's commitment to quality is demonstrated with wineries situated in the two premier grape growing regions of Western Australia: Denmark in the Great Southern and Cowaramup in Margaret River, dedicated to producing ultra premium and premium wines. The Australian Gourmet Traveller Wine Magazine has rated all three Howard Park wines amongst the top twenty wines of Australia.

Winemaker Profile *(as provided by the Wine Producer)*

Chief Winemaker, Michael Kerrigan worked as a radiographer for twelve years before turning his hand to winemaking. He graduated Dux of Oenology from Roseworthy University in Adelaide and was invited to do vintage with Howard Park in 1994. He has been there ever since! Based at Margaret River, he is responsible for all practical activities associated with the production of the Howard Park and Madfish wines and divides his time between Denmark and Margaret River. During vintage he will travel up to 26,000 kilometres as he drives throughout the south west of Western Australia inspecting fruit and working the two wineries. Michael is married to Leith and they have two children.

Wine Producer:	**Katnook Estate**
Label:	**Katnook Estate Cabernet**
Vintage (year):	**2000**
Wine Class Share Offer Price:	**$336**
Number of Wine Class Shares on Offer:	360
Oversubscription up to:	1,000
Minimum Subscription Level:	210
Maximum Number of Wine Class Shares per application:	Not applicable
One (1) share relates to:	12 * 750 ml bottles of wine
Equivalent price per bottle:	**$28.00**
Anticipated Listing Date:	15/04/2002
De-listing Date:	14/04/2003
Delivery Notice Close Date:	05/06/2003
First Release Date (cellar door or retail trade):	September 2002
Range of the total number of cases produced:	5000 - 9999

Product Description and Technical Analysis *(as provided by the Wine Producer)*

Grape Variety %:	100% Cabernet Sauvignon		
GI Region(s):	Coonawarra		
Bottling date:	February 2002		
% Malolactic Fermentation:	100%	Fining:	Nil
Filtration Level:	50/50S Med/Sterile	Closure:	Cork
Type of Oak:	French	% New Oak	45%
Barrel Maturation Time (mths):	20 months		

Wine Producer Notes

Vinification *(as provided by the Wine Producer)*

Using static fermenters in 1½ tonne lots. Warm fermentation up to 28 degrees Celsius. Fermentation one week on skins. Drained and then pressed. Settled then racked off gross lees. Then into barrel (various types of French oak).

Storage *(as provided by the Wine Producer)*

The wine is stored on the estate at a constant temperature of no less than 12 degrees and no more than 16 degrees Celsius.

Wine Producer Profile *(as provided by the Wine Producer)*

Wingara Wine Group is a private medium sized Australian wine company. It is amongst the top twenty wine producers in Australia (by crush). Wingara was established in 1967 and has extensive vineyard and winemaking facilities at Red Cliffs in NW Victoria (350 hectares) and Coonawarra in South Australia (338 hectares).

Winemaker Profile *(as provided by the Wine Producer)*

Wayne Stehbens was once described by Australian iconoclastic wine writer Philip White as "Coonawarra's Golden Boy". Certainly Wayne is regularly seen at the steering end of the Coonawarra's Vignerons Association. Wayne is Senior Winemaker for the Wingara Wine Group (responsible for the Katnook Estate and Riddoch wines). He has been with the company since 1979 and has won two Jimmy Watson Trophies (1987 & 1998) in that time, as well as many other trophies and medals.

Winner of the 1998 Penguin Award for Best Cabernet Sauvignon (Katnook Estate 1997 vintage) points to his talent with this variety along with the other varieties in the portfolio. Katnook Estate Cabernet Sauvignon is often referred to as 'definitive Coonawarra Cabernet".

'The Palatine' 1999
Knappstein Lenswood Vineyards
Schedule Number : 04

Wine Producer:	**Knappstein Lenswood Vineyards**
Label:	**'The Palatine'**
Vintage (year):	**1999**

Wine Class Share Offer Price:	**$420**
Number of Wine Class Shares on Offer:	120
Oversubscription up to:	186
Minimum Subscription Level:	100
Maximum Number of Wine Class Shares per application:	Not applicable
One (1) share relates to:	12 * 750 ml bottles of wine
Equivalent price per bottle:	**$35.00**
Anticipated Listing Date:	15/04/2002
De-listing Date:	14/04/2003
Delivery Notice Close Date:	05/06/2003
First Release Date (cellar door or retail trade):	February 2002
Range of the total number of cases produced:	0 - 2499

Product Description and Technical Analysis *(as provided by the Wine Producer)*

Grape Variety %:	66% Merlot, 19%Malbec, 15% Cabernet		
GI Region(s):	Adelaide Hills		
Bottling date:	13 December 2000		
% Malolactic Fermentation:	100%	Fining:	Light egg white
Filtration Level:	Once through coarse pad	Closure:	Cork
Type of Oak:	French	% New Oak	50% for 9 months
Barrel Maturation Time (mths):	18 months		

Wine Producer Notes

Vinification *(as provided by the Wine Producer)*

The component wines were fermented separately in small batches, all these consisting of 50% whole and 50% crushed berries. These were first given a "cold soak" at 8-10°, for four days, then allowed to warm up as fermentation proceeded. Peak temperatures were 29 - 31°C. After pressing the wines were transferred to French oak barriques, 50% new and 50% one year old. Nine months later the wines were racked to all one-year-old barrels, where they stayed until blended, after a careful barrel selection. Only 50% of the year's wine was considered good enough for the final wine.

Storage *(as provided by the Wine Producer)*

The wine is stored at Vinpac International in Nuriootpa in SA. at a constant temperature between 16-18 degrees Celsius.

Wine Producer Profile *(as provided by the Wine Producer)*

Following a long family tradition, Tim Knappstein made premium wines in the Clare Valley for 30 years. In 1995 Tim and his wife, Annie, sold their entire Clare interests to concentrate on their vineyard development at Lenswood in the Adelaide Hills.
Only 25km east of the centre of Adelaide, this was the first vineyard in the Lenswood district, planted progressively by the Knappsteins since 1981. Planting was completed in 1997, Producing 200 tonnes of fruit when all 25.5ha are fully bearing.
With an average elevation of 520m, the vineyard has a distinctly cool climate with well drained soils of low to moderate fertility. The average rainfall is over 1000mm. As this falls mainly in winter and spring the vineyard is equipped with drip irrigation for use in dry periods.
The Knappsteins are dedicated to making truly great single vineyard wines by endeavouring to grow exceptional quality fruit, Tim employing his 30 years winemaking skill and expertise to make the wines, and then selecting only the best wines of each vintage to go into bottle.

Winemaker Profile *(as provided by the Wine Producer)*

Tim Knappstein is a third generation vigneron, untiringly dedicated to the pursuit of excellence in all things vinous!
Having graduated as Dux of the Roseworthy Oenology course in 1966, Tim made his mark as winemaker at the then family-owned winery, the Stanley Wine Company. He created the Leasingham range of wines and amassed 500 show awards, including 120 gold medals and 24 trophies over the next 10 years.
Following the sale of the Stanley Wine Company in 1971, now known as Leasingham Wines, Tim developed his own vineyards at Clare, and in 1976 started his own wine company, ‘Enterprise Wines’, housed in the old Enterprise Brewery in Clare. In 1985 the name was changed to Tim Knappstein Wines, and for the first time the Knappstein name graced a wine label.
Tim became renowned for his no compromise approach to grape growing and winemaking, producing style and quality standouts in a very competitive industry, with great consistency from year to year.
Always an innovator and pioneer, Tim, with his wife Annie, were first to plant a vineyard in the Lenswood area of the Adelaide Hills, in 1981. As the enormous potential of the cool climate Lenswood fruit emerged, the Knappstein’s sold all their Clare interests to Petaluma in 1995, to concentrate solely on the fruit and wines from this newly declared sub-region of the Adelaide Hills.
At 56 years of age, and with 35 years of winemaking experience Tim Knappstein is passionate about making world class single vineyard wines from fruit in what he firmly believes is one of Australia’s greatest vineyard areas, the Lenswood sub-region of the Adelaide Hills.

Wine Producer:	**Mountadam Vineyards**
Label:	**Mountadam Merlot**
Vintage (year):	**1998**

Wine Class Share Offer Price:	**$216**
Number of Wine Class Shares on Offer:	400
Oversubscription up to:	450
Minimum Subscription Level:	324
Maximum Number of Wine Class Shares per application:	Not applicable
One (1) share relates to:	6 * 750 ml bottles of wine
Equivalent price per bottle:	**$36.00**
Anticipated Listing Date:	15/04/2002
De-listing Date:	14/04/2003
Delivery Notice Close Date:	05/06/2003
First Release Date (cellar door or retail trade):	October 2000
Range of the total number of cases produced:	0 - 2499

Product Description and Technical Analysis *(as provided by the Wine Producer)*

Grape Variety %:	Merlot 100%		
GI Region(s):	Eden Valley		
Bottling date:	27 May 1999		
% Malolactic Fermentation:	100%	Fining:	Nil
Filtration Level:	Pad filtration	Closure:	Cork
Type of Oak:	Allier – 70%, Troncais – 30%	% New Oak	30%
Barrel Maturation Time (mths):	12 months		

Wine Producer Notes

Vinification *(as provided by the Wine Producer)*

After pre-fermentation maceration, the wines were fermented in 8 & 10 tonne fermenters with Bordeaux red yeast at 24-28 degrees C for 7 days until dryness. The wine was further macerated on skins for 15 days before pressing off to barrel. The wine was aged in French oak barriques for a period of 12 months. The proportion being 30% new and the balance 1, 2 and 3 year old wood from the forests of Allier and Troncais.

Storage *(as provided by the Wine Producer)*

The wine was stored at Vinpac International with a temperature between 15 and 18 degrees C. The bottles were stored lying on their side in wooden cases and on pallets.

Wine Producer Profile *(as provided by the Wine Producer)*

As a brand, Mountadam is recognised under the Langtons classification, with its Chardonnay enjoying Distinguished status.

Mountadam Vineyards was founded by the industry visionary, the late David Wynn, in 1972 following on from his success with Wynn's winery in Coonawarra - David is recognised as being one of those responsible for the rejuvenation of the Coonawarra as wine-growing district. David also pioneered the "bag in the box" wine cask in the 1970s which helped revolutionise home wine consumption in Australia.

Adam Wynn's commitment to winemaking is demonstrated through his study at University of Adelaide and later at the University of Bordeaux, where he was Dux in winemaking.

Mountadam wines are recognised by wine lovers throughout the world.

November 2000 saw investment by Cape Mentelle Vineyards as the majority shareholder. Cape Mentelle is in turn a subsidiary of champagne house Veuve Clicquot Ponsardin. Adam Wynn has taken on the role as Executive Chairman of Mountadam. The well-respected Andrew Ewart is the chief winemaker.

Winemaker Profile *(as provided by the Wine Producer)*

(Profile of Andrew Ewart – Winemaker at Mountadam from 1994-present)

Born in Singapore and raised in New Zealand, Andrew studied Horticultural Science at Lincoln University in Canterbury, New Zealand. He then studied winemaking at the University of California Davis where he received a Master of Science degree. After Davis, Andrew worked for Stellenbosch Farmers Winery of South Africa and then joined Roseworthy College (now the University of Adelaide) as the Senior Lecturer Oenology and as a Senior Research Fellow from 1977-1994. Andrew is a member of the South African, the American and the Australian Societies of Viticulture and Oenology.

Wine Producer:	**Orlando Wines**
Label:	**Jacob's Creek Limited Release Shiraz Cabernet**
Vintage (year):	**1999**
Wine Class Share Offer Price:	**$240**
Number of Wine Class Shares on Offer:	400
Oversubscription up to:	800
Minimum Subscription Level:	280
Maximum Number of Wine Class Shares per application:	Not applicable
One (1) share relates to:	6 * 750 ml bottles of wine
Equivalent price per bottle:	**$40.00**
Anticipated Listing Date:	15/04/2002
De-listing Date:	14/04/2003
Delivery Notice Close Date:	05/06/2003
First Release Date (cellar door or retail trade):	August 2003
Range of the total number of cases produced:	5000 – 9999

Product Description and Technical Analysis *(as provided by the Wine Producer)*

Grape Variety %:	71% Shiraz; 29% Cabernet Sauvignon		
GI Region(s):	Barossa Valley, Coonawarra		
Bottling date:	March 2001		
% Malolactic Fermentation:	100%	Fining:	Light egg fining
Filtration Level:	Nil	Closure:	Cork
Type of Oak:	Shiraz – American, Cabernet Sauvignon - French	% New Oak	100%
Barrel Maturation Time (mths):	18 months		

Wine Producer Notes

Vinification *(as provided by the Wine Producer)*

Grapes from each vineyard were de-stemmed and crushed seperately to static fermenters then inoculated with a selection of active wine yeasts prior to fermenting on skins at 22-26 degrees Celcius. The Shiraz ferments were drained after approximately 7 days to complete fermentation in new American oak barrels, while the Cabernet Sauvignon ferments received extended skin contact for 16 days to build weight and texture. The Cabernet Sauvignon components were then transferred following clarification to new French oak barrels. Each component wine was matured separately.

Storage *(as provided by the Wine Producer)*

Stored in air conditioned warehousing set between 14- 16 degrees Celcius

Wine Producer Profile *(as provided by the Wine Producer)*

Spanning more than 150 years ago, Orlando Wines is one of Australia's leading wineries dedicated to the pursuit of excellence in winemaking. Orlando winemakers are second to none in the time and effort they spend working with viticulturists in the vineyard, ensuring that grapes are grown to meet their discerning requirements and picked at just the right moment to produce maximum flavour and ripeness. The Orlando winemaking philosophy is to produce wines that are regarded as exemplary for each particular variety. This is achieved through rigorous fruit selection, strict attention to style and a total commitment to quality rather than quantity.

Winemaker Profile *(as provided by the Wine Producer)*

Philip Laffer is one of Australia's most experienced and influential winemakers, who has had a major impact on the way Orlando Wyndham has met the challenges of an increasingly globalised wine industry. He is Orlando Wines arbiter of style ensuring consistent high quality across all wines. He is a past chairman of the Australian Wine Research Institute and past vice president of the Grape and Wine Research and Development Corporation, and currently chairman of Viticulture 2000. A member of the Executive Committee of the Wine Federation of Australia, member of the Wine Practices Sub-committee of the Australian Wine and Brandy Corporation and a member of the National Wine Centre Board.

Wine Producer:	**Sally's Paddock**
Label:	**Sally's Paddock**
Vintage (year):	**2000**

Wine Class Share Offer Price:	**$360**
Number of Wine Class Shares on Offer:	340
Oversubscription up to:	600
Minimum Subscription Level:	194
Maximum Number of Wine Class Shares per application:	Not applicable
One (1) share relates to:	12 * 750 ml bottles of wine
Equivalent price per bottle:	**$30.00**
Anticipated Listing Date:	15/04/2002
De-listing Date:	14/04/2003
Delivery Notice Close Date:	05/06/2003
First Release Date (cellar door or retail trade):	March 2002
Range of the total number of cases produced:	0 – 2499

Product Description and Technical Analysis *(as provided by the Wine Producer)*

Grape Variety %:	40% Cabernet Sauvignon, 40% Shiraz, 15% Cabernet Franc, 5% Merlot		
GI Region(s):	Pyrenees		
Bottling date:	November 2001		
% Malolactic Fermentation:	99%	Fining:	Egg White
Filtration Level:	Z2 Polish – medium	Closure:	Cork
Type of Oak:	Nevers & American	% New Oak	40%
Barrel Maturation Time (mths):	20 months		

Wine Producer Notes

Vinification *(as provided by the Wine Producer)*

This single vineyard blend was batch processed in 1.5 tonne lots in open fermenters. Hand punched. Basket pressed. Fermented in wild yeasts with cultured inoculation. New wood – French 'Nevers' and American oak.

Storage *(as provided by the Wine Producer)*

The wine is stored on the estate at a constant temperature between 16-18 degrees Celsius.

Wine Producer Profile *(as provided by the Wine Producer)*

In 1973 Neill and Sally Robb first planted vines at their property at Redbank amidst the rolling Pyrenees hills which form a part of Australia's Great Dividing Range. Redbank is located near an old goldmining town, Avoca, in a region of few people and great natural beauty some 200 kilometres north-west of the city of Melbourne in Australia's most southerly state, Victoria. Since 1976 Redbank winery has been the source of some of Australia's outstanding red wines.

Winemaker Profile *(as provided by the Wine Producer)*

Neill Robb commenced winemaking on the cellar floor in 1968 in South Australia. Eventually Neill became the winemaker of Remy's Blue Pyrenees in 1970. He then left Remy to begin Sally's Paddock in 1973. The intention was always to make high quality, generic wine styles using traditional and modern winemaking methods. The evolution of Sally's Paddock is demonstrated in the classic '91 vintage.

Wine Producer:	**Xanadu**
Label:	**Xanadu Cabernet Reserve (Lagan Estate)**
Vintage (year):	**1998**
Wine Class Share Offer Price:	**$240**
Number of Wine Class Shares on Offer:	450
Oversubscription up to:	700
Minimum Subscription Level:	290
Maximum Number of Wine Class Shares per application:	Not applicable
One (1) share relates to:	6 * 750 ml bottles of wine
Equivalent price per bottle:	**$40.00**
Anticipated Listing Date:	15/04/2002
De-listing Date:	14/04/2003
Delivery Notice Close Date:	05/06/2003
First Release Date (cellar door or retail trade):	April 2002
Range of the total number of cases produced:	0 - 2499

Product Description and Technical Analysis *(as provided by the Wine Producer)*

Grape Variety %:	65% Cabernet, 20% Cabernet Franc, 15% Merlot		
GI Region(s):	Margaret River		
Bottling date:	February 2000		
% Malolactic Fermentation:	100%	Fining:	Egg whites
Filtration Level:	Nil	Closure:	Nat. Cork 49 x 26
Type of Oak:	Bordeaux Chateau Tradition	% New Oak	95%
Barrel Maturation Time (mths):	20 months		

Wine Producer Notes

Vinification *(as provided by the Wine Producer)*

Traditional Bordelaise vinification methods including extended skin contact and MLF on Oak. Premium estate grown Cabernet Sauvignon (65%) Cabernet Franc (20%) and Merlot (15%) were blended after one year and aged for a further 12 months in premium new troncais French barriques. Low yield and sustainable viticulture practices have ensured fruit depth and definition.

Storage *(as provided by the Wine Producer)*

15-17º C average temperature and approximately 75% - 85% humidity. Stored in lay-flat cartons.

Wine Producer Profile *(as provided by the Wine Producer)*

Lovers of literature remember Xanadu as Coleridge's mysterious, idyllic, exotic city; home of Kubla Khan. Lovers of wine, however, know Xanadu as an equally idyllic setting in the South West corner of Australia; home to one of the region's most respected vineyards.

At Xanadu Wines, rolling slopes of vines flourish in the rich, free draining gravel soils of the Margaret River region where they are fed by an abundant supply of pristine water and sheltered by forests of magnificent Marri trees. It's a near-perfect environment for viticulture.

Dr John Lagan, an Irishman, arrived in Margaret River in 1968 and was inspired by the pioneering spirit of the region. At the time the potential of Margaret River as one of the world's finest wine-producing regions was only just being considered. John established one of the regions earliest vineyards and he planted his first vines in 1977. Many Australian and international awards later, he and his family are involved with today's winemakers at Xanadu.

Success brought expansion. The eighty-five hectares of vines on the original Xanadu Estate have been supplemented with a further forty-five hectares in the nearby Karridale sub region and there has been a major investment in modern winemaking technology.

The winery and vineyard are currently producing 11 varieties of wine under three popular labels; Secession, Xanadu and the Lagan Estate range. Xanadu Wines is proud of its ongoing commitment to produce exciting wines of the highest quality.

Winemaker Profile *(as provided by the Wine Producer)*

Jurg Muggli trained and worked as a chef before studying viticulture and winemaking at Wadenswil in his native Switzerland. He worked in vineyards and wineries around Zurich and helped establish three new vineyards in the area. He emigrated to Australia in 1989 joining Brokenwood Wines at Pokolbin in NSW, and moved to Xanadu in 1990. Jurg's extensive experience in winemaking and vineyard management has been highly valuable in the continued development of the Xanadu product. He has refined wine styles and been instrumental in new product development, including labelling, promotions and establishing of new markets.

Guideline to the Technical Details in the Offer Schedule

A guide and descriptions of the technical details provided in the Offer Schedules is:

Grape Variety %	If a wine comprises 85% or more of a single grape variety, it may be listed as single varietal wine. In all other cases this field will detail the varietal percentages of each wine.
GI Region(s)	If a wine comprises 85% or more of grapes sourced from a single GI Region, the region may be stated on the wine label and the single region may be listed in the attached Schedules. In all other cases the Wine Producer will specify all the regions the grapes were sourced from. Please see below for a description of GIs.
Alcoholic Strength	The percentage, by volume, of pure ethanol (alcohol) in the wine. *Australia New Zealand Food Authority Act (1991) Cth*; Standard P4 states that wine must contain at least 8% of ethanol at 20 degrees Centigrade.
Titratable Acidity	A measure of the total acidity, both fixed and volatile, in grams per litre of wine. In Australia this is expressed in grams of tartaric acid per litre as opposed to with the French method of expressing total acidity (in grams of sulphuric acid).
% Malolactic fermentation	Malic acid is naturally present in wine grapes. During the vinification process it is common for wine to go through a malolactic fermentation (sometimes referred to as secondary fermentation) where lactic acid bacteria converts tart malic acid into softer lactic acid and carbon dioxide. This is usual for reds and optional in whites.
Fining	A clarification technique which involves adding a fining agent (such as egg whites or bentonite) to combine with solids (such as tannins or proteins) in the wine and settle at the bottom of the container.
PH	pH is a logarithmic scale which measures the quantity and strength of acids present in a liquid. In wine the pH values refers to the overall balance between fixed and volatile acids. The pH value of most wines is between 2.9 to 4.2.
Filtration Level / Sterile Filtration	A clarification process which involves pumping wine through various sorts of filters to remove suspended solids. There are 2 types of filtration: Deep filtration which involves layers of finely divided material such as diatomaceous earth. This works by adsorption/ attraction of the proteins in the wine. Surface Filtration whereby wine is passed through a membrane with holes smaller than the particles being removed. Surface Filtration is equivalent to a sterile filtration. This takes place just prior to bottling after one or more depth filtrations have taken place. The Wine Producer will indicate the level of the final filtration process carried out, if any. This may be coarse, medium, fine or sterile.
Closure	This will indicate how the bottle has been sealed, ie. cork, stelvin screwcaps or crown seals.
Type of Oak	Winemakers favour different types of oak in the vinification and maturation process. This can include country or forest of origin, cooper, firing treatment, size or oak format.
% New Oak	The percentage of new barrels used in the vinification and / or maturation process.

Specific Gravity	Ratio of the weight of the wine to the weight of an equal volume of water usually expressed as grams per cc. Essentially the density of the wine.
Volatile Acidity	A measure in grams per litre of wine of the naturally occurring organic acids and general substances (mainly acetic acid and ethyl acetate) that are formed by the oxidation of alcohol. *Australia New Zealand Food Authority Act (1991) Cth*; Standard P4 states that wine must not contain more than 1.5g/L volatile acidity excluding sulphur dioxide.
Sulphur Dioxide	Sulphur dioxide, since ancient times, is added to nearly all wines mainly as a preservative and to protect them from oxidation and bacterial infection. "Free" sulphur dioxide refers to the sulphur dioxide which is active in terms of its effect on aroma, yeast, bacteria or potential oxidation. "Bound" sulphur dioxide refers to the sulphur dioxide that combines with sugars and molecules from fermentation. *Australia New Zealand Food Authority Act (1991) Cth*; Standard P4 states that wine must not contain more than 250 milligrams per litre of sulphur dioxide in wine containing less than 35 grams per litre of sugars or more than 300 milligrams per litre in total sulphur dioxide for all other products.
Residual Sugar	The amount of sugar, measured in grams per litre, which remains in the wine after fermentation is complete. In some cases the residual sugar is not detectable and will be recorded on the AWX Certificate as N.D.

What is a Geographical Indicator ?

A Geographical Indication (GI) is an official description of an Australian wine zone, region or sub-region. Its main purpose is to protect the use of the regional name under international law, limiting its use to describe wines produced from wine grape fruit grown within that GI.

The Geographic Indications (GI) for many regions have only been determined in recent years therefore some regional names do not correlate precisely to GIs.

GIs are determined by the Australian Wine and Brandy Corporation (AWBC). The AWBC is a Commonwealth statutory body that is responsible for national matters such as export and labelling regulations; determination of GIs; the collection and dissemination of relevant wine industry information; and the generic promotion of Australian wine.

How to purchase AWX Capital Limited (AWX) shares under the Offer

- Read this prospectus in full.
- Complete one of the original Application Forms on the following pages.
- Please follow the guidelines on the reverse of the Application Form to ensure that you submit a valid application.
- Applications must be to purchase a minimum of 2 shares.
- Your application constitutes an offer to purchase wine class shares in AWX on the terms set out in this Prospectus.
- Acceptance of your offer is at the sole discretion of AWX.
- AWX reserves the rights to reject any application or to allocate any application a lower number of shares in AWX than applied for.

Payment

- The Application Forms must be accompanied by application money in the form of a cheque or bank draft drawn on an Australian bank, crossed 'Not Negotiable' and made payable to "AWX Capital Limited Applications Account" in Australian dollars.
- Cash cannot be accepted.
- Application money will be held in a bank account until the shares in AWX are allotted.
- Sufficient cleared funds should be held in your account as your application may be rejected if your cheque is dishonoured.

Overseas

- This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

How to lodge your Application

Your completed Application Form and application money must be mailed or delivered to:
Wine Class Share Offer No 2
ASX Perpetual Registrars Limited
Locked Bag A14, Sydney South, NSW 1232

Opening and closing dates

- You can lodge an application at any time after the Offer opens at 9.00am Sydney time, Tuesday 5th February 2002.
- The offer closes not later than 5.00pm Sydney time, Monday 4th March 2002.
- As the Offer may be closed earlier without prior notice, you are encouraged to submit your application as soon as possible after the Offer opens.

Further information

If you need further information on how to apply to purchase shares in AWX, contact AWX whose details are located in the Corporate Directory located on the inside back cover.

Treatment of Application

The return of an Application Form with your cheque for the application money will constitute your offer to purchase shares in AWX. If your Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid.
The decision of AWX as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final.
AWX's decision on the number of shares to be allocated to you shall also be final. You will not, however, be treated as having offered to purchase more shares than is indicated on the Application Form.
Investors whose applications are not accepted, or are accepted in respect of a lower number of shares than the number applied for, will receive a refund of all or part of their application money without interest, as applicable.

Correct Forms of Registrable Names

Note that only legal entities are allowed to hold shares. Applications must be in the name(s) of natural persons, companies or other entities acceptable to AWX. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

TYPE OF INVESTOR	CORRECT FORM	EXAMPLE OF INCORRECT FORM
Individuals Give full name – not initials	John Fred Williams	JF Williams
Person under the age of 18 Do not use the name of the minor, use name(s) of parent(s) / guardian(s)	Michael John Wilson Sarah Jane Wilson <Andrew Wilson A/C>	Andrew Wilson
Companies Use company title, not abbreviations	John Williams Pty Ltd	J. Williams Co. John Williams P/L
Trusts Do not use the name of the trust, use name(s) of trustee(s)	John Fred Williams <Williams Family A/C>	John Williams Family Trust
Deceased Estates Do not use the name of deceased, use personal names of executor(s)	Jane Mary Wilson <EST John Smith A/C>	Estate of the Late John Smith
Partnerships Do not use the name of partnership, use personal names of partners	Sarah Jane Wilson Michael John Wilson <Sarah Wilson & son A/C>	Sarah Wilson & Son
Clubs/Unincorporated Bodies Do not use the name of clubs etc. use personal names of office bearer(s)	John Fred Williams <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Do not use the name of fund, use name(s) of trustee(s)	Sarah Wilson Pty Ltd <Super Fund A/C>	Sarah Wilson Pty Ltd Superannuation Fund

How to complete the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black ink. These instructions are cross-referenced to each section of the Form.

A

Write the full name you wish to appear on the register. This must be either your own name or the name of a company. You should refer to the notes accompanying the Application Form for the correct forms of name which can be registered. Applications using the wrong form of name may be rejected.

Applications in the name of a minor, a trust or estate, business, firm or partnership, club, association or other unincorporated body cannot be accepted. Applications made in the individual name(s) who is (are) the legal guardian(s), trustee(s), proprietor(s), partner(s) or office bearer(s) (as applicable) of those entities will be accepted.

If you are applying as Joint Applicants, complete Section E. You should refer to the page facing the Application Form for the instructions on the correct form of name. Up to three joint applicants may register.

An account designation may be entered on the last line of this section.

It should be contained within <> brackets with A/C at the end eg. <SUPERFUND A/C>

B

Enter your postal address for all correspondence. All communications to you from AWX's share registry (share statements, annual/interim reports, correspondence, etc) will be mailed to the person(s) and address as shown. For joint applications, only one address can be entered.

C

Please insert your telephone number(s) and contact name in case there are irregularities with your application.

D

If you are a broker sponsored client, insert your CHESS HIN (Holder Identification Number).

E

Make your cheque(s) or bank drafts payable to "**AWX Capital Limited Applications Account**" in Australian currency. Your cheque(s) or bank draft(s) must be drawn on an Australian bank.

PIN (do not staple) your cheque(s) or bank draft(s) to the Application Form where indicated.

Complete the details of your cheque(s) or bank draft(s) in this section.

F

Insert the Number of shares you wish to apply for in the Box headed Number of Shares.

The application must be for a minimum of 2 Wine Class Shares. These can be from the same or different classes.

G

Calculate your application money by multiplying the number of shares by Price per Share.

Lodgment of Applications

You must deliver or mail your complete application with payment to:
AWX Wine Class Share Offer No 2
ASX Perpetual Registrars Limited
Locked Bag A14, Sydney South, NSW 1232

Applications must be received in the office at the above address by 5.00pm Sydney time, Monday 4th March 2002.

PIN CHEQUES HERE

DO NOT STAPLE

AWX Capital Limited

ACN 096 176 377

APPLICATION FORM

Share Registrars use only

Broker Reference - Stamp Only

This Application Form is for shares in AWX Capital Limited and accompanies the AWX Capital Limited Prospectus dated 25 January 2002. This application form must not be handed to another person unless attached to or accompanied by the Prospectus dated 25 January 2002. The Prospectus contains information material to an investment in shares in AWX Capital Limited. You should read the Prospectus prior to completing this Application Form. AWX Capital Limited will send a paper copy of the Prospectus to you free of charge on request, at any time while the Prospectus is current. Shares to which the Prospectus relates will only be issued on receipt of an Application Form issued together with the Prospectus.

OFFER CLOSES 5:00pm, Monday 4th March 2002

Broker code

Advisor code

A

Full name (PLEASE PRINT)
Title, Given Name(s) & Surname or Company Name

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

B

Postal Address (PLEASE PRINT)

Unit Number/Level

Street Number

Street Name/PO Box/Locked Bag

Suburb/Town

State

Post Code

C

Contact Name

Telephone Number - Business Hours

D

CHESS HIN

Telephone Number - After Hours

E

Cheque Details

Drawer	Bank	Branch/BSB	Amount of Cheque
			$
			$

Use and Disclosure of Personal Information I/we consent to the information provided in this application form being forwarded to the AWX Registry for entry into the register so that the Applicants noted above may be registered as the Holder of a Wine Class Share. I/we acknowledge that we have read the AWX Privacy Statement which is available either directly from AWX or via its website www.awx.com.au.

Declaration I/We declare that by lodging this application form, I/We represent and acknowledge that I/We have read and understood the prospectus to which this application form relates and agree to be bound by the Constitution of AWX Capital Limited and the terms of the Master Bare Trust Deed. I/We hereby authorise the Company to complete and execute any document necessary to effect the allotment and transfer of any Shares. By lodging this application form, I/We declare that this application is completed and lodged according to the prospectus and that all statements made by myself/ourselves are complete and accurate. I/We represent and warrant that I/we am/are not (a) resident(s) or national(s) of any jurisdiction where the application for the Shares is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by the Company.

F

PLEASE READ ALL INSTRUCTIONS

I/we apply for the number of shares of each class listed below or such lesser number of Shares which may be allocated by the Directors

		Number of Shares	Price per Share	Total
Clarendon Hills Liandra Shiraz 1999 Wine Class Share	AWXCHL		@ $696	
Howard Park Cabernet Sauvignon/Merlot 1998 Wine Class Share	AWXHPC		@ $300	
Katnook Estate Cabernet 2000 Wine Class Share	AWXKEM		@ $336	
Knappstein Lenswood Vineyards 'The Palatine' 1999 Wine Class Share	AWXKLP		@ $420	
Mountadam Merlot 1998 Wine Class Share	AWXMAM		@ $216	
Orlando Wines Jacob's Creek Limited Release 1999 Wine Class Share	AWXOJC		@ $240	
Sally's Paddock 2000 Wine Class Share	AWXSPC		@ $360	
Xanadu Cabernet Reserve (Lagan Estate) 1998 Wine Class Share	AWXXLC		@ $240	

G I/We lodge full application monies $

CORPORATE DIRECTORY

REGISTERED OFFICE OF THE COMPANY

Level 8, 380 St Kilda Road

Melbourne VIC 3004

DIRECTORS

Clive Batrouney

Mark Rowsthorn

Stephen Thompson

Bob Watson

TRUSTEE

Australian Wine Exchange Nominees Pty Limited

Level 8, 380 St Kilda Road

Melbourne VIC 3004

SHARE REGISTRY

ASX Perpetual Registrars Limited

Level 8, 580 George Street

Sydney NSW 2000

LEGAL ADVISERS

Baker & McKenzie

Level 26, AMP Centre

50 Bridge Street

Sydney NSW 2000

AUDITORS

PricewaterhouseCoopers

333 Collins Street

MELBOURNE VIC 3000

SPONSORING BROKER

Pritchard & Partners Pty. Limited

10 Murray Street

Hamilton, NSW, 2303

BROKERS TO THE OFFER

Cameron Stockbrokers Limited

CGU House Level 5, 10 Spring St.

Sydney, NSW, 2000

ETRADE Australia Securities Limited

Level 1, 10 Bridge Street

Sydney, NSW, 2000

Macquarie Equities Limited

Level 19, 20 Bond Street
Sydney, NSW, 2000

Pritchard & Partners Pty. Limited

10 Murray Street

Hamilton, NSW, 2303

Salomon Smith Barney Securities Australia Pty Limited

Level 20, 2 Park Street,

Sydney, NSW, 2000

Taylor Collison Limited

55 Hunter Street

Sydney, NSW, 2000

Tonkin Scorer Menzies

42 King Street

Newcastle, NSW, 2300

Westpac Banking Corporation

Level 5, 255 Elizabeth Street

Sydney , NSW, 2000