

14 October 2003

Dear Shareholder

**PLW RECOMMENDS IMMEDIATE ACCEPTANCE OF THE HESS OFFER FOR ALL OF YOUR PLW SHARES**

I am writing to you personally to update you on the latest takeover developments for your company, Peter Lehmann Wines Limited ("PLW") and also to advise you of what you should do next.

By now you may have heard that Allied Domecq plc ("Allied") has announced that it intends to accept the Hess Offer for its entire 14.53% shareholding and that it will apply to the Australian Securities and Investments Commission for consent to withdraw its offer for PLW. As a result of Allied's decision, the Hess Offer is effectively the only Offer available to PLW Shareholders.

The Hess Offer is for \$4.00 cash per PLW Share and Shareholders who accept will be paid within five days. As the Hess Offer is scheduled to close on 24 October 2003 the Independent Directors encourage Shareholders to act immediately to accept the Hess Offer.

**The Independent Directors of PLW (Messrs Neil Lister, Harold Tilley and myself) now recommend that PLW Shareholders immediately accept the Hess Offer for ALL OF YOUR PLW SHARES.** Each of the Independent Directors also intend to accept the Hess Offer for all of their PLW Shares.

The Non-Independent Directors (Messrs Robert Edwards, Doug Lehmann and Roger Wilson) endorse the position of the Independent Directors and their reasons. Mr Robert Edwards and Mr Doug Lehmann intend to convert all of their options and accept the Hess Offer for all of their shares, while Mr Roger Wilson intends to retain all shares he holds.

The Independent Directors note that the Hess Offer is capable of being accepted by PLW Shareholders for either all or part of their shareholding. However, the Independent Directors strongly recommend to Shareholders that they accept the Hess Offer for all of their PLW Shares. They recommend this for the following reasons:

- as noted in the Target's Statement, the Independent Directors believe there is a substantial risk of PLW's share price declining in the absence of the Hess Offer – in this sense, it is unlikely that Shareholders will be able to realise \$4.00 cash per share in the foreseeable future;
- the trading price of PLW Shares prior to the announcement of the Hess and Allied Offers had been inflated by takeover speculation, which will no longer be present after the Hess Offer closes;

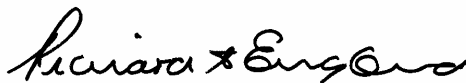
- the Hess Offer price of \$4.00 cash per PLW Share represents a multiple of 27.5 times 2003 net profit after tax which compares favourably with prices offered in comparable transactions in the sector and substantially exceeds the multiples at which other Australian wine companies are trading on the ASX;
- in the current year, PLW's financial performance will be adversely impacted by the costs and uncertainty associated with this current takeover activity; and
- there is likely to be substantially reduced liquidity in PLW share trading after the Hess Offer closes, which may impact on the price of the Shares and the ability for Shareholders to sell them easily.

Additional detail on the above factors is contained in the Target's Statement.

Given the above factors, the Independent Directors believe that it is unlikely that Shareholders will be able to realise the same value as the Hess Offer in the foreseeable future and so believe that PLW Shareholders should capitalise on this opportunity to secure a premium value for their PLW Shares today and accept the Hess Offer for all PLW Shares without delay.

I encourage you to follow the advice of your Independent Directors so as not to miss out on this opportunity. If you do have any queries, please contact the PLW Shareholder Information Line on 1800 008 842.

Yours sincerely



**Richard England**  
Chairman

**HOW TO ACCEPT THE HESS OFFER:**

To accept the Hess Offer, you should complete either of the two acceptance forms which Hess has mailed to you. These are the yellow acceptance form that was sent to you by Hess on 3 October 2003 or the original blue form which was sent with the Hess Bidder's Statement. You will still receive the full \$4.00 per PLW Share no matter which form you use. To complete the forms, you should follow the instructions in the Hess Bidder's Statement and on the forms themselves. If you have misplaced your acceptance form and need a new one, please contact Hess' share registry, Computershare Investor Services on (08) 8236 2300.

**DO NOT DELAY IN SUBMITTING YOUR ACCEPTANCE.**