

Dear PLW Supporter

1 March 2004

Last week we announced the half year to 31 December 2003 result to the ASX and I thought it was timely to write to shareholders and ex-shareholders.

Six months to 31 December 2003

On behalf of the PLW team I would like to thank you all for your support during what was a very difficult six months when PLW was subject to a takeover with Hess Group AG and Allied Domecq plc making counter offers.

Over the last ten years as a public company PLW has been fortunate to have a loyal, supportive group of shareholders and I know many of you found it very distressing to see the company subject to a takeover.

All things considered we believe the outcome where Hess Group AG acquired 85.67% of the shares and Peter Lehmann, the founder, reduced his holding to 10.35% of the shares is a good one. The 160 year old Hess Group, which also operates hotel resorts in Switzerland, has its main winemaking operations in California and markets wine under the Hess Collection label.

Hess Collection Winery was appointed as PLW's USA distributor and this arrangement became effective from 1 January 2004. The Hess Collection Winery has an impressive working relationship with key distributors across the United States and all parties are confident that the PLW brand will achieve significant sales growth, aided by this association over the next year and beyond.

Dr Max Lienhard, Chief Executive of Hess Group visited the winery recently and stressed that it would be business as usual at the Tanunda winery. The Company will run autonomously and where there are advantages and synergies, costs will be taken out as much as we can.

So for us at PLW it is back to concentrating on the business of making quality wine and selling it.

A major highlight of the last six months was Peter Lehmann Wines being awarded the *International and Australian Winemaker of the Year* in the International Wine and Spirit Competition announced in London in late October 2003. It was especially pleasing to see that the Company's focus on quality winemaking was acknowledged with this prestigious award. Congratulations must go to PLW 185 independent Barossa Valley grape growers, cellar, lab and maintenance staff and the wine making team led by Andrew Wigan.

While sales volume lifted over the past six months, the takeover battle that ensued during the second quarter between Allied Domecq plc and Hess Group AG undoubtedly did have an impact on the performance of the Company.

	HY03 \$000's	HY02 \$000's	% CHANGE FROM LY
Revenue from ordinary activities	24,182	22,364	+8%
EBIT before individually significant items	4,405	4,947	-11%
Individually significant items (ISI)	2,794	-	+100%
EBIT after individually significant items	1,611	4,927	-67%
Interest Paid	849	718	+18%
Income Tax Expense	359	1,292	-72%
After Tax Profit	403	2,937	-86%
EBIT before ISI as % of Revenue	18%	22%	
Net Tangible Assets per share	\$1.26	\$1.28	
Basic Earnings per share	1.07 cents	7.89 cents	
Number of shares at 31 December 2003	37,968,933	37,311,433	

The individually significant item encapsulates the legal and adviser's costs of \$2,794,000 incurred by PLW during the takeover. As the half year result has been substantially affected by the takeover costs PLW does not propose to pay an interim dividend. A fully franked final dividend of 5.5 cents per share for the year ended 30 June 2003 was paid on 6 October 2003.

From 1 January 2004

We have begun 2004 very positively with the Barons of the Barossa recently naming Leonie Lange, winemaker for Peter Lehmann Wines, as the *Barossa Winemaker of the Year*. *Vigneron of the Year* was awarded to Ralph Schrapel, fourth generation grape grower whose family has been selling grapes to Peter Lehmann Wines since its inception. We are very proud that the Barons have seen fit to recognise people who have been with the Company from the outset. It is indeed a great honour their wine maker and grape grower peers in the Barossa have accorded them. Both are modest people, and this is a timely recognition for two stalwarts of the Barossa.

After one of the coolest Januarys on record in South Australia we had a sudden burst of heat and the grapes began to ripen quickly. PLW began crushing on 9 February and we expect to process a total of 17,500 tonnes.

The Company remains positive that it will continue to achieve further growth in the second half. However margins will continue to remain under pressure with increasing demand for cheaper wines, stout competition in all market sectors, the high costs associated with doing business and the Australian dollar impacting on all export sectors.

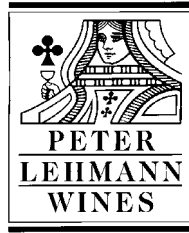
Staying in Contact

We know that many of you are keen supporters of the Peter Lehmann brand as well as being interested in the business so we plan to offer wines for sale to you periodically. We are offering what will be the last of the wine specially packaged as a Shareholders Wine. Why not buy some as a memento of a long and happy association.

Yours sincerely



Doug Lehmann
Managing Director



PLW Supporters Exclusive Wine Offer 2004

Limited Stocks Remain of the 2001 Shareholders Clare Valley Shiraz

Yes! We still have a small amount of the 2001 Shareholders Clare Shiraz available at the great price of \$90 per six pack.

This wine is the first release from the Peter Lehmann Trillians Hill Vineyard in Clare. The wine has been aged in two year Old French hogsheads for 12 months and shows characters typical of the Clare Valley including deep colour, bouquet of aniseed and black pepper with a long rich finish. Great drinking now or be rewarded by cellaring for another five years or so. Try it with bitey matured Cheddar cheese or roast duck.

Available in 6 bottle packs for \$90=Great value at \$15 per bottle.

Extended offer: 2002 Eden Valley Riesling at \$120 dozen!

A great Eden Valley Riesling from the outstanding 2002 Vintage. This wine has a steely backbone with soft citrus fruit undertones. Deliciously crisp, flinty and fresh this wine is great now but will develop beautifully over the next 5 years. Of course, quality is assured due to the screw cap closure.

This wine is usually sold for \$16 per bottle-PLW supporters special price \$10 per bottle.

THIS OFFER IS ONLY AVAILABLE TO AUSTRALIAN RESIDENTS