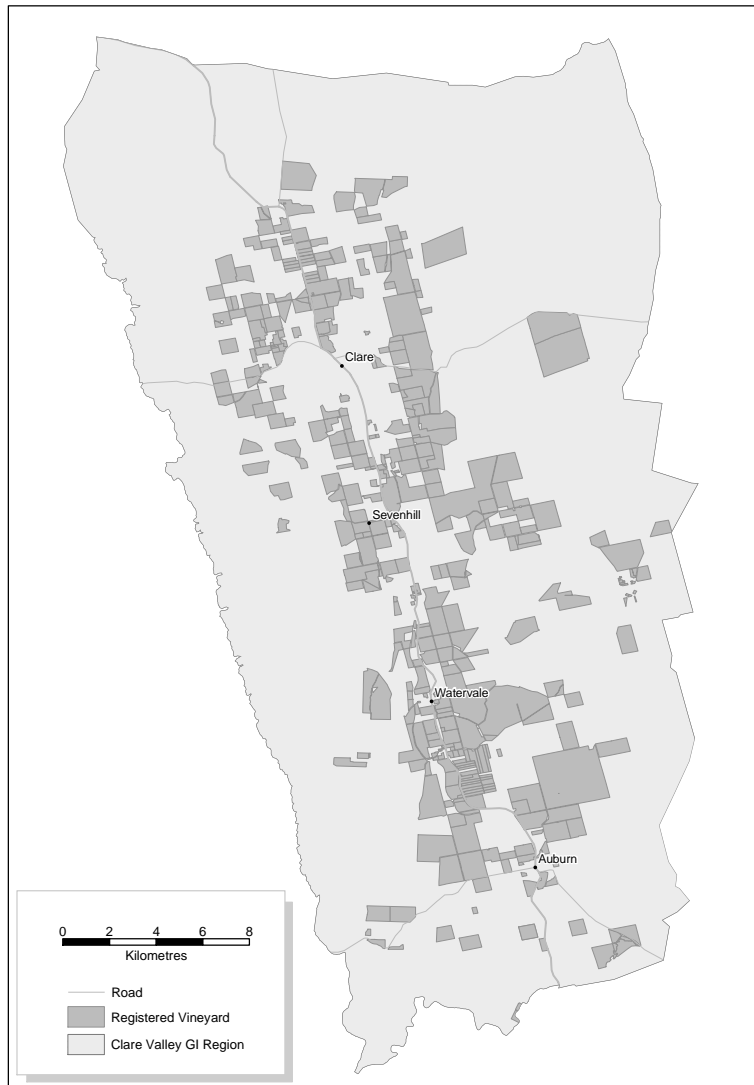


CLARE VALLEY VINTAGE OVERVIEW



Vintage report

The 2004 vintage had its challenges but the strength of the Clare Valley as a premium wine region has shone through, with some excellent wines produced, including some of the best Cabernet Sauvignon seen for several years.

Seasonal influences for the 2004 vintage were more dramatic than usual. From early October through to the end of vintage, Clare experienced less than half the long-term rainfall for that period. November was warmer than average, December the hottest for some time and then January was one of the coolest on record.

At the beginning of February the Clare Valley was looking picturesque with vineyards in excellent condition and healthy canopies appearing in balance with crop levels. Then a heatwave descended upon the Valley. For sixteen days the average maximum temperature was 37.9°C. It was difficult to remain positive as the heat took its toll on the vines.

Vintage commenced early, with a large percentage of Chardonnay and Semillon picked by the end of February. Following this, ripening slowed and generally within the district it was a long drawn-out vintage for wineries.

The 2004 Rieslings showed amazing resilience in the face of extreme weather conditions. Naturally, some loss of Riesling fruit occurred due to sunburn; however with greater attention to detail and by hand selection, this was easily separated. Above average Riesling yields were achieved and wines are displaying generous, full flavours with good concentration.

Cabernet Sauvignon was one of the highlights of the vintage with many winemakers reporting excellent parcels of fruit. The wines are exhibiting generosity of flavour with ripe tannin structure, good varietal character and excellent colour. Bunch stem necrosis, probably due to heat and lack of moisture, diminished crop levels in some vineyards.

Kerri Thompson

Chairman, Clare Valley Winemakers Inc.

Overview of vintage statistics

The Clare Valley produced 33,023 tonnes in 2004 – 72% up on the drought-affected 2003 vintage, and 6,000 tonnes more than the previous record harvest in 2002. There were significant surpluses in red varieties, especially Shiraz, but supply and demand for whites were in balance. Prices held up reasonably well compared with many regions; the average purchase value for most of the major varieties dropping by around \$100 per tonne, while the average value for Riesling and Semillon actually increased. Total income to growers nearly doubled, because of the high tonnages, and the total value of grapes to the region increased from \$29 million in 2003 to \$45 million.

The forecast is for a slight decline in intake of red varieties, from 25,000 in 2005 to 22,000 in 2009. Preferred intake is below the estimated figure in each year. Intake of white varieties is expected to stabilise at around 12,000 tonnes, with supply and demand in balance. Riesling is expected to overtake Cabernet Sauvignon as the second most important variety for the region in 2008, and is the only variety where the forecast is for more intake in 2009 than was produced in 2004.

Consistent with the intake forecasts, there were 96 hectares of Riesling (11% increase) planted in 2003, following a similar increase the previous year. The area of Riesling has increased by nearly one third in the past two planting seasons.



CLARE VALLEY CURRENT PLANTINGS BY VARIETY AND YEAR PLANTED

Table 5.1

| Variety | Current area in hectares by year planted | | | | | | Total area | % planted in 2003 |
|-------------------------------|--|------------|------------|------------|------------|------------|-------------|-------------------|
| | Pre-1999 | 1999 | 2000 | 2001 | 2002 | 2003 | | |
| RED WINEGRAPES | | | | | | | | |
| BARBERA | 0 | 2 | 0 | 1 | 0 | 0 | 3 | 0% |
| CABERNET FRANC | 24 | 2 | 0 | 1 | 0 | 0 | 26 | 0% |
| CABERNET SAUVIGNON | 956 | 132 | 74 | 23 | 9 | 3 | 1196 | 0% |
| GRENACHE | 62 | 0 | 4 | 2 | 0 | 0 | 69 | 0% |
| MALBEC | 45 | 23 | 7 | 1 | 2 | 1 | 79 | 1% |
| MATARO (MOUVEDRE) | 4 | 1 | 4 | 5 | 2 | 2 | 17 | 10% |
| MERLOT | 241 | 33 | 2 | 0 | 10 | 1 | 286 | 0% |
| NEBBIOLO | 1 | 2 | 1 | 0 | 0 | 0 | 4 | 0% |
| PETIT VERDOT | 18 | 1 | 2 | 0 | 2 | 0 | 22 | 0% |
| PINOT NOIR | 15 | 0 | 0 | 0 | 0 | 0 | 15 | 0% |
| RUBY CABERNET | 2 | 0 | 0 | 0 | 0 | 0 | 2 | 0% |
| SANGIOVESE | 11 | 13 | 9 | 1 | 1 | 0 | 34 | 0% |
| SHIRAZ | 1161 | 265 | 139 | 48 | 29 | 22 | 1664 | 1% |
| TEMPRANILLO | 0 | 4 | 1 | 0 | 3 | 1 | 10 | 15% |
| OTHER RED | 6 | 2 | 2 | 0 | 1 | 0 | 11 | 4% |
| TOTAL RED WINEGRAPES | 2545 | 480 | 244 | 82 | 58 | 30 | 3439 | 1% |
| WHITE WINEGRAPES | | | | | | | | |
| CHARDONNAY | 346 | 0 | 1 | 0 | 3 | 7 | 359 | 2% |
| CHENIN BLANC | 2 | 0 | 0 | 0 | 0 | 0 | 2 | 0% |
| MUSCAT BLANC | 2 | 0 | 0 | 0 | 0 | 0 | 2 | 0% |
| RIESLING | 519 | 40 | 68 | 69 | 118 | 96 | 911 | 11% |
| SAUVIGNON BLANC | 33 | 0 | 0 | 0 | 0 | 0 | 34 | 0% |
| SEMILLON | 191 | 0 | 0 | 0 | 0 | 0 | 191 | 0% |
| TRAMINER | 14 | 0 | 0 | 0 | 0 | 9 | 23 | 38% |
| VERDELHO | 2 | 0 | 1 | 1 | 0 | 0 | 4 | 0% |
| VIOGNIER | 2 | 1 | 6 | 1 | 3 | 0 | 12 | 0% |
| OTHER WHITE | 13 | 0 | 1 | 0 | 4 | 0 | 18 | 0% |
| TOTAL WHITE WINEGRAPES | 1125 | 42 | 78 | 71 | 128 | 113 | 1557 | 7% |
| TOTAL ALL VARIETIES | 3670 | 522 | 323 | 153 | 186 | 143 | 4995 | 3% |

Note: some increase in area in this region is a result of including previously unregistered growers with older plantings.



CLARE VALLEY TONNES CRUSHED BY VARIETY - VINTAGE 2004

Table 5.2

| Variety | Total winery grown | Total other growers | Total crushed | Total preferred | Tonnes from other growers as % of total | % of demand supplied | Number of wineries reporting tonnages (> 0) for | | |
|------------------------------|--------------------|---------------------|---------------|-----------------|---|----------------------|---|-------|-----------|
| | | | | | | | Own | Other | Preferred |
| RED | | | | | | | | | |
| Barbera | 13 | 0 | 13 | 13 | 0% | 100% | 2 | 0 | 2 |
| Cabernet Franc | 73 | 69 | 142 | 103 | 49% | 138% | 7 | 4 | 6 |
| Cabernet Sauvignon | 3056 | 3659 | 6715 | 5304 | 54% | 127% | 21 | 22 | 28 |
| Grenache | 63 | 299 | 363 | 312 | 83% | 116% | 3 | 13 | 14 |
| Malbec | 222 | 158 | 380 | 238 | 42% | 159% | 9 | 9 | 13 |
| Mataro (Mouvedre) | 21 | 68 | 90 | 102 | 76% | 88% | 4 | 5 | 7 |
| Merlot | 823 | 1217 | 2040 | 1814 | 60% | 112% | 13 | 12 | 18 |
| Nebbiolo | 14 | 0 | 14 | 14 | 0% | 100% | 1 | 0 | 1 |
| Other red | 28 | 0 | 28 | 28 | 0% | 100% | 1 | 0 | 1 |
| Petit Verdot | 55 | 88 | 143 | 99 | 62% | 145% | 4 | 5 | 5 |
| Pinot Noir | 104 | 39 | 142 | 119 | 27% | 119% | 2 | 4 | 3 |
| Ruby Cabernet | 10 | 0 | 10 | 10 | 0% | 100% | 1 | 0 | 1 |
| Sangiovese | 86 | 83 | 169 | 121 | 49% | 140% | 2 | 5 | 2 |
| Shiraz | 3526 | 8583 | 12109 | 8661 | 71% | 140% | 17 | 23 | 29 |
| Tempranillo | 26 | 1 | 27 | 36 | 2% | 74% | 3 | 1 | 4 |
| Total RED | 8121 | 14265 | 22385 | 16975 | 64% | 132% | | | |
| WHITE | | | | | | | | | |
| Chardonnay | 1645 | 1346 | 2991 | 3010 | 45% | 99% | 9 | 14 | 16 |
| Chenin Blanc | 12 | 3 | 14 | 12 | 18% | 122% | 1 | 1 | 1 |
| Crouchen | 48 | 0 | 48 | 35 | 0% | 138% | 1 | 0 | 1 |
| Muscadelle (Tokay) | 19 | 0 | 19 | 19 | 0% | 100% | 1 | 0 | 1 |
| Muscat Gordo Blanco | 4 | 4 | 8 | 8 | 51% | 103% | 1 | 1 | 1 |
| Other white (group together) | 69 | 0 | 69 | 61 | 0% | 114% | 3 | 0 | 3 |
| Pedro Ximenes | 0 | 10 | 10 | 0 | 100% | | 0 | 1 | 0 |
| Pinot Gris | 9 | 2 | 11 | 20 | 20% | 56% | 1 | 1 | 2 |
| Riesling | 2613 | 2676 | 5289 | 5132 | 51% | 103% | 21 | 23 | 31 |
| Sauvignon Blanc | 266 | 49 | 315 | 327 | 16% | 96% | 5 | 4 | 6 |
| Semillon | 570 | 1093 | 1663 | 1609 | 66% | 103% | 10 | 16 | 19 |
| Traminer | 114 | 38 | 151 | 111 | 25% | 137% | 4 | 1 | 5 |
| Verdelho | 17 | 0 | 17 | 17 | 0% | 100% | 1 | 0 | 1 |
| Viognier | 12 | 19 | 31 | 35 | 62% | 90% | 1 | 3 | 4 |
| Total WHITE | 5398 | 5240 | 10638 | 10394 | 49% | 102% | | | |
| Total for region | 13518 | 19505 | 33023 | 27369 | | | | | |

CLARE VALLEY CROP VALUE DATA - VINTAGE 2004

Table 5.3

| Variety | Grower grown | Total crushed (1) | estimated total value | | lowest price (2) | highest price (2) | calc average purchase value per tonne (3) | |
|---------------------|--------------|-------------------|-----------------------|---------------------|------------------|-------------------|---|------|
| | | | purchased grapes | total grapes | | | | |
| RED | | | | | | | | |
| Cabernet Franc | 69 | 142 | \$68,017 | \$139,502 | \$750 | \$1,200 | \$985 | 100% |
| Cabernet Sauvignon | 3659 | 6715 | \$4,652,566 | \$8,538,894 | \$500 | \$2,650 | \$1,272 | 100% |
| Grenache | 299 | 363 | \$350,199 | \$424,283 | \$650 | \$2,000 | \$1,169 | 100% |
| Malbec | 158 | 380 | \$227,516 | \$546,690 | \$600 | \$2,125 | \$1,440 | 100% |
| Mataro (Mouvedre) | 68 | 90 | \$91,744 | \$120,290 | \$420 | \$1,800 | \$1,342 | 100% |
| Merlot | 1217 | 2040 | \$1,520,225 | \$2,547,975 | \$900 | \$1,800 | \$1,249 | 100% |
| Petit Verdot | 88 | 143 | \$72,292 | \$117,526 | \$700 | \$1,700 | \$819 | 100% |
| Pinot Noir | 39 | 142 | \$26,251 | \$96,423 | \$600 | \$1,000 | \$678 | 100% |
| Sangiovese | 83 | 169 | \$80,172 | \$162,671 | \$700 | \$1,150 | \$962 | 98% |
| Shiraz | 8583 | 12109 | \$12,719,138 | \$17,944,719 | \$672 | \$3,000 | \$1,482 | 100% |
| Tempranillo | 1 | 27 | \$918 | \$45,764 | | | \$1,700 | 100% |
| Total RED | 14265 | 22320 | \$19,809,038 | \$30,684,736 | | | | |
| WHITE | | | | | | | | |
| Chardonnay | 1346 | 2991 | \$1,757,318 | \$3,903,882 | \$900 | \$1,800 | \$1,305 | 100% |
| Chenin Blanc | 3 | 14 | \$1,820 | \$10,066 | | | \$700 | 100% |
| Muscat Gordo Blanco | 4 | 8 | \$3,900 | \$7,700 | | | \$1,000 | 100% |
| Pedro Ximenes | 10 | 10 | \$6,000 | \$6,000 | | | \$600 | 100% |
| Pinot Gris | 2 | 11 | \$3,280 | \$16,459 | | | \$1,464 | 100% |
| Riesling | 2676 | 5289 | \$4,258,840 | \$8,417,974 | \$900 | \$3,400 | \$1,592 | 96% |
| Sauvignon Blanc | 49 | 315 | \$50,200 | \$320,696 | \$600 | \$1,350 | \$1,018 | 100% |
| Semillon | 1093 | 1663 | \$1,123,107 | \$1,709,187 | \$500 | \$1,400 | \$1,028 | 100% |
| Traminer | 38 | 151 | \$56,190 | \$226,780 | | | \$1,498 | 100% |
| Viognier | 19 | 31 | \$32,216 | \$52,182 | \$1,450 | \$1,850 | \$1,664 | 100% |
| Total WHITE | 5240 | 10484 | \$7,292,871 | \$14,670,925 | | | | |

(1) Only includes varieties where some fruit was purchased. Varieties where all fruit is winery grown are not shown in this table.

(2) The absence of lowest and highest prices means that fewer than three wineries supplied pricing data for each variety.

(3) This does not include end use bonuses or other adjustments determined post-receival.



CLARE VALLEY ESTIMATED AND PREFERRED FUTURE INTAKE OF GRAPES 2005 TO 2009

Table 5.4

| Variety | 2005 | | 2006 | | 2007 | | 2008 | | 2009 | |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | estimated | preferred | estimated | preferred | estimated | preferred | estimated | preferred | estimated | preferred |
| RED | | | | | | | | | | |
| Barbera | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Cabernet Franc | 193 | 98 | 166 | 71 | 152 | 71 | 112 | 71 | 112 | 71 |
| Cabernet Sauvignon | 8516 | 6006 | 8404 | 6061 | 8225 | 6213 | 6991 | 5516 | 6546 | 5554 |
| Dolcetto | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Grenache | 480 | 288 | 412 | 308 | 408 | 332 | 411 | 347 | 424 | 357 |
| Malbec | 375 | 261 | 398 | 276 | 413 | 291 | 311 | 291 | 311 | 291 |
| Mataro (Mouvedre) | 88 | 81 | 125 | 111 | 159 | 141 | 163 | 141 | 171 | 141 |
| Merlot | 2515 | 1996 | 2547 | 2000 | 2617 | 2068 | 2712 | 2219 | 2472 | 2241 |
| Nebbiolo | 19 | 15 | 19 | 15 | 19 | 15 | 19 | 15 | 19 | 15 |
| Other red | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Petit Verdot | 234 | 34 | 246 | 34 | 246 | 34 | 246 | 34 | 121 | 34 |
| Pinot Noir | 145 | 123 | 145 | 123 | 133 | 123 | 100 | 90 | 100 | 90 |
| Ruby Cabernet | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Sangiovese | 116 | 106 | 116 | 106 | 116 | 106 | 100 | 90 | 100 | 90 |
| Shiraz | 12686 | 9143 | 12585 | 9499 | 12734 | 10147 | 12221 | 10693 | 11219 | 11432 |
| Tempranillo | 40 | 40 | 50 | 50 | 60 | 60 | 80 | 80 | 100 | 100 |
| Zinfandel | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total for RED | 25480 | 18265 | 25287 | 18728 | 25355 | 19675 | 23539 | 19661 | 21768 | 20490 |
| WHITE | | | | | | | | | | |
| Chardonnay | 2916 | 2894 | 3039 | 2976 | 3057 | 2992 | 2760 | 2921 | 2853 | 3054 |
| Chenin Blanc | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Crouchen | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 |
| Muscadelle (Tokay) | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Muscat Gordo Blanco | 7 | 8 | 7 | 8 | 7 | 8 | 7 | 8 | 7 | 8 |
| Other white | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 |
| Pinot Gris | 20 | 20 | 30 | 30 | 40 | 40 | 62 | 62 | 85 | 85 |
| Riesling | 5831 | 5541 | 6616 | 6146 | 7208 | 6749 | 7279 | 6965 | 7493 | 7254 |
| Sauvignon Blanc | 252 | 262 | 252 | 262 | 264 | 277 | 269 | 267 | 284 | 292 |
| Semillon | 1947 | 1778 | 1909 | 1737 | 1796 | 1707 | 1085 | 1097 | 1071 | 1098 |
| Traminer | 126 | 106 | 126 | 107 | 126 | 108 | 126 | 108 | 126 | 108 |
| Verdelho | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Viognier | 29 | 30 | 36 | 37 | 49 | 50 | 54 | 55 | 54 | 55 |
| Total for WHITE | 11259 | 10769 | 12146 | 11433 | 12679 | 12062 | 11774 | 11614 | 12104 | 12085 |
| Total for region | 36739 | 29034 | 37433 | 30161 | 38034 | 31737 | 35313 | 31275 | 33872 | 32575 |

CLARE VALLEY PAST PRODUCTION AND PROJECTIONS FOR MAJOR VARIETIES 1991 - 2009

Figure 5.1

Past production and projections (major varieties)

