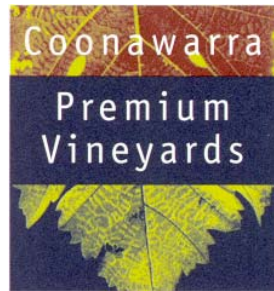


Coonawarra Premium Vineyards Project No. 2

ARSN 096 298 074



Half-Year Report for the half-year ended 31 December 2005

draft 21-02-2006

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 2005

<u>Contents</u>	<u>Page Number</u>
Corporate Information	2
Directors' Report	3
Auditors' Independence Statement.....	4
Income Statement	5
Statement of Changes in Equity	5
Balance Sheet.....	6
Cash Flow Statement.....	7
Notes to the Financial Statements.....	8
Directors' Declaration.....	11
Independent Review Report	12

Corporate Information

Responsible Entity (RE):	Coonawarra Premium Vineyards Limited ABN 58 086 944 265 AFS Licence No. 226243
Directors of the RE	Paul Miller (Chairman & Compliance Officer) Rex Watson (Group Managing Director) Andrew Parkinson (Chief Executive Officer & Company Secretary)
Company secretaries of the RE	Andrew Parkinson Charlie Latham (Chief Financial Officer)
Registered office and principal place of business	Level 1, 7 Greenhill Road, Wayville, South Australia 5034
Postal address	PO Box 6243 Halifax Street, Adelaide South Australia 5000
Phone:	+61 8 8299 9455
Fax:	+61 8 8299 9355
Email:	enquiries@coonawarravineyard.com.au
Grower Registry	Coonawarra Premium Vineyards Ltd, Adelaide
Custodian	Australian Equity Trustees (SA) Limited, Adelaide (to 31 January 2006) (formerly Tower Trust (SA) Limited)
Auditors	Deloitte Touche Tohmatsu, Adelaide
Taxation advisor	Deloitte Touche Tohmatsu, 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 2005. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors of the RE during or since the end of the half-year are: Mr Paul Miller (Chairman), Mr Rex Watson, Mr Richard Beck and Mr Andrew Parkinson.

The above named directors held office during and since the end of the half-year except for Mr Richard Beck, who resigned as a director on 7 February 2006 and Mr Andrew Parkinson, who was appointed as a director on 7 February 2006.

Review Of Operations

The Project was 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 Wines Ltd (formerly CPV Land Holdings Ltd) ABN 96 094 489 639 (Company). The Project had no employees. Upon the expiry of the licences, ownership of improvements to the land has vested in the Company.

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

Subsequent Events

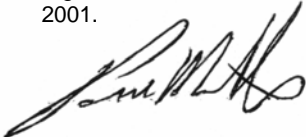
At general meetings of the Company and the Project held on 31 January 2006 the members voted to restructure the Project so that all the assets and liabilities of the Project vested in the Company and to wind up the Project itself with no further obligation for Growers to pay fees or costs. The members of CPV Land Holdings Ltd also resolved to change the name of that company to CPV Wines Ltd.

The winding up of the Project commenced on 31 January 2006 and was completed on 28 February 2006.

Auditors' Independence

The Auditors' Independence Statement is included on page 4 of this financial report.

Signed in accordance with a resolution of the directors of the RE pursuant to s.306(3) of the Corporations Act 2001.



Paul Miller
Director

Adelaide, 8 March 2006

The Board of Directors
Coonawarra Premium Vineyards Project No. 2
Level 1
7 Greenhill Road
WAYVILLE SA 5034

8 March 2006

Dear Board Members


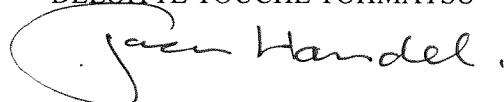
Coonawarra Premium Vineyards Project No. 2

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 Project No. 2.

As lead audit partner for the review of the financial statements of Coonawarra Premium Vineyards Project No. 2 for the financial half-year ended 31 December 2005, 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

Coonawarra Premium Vineyards Project No. 2

Income Statement for the half-year ended 31 December 2005

	Half-years ended 31 December	
	2005	2004
Revenue	\$	\$
Management fees	373,351	375,924
Grant of use fees	63,017	65,125
Interest revenue: growers	9,352	787
Interest revenue: other	20	48
Total revenue	445,740	441,884
Other income		
Grape processing & storage fees	-	12,700
Legal fees recovered	12	-
Total other income	12	12,700
Total	445,752	454,584
Management fee expenses	(373,351)	(375,924)
Grant of use fee expenses	(63,017)	(65,125)
Grape processing & storage expenses	-	(12,700)
Legal expenses	(12)	-
Borrowing costs: responsible entity	(9,372)	(835)
Application fee expenses	-	-
Total expenses	(445,752)	(454,584)
Profit before income tax expense	-	-
Income tax expense	-	-
Profit for the half-year	-	-

Notes to the financial statements are included on pages 8 to 10.

Statement of Changes in Equity for the half-year ended 31 December 2005

	Half-years ended 31 December	
	2005	2004
	\$	\$
Total equity at the beginning of the half-year	-	-
Net income recognised directly in equity	-	-
Profit for the half-year	-	-
Total recognised income and expense for the half-year	-	-
Total equity at the end of the half-year	-	-

Notes to the financial statements are included on pages 8 to 10.

Coonawarra Premium Vineyards Project No. 2

Balance Sheet as at 31 December 2005

	31 December	30 June
	2005	2005
	\$	\$
Current assets		
Cash and cash equivalents	171	151
Trade and other receivables	101,783	436,413
TOTAL CURRENT ASSETS	<u>101,954</u>	<u>436,564</u>
TOTAL ASSETS	<u>101,954</u>	<u>436,564</u>
Current liabilities		
Trade and other payables	836	103,305
Borrowings	101,118	333,259
TOTAL CURRENT LIABILITIES	<u>101,954</u>	<u>436,564</u>
TOTAL LIABILITIES	<u>101,954</u>	<u>436,564</u>
NET ASSETS	<u>-</u>	<u>-</u>
EQUITY	<u>-</u>	<u>-</u>
TOTAL EQUITY	<u>-</u>	<u>-</u>

Notes to the financial statements are included on pages 8 to 10.

Coonawarra Premium Vineyards Project No. 2

Cash Flow Statement for the half-year ended 31 December 2005

	Half-years ended 31 December	
	2005	2004
	\$	\$
Cash flows from operating activities		
Receipts from customers	771,010	515,068
Payments to suppliers	(770,990)	(515,020)
Interest received	9,372	835
Interest and other costs of finance paid	(9,372)	(835)
Net cash provided by operating activities	20	48
Cash flows from investing activities		
Net cash provided by investing activities	-	-
Cash flows from financing activities		
Net cash provided by financing activities	-	-
NET DECREASE IN CASH HELD	20	48
Cash and cash equivalents at the beginning of the half-year	151	98,308
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	171	98,356
Reconciliation of cash and cash equivalents		
Cash at bank	171	148

Notes to the financial statements are included on pages 8 to 10.

Coonawarra Premium Vineyards Project No. 2

Notes to the Financial Statements for the half-year ended 31 December 2005

1. Summary of Accounting Policies

Basis of preparation of half-year report

The half-year financial report is a general purpose financial report prepared in accordance with Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The Project changed its accounting policies on 1 January 2005 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the consolidated entity's financial position, financial performance and cash flows is discussed in Note 2.

The accounting policies set out below have been applied in preparing the financial statements for the half-year ended 31 December 2005, the comparative information presented in these financial statements, and in the preparation of the opening A-IFRS balance sheet at 1 July 2004 (as disclosed below), the Project's date of transition.

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Goods and Services Tax

The Project is not registered for GST purposes as it is not an entity and cannot be registered. Income and expenses are stated gross of GST, as are cashflow transactions, receivables and payables of the Scheme.

Income Tax

No provision for income tax is taken into account when preparing the Project's financial statements, as the Project has no tax liability in respect of its earnings. Individual members (Growers) in the Project will account for the income of the Project in their individual taxation returns at their applicable tax rate.

Biological Assets - Grapevines and Grapes

The grapevines are legally part of the land and therefore are the property of the land holder, being Coonawarra Australia Property Trust. Proceeds from sales of grapes and bulk wine is income of the Growers and does not form part of the Project for the purpose of these financial statements.

Revenue Recognition

Revenue is recognised when the Project gains control of the revenue or the right to receive the revenue. Interest revenue is recognised on an accruals basis.

Cash and cash equivalents

Cash includes cash on hand and in banks and investments in money market instruments.

Financial assets

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The only financial assets held by the company are loans and receivables.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

Coonawarra Premium Vineyards Project No. 2

Notes to the Financial Statements (continued) for the half-year ended 31 December 2005

1. Summary of Accounting Policies (continued)

Impairment of assets

At each reporting date, the RE reviews the carrying amounts of the Project's tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

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

The Project changed its accounting policies on 1 January 2005 to comply with Australian equivalents to International Financial Reporting Standards ('A-IFRS'). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition.

An explanation of how the transition from superseded policies to A-IFRS has affected the Project's financial position, financial performance and cash flows is set out in the following paragraphs.

Effect of A-IFRS on balance sheet as at 31 December 2004 and 30 June 2005

There are no material differences between the balance sheet presented under A-IFRS and the balance sheet presented under the superseded policies as at 31 December 2004 and 30 June 2005.

Effect of A-IFRS on the income statement for the financial half-year ended 31 December 2004 and the financial year ended 30 June 2005

There are no material differences between the income statement presented under A-IFRS and the income statement presented under the superseded policies for the financial half-year ended 31 December 2004 and the financial year ended 30 June 2005.

Effect of A-IFRS on the cash flow statement for the financial half-year ended 31 December 2004 and the financial year ended 30 June 2005

There are no material differences between the cash flow statements presented under A-IFRS and the cash flow statements presented under the superseded policies for the financial half-year ended 31 December 2004 and the financial year ended 30 June 2005.

Coonawarra Premium Vineyards Project No. 2

Notes to the Financial Statements (continued) for the half-year ended 31 December 2005

3. Subsequent events

At general meetings of the Company and the Project held on 31 January 2006 the members voted to restructure the Project so that all the assets and liabilities of the Project vested in the Company and to wind up the Project itself with no further obligation for Growers to pay fees or costs. The members of CPV Land Holdings Ltd also resolved to change the name of that company to CPV Wines Ltd.

The winding up of the Project commenced on 31 January 2006 and was completed on 28 February 2006.

4. Segment Information

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

5. Contingent Assets and Liabilities

The Project had no contingent assets or liabilities as at the last reporting date of 30 June 2005. No contingent assets or liabilities have arisen since that date.

6. Additional Information

The Project was an unlisted Registered Scheme operating in Australia. The Project had no employees.

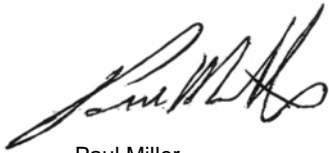
Coonawarra Premium Vineyards Project No. 2

Directors' Declaration

The directors of the Responsible Entity declare that:

- a) in the directors' opinion, there are reasonable grounds to believe that the Project will be able to pay its debts as and when they become due and payable; and
- b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Project.

Signed in accordance with a resolution of the directors made pursuant to s. 303 (5) of the Corporations Act 2001



Paul Miller
Director

Adelaide, 8 March 2006

Independent review report to the members of Coonawarra Premium Vineyards Project No. 2

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, selected explanatory notes and the directors' declaration for Coonawarra Premium Vineyards Project No. 2 ("the Project") for the half-year ended 31 December 2005 as set out on pages 5 to 11.

The directors of Coonawarra Premium Vineyards Limited ("the Responsible Entity") are responsible for the preparation and true and fair presentation of the financial report in accordance with Accounting Standards in Australia and the Corporations Act 2001. This includes responsibility for the maintenance of adequate financial records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

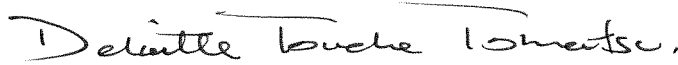
We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001 and Accounting Standards AASB 134 "Interim Financial Reporting" and AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards", so as to present a view which is consistent with our understanding of the Project's financial position, and performance as represented by the results of its operations, its changes in equity and its cash flows, and in order for the Project to lodge the financial report with the Australian Securities and Investments Commission.

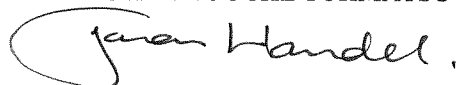
Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required 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 the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2005 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" and the Corporations Regulations 2001.


DELOITTE TOUCHE TOHMATSU



JJ Handel
Partner
Chartered Accountants

Adelaide, 8 March 2006

Member of
Deloitte Touche Tohmatsu