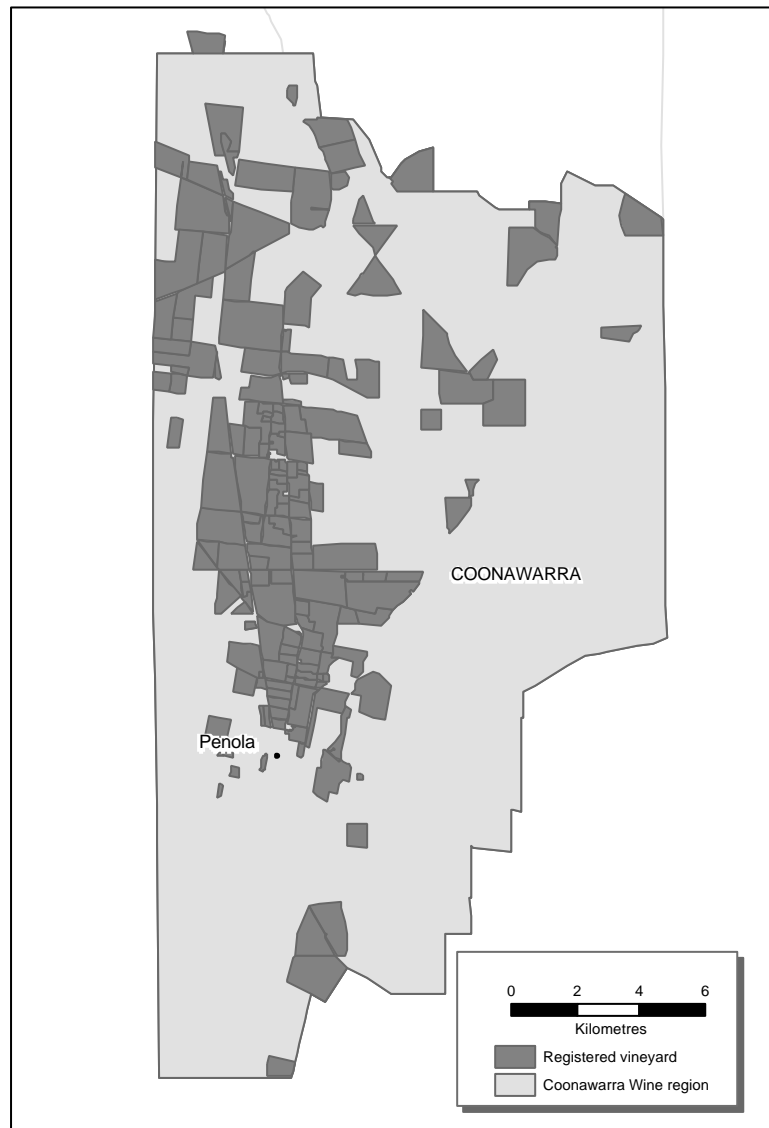


COONAWARRA VINTAGE OVERVIEW



Vintage Report

The 2002 Coonawarra vintage was the culmination of an excellent season with very high quality wines but generally lower yields. A quick summary of the season's production might read 'very late, very little and very good'.

The record coolness of spring and autumn more than 2 °C cooler than average delayed flowering and significantly reduced 'fruit set', resulting in low yields and a long ripening season, normal conditions for high quality. The low yields were expressed through normal bunch numbers having fewer and smaller berries per bunch rather than in reduced bunch numbers. This enabled increased concentration of flavours and colour during the clear and sunny ripening conditions.

The clear weather held through vintage and warmed to above average temperatures in April with bright sunshine and little rain. The fruit was able to ripen to very high baumé levels while maintaining ideal pH and crisp acid with rich fresh berry fruit characters and remaining disease free.

The yields of white varieties were down slightly from normal but not as low yielding as the reds. The wines are of excellent quality with the conditions especially conducive to the crisp acidity of the Riesling. Chardonnay is also looking good. The reds are showing deep high colour and excellent varietal definitions both on nose and palate. Cabernet Sauvignon, Shiraz and Merlot are all showing potential to produce some superb wines ... in limited quantities.

Max Arney

Overview of vintage statistics

The total crush of Coonawarra grapes was 17,801 – a drastic 66% reduction on the 2001 "bumper" crop, and 14,000 tonnes below the winemakers' preferred amount. The shortfall was much more significant in red varieties, with barely half of the demand supplied.

The weighted average weighbridge price (WAWP) for most varieties was higher than last year, which may reflect the scarcity of fruit, and/or the generally higher baumé levels. The WAWP for Cabernet Sauvignon was up by \$90, and the corresponding weighted average baumé was 13.6 degrees, compared with 12.8 degrees in 2001. The higher WAWP for Cabernet Sauvignon was in contrast to most other regions, where the price for this variety fell significantly.

The forecast for the region is for further growth in red varieties from 35,000 tonnes in 2003 (compared with just 14,000 in 2002!) to 38,000 in 2007. There is still expected to be a 5% shortfall by that time, which is entirely in Cabernet Sauvignon. This variety is by far the most important for the region – accounting for over 50% of the total production in each of the forecast years. On the other hand, white varieties are expected to show a slight decline from an estimated 5,800 tonnes in 2003 to 5,700 in 2007 – when supply and demand will be in balance.

A 2% increase in new plantings for Coonawarra appears to be in line with projected requirements.

COONAWARRA TONNES CRUSHED BY VARIETY - VINTAGE 2002

Table 6.1

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	Purchased	Preferred
RED									
Cabernet Franc	84	92	177	218	52%	81%	13	4	15
Cabernet Sauvignon	4851	3103	7954	16188	39%	49%	19	23	34
Malbec	32	0	32	37	0%	86%	4	0	4
Merlot	525	197	722	2144	27%	34%	17	10	26
Meunier	10	2	12	16	14%	77%	2	1	4
Nebbiolo	0	0	0	0	0%		1	0	0
Other red	0	0	0	1	0%	76%	1	0	1
Petit Verdot	46	10	55	102	18%	54%	10	3	12
Pinot Noir	489	113	602	888	19%	68%	7	5	10
Ruby Cabernet	3	0	3	6	0%	50%	1	0	1
Sangiovese	1	0	1	0	0%		1	0	0
Shiraz	3494	1370	4864	7562	28%	64%	16	10	22
Tempranillo	1	0	1	0	0%		1	0	0
Total RED	9537	4886	14423	27161	34%	53%			
WHITE									
Chardonnay	1357	541	1898	2959	28%	64%	12	11	20
Other white	7	0	7	0	0%		1	0	0
Pedro Ximenes	21	0	21	20	0%	103%	1	0	1
Riesling	689	155	844	892	18%	95%	4	3	7
Sauvignon Blanc	222	269	491	588	55%	83%	6	5	10
Semillon	102	4	106	99	4%	107%	4	1	5
Traminer	12	0	12	36	0%	33%	1	0	1
Viognier	0	0	0	5		0%	0	0	1
Total WHITE	2410	968	3378	4599	29%	73%			
Grand Total (red and white)	11947	5854	17801	31760					

COONAWARRA PRICE AND BAUME DATA - VINTAGE 2002

Table 6.2

Variety (1)	Grower grown	Total crushed	weighted average baumé		estimated total value		lowest price (2)	highest price (2)	weighted average weighbridge price (3)	
					purchased grapes	total grapes				
RED										
Cabernet Franc	92	177	13.7	100%	\$168,858	\$323,485	\$1,200	\$1,920	\$1,832	100%
Cabernet Sauvignon	3,103	7,954	13.6	98%	\$6,267,916	\$16,067,943	\$1,450	\$3,800	\$2,020	100%
Merlot	197	722	13.5	98%	\$378,983	\$1,391,712	\$1,065	\$2,640	\$1,929	100%
Meunier	2	12			\$2,210	\$15,652			\$1,300	100%
Petit Verdot	10	55	12.9	38%	\$16,041	\$91,458	\$1,600	\$1,734	\$1,657	100%
Pinot Noir	113	602	11.1	81%	\$147,074	\$782,861	\$1,100	\$1,400	\$1,300	100%
Shiraz	1,370	4,864	13.5	96%	\$2,464,232	\$8,747,871	\$1,200	\$2,400	\$1,799	100%
Total RED	4,886	14,385			\$9,445,314	\$27,420,981				
WHITE										
Chardonnay	541	1,898	12.9	94%	\$737,492	\$2,587,722	\$1,050	\$2,000	\$1,364	100%
Riesling	155	844	12.1	100%	\$136,905	\$746,913	\$850	\$935	\$885	100%
Sauvignon Blanc	269	491	12.5	100%	\$372,903	\$680,616	\$1,250	\$1,545	\$1,387	100%
Semillon	4	106	12.3	100%	\$2,527	\$68,908			\$648	100%
Total WHITE	968	3,339			\$1,249,827	\$4,084,159				

(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 price does not include end use or other bonuses paid after the weighbridge.

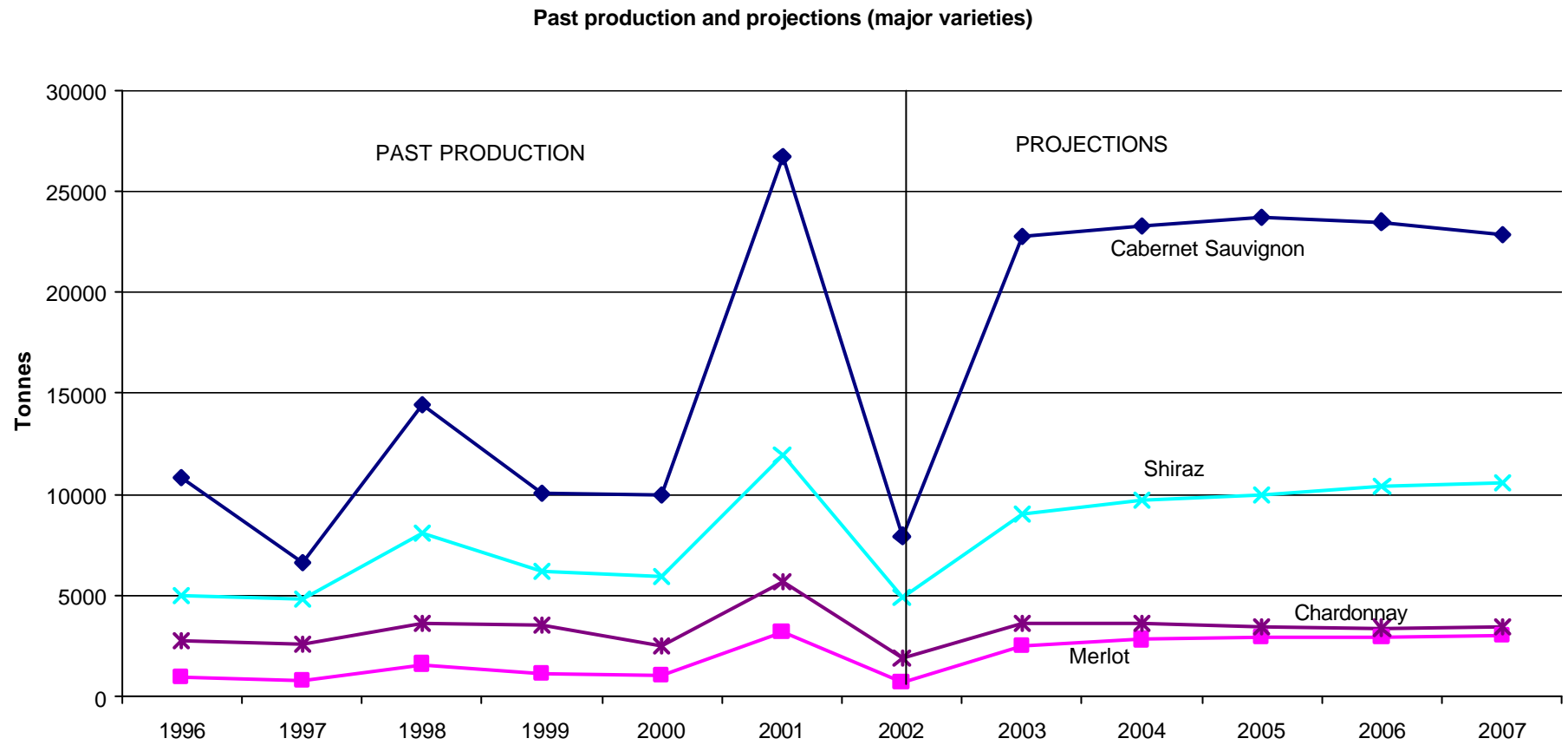
COONAWARRA ESTIMATED AND PREFERRED FUTURE INTAKE OF GRAPES 2003 TO 2007

Table 6.3

Variety	2003		2004		2005		2006		2007	
	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred
RED										
Cabernet Franc	348	245	348	247	338	238	313	225	313	225
Cabernet Sauvignon	22723	21487	23296	22539	23688	23264	23496	23552	22859	24098
Malbec	163	70	163	71	163	73	163	74	163	74
Merlot	2474	2878	2795	3298	2900	3573	2911	3775	2977	4127
Meunier	22	14	22	14	22	14	22	14	22	14
Other red	1	1	1	1	1	1	1	1	1	1
Petit Verdot	205	181	217	181	222	181	229	181	236	181
Pinot Noir	514	1008	1161	1008	1161	1008	1161	1008	1161	1008
Ruby Cabernet	8	8	8	8	8	8	8	8	8	8
Shiraz	9012	9400	9697	9757	9969	10053	10367	10412	10523	10631
Tempranillo	5	0	5	0	5	0	5	0	5	0
Total for RED	35475	35291	37713	37123	38476	38412	38676	39248	38268	40365
WHITE										
Chardonnay	3584	3185	3582	3254	3468	3413	3382	3509	3427	3594
Other white	9	0	9	0	9	0	9	0	9	0
Pedro Ximenes	20	0	20	0	20	0	20	0	20	0
Riesling	1409	1368	1409	1368	1409	1368	1438	1397	1478	1441
Sauvignon Blanc	692	610	696	614	680	599	680	599	680	599
Semillon	43	36	36	36	36	36	36	36	36	36
Traminer	36	36	36	36	36	36	36	36	36	36
Viognier	0	5	0	5	0	5	5	5	5	5
Total for WHITE	5793	5240	5788	5313	5658	5457	5606	5582	5691	5711

COONAWARRA PAST PRODUCTION AND PROJECTIONS FOR MAJOR VARIETIES 1996 - 2007

Figure 6.1



COONAWARRA CURRENT PLANTINGS BY VARIETY AND YEAR PLANTED

Table 6.4

Year planted - area in hectares

Variety	Pre-98	1998	1999	2000	2001	Total	% planted in 2001
RED WINEGRAPES							
CABERNET FRANC	42	-	-	-	-	42	0%
CABERNET SAUVIGNON	2075	357	296	113	33	2873	1%
MALBEC	19	-	-	-	-	19	0%
MERLOT	217	51	63	30	31	391	8%
PETIT VERDOT	13	1	14	-	-	29	0%
PINOT NOIR	106	-	5	-	-	111	0%
SHIRAZ	763	50	76	35	19	942	2%
OTHER RED	5	0	0	0	0	5	0%
TOTAL RED WINEGRAPES	3240	458	453	177	83	4412	2%
WHITE WINEGRAPES							
CHARDONNAY	358	6	9	-	12	385	3%
RIESLING	225	-	5	-	-	231	0%
SAUVIGNON BLANC	57	6	9	-	3	75	5%
OTHER WHITE	16	0	1	0	0	17	0%
TOTAL WHITE WINEGRAPES	656	12	25	0	16	708	2%
TOTAL ALL VARIETIES	3896	470	478	177	99	5120	2%