

PETER LEHMANN WINES LIMITED

2002/03 HALF-YEAR FINANCIAL REPORT

DIRECTORS' REPORT

The directors present their report together with the consolidated financial report for the half year ended 31 December 2002 in the form of Appendix 4B of the Australian Stock Exchange Listing Rules and the audit review report thereon.

Directors

The directors of the company during or since the end of the half year are:

<i>Name</i>	<i>Period of directorship</i>
Richard Anthony Fountayne England FCA, MAICD Non-Executive Director Member of the Audit and Remuneration Committees	Director since June 1998, appointed Chairman 22 October 1999
Peter Leon Lehmann, AM Executive Director	Deputy Chairman and Director since March 1993 – retired 25 October 2002
Robert Victor Edwards, BCom Executive Director	Director since 2 August 1999
Neil Charles Lister, BEc Non-Executive Director Member of Audit and Remuneration Committees	Director since 2 August 1999
Harold William George Tilley, BEc., ASA, ABIA Non-Executive Director Chairman of the Audit Committee and Member of the Remuneration Committee	Director since May 1993
Roger Maxwell Wilson, LLB Non-Executive Director Member of the Audit Committee Chairman of the Remuneration Committee	Director since March 1993
Douglas McCaig Lehmann FAICD Executive Director	Managing Director since March 1993
Margaret Elizabeth Lehmann BA Dip Ed Alternate Director	Appointed Alternate Director for Peter Lehmann March 1994 - retired 25 October 2002
Andrew Douglas Wigan B Sc (App Chem) Dip Oen Alternate Director	Appointed Alternate Director for Robert Edwards August 1999

Review of Operations

Peter Lehmann Wines Limited (PLW) sales revenue increased by 6% to \$22M in the first half year's trading. However the After Tax Profit of \$2.9M is down 13% from the previous corresponding period's result of \$3.4M.

This result is a culmination of factors including:-

- the destabilization of the market as the large Australian wine producers aggressively discounted in the domestic and overseas markets to reduce stock keeping units and inventory levels
- the global increase in available wine has altered customers' buying and inventory holding patterns
- the shift in product mix to lower margin wines in this half year
- uncertainty throughout the world has led to slow economic recovery overseas and this has impacted on the company's sales, particularly in the EU
- the company has invested more heavily in marketing and sales in order to build brand awareness
- higher interest charges as the company undertakes a major expansion of its single, purpose built production facilities in the Barossa Valley.

Domestic sales of the Peter Lehmann brand grew by 6% in volume over the previous year's first half whilst revenue increased by 4%, reflecting the increased cost of doing business, in a fiercely competitive, discount driven market. While the gains were not massive, the Company was relatively satisfied given the current trading realities.

The UK market was flat, with the sales volume of the Peter Lehmann brand for the first half increasing only marginally over that of the previous year. Discounting and deals offered by the large Australian companies impacted on PLW's performance, made it extremely difficult to gain promotional slots with the major retailers. Promotions that were secured to help drive sales, invariably had a negative impact on margin.

Following a shift in market conditions over the past year, PLW has reviewed its strategies for the UK market, which includes the introduction on a number of new lines at various price points, a more structured promotional program and increased distributor coverage. The initiatives are currently being implemented and should see a lift in sales and contribution over the next six months and beyond.

Sales to Continental Europe increased by 18% in volume over the previous year's first half. While this was a positive result, it was below expectations, given the strong growth PLW has experienced in the market over the past five years. Germany performed well. Austria, Denmark and Norway also showed increased sales. The Swiss and Swedish distributors continued to do well, with strong sales into the trade. However both companies have held comparatively high inventory levels and chose to reduce their stock holdings over the past six months. These two distributors represent PLW in its largest markets in Europe. Consequently the reduction in orders impacted on PLW's first half result. Shipments are expected to increase over the next half, as the inventories to sales ratio comes into balance.

Sales to the US were below expectations for the first half, as trading was sluggish in the medium to icon price segments of the market. Indications are that sales are expected to improve in the second half of this financial year.

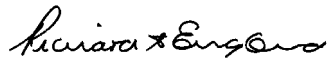
Sales to the Canadian market continue to grow strongly, with the first half showing a 198% increase in volume over the previous year, albeit from a small base. PLW expects sustained growth through the second half and believes that this market has immense potential going forward.

Rounding off

The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Tanunda this 11th day of February 2003.

Signed in accordance with a resolution of the directors:



R A F ENGLAND
Chairman



D McC LEHMANN
Managing Director

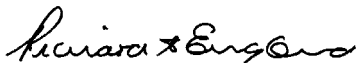
DIRECTORS' DECLARATION

In the opinion of the directors of Peter Lehmann Wines Limited ("the Company"):

- 1 the financial statements and notes in the form of Appendix 4B of the Australian Stock Exchange Listing Rules set out on pages 7 to 21, are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2002 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001
- 2 There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Tanunda this 11th day of February 2003.

Signed in accordance with a resolution of the directors:



R A F ENGLAND
Chairman



D McC LEHMANN
Managing Director

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF PETER LEHMANN WINES LIMITED

Scope

We have reviewed the financial report of Peter Lehmann Wines Limited ("the Company") for the half year ended 31 December 2002 in the form of Appendix 4B of the Australian Stock Exchange Listing Rules, consisting of the statement of financial performance, statement of financial position, statement of cash flows and accompanying notes, and the directors' declaration set out on page 4, but excluding the following sections:

- (a) Director's report (pages 1 to 3)
- (b) Compliance statements (page 21)
- (c) Ratios (page 14)
- (d) NTA backing (page 14)

The financial report includes the consolidated financial statements of the consolidated entity, comprising the Company and the entities it controlled at the end of the half year or from time to time during the half year. The Company's directors are responsible for the financial report.

We have performed an independent review of the financial report in order to state whether, on the basis of procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the consolidated entity's financial position and performance as represented by the results of its operations and its cash flows and in order for the Company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. The review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. Our review has not involved a study and evaluation of internal accounting controls, tests of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. The 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.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Peter Lehmann Wines Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia

KPMG

KPMG



G SAVAGE
Partner

Tanunda
11 February 2003

Appendix 4B

Half yearly report

Introduced 30/6/2002

Name of entity

PETER LEHMANN WINES LIMITED

ABN or equivalent company reference	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('current period')
53 059 347 910	✓		Half year ended 31 December 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

Revenues from ordinary activities (<i>item 1.1</i>)	up	6%	to	22,364
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.22</i>)	down	13%	to	2,937
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5(d)</i>)	gain (loss) of			-
Net profit (loss) for the period attributable to members (<i>item 1.11</i>)	down	13%	to	2,937
Dividends (distributions)	Amount per security		Franked amount per security	
Final dividend (<i>Preliminary final report only - item 15.4</i>)				
Interim dividend (<i>Half yearly report only - item 15.6</i>)	3.5c		3.5c	
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - Item 15.7</i>)	3.5c		3.5c	
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)	21 March 2003			
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

Consolidated statement of financial performance

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities (see items 1.23-1.25)	22,364	21,159
1.2 Expenses from ordinary activities (see items 1.26 & 1.27)	-17,417	-15,866
1.3 Borrowing costs	-718	-481
1.4 Share of net profits (losses) of associates and joint venture entities (see item 16.7)	-	-
1.5 Profit (loss) from ordinary activities before tax	4,229	4,812
1.6 Income tax on ordinary activities (see note 4)	-1,292	-1,430
1.7 Profit (loss) from ordinary activities after tax	2,937	3,382
1.8 Profit (loss) from extraordinary items after tax (see item 2.5)	-	-
1.9 Net profit (loss)	2,937	3,382
1.10 Net profit (loss) attributable to outside +equity interests	-	-
1.11 Net profit (loss) for the period attributable to members	2,937	3,382
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	105	50
1.14 Other revenue, expense and initial adjustments recognised directly in equity Net increase (decrease) in retained earnings on initial adoption of AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"	2,786	-
1.15 Initial adjustments for UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	2,891	50
1.17 Total changes in equity not resulting from transactions with owners as owners	5,828	3,432

Earnings per security (EPS)		Current period	Previous corresponding period
1.18	Basic EPS	7.89 cents	9.51 cents
1.19	Diluted EPS	7.82 cents	9.43 cents

Notes to the consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

	Current period - \$A'000	Previous corresponding period - \$A'000
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	2,937	3,382
1.21 Less (plus) outside +equity interests	-	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	2,937	3,382

Revenue and expenses from ordinary activities

(see note 15)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.23 Details of Revenue		
Revenue from sales of goods	22,227	21,044
Revenue from rendering of services	34	22
Revenue recognised for grape crop & vines (SGARAs)	30	20
1.24 Interest revenue	38	40
1.25 Other relevant revenue	35	33
Revenue from ordinary activities	22,364	21,159
1.26 Details of relevant expenses		
Costs of goods sold	12,005	11,480
Administration expenses	1,291	1,072
Marketing & public relations	656	439
Selling & distribution expenses	3,414	2,849
Sundry expenses	51	26
	17,417	15,866
1.27 Depreciation and amortisation excluding amortisation of intangibles (see <i>item 2.3</i>)	659	563
Less depreciation capitalised to Inventory	-609	-507
	50	56
Capitalised outlays		
1.28 Interest costs capitalised in asset values - Inventory	124	109
1.29 Outlays capitalised in intangibles (unless arising from an +acquisition of a business)	-	-

Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	14,970	12,143
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	2,937	3,382
1.32 Net transfers from (to) reserves (<i>details if material</i>)		-
1.33 Net effect of changes in accounting policies AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"	2,786	-
1.34 Dividends and other equity distributions paid or payable	-2,790	-1,300
1.35 Retained profits (accumulated losses) at end of financial period	17,903	14,225

Intangible and extraordinary items

N/A

		Consolidated - current period			
		Before tax \$A'000	Related tax \$A'000	Related outside + equity interests \$A'000	Amount (after tax) attributable to members \$A'000
		(a)	(b)	(c)	(d)
2.1	Amortisation of goodwill				
2.2	Amortisation of other intangibles				
2.3	Total amortisation of intangibles	N/A	N/A	N/A	N/A
2.4	Extraordinary items (details)				
2.5	Total extraordinary items	N/A	N/A	N/A	N/A

Comparison of half year profits

(Preliminary final report only)

	Current year - \$A'000	Previous Year - \$A'000
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (<i>item 1.22 in the half yearly report</i>)	2,937	3,382
3.20 Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	N/A	N/A

Consolidated statement of financial position

		At end of current period	As shown in last annual report	As in last half yearly report
		\$A'000	\$A'000	\$A'000
Current assets				
4.1	Cash	2,817	1,991	1,899
4.2	Receivables	9,783	14,423	11,588
4.3	Other financial assets	-	-	-
4.4	Inventories	29,347	31,508	21,975
4.5	Tax assets	-	-	-
4.6	Other (provide details if material)	697	544	531
4.7	Total current assets	42,644	48,466	35,993
Non-current assets				
4.8	Receivables	-	-	-
4.9	Investments (equity accounted)	-	-	-
4.10	Other financial assets	42	34	23
4.11	Inventories	13,395	14,520	11,767
4.12	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	-	-	-
4.13	Development properties (+mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	24,068	21,105	18,627
4.15	Intangibles (net)	-	-	-
4.16	Tax assets	424	487	399
4.17	Other (provide details if material)	994	994	966
4.18	Total non-current assets	38,923	37,140	31,782
4.19	Total assets	81,567	85,606	67,775
Current liabilities				
4.20	Payables	6,615	13,367	4,703
4.21	Interest bearing liabilities	3,000	3,410	3,335
4.22	Tax liabilities	943	1,132	1,111
4.23	Provisions exc. tax liabilities	518	3,792	2,167
4.24	Other (provide details if material)	-	-	-
4.25	Total current liabilities	11,076	21,701	11,316
Non-current liabilities				
4.26	Payables	500	500	1,000
4.27	Interest bearing liabilities	21,200	18,000	10,850
4.28	Tax liabilities	1,173	1,104	978
4.29	Provisions exc. tax liabilities	43	51	48
4.30	Other (provide details if material)	-	-	-
4.31	Total non-current liabilities	22,916	19,655	12,876
4.32	Total liabilities	33,992	41,356	24,192
4.33	Net assets	47,575	44,250	43,583
Equity				
4.34	Capital/contributed equity	29,354	29,067	29,067
4.35	Reserves	318	213	291
4.36	Retained profits (accumulated losses)	17,903	14,970	14,225
4.37	Equity attributable to members of the parent entity	47,575	44,250	43,583
4.38	Outside +equity interests in controlled entities	-	-	-
4.39	Total equity	47,575	44,250	43,583
4.40	Preference capital included as part of 4.37	N/A	N/A	N/A

Notes to the consolidated statement of financial position

Exploration and evaluation expenditure capitalised

N/A

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred)

	Current period - \$A'000	Previous corresponding period \$A'000
5.1 Opening balance		
5.2 Expenditure incurred during current period		
5.3 Expenditure written off during current period		
5.4 Acquisitions, disposals, revaluation increments, etc.		
5.5 Expenditure transferred to Development Properties		
5.6 Closing balance as shown in the consolidated balance sheet (item 4.12)	N/A	N/A

Development properties

N/A

(To be completed only by entities with mining interests if amounts are material)

	Current period - \$A'000	Previous corresponding period \$A'000
6.1 Opening balance		
6.2 Expenditure incurred during current period		
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)	N/A	N/A

Consolidated statement of cash flows		Current period - \$A'000	Previous corresponding period \$A'000
Cash flows related to operating activities			
7.1	Receipts from customers	29,321	21,261
7.2	Payments to suppliers and employees	-22,580	-18,928
7.3	Dividends received from associates	-	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	38	40
7.6	Interest and other costs of finance paid	-842	-590
7.7	Income taxes paid	-1,774	-1,525
7.8	Other (provide details if material)	-	-
7.9	Net operating cash flows	4,163	258
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	-3,624	-3,247
7.11	Proceeds from sale of property, plant and equipment	-	-
7.12	Payment for purchases of equity investments	-	-
7.13	Proceeds from sale of equity investments	-	-
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Other (provide details if material)	-	-
7.17	Net investing cash flows	-3,624	-3,247
Cash flows related to financing activities			
7.18	Proceeds from issues of +securities (shares, options, etc)	287	6,756
7.19	Proceeds from borrowings	3,200	-
7.20	Repayment of borrowings	-410	-640
7.21	Dividends paid	-2,790	-2,357
7.22	Other (provide details if material)	-	-
7.23	Net financing cash flows	287	3,759
7.24	Net increase (decrease) in cash held	826	770
7.25	Cash at beginning of period (see <i>Reconciliation of cash</i>)	1,991	1,129
7.26	Exchange rate adjustments to item 7.25	-	-
7.27	Cash at end of period (see <i>Reconciliation of cash</i>)	2,817	1,899

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (If an amount is quantified, show comparative amount).

N/A

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current period - \$A'000	Previous corresponding period \$A'000
8.1	Cash on hand and at bank	2,817	1,899
8.2	Deposits at call	-	-
8.3	Bank overdraft	-	-
8.4	Other (provide details)	-	-
8.5	Total cash at end of period (item 7.27)	2,817	1,899

Other notes to the consolidated financial statements

Ratios		Current period	Previous corresponding period
9.1	Profit before tax/revenue Consolidated profit (loss) from ordinary activities before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	19%	23%
9.2	Profit after tax/+equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 4.37</i>)	6%	8%

Earnings per security (EPS)

10 Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

	Current period \$A'000	Previous corresponding period - \$A'000
Earnings used in calculations	2,937	3,382
Basic earnings per share		
Weighted average number of ordinary shares	37,209,341	35,581,270
Basic earnings per share	7.89 cents	9.51 cents
Diluted earnings per share		
657,500 options (2001: 820,000) outstanding under the Executive Option Plan have been classified as potential ordinary shares and included in the calculation of the diluted earnings per share.		
Weighted average number of ordinary shares	37,209,341	35,581,270
Effect of executive options on issue	332,633	273,562
Number for diluted earnings per share	37,541,974	35,854,832
Diluted earnings per share	7.82 cents	9.43 cents

NTA backing
(see note 7)

	Current period	Previous corresponding period
11.10 Net tangible asset backing per +ordinary security	\$1.28	\$1.17

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: *Interim Financial Reporting*, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: *Discontinuing Operations* (see note 17).

12.1 Discontinuing Operations

N/A

Control gained over entities having material effect

N/A

13.1	Name of entity (or group of entities)	
13.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was +acquired	\$
13.3	Date from which such profit has been calculated	
13.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$

Loss of control of entities having material effect

N/A

14.1	Name of entity (or group of entities)	
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$
14.3	Date to which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period.	\$
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	7 April 2003
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	21 March 2003
15.3	If it is a final dividend, has it been declared? (Preliminary final report only)	N/A

Amount per security

	Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
<i>(Preliminary final report only)</i>			
15.4	Final dividend: Current year	N/A	N/A
15.5	Previous year		
<i>(Half yearly and preliminary final reports)</i>			
15.6	Interim dividend: Current year	3.5 c	3.5 c
15.7	Previous year	3.5 c	3.5 c

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
15.8	+Ordinary securities	N/A
15.9	Preference +securities	N/A

Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final dividend (distribution) on all securities

	Current period - \$A'000	Previous corresponding period \$A'000
15.10	+Ordinary securities <i>(each class separately)</i>	1,306
15.11	Preference +securities <i>(each class separately)</i>	-
15.12	Other equity instruments <i>(each class separately)</i>	-
15.13	Total	1,306
Dividends		
During the reporting period Peter Lehmann Wines has paid or provided for dividends as follows: Final dividend paid on 4 October 2002		
	2,790	2,357
Subsequent to reporting date, the directors have declared the interim dividend payable on 21 March 2003. The financial effect of the interim dividend has not been brought to account in the consolidated entity financial statements for the period ended 31 December 2002		
	1,306	1,300

The +dividend or distribution plans shown below are in operation

N/A

The last date(s) for receipt of election notices for the
+dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029: Interim Financial Reporting)*

N/A

Details of aggregate share of profits (losses) of associates and joint venture entities

N/A

Group's share of associates' and joint venture entities:

		Current period - \$A'000	Previous corresponding period \$A'000
16.1	Profit (loss) from ordinary activities before tax		
16.2	Income tax on ordinary activities		
16.3	Profit (loss) from ordinary activities after tax		
16.4	Extraordinary items net of tax		
16.5	Net profit (loss)		
16.6	Adjustments		
16.7	Share of net profit (loss) of associates and joint venture entities	N/A	N/A

Material interests in entities which are not controlled entities

N/A

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy")).*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) <i>(item 1.9)</i>	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
17.1 Equity accounted associates and joint venture entities				
17.2 Total			N/A	N/A
17.3 Other material interests				
17.4 Total			N/A	N/A

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total Number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference +securities				
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3 +Ordinary securities	37,311,433	37,311,433		
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	162,500 -	162,500 -		
18.5 +Convertible debt securities				
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date (if any)</i>
Executive Options	65,000 172,500 420,000		\$1.22 \$2.01 \$2.01	29/11/06 12/12/07 31/12/08
18.8 Issued during current period				
18.9 Exercised during current period	37,500 75,000 50,000	37,500 75,000 50,000	\$2.01 \$2.01 \$1.22	12/12/02 31/12/03 29/11/06
18.10 Expired during current period				
18.11 Debentures				
18.12 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.13 Unsecured notes				
18.14 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
CONTRIBUTED EQUITY		Consolidated 31 December 2002 \$000's	30 June 2002 \$000's	
Issued and Paid Up Capital 37,311,433 (June 2002: 37,148,933) ordinary shares, fully paid		29,354	29,067	

On 10 September 2002, 50,000 executive options, expiring 29 November 2006 were exercised at a price of \$1.22 per share. On 13 November 2002, 37,500 options, expiring 12 December 2002 and 75,000 options expiring 31 December 2003, were exercised at a price of \$2.01 per share.

Segment reporting

The consolidated entity's business segments operate geographically as follows:

- Australasia: Vineyards in the Barossa and Clare Valleys of South Australia
Winemaking and storage facilities in the Barossa Valley, South Australia
Brand management representation in the capital cities of Queensland, New South Wales, Victoria and South Australia
Customers in Australia and New Zealand with selling performed by distributors
- Europe: Distribution company located in Kent, UK to service the UK and Irish markets
Sales and brand management representation in continental Europe
Distributors sell wines to customers in Ireland, Germany, Switzerland, Austria, Scandinavia and other European countries
- Other: Distributors sell wines to customers in the USA, Canada, Asia and the Pacific

	Australasia		Europe		Other		Consolidated	
	2002 \$000's	2001 \$000's	2002 \$000's	2001 \$000's	2002 \$000's	2001 \$000's	2002 \$000's	2001 \$000's
Segment Revenue	11,996	10,407	8,148	9,139	2,220	1,613	22,364	21,159
Segment Result	3,730	3,316	1,574	2,236	934	817	6,238	6,369
Unallocated corporate expenses							2,009	1,557
Profit from ordinary activities							4,229	4,812
Income tax expense							1,292	1,430
Profit from ordinary activities after tax							2,937	3,382

Comments by directors

Refer to the Review of Operations in the Directors' Report.

Basis of half year financial report preparation

19.1 The half year consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", the recognition and measurement required of applicable AASB standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. This half year financial report is to be read in conjunction with the 30 June 2002 Annual Financial Report and any public announcements by Peter Lehmann Wines Limited and its Controlled Entities during the half year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy as disclosed at item 19.5, are consistent with those applied in the 30 June 2002 Annual Financial Report.

The half year report does not include full note disclosures of the type normally included in an annual financial report.

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Refer to the Review of Operations in the Directors' Report.

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Not applicable

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Franking credits available or which will arise on the payment of income tax provided for in the financial statements, and after deducting franking credits to be used in payment of dividends provided for in the financial statements:
Class C (30%) franking credits - \$8,669,000 (2001: 14,060,000).

From 1 July 2002 the franking credits available have been measured in accordance with the New Business Tax System (Imputation) Act 2002 as the amount of income tax paid rather than being based on after-tax profits as in previous periods.

Comparative information has not been restated for this change in measurement. Had the comparative information been calculated on the new basis, the "franking credits available" balance would have been \$6,026,000.

This change in the basis of measurement does not change the value of franking credits to shareholders who may be entitled to franking credit benefits.

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies - Disclosures*).

The consolidated entity has applied AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" (issued in October 2001) for the first time from 1 July 2002.

Dividends are now recognised at the time they are declared, determined or publicly recommended. Previously, final dividends were recognised in the financial year to which they related, even though the dividends were announced after the end of that financial year.

The adjustments to the consolidated financial report as at 1 July 2002 as a result of this change are:

* \$2,786,000 increase in opening retained profits

* \$2,786,000 decrease in provision for dividends

There was no impact on profit or loss for the reporting period to 31 December 2002.

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

Not applicable

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last +annual report.

Additional disclosure for trusts

20.1 Number of units held by the management company or responsible entity or their related parties.

N/A

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

N/A

Identify:

* initial service charges

* management fees

* other fees

Annual meeting
(Preliminary final report only)

N/A

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the +annual report will be available

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

N/A

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed (see note 2).

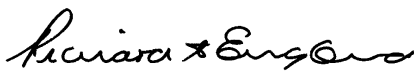
4 This report is based on +accounts to which one of the following applies.
(Tick one)

The +accounts have been audited The +accounts have been subject to review.

The +accounts are in the process of being audited or subject to review. The +accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the audit is not attached, details of any qualifications are attached
(Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.)

6 The entity has a formally constituted audit committee.

Sign here:  Date: 11 February 2003
(Director)

Print name: R A F ENGLAND.....