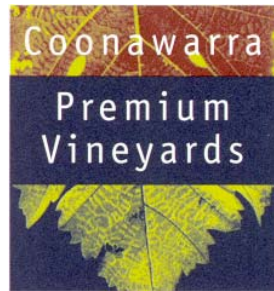


Coonawarra Premium Vineyards Project No. 2

ARSN 096 298 074



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 Premium Vineyards Project No. 2

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
Custodian	Australian Executor Trustees (SA) Limited (formerly Tower Trust (SA) Limited), Adelaide
Auditors	Deloitte Touche Tohmatsu, Adelaide
Bankers	Commonwealth Bank of Australia, Adelaide

Coonawarra Premium Vineyards Project No. 2

Directors' Report

The directors of Coonawarra Premium Vineyards Limited ACN 086 944 265, as Responsible Entity (RE) for the Coonawarra Premium Vineyards Project No. 2 ARSN 096 298 074 (Project), present their report on the Project 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 Project is an unlisted Registered Scheme, established and operating in Australia. The Project's principal activity in the course of the half-year was to grow wine grapes on behalf of Investors in the Project on land made available under a 15 year license agreement with CPV Land Holdings Ltd ABN 96 094 489 639 (Company). Upon the expiry of the licences, ownership of improvements to the land vests in the Company. The Project has no employees.

There were no significant changes in the nature of those activities during the half-year.

A proposal to restructure the Project was sent to members in December 2004 that would have resulted in the Project being merged into CPV Land Holdings Ltd by the Growers acquiring additional shares in CPV Land Holdings. CPV Land Holdings would have acquired other assets and become a self-funded mid-sized wine producing company utilising future crops produced on the Project vineyard, with no further obligation for Growers to pay fees. On Friday 28 January 2005 general meetings of Growers in the Project and Shareholders in CPV Land Holdings Ltd were held. The proposal to restructure the Project was not passed and accordingly the Project will continue to operate as before.

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

	2004	2003
	\$	\$
Management fees	375,924	403,492
Grant of use (licence) fees	65,125	62,989
Grape processing recharged	12,700	-
Interest income	835	601
Expenses	454,584	467,082
Net profit	-	-

Auditors' Independence

The Auditors' Independence Statement is included on page 10 of this financial report.

Signed in accordance with a resolution of the directors.



R L Watson
Director

Adelaide, 23 February 2005

Coonawarra Premium Vineyards Project No. 2

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

	Half-year	
	2004	2003
Operating revenue	\$	\$
Management fees	375,924	403,492
Grant of use fees	65,125	62,989
Grape processing fees	12,700	-
Interest revenue: growers	787	601
Interest revenue: other	48	-
Revenue from ordinary activities	454,584	467,082
Management fee expenses	(375,924)	(403,492)
Grant of use fee expenses	(65,125)	(62,989)
Grape processing expenses	(12,700)	-
Borrowing costs: responsible entity	(835)	(601)
Profit from ordinary activities before related income tax expense	-	-
Income tax expense relating to ordinary activities	-	-
Profit from ordinary activities after related income tax expense	-	-
Net profit	-	-
Total changes in equity other than those resulting from transactions with owners as owners	-	-

Notes to the financial statements are included on pages 7 & 8.

Coonawarra Premium Vineyards Project No. 2

Statement of Financial Position as at 31 December 2004

	31 December	30 June
	2004	2004
	\$	\$
Current assets		
Cash assets	148	100
Receivables	71,587	132,906
Other - accrued fee income	441,049	-
TOTAL CURRENT ASSETS	512,784	133,006
TOTAL ASSETS	512,784	133,006
Current liabilities		
Payables	71,735	133,006
Other - accrued management and grant of use fee expenses	441,049	-
TOTAL CURRENT LIABILITIES	512,784	133,006
TOTAL LIABILITIES	512,784	133,006
NET ASSETS	-	-
EQUITY	-	-
TOTAL EQUITY	-	-

Notes to the financial statements are included on pages 7 & 8.

Coonawarra Premium Vineyards Project No. 2

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

	Half-year	
	2004	2003
	\$	\$
Cash flows from operating activities		
Receipts from customers	515,068	311,745
Payments to suppliers	(515,020)	(387,900)
Interest received	835	601
Interest and other costs of finance paid	(835)	-
Net cash provided by / (used in) operating activities	48	(75,554)
Cash flows from investing activities	-	-
Net cash provided by investing activities	-	-
Cash flows from financing activities	-	-
Net cash provided by financing activities	-	-
NET INCREASE / (DECREASE) IN CASH HELD	48	(75,554)
Cash at the beginning of the half-year	98,308	173,862
CASH AT THE END OF THE HALF-YEAR	98,356	98,308
Reconciliation of cash		
Cash at bank	148	98,308

Notes to the financial statements are included on pages 7 & 8.

Coonawarra Premium Vineyards Project No. 2

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.

The half-year financial report does not include notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2004 and any public announcements made by Coonawarra Premium Vineyards Ltd 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. Segment Information

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

3. Contingent Assets and Liabilities

The Company 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.

4. 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 Project 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 Project'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 RE have not yet finalized a high-level assessment of the impact of A-IFRS on the Project, 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 Project, and expect to complete an impact study and commence a plan to prepare the Project 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 Project, 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 136 "Impairment of Assets"

Coonawarra Premium Vineyards Project No. 2

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

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

First-time adoption of A-IFRS

On first-time adoption of A-IFRS, the Project 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 Project 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.

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

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 RE 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 RE 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 RE provides an allowance for doubtful debts using an estimate based on specific analysis of receivables. Under A-IFRS, the RE 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.

5. Additional Information

The Project is an unlisted Registered Scheme operating in Australia. The Project has no employees.

Coonawarra Premium Vineyards Project No. 2

Directors' Declaration

The financial statements and notes thereto of the Coonawarra Premium Vineyards Project No.2 (Project) 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 4 to 8:

- a) comply with Accounting Standards and other mandatory professional reporting requirements; and
- b) give a true and fair view of the Project'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 Project will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



R L Watson
Director

Adelaide, 23 February 2005

The Board of Directors
Coonawarra Premium Vineyards Limited
Level 1
7 Greenhill Road
WAYVILLE SA 5034

23 February 2005

Dear Board Members

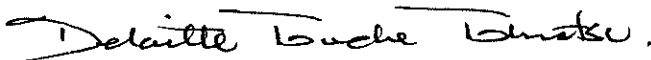
Coonawarra Premium Vineyards Project No.2

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 Responsible Entity for Coonawarra Premium Vineyards Project No.2.

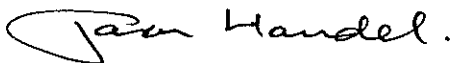
As lead audit partner for the review of the financial statements of Coonawarra Premium Vineyards Project No.2 for the half-year ended 31 December 2004, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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 Premium Vineyards Project No. 2

Scope

We have reviewed the financial report of Coonawarra Premium Vineyards Project No. 2 for the half-year ended 31 December 2004 as set out on pages 4 to 9. 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 Premium Vineyards Project No. 2 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