

20 February 2004

ASX Announcement

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Beston Wine Industry Trust – Appendix 4D

BWI ACHIEVES RECORD PROFIT GROWTH OF 70% AS ASSETS INCREASE \$111m

The Beston Wine Industry Trust (ASX Code: BWI & BWIPA) is pleased to announce that it has continued its track record of asset growth which has led to a strong profit result for the December 2003 half-year.

Net profit after tax was \$4.03 million for the half-year to 31 December 2003, up 70% from the previous corresponding period figure of \$2.37 million. Record revenue growth was also achieved, with a 71% increase in revenues to \$7.92 million for the half-year.

Profit growth was driven by the 72% increase in property assets from 30 June 2003 to reach \$216.44 million, with total assets increasing \$111.12 million (84%) to a record \$242.69 million, of which cash on deposit is \$24.03 million. A 28% reduction of the Trust's Management Expense Ratio (MER) from 1.49% in the 2002 half-year to 1.07% for the 2003 half-year based on average Unitholders' funds also contributed to profit growth.

Ordinary Unit distributions for the half-year represented an annualised running yield of 10.15% on the most recent issue price of \$0.90 per Unit. During the half, ordinary Unitholders received distributions totalling 4.59 cents for the half-year, down 1.54% from 4.66 cents in the previous corresponding period due primarily to a higher proportion of cash assets designated for property acquisitions than property assets in the 2003 half. PICE Unitholders received distributions totalling 47.70 cents per Unit for the half-year, up 1.55 cents per Unit from the previous corresponding period. Following the annual CPI adjustment on the 26th of March 2003, the PICE Units are yielding 9.54% based on the \$10.00 issue price.

The Trust's half-year results are in line with estimates contained in the recent \$55 million capital raising prospectus.

Significantly for the Trust and following the success of its fully oversubscribed capital raising during the half, the Trust's Ordinary Unit market capitalisation exceeded the \$100 million mark for the first time, closing the half at \$119.3 million, up 98%.

Portfolio

During the period 1 July 2003 to 31 December 2003, the Trust made the following strategic acquisitions:

- Lawson's and Richmond Grove vineyards located in Padthaway, South Australia which are sub-leased to Orlando Wyndham;
- Qualco East vineyard in Waikerie, South Australia; and
- The Balranald vineyard in Balranald, New South Wales, all four of which are leased to one of Australia's largest listed wine companies, McGuigan Simeon Wines Limited; &
- The Cocoparra vineyard located in Griffith, New South Wales leased to the ASX listed wine group Evans & Tate Ltd.

Total expenditure on property acquisitions and property developments for the half was \$91 million. This now gives the Trust a portfolio of 30 vineyards and 3 wineries, placing it as the third largest vineyard owner in Australia, behind only Southcorp and Beringer Blass (subsidiary of Foster's), with a total of 3095.5 hectares (7,649 acres) under vine in the premium wine regions of Australia and New Zealand.

As in previous years, the assets of the Trust have been recorded in the financial accounts at historical cost. However, the Trust ensures that qualified independent valuers revalue all properties at least every three years, with management checking valuations every six months.

NTA and Growth in Equity

Based on the 31 December 2003 closing price of \$0.95 for Ordinary Units, the Trust's Net Tangible Asset backing on a fully diluted basis increased from \$0.81 to \$0.84 during the half-year.

During the half the Trust successfully issued 61,111,111 Ordinary Units at \$0.90 pursuant to its fully oversubscribed prospectus capital raising, 3,974,605 Ordinary Units via an institutional private placement at \$0.90 and 238,606 Ordinary Units under its Distribution Reinvestment Plan.

At 31 December 2003, there were 125,540,732 Ordinary Units on issue (an increase of 65,324,322 Units) of which the 20 largest Unitholders held 65,612,463 Units or 52.26% of the Ordinary Units, and 1,717,847 PICE Units (an increase of 17,732 Units) of which the 20 largest Unitholders held 1,702,417 PICE Units or 99.10% of the total. As at December 2003, the trust has 3,624 Ordinary Unitholders and 68 PICE Unitholders.

Total Unitholders' equity increased 85% during the year, from \$67.25 million to \$124.22 million.

Capital Management

Following the Trust's successful capital raisings, additional debt totalling \$52.25 million was secured from the major banks in order to gear the equity used to fund property acquisitions completed during the half.

The Trust's gearing as at 31 December 2003 was 46.39%, up from 45.85% at 30 June 2003.

100% of the Trust's interest bearing liabilities are hedged and are duration matched to the initial terms of the Trust's leases.

Outlook

Challenger Beston Limited, the Responsible Entity for the Trust, has identified a number of investment opportunities that it believes complements the Trust's growth strategy and is continuing due diligence on these assets. Expenditure on the Trusts development properties continues, as do upgrades to the Trusts existing vineyards to ensure they are maintained in accordance with best viticultural practices.

The Beston Wine Industry Trust is now well placed to partner the wine industry to meet the challenges facing it as an established and significant contributor to the development of additional vineyard properties in Australia and New Zealand. The Trust's sale and leaseback product assists wine companies to improve their capital management practises and allows them to keep pace with the demands of the domestic and international market places while providing investors a stable income stream that is derived from rental incomes and not directly subject to the agricultural risks and fluctuations inherent in grape production.

For further information please see our website www.bestonwine.com or contact the Beston Wine Industry Trust:

Mr Christopher Atkins

Managing Director
Ph (08) 8211 7777

Mr Peter Bachmann

Associate Director
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Beston Wine Industry Trust – Appendix 4D

Financial half-year ended 31 December 2003

Results for announcement to the market

Highlights of results		31-Dec-03	31-Dec-02	Change
Revenue from ordinary activities (\$'000)		7,922	4,646	70.51%
Net Profit from ordinary activities after tax attributable to unitholders – (\$'000)		4,027	2,371	69.84%
Distribution to unitholders – (\$'000)		4,027	2,371	69.84%
Distributions for the half-year ending				
31 December – cents per unit	1	4.59	4.66	-1.54%
Total distributions – cents per unit		4.59	4.66	-1.54%
Basic and diluted earnings cents per unit	2	4.53	4.30	5.30%
		31-Dec-03	30-Jun-03	
Total Assets (\$'000)		242,685	131,567	84.46%
Total borrowings (\$'000)		112,573	60,326	86.61%
Unitholders' Equity (\$'000)		124,221	67,253	84.71%
Ordinary Unit Market Capitalisation (\$'000)		119,264	55,399	115.28%
Net tangible assets (NTA) \$ per Ordinary Unit (diluted)		0.84	0.81	3.70%
Ordinary Unit price – \$		0.95	0.92	3.26%
Ordinary Units on issue		125,540,732	60,216,410	108.48%
Preferred Indexed Convertible Equity Unit price – \$		9.80	9.70	1.03%
Preferred Indexed Convertible Equity Units on issue		1,717,847	1,700,1115	1.04%
Record date – September Quarter (Q1)		30 September 2003		
– December Quarter (Q2) – Interim (Ordinary Units only)		9 December 2003		
– December Quarter (Q2) – Final		31 December 2003		
Payment date – September Quarter (Q1) distribution		14 November 2003		
– December Quarter (Q2) – Interim distribution (Ordinary Units only)		23 January 2003		
– December Quarter (Q2) – Final distribution		16 February 2003		

Commentary of Results

1. Ordinary Unit distributions for the half-year ended 31 December 2003 when compared to the previous corresponding period is marginally lower primarily due to the high proportion of cash designated for vineyard and winery acquisitions. In the 2003 calendar year, \$80.43 million in cash was raised by the Trust as compared to \$2.96 million in the 2002 calendar year.
2. Diluted earnings increased due to a lower relative number of Preferred Index Convertible Equity Units (PICE) to Ordinary Units in the Trust's equity capital base.

Directors' Report

Directors

The directors of Challenger Beston Limited, being the Responsible Entity of the Beston Wine Industry Trust, during or since the end of the half-year are:

S Gerlach	Chairman	
RN Sexton	Deputy Chairman	
CJ Atkins	Managing Director	
B Beaton	Director	
IM Martens	Director	appointed 11 July 2003
DC Hall	Director	appointed 11 July 2003
BR Benari		appointed 11 September 2003
TH Foster	Director	appointed 11 September 2003
RJ Woods	Director	appointed 5 February 2004
WEB Ireland		resigned 11 July 2003
SJ Gilsean		resigned 31 July 2003
BR Benari		resigned 5 February 2004

Review and Results of Operations

Net profit after tax has risen for the half-year to 31 December 2003 as a result of revenue growth which was driven by the increase in property assets.

Property assets grew by 72% from 30 June 2003 to reach \$216.44 million, with cash on deposits being \$24.03 million. A reduction of the Trust's Management Expense Ratio from 1.49% in the December 2002 half-year to 1.07% for the December 2003 half-year based on average Unitholders' funds also contributed to profit growth.

During the half-year, 65,324,322 additional ordinary and 17,814 PICE Units were issued. The new issues together with an increase of \$52.2 million in borrowings funded the purchase of additional property assets.

Total Unitholders' equity increased 85% during the year, from \$67.25 million to \$124.22 million.

Rounding

The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Trust under ASIC Class Order 98/0100. The Trust is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.



Christopher J Atkins

Managing Director

Dated this 20th day of February 2004

Condensed Statement of Financial Performance

	Notes	Consolidated	
		Half-year ended 31 December 2003	Half-year ended 31 December 2002
		\$'000	\$'000
Revenues from ordinary activities	2	7,922	4,646
Expenses from ordinary activities		3,895	2,275
Profit from ordinary activities before income tax expense	2	4,027	2,371
Income tax expense relating to ordinary activities		–	–
Profit from ordinary activities after income tax expense		4,027	2,371
Net profit		4,027	2,371
Net profit distributable to members of Beston Wine Industry Trust		4,027	2,371
Issue costs from Capital Raising deducted from equity	8	(1,956)	(133)
Net exchange difference on translation of financial statements of foreign controlled entity		(31)	1,042
Total revenues, expenses and valuation adjustments attributable to members of Beston Wine Industry Trust and recognised directly in equity		(1,987)	909
Total changes in equity other than those resulting from transactions with owners as owners		2,040	3,280
Basic earnings per Ordinary Unit (cents per Ordinary Unit)		4.591	4.663
Diluted earnings per Ordinary Unit (cents per Ordinary Unit)		4.530	4.302
Franked dividends per Ordinary Unit (cents per Ordinary Unit)		NIL	NIL

Condensed Statement of Financial Position

Half-year ended 31 December 2003

	Notes	Consolidated	
		As at 31 December 2003 \$'000	As at 30 June 2003 \$'000
Current Assets			
Cash		7,813	1,364
Receivables		492	498
Investments		16,221	3,185
Other		654	373
Total Current Assets		25,180	5,420
Non-Current Assets			
Property, plant and equipment	5	216,443	125,587
Other		1,062	560
Total Non-Current Assets		217,505	126,147
Total Assets		242,685	131,567
Current Liabilities			
Payables		4,005	2,744
Other		1,886	1,244
Total Current Liabilities		5,891	3,988
Non-Current Liabilities			
Interest-bearing liabilities		112,573	60,326
Total Non-Current Liabilities		112,573	60,326
Total Liabilities		118,464	64,314
Net Assets		124,221	67,253
Equity			
Unitholder Equity	7	124,116	67,117
Exchange Rate Fluctuation Reserve	9	103	136
TOTAL EQUITY		124,221	67,253

Condensed Statement of Cash Flows

Half-year ended 31 December 2003

	Notes	Consolidated	
		Half-year ended 31 December 2003	Half-year ended 31 December 2002
		\$'000	\$'000
Cash Flows from Operating Activities			
Receipts from customers		8,709	4,478
Payments to suppliers and employees		(2,683)	(502)
Borrowing costs		(3,183)	(1,420)
Other		274	32
Net Cash Flows from Operating Activities		3,117	2,588
Cash Flows from Investing Activities			
Acquisition of property		(89,358)	(19,882)
Payment for deposits		(13,435)	–
Proceeds from deposits		–	318
Other		355	–
Net Cash Flows from Investing Activities		(102,438)	(19,564)
Cash Flows from Financing Activities			
Proceeds from issue of units		58,954	2,958
Proceeds from borrowings		52,248	14,560
Distribution paid		(3,445)	(2,301)
Other		(1,955)	(133)
Net Cash Flows from/(used in) Financing Activities		105,802	15,084
Net increase in cash held		6,480	(1,892)
Add opening cash brought forward		1,364	940
Effects of exchange rate changes on cash		(31)	1,042
Closing Cash Carried Forward		7,813	90

Notes to the Half-Year Financial Statements

31 December 2003

1. Basis of preparation of the half-year financial report

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Beston Wine Industry Trust as at 30 June 2003. It is also recommended that the half-year financial report be considered together with any public announcements made by Beston Wine Industry Trust and its controlled entities during the half-year ended 31 December 2003 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

Property is recognised at cost, including stamp duty and other transaction costs. The carrying amounts of non-current assets are reviewed at balance date to determine whether they are in excess of their recoverable amount. Independent valuations are obtained on properties every three years. However, the results of those valuations are not reflected in the book values. Independent valuations have recently been obtained on the Boh River and Thomson's Vineyards in South Australia, and the Inglewood and Dalswinton vineyards in NSW.

No depreciation charge is applied to the vineyard properties in the financial statements as they are treated as investment properties. Winery assets acquired during the period are amortised over their expected useful life and amortisation is provided on a straight line basis. Major amortisation periods are:

	2003	2002
Winery buildings	50 years	50 years
Grape processing plant	30 years	30 years
Storage	50 years	50 years
Winery plant	20 years	20 years

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The Trust applies AASB 1037 'Self Generating and Regenerating Assets' (SGARA). The definition of SGARA in the standard applies to the grape vines (and not the underlying land and improvements) and requires that they are valued at net market value and that any changes in value are to be recognised in net profit in the current period. The underlying value of the grapevines (which is included in the value of the vineyards) is the value of the rental streams calculated on a discounted cash flow basis and includes the value of the grape vines. The directors have determined that, given the nature of the leases, the cost of the vines included in the cost of the vineyards represents the net market value of the vines. During the terms of the leases, the ownership of the grapes remains with the vineyard operators and therefore the grapes do not require revaluation, as they are not recognised in the Statement of Financial Position of the Trust.

(b) Changes in accounting policies

There have been no changes to accounting policy during the half-year ended 31 December 2003.

Notes continued

Consolidated	
Half-year ended 31 December 2003	Half-year ended 31 December 2002
\$'000	\$'000

2. Profit from ordinary activities

(a) Specific Items

Profit from ordinary activities before income tax expense include the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:

(i) Revenues from ordinary activities

Revenue from property rentals	7,647	4,614
Interest income	252	21
Revenue from other sources	23	11
	7,922	4,646

(ii) Expenses from ordinary activities

Depreciation and amortisation	148	130
Borrowing costs	2,718	1,461
Employee benefits	96	84
Management and custodial fees	718	447
Other costs	215	153
	3,895	2,275

3. Distributions paid or provided for on ordinary shares

(a) Distribution proposed and recognised as a liability	2,222	1,226
(b) Distributions paid during the half-year		
From current year profits	1,805	1,145
Total distributions paid or payable from current year profits	4,027	2,371
Distributions paid from prior year profits	1,640	1,156

4. Contingent assets and liabilities

Since the last annual reporting date, there has been no material change of any contingent liabilities or contingent assets.

Notes continued

	Consolidated	
	As at	As at
	31 December 2003	31 December 2002
	\$'000	\$'000

5. Property, plant and equipment

Land – vineyards and winery plant at cost less provision for amortisation	216,443	125,587
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Movements in carrying amounts

Land – vineyards at cost

Balance at the beginning of the period	120,364	72,129
Acquisitions of vineyard properties and additions during the period	90,996	48,235
Balance at the end of the period	211,360	120,364

Winery, plant and equipment

Balance at the beginning of the period	5,525	4,248
Acquisitions of winery, plant and equipment during the period	8	1,277

Total cost	5,533	5,525
Accumulated Amortisation	(450)	(302)
Balance at the end of the period	5,083	5,223

Total property, plant and equipment	216,443	125,587
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Vineyards and wineries are leased to vineyard operators and / or wine companies under long-term lease contracts, typically for ten year terms. Rentals are based on a premium over bond rates, and cannot decline. Leases are renewable at the lessee's option after the expiration of the initial lease term, in renewal periods of not less than 5 years.

The vineyard properties are subject to call options which have been granted to the vineyard operators. These options are exercisable upon expiry of the initial lease term or each five year increment at varying dates between October 2006 and June 2032. The exercise price of the options is to be market value as determined by an Independent Valuation if required, at not less than cost.

As the properties are held under such contracts and the manner in which revenue is derived, the land and vines are considered one asset for disclosure purposes.

See property table following.

Notes continued

Portfolio Breakdown as at 31 December 2003

Property	Lessee	Location	% of Portfolio	Purchase price including transaction fees and Improvements \$'000	Planted Hectares
Summers Hill Vineyard	Burge Corp Pty Ltd	Eden Valley, SA	0.71%	1,534	18.10
Corryton Park Vineyard	Burge Corp Pty Ltd	Eden Valley, SA	1.44%	3,110	38.80
Cowra Station Vineyard	McGuigan Simeon Wines Ltd	Cowra, NSW	1.70%	3,687	58.50
Sandy Hollow Vineyard	McGuigan Simeon Wines Ltd	Hunter Valley, NSW	2.25%	4,876	105.30
Bethany Creek & Vine Vale Vineyards	McGuigan Simeon Wines Ltd	Barossa Valley, SA	0.79%	1,712	18.60
Waikerie Vineyard	McGuigan Simeon Wines Ltd	Riverland, SA	1.01%	2,185	40.00
Schubert's Vineyard	McGuigan Simeon Wines Ltd	Lobethal, SA	2.00%	4,324	76.90
Hunter Valley Winery	McGuigan Simeon Wines Ltd	Hunter Valley, NSW	2.09%	4,530	N/A
Inglewood Vineyard	Inglewood Vineyards Pty Ltd	Hunter Valley, NSW	0.65%	1,413	20.10
Dalswinton Vineyard	Inglewood Vineyards Pty Ltd	Hunter Valley, NSW	2.30%	4,973	75.50
Thomson Vineyard	Thomson Fruitgrowers Pty Ltd	Riverland, SA	1.89%	4,100	103.40
Boh River Vineyard	BH & SE Booth and Auction Services Pty Ltd	Waikerie, SA	4.64%	10,037	192.70
Gundagai Vineyard	P Bunn	Gundagai, NSW	5.80%	12,559	200.30
Gimblett Rd Vineyard	Delegat's Wine Estate Ltd	Hawkes Bay, NZ	1.19%	2,573	20.80
Highway 50 Vineyard	Delegat's Wine Estate Ltd	Hawkes Bay, NZ	1.16%	2,521	18.90
Crownthorpe Vineyard Development	Delegat's Wine Estate Ltd	Hawkes Bay, NZ	7.15%	15,480	283.00
Dashwood Vineyard Development	Delegat's Wine Estate Ltd	Marlborough, NZ	6.17%	13,364	167.00
Yarraman Vineyard & Winery	Reynolds Wines Ltd	Hunter Valley, NSW	0.94%	2,042	18.90
Sirens Vineyard	Southcorp Ltd	Margaret River, WA	0.93%	2,022	27.30
Chapel Vineyard	NVFA	Coonawarra, SA	1.34%	2,896	30.40
Trillian's Hill Vineyard	Trillian's Hill Vineyard Pty Ltd	Clare, SA	0.48%	1,046	19.50
Woods Vineyard	Evans & Tate	Griffith, NSW	0.58%	1,252	36.40
Gnangara Vineyard	Evans & Tate	Manjimup, WA	2.30%	4,989	101.00
Oakridge Estate Vineyard & Winery	Evans & Tate	Yarra Valley, Vic	1.09%	2,368	11.20
Cocoparra Vineyard	Evans & Tate	Griffith, NSW	3.94%	8,526	229.70
Two Rivers Vineyard	McGuigan Simeon Wines Ltd	Swan Hill, Vic	14.04%	30,384	237.70
Lawsons & Richmond Grove Vineyards	MGW – Subleased to Orlando Wyndham	Padthaway, SA	20.77%	44,947	484.00
Qualco Vineyard	McGuigan Simeon Wines Ltd	Waikerie, SA	3.43%	7,420	168.91
Balranald Vineyard	McGuigan Simeon Wines Ltd	Balranald, NSW	7.19%	15,573	291.29
Total			100%	216,443	3094.21

Notes continued

6. Segment information

The Trust operates entirely within Australasia, investing in vineyard properties for lease to vineyard operators and wine industry infrastructure assets.

7. Unitholder equity

Units issued during the year

3,974,605 Ordinary Units were issued via private placement during the year at \$0.90 each. 61,111,111 Units were issued at \$0.90 by public equity raising, and a further 238,606 Units were issued through the Distribution Reinvestment Plan for prices between \$0.88 and \$0.90. The total Units on issue are 125,540,732 ordinary and 1,717,847 PICE.

	Half-year ended 31 December 2003		Half-year ended 30 June 2003	
	Number of units		Number of units	
	'000	\$'000	'000	\$'000
Ordinary Units				
Beginning of the half-year	60,216	55,116	36,081	33,639
Issued during the half-year				
– Distribution reinvestment plan	239	213	330	291
– Public equity raising	61,111	55,000	23,805	21,186
– Private placements	3,975	3,577	–	–
Balance at the end of the period	125,541	113,906	60,216	55,116
PICE Units				
Beginning of the financial year	1,700	17,001	1,700	17,001
Issued during the year				
– Distribution reinvestment plan	18	165		
Balance at the end of the period	1,718	17,166	1,700	17,001
Contributed equity		131,072		72,117
Less issue costs		(6,956)		(5,000)
End of financial period		124,116		67,117

Terms and conditions of Units

Ordinary Units have the right to receive distributions as declared and, in the event of winding up the Trust, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the Units held.

PICE Units may be converted at any time within 60 days after the fifth anniversary of issue to 60 days after the tenth anniversary of issue. The conversion price is based on the market value of ordinary Units. During the term of the Units, holders will be entitled to a yield at the rate of 9.0% per annum, which is indexed annually in arrears in accordance with increases in the Australian Consumer Price Index. PICE Unitholders will be entitled to income in preference to ordinary Unitholder distributions.

Notes continued

Half-year to
31 December 2003

8. Issue costs from capital raising

Opening balance	5,000
Addition for the half-year	1,956
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Closing balance	6,956

9. Foreign currency translation reserve

Opening balance	136
Movement for the half-year	(31)
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Closing balance	105

10. Subsequent events

31 December 2003

No events of a material nature have arisen since the end of the year which will have any effect on the Statement of Financial Performance or the Statement of Financial Position in this report

Directors' Declaration

In accordance with a resolution of the directors of Challenger Beston Limited as Responsible Entity of the Beston Wine Industry Trust, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the Beston Wine Industry Trust consolidated entity:

(i) give a true and fair view of the financial position as at 31 December 2003 and the performance for the half-year ended on that date of the consolidated entity; and

(ii) comply with Accounting Standard AASB 1029 'Interim Financial Reporting' and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Beston Wine Industry Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Christopher J Atkins

Managing Director

Dated this 20th day of February 2004

Independent review report to unitholders of the Beston Wine Industry Trust

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements for the consolidated entity comprising both the Beston Wine Industry Trust (the Trust) and the entities it controlled during the half-year, and the directors' declaration for the Trust, for the period ended 31 December 2003.

The directors of the Responsible Entity, Challenger Beston Limited, are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting 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 conducted an independent review of the financial report in order to make a statement about it to the unitholders of the Trust, and in order for the Trust to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, 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*, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of Trust 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 is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

We are independent of the Trust, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the consolidated entity, comprising the Beston Wine Industry Trust and the entities it controlled during the half-year is not in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity at 31 December 2003 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 financial reporting requirements in Australia.



Ernst & Young



Alan H Herald
Partner
Adelaide

19th February 2004