



# COONAWARRA PREMIUM VINEYARDS PROJECT No2

## 2003 ANNUAL REPORT

### Project Overview

*It is with pleasure that we present the Project's Annual Report for the year ended 30 June 2003.*

The vineyard is now well established with much of the cordon wire filled with permanent growth.

Pruning (August and September 2003) has involved the removal of all shoots back to the cordon and removal of any part of the cordon less than 6mm thick.

The rye grass cover crop that was sown in the autumn has germinated well and covered most of the mid-row area.

A small crop for 2004 can be expected from vines in the Stage 1 plantings (investors pre 31 Oct 2001). Cabernet, Sauvignon Blanc and Merlot have all performed well. The Stage 1 Shiraz and Chardonnay blocks are less uniform and may only produce a crop in some sections.

Stage 2 (investors post 31 Oct 2001) plantings have performed well and are still due to produce their first crop in 2005.

All sprinkler heads are fitted and the frost system is fully operational.

The value of the vineyard has increased from \$4,729,250 (including surplus land sold for \$945,000) in 30 June 2002 to \$5,228,660 in June 2003 (based on formal written valuations and after sale of surplus land.)

### Coonawarra Region Overview

According to the Phylloxera & Grape Industry Board of South Australia, the Coonawarra region's average prices were down on 2002 prices on most of the varieties the project has planted with exceptions of Shiraz (up 3.28%) and Chardonnay (up 6.23%). Despite this decrease in average prices, Coonawarra remains a premium quality region still producing premium quality grapes.

### CPV Land Holdings Ltd

The land owning company has entered into a contract to sell the surplus land not required for the Project for \$945,553 (per an independent valuation of \$946,000) to a syndicate of investors (the major investor in the syndicate was the Chairman, Richard Beck). Settlement was subject to a number of conditions which have been satisfied and settlement is expected early October. The funds received will be reduced to repay the current loan of \$1.13M (used to fund the acquisition of the Project land). The balance of the loan will be serviced from Grant to Use Fees.

### Annual General Meeting – CPV Land Holdings Limited

The Annual General Meeting for CPV Land Holdings Limited will be held on 27 November 2003 in Adelaide. A notice of meeting and Proxy form is attached.

### **PROJECT SUMMARY**

Size of Vineyard:	94Ha (including headlands and roads)
Planted Area of Vineyard:	55.0 Ha – Stage 1 18.8 Ha – Stage 2
Size of Each Unit Planted:	0.1 Ha
Total Units:	550 Units – Stage 1 186 Units – Stage 2
Total Number of Growers:	130 Growers