

**Cockatoo Ridge Wines Limited**

ABN 72 008 088 207

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Melbourne Victoria 3000  
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E-mail [info@cockatooridge.com.au](mailto:info@cockatooridge.com.au)

16 February 2009

Mr J Nelson  
Australian Securities Exchange Ltd  
Level 25  
91 King William Street  
ADELAIDE SA 5000

By email: [justin.nelson@asx.com.au](mailto:justin.nelson@asx.com.au)

Dear Mr Nelson

**YOUR ENQUIRY**

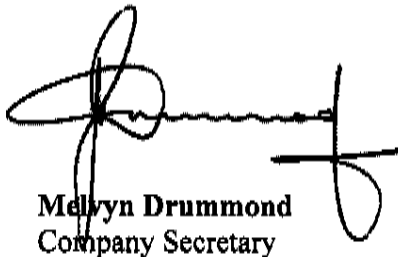
I refer to your letter dated 12 February 2009.

I respond to your questions as follows:

1. The Company does not consider that the Cancellation was material to the Company.
2. The Company does not consider that the information contained in the Announcement concerning the Profit Reversal was material to the Company.
3. A substantial part of the Company's business is that of a bulk wine trader. The Company did not at any time lose title to the wine the subject of the order concerned retaining title to that wine notwithstanding the cancellation thereof. The Company had considerable interest from other parties in the purchase of the Company's bulk wine inventory. The Company believed that it would be able to sell the wine the subject of the Cancellation to other parties on terms substantially similar to those the subject of the cancelled order. Since that time, the Company has sold some of that wine and has received considerable interest in the remaining stock heightened by the difficult climatic conditions now impacting on the current vintage.
4. The Board's focus was on the trading position of the Company in the current financial year. The Company expected at the time and continues to expect to sell the relevant wine in the course of the current financial year and receive most of the proceeds of sale by 30 June 2009. Upon the Cancellation, the Company recognised that it needed to reverse the profit booked in the previous financial year in the following accounting period ended 31 December 2008. However, the Company is and remains of the view that as at 30 June 2009, the financial position of the Company will not be materially affected by the Cancellation.
5. Not applicable.

6. Not applicable.
7. Not applicable.
8. Not applicable.
9. As indicated above, the Company did not consider the Cancellation or the Profit Reversal to be material for the purpose of Listing Rule 3.1.
10. The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours faithfully



**Melvyn Drummond**  
Company Secretary



ASX Markets Supervision Pty Ltd  
 ABN 26 087 780 489  
 91 King William Street  
 Adelaide SA 5000

GPO Box 547  
 Adelaide SA 5001

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 Facsimile 61 8 8216 5099  
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12 February 2009

Mr Melvyn Drummond  
 Company Secretary  
 Cockatoo Ridge Wines Limited  
 Level 7, 530 Collins Street  
 Melbourne VIC 3000

By facsimile: (03) 9909 7585

Dear Mr Drummond

**Cockatoo Ridge Wines Limited (the "Company")**

ASX Limited ("ASX") refers to the following:

1. The Appendix 4C (the "Announcement") lodged with ASX on 30 January 2009.
2. The Announcement advised the following,

"Due to a major bulk wine transaction being cancelled in the half-year just concluded, the directors have decided to reverse the profit booked for this sale in the 30 June 2008 full year result to be reflected in the December 2008 financials soon to be released. This will see the company forecasting a \$3.4 million loss for the half-year. The cancellation of this transaction has resulted in extremely difficult trading conditions for Cockatoo whilst alternative avenues were being investigated for the resale of the inventory involved to other parties overseas. The Company traded through 31 December 2008 and is continuing to operate with the support of its bank and creditors at this time.

The considerable excess inventory currently still held by Cockatoo is in the process of being disposed of through its network of local and international agents. It is the Company's intention to have reduced inventory on hand considerably by June 2009, enabling it to return to normal trading conditions and continue to reduce its debt level."

As you are aware, listing rule 3.1 requires an entity, once it becomes *aware* of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, to immediately tell ASX that information. The exceptions to this requirement are set out in listing rule 3.1A.

I would also like to draw your attention to the definition of "aware" in Chapter 19 of the listing rules. This definition states that:

**Australian Securities Exchange**

Australian Stock Exchange  
 Sydney Futures Exchange

Australian Clearing House  
 SFE Clearing Corporation

ASX Settlement and Transfer Corporation  
 Austraclear

*"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."*

Furthermore, paragraph 18 of Guidance Note 8 states:

*"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."*

Listing rule 3.1A sets out an exception from the requirement to make immediate disclosure, provided that each of the following are satisfied.

- 3.1A.1 *A reasonable person would not expect the information to be disclosed.*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1A.3 *One or more of the following applies.*
- *It would be a breach of a law to disclose the information.*
  - *The information concerns an incomplete proposal or negotiation.*
  - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
  - *The information is generated for the internal management purposes of the entity.*
  - *The information is a trade secret."*

Finally, I would like to draw your attention to ASX's policy position on the concept of "confidentiality" which is detailed in paragraphs 33 to 39 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

*"'Confidential' in this context has the sense of 'secret'..." and "Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts reports".*

Having regard to the above definitions, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Whether the Company considers that the information contained in the Announcement concerning the cancellation of a major bulk wine transaction (the "Cancellation") was material to the Company?
2. Whether the Company considers that the information contained in the Announcement concerning the reversal of the profit booked under the transaction (the "Profit Reversal") was material to the Company?
3. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Cancellation to be material.
4. If the answer to question 2 is "no", please advise the basis on which the Company does not consider the Profit Reversal to be material.
5. If the answer to question 1 is "yes", when did the Company first become aware of the Cancellation?

6. If the answer to question 2 is "yes", when did the Company first become aware of the Profit Reversal?
7. In relation to question 5, if this was before the release of the Announcement to the market, please identify any earlier announcement from the Company which disclosed the Cancellation.
8. In relation to question 6, if this was before the release of the Announcement to the market, please identify any earlier announcement from the Company which disclosed the Profit Reversal.
9. If there was no earlier announcement, and the Company became aware of the Cancellation and the Profit Reversal prior to the release of the Announcement, please advise why the Company did not notify the market at an earlier time, or request a trading halt at that time, pending the release of the Announcement. Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.
10. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter. If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

If you are unable to respond by the time requested, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 - Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we may ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the expiry of the trading halt, suspension will be imposed. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Your response should be sent to me by e-mail at [Justin.Nelson@asx.com.au](mailto:Justin.Nelson@asx.com.au) or by facsimile on facsimile number (08) 8216 5099. It should not be sent to the Company Announcements Office. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible, and in any event, not later than 4.30 p.m. EDST, Monday 16 February 2009.

Please note that ASX reserves the right, under listing rule 18.7A, to release this letter and the Company's response to the market if it considers it necessary for an informed market. Accordingly, it would be appreciated if you would prepare your response in a format suitable for release to the market and separately address each of the questions asked.

If you have any concerns about release of your response, or any queries in relation to this matter, please contact me immediately.

Yours sincerely,

  
Justin Nelson  
Manager, Issuers (Adelaide)