Evans & Tate Limited

A.C.N. 064 820 408

and its Controlled Entities

Half-Year Financial Report

31 December 2002

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Evans & Tate Limited
and its Controlled Entities
for the half year ended 31 December 2002

DIRECTORS' REPORT
Evans & Tate Limited
and its Controlled Entities
for the half year ended 31 December 2002

The directors present their report together with the consolidated financial report for the half-year ended 31 December 2002 and the review report thereon.

Directors

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

Name	Period of directorship
Franklin Joel Tate Chairman	Director since 28 June 1994 Appointed Chairman 16 September 1999
Ross Chappell	Director since 14 July 1995
Heather Mary Jephson Tate	Alternate director for Franklin Joel Tate Appointed 16 September 1999
Fiona Elizabeth Harris	Appointed 16 September 1999
Harvey David Mathew Combe	Appointed 21 February 2001
John David Hopkins	Appointed 22 August 2001

Review of Operations

Operating Revenue for the half year was $19,211,000, an increase of 31% on the previous period. The Australasian operations (excluding Viticultural Services) contributed $2,311,000, up 57% from $1,473,000, Viticultural Services contributed $658,000 compared to $99,000 previously, the European operations contributed $52,000 compared to $86,000 in the previous period and the American operations lost $311,000 compared to a profit of $17,000 previously. Net profit after tax was $1,148,000 which represents an increase of 8% on the previous period.

Subsequent events

The Company has previously announced its intention to merge with Cranswick Premium Wines Limited. On 17 February 2003 Cranswick shareholders, note holders and option holders voted on and approved the schemes of arrangement. On 27 February 2003 the Federal Court approved the schemes of arrangement. Completion of the transaction is anticipated by 17 March 2003.

On 18 February 2003, Evans & Tate Limited ("Evans & Tate") shareholders voted in favour of entering into a Deferred Sale Deed between Mr Franklin Joel Tate and Mr Graham Cranswick-Smith whereby Mr Tate will purchase Mr Cranswick-Smith's fully paid ordinary shares in the Company in a series of tranches.

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.

Signed in accordance with a resolution of the directors:

[SIGNED]

Franklin Joel Tate
Executive Chairman

Dated at Perth this 5th day of March 2003.

Statement of financial performance

Evans & Tate Limited
and its Controlled Entities
for the half-year ended 31 December 2002

	Note	Consolidated 2002 $'000	Consolidated 2001 $'000
Revenue from sale of goods		15,629	12,941
Other revenue from ordinary activities		3,582	1,688
Total revenue		19,211	14,629
Expenses from ordinary activities before borrowing costs, taxation, depreciation and amortisation		(14,395)	(11,100)
Earnings before borrowing costs, tax, depreciation and amortisation		4,816	3,529
Borrowing costs		(1,412)	(920)
Depreciation and amortisation costs		(1,351)	(966)
Profit from ordinary activities before related income tax expense		2,053	1,643
Income tax expense relating to ordinary activities		(905)	(579)
Profit from ordinary activities after related income tax expense	5	1,148	1,064
Non-owner transaction changes in equity			
Adjustment to retained profits at the beginning of the half-year on initial adoption of AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"		1,020	-
Total changes in equity from non-owner related transactions attributable to members of the parent entity	7	2,168	1,064
Basic earnings per share for Evans & Tate		2.24 cents	2.44 cents
Diluted earnings per share for Evans & Tate		2.50 cents	2.68 cents

The statement of financial performance is to be read in conjunction with the notes to the half-year financial statements set out on pages 6 to 11.

Statement of financial position
Evans & Tate Limited
and its Controlled Entities
as at 31 December 2002

	Note	Consolidated 31 December 2002 $'000	Consolidated 30 June 2002 $'000
Current assets			
Cash		1,244	39
Receivables		10,196	7,972
Inventories		22,608	21,829
Other assets		493	415
Total current assets		34,541	30,255
Non current assets			
Inventories		5,758	9,345
Property, plant and equipment		22,840	22,601
SGARA – Grape vines		3,327	3,107
Intangibles		14,889	14,992
Other assets		914	53
Total non current assets		47,728	50,098
Total assets		82,269	80,353
Current liabilities			
Payables		4,103	9,480
Interest bearing liabilities		20,272	10,213
Current tax liabilities		825	635
Provisions		541	1,429
Total current liabilities		25,741	21,757
Non current liabilities			
Interest bearing liabilities		22,243	25,825
Deferred tax liabilities		631	599
Provisions		37	56
Total non current liabilities		22,911	26,480
Total liabilities		48,652	48,237
Net assets		33,617	32,116
Shareholders' equity			
Contributed equity	4	23,471	23,113
Reserves		2,241	2,246
Retained profits	5	7,905	6,757
Total equity	7	33,617	32,116

The statement of financial position is to be read in conjunction with the notes to the half-year financial statements set out on pages 6 to 11.

Statement of cash flows
Evans & Tate Limited
and its Controlled Entities
for the half-year ended 31 December 2002

		Consolidated 2002 $'000	2001 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		18,087	15,318
Cash payments in the course of operations		(18,375)	(17,914)
Borrowing costs		(903)	(1,033)
Income tax paid		(692)	(2,021)
Net cash (used in) operating activities		(1,883)	(5,650)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		55	53
Payments for controlled entities		-	(1,649)
Payments for acquisitions in progress		(849)	(59)
Payments for property, plant and equipment		(1,254)	(800)
Payment for acquisition of intangibles		(15)	-
Net cash (used in) investing activities		(2,063)	(2,455)
Cash flows from financing activities			
Proceeds from issue of shares		3	258
Proceeds from borrowings		7,518	10,620
Repayment of borrowings		(863)	(814)
Repayment of non interest bearing liabilities		-	(1,000)
Non-cumulative converting preference share interest paid		(322)	(322)
Dividends paid by parent entity		(715)	(698)
Net cash provided by financing activities		5,621	8,044
Net increase/(decrease) in cash held		1,675	(61)
Cash at the beginning of the half-year		(1,346)	(915)
Cash overdraft balances in controlled entities acquired		-	(753)
Cash at the end of the half-year	8(a)	329	(1,729)

The statement of cash flows is to be read in conjunction with the notes the half-year financial statements set out on pages 6 to 11.

Notes to the Financial Statements
Evans & Tate Limited
and its Controlled Entities
for the half-year ended 31 December 2002

1. Statement of significant accounting policies

Basis of preparation of half-year financial report

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 requirements 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 Evans & Tate 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 current valuations 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 in Note 2, 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.

2. Changes in accounting policy

a) Provisions, contingent liabilities and contingent assets

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

Dividends are now recognised at the time that they are declared, determined or publicly recommended. Previously, 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:
- $1,020,000 increase in opening retained earnings to $2,236,000
- $1,020,000 decrease in opening provision for dividends to $Nil

Had the revised accounting policy always been applied, the consolidated retained profits as at the beginning of the corresponding comparative half year would have increased by $797,000 to $6,672,000 and the opening provision for dividends would have decreased by $797,000 to $Nil.

There was no impact on profit or loss for the reporting period to 31 December 2002 (31 December 2001 : Nil).

b) Employee benefits

The consolidated entity has applied the revised AASB 1028 "Employee Benefits" (issued June 2001) for the first time from 1 July 2002.

The liability for wages and salaries and annual leave is now calculated using the remuneration rates the Company expects to pay in future reporting periods as a result of unused entitlements that has accumulated as at the reporting date.

The application of the revised AASB 1028 has not given rise to any material impact on the current or previous financial periods.

c) Foreign currency translation

The consolidated entity has applied the revised AASB 1012 "Foreign Currency Translation" (issued November 2000) for the first time from 1 July 2002.

For hedges of specific purchases or sales, the gains or costs on entering the hedge and the exchange differences up to the date of the purchase or sale are now deferred and recognised as assets or liabilities on the statement of financial position from the inception of the hedge contract, not when the specific purchase or sale occurs.

At 1 July 2002 and 31 December 2002 the consolidated entity did not have any outstanding foreign currency hedge contracts.

In addition, income tax expenses/revenues arising from exchange differences recognised in net profit or loss relating to foreign currency monetary items forming part of the net investment in a self-sustaining foreign operation and to hedges of these items are now eliminated against the foreign currency translation reserve ("FCTR") on consolidation.

The application of the revised AASB 1012 has not given rise to any material impact on the current or previous financial periods.

3. Segment reporting

Business Segments

	Wine Products & Services * $'000	Viticultural Services ** $'000	Inter-segment eliminations $'000	Consolidated $'000
31 December 2002				
Segment revenue				
- Australasia	14,723	2,945	(831)	16,837
- Americas	826	-	-	826
- Europe	502	-	-	502
	16,051	2,945	(831)	18,165
Other unallocated revenue				1,046
Total revenue				19,211
Segment result				
- Australasia	2,311	658	-	2,969
- Americas	(311)***	-	-	(311)
- Europe	52			52
	2,052	658	-	2,710
Other unallocated expenses				(657)
Profit from ordinary activities before related income tax expense				2,053
31 December 2001				
Segment revenue				
- Australasia	12,676	1,516	(275)	13,917
- Americas	103	-	-	103
- Europe	516	-	-	516
	13,295	1,516	(275)	14,536
Other unallocated revenue				93
Total revenue				14,629
Segment revenue				
- Australasia	1,473	99	(28)	1,544
- Americas	17	-	-	17
- Europe	86	-	-	86
	1,576	99	(28)	1,647
Unallocated expenses				(4)
Profit from ordinary activities before related income tax expense				1,643

* Wine Products & Services include bottled wine sales, contract processing, bulk wine sales and Brand Management.

** Viticultural Services include vineyard management, viticultural advice and vineyard development.

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Operating result	(667)
Brand management	356
Segment result	(311)

	Consolidated 31 December 2002 $'000	Consolidated 30 June 2002 $'000
4 Contributed equity		
Issued and paid up capital		
51,327,788 (June 2002: 50,980,369) ordinary shares, fully paid	23,384	23,026
Shares yet to be allotted		
56,883 (June 2002 : 56,883) ordinary shares not yet allotted	87	87
	23,471	23,113

On 10 July 2002, Evans & Tate issued 2,333 ordinary shares in relation to the exercise of 2,333 options each with an exercise price of $1.15.

On 1 October 2002, Evans & Tate issued 8,800 ordinary shares with a fair value of $1.07 to certain employees.

On 1 October 2002, Evans & Tate issued 296,705 ordinary shares with a fair value of $1.03 in accordance with the terms of the Dividend Reinvestment Plan.

On 22 November 2002, Evans & Tate issued 39,581 ordinary shares with a fair value of $1.01 to executive officers in respect of their entitlements under the Long Term Incentive Plan.

On 1 July 2002, Evans & Tate granted options over 50,000 unissued ordinary shares, each with an exercise price of $1.60 exercisable at any time up to the date of expiry and expire on 1 July 2005.

On 17 December 2002, options granted over 300,000 unissued ordinary shares expired. No options expired during the prior half-year.

	Consolidated 2002 $'000	Consolidated 2001 $'000
5 Retained profits		
Retained profits at the beginning of the half-year	6,757	5,875
Net profit attributable to the members of the parent entity	1,148	1,064
Net effect of initial application of AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets	1,020	-
Dividends	(1,020)	(1,025)
Retained profits at the end of the half-year	7,905	5,914

	Consolidated 2002 $'000	Consolidated 2001 $'000
6 Dividends		
During the reporting period, Evans & Tate Limited has paid or provided for dividends not previously recognised in retained profits as follows:		
Final dividend on ordinary shares, paid on 1 October 2002	1,020	-
Interim dividend on ordinary shares, paid on 2 April 2002	-	1,025
	1,020	1,025
Subsequent to reporting date:		
Since 31 December 2002, the directors have declared the following dividend payable on 1 April 2003:		
Interim dividend on ordinary shares	1,027	

The financial effect of this dividend has not been brought to account in the consolidated entity financial statements for the period ended 31 December 2002.

	2002 $'000	2001 $'000
7 Total equity reconciliation		
Total equity at beginning of half-year	32,116	17,785
Total changes in parent entity interest in equity recognised in statement of financial performance	2,168	1,064
Movement in foreign exchange translation reserve	(5)	-
Transactions with owners as owners:		
- Contributions of equity	358	5,768
- Dividends	(1,020)	(1,025)
Total equity at end of half-year	33,617	23,592

8 Notes to the statement of cash flows

	Consolidated	
	2002	**2001**
	$'000	**$'000**
(a) *Reconciliation of cash*		
Cash assets	1,244	39
Bank overdraft	(915)	(1,768)
	329	(1,729)

(b) *Non-cash financing and investing activities*
During the financial period the consolidated entity acquired property, plant and equipment with an aggregate fair value of $83,000 (2001: $529,000) by means of hire purchase contracts and finance leases. Also, the consolidated entity issued 296,705 (2001 : 98,118) ordinary shares in accordance with the terms of the Dividend Reinvestment Plan. These transactions are not reflected in the statement of cash flows.

9 Subsequent events

The Company has previously announced its intention to merge with Cranswick Premium Wines Limited. On 17 February 2003 Cranswick shareholders, note holders and option holders voted on and approved the schemes of arrangement. On 27 February 2003 the Federal Court approved the schemes of arrangement. Completion of the transaction is anticipated by 17 March 2003.

On 18 February 2003 Evans & Tate shareholders voted in favour of entering into a Deferred Sale Deed between Mr Franklin Joel Tate and Mr Graham Cranswick-Smith whereby Mr Tate will purchase Mr Cranswick-Smith's fully paid ordinary shares in the Company over a series of tranches.

10 Seasonal Factors

The revenues and profits of Evans & Tate Limited are subject to the seasonal impact of vintage which occurs in March and April of each financial year.

11 Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since 30 June 2002.

DIRECTORS' DECLARATION

In the opinion of the directors of Evans & Tate Limited ("the Company"):

a) the financial statements and notes, set out on pages 3 to 11, are in accordance with the Corporations Act 2001, including:

   i) 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

   ii) complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

[SIGNED]

Franklin Joel Tate
Executive Chairman

Dated at Perth this 5th day of March 2003.