

**28 November 2008**

**Coonawarra Australia Property Trust 2008 Annual General Meeting – Chairman’s Address**

Coonawarra Australia Property Trust will today address unitholders at its Annual General Meeting to be held in Adelaide, commencing at 11 am.

A copy of the Address to be delivered by Coonawarra Australia Property Trust chairman, Paul Miller is attached.

**Further information:**

Andrew Parkinson  
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## Coonawarra Australia Property Trust 2008 Annual General Meeting Chairman's Address

Paul Miller

### WELCOME

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Good morning Ladies and Gentlemen and welcome to the 2008 Coonawarra Australia Property Trust Annual General Meeting.

### 2008 IN REVIEW

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The challenges faced by the wine industry in 2008 were many and the outlook for 2009 is disappointing.

The trust will continue to receive a rental stream from the Growers and the vineyard is valued at \$16 million down \$200,000 from the 2007 valuation. That it is holding its value is because it is in the Coonawarra and as it is now 10 years old the vineyard is coming of age.

During the year the trust acquired a 62.8% interest in CPV Wines which owns the vineyard alongside the Trust vineyard.

The Trust also has a 45.3% interest in Prince Hill Wines Ltd.

A major strategy implemented in July 2007 to turn Prince Hill Wines around namely the creation of a joint marketing and distribution operation has not been successful and the weak performance of the brands in the domestic market has continued. The company suffered a loss of \$932,069 being start up costs. This joint venture is now being wound down and the company is relying on an independent distributor to provide a sales force for the distribution of its brands. The sales performance of the company and future of its brands will continue to be monitored over the Christmas period.

The sale of the winery and vineyard at Mudgee on an installments basis for \$5.5 million is still progressing and the final installment is due on 31 May 2009. Coonawarra Australia Property Trust has agree to provide a secured interest bearing loan to the purchaser to fund the first purchase installment.

The Trust also in July 2008 underwrote a rights issue for CPV Wines and now holds 77.37%.

### OVERVIEW OF RESULTS

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As a consequence of many negative factors in 2008, the net result for the year was a loss of \$2,117,720 with approximately \$1,700,000 of the loss contributed by Prince Hill Wines and CPV Wines. This compares with a prior year profit of \$768,595.

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**THE FUTURE**

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Prince Hill Wines has been unable to stem its trading losses and bring the company closer to an acceptable result for shareholders. The directors of Prince Hill Wines have undertaken to continue to strive to contain the losses and collect the monies on the sale of the winery and vineyard at Mudgee. The Trust will also continue to review the financial performance of Prince Hill Wines and seek to minimize its impact on the Trust's financial performance.

**CONCLUSION**

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In closing I thank my fellow Board members for their commitment and support.

Finally I would like to thank all of you, our unitholders, for your continued support.

It is really a challenging time for Coonawarra Australia Property Trust and the wine industry overall.