

17 August 2005

Market Release**PROFITS INCREASE BY 32% IN A SUCCESSFUL 2005 FINANCIAL YEAR**

The Challenger Wine Trust (formerly known as the Challenger Beston Wine Trust) (ASX Code: CWT and CWTPA) is pleased to announce an operating profit increase of 32% to \$13.7 million for the financial year ending 30 June 2005. The growth in operating profit was driven by the 13% increase in property assets from 30 June 2004 to \$288.8 million at year end, and included a full year of income received from the \$65.6 million of assets purchased in December 2003.

Based on a unit price of \$0.92 the yield of 9.90% for ordinary unit holders for the 2005 financial year represented an increase of 1.18% over the previous financial year. Net tangible assets (NTA) increased from \$0.9215 in 2004 to \$0.9567 in the 2005 financial year, an increase of 3.81%.

A 14% reduction of the Trust's Management Expense Ratio (MER) to 1.07% for the 2005 financial year based on average total assets, also contributed to profit growth.

Revenue growth was also achieved, with a 33.51% increase to \$26.3 million for the year. The revenue growth was also driven by acquisitions and the continued development of the Trust's properties in New Zealand and Australia. A further \$23.6 million was spent on developing properties principally in Marlborough, NZ, and the Riverina, Gundagai and Margaret River grape growing regions of Australia.

The policy of the Trust has been to develop properties for wine companies with grape varieties in demand in areas which provide grapes at a cost which is below district average grape contract prices. Of the Trust's portfolio, 46% of the properties are newly developed vineyards whilst 54% were existing vineyard properties. The Trust will continue to explore this strategy of providing grape cost competitive vineyards for wine companies.

Further details are outlined in the Trust's Appendix 4E.

Trust Highlights for FY2005

- Total assets of the Trust increased 13% to \$288.8 million
- Operating profit of \$13.6 million, up 32%
- Tax deferral of 28% of ordinary unitholders income distribution of 9.12 cents
- Four significant and strategic vineyard acquisitions totalling \$13.6 million
- Further vineyard development expenditure of \$23.6 million
- Continued listing in the Listed Property Trust sector of the Australian Stock Exchange (ASX)

- \$4.1 million overall appreciation in the fair value of the Trust's property portfolio
- NTA increase of 3.81% to \$0.9567 per ordinary unit

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For further information visit the Trust's website at www.challengerwinetrust.com.au or contact the Challenger Wine Trust:

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Note to Editors:

The Challenger Wine Trust partners with the wine industry to offer structured sale and leaseback transactions to assist the development of vineyard properties in Australia and New Zealand. The Trust's sale and leaseback product assists wine companies to improve their cost and capital management practices and allows them to keep pace with the demands of the domestic and international market places.