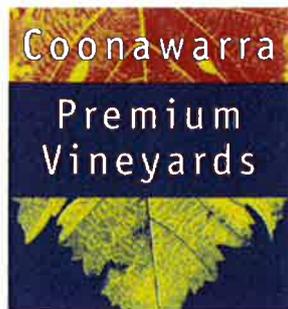


Coonawarra Australia Property Trust

ABN 37 529 164 940

ARSN 104 335 159



Interim Financial Report for the half-year ended 31 December 2008

Responsible Entity:

Coonawarra Premium Vineyards Limited

ABN 58 086 944 265

AFS Licence No. 226243

Coonawarra Australia Property Trust

Interim Financial Report for the half-year ended 31 December 2008

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Corporate Information

Responsible Entity (RE):	Coonawarra Premium Vineyards Limited ABN 58 086 944 265 AFS Licence No. 226243
Directors of the RE	Paul Miller (Chairman & Compliance Officer) Rex Watson (Group Managing Director) Andrew Parkinson (Chief Executive Officer & Company Secretary)
Company secretaries of the RE	Andrew Parkinson
Registered office and principal place of business	235 Glen Osmond Road, Frewville, South Australia 5063
Postal address	PO Box 6243 Halifax Street, Adelaide South Australia 5000
Phone:	+61 8 8338 3400
Fax:	+61 8 8338 3244
Email:	enquiries@coonawarravineyard.com.au
Trust ASX Code:	CNR
Trust Registry	Computershare Investor Services Pty Ltd Level 5, 115 Grenfell St, Adelaide SA 5000 Ph: 1300 556 161 or (from outside Australia) +61 3 9415 4000 Email: web.query@computershare.com.au www.computershare.com
Custodian	Australian Executor Trustees (SA) Limited
Auditor	Grant Thornton South Australian Partnership, Adelaide
Compliance taxation advisor	Grant Thornton South Australian Partnership, Adelaide
Banker	Commonwealth Bank of Australia, Adelaide

Coonawarra Australia Property Trust

ASX Disclosure Information

Results for announcement to the market

		Percentage Change %		Amount \$
Revenue and other income from ordinary activities	down	54%	to	2,628,632
Profit from ordinary activities after tax attributable to members	down	442%	to	(644,972)
Net profit for the period attributable to members	down	386%	to	(539,776)

Distributions

	<u>Amount per security</u>	<u>Franked amount per security</u>
Paid in current period:		
Final 2007/8 distribution paid 29 August 2008	0.9¢	-
Interim 2008/9 distribution paid 28 November 2008	0.8¢	-
Total paid in half-year	1.7¢	-
Paid in previous corresponding period:		
Final 2006/7 distribution paid 31 August 2007	1.3¢	-
Interim 2007/8 distribution paid 30 November 2007	1.3¢	-
Total paid in previous half-year	2.6¢	-
Payable in respect of current period:		
Interim 2008/9 distribution payable 27 February 2009	0.8¢	100%
Record date for determining entitlements to the distribution	31 December 2008	
Date the distribution was payable	27 February 2009	

	31 December 2008	30 June 2008
Net tangible assets per security	78.8 ¢	83.8 ¢

The consolidated financial performance of the Trust is disappointing due to the continued losses suffered by Prince Hill Wines.

The sale of the Cassegrain Winery operations by Prince by Prince Hill Wines in June 2008 has resulted in a significant decline in revenue as Cassegrain sales are no longer included in the consolidated results.

Prince Hill Wines has sold the Mudgee Winery and vineyard and the first instalment of the purchase price has been paid. Another instalment is due on 31 March 2009 and the balance is due on 31 May 2009.

Coonawarra Australia Property Trust

Directors' Report

The directors of Coonawarra Premium Vineyards Limited ABN 58 086 944 265, as Responsible Entity (RE) and trustee for the Coonawarra Australia Property Trust ABN 37 529 164 940 (Trust), present their report on the Trust for the half-year ended 31 December 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors of the RE during or since the end of the half-year are: Mr Paul Miller (Chairman), Mr Rex Watson and Mr Andrew Parkinson. The above named directors held office during and since the end of the half-year.

Review of Operations - Coonawarra

The Trust is a registered managed investment scheme domiciled in Australia and listed on the Australian Stock Exchange (ASX: CNR).

The Trust's principal activity in the course of the half-year was to make land available to licensees under a 13 year licence agreement to grow wine grapes. The Trust's vineyards are licensed to growers who are members of the Coonawarra Premium Vineyards Project. Upon the expiry of the licences in 2012, ownership of improvements to the land vests in the Trust.

In September 2008 the Trust acquired a further 15% interest in CPV Wines Limited through an a rights issue and now owns 77.3%. CPV Wines owns the adjoining vineyard to the Trust in Coonawarra and all its grapes are contracted to Watson Wine Group.

Review of Operations - Prince Hill Wines

The winery and vineyards at Mudgee, NSW, are subject to a non-conditional contract signed on 28 September 2008 for \$5.5m inclusive of GST. Final settlement of the contract is due on 31 May 2009.

The board of Prince Hill has continued the rationalization process in relation to the joint venture marketing and distribution company The Wine List Pty Ltd (TWL) which was formed in June 2007, and failed to achieve satisfactory sales. TWL has been downsized and costs reduced.

Auditors' Independence

The lead auditors' independence declaration under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2008 is set out on page 5 of this financial report.

This report is signed in accordance with a resolution of the Board of Directors of the RE.

On behalf of the Directors



Andrew Parkinson
Director

Adelaide, 26 February 2009



Grant Thornton

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF COONAWARRA AUSTRALIA PROPERTY TRUST**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Coonawarra Australia Property Trust for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J Gray
Partner

Signed at Wayville on this 26 day of February 2009

Coonawarra Australia Property Trust

Consolidated Income Statement for the half-year ended 31 December 2008

	Notes	Half-years ended 31 December	
		2008	2007
		\$	\$
Grant of use (licence) fees		886,934	877,948
Wine & wine services sale proceeds		856,040	3,975,585
Grape sale proceeds		98,614	-
Net market value increment - biological assets (grapes)		559,272	680,000
Other revenue		209,155	145,015
Gain on disposal of non-current Assets held for sale		240,451	-
Interest revenue		18,617	69,927
Cost of goods sold		(1,324,262)	(3,520,503)
Management expenses		(995,227)	(635,401)
Vineyard management expenses		(107,980)	(410,356)
Sales & marketing costs		(174,266)	(301,102)
Corporate expenses		(299,136)	(321,448)
Occupancy expenses		(73,236)	(150,476)
Other expenses		(38,837)	(71,053)
Profit before start-up, impairment and finance costs		(143,860)	338,136
Joint venture operation costs		(340,084)	(392,018)
Impairment losses - inventories and fixed assets		(500,519)	-
Impairment losses - allowance for doubtful debts		17,280	(29,221)
Finance costs		(502,595)	(459,994)
Profit/(loss) before income tax expense		(1,469,779)	(543,097)
Income tax (expense) / benefit		(69,430)	164,452
Profit/(loss) for the year		(1,539,209)	(378,645)
Profit/(loss) attributable to members of the parent entity		(535,976)	187,265
Profit/(loss) attributable to Minority equity interests		(1,011,232)	(565,910)
Profit/(loss) for the year		(1,539,209)	(378,645)
		<u>cents</u>	<u>cents</u>
Basic earnings per unit	3	(3.06)	1.07
Diluted earnings per share is not disclosed as it is not materially different to basic earnings per share			

Coonawarra Australia Property Trust

Consolidated Balance Sheet as at 31 December 2008

	31 December 2008	30 June 2008
Current assets	\$	\$
Cash and cash equivalents	153,662	827,430
Trade and other receivables	1,953,840	3,286,080
Inventories	1,085,789	1,878,269
	<u>3,193,291</u>	<u>5,991,779</u>
Non-current assets sold but not settled	5,500,000	4,773,842
TOTAL CURRENT ASSETS	8,693,291	10,765,621
Non-current assets		
Property, plant & equipment	5,130,769	5,006,992
Biological assets	15,580,525	15,526,028
Deferred tax assets	959,556	58,241
	<u>21,670,850</u>	<u>20,591,261</u>
TOTAL NON-CURRENT ASSETS	21,670,850	20,591,261
TOTAL ASSETS	30,364,141	31,356,882
Current liabilities		
Trade and other payables	2,570,686	2,594,335
Short term financial liabilities	1,819,053	2,819,382
Current tax liabilities	148,871	255,655
	<u>4,538,610</u>	<u>5,669,372</u>
TOTAL CURRENT LIABILITIES	4,538,610	5,669,372
Non-current liabilities		
Long term financial liabilities	8,949,718	7,843,113
Deferred tax liabilities	4,745,920	3,895,342
	<u>13,695,638</u>	<u>11,738,455</u>
TOTAL NON-CURRENT LIABILITIES	13,695,638	11,738,455
TOTAL LIABILITIES	18,234,248	17,407,827
NET ASSETS	12,129,895	13,949,055
EQUITY		
Issued units	1,831,210	1,831,210
Reserves	2,507,918	2,507,918
Retained earnings	5,671,614	6,487,590
	<u>10,010,742</u>	<u>10,826,718</u>
Parent entity interest	10,010,742	10,826,718
Minority interest	2,119,153	3,122,339
	<u>2,119,153</u>	<u>3,122,339</u>
TOTAL EQUITY	12,129,895	13,949,057

Notes to the financial statements are included on pages 10 to 12.

Coonawarra Australia Property Trust

Consolidated Statement of Changes in Equity for the half-year ended 31 December 2008

Consolidated Group	Note	Issued Units \$	Reserves \$	Retained Earnings	Minority Interests \$	Total \$
Balance at 1 July 2007		1,831,210	3,632,740	10,350,423	4,512,007	20,326,380
Profit attributable to members of parent entity				187,265		187,265
Profit/(loss) attributable to minority shareholders					(565,910)	(565,910)
Minority interest in CPV Wines Ltd on acquisition		-	-		646,590	646,590
Sub-total		1,831,210	3,632,740	10,537,688	4,592,687	20,594,325
Distributions paid or provided for		-	-	(385,000)	-	(385,000)
Balance at 31 December 2007		1,831,210	3,632,740	10,152,688	4,592,687	20,209,325
Balance at 1 July 2008		1,831,210	2,507,918	6,487,590	3,122,339	13,949,057
Profit attributable to members of parent entity		-	-	(535,976)	-	(535,976)
Profit/(loss) attributable to minority shareholders		-	-	-	(1,011,232)	(1,011,232)
Shares Issued in CPV Wines Limited rights issue		-	-	-	5,046	5,046
Transaction Costs		-	-	-	(5,000)	(5,000)
Sub-total		1,831,210	2,507,918	5,951,614	2,111,153	12,401,895
Distributions paid or provided for		-	-	(280,000)	-	(280,000)
Balance at 31 December 2008		1,831,210	2,507,918	5,671,614	2,111,153	12,121,895

Notes to the financial statements are included on pages 10 to 12.

Coonawarra Australia Property Trust

Consolidated Cash Flow Statement for the half-year ended 31 December 2008

	Half-years ended 31 December	
	2008	2007
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	3,157,623	2,954,515
Payments to suppliers	(3,052,887)	(3,355,356)
Interest received from customers	44,850	69,927
Interest and other costs of finance paid	(502,595)	(434,925)
Income Tax Paid	(226,789)	-
Net cash provided by operating activities	(579,798)	(765,839)
Cash flows from investing activities		
Payments for property, plant & equipment	116,104	(563,076)
Proceeds from sale of property, plant & equipment	-	750,000
Payment for purchase of subsidiary, net of overdraft acquired	-	(2,218,411)
Net cash used in investing activities	116,104	(2,031,487)
Cash flows from financing activities		
Distributions paid	(297,500)	(454,591)
Repayments of borrowings	-	(1,933,362)
Proceeds from borrowings	1,286,606	1,785,174
Net cash used in financing activities	989,105	(602,779)
Net increase/(decrease) in cash held	525,411	(3,400,105)
Cash and cash equivalents at the beginning of the half-year	(920,660)	1,166,974
Net cash and cash equivalents at the end of the half-year	(395,249)	(2,233,131)
Reconciliation of cash and cash equivalents		
Cash at bank	153,662	680,269
Bank overdrafts	(548,911)	(2,913,400)
Net cash and cash equivalents at the end of the half-year	(395,249)	(2,233,131)

Notes to the financial statements are included on pages 10 to 12.

Coonawarra Australia Property Trust

Notes to the Financial Statements for the half-year ended 31 December 2008

1. Basis of preparation

Coonawarra Australia Property Trust (the "Trust") is a registered Managed Investment Scheme operating in Australia and listed as a public Unit Trust on the Australian Securities Exchange. The Responsible Entity is Coonawarra Premium Vineyards Limited. The interim financial report of the Trust as at and for the half-year ended 31 December 2008 comprises the Trust and its controlled entities CPV Wines Limited, Prince Hill Wines Limited, Prince Hill Wine Services Pty Ltd, Prince Hill Cellars Pty Ltd and The Wine List Pty Ltd.

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Trust for the year ended 30 June 2008.

This interim financial report was approved by the directors on 26 February 2009.

The accounting policies applied by the Trust in this interim financial report are the same as those applied by the Trust in its financial report as at and for the year ended 30 June 2008.

2. DISTRIBUTIONS PAID

Distributions paid and payable are as follows.

Distribution relating to:	Date paid/payable	Half-year December 2008 \$	Half-year December 2007 \$
Quarter ended 30 June 2007	Paid 31 August 2007	-	227,500
Quarter ended 30 September 2007	Paid 30 November 2007	-	227,500
Quarter ended 31 December 2007	Paid 28 February 2008	-	227,500
Quarter ended 30 June 2008	Paid 29 August 2008	157,500	
Quarter ended 30 September 2008	Paid 28 November 2008	140,000	
Quarter ended 31 December 2008**	Payable 27 February 2009	140,000	

** February 2008 distribution announced to ASX on 17 December 2008 and accordingly is recognised in the half-year financial report.

3. EARNINGS PER UNIT

The number of units on issue in both the current and the corresponding half-year was 17,500,000. There are no dilutive securities.

4. CONTINGENT ASSETS AND LIABILITIES

The Trust has no contingent assets or liabilities.

5. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no significant events after the reporting date.

Coonawarra Australia Property Trust

Notes to the Financial Statements for the half-year ended 31 December 2008

7. SEGMENT INFORMATION

2008	Wine Distribution	Property	TOTAL	Eliminations / unallocated	Consolidated
Revenue					
Sales to external customers	856,040	1,544,820	2,400,860	-	2,400,860
Inter-segment sales	-	-	-	-	-
Total Sales revenue	856,040	1,544,820	2,400,860	-	2,400,860
Other income (excluding interest)	415,642	33,964	449,606	-	449,606
	1,271,682	1,578,784	2,850,466	-	2,850,466
Interest Income					18,617
Total Consolidated Revenue					2,869,083
Results					
Segment Result	(1,910,217)	130,558	(1,779,659)	-	(1,779,659)
Net Interest Income / (expenses)	-	-	-	-	(483,979)
Profit before income tax benefit	-	-	-	-	(1,469,779)
Income tax benefit	-	-	-	-	(69,430)
Asset and Liabilities					
Segment Asset	7,127,642	22,961,499	30,089,141	-	30,364,141
Unallocated assets	-	-	-	-	-
Total assets	7,127,642	22,961,499	30,089,141	-	30,364,141
Segment Liabilities	3,556,922	14,402,326	17,959,248	-	18,234,248
Other Segment information					
Depreciation expense	38,836	33,228	72,064	-	72,064
2007					
Revenue					
Sales to external customers	3,975,585	1,557,948	5,533,533	-	5,533,533
Inter-segment sales	-	-	-	-	-
Total Sales revenue	3,975,585	1,557,948	5,533,533	-	5,533,533
Other income (excluding interest)	145,015	-	145,015	-	145,015
	4,120,600	1,557,948	5,678,548	-	5,678,548
Interest Income					69,927
Total Consolidated Revenue					5,748,475
Results					
Segment Result	(775,896)	397,251	(378,645)	-	(378,645)
Net Interest Income / (expenses)	-	-	-	-	(390,967)
Profit before income tax benefit	-	-	-	-	(543,097)
Income tax benefit	-	-	-	-	164,452
Asset and Liabilities					
Segment Asset	9,706,158	23,803,054	33,509,212		33,509,212
Unallocated assets	-	-	-	5,188,377	5,188,377
Total assets	9,706,158	23,803,054	33,509,212	5,188,377	38,697,589
Segment Liabilities	7,801,733	7,265,084	15,066,817	2,995,000	18,061,817
Other Segment information					
Depreciation expense	171,224	33,212	204,436	-	204,436

Coonawarra Australia Property Trust

Notes to the Financial Statements for the half-year ended 31 December 2008

8. ADDITIONAL INFORMATION

The registered office and principal place of business is located at:

235 Glen Osmond Road, Frewville, South Australia 5063

Phone: +61 8 8338 3400 Fax: +61 8 8338 3244 email: enquiries@coonawarravineyard.com.au

Coonawarra Australia Property Trust

Directors' Declaration

The directors of the Responsible Entity declare that:

- 1) The financial statements and notes, as set out on pages 6 to 12:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and, i
 - b. give a true and fair view of the economic entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date.
- 2) In the directors' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;

This declaration is made in accordance with a resolution of the Board of Directors.



Andrew Parkinson

Director

Adelaide, 26 February 2009



Grant Thornton

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF COONAWARRA AUSTRALIA PROPERTY TRUST

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Coonawarra Australia Property Trust (the Company) and consolidated entity, which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration. The consolidated entity comprises both the Company and the entities it controlled at the half-year's end or from time to time during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF COONAWARRA AUSTRALIA PROPERTY TRUST (Cont)

Auditor's responsibility (Cont)

As the auditor of Coonawarra Australia Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

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 Coonawarra Australia Property Trust is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J Gray
Partner

Signed at Wayville on this 26 day of February 2009