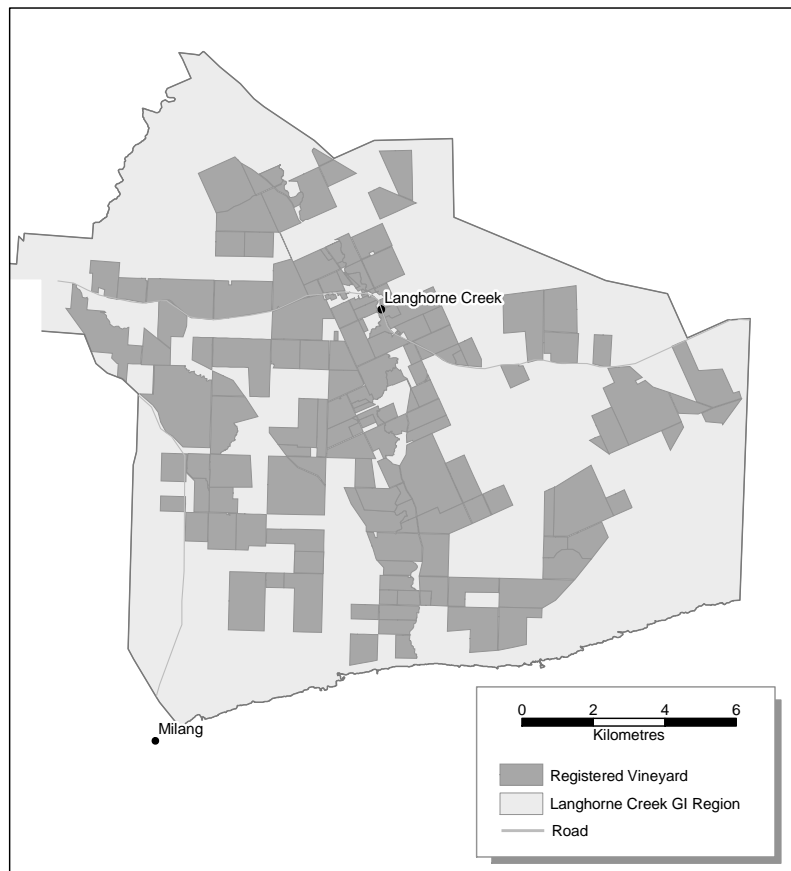


LANGHORNE CREEK VINTAGE OVERVIEW

Vintage Report

The season this year in Langhorne Creek was very compact, beginning slightly early and being one of the shortest in memory. Wineries and growers experienced a short, trouble-free vintage, though average yields were estimated to be down by 20%-25% across the board.

The region experienced generally fine and warm weather throughout the growing season with only a spill of rain early in vintage. This presented little concern, only briefly slowing the harvest of red grapes and pushing the early harvest of some Riesling.



Generally mild and dry conditions resulted in steady, even ripening of fruit and kept disease pressure to an absolute minimum – posing little if any threat to most growers.

Crops on many older vines were drastically reduced (up to 50%), while younger plantings performed well – showing perhaps only a 10% reduction in fruit load.

Most reds showed high colour and tannin with good acid levels. There has been some superb Shiraz from Langhorne Creek this year, with great depth of colour and rich flavour. There is plenty of Cabernet Sauvignon with rich, fruity flavours and parcels of Malbec showing exceptional colour and intensity.

Viognier, Verdelho and parcels of Petit Verdot have been equal to their best. Chardonnay, while down in yield, promises to be of excellent quality.

John Pargeter, Angas Vineyards

Overview of vintage statistics

Langhorne Creek produced 49,269 tonnes this year – an increase of 10% on 2002. There was a slight shortfall in red varieties, while supply and demand for whites were almost perfectly in balance.

Despite a shortfall in Cabernet Sauvignon, the calculated average purchase value was down by around \$100 per tonne compared with 2002, while Shiraz was up by a similar amount. In the whites, the average purchase value of Chardonnay and Verdelho increased by around \$100 per tonne.

The forecast is for only slight growth in production of red varieties, while demand exceeds supply by over 10,000 tonnes (25%) in 2008. The estimated production has actually decreased by around 10% since last year's survey. Cabernet Sauvignon shows a substantial shortfall of around 7,000 tonnes by 2007, and there is also an increasing shortfall in Shiraz. Merlot production is expected to increase by 25% but to be in slight over-supply until 2008. White varieties show strong expected growth, with Chardonnay and Riesling production expected to double between 2004 and 2008. However, there is a slight anticipated surplus of white varieties in each of the forecast years.

New plantings of white varieties reflect the strong anticipated growth in Chardonnay and Riesling, with a 22% increase in area of white varieties in the past year. In the red varieties, the most new plantings in 2002 were in Merlot (59 hectares).

LANGHORNE CREEK CURRENT PLANTINGS BY VARIETY AND YEAR PLANTED

Table 9.1

Area in hectares by year planted

| Variety | Pre-99 | 1999 | 2000 | 2001 | 2002 | Total | % planted 2002 |
|-------------------------------|-------------|------------|------------|------------|------------|-------------|----------------|
| RED WINEGRAPES | | | | | | | |
| BARBERA | 0 | 2 | 0 | 0 | 0 | 2 | 0% |
| CABERNET FRANC | 20 | 3 | 0 | 0 | 0 | 22 | 0% |
| CABERNET SAUVIGNON | 1642 | 206 | 30 | 75 | 33 | 1985 | 2% |
| GRENACHE | 38 | 43 | 20 | 1 | 0 | 102 | 0% |
| MALBEC | 21 | 20 | 1 | 0 | 1 | 44 | 2% |
| MATARO | 1 | 8 | 0 | 0 | 0 | 9 | 0% |
| MERLOT | 318 | 42 | 0 | 0 | 59 | 419 | 14% |
| NEBBIOLO | 1 | 8 | 0 | 1 | 0 | 10 | 0% |
| PETIT VERDOT | 39 | 10 | 4 | 1 | 0 | 54 | 0% |
| PINOT NOIR | 40 | 0 | 0 | 0 | 0 | 40 | 0% |
| SANGIOVESE | 42 | 6 | 5 | 0 | 1 | 54 | 1% |
| SHIRAZ | 1438 | 200 | 66 | 155 | 26 | 1885 | 1% |
| OTHER RED | 2 | 11 | 10 | 1 | 0 | 23 | 0% |
| TOTAL RED WINEGRAPES | 3601 | 558 | 137 | 232 | 119 | 4648 | 3% |
| WHITE WINEGRAPES | | | | | | | |
| CHARDONNAY | 272 | 15 | 6 | 85 | 152 | 530 | 29% |
| MARSANNE | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| MUSCAT BLANC | 1 | 0 | 0 | 0 | 0 | 1 | 0% |
| RIESLING | 20 | 30 | 0 | 66 | 22 | 138 | 16% |
| SAUVIGNON BLANC | 4 | 0 | 0 | 0 | 0 | 4 | 0% |
| SEMILLON | 26 | 3 | 0 | 0 | 0 | 29 | 0% |
| TRAMINER | 1 | 0 | 0 | 15 | 0 | 16 | 0% |
| VERDELHO | 41 | 10 | 6 | 0 | 0 | 57 | 0% |
| VIOGNIER | 1 | 8 | 0 | 0 | 1 | 9 | 5% |
| OTHER WHITE | 6 | 2 | 0 | 0 | 2 | 11 | 23% |
| TOTAL WHITE WINEGRAPES | 372 | 69 | 12 | 167 | 176 | 796 | 22% |
| TOTAL ALL VARIETIES | 3973 | 627 | 149 | 399 | 295 | 5444 | 5% |

LANGHORNE CREEK TONNES CRUSHED BY VARIETY - VINTAGE 2003

Table 9.2

| 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) | | |
|---------------------------|-----------------------|------------------------|---------------|-----------------|--|-------------------------|---|-------|-----------|
| | | | | | | | Own | Other | Preferred |
| RED | | | | | | | | | |
| Barbera | 0 | 3 | 3 | 8 | 100% | 41% | 0 | 1 | 2 |
| Cabernet Franc | 41 | 135 | 176 | 187 | 77% | 95% | 3 | 5 | 6 |
| Cabernet Sauvignon | 5634 | 13670 | 19305 | 21679 | 71% | 89% | 11 | 21 | 25 |
| Grenache | 647 | 539 | 1186 | 772 | 45% | 154% | 6 | 4 | 7 |
| Malbec | 58 | 300 | 359 | 324 | 84% | 111% | 5 | 7 | 9 |
| Mataro (Mouvedre) | 45 | 24 | 69 | 45 | 35% | 153% | 1 | 1 | 1 |
| Merlot | 1402 | 2905 | 4307 | 3670 | 67% | 117% | 10 | 14 | 18 |
| Nebbiolo | 0 | 12 | 12 | 10 | 100% | 120% | 0 | 2 | 1 |
| Other red | 9 | 5 | 14 | 25 | 0% | 90% | 1 | 0 | 1 |
| Petit Verdot | 188 | 384 | 572 | 358 | 67% | 160% | 9 | 7 | 13 |
| Pinot Noir | 376 | 120 | 496 | 418 | 24% | 119% | 3 | 1 | 4 |
| Ruby Cabernet | 0 | 16 | 16 | 16 | 100% | 103% | 0 | 1 | 1 |
| Sangiovese | 26 | 596 | 622 | 187 | 96% | 333% | 2 | 4 | 4 |
| Shiraz | 4207 | 11946 | 16154 | 18779 | 74% | 86% | 11 | 25 | 29 |
| Zinfandel | 0 | 50 | 50 | 40 | 100% | 125% | 0 | 1 | 1 |
| Total RED | 12634 | 30706 | 43340 | 46517 | 71% | 93% | | | |
| WHITE | | | | | | | | | |
| Chardonnay | 1698 | 2165 | 3863 | 3961 | 56% | 98% | 6 | 10 | 13 |
| Chenin Blanc | 10 | 0 | 10 | 10 | 0% | 98% | 1 | 0 | 1 |
| Muscat Blanc (Frontignac) | 5 | 4 | 9 | 8 | 47% | 118% | 1 | 1 | 1 |
| Other white | 0 | 19 | 19 | 0 | 100% | | 0 | 1 | 0 |
| Pinot Gris | 5 | 34 | 39 | 34 | 87% | 114% | 1 | 1 | 2 |
| Riesling | 808 | 90 | 898 | 931 | 10% | 96% | 3 | 4 | 5 |
| Sauvignon Blanc | 12 | 52 | 64 | 75 | 81% | 85% | 1 | 3 | 3 |
| Semillon | 0 | 257 | 257 | 187 | 100% | 138% | 0 | 3 | 2 |
| Traminer | 0 | 11 | 11 | 76 | 100% | 14% | 0 | 1 | 2 |
| Verdelho | 194 | 467 | 661 | 426 | 71% | 155% | 4 | 6 | 7 |
| Viognier | 22 | 75 | 97 | 118 | 78% | 82% | 2 | 4 | 5 |
| Total WHITE | 2753 | 3175 | 5929 | 5826 | 54% | 102% | | | |
| Total for region | 15387 | 33882 | 49269 | 52343 | | | | | |

LANGHORNE CREEK CROP VALUE DATA - VINTAGE 2003

Table 9.3

| Variety (1) | Grower grown | Total crushed | estimated total value | | lowest price (2) | highest price (2) | calc average purchase value per tonne (3) | |
|---------------------------|--------------|---------------|-----------------------|---------------------|------------------|-------------------|---|------|
| | | | purchased grapes | total grapes | | | | |
| RED | | | | | | | | |
| Barbera | 3 | 3 | \$4,125 | \$4,125 | | | \$1,250 | 100% |
| Cabernet Franc | 135 | 176 | \$157,042 | \$204,659 | \$509 | \$1,600 | \$1,160 | 100% |
| Cabernet Sauvignon | 13670 | 19305 | \$18,473,519 | \$26,087,657 | \$666 | \$2,300 | \$1,351 | 100% |
| Grenache | 539 | 1186 | \$548,332 | \$1,205,948 | \$400 | \$1,470 | \$1,017 | 100% |
| Malbec | 300 | 359 | \$379,241 | \$453,083 | \$1,000 | \$1,770 | \$1,263 | 100% |
| Mataro (Mouvedre) | 24 | 69 | \$28,968 | \$83,331 | | | \$1,207 | 100% |
| Merlot | 2905 | 4307 | \$3,933,323 | \$5,831,454 | \$810 | \$1,721 | \$1,354 | 100% |
| Nebbiolo | 12 | 12 | \$17,722 | \$17,722 | | | \$1,477 | 100% |
| Petit Verdot | 384 | 572 | \$539,760 | \$803,385 | \$1,000 | \$1,860 | \$1,406 | 100% |
| Pinot Noir | 120 | 496 | \$143,412 | \$592,973 | | | \$1,195 | 100% |
| Ruby Cabernet | 16 | 16 | \$13,957 | \$13,957 | | | \$850 | 100% |
| Sangiovese | 596 | 622 | \$916,229 | \$956,661 | \$800 | \$2,010 | \$1,539 | 100% |
| Shiraz | 11946 | 16154 | \$17,382,196 | \$23,503,973 | \$674 | \$2,500 | \$1,455 | 100% |
| Touriga | 5 | 5 | \$6,383 | \$6,383 | | | \$1,300 | 100% |
| Zinfandel | 50 | 50 | \$71,226 | \$71,226 | | | \$1,425 | 100% |
| Total RED | 30706 | 43331 | \$42,615,435 | \$59,836,537 | | | | |
| WHITE | | | | | | | | |
| Chardonnay | 2165 | 3863 | \$2,954,225 | \$5,271,270 | \$952 | \$2,100 | \$1,364 | 100% |
| Doradillo | 11 | 11 | \$1,951 | \$1,951 | | | \$175 | 100% |
| Muscadelle (Tokay) | 3 | 3 | \$935 | \$935 | | | \$280 | 100% |
| Muscat Blanc (Frontignac) | 4 | 9 | \$1,235 | \$2,635 | | | \$280 | 100% |
| Palomino | 4 | 4 | \$1,187 | \$1,187 | | | \$297 | 100% |
| Pedro Ximenes | 1 | 1 | \$400 | \$400 | | | \$280 | 100% |
| Pinot Gris | 34 | 39 | \$46,475 | \$53,515 | | | \$1,375 | 100% |
| Riesling | 90 | 898 | \$73,299 | \$729,474 | \$550 | \$1,100 | \$812 | 100% |
| Sauvignon Blanc | 52 | 64 | \$55,600 | \$68,475 | \$900 | \$1,450 | \$1,073 | 100% |
| Semillon | 257 | 257 | \$277,886 | \$277,886 | \$700 | \$1,107 | \$1,083 | 100% |
| Traminer | 11 | 11 | \$4,026 | \$4,026 | | | \$376 | 100% |
| Verdelho | 467 | 661 | \$568,760 | \$804,585 | \$850 | \$2,100 | \$1,218 | 100% |
| Viognier | 75 | 97 | \$122,910 | \$158,057 | \$1,575 | \$1,700 | \$1,631 | 100% |
| Total WHITE | 3175 | 5919 | \$4,108,889 | \$7,374,398 | | | | |

(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.

LANGHORNE CREEK ESTIMATED AND PREFERRED FUTURE INTAKE OF GRAPES 2004 TO 2008

Table 9.4

| Variety | 2004 | | 2005 | | 2006 | | 2007 | | 2008 | |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | estimated | preferred | estimated | preferred | estimated | preferred | estimated | preferred | estimated | preferred |
| RED | | | | | | | | | | |
| Barbera | 5 | 5 | 5 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Cabernet Franc | 217 | 202 | 217 | 202 | 217 | 202 | 217 | 202 | 168 | 153 |
| Cabernet Sauvignon | 23801 | 23411 | 24127 | 27503 | 23631 | 28687 | 23723 | 30335 | 22803 | 30028 |
| Dolcetto | 23 | 0 | 23 | 0 | 23 | 0 | 23 | 0 | 23 | 0 |
| Grenache | 1492 | 1201 | 1602 | 1452 | 1572 | 1765 | 1518 | 1925 | 1517 | 2056 |
| Malbec | 425 | 378 | 447 | 405 | 453 | 411 | 455 | 418 | 433 | 427 |
| Mataro (Mouvedre) | 45 | 45 | 45 | 55 | 45 | 60 | 45 | 65 | 45 | 70 |
| Merlot | 4186 | 3997 | 4809 | 4600 | 5160 | 5038 | 5504 | 5311 | 5251 | 5433 |
| Nebbiolo | 33 | 10 | 33 | 10 | 33 | 10 | 33 | 10 | 33 | 10 |
| Other red | 26 | 26 | 10 | 10 | 15 | 20 | 20 | 20 | 20 | 25 |
| Petit Verdot | 538 | 352 | 564 | 381 | 577 | 395 | 587 | 410 | 528 | 410 |
| Pinot Noir | 559 | 481 | 616 | 539 | 598 | 642 | 622 | 666 | 658 | 703 |
| Sangiovese | 645 | 187 | 650 | 187 | 470 | 192 | 475 | 192 | 215 | 192 |
| Shiraz | 21063 | 19622 | 21829 | 23386 | 22387 | 25227 | 23890 | 27558 | 22829 | 28399 |
| Tempranillo | 5 | 5 | 10 | 15 | 10 | 15 | 10 | 15 | 10 | 15 |
| Touriga | 20 | 30 | 30 | 30 | 50 | 50 | 50 | 50 | 50 | 50 |
| Zinfandel | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| Total for RED | 53124 | 49992 | 55058 | 58825 | 55292 | 62764 | 57223 | 67227 | 54633 | 68021 |
| WHITE | | | | | | | | | | |
| Chardonnay | 4898 | 4817 | 6867 | 6278 | 8470 | 7592 | 9334 | 8433 | 9253 | 8405 |
| Muscat Blanc (Frontignac) | 11 | 8 | 13 | 8 | 13 | 8 | 13 | 8 | 13 | 8 |
| Other white | 38 | 10 | 38 | 10 | 38 | 10 | 38 | 10 | 38 | 10 |
| Pinot Gris | 35 | 34 | 40 | 39 | 40 | 45 | 40 | 45 | 40 | 45 |
| Riesling | 1035 | 1055 | 1520 | 1540 | 1976 | 1996 | 2231 | 2251 | 2311 | 2331 |
| Sauvignon Blanc | 83 | 90 | 93 | 100 | 65 | 65 | 65 | 65 | 65 | 65 |
| Semillon | 350 | 80 | 350 | 80 | 350 | 80 | 350 | 80 | 350 | 80 |
| Traminer | 103 | 117 | 139 | 125 | 175 | 130 | 175 | 136 | 13 | 142 |
| Verdelho | 422 | 420 | 422 | 440 | 425 | 440 | 425 | 440 | 282 | 297 |
| Viognier | 102 | 108 | 112 | 118 | 112 | 133 | 112 | 158 | 112 | 158 |
| Total for WHITE | 7077 | 6739 | 9594 | 8738 | 11664 | 10499 | 12783 | 11626 | 12477 | 11541 |
| Total for region | 60201 | 56731 | 64652 | 67563 | 66956 | 73263 | 70006 | 78853 | 67110 | 79562 |

LANGHORNE CREEK PAST PRODUCTION AND PROJECTIONS FOR MAJOR VARIETIES 1992 - 2008

Figure 9.1

Past production and projections (major varieties)

