



## **MEDIA RELEASE**

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### **SALE OF WEST AUSTRALIAN WINERY & VINEYARDS CONFIRMED**

Constellation Wines Australia (CWAU) today announced the sale of its winery facility in Mount Barker, Western Australia, and surrounding vineyards to West Cape Howe Wines.

Marketed as a going concern from August last year, today's announcement ensures the winery facility will continue to operate through the 2009 vintage and beyond.

Purchased for an undisclosed amount, West Cape Howe Wines has taken ownership of the Mount Barker winery facility as well as the Langton, Windy Hill, Omrah and Fox River vineyards, all located within West Australia's Great Southern region.

CWAU President John Grant confirmed details of the winery and vineyard sale.

'We are delighted to have West Cape Howe taking ownership of the Mount Barker facility, ensuring its ongoing operation', he said.

'Importantly, our agreement ensures ongoing wine supply for our premium West Australian wines sourced from the Great Southern region.'

Gavin Berry, Managing Partner & Winemaker of West Cape Howe Wines, said the assets and resources were a strong strategic fit for West Cape Howe, which had effectively outgrown its present 1000-tonne Denmark based production facility.

'With great consideration, the West Cape Howe Board was convinced of the long term merits of such an acquisition given the fundamentals and scale of the facility and there's no doubt that this opportunity will accommodate our growth in the years to come.'

'In the current economic climate, there's going to be some rationalising as far as vineyards and wine brands and we understand that, but we think if you play your cards right there are some opportunities as well. At the end of the day, we're pretty positive about the future of the wine industry,' said Mr Berry.

Mr Grant said the West Australian winery and vineyards sale further strengthened CWAU's position in challenging times for the Australian wine sector.

'Over the past twelve months we have been positioning ourselves for greater focus on increased wine quality in line with consumer demand as well as greater efficiency and long term profitable growth', Mr Grant said.

'As an industry, we need to reduce our production capacity in line with global consumer demand, we need to target higher value price points with higher quality grapes and higher returns and we need to embrace change through improved grape growing practices, water efficiencies and continued innovation. These are the priorities for Constellation Wines Australia.'

#### **Further information:**

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