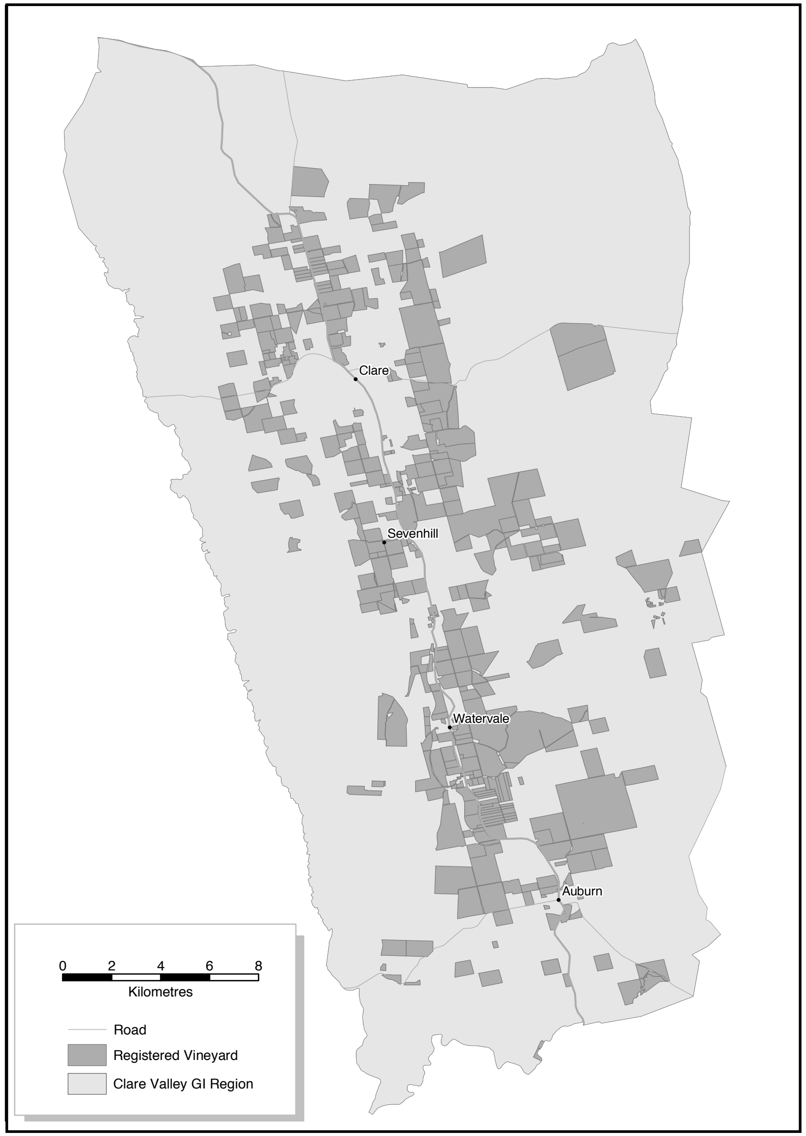
CLARE VALLEY VINTAGE OVERVIEW



Vintage Report

The 2005 vintage has been one of the best in the last ten years.

The season produced near perfect growing conditions. Spring was warm with October warmer than usual, suggesting that we might be in for a long, hot summer, but that did not turn out to be the case. Mean maximum temperatures for January and February were below the long-term average with the critical month of February being more than two degrees below average. In fact, we experienced only one day in summer over the old century mark.

Autumn was warm and dry with virtually no rain so once vintage started it proceeded without interruption. The only negatives were a frost event on 3 November that caused significant loss of fruit in a small number of vineyards, and hail early in February that caused minor damage.

After a slightly early start, vintage continued at a frenetic pace with fruit ripening in a very different order from most vintages. A lot of Shiraz was fermented before any Riesling had been picked and some blocks of Cabernet Sauvignon were ready a month earlier than usual. With large amounts of these three varieties picked in the same week in some cases, it was inevitable that wineries would have logistical issues. For some wineries it was their most compact and intense vintage ever with some very long days of processing being experienced.

There have been favourable reports about all white varieties this year. Yields on Riesling were above average with the fruit showing varietal purity and retaining high levels of natural acid. The ideal conditions of the season are reflected in the quality of the Riesling wines.

Red varieties are the best for some years with both Shiraz and Cabernet Sauvignon very strong, although Cabernet yields were quite low.

Kerri Thompson

Chair, Clare Valley Winemakers Inc

Overview of vintage statistics

The Clare Valley produced 30,478 tonnes in 2005 – 8% down on the record 2004 harvest. There were significant surpluses in red varieties, especially Shiraz, but supply and demand for whites were in balance. The average purchase value for Shiraz, Cabernet Sauvignon and Chardonnay all dropped by around $100 per tonne, while the average value for Riesling dropped by over $200 per tonne. Total income to growers was down by 16%, and the total value of grapes to the region decreased from $45 million in 2004 to $38 million.

The forecast is for an increase in intake, from 31,600t in 2006 to 35,000t in 2010. Riesling is expected to overtake Cabernet Sauvignon as the second most important variety for the region in 2008, with growth of around 20% in the five year forecast period.

There were 139 hectares of new plantings in 2004 – about half that of the previous year. Half of the new plantings were Riesling, while most of the rest was Shiraz. The area planted to Riesling has nearly doubled in the past five years.

Based on the current vineyard area in the region, and using estimated yield figures of 8 t/ha for reds and whites, the estimated production for Clare in 2008 is around 43,000 tonnes. This is nearly 10,000 tonnes (22%) higher than the preferred intake for that year. Most of the estimated surplus is in red varieties, with large surpluses of Cabernet Sauvignon (3700t) and Shiraz (2,400t) expected. Even Riesling is expected to be in oversupply in three years' time.

CLARE VALLEY CURRENT PLANTINGS BY VARIETY AND YEAR PLANTED

Table 5.1

Variety	Pre-2000	2000	2001	2002	2003	2004	Total area	% planted in 2004
	Current area in hectares by year planted							
RED WINEGRAPES								
CABERNET FRANC	20	0	1	0	0	0	21	0%
CABERNET SAUVIGNON	1083	74	51	9	3	5	1224	0%
GRENACHE	61	4	8	2	1	0	77	0%
MALBEC	67	3	1	1	1	1	75	1%
MATARO (MOUVEDRE)	5	4	9	2	3	1	24	6%
MERLOT	265	6	5	10	20	0	305	0%
NEBBIOLO	3	1	0	0	0	0	4	0%
PETIT VERDOT	17	2	0	2	0	0	21	0%
PINOT NOIR	14	0	0	0	0	0	14	0%
SANGIOVESE	22	9	2	4	0	0	37	0%
SHIRAZ	1435	139	104	36	39	41	1794	2%
TEMPRANILLO	4	1	1	3	5	0	14	0%
OTHER RED	12	2	1	3	0	0	18	3%
TOTAL RED WINEGRAPES	**3009**	**244**	**182**	**71**	**73**	**49**	**3628**	**1%**
WHITE WINEGRAPES								
CHARDONNAY	343	1	7	3	17	17	389	4%
PINOT GRIS	1	1	0	3	2	2	9	21%
RIESLING	580	85	98	148	132	64	1107	6%
SAUVIGNON BLANC	30	0	0	0	0	1	31	3%
SEMILLON	190	0	0	1	0	0	191	0%
TRAMINER	14	0	0	0	9	0	23	0%
VIOGNIER	3	6	3	3	1	6	22	28%
OTHER WHITE	16	1	1	1	0	0	19	0%
TOTAL WHITE WINEGRAPES	**1176**	**95**	**110**	**158**	**161**	**91**	**1792**	**5%**
TOTAL ALL VARIETIES	**4185**	**339**	**292**	**229**	**234**	**139**	**5419**	**3%**

CLARE VALLEY TONNES CRUSHED BY VARIETY - VINTAGE 2005

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	**30**	**0**	**30**	**28**	0%	106%	2	0	2
Cabernet Franc	**46**	**39**	**85**	**55**	46%	153%	5	2	5
Cabernet Sauvignon	**2,571**	**2,729**	**5,300**	**5,258**	51%	101%	18	18	25
Dolcetto	**19**	**0**	**19**	**19**	0%	100%	1	0	1
Grenache	**81**	**286**	**367**	**245**	78%	150%	5	12	12
Malbec	**305**	**162**	**468**	**329**	35%	142%	10	7	13
Mataro	**12**	**114**	**127**	**134**	90%	95%	4	4	7
Merlot	**845**	**1,071**	**1,916**	**1,822**	56%	105%	13	8	17
Nebbiolo	**18**	**9**	**27**	**17**	35%	158%	2	1	1
Other red	**11**	**0**	**11**	**15**	0%	75%	2	0	2
Petit Verdot	**41**	**70**	**111**	**141**	63%	79%	2	2	3
Pinot Noir	**91**	**32**	**122**	**120**	26%	102%	2	3	3
Ruby Cabernet	**13**	**0**	**13**	**15**	0%	89%	1	0	1
Sangiovese	**82**	**81**	**162**	**162**	50%	100%	4	3	6
Shiraz	**3,581**	**6,792**	**10,372**	**7,785**	65%	133%	18	22	29
Tempranillo	**21**	**4**	**25**	**25**	17%	100%	3	1	4
Zinfandel	**4**	**0**	**4**	**6**	0%	58%	2	0	2
Total RED	**7,770**	**11,389**	**19,159**	**16,176**	**59%**	**118%**			
% of grand total			*63%*	*61%*					
WHITE									
Chardonnay	**1,787**	**888**	**2,676**	**2,285**	33%	117%	12	9	14
Chenin Blanc	**10**	**0**	**10**	**10**	0%	95%	1	0	1
Muscat Blanc	**6**	**0**	**6**	**10**	0%	64%	3	0	3
Other white	**106**	**0**	**106**	**105**	0%	101%	4	0	4
Pinot Gris	**11**	**19**	**30**	**24**	64%	124%	2	2	3
Riesling	**2,768**	**3,647**	**6,415**	**5,900**	57%	109%	19	22	29
Sauvignon Blanc	**201**	**55**	**256**	**242**	21%	106%	5	5	7
Semillon	**794**	**792**	**1,586**	**1,360**	50%	117%	10	11	16
Traminer	**139**	**28**	**167**	**137**	17%	122%	4	1	5
Verdelho	**17**	**0**	**17**	**25**	0%	68%	2	0	2
Viognier	**0**	**52**	**52**	**59**	100%	88%	0	6	6
Total WHITE	**5,838**	**5,482**	**11,320**	**10,157**	**48%**	**111%**			
% of grand total			*37%*	*39%*					
Grand Total	**13,608**	**16,871**	**30,478**	**26,333**	**55%**	**116%**			

CLARE VALLEY CROP VALUE DATA - VINTAGE 2005

Table 5.3

Variety	Grower grown (t)	Total crushed (t)	Estimated total value purchased grapes	Estimated total value total grapes	Lowest price[1]	Highest price	Calc average purchase value per tonne	*qualifier[2]*
RED								
Barbera	0	30	$0	$37,190			$0	
Cabernet Franc	39	85	$34,915	$76,038			$900	*100%*
Cabernet Sauvignon	2,729	5,300	$3,203,116	$6,221,248	$600	$2,675	$1,174	*100%*
Dolcetto	0	19	$0	$23,953			$0	
Grenache	286	367	$350,032	$449,003	$600	$2,000	$1,223	*100%*
Malbec	162	468	$178,702	$514,798	$600	$2,150	$1,101	*100%*
Mataro	114	127	$84,296	$93,433	$600	$1,800	$737	*100%*
Merlot	1,071	1,916	$1,285,530	$2,299,237	$250	$1,600	$1,200	*100%*
Nebbiolo	9	27	$9,931	$28,589			$1,056	*100%*
Other red	0	11	$0	$14,119			$0	
Petit Verdot	70	111	$51,777	$82,339			$742	*100%*
Pinot Noir	32	122	$19,064	$73,953	$500	$1,000	$604	*100%*
Ruby Cabernet	0	13	$0	$16,767			$0	
Sangiovese	81	162	$53,373	$107,315	$600	$800	$662	*100%*
Shiraz	6,792	10,372	$9,079,558	$13,866,597	$250	$3,500	$1,337	*100%*
Tempranillo	4	25	$7,429	$42,852			$1,688	*100%*
Zinfandel	0	4	$0	$4,412			$0	
Total RED	**11,389**	**19,159**	**$14,357,722**	**$23,951,843**				
WHITE								
Chardonnay	888	2,676	$1,085,127	$3,268,109	$900	$1,637	$1,221	*100%*
Chenin Blanc	0	10	$0	$12,227			$0	
Muscat Blanc	0	6	$0	$7,980			$0	
Other white	0	106	$0	$136,433			$0	
Pinot Gris	19	30	$27,066	$42,150			$1,410	*100%*
Riesling	3,647	6,415	$4,967,446	$8,736,954	$300	$2,363	$1,362	*100%*
Sauvignon Blanc	55	256	$59,396	$276,562	$900	$1,200	$1,080	*100%*
Semillon	792	1,586	$793,272	$1,588,365	$500	$1,400	$1,001	*100%*
Traminer	28	167	$34,013	$202,423			$1,215	*100%*
Verdelho	0	17	$0	$22,009			$0	
Viognier	52	52	$89,108	$89,108	$1,500	$1,850	$1,728	*100%*
Total WHITE	**5,482**	**11,320**	**$7,055,427**	**$14,382,322**				
Total all varieties	**16,871**	**30,478**	**$21,413,149**	**$38,334,164**				

[1] The absence of lowest and highest prices means that fewer than three wineries supplied pricing data for each variety.

[2] This indicates the percentage of purchased fruit for which pricing information was supplied.

CLARE VALLEY ESTIMATED AND PREFERRED FUTURE INTAKE OF GRAPES 2006 TO 2010

Table 5.4

	2006			*2007*			*2008*			*2009*			*2010*		
Variety	estimated	preferred	*qualifier*[1]	estimated	preferred	*qualifier*	estimated	preferred	*qualifier*	estimated	preferred	*qualifier*	estimated	preferred	*qualifier*
RED															
Barbera	32	32	*100%*	32	32	*100%*	32	32	*100%*	32	32	*100%*	32	32	*100%*
Cabernet Franc	83	40	*88%*	64	40	*88%*	64	40	*88%*	64	40	*88%*	64	40	*88%*
Cabernet Sauvignon	8,216	6,744	*98%*	7,921	6,706	*98%*	7,121	6,124	*98%*	6,821	6,294	*98%*	6,340	6,365	*98%*
Dolcetto	15	15	*100%*	15	15	*100%*	15	15	*100%*	15	15	*100%*	15	15	*100%*
Grenache	416	300	*97%*	416	311	*95%*	405	349	*95%*	438	383	*74%*	470	415	*74%*
Malbec	463	331	*99%*	471	336	*99%*	475	337	*99%*	475	338	*99%*	443	338	*99%*
Mataro	163	151	*100%*	168	152	*100%*	176	154	*100%*	181	156	*100%*	184	159	*100%*
Merlot	2,272	1,938	*99%*	2,369	2,065	*99%*	2,395	2,099	*99%*	2,262	2,176	*99%*	2,044	1,980	*93%*
Nebbiolo	19	15	*65%*	19	15	*65%*	19	15	*65%*	19	15	*65%*	19	15	*65%*
Other red	15	15	*100%*	15	15	*100%*	15	15	*100%*	15	15	*100%*	15	15	*100%*
Petit Verdot	201	145	*100%*	201	145	*100%*	201	145	*100%*	201	145	*100%*	76	20	*41%*
Pinot Noir	155	129	*100%*	143	129	*98%*	110	96	*79%*	110	96	*79%*	110	96	*79%*
Ruby Cabernet	15	15	*100%*	15	15	*100%*	15	15	*100%*	15	15	*100%*	15	15	*100%*
Sangiovese	179	179	*100%*	179	179	*100%*	163	163	*100%*	163	163	*100%*	163	163	*100%*
Shiraz	12,427	10,142	*98%*	12,788	10,929	*98%*	13,326	11,910	*98%*	12,309	12,475	*97%*	11,697	12,757	*97%*
Tempranillo	72	74	*100%*	88	83	*100%*	91	103	*100%*	103	123	*100%*	103	123	*100%*
Zinfandel	6	6	*100%*	6	6	*100%*	6	6	*100%*	6	6	*100%*	6	6	*100%*
Total red	**24,748**	**20,271**		**24,909**	**21,172**		**24,628**	**21,618**		**23,228**	**22,487**		**21,795**	**22,554**	
WHITE															
Chardonnay	2,830	2,624	*98%*	2,744	2,638	*98%*	2,665	2,662	*98%*	2,796	2,859	*98%*	2,807	2,885	*98%*
Chenin Blanc	10	10	*100%*	10	10	*100%*	10	10	*100%*	10	10	*100%*	10	10	*100%*
Muscat Blanc	9	9	*92%*	9	9	*92%*	9	9	*92%*	9	9	*92%*	9	9	*92%*
Other white	105	105	*100%*	105	105	*100%*	105	105	*100%*	105	105	*100%*	105	105	*100%*
Pinot Gris	56	63	*83%*	111	111	*100%*	148	150	*100%*	170	170	*100%*	170	170	*100%*
Riesling	6,689	6,220	*98%*	7,240	7,129	*98%*	7,521	7,446	*98%*	7,685	7,663	*98%*	7,537	7,631	*96%*
Sauvignon Blanc	251	267	*89%*	240	256	*83%*	245	257	*83%*	254	258	*83%*	259	259	*83%*
Semillon	1,886	1,798	*100%*	1,812	1,801	*100%*	1,198	1,239	*100%*	1,224	1,289	*100%*	1,242	1,331	*100%*
Traminer	121	98	*100%*	121	98	*100%*	121	99	*100%*	121	98	*100%*	121	98	*100%*
Verdelho	20	25	*100%*	20	25	*100%*	20	25	*100%*	20	25	*100%*	20	25	*100%*
Viognier	97	111	*91%*	143	154	*100%*	170	181	*100%*	175	187	*100%*	176	188	*100%*
Total white	**12,074**	**11,330**		**12,555**	**12,336**		**12,212**	**12,183**		**12,569**	**12,673**		**12,456**	**12,711**	
Total all varieties	**36,821**	**31,601**		**37,464**	**33,508**		**36,840**	**33,801**		**35,797**	**35,160**		**34,251**	**35,265**	

[1] This indicates the percentage of crushed fruit in the current vintage for which forecast intake data was supplied.

CLARE VALLEY SUPPLY AND DEMAND FORECASTS 2006 AND 2008

Table 5.5

Variety	2006 estimated bearing area (ha)[1]	2006 estimated production (tonnes)[2]	2006 preferred intake (tonnes)[3]	2006 Difference (tonnes)	2006 % difference	2008 estimated bearing area (ha)[1]	2008 estimated production (tonnes)[2]	2008 preferred intake (tonnes)[3]	2008 Difference (tonnes)	2008 % difference
Barbera	3	24	32	-8	-33%	3	24	32	-8	-33%
Cabernet Franc	21	168	40	128	76%	21	168	40	128	76%
Cabernet Sauvignon	1,216	9,728	6,744	2,984	31%	1,224	9,792	6,124	3,668	37%
Grenache	76	608	300	308	51%	77	616	349	267	43%
Malbec	73	584	331	253	43%	75	600	337	263	44%
Mataro	20	160	151	9	6%	24	192	154	38	20%
Merlot	285	2,280	1,938	342	15%	305	2,440	2,099	341	14%
Nebbiolo	4	32	15	17	53%	4	32	15	17	53%
Other red	15	120	51	69	58%	15	120	51	69	58%
Petit Verdot	21	168	145	23	14%	21	168	145	23	14%
Pinot Noir	14	112	129	-17	-15%	14	112	96	16	14%
Sangiovese	37	296	179	118	40%	37	296	163	134	45%
Shiraz	1,714	13,712	10,142	3,570	26%	1,794	14,352	11,910	2,442	17%
Tempranillo	9	72	74	-2	-3%	14	112	103	9	8%
Red Total	**3,508**	**28,064**	**20,271**	**7,793**	**28%**	**3,628**	**29,024**	**21,618**	**7,407**	**26%**
Chardonnay	355	2,840	2,624	216	8%	389	3,112	2,662	450	14%
Other white	15	120	124	-4	-3%	15	120	124	-4	-3%
Pinot Gris	5	40	63	-23	-58%	9	72	150	-78	-108%
Riesling	911	7,288	6,220	1,068	15%	1,107	8,856	7,446	1,410	16%
Sauvignon Blanc	30	240	267	-27	-11%	31	248	257	-9	-4%
Semillon	191	1,528	1,798	-270	-18%	191	1,528	1,239	289	19%
Traminer	14	112	98	14	13%	23	184	99	85	46%
Verdelho	4	32	25	7	22%	4	32	25	7	22%
Viognier	15	120	111	9	8%	22	176	181	-5	-3%
White Total	**1,540**	**12,320**	**11,330**	**990**	**8%**	**1,792**	**14,336**	**12,183**	**2,153**	**15%**
Grand Total	**5,048**	**40,384**	**31,601**	**8,783**	**22%**	**5,419**	**43,360**	**33,801**	**9,559**	**22%**

This table compares estimated future production (supply) - based on planting data - with estimated future demand (preferred intake). This gives a better indication of possible shortfalls and surpluses than comparing estimated with preferred intake, as estimated intake does not necessarily account for all production of a given variety.

(1) Planting data derived from PGIB vineyard register. Bearing area includes plantings more than three years old.

(2) Bearing area multiplied by yield estimate of 8t/ha for reds and whites.

(3) Taken from the Utilisation and Pricing survey (see previous page).

CLARE VALLEY PAST PRODUCTION AND PROJECTIONS FOR MAJOR VARIETIES 1991 - 2010

Figure 5.1