

Tanunda Hill Vineyard #1

Annual Report

30th June 2007



Night Harvest Underway

Executive Summary

FY07 was a challenging year given the severe drought conditions that were prevalent throughout the course of the year. With record low rainfalls and greater extremes recorded for maximum and minimum temperatures, the weather was the dominant factor.

These conditions had a significant impact on the overall performance of the vineyard for FY07.

Yields were well below expectations despite irrigation inputs being maintained throughout the season.

Industry figures collated by the Phylloxera Board of South Australia have shown the yields for 2007 for the Barossa Valley were approximately half of the 2006 vintage.

Fruit quality from the vineyard is generally performing at the expected level which is very high.

Soil amelioration programs targeting mounding and compost have shown significant benefits over previous two seasons and this program will continue on selected areas in FY08.

Selected areas of Stage 2 (blocks 18 and 19) that have been hampered by the presence of the convolvulus infestation continue to show good progress. Additional soil work in these blocks have shown good results and this strategy will continue accordingly.

AV&M have launched an internal program called "...every vine counts." This program is aimed at employee education and corporate culture, and emphasises the importance of the contribution of every vine to the overall performance of the vineyard. All employees have made a commitment to increase the level of attention to detail in every task within the vineyard operations in order to maximise the contribution of every vine.

With the ongoing drought conditions and the subsequent impact on water supplies the position leading into FY08 is not clear. It is highly likely that water supplies will be restricted, but the final level of restriction has not been announced. It is likely that additional water will be required.

Provisions are being made to investigate the accessing of bore water on site and water harvesting from the creek when flowing (pending salinity).

Canopy Management

There is no doubt that the prevailing drought conditions did reduce the overall canopy growth in FY07 compared to previous seasons. Canopy management activities were minimal during the reporting period given the dry conditions. However the general condition of the canopies throughout the season was very good. Winemakers were extremely complimentary regarding the healthy conditions of the canopies compared with the local average and rewarded Blaxland growers accordingly with higher grape prices.

Soil Management

In an effort to reduce moisture competition most mid rows were sprayed with herbicide early in the season. The dry conditions did make weed control easier in the lead up to vintage, but the autumn break once again stirred the dormant weeds into life.

Weed control over the vineyard is generally very good with the vineyard presenting in a good tidy condition.

The soil amelioration activity for the period focussed on the application of composted fowl manure and under vine mounding of selected areas of the vineyard in line with the management plan.

This program has been yielding excellent results, with improved vine growth and canopy development. This will in turn lead to increased yields from these areas.

Irrigation/Water Supply

With the purchase of additional water through the BIL scheme and efficient irrigation scheduling, there was sufficient water to last out the growing season, although post harvest irrigations were limited.

With the dam once again virtually empty at the end of the season, there was minimal carry over water. Blaxland took the opportunity to purchase water at the end of the season to fill the dams in readiness for FY08.

With water restrictions likely to be tougher in FY08 water management will continue to be a major component of the ongoing vineyard management plan.

Buildings/Property

There were no major activities relating to R&M Buildings and Property during the reporting period.

Pest and Disease Control

There were no pest or disease issues of any consequence reported during the growing season.

Regular pest and disease monitoring was carried and the preventative fungicide program was maintained.



Vintage

Vintage commenced on the 31st January with Sauvignon Blanc and concluded on the 14th March with Petit Verdot.

This was the earliest vintage on record for Tanunda Hill and in fact the earliest vintage on record for the Barossa.

With 1177 tonnes harvested the yields for 2007 were well below expectations. Although bunch numbers were in line with expectations the final berry number, berry size and bunch weight were well below target levels.

This was driven by the prevailing weather conditions and was evident across the region. Fruit quality was generally very good, and continues to improve. Fruit from Tanunda Hill is now becoming sort after by a growing number of wine companies.

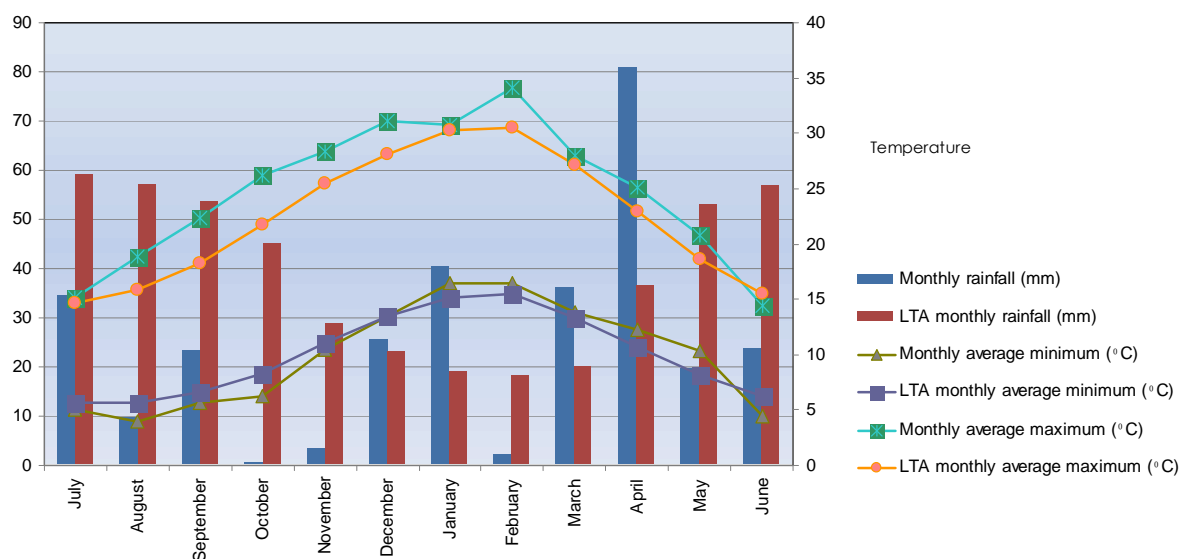
Climate

As can be seen from the climate data table below there were some reasonable rainfall levels recorded in January and April. Despite these events the overall rainfall figures are well below long term averages.

The April falls did well to top up the soil moisture levels going into winter, however lower than average falls in June through to August meant runoff, and therefore catchment potential, was well below expectations.

The consistently higher than average maximum temperatures from August through to May had a major impact on water requirements both through evaporation and increased plant transpiration.

Month	Monthly rainfall (mm)	LTA monthly rainfall (mm)	Monthly average minimum (°C)	LTA monthly average minimum (°C)	Monthly average maximum (°C)	LTA monthly average maximum (°C)
July	34.2	58.8	5.1	5.6	15.1	14.7
August	9.4	57	4	5.7	18.8	15.8
September	23.2	53.5	5.6	6.6	22.4	18.2
October	0.4	45	6.2	8.3	26.2	21.7
November	3.2	28.6	10.5	11.1	28.4	25.5
December	25.4	22.9	13.5	13.4	31.1	28.1
January	40.2	18.9	16.4	15.1	30.7	30.3
February	1.8	18.2	16.4	15.5	34.1	30.5
March	36	19.9	13.8	13.3	28	27.2
April	80.8	36.6	12.2	10.7	25.1	23
May	19.4	53	10.3	8.2	20.8	18.6
June	23.4	56.8	4.4	6.2	14.4	15.5
Total	297.4	469.2				



Health, safety and Environment (HSE)

There have been no major issues to report during the reporting period.

Matt Alexander
advanced viticulture and management pty. Ltd.