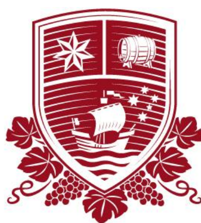

TREASURY
WINE ESTATES

CONTENTS

2 ASX Announcement

6 Financial and Operations Review
9 Americas
9 Europe, Middle East & Africa (EMEA)
10 Australia & New Zealand (ANZ)
10 Asia
11 Corporate
12 Balance Sheet
13 Cash Flow
14 Vintage Update
15 Reconciliation between Statutory and Pro Forma Financial Information

Treasury Wine Estates will host an investor webcast and conference call commencing at 11.00am (AEST) on 17 August 2012. 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 2pm.

IMPORTANT NOTICE IN RELATION TO COMPARATIVE FINANCIAL INFORMATION:

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 standalone 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 and as a result the statutory financial information for the year ended 30 June 2011 does not give a view of the performance of the TWE Group as it is currently structured.

In the results released for the year ended 30 June 2011, TWE provided pro forma financial information designed to give a view of the underlying financial performance as if TWE had been operating as a standalone entity for the entire period. In the preparation of that pro forma financial information, adjustments were made to TWE's statutory result and these are described on pages 14 to 15.

Unless otherwise indicated, the comparative financial information contained in this Media Release and the Financial and Operations Review has been presented on a pro forma basis.

17 August 2012

ASX ANNOUNCEMENT

TWE 2012 ANNUAL RESULTS

TWE DELIVERS FY12 EBITS GROWTH OF 7.7% ON A REPORTED CURRENCY BASIS

Financial headlines

- EBITS[1] $210.2 million, representing growth of 7.7% on a reported currency basis and 18.6%[2] on a constant currency basis
- EBITS margin up 2.3pts to 12.8%
- Net sales revenue (NSR) per case up 1.6%
- 2012 Australian vintage and strategy to increase production of luxury wine drives strong increase in non-current inventory, up 84% to $362.5 million
- Strong cashflow generation and rate of cash conversion, at 96.4%
- Strong balance sheet provides operational and strategic flexibility with net debt down to $34.4m
- Pre-tax material item expense of $40.0 million
- EPS (before material items & SGARA) 20.9 cents per share, up 14.8%
- Final dividend 7.0 cents per share, full year dividend 13.0 cents per share; franked 50%

A$m		Pro Forma Reported currency		Pro Forma Constant currency	
For the twelve months ended 30 June 2012	**2012**	**2011**	**Change**	**2011**	**Change**
Volume (m 9L cases)	31.8	33.2	(4.4)%	33.2	(4.4)%
Net sales revenue	1,640.8	1,737.5	(5.6)%	1,689.5	(2.9)%
EBITS	210.2	195.2	7.7 %	177.3	18.6 %
Net profit after tax (before material items & SGARA)	135.5				
EPS (before material items & SGARA) (cents)[1]	20.9	18.2	14.8 %	***Pro forma information not available***	
Dividend per share (cents)	13.0	6.0			

[1] Pro forma FY11 EPS of 18.2 cents is based on pro forma FY11 EBITS of $195.2 million adjusted for pro forma interest expense (based on FY11 proforma operating cashflows and closing net debt of $71.7 million) at a 35% effective tax rate.

CEO comments

David Dearie, CEO said today:

"Treasury Wine Estates (TWE) is making significant progress against the priorities we set last year, and I'm pleased with our fiscal 2012 results.

[1] Earnings before interest, tax, SGARA and material items
[2] Unless otherwise stated all percentage or dollar movements from prior periods are on a pro forma basis, pre any material items and on a constant currency basis

Excluding the UK, where we withdrew from unprofitable sales, volume for the year was marginally up on fiscal 2011. Net sales revenue per case increased 1.6% and we also reduced our cost of doing business.

The business continues to be highly cash generative, with cash conversion at 96.4% and net debt down to $34.4 million; and I am particularly encouraged by the increase in our non-current inventory, up 84% to $362.5 million.

In fiscal 2012 we achieved 7.7% EBITS growth on a reported currency basis, and 18.6% on a constant currency basis, expanding our EBITS margin by 2.3 percentage points. Overall, a solid performance.

Regions

In the Americas, we made good progress in fiscal 2012 in stabilising volumes and building sales momentum. Although total shipments declined by 1.7% in fiscal 2012 our depletions[3] momentum continued to build during the year. To drive this momentum we have switched brand building activities and reallocated funds from above the line to focus on winning at the point of purchase. This increased brand building investment, although partially offset by overhead savings, contributed to an overall EBITS decline of 11.6%.

In EMEA, volume declines of 1.6 million cases were driven by our strategy to exit unprofitable sales in the UK and Ireland. Despite this volume decline TWE improved pricing and mix, and this, together with ongoing business improvements, contributed to a significant improvement in profit in the region. On a constant currency basis EBITS of $5.7 million represents a $17.3 million improvement on fiscal 2011, a very solid result taking in to account the uncertain economic environment in Europe.

In ANZ, constant currency EBITS growth of 12% for the region was an outstanding result, achieved against a tough retail environment, and represents our third year of strong earnings growth. An overall reduction in NSR per case was partially driven by the reduced availability of premium wines caused by vintage variability and internally allocating more of these wines to Asia. Contributing to this excellent result is an overall reduction in the cost of doing business and price increases across several brands.

Constant currency EBITS growth of 40.6% for the Asian region demonstrates its ongoing importance to TWE. Over the year TWE increased advertising and promotional investment in Asia by 45%, and our plan is to increase investment in fiscal 2013 in order to position our brands for long-term sustainable growth. Asia continues to be an exciting growth engine for our business, contributing approximately 20% to TWE's earnings in fiscal 2012.

Brands

Our foundation brands Beringer, Rosemount, Wolf Blass, Lindeman's and Penfolds collectively grew NSR per case 2.1% during the year.

Beringer continues to show positive momentum with full year depletions slightly up on last year. However second half depletions improved 5.8%, and the fourth quarter generated depletions growth of 7.2%.

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

Our Rosemount relaunch commenced in ANZ in February 2012 and since then has grown depletions by 14.4% versus the same period last year. Feedback from customers and consumers has been very positive as they re-engage with the brand, with the international roll out of new packaging scheduled for early fiscal 2013 set to further build on this progress.

Lindeman's US depletion growth of 7% during the fiscal year represents a significant improvement on 2011, and generated a positive brand contribution to TWE. Lindeman's continues to build on its 48% share of the Australian "lighter in alcohol" category and during fiscal 2013 we will take this exciting range of wines to selected international markets.

New packaging and marketing initiatives for Wolf Blass were launched in 2012, contributing to volume growth of 4.3% in Australia and 26.1% in Asia. Strategic repositioning of Wolf Blass in the UK resulted in a volume decline of 29.2%; however this approach successfully drove a significant increase in gross profit for the brand in this market.

Our iconic Penfolds brand saw net sales revenue per case increase 10.9% with pricing power and reallocation of wine to markets the key drivers. In addition, our dual and aged release program was implemented ensuring the release of Penfolds wines are held back in order to be available to consumers during key gifting occasions.

Building our portfolio of world class brands remains our top priority.

Dearie commented on the outlook for TWE:

The long term fundamentals of the global wine industry remain positive and TWE is well positioned to take advantage of these trends.

However fiscal 2013 presents some challenges for our business, and as a result we expect constant currency earnings growth to be below the average achieved for the last two years, before rebounding to above average growth rates in fiscal 2014.

In particular we face three key challenges in fiscal 2013. First, we have less premium wines available to meet consumer demand and the quality wines we have crafted are at a higher cost. Secondly, we expect to incur costs from higher IT operating expenses and amortisation as we build our own, fit-for-purpose IT system. Thirdly, in the US we are working with our distributor partners to reduce inventory levels.

Our positive outlook for fiscal 2014 is underpinned by the exceptional wines crafted from the recent 2012 Australian vintage, with almost ideal growing conditions complemented by our viticulturists, winemakers and supply team and the result is a meaningful increase in quality wines.

As a result of this dedication we are well placed to satisfy growing consumer demand for our luxury and masstige brands, both domestically and internationally in 2014 - 2017, supported by our strong non-current inventory.

Two very different vintages driving two very different financial outcomes are a reminder of the agricultural influence on both the wine category and our business.

I am pleased with our progress in this our first full year as a standalone wine business, and would like to acknowledge and thank our team of Vintrepreneurs for their commitment and dedication to delivering these results.

Contacts / Further information:

Media

Elizabeth Middleton
Tel: +61 3 8626 2314
Mob: +61 458 500 580

Investors

Peter Kopanidis
Tel: + 61 3 8626 2832
Mob: +61 412 171 673

FINANCIAL AND OPERATIONS REVIEW

TWE profit and loss

A$m For the twelve months ended 30 June	2012	Pro Forma Reported currency 2011	Change	Pro Forma Constant currency 2011	Change
Volume (000 9L cases)	31,763.9	33,237.9	(4.4)%	33,237.9	(4.4)%
Net sales revenue	1,640.8	1,737.5	(5.6)%	1,689.5	(2.9)%
Net sales revenue/case ($)	*51.66*	*52.27*	*(1.2)%*	*50.83*	*1.6 %*
Other revenue	39.8	38.3	3.9 %	37.8	5.3 %
Total revenue	1,680.6	1,775.8	(5.4)%	1,727.3	(2.7)%
Cost of sales	(1,100.0)	(1,165.3)	5.6 %	(1,145.9)	4.0 %
Gross profit	580.6	610.5	(4.9)%	581.4	(0.1)%
Gross profit margin	*35.4%*	*35.1%*	*0.3 pts*	*34.4%*	*1.0 pts*
Cost of doing business[1]	(370.4)	(415.3)	10.8 %	(404.1)	8.3 %
Cost of doing business margin	*22.6%*	*23.9%*	*1.3 pts*	*23.9%*	*1.3 pts*
EBITS	**210.2**	**195.2**	**7.7 %**	**177.3**	**18.6 %**
EBITS margin (% of NSR)	***12.8%***	***11.2%***	***1.6 pts***	***10.5%***	***2.3 pts***
SGARA	(23.4)	(24.1)	2.9 %	(23.9)	2.1 %
EBIT	**186.8**	**171.1**	**9.2 %**	**153.4**	**21.8 %**
Net finance costs	(6.3)				
Profit before tax	**180.5**				
Tax expense	(60.7)				
Net profit after tax (before material items)	**119.8**				
Material items (before tax)	(40.0)				
Tax on material items	9.9			***Pro forma information not available***	
Material items (after tax)	(30.1)				
Minority interests	0.2				
Net profit after tax	**89.9**				
Reported EPS (cents)	13.9				
SGARA (after tax)	(15.5)				
Net profit after tax (before material items & SGARA)	135.5				
EPS (before material items & SGARA) (cents)[2]	20.9	18.2	14.8%		
Average no. of shares (millions)	647.2				

[1.] Cost of doing business calculated as Gross Profit less EBITS
[2.] Pro forma FY11 EPS of 18.2 cents is based on pro forma FY11 EBITS of $195.2 million adjusted for pro forma interest expense (based on FY11 proforma operating cashflows and closing net debt of $71.7 million) and proforma tax expense calculated by using a 35% effective tax rate

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 2012 full year results are: $A1 = $US 1.0317 (2011: $A1 = $US 0.9876), $A1 = GBP 0.6511 (2011: $A1 = GBP 0.6205). Period end exchange rates used for balance sheet items in 2012 full year results are: $A1 = $US 1.0033 (30 June 2011: $A1 = $US 1.0690), $A1 = GBP 0.6467 (30 June 2011: $A1 = GBP 0.6650).
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”

Reconciliation to Statement of Comprehensive Income

A$m For the twelve months ended 30 June	Reference	2012
EBIT	Result Summary - page 6	**186.8**
Material items before tax		(40.0)
Profit before tax and finance costs	Statement of Comprehensive Income - page 1	**146.8**

Group performance

Volume

Total volume was 31.764 million cases, down 1.474 million cases, largely reflecting the exit from unprofitable volume in the UK. Excluding the UK, volume in 2012 was in line with 2011, with lower volume in the Americas offset by growth in ANZ and Asia.

Net sales revenue

Net sales revenue declined 5.6% on a reported currency basis to $1,640.8 million or 2.9% on a constant currency basis. Lower net sales revenue was reported in EMEA driven by the exit from unprofitable sales in the UK, the Americas reflecting increased brand building investment to drive commercial volume and a marginal decline was reported in ANZ, mostly due to lower supply of luxury and masstige wines. Asia reported strong net sales revenue growth, up 29.7%.

Net sales revenue per case on a constant currency basis increased $0.83 or 1.6%, driven by pricing and mix in Asia and EMEA.

Cost of sales

Cost of sales as a percent of NSR improved by 78 basis points (representing circa $13 million), reflecting various initiatives including procurement savings.

Cost of doing business margin

Cost of doing business margin improved 134 basis points (representing circa $22 million) to 22.6%, with cost savings realised across the organisation.

EBITS

EBITS of $210.2 million was up 7.7% on a reported currency basis. EMEA and the Americas were impacted by adverse foreign currency movements due to the relatively high Australian dollar compared to the prior year. On a constant currency basis, EBITS increased 18.6%.

The EBITS margin increased 158 basis points on a reported basis, and 232 basis points on a constant currency basis, to 12.8%.

SGARA

The SGARA loss of $23.4 million in the current year was principally driven by a challenging, weather effected 2011 Californian vintage, with the SGARA loss in the Americas increasing on the prior year by $10.7 million to $16.5 million. In ANZ, the SGARA loss of $6.9 million reflects reduced yields, despite an increase in grape prices.

Material items

A material item expense of $40.0 million before tax was reported, principally comprising four components; restructuring and redundancy costs, IT related one-offs, the reversal of a provision for assets previously held for sale, and write-offs of various supply chain assets.

As part of TWE's efficiency program, restructuring and redundancy costs of $22.8 million (compared to $20.0 million estimated in the first half result) comprise redundancy payments and related program costs.

The IT related one-off items include the $31.5 million cash payment received from SAB Miller in April 2012 to take over responsibility for building our standalone IT system and $56.3 million in write-offs associated with the IT systems. In particular, following a review of the systems, a decision has been taken to discontinue with the building and rolling out of the new IT systems to our Americas and EMEA regions. All capital and costs associated with the Americas and EMEA project have now been written off.

Reversal of provisions relating to assets previously held for sale totalled $14.6 million, of which $0.3 million related to the profit from sale of one of the remaining three vineyards which was realised in the second half of 2012. The $7.0 million write-down of supply chain assets largely related to the first half of 2012.

Net profit after tax

Net profit after tax for the twelve months ending 30 June 2012 was $89.9 million, and EPS was 13.9 cents per share. Net profit after tax (before material items and SGARA) was $135.5 million, and EPS on the same basis was 20.9 cents per share.

Dividend

The Directors have declared a final dividend of 7.0 cents per share, bringing the full year dividend to 13.0 cents per share, franked to 50%.

Regional performance

Americas

A$m		Pro Forma Reported currency		Pro Forma Constant currency	
For the twelve months ended 30 June	2012	2011	Change	2011	Change
Shipments (m 9L cases)	15.7	15.9	(1.7)%	15.9	(1.7)%
Depletions	15.4	15.7	(1.9)%	15.7	(1.9)%
NSR	707.5	773.9	(8.6)%	743.3	(4.8)%
NSR per case (A$)	45.20	48.58	(7.0)%	46.66	(3.1)%
EBITS	79.0	92.2	(14.3)%	89.4	(11.6)%
EBITS margin	11.2 %	11.9 %	(0.7)pts	12.0 %	(0.8)pts

Shipments down 1.7% driven by the US, in line with the strategy to match shipments with depletions excluding new product, partially offset by a second half shipment recovery in Canada.

US depletions in the second half of the year increased 2.3%, representing a 13% turnaround in 12 months. Full year depletions were down by 1.9%, representing a significant improvement on the 11% decline in 2011.

NSR per case, down 3.1%, principally reflects the reallocation of brand building investment from above the line investment to point of sale trade support which is in turn, driving stronger depletions in the second half.

Lower EBITS reflects increased brand building investment to support the depletion-led strategy, partially offset by a reduction in overheads.

Europe, Middle East and Africa (EMEA)

A$m		Pro Forma Reported currency		Pro Forma Constant currency	
For the twelve months ended 30 June	2012	2011	Change	2011	Change
Volume (m 9L cases)	6.9	8.5	(18.7)%	8.5	(18.7)%
NSR	253.0	303.8	(16.7)%	285.5	(11.4)%
NSR per case (A$)	36.56	35.68	2.5 %	33.53	9.0 %
EBITS	5.7	6.5	(12.3)%	(11.6)	NM[1]
EBITS margin	2.3 %	2.1 %	0.2 pts	(4.1)%	6.4 pts

[1] *NM: not meaningful*

EMEA reported an improved underlying financial performance in 2012 in the context of continued challenging trading conditions and economic uncertainty in the Eurozone.

Lower volumes continue to reflect TWE's exit from unprofitable sales in the UK together with softer trading conditions in the Nordics and Continental Europe.

The strong uplift in NSR per case was driven by improved pricing and mix across all segments of our portfolio in the region.

On a constant currency basis, the EMEA region returned to profitability in 2012, reporting EBITS of $5.7 million compared with a loss of $11.6 million in the prior year, principally driven by ongoing cost reductions and solid profit growth in the Nordics.

Australia and New Zealand (ANZ)

A$m		Pro Forma Reported currency		Pro Forma Constant currency	
For the twelve months ended 30 June	2012	2011	Change	2011	Change
Volume (m 9L cases)	8.0	7.8	2.6 %	7.8	2.6 %
NSR	574.1	577.9	(0.7)%	578.7	(0.8)%
NSR per case (A$)	71.43	73.75	(3.1)%	73.85	(3.3)%
EBITS	109.0	96.3	13.2 %	97.3	12.0 %
EBITS margin	19.0 %	16.7 %	2.3 pts	16.8 %	2.2 pts

Despite soft retail conditions, the ANZ region continues to deliver strong financial results, underpinned by steady growth in volumes, price optimisation across our brands and a disciplined approach to cost management.

While volumes increased by 2.6%, the slight decline in NSR reflects the lower supply of luxury and masstige wines and the reallocation of brand building investment to support volume growth. Total brand building was slightly below with last year.

Higher EBITS margin reflected a reduction in overheads and efficiency gains including a realignment of TWE’s salesforce to improve customer and territory coverage.

Asia

A$m		Pro Forma Reported currency		Pro Forma Constant currency	
For the twelve months ended 30 June	2012	2011	Change	2011	Change
Volume (m 9L cases)	1.2	1.0	20.6 %	1.0	20.6 %
NSR	106.2	81.9	29.7 %	82.0	29.5 %
NSR per case (A$)	92.00	85.56	7.5 %	85.67	7.4 %
EBITS	41.2	27.4	50.4 %	29.3	40.6 %
EBITS margin	38.8 %	33.5 %	5.3 pts	35.7 %	3.1 pts

Asia’s strong financial performance in 2012 was driven by a 45% increase in brand building investment, supported by improved in-market execution and expanded distribution footprint.

Volumes increased 20.6% in 2012, reflecting positive growth in all key Asia markets. Collectively, Hong Kong and China volumes increased 31% in 2012.

Strong growth in NSR per case reflects the rich product mix sold in the region.

Expanding our sales capability, together with brand building activities including participation in media events, wine expos, tastings and winemaker visits is driving strong brand awareness of TWE brands in the region.

EBITS margins continue to be supported by strong volume and sales growth underpinned by a robust approach to operational and geographic expansion.

TWE's brand portfolio is well placed to capitalise on favourable market demographics, increasing consumer interest in the wine category and growing demand for luxury imports.

Corporate

Corporate costs, excluding the impact of material items for fiscal 2012 were $24.7 million compared to proforma corporate costs in fiscal 2011 of $27.2 million.

Balance Sheet

A$m As at 30 June	2012	2011	Change
Cash and cash equivalents	28.6	64.8	(36.2)
Receivables	447.6	452.6	(5.0)
Current inventories	711.5	768.5	(57.0)
Non-current inventories	362.5	196.7	165.8
Property, plant and equipment	931.1	912.7	18.4
Agricultural assets	195.6	180.5	15.1
Intangible assets	932.6	927.1	5.5
Tax assets	200.3	178.8	21.5
Other assets	11.0	22.0	(11.0)
Total assets	**3,820.8**	**3,703.7**	**117.1**
Payables	464.0	369.2	94.8
Borrowings	64.2	136.5	(72.3)
Tax liabilities	293.2	269.2	24.0
Provisions	58.6	51.4	7.2
Other liabilities	1.5	0.6	0.9
Total liabilities	**881.5**	**826.9**	**54.6**
Net assets	**2,939.3**	**2,876.8**	**62.5**

Net assets increased by $62.5 million for the year ended 30 June 2012.

The increase in net assets was principally driven by increased investment in the production of luxury wine, with non-current inventory increasing by $165.8 million and total inventory increasing by $108.8 million.

Working capital (excluding non-current inventory) showed a strong improvement on the prior year.

The increase in agricultural assets reflects ongoing investment in TWE vineyards. Property, plant and equipment and intangible assets increased principally due to movements in foreign exchange rates.

Net debt at 30 June 2012 was $34.4 million and consisted of $29.8 million in cash and loans ($1.2 million) and borrowings of $64.2 million. Net debt decreased $37.3 million from $71.7 million at 30 June 2011.

Under the A$500 million committed multi-currency revolving term debt facility (with $A200 million maturing in April 2014 and $A300 million maturing in April 2016), the undrawn committed amount stands at A$455 million.

Cash Flow

A$m For the twelve months ended 30 June	2012	Pro Forma 2011	Change
EBITS	210.2	195.2	**7.7 %**
Depreciation & Amortisation	67.7	71.8	
EBITDAS	**277.9**	**267.0**	
Change in working capital	(9.8)	9.5	
Other items	(0.1)	(5.7)	
Net operating cash flows before financing costs, tax and material items	**268.0**	**270.8**	**(1.0)%**
Cash conversion[1]	**96.4%**	**101.4%**	**(5.0)pts**
Capital expenditure	(84.0)	(71.1)	
Asset sale proceeds	0.9	2.7	
Cash flows after net capital expenditure, before financing costs, tax and material items	**184.9**	**202.4**	
Net interest paid	(6.8)		
Tax paid	(59.9)		
Cash flows before dividends and material items	**118.2**		
Dividends paid/distributions to minority interests	(78.0)		
Cash flows after dividends before material items	**40.2**		
Material item cash flows			
- operating (restructuring & redundancy costs)	(21.7)		
- investing (incl. cash receipt on IT settlement from SAB Miller and proceeds from sale of vineyards	34.4		
Total material item cash flows	**12.7**		
Share re-purchase (employee share plan)	(2.8)		
Net investment expenditure	3.2	***Pro forma information not available***	
Debt revaluation and foreign exchange movements	(16.0)		
Decrease in net debt [2]	**37.3**		
Reconciliation to Statutory Statement of Cash Flows			
Net operating cash flows before financing costs, tax and material items	**268.0**		
Net interest paid	(6.8)		
Tax paid	(59.9)		
Net operating cashflows before operating material items	**201.3**		
Total material item cash flows - operating	(21.7)		
Net cash flows from operating activities	**179.6**		
Cash conversion including operating material items [3]	88.6%		

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

[2] Reconciliation to Total cashflows from activities per Statutory Statement of Cashflows of ($38.3 million): decrease in net debt of $37.3 million adjusted for fx movements of $16.0 million, adjusted for net proceeds and repayments of borrowings of ($90.4 million) as per the Statutory Statement of Cashflows and Loan to other parties of ($1.2 million) included within net debt as per Note 20 of the Consolidated Financial Statements

[3] Cash conversion including material items is calculated by net operating cashflows before financing costs, tax and material items ($268 million), less material operating items ($21.7 million) as a percentage of Earnings before interest, tax, depreciation & amortisation and SGARA ($277.9 million)

TWE continues to generate strong cash flows. Operating cash flow before interest, tax and material items was $268.0 million with cash conversion (pre operating material items) at 96.4%.

The negative change in working capital was due to increased investment in non-current inventory.

Capital expenditure as per the cashflow was $84.0 million for fiscal 2012. Excluding capital expenditure on the TWE IT project and related hardware of $16.7 million, capital expenditure of $67.3 million was in line with the prior year ($71.1 million) and with depreciation and amortisation of $67.7 million for fiscal 2012. Of this amount, $15.6 million related to "Project Uplift" including vineyard re-developments and upgrades, re-plants and vineyard acquisitions. We expect to continue to increase our capital expenditure on growth initiatives during fiscal 2013.

Tax payments of $59.9 million include a payment of $11.9 million for franking deficits tax associated with the settlement of the Foster's Ashwick litigation.

Net cash flows after dividends before material items were $40.2 million for fiscal 2012, with net debt decreasing by $37.3 million to $34.4 million at 30 June 2012 reflecting TWE's strong cash flow generation.

Vintage Update

The 2012 Australian vintage was of a high quality and quantity in most growing regions. At this stage, TWE is seeing high quality white wines and exceptionally high quality red wines. It is likely that the 2012 vintage will be remembered as one of the standout vintages in the last couple of decades.

Early signs of the 2012 Californian vintage look favourable with most regions indicating average to above average crop sizes. Weather has been near perfect throughout the growing season with moderate temperatures expected throughout the summer. TWE's intake is expected to be favourable with the production network operating at full capacity.

Reconciliation between 2011 statutory result and 2011 pro forma financial information

The statutory results for the year ending 30 June 2011 do not reflect the structure of TWE's business. To provide a view of the performance of TWE's business at demerger, pro forma financial information was prepared to present a view as if the demerger had been effective from 1 July 2010.

$Am For the year ended 30 June 2011	Statutory	Entities not previously in TWE Group	Wine business in Beer entities	Corporate Costs	Logistcs Costs	Revaluation of foreign currency loans	Pro forma
NSR[1]	1,441.0	142.5	154.0	-	-	-	1,737.5
Other revenue	13.1	22.5	2.7	-	-	-	38.3
Total revenue	**1,454.1**	**165.0**	**156.7**	**-**	**-**	**-**	**1,775.8**
Cost of sales	(1,078.4)	(113.7)	18.2	-	8.5	-	(1,165.4)
Gross profit	**375.7**	**51.3**	**174.9**	**-**	**8.5**	**-**	**610.4**
Other income	1.7	-	-	-	-	-	1.7
Selling expenses	(122.5)	(18.3)	(57.7)	-	-	-	(198.5)
Marketing expenses	(65.3)	(16.1)	(35.1)	-	-	-	(116.5)
Administration expenses	(33.6)	(14.4)	(27.7)	(24.5)	-	-	(100.2)
Other expense	(113.5)	12.5	-	-	-	98.2	(2.8)
Associates profit	(0.2)	-	1.3	-	-	-	1.1
EBITS	**42.3**	**15.0**	**55.7**	**(24.5)**	**8.5**	**98.2**	**195.2**
SGARA	(24.1)	-	-	-	-	-	(24.1)
EBIT	**18.2**	**15.0**	**55.7**	**(24.5)**	**8.5**	**98.2**	**171.1**

[1.] Net sales revenue as disclosed in the 2011 annual report in respect to the year ended 30 June 2011 of $1,461.8 million has been restated down by $20.8 million to $1,441.0 million to reflect the reclassification of amounts that are more properly considered to be discounts and rebates in nature

Entities not in TWE Group/Wine Business in Beer Entities

Immediately prior to the demerger, Foster's Group undertook an internal corporate restructure that resulted in several entities ceasing to be, and several entities becoming subsidiaries of TWE. In addition, a number of assets and liabilities were transferred between TWE and Foster's Group.

TWE's statutory income statement includes the results of those entities, assets and liabilities that ceased to be part of TWE under the corporate restructure for the period from 1 July 2010 until immediately prior to the demerger. Similarly, TWE's statutory income statement only includes the results of the entities, assets and liabilities that became part of TWE under the corporate restructure for the period from 9 May 2011 to 30 June 2011.

The $15.0 million adjustment relating to entities not in the TWE Group, and the $55.7 million adjustment relating to wine business in beer entities is the estimated result for those entities, assets and liabilities that became part of TWE immediately prior to the demerger for the period from 1 July 2010 until immediately prior to the demerger.

Corporate costs

TWE's statutory result includes corporate costs associated with TWE becoming a standalone entity from the demerger effective date to 30 June 2011. The $24.5 million pro forma corporate cost

adjustment represents estimated additional corporate costs had TWE operated as an independent listed company in the period from 1 July 2010 to the demerger effective date.

Logistics costs

Foster's Group provides logistics services to TWE under a Logistics Service Agreement (LSA). The LSA commenced immediately prior to the demerger and includes a pricing methodology that differs to the methodology used by Foster's Group to allocate logistics costs to TWE prior to the demerger.

TWE's statutory result includes the impact of changes in the pricing methodology for logistics services from the demerger effective date to 30 June 2011. The pro forma adjustment of $8.5 million reflects the estimated change in logistics costs had the pricing methodology under the LSA been effective in the period from 1 July 2010 until immediately prior to the demerger.

Revaluation of foreign currency denominated loans to Foster's Group entities

Prior to the demerger, TWE had various internal financing arrangements with other Foster's Group entities. These included various foreign currency denominated intercompany loans and borrowings between TWE and other Foster's Group entities. TWE's statutory result includes a $98.2 million loss relating to the revaluation of these foreign currency denominated loans and borrowings to reflect exchange rate movements in the period from 1 July 2010 to immediately prior to the demerger. These internal financing arrangements no longer form part of TWE as an independent company, and the loss relating to the revaluation of these loans recognised in the statutory result has been excluded from the pro forma financial information.