



KEY IMPACTS ON GRAPE DEMAND & PRICES FOR 2009

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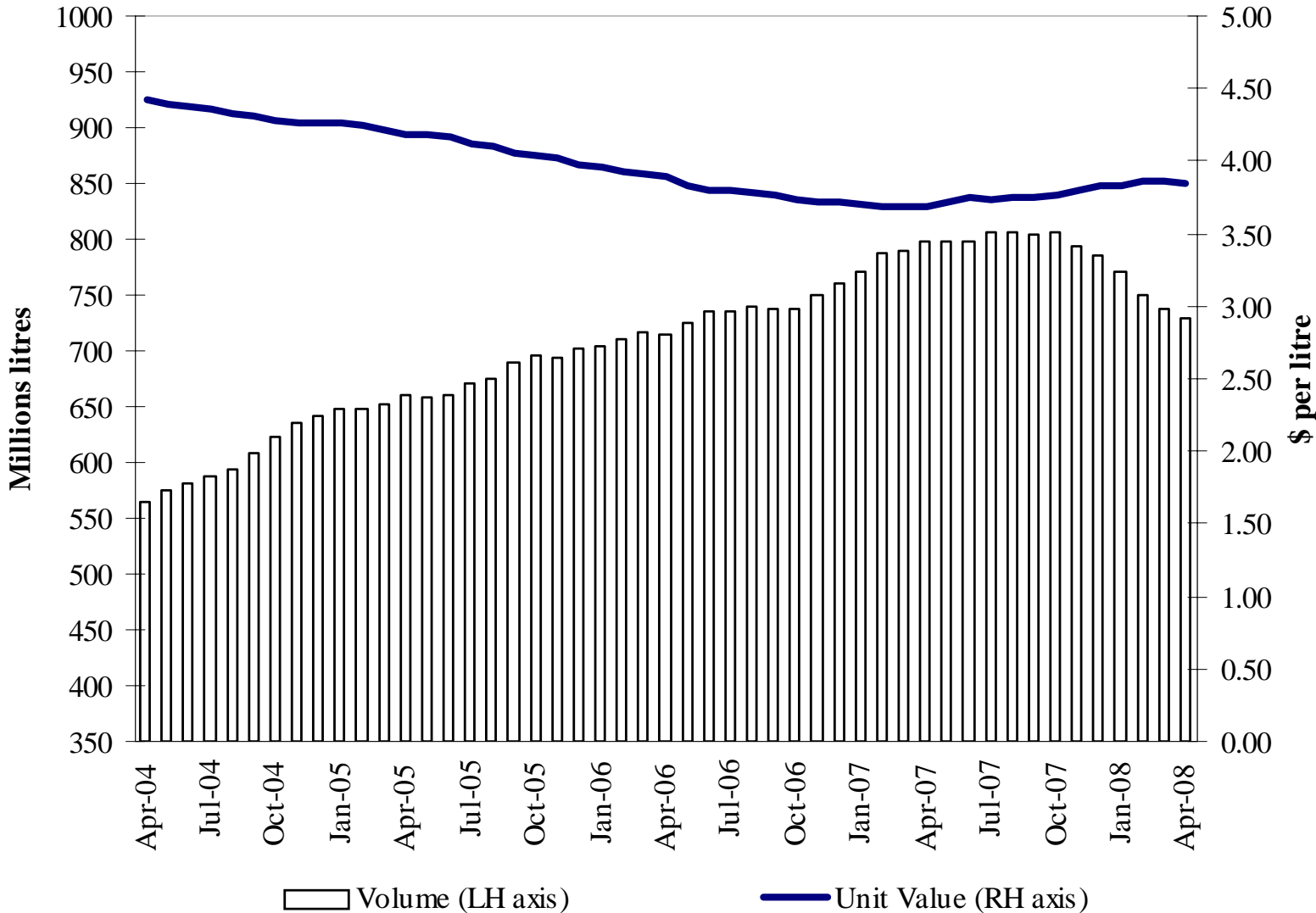
Decline In Export Volumes

- Appreciating A\$ Now Biting
- Export Volume Fall by 9% to 724 ML (MAT to May 08)
- Export Value A\$2.8 Billion – 7% Down
- Average Value of \$3.83 per Litre – 3% Up
- Bulk/Cask Exports Down 82 ML

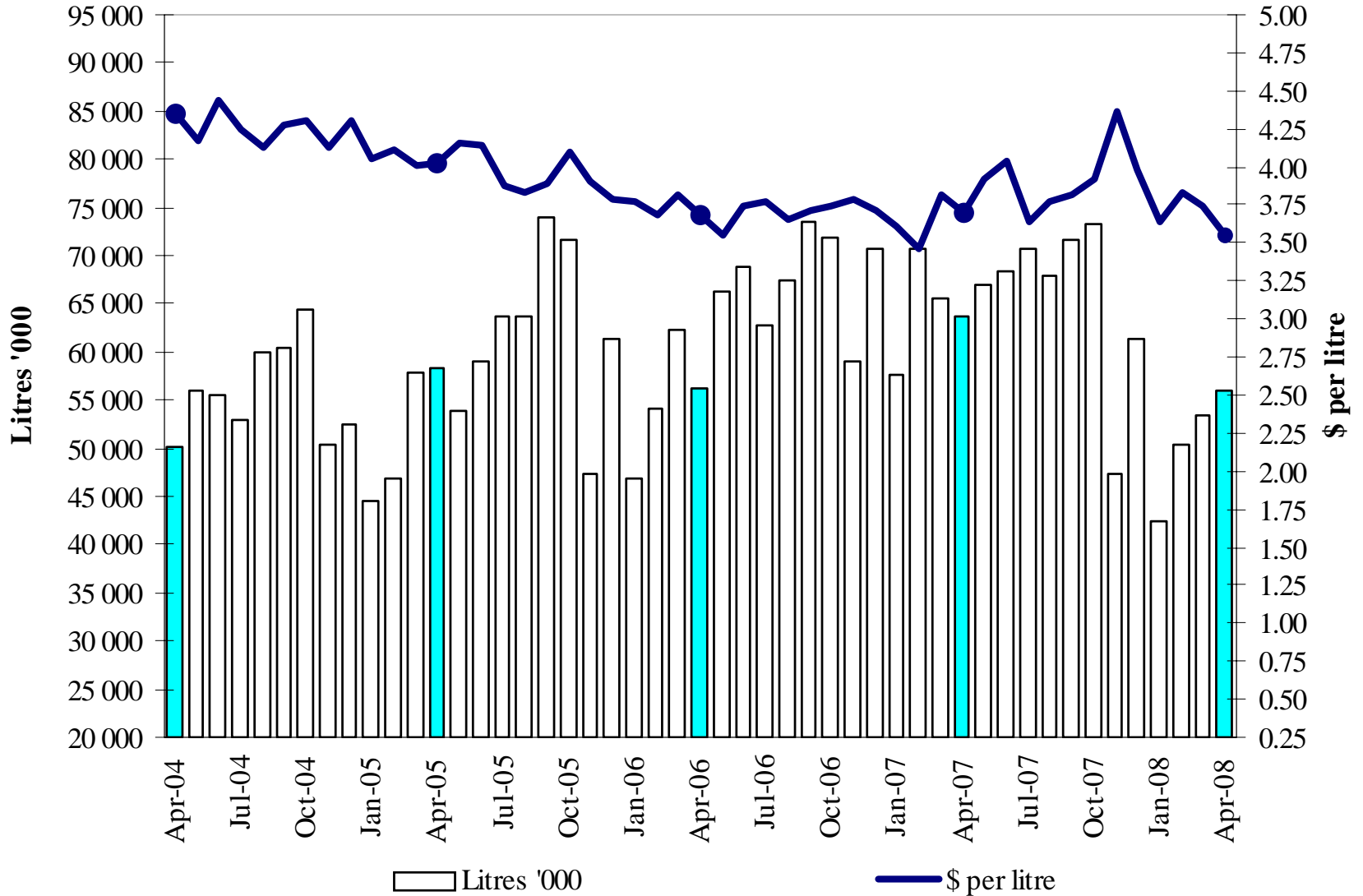


- Bottled Wine Up 8 ML
- AWBC: Estimates 70 ML of Bulk Unsustainable
- Transition In Exports – Volume to Value Growth

MAT Export Performance



Monthly Export Performance





Major Export Markets

- UK Volume Declines Marginally, Av Value Down 4.7%
- UK Market Consolidating, On Premise Growth at Smaller Volumes
- US Volume Declines 16.5%, Av Value steady



- US Market More Affected By A\$
- Predicted Dip in US Before Growth Returns, Higher Price Points
- Canada & Ireland Stay Strong
- Denmark, Netherlands Growing – Bulk
- China Strong (Av Value Up 150%), Russia Potential



Longer Term Export Outlook (to 2011-12)

- Potential Export Growth of 75 ML
- 1.8% CAGR vs 14% Over Last 5 Years
- Higher Priced Growth = Steady Value Growth
- Value up to A\$3.9 Billion – 5.5% CAGR
- US Shows Greatest Potential



Domestic Market Trends

- Continuing Trend to Bottles – 45% vs 39%
In Softpack
- Growth In Average Prices Flat – exc
Classic Dry Whites Up 16%
- UP: Sauvignon Blanc 34% S/B Semillon
32%



- DOWN: Chardonnay -4%; Riesling -9%; Classic Dry White -16%
- Chardonnay Still Top 37% of Bottled Whites; SB 15%
- UP: Cabernet Turnaround: 11%; Cab Merlot 9%, Shiraz 5% Merlot 4%
- Shiraz Still Top at 20%; Cabernet 18%



Flow On Effect of Higher Than Expected 2008 Vintage

- Potential For Some Recovery In Bulk Export Shipments - \$A Dependent
- More Comfortable Stocks to Sales Ratios
- Some Oversupply of Whites vs Sales – Chardonnay



Current Major Winery Responses

- Reported Push Back On Higher Prices in Export Market
- Major Wineries Looking to Cut Supply in Medium to Longer Term
- Indications of Lower Requirements in Supply from Key Inland Regions



- Immediate Focus On Reducing Chardonnay Intakes
- Indications to Some Cooler Zone Growers that Contracts Will Not Be Renewed



Wine Grape Market Trends - Summary

- Size of 2009 Vintage Crucial – Water and Season Effects
- Some Downward Pressure on selected varieties - Chardonnay
- No Planting Signal – Concerns Remain Over Structural Oversupply