2012 Interim Results

17 February 2012

TREASURY WINE ESTATES

Disclaimer

Treasury Wine Estates (TWE) advises that the following presentation contains forward looking statements which may be subject to significant uncertainties outside of TWE's control.

No representation is made as to the accuracy or reliability of forecasts or the assumptions on which they are based.

Actual future events may vary from these forecasts and you are cautioned not to place undue reliance on any forward looking statement.

Important Notice

Effective from 9 May 2011, Treasury Wine Estates Limited and its controlled entities (TWE) demerged from Foster's Group Limited (Foster's), and the Company was listed as a separate stand alone entity on the Australian Securities Exchange on 10 May 2011.

The demerger of TWE required Foster's to undertake an internal corporate restructure immediately prior to the demerger becoming effective with a number of assets and liabilities also transferred between TWE and Foster's.

In the results released for the year ended 30 June 2011, TWE provided pro forma financial information designed to give a more accurate view of the underlying financial performance of TWE as a stand alone entity. In the preparation of the pro forma financial information, adjustments were made to TWE's statutory result as if TWE had been operating as a stand alone entity for the entire period.

As TWE has been operating as a stand alone entity for the entire six month period ended 31 December 2011, there has been no need for TWE to provide pro forma financial information in respect of the current period.

However, unless otherwise indicated, the comparative financial information contained in this presentation for the six month period ended 31 December 2010 has been presented on a pro forma basis.

The pro forma comparative financial information has been prepared to assist stakeholders' understanding of TWE's business as it is now structured and as an independent company listed on the Australian Securities Exchange.

The pro forma financial information has not been audited.

Commentary throughout this presentation primarily refers to the pro forma comparative financial information unless otherwise stated.

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Result highlights

Strong financial performance	• EBITS growth of 16.5% on a constant currency basis, 0.2% on a reported currency basis (unfavourable currency impact of $12.8m) • Fourth consecutive half year of constant currency EBITS growth • Strong constant currency NSR per case growth • Cash conversion and balance sheet remain strong
Efficiency program on track	• Improved cost discipline • On track to achieve $30m annualised savings • $20m cost incurred in first half primarily for expected redundancies
Regions and Brand Business Units performing strongly	• Three out of four Regional Business Units generated EBITS growth • Four out of five Brand Business Units generated EBITS growth • Americas and Beringer volumes showing improving trends with further improvement expected in the second half • Luxury tier continues strong growth
New organisation structure & business model implemented	• New matrix organisational restructure complete • New executive team of high calibre professionals in place • More efficient decision making and resource allocation process

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First half progress towards our Financial Ambition

	Pro forma FY11	1H12	
Volume growth in the markets & sectors where we compete	(6.6)%	(6.2)% *flat ex-UK* [1]	~
NSR growth ahead of volume growth as we benefit from mix, premiumisation & pricing	(0.5)% [2]	(2.6)% [2] *0.5% ex-UK* [1,2]	~
EBITS growth ahead of NSR growth as we apply our cost efficiency program	13.1% [2]	16.5% [2]	✓
Improve return on capital as we continuously improve our asset efficiency	5.3% [3]	6.4% [3]	✓

[1] UK & Ireland (UK) volume decline impacted by withdrawal from unprofitable segments
[2] On a constant currency basis relative to pro forma prior period
[3] Return on capital calculated as 12 month trailing EBITS divided by average capital employed

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Strong regional performance

	Regional Business Units				Group
	ANZ	Americas	EMEA	Asia	
Volume growth in markets & sectors where we compete	1.7%	(1.5)%	(23.9)%	21.7%	(6.2)%
NSR[1] growing faster than volume	flat	(2.4)%	(15.2)%	31.9%	(2.6)%
EBITS[1] growing faster than NSR	7.3%	(17.1)%	NM[2]	66.7%	16.5%

[1] On a constant currency basis relative to pro forma prior period
[2] NM: % change not meaningful (EMEA EBITS increased from a $8.2m loss to $3.7m profit)

- EBITS growth[1] in three out of four regions
- Asia performing strongly on all measures
- ANZ profit improvement despite competitive retail environment
- Volume decline in EMEA reflects exit of unprofitable segments in the UK & Ireland. Excluding the UK & Ireland:
  - EMEA volume down 2.4% and NSR up 5.0%[1]
  - Group volume in line with prior year and NSR up 0.5%[1]
- Americas result reflects increased price competition in Commercial segment and some one-off factors including reduction in Canadian retailer inventory levels, realignment of Penfolds Bins release date and write off of older vintages of Rosemount in the US market ahead of re-launch

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New organisational structure implemented

Regional Business Units	**ANZ** Chris Flaherty	**Americas** Sandra LeDrew	**EMEA** Andrew Carter	**Asia** Anthony Davie

Brand Business Units

- **Beringer –** Stephen Brauer
- **Penfolds –** Gary Burnand
- **Wolf Blass –** Simon Marton
- **Lindeman's –** Michelle Terry
- **Rosemount –** Angus McPherson

Support Functions

- **Global Finance –** Mark Fleming
- **Global Supply –** Stuart McNab
- **Global Commercial Affairs –** Paul Conroy
- **Global HR –** Boyd Williams

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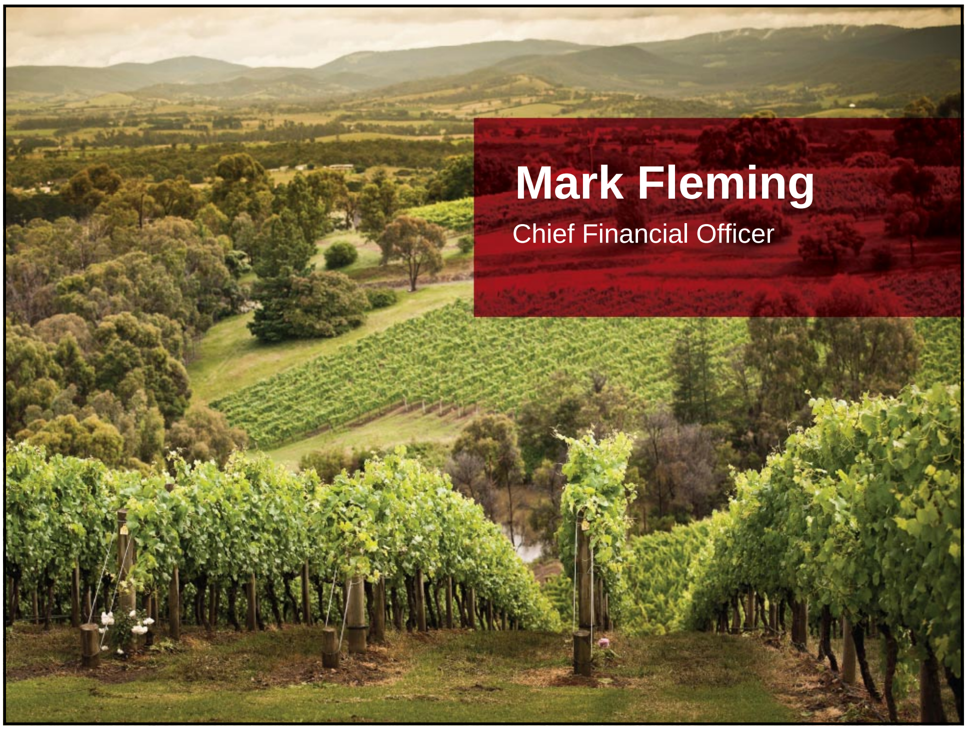

Profit & Loss

$Am (unless otherwise stated)	1H12	Reported currency: Pro forma 1H11	Reported currency: Change	Constant currency: Pro forma 1H11	Constant currency: Change
Volume (m 9L cases)	16.9	18.0	(6.2)%	18.0	(6.2)%
Net sales revenue	858.1	927.0	(7.4)%	881.1	(2.6)%
EBITS	**91.7**	**91.5**	**0.2%**	**78.7**	**16.5%**
EBITS margin (%)	*10.7%*	*9.9%*	*0.8 pts*	*8.9%*	*1.8 pts*
SGARA	(10.6)	(5.2)	(103.8)%	(5.1)	(107.8)%
EBIT	**81.1**	**86.3**	**(6.0)%**	**73.6**	**10.2%**
Net finance costs	(3.3)	*Pro forma information not available*		*Pro forma information not available*	
Tax expense	(26.2)				
Net profit after tax (before material items)	**51.6**				
Material items (after tax)	(11.6)				
Net profit after tax	**40.0**				
Reported EPS (A¢)	6.2				
Net profit after tax (before material items & SGARA)	**58.6**				
EPS (before material items & SGARA) (A¢)	9.1				
Average no. of shares (m)	647.2				

Note: Numbers are subject to rounding

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Material Items

A$m	1H12
Restructuring & redundancy costs	(20.0)
IT & supply chain asset writedown	(9.0)
Reversal of provision relating to assets previously Held for Sale	14.3
Material items (before tax)	**(14.7)**
Tax benefit	3.1
Material items (after tax)	**(11.6)**

- Restructuring and redundancy costs consist of:
  - $17.4m in redundancy payments
  - $2.6m in program costs and consulting fees
- $9.0m writedown of IT and supply chain assets
- Provision reversal of $14.3m reflects decision to retain four vineyards previously held for sale

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Balance Sheet

A$m	Dec 2011	Jun 2011
Cash & cash equivalents	36.2	64.8
Receivables	513.8	452.6
Current inventories	715.3	768.5
Non-current inventories	239.8	196.7
Property, plant & equipment	910.6	912.7
Agricultural assets	197.6	180.5
Intangibles	947.9	927.1
Tax assets	190.7	178.8
Other assets	15.5	22.0
Total assets	**3,767.4**	**3,703.7**
Payables	408.6	369.2
Borrowings	86.0	136.5
Tax liabilities	284.0	269.2
Provisions	65.0	51.4
Other liabilities	1.2	0.6
Total liabilities	**844.8**	**826.9**
Net assets	**2,922.6**	**2,876.8**

Strong Balance Sheet

- Strong balance sheet provides operational and financial flexibility
- Net debt of $49.8m at 31 December 2011

Working Capital Management

- Renewed focus on working capital a priority going forward, with opportunity to improve working capital balances (excluding non-current inventory)

Non-current Inventory

- Invest in future period profitability – build non-current inventory with increased investment in Luxury wine production

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Cash Flow

A$m (unless otherwise stated)	1H12	Pro forma 1H11
EBITDAS	126.5	129.7
Change in working capital	0.9	(3.5)
Other items	(4.5)	(0.1)
Net operating cash flows before financing costs, tax & material items	**122.9**	**126.1**
Capital expenditure	(17.9)	(19.6)
Asset sale proceeds	0.4	0.8
Cash flows after net capital expenditure, before financing costs, tax & material items	**105.4**	**107.3**
Net interest paid	(2.8)	*Pro forma information not available*
Tax paid	(31.6)	
Cash flows before dividends & material items	**71.0**	
Dividends/distributions paid	(39.1)	
Cash flows after dividends before material items	**31.9**	
Cash conversion[1]	**97.2%**	**97.2%**

- Capital expenditure below the prior corresponding period and below depreciation and amortisation
- Cash flow after interest, tax and dividends of $31.9 million
- Cash conversion ratio of 97.2%

[1] *Cash conversion (Net operating cash flows before financing costs, tax and material items divided by EBITDAS)*

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Currency Sensitivities

Impact of FX on 1H12			
Average	**1H11**	**1H12**	**EBITS A$m**
AUD/USD	0.9434	1.0320	(8.5)
AUD/GBP	0.6025	0.6480	(6.2)
Other			1.9
Total			**(12.8)**

2H12 indicative sensitivities			
Average	**1H12**	**Sensitivity**	**EBITS A$m**
AUD/USD	1.0320	1¢ change	1.4
AUD/GBP	0.6480	1p change	1.2

Foreign Exchange Risk Management

- Implementation of foreign exchange risk management framework commenced in 1H12
- Hedging in place for 2H12 Australian exports:
  - 2H12 USD transactional exposure 48% hedged at no worse than $1.06, fully participating to $0.90
  - 2H12 GBP transactional exposure 40% hedged at no worse than £0.67, fully participating to £0.60
- Building up hedge book for FY13 and FY14
- Unrealised gains on hedges of $0.7m as at 31 December 2011

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Dividend and Share Sale Facility

Dividend

- Interim dividend of 6.0 cents per share, franked to 50%
- Within target dividend payout ratio of 55% to 70%

Share Sale Facility

- Share sale facility for shareholders holding less than $500 worth of shares (approximately one million shares in total) to be implemented
- Eligible shareholders to be notified in March 2012

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Where we want to go in the longer term

Over the long term, TWE is targeting:

- Volume growth in the markets and sectors where we compete
- Net sales revenue to grow ahead of volume as we benefit from mix, premiumisation and pricing
- EBITS growth ahead of net sales revenue growth as we apply our cost efficiency program
- Improving return on capital as we continuously improve our asset efficiency

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Questions


Supplementary Information

Segment Information

A$m	Reported currency 1H12	Reported currency Pro forma 1H11	Reported currency Change	Constant currency Pro forma 1H11	Constant currency Change
ANZ Volume[1]	4.5	4.4	1.7%	4.4	1.7%
ANZ NSR	297.4	297.6	(0.1)%	297.5	flat
ANZ EBITS	48.5	44.7	8.5%	45.2	7.3%
Americas Volume[1]	8.2	8.3	(1.5)%	8.3	(1.5)%
Americas NSR	388.0	431.3	(10.0)%	397.4	(2.4)%
Americas EBITS	39.8	54.2	(26.6)%	48.0	(17.1)%
Asia Volume[1]	0.5	0.4	21.7%	0.4	21.7%
Asia NSR	41.3	31.3	31.9%	31.3	31.9%
Asia EBITS	12.0	6.6	81.8%	7.2	66.7%
EMEA Volume[1]	3.7	4.9	(23.9)%	4.9	(23.9)%
EMEA NSR	131.4	166.8	(21.2)%	154.9	(15.2)%
EMEA EBITS	3.0	(0.5)	NM	(8.2)	NM

Note: Numbers are subject to rounding
[1] millions of 9L cases
NM: not meaningful

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Brand Business Units

BERINGER

- **Beringer**
- **US brands:** Cellar No. 8 / Chateau St. Jean / Emma Pearl / Etude / Greg Norman Estates / Meridian / Santa Barbara Collection / Sbragia Family Vineyards / Sledgehammer / Souverain / St. Clement / Stags' Leap
- **Other brands:** Castello di Gabbiano / Colores del Sol / Tierra Secreta

Penfolds

- **Penfolds**

WOLF BLASS

- **Wolf Blass**
- **South Australian brands:** Pepperjack / Saltram (Barossa), Mildara / Robertson's Well / Wynns (Coonawarra), Ingoldby (McLaren Vale), Jamiesons Run (Limestone Coast), Annie's Lane (Clare Valley), Leo Buring (Eden Valley), Metala (Langhorne Creek), Tollana (multi-region)

LINDEMAN'S

- **Lindeman's**
- **Tasmanian brands:** Abel's Tempest / Heemskerk
- **South Eastern brands:** Yellowglen / Killawarra / Seaview / Rothbury Estate
- **Margaret River brands:** Devil's Lair / Fifth Leg / Dance with the Devil / Valley of the Giants

ROSEMOUNT

- **Rosemount**
- **Victorian brands:** Baileys / Coldstream Hills / Seppelt / St Huberts / T'Gallant
- **NZ brands:** Angel Cove / Lumina / Matua Valley / Secret Stone / Shingle Peak / Squealing Pig
- **Other brands:** Little Penguin / Black Opal

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Definitions

Term	Definition
Constant currency	Throughout this presentation, constant currency assumes current and prior period earnings of foreign operations are translated and cross border transactions are transacted at current year exchange rates.
NSR	Net sales revenue
EBITDAS	Earnings before interest, tax, depreciation, amortisation, material items & SGARA
EBITS	Earnings before interest, tax, material items and SGARA
EBIT	Earnings before interest, tax and material items
Exchange rates	Average exchange rates used for profit and loss purposes in the six months ended 31 December 2011 are: $A1 = $US 1.0320 (2010: $A1 = $US 0.9434), $A1 = GBP 0.6480 (2010: $A1 = GBP 0.6025). Period end exchange rates used for balance sheet items are: $A1 = $US 1.0137 (30 June 2011: $A1 = $US 1.069), $A1 = GBP 0.6576 (30 June 2011: $A1 = GBP 0.6650).
SGARA	Australian accounting standard AASB141 "Agriculture"

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