

INTRODUCTION

“...we must not be afraid to put into effect the strength of our own convictions, continue to use our imagination in winemaking generally, and be prepared to experiment in order to gain something extra, different and unique in the world of wine.”

– MAX SCHUBERT



THE REWARDS OF PATIENCE





Although with Penfolds for barely 15 years, I have always been captivated by its rich heritage and commitment to fine wines. As I progress through the 2004 vintage with our winemaking and viticultural teams, it is appropriate to pause to reflect upon the recent fifth *Rewards of Patience* tastings. In doing so, it is fitting to recount the milestones of the last 160 years that have brought us to this point.

The story of Penfolds is inextricably linked to South Australia's colonial settlement and Australia's subsequent journey to nationhood and the modern era. In 1844 when Penfolds was founded, the colony had been established for a mere eight years. Migrating from near Brighton, England, the young Dr Christopher Rawson Penfold and his wife Mary purchased "the delightfully situated and truly valuable estate of Mackgill for the sum of £1,200... comprising 500 acres of the choicest land". Named after Sir Maitland Mackgill, the suburb, as well as the Penfolds property itself, is now known as Magill.

Like many medical practitioners of the time, Dr Penfold firmly believed in the medicinal value of wine. The couple used vine cuttings brought with them from the South of France to establish their vineyard. Mary Penfold farmed Magill Estate while her husband operated a busy medical practice from their stone cottage, 'The Grange'. By all contemporary accounts Mary Penfold was responsible for the management and early winemaking on the fledgling wine estate. Initially the wines were prescribed as tonics for anaemic patients. The famous slogan: '1844 to evermore' harks back to these origins.

By 1870, the year in which Christopher Rawson Penfold died, the Grange Vineyard comprised over 60 acres with several different grape varieties including Grenache, Verdelho, Mataro (Mourvèdre), Frontignac and Pedro Ximenez. The Estate produced fortified, sweet, dry red and white table wines for a growing market in the eastern Australian colonies of Victoria and New South Wales. Mary Penfold established a partnership with her highly ambitious and devoted son-in-law Thomas Hyland and her cellar manager Joseph Gillard. In the latter part of the nineteenth century Penfolds and Co. claimed to be responsible for over one-third of South Australia's wine production.

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Mary Penfold died in 1896 having set Penfolds on the path to becoming Australia's most significant winery. Her remarkable contribution to Australia's wine industry, however, remains largely overshadowed by her husband's position and profile. Through their daughter Georgina's marriage to Thomas Hyland, the family lineage was secured. The Hyland grandchildren affectionately adopted the surname Penfold-Hyland, with both Herbert Leslie (Leslie) and Frank joining Penfolds in the 1890s. The story of Penfolds can be divided into three eras, each of approximately 50 to 60 years duration, and this generational change marked the beginning of the company's second era.

By the late 1940s Penfolds had acquired or planted vineyards in the Barossa Valley, Eden Valley, McLaren Vale, Auldana, Griffith, the Hunter Valley and Minchinbury.

Between them, the two brothers oversaw a substantial expansion of Penfolds and enjoyed all the trade benefits of the newly formed federation of Australia. Leslie ran the South Australian office, whilst Frank established the New South Wales arm of the business. Frank, based in Sydney, considerably expanded the business in New South Wales during this period. Fortified wine production dominated the industry throughout the first part of the 1900s, but sparkling wine also became fashionable and was reflected in Penfolds' 1912 acquisition of a sparkling wine facility at Minchinbury, now a western suburb of Sydney. During this same period, Leslie established cellars in McLaren Vale and, in 1911, built the Nuriootpa winery in the Barossa Valley that would ultimately become the company's winemaking hub. In 1943 Penfolds acquired the highly regarded and valuable Auldana Vineyard and winery adjacent to their Magill Vineyard. In 1945 Penfolds purchased the Kalimna Vineyard in the Barossa Valley, at the time the largest vineyard in South Australia. By the late 1940s Penfolds had acquired or planted vineyards in the Barossa Valley, Eden Valley, McLaren Vale, Auldana, Griffith, the Hunter Valley and Minchinbury.

In the late 1940s the Australian wine market began to change rapidly as soldiers returned from World War II and new immigrants from Italy, Greece and Eastern Europe settled in Australia. With this emerging multi-culturalism came a new orientation towards dry table wine.

Max Schubert had joined Penfolds' Nuriootpa winery in 1931 and had risen from errand boy to assistant winemaker at Magill prior to enlisting for service in World War II. His return to



Penfolds after the war saw him quickly promoted to full control of winemaking at Magill by 1948. Finding favour with the Penfolds family and Board of Directors, he was the first non-family member ever sent on an overseas trip and visited Europe in 1950 to expand his winemaking knowledge. His mission was to learn about Sherry production but it was to be a side trip to Bordeaux that would ultimately lead to the extraordinary development of Penfolds Grange. Schubert returned inspired and immediately set about creating the first experimental vintage of Grange Hermitage in 1951. This wine's creation marks the beginning of the third, or modern era in the Penfolds story.

During the 1950s an exciting time of experimentation and research underpinned the winemaking regime at Penfolds. Ray Beckwith, the brilliant Penfolds research chemist, introduced the use of pH meters to control bacterial spoilage. Indeed, under Schubert's growing authority as the company's lead winemaker, Penfolds embraced major advances in winemaking techniques. Also in the 1950s, the highly skilled and innovative senior Penfolds winemaker, John Davoren, created the elegantly styled St. Henri Claret at the Auldana winery.

The 1960s was a period of enormous activity and innovation at Penfolds. Max Schubert's creativity was extraordinary as he oversaw what he called a "dynasty of wines (which) may differ in character from year to year, but all bear an unmistakable resemblance and relationship to each other". These wines included the creation of Penfolds emerging red wine portfolio – Bin 389, Bin 707, Bin 28, Bin 128 and Bin 2, as well as the legendary Penfolds Bin 60A. Also during this time a phenomenal number of experimental or one-off 'Special Bin' wines were made and entered into Australian Wine Shows. Even today old bottles with previously forgotten Bin numbers or vintages turn up at auctions and Penfolds Red Wine Re-corking Clinics.

Over the ensuing years Penfolds began to concentrate on red wine production and its vineyard and cellar assets in South Australia. In 1973 Max Schubert stepped down as Penfolds Chief Winemaker. The baton was passed to veteran off-sider and senior Penfolds winemaker Don Ditter. Max officially retired in 1975 but remained actively involved with Penfolds until his death in 1994.

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The Penfolds wine style was, and still is, immensely popular at every price level because it delivers quality and reliability.

Don Ditter's contribution to and refinement of house style is palpable. The remarkable reintroduction of Penfolds Bin 707 in 1976 illustrated Penfolds commitment to a premium Cabernet Sauvignon. Within just a few years, Bin 707 was recognised as one of Australia's leading wines. The Penfolds wine style was, and still is, immensely popular at every price level because it delivers quality and reliability. In 1976 Koonunga Hill Claret, later called Koonunga Hill Shiraz-Cabernet, was introduced and met with the enthusiastic approval of consumers.

The introduction of a single vineyard wine, Magill Estate Shiraz, in 1983 was an important addition to the Penfolds stable. The fruit from the Magill Estate Vineyard, mostly replanted to Shiraz in the early 1950s, had been periodically used for Grange. However, it was felt that this remaining small patch of vines on barely 13 acres should be put to a more singular use. The idea was to provide a link to the past by creating a Shiraz from the vineyard planted by Dr Christopher and Mary Penfold in 1844. Doing so meant that this important vineyard site would be protected from further suburban encroachment. The evolution of the Magill Estate wine is fascinating because it has embraced both house style and the character of a single vineyard site without compromise.

In 1986 John Duval, understudy of both Max Schubert and Don Ditter, took over as Penfolds Chief Winemaker, ensuring a smooth transition of winemaking philosophy. Refinement of the house style continued throughout the 1980s. John Duval's outstanding technical ability and instinctive nature were decisively illustrated in his handling of the profoundly opulent and beautifully balanced wines of the 1986 vintage. These are important milestones in the evolution of Penfolds wines. The 1990 and 1991 vintages, both remarkable Penfolds years, underscore his considerable talents as a team leader and Chief Winemaker.

The fortunes of Penfolds went arm-in-arm with Australian wine's exponential success in export markets. Max Schubert had retired, but was still on the scene as a mentor. In recognition of his contribution to wine and the emerging importance of Penfolds in world markets, he was named (UK) *Decanter Magazine's* 1989 'Man of the Year'. This was followed by John Duval winning International Winemaker of the Year at the 1989 International Wine and Spirit Competition in London.



The next decade saw the introduction of a number of new wines to the Penfolds portfolio amid a time of renewed winemaking trials. The search for new wine expressions and experiences during this period was reminiscent of the 1960s.

Penfolds embarked on a flagship white wine project which signalled Penfolds ambition to produce a white counterpart to Grange. This resulted in the release of 1995 Penfolds Yattarna Chardonnay in April 1998. The barrage of media attention was extraordinary, demonstrating the level of public interest in Penfolds wines. There were also red wine trials in the 1990s, resulting in the May 2000 release of the Penfolds first Barossa Shiraz, 1997 Penfolds RWT (Red Winemaking Trial). It presented an innovative expression of this classic Australian regional/variety combination, with the wine matured in French oak in direct contrast to the more regular use of American oak.

During this time, Penfolds recognised the need for improved access to the very highest quality grapes, through which it aimed to meet the forecast growth in demand for its top-end red wines. Project Max (named in honour of Max Schubert) was initiated to expand and improve premium vineyard holdings and has enabled Penfolds winemakers to gradually increase production without compromising quality.

The 1990s also saw an exceptional level of critical acclaim for both Penfolds wines and its winemakers. John Duval won Red Winemaker of the Year at the 1991 International Wine Challenge in the UK. In August 1995 Robert Parker Jr., the world's most influential wine critic, wrote in his self-published *Wine Advocate*, that Grange was "a leading candidate for the richest, most concentrated dry table wine on planet earth". At the end of that year *Wine Spectator* named the 1990 Penfolds Grange its Wine of the Year.

In Australia too, Penfolds has won considerable acclaim. Since 1991, Penfolds Grange has held pride of place at the head of Langton's Classification of Australian Wine. The elite Penfolds Bin 707, St Henri, Magill Estate and Bin 389 are also included in this internationally recognised benchmark listing of Australian wines.

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THE REWARDS OF PATIENCE

The strength of Penfolds is that the wine comes first. We are custodians of a wonderful Australian tradition steeped in wine lore and the spirit of generosity.

Penfolds Red Wine Re-corking Clinics, held in Australia's major centres and subsequently abroad in London, New York, Chicago and Auckland are an ongoing project, emphasising the aging qualities and secondary market importance of Penfolds wines. In the past 12 years, over 45,000 bottles have been certified through the Re-corking clinics.

In 2001 we celebrated the 50th anniversary of Penfolds Grange at Magill Estate, where plans were announced to return the winemaking of Grange to its original home. The following week a rare bottle of 1951 Grange Hermitage, in perfect condition, sold at auction for a record AUD\$52,211. The National Trust of South Australia made the remarkable gesture of listing Penfolds Grange as a Heritage Icon in 2001. This is a badge of considerable pride.

In 2002 grapes destined for Grange were specifically crushed and vinified at Magill Estate for the first time since 1973. It was also the year that I received the baton of Penfolds Chief Winemaker. I am mindful of the extraordinary heritage of Penfolds and its importance to Australian winemaking culture. So many of the ideas and innovations at Penfolds have permeated through our wine industry.

Max Schubert's legacy is profound. Yet, like the great Australian cricketer Sir Donald Bradman, he was the star batsman in a team of outstanding players. The Penfolds winemaking effort is team-based and generational. Former winemakers Don Ditter, John Duval and John Bird retain a mentor role, sharing their wisdom and instincts for the wines with myself and the present winemaking team: Steve Lienert, Oliver Crawford, Glenn James, Andrew Baldwin, Kym Schroeter and Emma Dal Broi. This group's collective loyalty and passion for our wines and winemaking is a tribute to the contribution of all those who have been before them.

The strength of Penfolds is that the wine comes first. We are custodians of a wonderful Australian tradition steeped in wine lore and the spirit of generosity. Penfolds' *The Rewards of Patience* is a review of our wines and winemaking philosophy. This is, perhaps, the last time we will be able to construct such a comprehensive museum tasting back to their inaugural vintages.



Although Penfolds bottles and Grange collections will come up for auction from time to time, many early vintages from the 1950s, 1960s and experimental Bin wines have become impossibly rare. Wine, of course, is very much a living thing. As such, I sincerely hope that you find *The Rewards of Patience* not only a fascinating testimony to the rich heritage of our past, but also a working guide to enjoying your own collection of Penfolds wines at their drinking peak.

Peter Gago

Penfolds Chief Winemaker
Magill Estate
February 2004

