



## **PLW RECOMMENDS IMMEDIATE ACCEPTANCE OF THE HESS OFFER**

Peter Lehmann Wines ("PLW") notes the announcement earlier today from Allied Domecq plc ("Allied") that it intends to accept the Hess Offer for its entire 14.53% shareholding. Allied will also apply to the Australian Securities and Investments Commission for consent to withdraw its offer for PLW.

As a result of Allied's decision, the Hess Offer is effectively the only Offer available to PLW Shareholders. The Hess Offer is for \$4.00 cash per PLW Share and Shareholders who accept will be paid within five days.

**The Independent Directors of PLW now recommend PLW Shareholders immediately accept the Hess Offer for all of their PLW Shares.** Each of the Independent Directors also intend to accept the Hess Offer for all of their PLW Shares.

As the Hess Offer is scheduled to close on 24 October 2003 the Independent Directors encourage Shareholders to act immediately to accept the Hess Offer.

The Independent Directors note that the Hess Offer is capable of being accepted by PLW Shareholders for either all or part of their shareholding. However, the Independent Directors strongly recommend to Shareholders that they accept the Hess Offer for **all of their PLW Shares**. They recommend this for the following reasons:

- as noted in the Target's Statement, the Independent Directors believe there is a substantial risk of the PLW Share price declining in the absence of the Hess Offer – in this sense, it is unlikely that Shareholders will be able to realise \$4.00 cash per share in the foreseeable future;
- the trading price of PLW Shares prior to the announcement of the Hess and Allied Offers had been inflated by takeover speculation, which will no longer be present after the Hess Offer closes;
- the Hess Offer price of \$4.00 cash per PLW Share represents a multiple of 27.5 times 2003 net profit after tax which compares favourably with prices offered in comparable transactions in the sector and substantially exceeds the multiples at which other Australian wine companies are trading on the ASX. This analysis was shown in greater detail in the Target's Statement;
- in the current year, PLW's financial performance will be adversely impacted by the costs and uncertainty associated with this current takeover activity; and
- as set out in the Target's Statement, there are a number of other implications of remaining as a minority Shareholder in PLW.

Given the above factors, the Independent Directors believe that it is unlikely that Shareholders will be able to realise the same value as the Hess Offer in the foreseeable future and so believe that PLW Shareholders should capitalise on this opportunity to secure a premium value for their PLW Shares and accept the Hess Offer for all PLW Shares without delay.

PLW shareholders that have any questions should contact PLW's shareholder information line on 1800 008 842.

**Press Enquiries:**

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