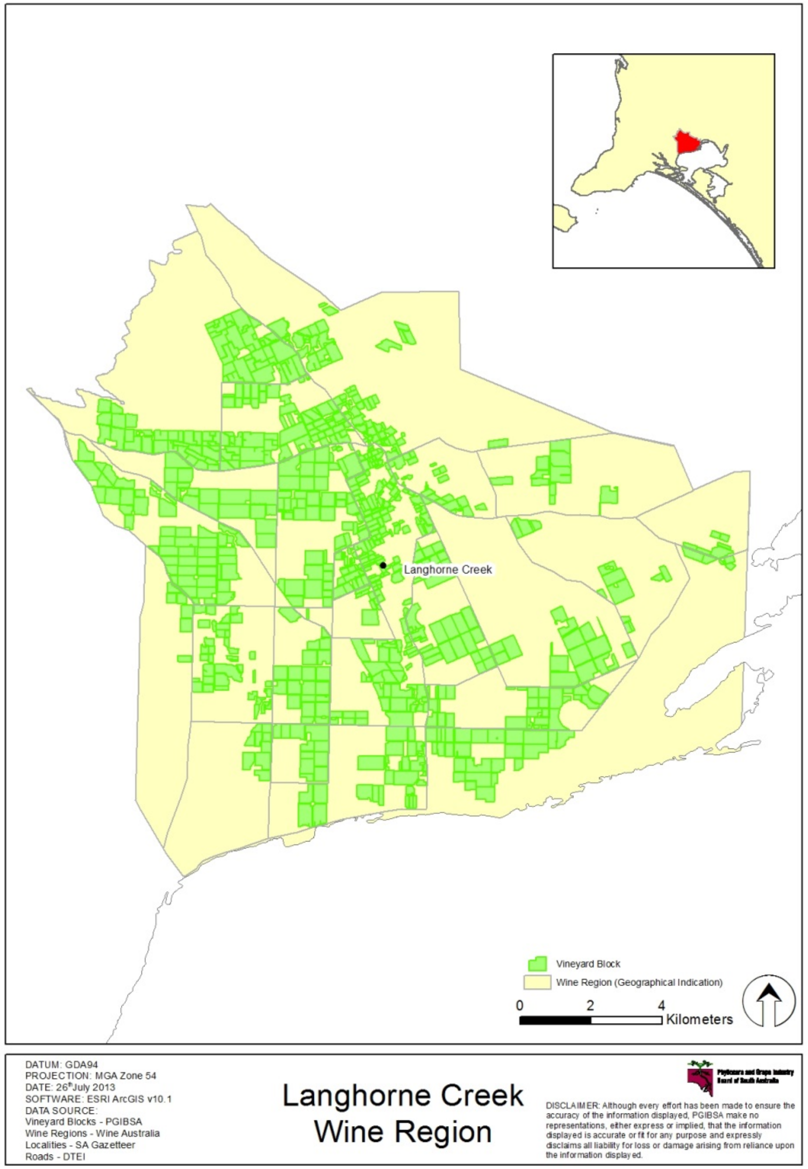


SA Winegrape Crush Survey

Regional Summary Report – 2015

Langhorne Creek Wine Region

Explanations and Definitions

INTAKE (CURRENT VINTAGE) DATA

Definition of regions
Regions have been defined in accordance with Geographical Indication (GI) boundaries. If a GI region has not been declared, or produces less than 5,000 tonnes, then the data is aggregated into the relevant GI zone. Disaggregation of data into smaller regions such as Southern Fleurieu and Mount Benson is available on request from Wine Australia.

Total crush
The total crushed is the total tonnes of grapes crushed from a particular source region, whether processed in that region, another region in SA or interstate. All wineries in Australia are included in the survey collection process. However, not all wineries respond to the survey - therefore the total tonnage reported may underestimate the true crush. It is estimated that the overall response rate for the survey is 90%; however, individual regions may vary. Reported fruit is separated into fruit produced from the winery's own or associated vineyards ("own grown") and from independent vineyards ("purchased").

Calculated average purchase value
The survey requests wineries to provide the total amount paid for each parcel of fruit purchased (or the price per tonne). This is the price paid for fruit of a particular variety at the point of receival – NOT including freight. It includes any penalties or bonuses (eg Baumé) applied at the weighbridge, but DOES NOT INCLUDE other bonuses or adjustments such as end use quality bonuses, which are not available at the time the survey is conducted (May 2015).

The calculated average purchase value per tonne is the average amount paid per tonne of fruit across all wineries. Winery grown grapes are not included in the calculation of average purchase value; nor are grapes grown by companies connected with the winery or under lease arrangements.

Important note on average purchase value
There is considerable variation in the pricing arrangements made by different wineries. For example, some wineries make adjustment payments based on the average value per tonne reported in this survey and some pay quality bonuses based on the end use of the product. These additional payments are not included in the reported figures. The average price also does not give any indication of the distribution of prices, or variables that go into individual contracts. Therefore the average price should not be compared directly with an individual grower's arrangement. It should also be noted that in minor varieties there may sometimes be very few purchases contributing towards a calculated average purchase value.

Price dispersion data (shaded columns in Intake Summary tables)
All purchases for each variety are grouped into categories according to the price paid for that fruit. The tonnes in each category are converted into a percentage of the total tonnes purchased, giving an indication of what share of fruit was purchased in each price range category. The categories are given nominal titles of A to E for convenience but these do not correspond with grades used by any particular winery.

Estimated total value of all grapes
The estimated total value of all grapes is calculated by multiplying the average purchase value per tonne by all tonnes crushed. If there is a variety where there are no purchases, then the average purchase value across all other varieties of the same colour in the same region is used to determine an estimated value for the own grown grapes.

Explanations and Definitions cont.

PLANTING DATA

Source of planting data tables

Planting data is not collected by the 2015 Australian Wine Sector Survey. The information is obtained from the vineyard register maintained by the Phylloxera and Grape Industry Board of South Australia.

The Board is required under the Phylloxera and Grape Industry Act 1995 to maintain a complete and accurate register of grapegrowers in the state. All vineyard owners with more than 0.5 hectares are required by law to register with the Board, and to report details of their plantings on an annual basis. This information is kept strictly confidential.

Vineyard plantings are recorded by Geographical Indication. Planting details for smaller regions not included in the survey report are available on request from the Board.

For more information on registration of vineyards, please contact the Phylloxera and Grape Industry Board office on (08) 8273 0550.

Explanatory notes for planting data tables

1. Planting data tables are current as at April 2015 and include all plantings from the 2014 planting season.
2. Vines planted in a particular year may include topworked or replaced vines, as well as new plantings in virgin ground. Where vines have been replaced or topworked, the old variety record is removed. This explains why the area planted for earlier years may be different in the 2015 report compared with previous reports.
3. Where a zero (0) appears in a table, this may indicate the presence of a planting of less than 0.5 hectares, or it may indicate zero plantings. Rounding may produce a slight error in totals or percentages.

LANGHORNE CREEK

Vintage overview

Vintage report

Langhorne Creek has seen its share of early vintages, but 2015 will go down as one of the earliest and lightest yielding of recent times. It was also thankfully a year of very low disease pressure and lovely balanced sugar accumulation.

Good winter rainfall was welcomed in Langhorne Creek, giving local cover crops a chance to grow some bulk. This came in handy as moisture-retaining mulch throughout the dry spring and summer period that followed. A few small but timely rain events assisted growth over what was otherwise a very dry growing season, with the last significant rainfall back in August 2014. The lack of rainfall over the growing period led to lower yields across all varieties. Summer saw mostly cool temperatures but was interspersed with a few short heat waves that led to small amounts of shrivel in grapes.

The first grapes for sparkling base were off the vines and on their way to wineries in the last few days of January, swiftly followed by whites for still wine through early February. Red grapes joined the haul to the wineries into March and the start of April. An early start to vintage saw an early finish with most of the region's fruit off by early April. Only a few blocks of late ripening reds kept some harvesters rumbling post-Easter.

The Langhorne Creek wine region benefits from the arrival of cooling afternoon breezes from Lake Alexandrina and this season was no exception. The welcome breezes helped keep overnight temperatures down reducing fruit loss and enabling fruit to maintain some natural acidity.

Despite yields being down, fruit quality remains high with Shiraz being widely touted as the "stand out" variety from this year's Langhorne Creek vintage. Petit Verdot has also been strong this year and the red wines are reported to have great colour, with a lovely tension between tannin and acidity.

Langhorne Creek Grape and Wine Inc.

Overview of vintage statistics

The harvest from the Langhorne Creek region in 2015 was 38,921 tonnes, a drop of nearly 10,000 tonnes from the 2014 crush of 48,639 tonnes, which saw the region overtaken by the Barossa Valley for the first time since 2012 as the second largest region in SA by volume after the Riverland. The value of fruit from the region was estimated to be $30 million compared with $37 million in 2014, which represented a slight increase in average value.

The weighted average purchase price for Cabernet Sauvignon increased from $767 per tonne in 2014 to $833 in 2015; however, the prices for Merlot, Shiraz and Chardonnay all decreased slightly compared with last year.

The price dispersion data shows that 94% of red tonnages were purchased at between $600 and $1500, while for the whites, 25% were purchased between $600 and $1500 and 60% between $300 and $600.

Over the past five years, the average crush was 44,537 tonnes implying that 2015 yields were well below average. This year's vintage was the smallest in the last five years with the largest record in 2012 (48,651 tonnes).

There were 52 hectares of new plantings in Langhorne Creek in the 2014-15 season, compared with 29 hectares the previous year. The most planted new variety was Malbec with 19 hectares, followed by Cabernet Sauvignon (17 hectares) and Shiraz (12 hectares). The net area of vineyards in the region decreased from 5883 hectares to 5816 hectares.

LANGHORNE CREEK

Winegrape intake summary – vintage 2015

Variety	Tonnes purchased	E (less than $300)	D ($300-$600)	C ($600-$1,500)	B ($1,500-$2,000)	A (above $2,000)	Total value purchased	Calc avg. purch. Value per tonne	Winery grown fruit	Total crushed[2]	Est total value ALL grapes
Barbera	2	na	na	na	na	na	$1,448	$800	-	2	$1,448
Cabernet Franc	7	na	na	na	na	na	$4,320	$600	23	31	$18,360
Cabernet Sauvignon	5,981	0%	3%	96%	0%	1%	$4,979,732	$833	2,282	8,262	$6,879,343
Dolcetto	27	na	na	na	na	na	$20,454	$759	-	27	$20,454
Durif	138	na	na	na	na	na	$96,292	$700	-	138	$96,292
Grenache	116	0%	0%	94%	0%	6%	$97,853	$842	664	780	$656,907
Lagrein	15	47%	0%	53%	0%	0%	$9,231	$613	-	15	$9,231
Malbec	200	0%	0%	100%	0%	0%	$193,779	$967	27	227	$219,934
Mataro	5	na	na	na	na	na	$4,476	$843	5	11	$8,859
Merlot	2,460	1%	25%	74%	0%	0%	$1,514,815	$616	1,387	3,848	$2,369,044
Petit Verdot	28	na	na	na	na	na	$21,000	$750	39	67	$50,456
Pinot Noir	771	0%	0%	100%	0%	0%	$539,504	$700	473	1,244	$870,611
Sangiovese	44	na	na	na	na	na	$30,828	$700	68	112	$78,162
Shiraz	11,370	0%	0%	97%	0%	2%	$10,209,123	$898	4,334	15,704	$14,100,602
Tempranillo	3	na	na	na	na	na	$2,384	$800	-	3	$2,384
Other red	48	0%	0%	97%	3%	0%	$59,166	$1,223	23	71	$87,000
Red Total	21,216	0%	4%	94%	0%	1%	$17,784,405	$838	9,325	30,541	$25,469,088

1 Pricing grade's share of purchases for each variety

2 It is estimated that the non-response rate (NRR) nationally is 10%, however the NRR will vary for each region. Generally, regions will have a lower NRR when there is a high proportion of purchased winegrapes within the region

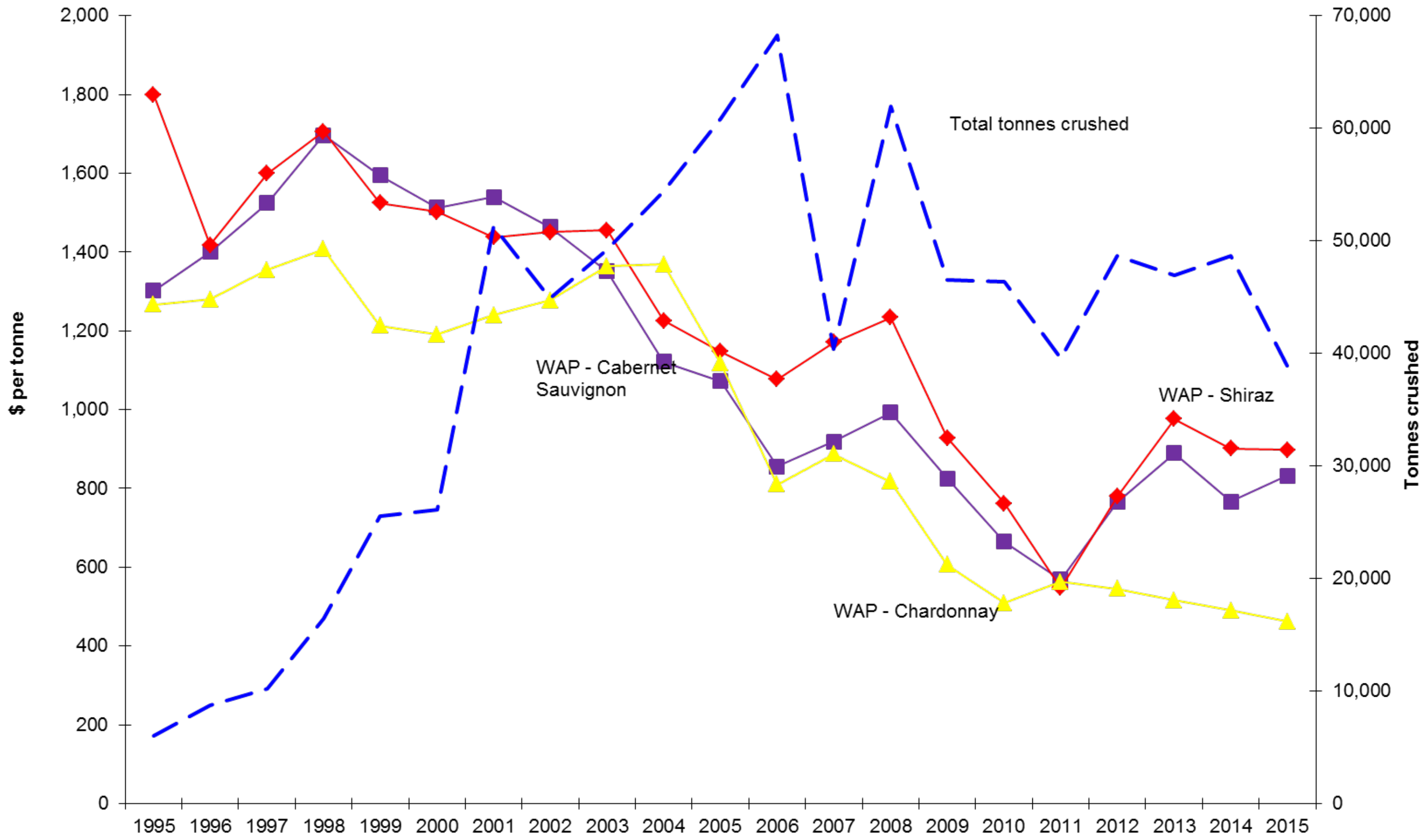
LANGHORNE CREEK **Winegrape intake summary – vintage 2015**

Variety	Tonnes purchased	E (less than $300)	D ($300-$600)	C ($600-$1,500)	B ($1,500-$2,000)	A (above $2,000)	Total value purchased	Calc avg. purch. Value per tonne	Winery grown fruit	Total crushed[2]	Est total value ALL grapes
Chardonnay	3,792	20%	74%	6%	0%	0%	$1,751,375	$462	1,205	4,998	$2,308,058
Muscat a Petit Grains Blanc	-	na	na	na	na	na	$0		13	13	$7,061
Pinot Gris and Pinot Grigio	411	0%	0%	100%	0%	0%	$362,756	$883	97	508	$448,790
Riesling	137	0%	100%	0%	0%	0%	$75,383	$550	1,406	1,543	$848,562
Sauvignon Blanc	514	0%	0%	100%	0%	0%	$374,803	$729	202	716	$521,955
Traminer	144	na	na	na	na	na	$103,280	$715	-	144	$103,280
Verdelho	219	0%	90%	10%	0%	0%	$105,643	$483	79	298	$143,861
Viognier	105	32%	68%	0%	0%	0%	$41,710	$397	22	127	$50,528
Other white	10	0%	0%	56%	44%	0%	$12,128	$1,198	22	32	$38,517
White Total	5,333	15%	60%	25%	0%	0%	$2,827,077	$530	3,047	8,380	$4,470,613
Grand Total	26,549	3%	15%	80%	0%	1%	$20,611,482	$776	12,372	38,921	$29,939,701

1 Pricing grade's share of purchases for each variety

2 It is estimated that the non-response rate (NRR) nationally is 10%, however the NRR will vary for each region. Generally, regions will have a lower NRR when there is a high proportion of purchased winegrapes within the region

LANGHORNE CREEK **Historical Weighted Average Price vs tonnes crushed**



LANGHORNE CREEK **Current plantings by variety and year planted**

Current area in hectares

Variety	Pre-2012	2012	2013	2014	Total area	% planted in 2014
Red winegrapes						
Cabernet Franc	14	0	0	0	14	0%
Cabernet Sauvignon	1,832	13	13	17	1,875	1%
Dolcetto	11	0	0	0	11	0%
Grenache	78	0	0	0	78	0%
Lagrein	10	0	0	0	10	0%
Malbec	56	6	2	19	83	23%
Merlot	377	4	0	0	381	0%
Nebbiolo	13	0	0	0	13	0%
Other Red	130	0	2	3	136	3%
Petit Verdot	24	0	0	0	24	0%
Sangiovese	30	0	0	0	30	0%
Shiraz	2,129	20	11	12	2,172	1%
Total red varieties	**4705**	**43**	**29**	**52**	**4829**	**1%**
White winegrapes						
Chardonnay	565	0	0	0	565	0%
Other White	17	2	0	0	19	0%
Pinot Gris	41	0	0	0	41	0%
Riesling	166	0	0	0	166	0%
Sauvignon Blanc	64	0	0	0	64	0%
Semillon	4	0	0	0	4	0%
Traminer (Gewurztraminer)	15	0	0	0	15	0%
Verdelho	41	0	0	0	41	0%
Viognier	16	0	0	0	16	0%
Total white varieties	**930**	**2**	**0**	**0**	**932**	**0%**
Rootstock Block	6	0	0	0	6	0%
Unknown variety	50	0	0	0	50	0%
Total all varieties	**5691**	**45**	**29**	**52**	**5816**	**1%**

Source: Phylloxera and Grape Industry Board of South Australia