TREASURY
WINE ESTATES

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Treasury Wine Estates will host an investor webcast and conference call commencing at 9.30am (AEDT) on 28 February 2013. The webcast and presentation material will be available at www.tweglobal.com. A replay of the presentation will also be available on the website from approximately 1pm.

28 February 2013

ASX ANNOUNCEMENT

TWE 2013 INTERIM RESULTS

TWE REMAINS POSITIVE ON GROWTH PROSPECTS

Financial headlines

- TWE first half EBITS[1] $73.4 million, in line with guidance
- EBITS impacted by higher COGS[2], up $2.24[3] per case[4]
- Cost of doing business down 7.7 percent
- Increased US non-current inventory, up 50 percent driven by a strong 2012 Californian vintage
- Increased investment of $107.0 million in the first half, including premium vineyards and winery assets
- EPS (before material items & SGARA) 7.0 cents per share, down 10.3 percent
- Interim dividend 6 cents per share; franked 50 percent

A$m		Reported currency		Constant currency	
For the six months ended 31 December	**2012**	**2011**	**Change**	**2011**	**Change**
Volume (m 9L cases)	16.5	16.9	(2.5)%	16.9	(2.5)%
Net sales revenue	816.9	845.2	(3.3)%	835.2	(2.2)%
EBITS	73.4	91.7	(20.0)%	83.9	(12.5)%
Net profit after tax (before material items & SGARA)	45.0	58.6	(23.2)%	50.7	(11.2)%
EPS (before material items & SGARA) (cents)[1]	7.0	9.1	(23.1)%	7.8	(10.3)%
Dividend per share (cents)	6.0	6.0			

CEO comments

David Dearie, CEO said today:

"I am pleased to report that first half EBITS of $73.4 million is in line with guidance provided at the Annual General Meeting in 2012.

This result was impacted by a significant COGS increase, up $2.24 per case, principally driven by the weather affected 2011 vintage, and a challenging retail landscape.

However, we continue to invest for growth and during the first half we purchased 591 hectares of premium vineyards in South Australia and the Napa Valley, we also acquired the remaining 50

[1] Earnings before interest, tax, SGARA and material items
[2] Cost of Goods Sold (COGS)
[3] Unless otherwise stated all percentage or dollar movements from prior periods pre any material items and on a constant currency basis
[4] Cases are nine litre equivalents

percent of what is now the Matua Marlborough winery and we increased our USA non-current inventory by 50 percent.

These investments ensure TWE is well positioned to better satisfy the growing consumer demand for our luxury and masstige wines in existing and new markets.

We continue to reduce our cost of doing business, down 7.7 percent to $171.0 million. One of our cultural behaviours is Acting Profitably and we recently began an initiative to support this with a focus on creating new sources of growth, process improvements and, of course, continued focus on efficiencies.

We remain committed to our future growth strategy.

Regional Performance

In the Americas, EBITS at $34.1 million were down 2.0 percent, driven by a 3.3 percent increase in COGS per case, lower overall shipments and 15 percent less luxury volume due to supply constraints, partially offset by a 12 percent reduction in the cost of doing business.

The EMEA region delivered a strong improvement in EBITS, up $5.5 million. Comparable UK volume increased 9.4 percent as we focused on improved in-market execution, category management and invested in brand building capabilities.

The ANZ EBITS result of $36.0 million was impacted by a tough retail environment in the first quarter, a COGS per case increase of 7.7 percent and significantly less volume of premium wine with Wynns of Coonawarra down 28 percent and Pepperjack down 16 percent[5]. However despite these headwinds TWE grew market share in the second quarter of fiscal 2013 with volume and value sales growth outperforming the market at 2.1 percent and 3.4 percent, respectively[6].

Asia continues to grow with EBITS up 12.5 percent, driven by 11 percent volume growth in the region with China and Hong Kong collectively growing volume by 24 percent and Japan growing by 31 percent. We continue to resource for growth in Asia adding in-market brand building capabilities. The marginal NSR per case decline reflects the one-off benefit from Penfolds Bin 620 released in the first half of 2012; excluding Bin 620 EBITS increased 22 percent.

Brands

Building and investing in brand health remains critical to our long term success. We made a deliberate decision in 2011 to purchase quality grapes to ensure we satisfy consumer demand. As a result our COGS increased, as did our external recognition for these wines.

Our more popular priced brands, Lindeman's and Rosemount, together with our masstige focused Wolf Blass brands are all enjoying growth in selected markets and key channels. Beringer Classics and Lindeman's, our two largest brands in the USA, outperformed their respective categories during the first half.

Our luxury and masstige portfolio contributes between 20 to 30 percent of volume and 60 to 70 percent of EBITS. In this context, the 5.0 percent reduction in luxury and masstige wine available for sale during the first half was meaningful. However premium brands which were not supply constrained such as Chateau St Jean, up 11.6 percent and Matua, up 12.5 percent have continued to grow.

[5] Nielsen ScanTrack Liquor, 26 weeks to December 2012
[6] Nielsen ScanTrack Liquor, 3 months to December 2012

The much anticipated Penfolds Bins and Icon release later this year are already generating significant international interest with retailers, restaurateurs, media and consumers all excited to sample what many believe to be amongst some of the finest ever wines from Penfolds.

David Dearie commented on the outlook for fiscal 2013

Our team of Vintrepreneurs are focused on flawless brand building which is critical over the second half of the fiscal year. By concentrating on price leadership, superb consumer facing activities and the reallocation of an increased supply of luxury and masstige wines, we remain committed to the overall guidance of mid-single digit constant currency EBITS growth in fiscal 2013.

The global wine industry outlook remains positive as consumers continue to seek out more premium wine, and TWE will continue to invest for future growth by ensuring that we have the brands and quality wines to meet this increasing demand.

Overall the wine industry is edging ever closer to supply and demand balance with the poor 2012 vintage in Europe further reducing global supply. Early signs of the 2013 Australian vintage appear generally favourable with growing conditions characterised by low rainfall in winter and the growing season to date."

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FINANCIAL AND OPERATIONS REVIEW

TWE profit and loss

A$m	Reported currency			Constant currency	
For the six months ended 31 December	**2012**	**2011**	**Change**	**2011**	**Change**
Volume (m 9L cases)	16.5	16.9	(2.5)%	16.9	(2.5)%
Net sales revenue	816.9	845.2	(3.3)%	835.2	(2.2)%
Net sales revenue/case ($)	*49.51*	*49.93*	*(0.8)%*	*49.34*	*0.3 %*
Other revenue	33.8	17.9	88.8 %	18.1	86.7 %
Total revenue	850.7	863.1	(1.4)%	853.3	(0.3)%
Cost of goods sold	(606.3)	(584.3)	(3.8)%	(584.2)	(3.8)%
Cost of goods sold/case ($)	*36.75*	*34.52*	*(6.5)%*	*34.51*	*(6.5)%*
Gross profit	244.4	278.8	(12.3)%	269.1	(9.2)%
Gross profit margin (% of NSR)	*29.9%*	*33.0%*	*(3.1)pts*	*32.2%*	*(2.3)pts*
Cost of doing business	(171.0)	(187.1)	8.6 %	(185.2)	7.7 %
Cost of doing business margin (% of NSR)	*20.9%*	*22.1%*	*1.2 pts*	*22.2%*	*1.3 pts*
EBITS	**73.4**	**91.7**	**(20.0)%**	**83.9**	**(12.5)%**
EBITS margin (% of NSR)	***9.0%***	***10.8%***	***(1.8)pts***	***10.0%***	***(1.0)pts***
SGARA	1.5	(10.6)	114.2 %	(10.5)	114.3 %
EBIT	**74.9**	**81.1**	**(7.6)%**	**73.4**	**2.0 %**
Net finance costs	(5.8)	(3.3)	(75.8)%	(3.2)	(81.3)%
Profit before tax	**69.1**	**77.8**	**(11.2)%**	**70.2**	**(1.6)%**
Tax expense (excluding material items)	(23.0)	(26.2)	12.2 %	(26.1)	11.9 %
Net profit after tax (before material items)	**46.1**	**51.6**	**(10.7)%**	**44.1**	**4.5 %**
Material items (before tax)	6.1	(14.7)		(14.8)	
Tax on material items	0.2	3.1		3.1	
Material items (after tax)	6.3	(11.6)	154.3 %	(11.7)	153.8 %
Minority interests	(0.1)	-	-	-	-
Net profit after tax	**52.3**	**40.0**	**30.8 %**	**32.4**	**61.4 %**
Reported EPS (cents)	8.1	6.2	30.6 %	5.0	62.0 %
SGARA (after tax)	1.0	(7.0)	-	(6.6)	-
Net profit after tax (before material items & SGARA)	45.0	58.6	(23.2)%	50.7	(11.2)%
EPS (before material items & SGARA) (cents)	7.0	9.1	(23.1)%	7.8	(10.3)%
Average no. of shares (millions)	647.2	647.2		647.2	

[1.] *Cost of doing business calculated as Gross Profit less EBITS*

Exchange rates: Transactional cash flows are calculated using spot exchange rates on the day of the relevant transaction. Average exchange rates used for translational purposes in 1H13 results are: $A1 = $US 1.0490 (1H12: $A1 = $US 1.0320), $A1 = GBP 0.6501 (1H12: $A1 = GBP 0.6480). Period end exchange rates used for balance sheet items in 1H13 results are: $A1 = $US 1.0383 (1H12: $A1 = $US 1.0137), $A1 = GBP 0.6420 (1H12: $A1 = GBP 0.6576).
Constant currency: Throughout this report constant currency assumes current and prior earnings of foreign operations are translated and cross border transactions are transacted at current year exchange rates.
SGARA: Australian Accounting standard AASB141 "Agriculture"

Group performance[7]

Volume

For the six months ended 31 December 2012, total volume was 16.5 million cases, down 0.43 million cases or 2.5 percent on the prior corresponding period, principally driven by discontinued volume in the UK.

Net sales revenue

Net sales revenue declined 3.3 percent on a reported currency basis to $816.9 million or 2.2 percent on a constant currency basis.

Net sales revenue per case on a constant currency basis increased $0.17 or 0.3 percent to $49.51.

Cost of goods sold

Cost of goods sold increased 3.8 percent to $606.3 million reflecting the impact of the challenging 2011 vintages in both Australia and California.

As expected, the increase in cost of goods sold of $2.24 per case has adversely impacted all TWE regions.

Cost of doing business

Cost of doing business reduced to $171.0 million down 7.7 percent on a constant currency basis, driven by continued strong cost control. Cost of doing business margin improved 130 basis points to 20.9 percent.

EBITS

EBITS of $73.4 million was down 20 percent on a reported currency basis. EMEA and the Americas were both impacted by adverse foreign currency movements due to the high Australian Dollar compared to the prior period. On a constant currency basis, EBITS reduced 12.5 percent.

SGARA

The SGARA net gain of $1.5 million principally reflects the impact of the strong 2012 Californian vintage that was characterised by an increase in market prices for Californian grown grapes.

Material items

A material item income of $6.1 million before tax was reported for the period, principally comprising three components; a fair value adjustment to the Matua Marlborough New Zealand winery, (previously Rapaura Vintners Limited) investment and two demerger related items, lease termination payments and the receipt of an IT contract settlement amount.

On 1 November 2012, TWE purchased the remaining 50 percent share capital of Matua Marlborough New Zealand winery. A gain of $7.9 million was recognised prior to the acquisition as a result of remeasuring TWE's existing equity interest in Matua Marlborough to fair value.

[7] All movements are in respect to the previous corresponding period

TWE has settled and provided for lease termination amounts for two vineyards totalling $2.5 million as a result of a change in control event brought about by the demerger. One of the two vineyards was acquired by TWE during the period, with the other vineyard to be settled during the second half of fiscal 2013.

The final material item of $0.7 million comprises a $1.1 million receipt from SAB Miller as a result of the decision by TWE to take over responsibility for building TWE's standalone IT system and a $0.4 million restructuring charge relating to TWE's efficiency program.

Net profit after tax

Net profit after tax for the six months ending 31 December 2012 was $52.3 million, and basic EPS was 8.1 cents per share. Net profit after tax (before material items and SGARA) was $45.0 million, and basic EPS on the same basis was 7.0 cents per share.

Dividend

The Directors have declared an interim dividend of 6.0 cents per share, franked to 50 percent, in line with the prior corresponding period. The dividend is payable on 17 April 2013 to registered shareholders as at 13 March 2013.

Regional progress report

Americas

A$m		Reported currency		Constant currency	
For the six months ended 31 December	**2012**	**2011**	**Change**	**2011**	**Change**
Shipments (m 9L cases)	8.1	8.2	(1.4)%	8.2	(1.4)%
Depletions	7.8	8.1	(3.7)%	8.1	(3.7)%
NSR	363.1	375.1	(3.2)%	367.0	(1.1)%
NSR per case (A$)	44.84	45.70	(1.9)%	44.71	0.3 %
EBITS	34.1	39.8	(14.3)%	34.8	(2.0)%
EBITS margin	9.4 %	10.6 %	(1.2)pts	9.5 %	(0.1)pts

Lower than expected depletions[8], driven by underperformance of tactical brands and non-repeated promotional activities in large strategic accounts, impacted our plan to reduce inventory. Shipments are now expected to match depletions in fiscal 2013.

Slightly higher NSR per case reflects volume growth in Canada, up 2 percent and in line with consumption, as well as price increases across the supply constrained and allocated luxury portfolio.

EBITS at $34.1 million, down 2.0 percent, driven by a 3.3 percent increase in COGS per case, lower overall shipments and 15 percent less luxury volume due to supply constraints, partially offset by a 12 percent reduction in the cost of doing business.

Europe, Middle East and Africa (EMEA)

A$m		Reported currency		Constant currency	
For the six months ended 31 December	**2012**	**2011**	**Change**	**2011**	**Change**
Volume (m 9L cases)	3.4	3.7	(9.2)%	3.7	(9.2)%
NSR	119.8	131.4	(8.8)%	129.2	(7.3)%
NSR per case (A$)	35.64	35.52	0.3 %	34.92	2.1 %
EBITS	5.9	3.0	96.7 %	0.4	NM
EBITS margin	4.9 %	2.3 %	2.6 pts	0.3 %	4.6 pts

[1] *NM: not meaningful*

Lower volume principally reflects the exit from unprofitable sales in the UK and softer trading conditions in Continental Europe and the Nordics. Comparable UK volume up 9.4 percent in the first half of fiscal 2013, driven by improved in-market execution with major retailers, enhanced category management, investment in sales capability and brand health.

NSR per case up 2.1 percent reflects favourable product mix and selected price increases.

Improved first half EBITS, up $5.5 million to $5.9 million, with margin expansion reflecting improved channel mix together with a continued disciplined approach to cost management.

[8] Depletions refers to volume movement from a distributor partner to an on-premise or off-premise retailer

Australia and New Zealand (ANZ)

A$m		Reported currency		Constant currency	
For the six months ended 31 December	**2012**	**2011**	**Change**	**2011**	**Change**
Volume (m 9L cases)	4.4	4.5	(0.8)%	4.5	(0.8)%
NSR	288.6	297.4	(3.0)%	297.9	(3.1)%
NSR per case (A$)	64.98	66.42	(2.2)%	66.53	(2.3)%
EBITS	36.0	48.5	(25.8)%	48.3	(25.5)%
EBITS margin	12.5 %	16.3 %	(3.8)pts	16.2 %	(3.7)pts

Total ANZ volume broadly in line with the prior year. New Zealand volume down 18.3 percent reflecting the decision to withdraw from some unprofitable price points as well as reallocating supply constrained wines to alternate markets.

Australia volume increased 1 percent in the first half of fiscal 2013, despite supply constraints of our premium portfolio and a challenging first quarter trading environment. TWE grew market share in the second quarter of fiscal 2013, with volume and value sales growth ahead of market, at 2.1 percent and 3.4 percent, respectively[9].

Lower NSR reflects adverse mix, partially offset by price increases on the luxury and masstige portfolio.

Higher COGS per case, up 7.7 percent in the period resulting in a 25.5 percent reduction in EBITS, partially offset by lower cost of doing business.

Asia

A$m		Reported currency		Constant currency	
For the six months ended 31 December	**2012**	**2011**	**Change**	**2011**	**Change**
Volume (m 9L cases)	0.6	0.5	11.0 %	0.5	11.0 %
NSR	45.4	41.3	9.9 %	41.1	10.5 %
NSR per case (A$)	75.63	76.35	(0.9)%	75.98	(0.5)%
EBITS	13.5	12.0	12.5 %	12.0	12.5 %
EBITS margin	29.7 %	29.1 %	0.6 pts	29.2 %	0.5 pts

Total Asia volume growth in line with expectations, up 11 percent reflecting 24 percent increase in combined Hong Kong and China volume and 31 percent uplift in Japanese volume. Volume growth in the first half of fiscal 2013 was impacted by cautious trade sentiment towards the leadership change in China.

Marginal decline in NSR per case driven by the one-off benefit from special Bin 620, released in the first half of fiscal 2012.

EBITS up 12.5 percent; excluding Bin 620, EBITS up 22 percent. EBITS margin increased despite continued investment in expanding TWE's distribution breadth and sales capability in China.

[9] Nielsen ScanTrack Liquor, 3 months to December 2012

Increased brand building investment expected in the second half of fiscal 2013 due to timing of Chinese New Year and to support the outstanding 2010 vintage Penfolds Bins and 2008 vintage Penfolds Grange release.

Corporate

Corporate costs for the first half of fiscal 2013 were $16.1 million compared to $11.6 million in the prior period. The increase in corporate cost principally reflects the establishment of a standalone IT function and higher IT depreciation and amortisation.

Balance Sheet

A$m As at	31 Dec 2012	31 Dec 2011	Change
Cash and cash equivalents	21.9	36.2	(14.3)
Receivables	521.8	513.8	8.0
Current inventories	702.6	715.3	(12.7)
Non-current inventories	375.8	239.8	136.0
Property, plant and equipment	951.1	910.6	40.5
Agricultural assets	216.0	197.6	18.4
Intangible assets	970.1	947.9	22.2
Tax assets	180.7	190.7	(10.0)
Other assets	8.8	15.5	(6.7)
Total assets	**3,948.8**	**3,767.4**	**181.4**
Payables	454.8	408.6	46.2
Borrowings	228.1	86.0	142.1
Tax liabilities	288.7	284.0	4.7
Provisions	53.7	65.0	(11.3)
Other liabilities	1.6	1.2	0.4
Total liabilities	**1,026.9**	**844.8**	**182.1**
Net assets	**2,921.9**	**2,922.6**	**(0.7)**

Net assets remained largely unchanged at $2.9 billion over the period.

The increase in total assets of $181.4 million over the period principally reflects the investment in the production of masstige and luxury wine, the purchase of premium vineyards in South Australia and the Napa Valley and the purchase of the remaining 50 percent of the Matua Marlborough New Zealand winery.

Net debt at 31 December 2012 was $205.1 million and consisted of $21.9 million in cash and loans ($1.1 million) and borrowings of $228.1 million.

Under the $500 million committed multi-currency revolving term debt facility (with $200 million maturing in April 2014 and $300 million maturing in April 2016), the undrawn committed amount stands at $288.1 million.

Cash Flow

A$m For the six months ended 31 December	2012	2011	Change
EBITS	**73.4**	**91.7**	**(20.0)%**
Depreciation & Amortisation	36.5	34.8	
EBITDAS	**109.9**	**126.5**	**(13.1)%**
Change in working capital	(103.2)	0.9	
Other items	(2.7)	(4.5)	
Net operating cash flows before financing costs, tax and material items	**4.0**	**122.9**	**(96.7)%**
Cash conversion[1]	**3.6%**	**97.2%**	**(93.6)pts**
Capital expenditure	(51.2)	(17.9)	
Net investment expenditure	(55.8)	0.5	
Total capital and investment expenditure	(107.0)	(17.4)	
Asset sale proceeds	1.2	0.4	
Cash flows after net capital expenditure, before financing costs, tax and material items	**(101.8)**	**105.9**	
Net interest paid	(4.7)	(2.8)	
Tax paid	(8.0)	(31.6)	
Cash flows before dividends and material items	**(114.5)**	**71.5**	
Dividends paid/distributions to minority interests	(45.3)	(39.1)	
Cash flows after dividends before material items	**(159.8)**	**32.4**	
Material item cash flows			
- operating	(5.5)	(5.0)	
- investing	1.1		
Total material item cash flows	(4.4)	(5.0)	
Share re-purchase (employee share plan)	(4.4)	(2.7)	
Borrowings acquired	(9.9)	-	
Debt revaluation and foreign exchange movements	7.8	(2.8)	
(Increase)/decrease in net debt [2]	**(170.7)**	**21.9**	

[1] Cash conversion (NOCF before financing costs, tax and material items divided by EBITDAS)

[2] Refer to page 14 for reconciliation to Total cashflows from activities per Statutory Statement of Cashflows

Net debt increased by $170.7 million for the six months ending 31 December 2012 principally due to capital and investment expenditure of $107 million and a negative change in working capital.

Total capital and investment expenditure of $107 million reflects capital expenditure of $51.2 million, including $21.2 million of IT spend and "Project Uplift" investment on vineyard re-developments, upgrades and luxury wine making equipment during the period. Investment expenditure (acquisitions) of $55.8 million relates to the purchase of premium vineyards in South Australia and the Napa Valley and the purchase of the remaining 50 percent of the Matua Marlborough New Zealand winery.

Operating cash flow was impacted during the period as a result of an adverse change in working capital of $103.2 million, comprising four main items. An IT systems fault caused a delay in the issuance of electronic invoices in the ANZ region, resulting in higher Receivables. The first half incurs seasonally higher working capital levels due to the Christmas trading period. Inventory increased in the period driven by the Californian vintage. Lower Payables reflect the payment of the annual short term incentive to TWE staff relating to the financial performance of TWE in fiscal 2012.

Capital expenditure is expected to remain at the higher end of the previously communicated guidance of $100-$130 million in fiscal 2013, excluding acquisitions and related capital expenditure.

Vintage Update

The 2012 Californian vintage was a benchmark harvest characterised by ideal growing conditions with moderate winter rainfall, no spring frost and a steady warm summer. Yields from TWE-owned and leased vineyards were substantially higher than the prior year and the quality across all appellations is excellent.

Early signs of the 2013 Australian vintage appear generally favourable with growing conditions characterised by low rainfall in winter and the growing season to date. TWE's intake is expected to be in line with the 2012 vintage.

At this stage, growing conditions for the New Zealand 2013 vintage have been excellent, particularly for the Marlborough and Hawkes Bay regions, with moderate rainfall and ideal temperatures for flowering. TWE is expecting a higher intake in 2013 relative to 2012, which will support the growth of TWE's New Zealand category globally.

Reconciliation to Statement of Comprehensive Income

A$m	Reference	
For the six months ended 31 December		**2012**
EBIT	Result Summary - page 5	**74.9**
Material items before tax		6.1
Profit before tax and finance costs	Statement of Comprehensive Income - page 6	**81.0**

Reconciliation of change in net debt to Statement of Cash Flows

Net operating cash flows before financing costs, tax and material items	**4.0**	**122.9**
Net interest paid	(4.7)	(2.8)
Tax paid	(8.0)	(31.6)
Net operating cash flows before net capital expenditure and material items	**(8.7)**	**88.5**
Material item cash flows - operating		
- restructuring & redundancy costs	(4.2)	(5.0)
- lease termination costs	(1.3)	-
Total material item cash flows - operating	(5.5)	(5.0)
Net cash flows from operating activities	**(14.2)**	**83.5**
Cash conversion including operating material items	(1.4)%	93.2 %

[2] Reconciliation to Total cashflows from activities per Statutory Statement of Cashflows of $(6.9)m: increase in net debt of $170.7m adjusted for FX movements of $7.8m, adjusted for net proceeds and repayments of borrowings of $161.7m as per the Statutory Accounts adjusted for borrowings acquired of $9.9m