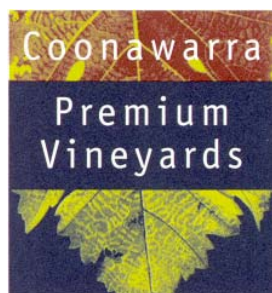


Coonawarra Australia Property Trust

ABN 37 529 164 940

ARSN 104 335 159



Half-Year Report for the half-year ended 31 December 2004

Responsible Entity:

Coonawarra Premium Vineyards Limited

ABN 58 086 944 265

AFS Licence No. 226243

Coonawarra Australia Property Trust

Half-year Report for the half-year ended 31 December 2004

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Corporate Information

Responsible Entity	Coonawarra Premium Vineyards Limited ABN 58 086 944 265 AFS Licence No. 226243
Registered office and principal place of business	Level 1, 7 Greenhill Road, Wayville, South Australia 5034
Phone	+61 8 8299 9455
Fax	+61 8 8299 9355
Email	enquiries@coonawarravineyard.com.au
Trust ASX Code	CNR
Trust Registry	Computershare Investor Services Pty Ltd, Adelaide
Custodian	Australian Executor Trustees (SA) Limited (formerly Tower Trust (SA) Limited), Adelaide
Auditors	Deloitte Touche Tohmatsu, Adelaide
Bankers	Commonwealth Bank of Australia, Adelaide

Coonawarra Australia Property Trust

ASX Disclosure Information

Results for announcement to the market

Result				\$A'000
Revenues from ordinary activities	down	-31%	to	973
Profit from ordinary activities after tax attributable to members	down	-43%	to	679
Net profit for the period attributable to members	down	-43%	to	679

Distributions

	<u>Amount per security</u>	<u>Franked amount per security</u>
Paid in current period:		
Final 2003/4 distribution paid 20 August 2004	2.0¢	-
Interim 2004/5 distribution paid 19 November 2004	2.0¢	-
Total paid in half-year	4.0¢	
Paid in previous corresponding period:		
Final 2002/3 distribution paid 25 August 2003	2.2¢	-
Interim 2003/4 distribution paid 18 November 2003	2.0¢	-
Total paid in previous half-year	4.2¢	
Payable in respect of current period:		
Interim 2004/5 distribution payable 21 February 2005	2.0¢	-
Record date for determining entitlements to the distribution	31 December 2004	
Date the distribution was paid	21 February 2005	

Coonawarra Australia Property Trust

Directors' Report

The directors of Coonawarra Premium Vineyards Limited ABN 58 086 944 265, as Responsible Entity (RE) and trustee for the Coonawarra Australia Property Trust ABN 37 529 164 940 (Trust), present their report on the Trust for the half-year ended 31 December 2004. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names and particulars of the directors of the RE during or since the end of the half-year are:

Name	Particulars
Mr Richard P. Beck	FVLE, FAID, FAIM Non-executive Chairman with extensive experience on many public company boards and has established a highly successful funds management business.
Mr Rex L. Watson	Group Managing Director. The driving force behind the development of approximately 1,000 acres of vineyard in Australia's premium wine grape growing region – Coonawarra. Founder in 1991 and Managing Director of a company providing diversified industrial services to the Australian and New Zealand Wine Industry until sold to Brambles Limited in 1998.
Mr Paul H. Miller	B Ag Sci. Executive Director and Compliance Officer. Has over 20 years experience as a research scientist, a consulting horticulturalist, and since 1997 in commercial viticulture.

Review Of Operations

The Trust is a registered listed managed investment scheme domiciled in Australia.

The Trust's principal activity in the course of the half-year was to make land available to licensees under a 13 year licence agreement to grow wine grapes as members of the Coonawarra Premium Vineyards Project. Upon the expiry of the licences, ownership of improvements to the land vests in the Trust. The Trust has no employees.

During the half-year there were no significant changes in the nature of those activities.

A summary of the revenue and results for the half-year is set out below.

	2004	2003
	\$	\$
Grant of use (licence) fees	867,523	887,600
Net increments in the value of grapevines	95,612	512,866
Operating expenses	293,533	209,448
Net profit	679,143	1,195,763

The Trust is continuing to pursue its investment strategy to create a specialist wine industry trust that invests in premium vineyards and other wine infrastructure investments to generate mainly fixed income returns for investors.

Auditors' Independence

The Auditors' Independence Statement is included on page 13 of this financial report.

This report is made in accordance with a resolution of the directors.



R L Watson
Director

Adelaide, 23 February 2005

Coonawarra Australia Property Trust

Statement of Financial Performance for the half-year ended 31 December 2004

		Half-year	
		2004	2003
	Notes	\$	\$
Operating revenue:			
Grant of use (licence) fees		867,523	887,600
Other income		2,534	-
Interest revenue		7,007	4,745
Non-operating revenue from ordinary activities:			
Net market value increment - grape vines		95,612	512,866
Revenue from ordinary activities		972,676	1,405,211
Management expenses		(103,377)	(103,377)
Corporate expenses		(51,564)	(70,444)
Occupancy expenses		(35,571)	(6,269)
Finance expense - allowance for doubtful debts		(8,299)	-
Other expenses		(58,388)	(23,165)
Borrowing costs		(36,334)	(6,192)
Profit from ordinary activities before related income tax expense		679,143	1,195,763
Income tax expense relating to ordinary activities		-	-
Profit from ordinary activities after related income tax expense		679,143	1,195,763
Net profit		679,143	1,195,763
Increase / (decrease) in asset revaluation reserve arising on revaluation of non-current assets		(95,434)	98,546
Total revenue, expense and valuation adjustments attributable to members recognised directly in equity		(95,434)	98,546
Total changes in equity other than those resulting from transactions with owners as owners		583,709	1,294,309
Distributions of net profit from ordinary activities			
Net profit		679,143	1,195,763
Net increments transferred to retained profits		(95,612)	(512,866)
Transfer from retained profits		116,469	52,103
Net amount available for distribution		700,000	735,000
Distributions paid and payable	3	(700,000)	(735,000)
Undistributed profit transferred to retained profits		-	-
		<u>cents</u>	<u>cents</u>
Basic earnings per unit	2	3.88	6.83
Diluted earnings per unit	2	3.88	6.83

Notes to the financial statements are included on pages 8 to 11.

Coonawarra Australia Property Trust

Statement of Financial Position as at 31 December 2004

	31 December 2004 \$	30 June 2004 \$
Current assets		
Cash assets	135	102,014
Receivables	766,179	290,163
Inventories	70,261	70,620
Other	56,282	99,039
TOTAL CURRENT ASSETS	892,857	561,836
Non-current assets		
Property, plant & equipment	7,033,586	7,109,199
Self-generating and regenerating assets	9,786,413	9,690,801
TOTAL NON-CURRENT ASSETS	16,819,999	16,800,000
TOTAL ASSETS	17,712,856	17,361,836
Current liabilities		
Payables	427,541	400,467
Interest-bearing liabilities	748,511	308,274
TOTAL CURRENT LIABILITIES	1,176,052	708,741
TOTAL LIABILITIES	1,176,052	708,741
NET ASSETS	16,536,804	16,653,095
EQUITY		
Issued units	1,831,200	1,831,200
Settled sum	10	10
Asset revaluation reserve	4,251,510	4,346,944
Retained profits	10,454,084	10,474,941
TOTAL EQUITY	16,536,804	16,653,095
Net tangible asset backing per ordinary security	0.945	0.952

Notes to the financial statements are included on pages 8 to 11.

Coonawarra Australia Property Trust

Statement of Cash Flows for the half-year ended 31 December 2004

		Half-year	
		2004	2003
	Notes	\$	\$
Cash flows from operating activities			
Receipts from customers		394,041	698,898
Payments to suppliers		(178,903)	(211,568)
Interest received		7,007	4,745
Interest and other costs of finance paid		(36,334)	(80,529)
Net cash provided by operating activities		185,811	411,545
Cash flows from investing activities			
Payments for property, plant & equipment		(27,802)	(2,208)
Net cash used in investing activities		(27,802)	(2,208)
Cash flows from financing activities			
Distributions paid	3	(700,125)	(595,000)
Net cash used in financing activities		(700,125)	(595,000)
NET DECREASE IN CASH HELD		(542,116)	(185,663)
Net cash at the beginning of the half-year		(206,260)	227
NET CASH AT THE END OF THE HALF-YEAR		(748,376)	(185,436)
Reconciliation of cash			
Cash at bank		135	183,694
Bank overdraft		(748,511)	(369,130)
Net cash at the end of the half-year		(748,376)	(185,436)

Notes to the financial statements are included on pages 8 to 11.

Coonawarra Australia Property Trust

Notes to the Financial Statements for the half-year ended 31 December 2004

1. Basis of preparation of half-year report

Financial Reporting Framework

The half-year financial report is a general purpose financial report. It has been prepared in accordance with Accounting Standard AASB1029 "Interim Financial Reporting", other mandatory professional reporting requirements (Urgent Issues Consensus Views) and the Corporations Act 2001.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2004 and any public announcements made by Coonawarra Australia Property Trust and its trustee Coonawarra Premium Vineyards Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Significant Accounting Policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those of the previous financial year and the corresponding interim reporting period as disclosed in the 2004 annual financial report.

2. Earnings per unit

The number of units on issue in both the current and the corresponding half-year was 17,500,000. There is no difference between the basic earnings and diluted earnings.

3. Distributions Paid

Distributions paid and payable are as follows.

Distribution relating to:	Date paid/payable	Half-year December 2004 \$	Half-year December 2003 \$
Half-year ended 30 June 2003	Paid 25 Aug 2003	-	210,000
Quarter ended 30 September 2003	Paid 18 Nov 2003	-	385,000
Quarter ended 31 December 2003	Paid 24 Feb 2004		350,000
Quarter ended 30 June 2004	Paid 20 Aug 2004	350,000	
Quarter ended 30 September 2004	Paid 19 Nov 2004	350,000	
Quarter ended 31 December 2004 **	Payable 21 Feb 2005	350,000	

** February 2005 distribution announced to ASX on 16 December 2004.

4. Revision of accounting estimates

During the half-year the directors reassessed the useful lives of certain vineyard infrastructure assets that will revert to the Trust upon expiry of the licence agreement in 2012. The financial effect of this reassessment is to allocate a higher proportion of the total vineyard value to the non-living assets (land, trellising, irrigation)

The financial impact of the change in the half-year is to reduce the amount of the increase in net market value of the grape vines by \$143,150 (from \$238,762 to \$95,612) and to decrease the devaluation of the land and improvements by \$143,150 (from \$238,584 to \$95,434).

It is impractical to measure the financial impact in the corresponding half-year as the valuation of the total vineyard, upon which these calculations are based, is subject to change at least annually.

Coonawarra Australia Property Trust

Notes to the Financial Statements for the half-year ended 31 December 2004

5. Impacts of adopting the Australian equivalents to International Financial Reporting Standards (A-IFRS)

Management of the transition to A-IFRS

In accordance with the Financial Reporting Council's strategic directive, the Trust will be required to prepare financial statements that comply with Australian Equivalents to International Financial Reporting Standards (A-IFRS) for annual reporting periods beginning on or after 1 January 2005. Accordingly the Trust's first half-year report prepared under A-IFRS will be for the half-year reporting period ending 31 December 2005, and its first annual financial report prepared under A-IFRS will be for the year ending 30 June 2006.

At the date of this report, the directors of the Responsible Entity have not yet finalized a high-level assessment of the impact of A-IFRS on the Trust, and consequently have not yet determined how they are going to manage the transition to A-IFRS. However, the directors are monitoring the developments in A-IFRS and the potential impact it will have on the Trust, and expect to complete an impact study and commence a plan to prepare the Trust to be A-IFRS compliant shortly.

While no decision has yet been made as to the policy alternatives to be applied or the extent to which it will affect the Trust, the directors have identified the following (among others whose effects are set out below) as being the key accounting policy differences expected to arise on transitioning to A-IFRS:

AASB 116 "Property Plant & Equipment"

AASB 136 "Impairment of Assets"

AASB 139 "Financial Instruments"

AASB 141 "Agriculture"

First-time adoption of A-IFRS

On first-time adoption of A-IFRS, the Trust will be required to restate its comparative balance sheet such that the comparative balances presented comply with the requirements specified in the A-IFRS. That is, the balances that will be presented in the financial report for the year ending 30 June 2005 may not be the balances that will be presented as comparative numbers in the financial report for the following year, as a result of the requirement to retrospectively apply the A-IFRS. In addition, certain assets and liabilities may not qualify for recognition under A-IFRS, and will need to be de-recognised. As most adjustments on first-time adoption are to be made against opening retained earnings, the amount of retained earnings at 30 June 2004 presented in the 2005 financial report and the 2006 financial report available to be paid out as distributions may differ significantly.

Various voluntary and mandatory exemptions are available to the Trust on first-time adoption, which will not be available on an ongoing basis. The exemptions provide relief from retrospectively accounting for certain balances, instruments and transactions in accordance with A-IFRS, and permits the identification of a 'deemed cost' for property, plant and equipment.

The impact on the Trust of the changes in accounting policies on first-time adoption of A-IFRS will be affected by the choices made. The Trust is evaluating the effect of the options available on first-time adoption in order to determine the best possible outcome for the Trust.

Property, plant and equipment

On transition to A-IFRS, the Trust has several options in the determination of the cost of each tangible asset, and can also elect to use the cost or fair value basis for the measurement of each class of property, plant and equipment after transition. At the date of this report, the Trust has not decided which options and measurement basis will be adopted and the likely impacts therefore cannot be determined.

The Trust measures its land and buildings at fair value. Under current Australian GAAP, revaluation increments and decrements within a class of assets must be set-off; however, A-IFRS requires revaluations to be tracked on an individual asset-by-asset basis. This change in accounting policy may result in the recognition of impairment losses in the profit and loss even though the class of assets has increased in value.

Coonawarra Australia Property Trust

Notes to the Financial Statements for the half-year ended 31 December 2004

5. Impacts of adopting the Australian equivalents to International Financial Reporting Standards (A-IFRS) (continued)

Impairment of assets

Non-current assets are written down to recoverable amount when the asset's carrying amount exceeds recoverable amount. Historically, although not mandated, the Trust has discounted cash flows in determining the recoverable amount of its non-current assets.

Under A-IFRS, both current and non-current assets, including property, plant and equipment previously excluded as they were measured on the fair value basis, are tested for impairment. In addition, A-IFRS has a more prescriptive impairment test, and requires discounted cash flows to be used where value in use is used to assess recoverable amount. Consequently, on adoption of A-IFRS, a further impairment of certain assets may need to be recognised, thereby decreasing opening retained earnings and the carrying amount of assets – the Trust has not yet determined the impact, if any, of any further impairment which may be required. It is not practicable to determine the impact of the change in accounting policy for future financial reports, as any impairment or reversal thereof will be affected by future conditions.

Financial assets and financial liabilities

Under current Australian GAAP, financial assets and financial liabilities are recognised at cost, at fair value, or at net market value. On adoption of A-IFRS, the Trust will be required to classify these financial instruments into various specified categories. The classification of the instrument will affect the instrument's subsequent measurement – at amortised cost using the effective interest rate method, fair value with movements recognised through equity or fair value recognised through the profit and loss. The Trust is evaluating the different options available, but has not made any determination at reporting date of the accounting to be adopted, and consequently, the impact of the change on the financial statements cannot yet be quantified.

Impairment of financial assets

The Trust provides an allowance for doubtful debts using an estimate based on specific analysis of receivables. Under A-IFRS, the Trust will provide for doubtful debts on the basis that a financial asset or group of financial assets is impaired only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset – that is, an incurred but not yet reported model rather than an expected loss model must be applied. Consequently, on adoption of A-IFRS, and on an ongoing basis, general provisions may no longer be appropriate, which may cause the carrying amount of various financial assets to increase.

Biological assets

The Trust recognises biological assets in the balance sheet as 'self-generating and regenerating assets' (SGARAs), measured on a net market value basis. There is no active and liquid market for the SGARAs at present, and accordingly the Trust has used the cost of the SGARAs as the best indicator of its net market value. Under A-IFRS, biological assets may be measured at cost less depreciation and impairment where the fair value less estimated point-of-sale costs cannot be reliably determined: however, this option is not available on first-time adoption of A-IFRS for those SGARAs already measured at net market value.

Depreciation

Under current Australian GAAP, certain items of the Trust's property, plant and equipment are depreciated to the extent of its depreciable amount, determined as the difference between carrying amount and residual value. The residual amount used in the determination of recoverable amount is estimated at the date of acquisition and is not subsequently increased for changes in prices, except where the asset had been revalued. Under A-IFRS, the residual amount is reviewed at each balance date and revised to the current net amount expected from the disposal of the asset if it were already at the age and condition expected at the end of its useful life. Accordingly, changes to the residual value may introduce additional volatility in the profit or loss.

Coonawarra Australia Property Trust

Notes to the Financial Statements for the half-year ended 31 December 2004

5. Impacts of adopting the Australian equivalents to International Financial Reporting Standards (A-IFRS) (continued)

Investment properties

The Trust has a bank facility with which to acquire investment properties and other related assets. Should such an acquisition be made the following policy may become relevant

The Trust accounts for its vineyard property on the fair value basis. Under A-IFRS, should the Trust acquire investment properties it will be able to continue to value its investment properties at fair value: however, all revaluation movements will be recognised through profit or loss rather than through the asset revaluation reserve. Accordingly, on initial adoption of A-IFRS, opening retained earnings would be adjusted to reverse any amounts in the asset revaluation reserve relating to movements in the fair value of the investment properties, and it will be necessary for the profit and loss to reflect both a revaluation increment as income and revaluation decrement as an expense in future financial years.

The Trust will have the option of changing its accounting policy to value investment properties at cost (less accumulated depreciation) going forward, but has not yet determined whether it will elect to adopt this alternative accounting policy.

6. Segment Information

The Trust operates solely in South-Eastern Australia and solely within the primary production land owning (wine-grape growing) industry.

7. Contingent Assets and Liabilities

The Trust had no contingent assets or liabilities as at the last reporting date of 30 June 2004. No contingent assets or liabilities have arisen since that date.

8. Additional Information

Coonawarra Australia Property Trust is a registered Managed Investment Scheme operating in Australia and listed as a public Unit Trust on the Australian Stock Exchange. There are no employees of the Scheme.

Coonawarra Australia Property Trust

Directors' Declaration

The financial statements and notes thereto of the Coonawarra Australia Property Trust (Trust) for the half-year ended 31 December 2004 have been prepared by Coonawarra Premium Vineyards Limited (Responsible Entity) in accordance with the Corporations Act 2001.

The directors of the Responsible Entity declare that the financial statements and notes set out on pages 5 to 11:

- a) comply with Accounting Standards and other mandatory professional reporting requirements; and
- b) give a true and fair view of the Trust's financial position as at 31 December 2004 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



R L Watson
Director

Adelaide, 23 February 2005

The Board of Directors
Coonawarra Australia Property Trust
Level 1
7 Greenhill Road
WAYVILLE SA 5034

23 February 2005

Dear Board Members

Coonawarra Australia Property Trust

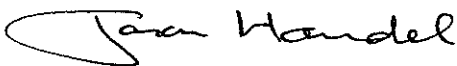
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Coonawarra Premium Vineyards Limited as Trustee for Coonawarra Australia Property Trust.

As lead audit partner for the review of the financial statements of Coonawarra Australia Property Trust for the half-year ended 31 December 2004, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely


DELOITTE TOUCHE TOHMATSU



JJ Handel
Partner
Chartered Accountants

Independent review report to the members of Coonawarra Australia Property Trust

Scope

We have reviewed the financial report of Coonawarra Australia Property Trust for the half-year ended 31 December 2004 as set out on pages 5 to 12. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the disclosing entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

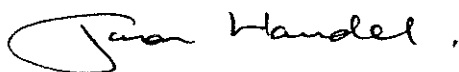
Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Coonawarra Australia Property Trust is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the disclosing entity's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.


DELOITTE TOUCHE TOHMATSU



JJ Handel
Partner
Chartered Accountants

Adelaide, 23 February 2005