TREASURY
WINE ESTATES

25 October 2011

Treasury Wine Estates Limited 2011 Annual General Meeting

Treasury Wine Estates Limited will today address shareholders at its Annual General Meeting to be held in Sydney, commencing at 2.30pm.

Attached is a copy of the Address delivered by the Chairman, Max Ould and the Address delivered by the CEO, David Dearie.

A live webcast of the Annual General Meeting can be viewed at www.tweglobal.com. An archive of proceedings will also be available from the website.

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Chairman and CEO Address

Treasury Wine Estates Limited 2011 Annual General Meeting

Chairman's Address
Max Ould

Introduction

Today I will touch briefly on our financial performance over the past twelve months, as well as some of the priorities we have identified as a Board and the changes we will be putting in place at a Board level to support the business going forward.

This has been an eventful year for Treasury Wine Estates, and significantly the May demerger from Foster's Group is now behind us.

As a standalone listed company, we have an outstanding portfolio of wine brands and viticulture assets, along with a strong and conservative balance sheet that will enable us to grow from solid foundations.

Whilst some interdependencies remain with Foster's post the demerger, notably in the areas of finance, IT and logistics, neither party is able to automatically or unilaterally terminate the Transitional Service Agreements as a result of any change of control at Foster's Group. Notwithstanding this, we continue to review our operations with a view to accelerating the separation of these services from Foster's.

Given that the demerger was implemented part way through the 2011 financial year, it was necessary for our 2011 performance to reflect two months as a standalone business and ten months as a subsidiary of Foster's Group. For this reason, in order to provide a view of the Company's performance as a standalone entity, I will refer today to our results on a pro forma basis, that is as though the demerger from Foster's had been effective from 1 July 2009.

Financial performance

I am pleased to report that TWE delivered a solid result for the year ending 30 June 2011 despite a challenging trading environment and significant external headwinds, including a strong Australian dollar, and weak consumer sentiment in many of our key markets.

Our result was driven in large by ongoing improvements in execution in many parts of the business, including a sharper focus on our brands and a refined sales and marketing approach, greater supply efficiencies, improved relationships with our customers and enhanced route to market capability.

On a constant currency basis, net sales revenue per case grew in all regions. This was a particularly pleasing result in a difficult environment, and reflects strong volume growth in luxury brands, stronger pricing, and an ongoing focus on realigning our business towards more profitable brands, channels and markets.

Currency movements were again a factor this year, reducing earnings by approximately $30 million with the major impacts from movements in the Australian dollar against the US dollar and British pound.

Excluding the impact of currency, earnings rose 13.1% with growth in three of our four regions, and our fourth region inline with the prior year. We saw particularly strong performances in ANZ and Asia.

In the US and EMEA, while our premium and luxury portfolios performed very strongly, our focus on maintaining margins cost us volume in the commercial tiers in the face of very challenging and competitive market conditions.

Operating Cash Flow continued to be strong with net operating cash flow prior to interest, tax and material items of $270.8 million.

The Directors were pleased to announce a maiden dividend of 6 cents per share franked to 50%. We are targeting a dividend ratio of between 55 and 70% of earnings and will look to maximise future franking. However, as we generate a significant portion of earnings offshore, franking is expected to remain below 100%.

Board Priorities

As a Board, we have identified some key priorities for TWE and I would like to share these with you today.

The first of these is to address TWE's performance in the Americas and the second of these is to accelerate our momentum in Asia.

David and his team have identified a clear set of initiatives to promote performance in these markets and will speak to these shortly.

The third priority for our Board is the adoption of financial policies that are appropriate to our business.

TWE as a standalone company does not have the benefit of offsetting cash-flows or natural hedges that it did as a member of Foster's Group. As a global wine company with significant Australian exports, our statutory earnings are influenced by foreign exchange rates, and as I just highlighted, 2011 was no exception.

By way of indicative sensitivities for 2012, each 1¢ change in the AUD/USD exchange rate or 1p change in AUD/GBP exchange rate has about $3 million impact on our earnings.

Accordingly we will take an active approach to managing this risk, including a program of currency hedging focused on the commercial Australian export portfolio - under which we will be hedging up to 50% of the transactional cash flows between Australia and the US and Australia and the UK.

We also intend to pursue international expansion opportunities for our portfolio, be it through the increased exporting of our US brands, or through exploring new countries of origin.

The final Board priority that I'd like to share is our commitment to investing in premium inventory going forward. Demand for luxury and premium wine continues to grow in our key markets, and we will focus on allocating capital to initiatives to ensure we are well placed to meet growing demand for these wines.

Remuneration

At our recent Results, David announced a global organisational restructure and culture change program to underpin the successful implementation of our strategy, and a number of new appointments have already been made to his senior leadership team. He will soon update you on progress made here.

I would like to take a few minutes now to talk to you about our new remuneration policy and framework that we have implemented since listing – designed to drive business performance and align with shareholder value creation.

The policy aims to ensure we are competitive in the markets in which we operate, that is, able to attract and retain high calibre employees, and motivate them to achieve superior performance. The policy strongly links executive reward to short and long term business performance with an emphasis on shares as a basis of reward, and it is simple to understand and easy to administer.

There are two things in the Report that I would like to highlight for your attention – both of which are variations to the Scheme Demerger approved by Foster's shareholders in May.

The first proposes changes to TWE's Long Term Incentive Plan (LTIP).

> As per the demerger scheme booklet, LTIP measures are Absolute Total Shareholder Return (TSR) and Return on Capital Employed (ROCE) (equally weighted 50% each). The Board now proposes to use Relative TSR and EPS growth (again, equally weighted 50% each). The TWE Board considers "relative" TSR and EPS to be in line with market practice, to reflect the strategic focus of the Company, to be easily understood by both participants and shareholders and to provide appropriate line of sight between participant performance and reward.
>
> As our 2011 financial year results were reported on a pro forma basis, we have taken our EBITS result of $195m and adjusted for pro forma interest and tax to determine a pro forma 2011 EPS of 18.2¢.

The second reflects changes to David Dearie's maximum entitlement.

> Under the LTIP outlined in the demerger scheme booklet, it was proposed to be 1.5 times one year's fixed pay (TFR) and will now be 2 times one year's fixed pay. However, to achieve the maximum payout opportunity, relative TSR must be ranked at the 75th percentile compared to TWE's peer group and TWE must achieve 20% EPS growth (CAGR). The TWE Board considers an offer of 2 times one year's fixed pay to be in line with market practice and will provide the

appropriate focus on long term performance and value creation for shareholders.

The remuneration report will be put to shareholders later in the meeting, however the Directors and I are confident that the policy we have in place will facilitate strong business performance and shareholder returns.

Board Configuration

By design, the initial Board of TWE is a blend of ex Foster's Directors and new to the Industry Non Executive Directors. This was so as to retain corporate memory, as we built the appropriate skill competencies and experience for your Board.

It is my intention to have this task completed by mid next year, by which time we will have added 2-3 more directors to the Board. This timing will therefore allow succession of the Chairmanship prior to next year's AGM.

Conclusion

I'd like to conclude this part in the proceedings by saying that the fundamental, long term trends underpinning demand in our industry are robust. While trading conditions remain challenging, the Board is confident that Treasury Wine Estates is very well positioned for growth.

On behalf of the Board and shareholders, I would like to thank David Dearie and the senior management team for their contribution to our results and their commitment to our future as the world's most successful and celebrated wine company.

With that, I'll ask David to say a few words……..

Chairman and CEO Address

Treasury Wine Estates Limited 2011 Annual General Meeting

Chief Executive Officer's Address
David Dearie

Introduction

Thank you Max and good afternoon ladies and gentlemen.

I am delighted to speak to you as the CEO of Treasury Wine Estates.

This has been a year of transition for TWE. We started the fiscal year as part of Foster's and ten months later emerged as a proud, ambitious, standalone wine company.

Today I would like to provide an overview of our 2011 results, before turning to our longer term ambitions and the initiatives we are putting in place to grow and develop our Company.

2011 Financial Year Performance

Turning to our performance in 2011. Today I will focus on the pro forma results. As Max mentioned, these provide a view of performance as if TWE had been trading as an independent company for the entire period.

In saying that, I regard the management of currency fluctuations to be a normal part of our business model and over time, our objective is to grow earnings on a reported basis, and not only in constant currency. However I also think it is helpful for you, as our owners, to understand both the underlying business performance trends, highlighted by the constant currency results, and the impact that exchange rates have had on the business.

In the 2011 financial year we delivered a solid result despite a challenging trading environment in many of our key markets.

Earnings before interest costs, taxation and the agricultural charge SGARA were $195.2 million. This was $7.2 million below the prior year and included a $30 million unfavourable impact from exchange rate movements. Excluding currency, earnings increased 13.1%.

The ANZ business delivered a strong result with earnings up 14.5%. This was largely driven by improvements in the way we do business, getting back to being brilliant at the basics and finding solutions that benefit our consumers, our customers and of course ourselves.

In Asia, earnings increased 18.6% driven by growth in our premium and luxury brands. Asia represents a significant long term growth opportunity, and our performance over the past 12 months benefited from targeted investment in brands, and organisational capability. We fully intend to allocate more resources - people, brand building investment and the allocation of premium wines, to this growing and profitable region.

In the Americas and EMEA, the consumer environment was more subdued, and we continued to see high levels of promotional pricing. Combined with a strong Australian dollar, this made for a tough trading environment.

In the Americas, currency was the key contributor to the 14.2% decline in earnings. Excluding the impact of currency movements, earnings increased 8.2% with our focus on mix improvement delivering strong growth in the Luxury brand portfolios.

However, there's no doubt that our focus on margin cost us volume in the second half, particularly in the sub US$8 categories, as the consumer environment became more uncertain, and competitor discounting and promotional support increased.

In that environment, we did not spend as aggressively as our competitors did to hold our shelf positions, resulting in distribution losses and a corresponding loss in promotional slots.

We are working with our retail and distribution partners to achieve better representation for our brands on the retail shelf and will ultimately be more flexible and responsive to the market conditions, while also focusing on the realignment of our cost base.

In EMEA, earnings declined to $6.5 million. Again currency was the key contributor, and excluding currency, earnings were in line with the prior year. Market conditions were challenging across Europe, with an extremely competitive retail environment and low consumer confidence.

Our European strategy was to reduce deep discounts, and to focus, where appropriate, on applying price leadership practices to protect our profitability. As a result of this approach, our volume declined by 3.8%.

Improving our performance in these international markets is a key focus for the leadership team of TWE.

Strategic Imperatives

Now let me touch briefly on the strategic imperatives.

As a standalone listed company, TWE has been trading since May 10 and we've set about rebuilding and transforming the Company to achieve our ambition of being the world's most successful and celebrated wine company.

The underlying trends, demographics and dynamics of the wine industry remain robust. We see TWE as a growth company over both the short and long term, and since the demerger we have established a longer term financial ambition that aims to:

1. Achieve volume growth in the markets and sectors where we operate.
2. Grow net sales revenue ahead of volume through a combination of mix, premiumisation and pricing.
3. Achieve EBITS growth ahead of net sales revenue as we apply our cost efficiency program.
4. Improve the return on capital as we continuously improve our asset efficiency.

We've also reviewed our near term imperatives, and these as you would expect are essentially the same as those highlighted in the demerger scheme booklet a few months ago. However what we've done is simplify the language and aligned TWE around 5 imperatives:

1. To build exceptional brands
2. To drive top line growth
3. To optimise our supply
4. To apply and pro-actively practise cost management
5. To improve our capital efficiency

These will be underpinned by a cultural overhaul that is already well underway.

Let me talk briefly to these imperatives.

With regards to cost management, I recently announced that we had identified initial cost savings of $30 million that will be realised in full during fiscal 2013, and we are making steady progress in the implementation of these initiatives. We are confident that additional savings will be realised in the future.

Our Global Structure

Two other of our imperatives are to build exceptional brands across the key global wine markets and to drive top line growth.

To realise this growth, I recently announced our move to a new organisational structure that will see the addition of five new Brand Managing Director positions to my Executive Leadership Team. These roles will be responsible for leading their brands' global positioning, longer term strategy and ultimately success. I'm delighted that three out of these five roles have already been filled – two internally and one externally.

The new structure will also see a Chief Supply Officer position added to my Executive Team, a position that has also been filled internally. This allows us to align our winery operations and winemaking into one global group dedicated to producing superb wines, as efficiently and cost effectively as possible.

These new positions will complement the existing regional and corporate structure. And by design, the Regional Managing Directors will be able to focus 100% of their time, energy and resources on distributor and retail management, shopper insights, trade marketing and of course, selling.

This structural redesign recognises the equal importance I place on our brands, our global supply, and the regions where we operate, and in finding the perfect balance between driving both short and longer term growth strategies.

Our Values

To aid this re-organisation and to build our future, we're also in the process of establishing a new culture and a new way of working together as a unified and focused company. A company that is centred around:

- Our commitment to develop a positive attitude
- Our commitment to be agents of change
- Our commitment to take ownership
- Our commitment to act profitably

Inherent to our Culture is not only our devotion to the enjoyment of wine and its moments of celebration, but also our support of moderate consumption, alcohol education and awareness.

We are also committed to making positive contributions to the communities in which we operate, as well as to the environment.

As an independent company, we are refining our Corporate Social Responsibility program to ensure continuous improvement and consistency of reporting throughout the regions.

And finally, we continue to recognise the leadership role we play in promoting the long term growth of the global wine industry and will work to ensure that our industry is economically, socially and environmentally sustainable, with a reputation for quality and a premium positioning around the world.

Brands

Turning now to our iconic and respected wine brands. Let there be no doubt that I am a firm believer in the power of brands. And strong consumer facing brands are critical to our success at TWE.

We have some outstanding opportunities to grow and develop our brand portfolio, and now as a fully aligned wine company, we are well positioned to capitalise on the positive industry dynamics. We see incredible growth and international expansion opportunities for our regional champion brands – brands like Castello di Gabbiano, Stags' Leap, Etude, Chateau St Jean, Wynns, Seppelt, Saltram, Devil's Lair, Coldstream Hills, Matua Valley and Secret Stone to name a few of the outstanding brands in our portfolio.

Consumers in all markets are reaching for more premium wine and much of our portfolio is ideally positioned to satisfy this consumer demand.

Let me finish by briefly reviewing the immediate outlook for TWE.

Outlook

In the US and our key markets within Europe, the consumer environment remains subdued, yet within these markets, the wine category has remained relatively resilient - with demand for wine continuing to grow and grow faster at the higher price points. However the economic and consumer outlook in these markets is uncertain and the impact of any further deterioration is unclear.

In the ANZ region, the wine category continues to perform well; and in Asia, category growth remains strong.

We acknowledge that stabilising our commercial brand volumes in the Americas and EMEA will take some time to take effect. Our year to date stock depletions in the US are outperforming our shipments to distributors, but we expect our shipments to equal depletions over the course of the full financial year.

There are many challenges ahead of us, but the business is positioned to grow over both the short and the long term. We have the tools to achieve this growth, and our team is energised as never before.

Conclusion

In conclusion today I would like to thank the Board for their counsel and encouragement, our team of Vintrepreneurs who are working every day at transforming the Company, and you, our shareholders, for your support in what has been a very exciting year.

I am confident that we are starting life as a listed company from a strong base.

Thank you, and I'll now hand back to Max.