2011 Annual Results

22 August 2011

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

TWE's statutory financial information 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 2009 until immediately prior to the demerger, relating to certain non-wine activities and external borrowings that formed part of TWE prior to the demerger, but were retained by Foster's Group.

TWE's statutory financial information 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, including TWE's current business in the EMEA region, and certain activities in the ANZ region.

TWE's statutory financial information for the year ended 30 June 2011 and for the comparative year ended 30 June 2010 present TWE's performance in compliance with statutory reporting obligations. However, as a result of the corporate restructure immediately prior to the demerger, the statutory financial information does not give a view of the performance of TWE as it is currently structured as a stand alone company.

In addition, TWE's statutory financial results only reflect changes in operating and corporate costs associated with TWE becoming a stand alone entity from 9 May 2011.

To assist shareholders and other stakeholders in their understanding of TWE's business as it is now structured, pro forma financial information for the years ended 30 June 2010 and 2011 is primarily referenced throughout this presentation. In the preparation of the pro forma financial information, adjustments have been made to TWE's statutory results to present a view of performance as if the internal corporate restructure associated with the demerger had been effective from 1 July 2009. Additional adjustments have also been made in the presentation of pro forma financial information to reflect changes in costs associated with TWE becoming a stand alone entity as if those costs had been incurred from 1 July 2009.

The pro forma adjustments referred to above have been made on a basis consistent with those contemplated on page 64 of the demerger scheme booklet.

Reconciliations between the pro forma financial information and TWE's statutory income statement is included on slide 17.

The reconciliations and the pro forma financial information have not been audited.

Commentary throughout this presentation primarily refers to the pro forma financial information.

TWE

David Dearie

Chief Executive Officer

Five imperatives across TWE

4 regional approaches and 26 priorities → May 9 – August 22 → **One global aligned TWE**

October Investor Day

- 17 priorities across the four regions

Demerger Scheme Book

- 4 short term priorities
- 5 long term priorities

Five imperatives

1. **Build exceptional brands**
2. **Drive top line growth**
3. **Optimise our supply network**
4. **Apply and practise cost management**
5. **Improve our capital efficiency**

Supported by the embedding of the Vintrepreneur culture

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Apply and pro-actively practise cost management

- Efficiency Program established in July 2011
  - Seven work streams
  - Challenged to find additional savings across the value chain
  - Confident additional efficiencies will be realised
- $30 million in savings identified to date
  - One off costs of $15-20 million expected in FY12
- Additional savings expected to be identified as program rolls out

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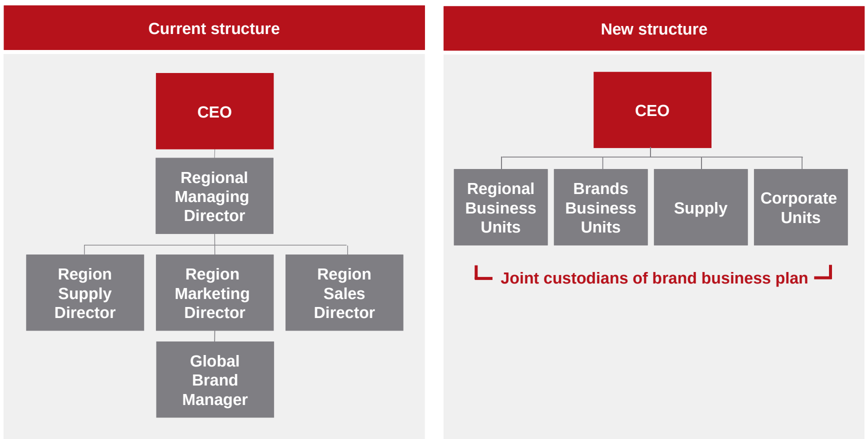
One Global Business – Changing our structure to support our strategy



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Brand portfolio opportunities

- Only 4.3% of total Beringer volume sold outside Americas
- Compared to:
  - More than 80% of total Lindeman's volume sold outside Australia
  - More than 70% of total Wolf Blass volume sold outside Australia
- Regional Champion average selling price more than 70% above commercial brands
- Only 5% of total Regional Champion volume sold in international markets

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FY11 Performance highlights

Highlights

- Wine fundamentals remain robust
- Strong performance in ANZ
- Volume and value growth in Asia
- Strong luxury brand performance in all regions
- EBITS up 13.1% on a constant currency basis
- Third half of constant currency EBITS growth

Opportunities

- Softer than expected volume in the Americas and EMEA
- Group volume down 6.6% to 33.2 million cases
- Currency impact approximately $30 million
- Reported EBITS down 3.7%

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Full year pro forma results overview

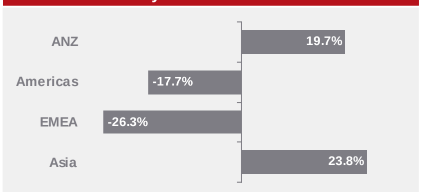
	Reported Currency		Constant currency
	FY11	Change	Change
Volume (9LE cases)	33.2m	(6.6)%	(6.6)%
Pro forma NSR	$1,758.3m	(7.0)%	(0.5)%
Pro forma EBITS	$195.2m	(3.7)%	13.1%
Dividend Per Share	6.0¢	n/a	n/a
OCFPIT[1]	$270.8m	(33.5)%	n/a

[1] *Operating Cash Flow Pre Interest and Tax*

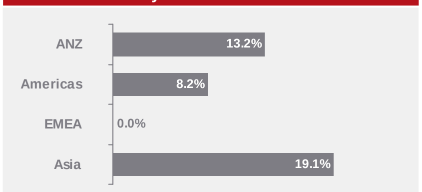
Please refer to slide 2 for Important Notice in relation to pro forma financial information

Segment overview

Pro forma 2H11 EBITS growth Constant currency



Pro forma FY11 EBITS growth Constant currency



- Pro forma constant currency EBITS growth in most regions for full year
- Strong performance in ANZ and Asia
- Americas and EMEA impacted by difficult H2
- Competitive retail environment in our key markets
- Challenging consumer environment impacted H2

Please refer to slide 2 for Important Notice in relation to pro forma financial information

ANZ regional overview

Headlines

- EBITS up 14.5% to $96.3 million
- Australia volume growth[1] of 3% outperforming market[2]
- New Zealand volume growth more than 15%
- NSR per case growth of 5.8% (accelerating to 10.8% in H2) at constant currency
- Outstanding brand results in Australia
  - Pepperjack up 39%
  - Devil's Lair and Lindeman's Early Harvest up 25%
  - Penfolds up 10%
- New Zealand exports up 26%

FY12 actions

- Build exceptional brands
  - Relaunch Rosemount
- Drive top line growth
  - Return Yellowglen to growth
  - Invest in cellar doors and related clubs
  - Treasured Partners program
- Apply and practise cost management

[1] Excludes Australian tail brands transferred to Vok joint venture and Riccadonna distribution in FY10
[2] Source: Datamonitor

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Americas regional overview

Headlines

- $22 million currency impact, and a challenging trading environment
- Volume decrease of 11.2% greater than expected
  - Australian Foundation and Domestic tactical down 19.1%
  - Domestic foundation down 2.4%
- Phase one distributor alignment completed
  - Distributor inventories flat on past year
- EBITS down 14.2% to $92.2 million
- Successes
  - Heirloom group established
  - Luxury portfolio up 8%
  - New and Emerging brands up 6.4%
  - Constant currency NSR per case up 6.2%
  - EBITS up 8.2% on constant currency

FY12 actions

- Build exceptional brands
  - Improve exports of USA brands
- Drive top line growth
  - Balance of volume and value growth
  - Continue towards premiumisation
  - Effective Distributor and Retailer relationships
- Apply and practise cost management

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EMEA regional overview

Headlines

- $8.5 million currency impact, challenging trading environment
- Volume decrease slightly more than expected at 3.8%
- NSR per case growth up 2.9% constant currency
- EBITS declined 56.7% reported and flat at constant currency
- Lower volume in the Nordics in H2
- Solid improvement in UK and Ireland
- Strong growth in Penfolds, Beringer and Wolf Blass in Continental Europe

FY12 actions

- Drive top line growth
  - Continued focus on premium segments
  - Price increases while maintaining scale and relevance for Foundation Brands
  - Balance of volume and value
- Apply and practise cost management

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Asia regional overview

Headlines

- Targeted investment in brands, relationships and capability has driven a strong performance in Asia
- Strong fundamental trends of wealth creation and premiumisation support future prospects for this region
- Volume was up 10.5% to 1 million cases
- NSR and NSR per case grew 24.7% and 12.8% respectively, on a current currency basis
- EBITS increased 18.6% on a reported basis and 19.1% at constant currency

FY12 actions

- Drive top line growth
  - Continue to build momentum
  - Increase allocation of resources
  - Build capabilities
  - Develop China strategy

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Statutory results

Statutory income statement	
A$m (unless otherwise stated)	**FY11**
Net sales revenue	1,461.8
Other revenue	13.1
Total revenue	**1,474.9**
Operating and corporate costs	(1,432.6)
EBITS	**42.3**
SGARA	(24.1)
EBIT	**18.2**
Net interest income / (expense)	66.4
Tax expense	(20.2)
Net profit after tax	**64.4**
Minorities	(0.3)
Net profit after tax	**64.1**

- Demerger effective 9 May 2011
- Results of current Treasury Wine Estates Group included from 9 May 2011
- Statutory result reflects:
  - Approximately 10 months as part of Foster's Group
  - Approximately 2 months as a stand alone Company
  - Many demerger steps
- Not indicative of the current Treasury Wine Estates Group

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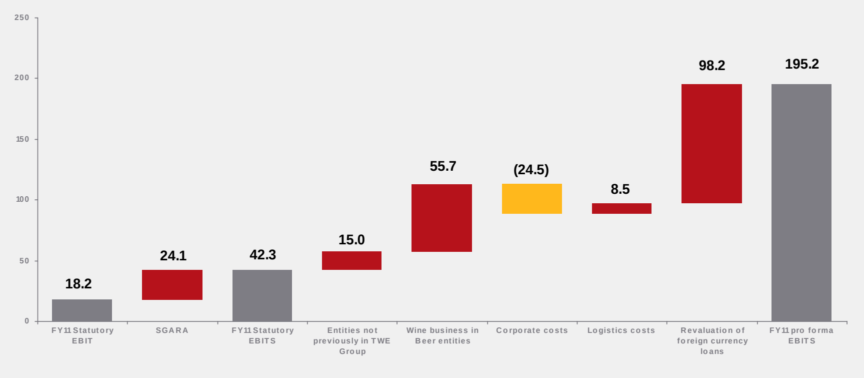
Reconciliation of statutory result to pro forma

FY11 EBITS (A$m)



Please refer to slide 2 for Important Notice in relation to pro forma financial information

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Pro forma key financials

Pro forma financial highlights					
A$m (unless otherwise stated)	**FY11**	**FY10**	**Reported currency change**	**FY10**	**Constant currency change**
Volume (m 9L cases)	33.2	35.6	(6.6)%	35.6	(6.6)%
Net sales revenue	**1,758.3**	**1,890.2**	**(7.0)%**	**1,767.7**	**(0.5)%**
Net sales revenue / case ($)	*52.90*	*53.11*	*(0.4)%*	*49.67*	*6.5%*
Total revenue	**1,796.6**	**1,937.8**	**(7.3)%**	**1,813.7**	**(0.9)%**
Cost of sales	(1,165.4)	(1,299.5)	10.3%	(1,230.4)	5.3%
Gross profit	**631.2**	**638.3**	**(1.1)%**	**583.3**	**8.2%**
Gross profit / case ($)	*18.99*	*17.93*	*5.9%*	*16.39*	*15.9%*
Gross profit margin	*35.9%*	*33.8%*	*2.1 pts*	*33.0%*	*2.9 pts*
Cost of doing business	(436.0)	(435.7)	(0.1)%	(410.7)	(6.2)%
Cost of doing business margin	*24.8%*	*23.1%*	*(1.7) pts*	*23.2%*	*(1.6) pts*
EBITS	**195.2**	**202.6**	**(3.7)%**	**172.6**	**13.1%**
EBITS margin	*11.1%*	*10.7%*	*0.4 pts*	*9.8%*	*1.3 pts*
SGARA	(24.1)	(18.0)	(33.9)%	(17.7)	(36.2)%
EBIT	**171.1**	**184.6**	**(7.3)%**	**154.9**	**10.5%**
EBIT margin	*9.7%*	*9.8%*	*(0.1) pts*	*8.8%*	*0.9 pts*

Please refer to slide 2 for Important Notice in relation to pro forma financial information

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Currency sensitivity

Impact of FX on FY11			
Average	**FY10**	**FY11**	**EBITS A$m**
AUD/USD	88.14	98.76	(29.3)
AUD/GBP	55.79	62.05	(14.3)
Other			13.9
Total			**(29.7)**

F12 indicative sensitivity			
Average	**FY11**	**Sensitivity**	**EBITS A$m**
AUD/USD	98.76	1¢ change	2.8
AUD/GBP	62.05	1p change	2.9

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Balance sheet

Summary balance sheet		
A$m	**FY11 Statutory**	**FY10 Pro forma**
Receivables[1]	452.6	437.1
Inventory	965.2	1,179.8
Property, plant & equipment	912.7	1,008.3
Agricultural assets	180.5	193.7
Intangibles	927.1	986.5
Other assets	22.0	34.9
Total operating assets[1]	**3,460.1**	**3,840.3**
Payables[1]	369.2	430.2
Provisions	51.5	71.6
Other liabilities	0.6	-
Total operating liabilities[1]	**421.2**	**501.8**
Net operating assets[1]	**3,038.9**	**3,338.5**
Net debt	71.7	
Net tax (assets) / liabilities	90.4	
Net assets[1]	**2,876.8**	

- Change in operating assets primarily reflects impact of currency movements
- Intangibles include $50.6m IT asset recognised under demerger IT arrangements with Foster's

Capital Structure

- Total committed debt facility of A$500m, of which US$147m drawn
- Undrawn commitments of A$362.5m with maturities > 2 years
- 100% of gross borrowings at floating rates

Note: Numbers are subject to rounding
[1]Excludes receivables from and payables to Foster's Group in 2010

Please refer to slide 2 for Important Notice in relation to pro forma financial information

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Pro forma cash flow

Summary pro forma cash flow information (reported currency)			
A$m	**FY11**	**FY10**	**Change**
Pro forma EBITDAS[1]	**267.0**	**297.8**	**(10.3)%**
Change in working capital	9.5	125.3	
Other items	(5.7)	(15.7)	
Operating cash flows prior to interest and tax	**270.8**	**407.4**	**(33.5)%**
Capital expenditure	(71.1)	(78.1)	
Asset sale proceeds	2.7	66.7	
Cash flows before dividends	**202.4**	**396.0**	**(48.9)%**
Cash conversion[2]	*101.4%*	*136.8%*	*(35.4) pts*

Note: Numbers are subject to rounding
[1] Before individually material items
[2] Defined as net operating cash flows before interest and tax divided by earnings before interest, tax, depreciation and amortisation and SGARA multiplied by 100%

Please refer to slide 2 for Important Notice in relation to pro forma financial information

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Dividend, Interest Rate and Tax Rate

Dividends

- Final dividend of 6.0 cents per share, franked to 50%
- Target dividend payout ratio of between 55% and 70% unchanged

Interest Rate Outlook

- Drawn debt at floating US dollar interest rates
- Finance costs include fixed facility fees, transactional banking costs and costs associated with UK debtor sale arrangements

Tax Rate Outlook

- FY12 effective tax rate expected to be in the mid 30% range

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David Dearie

Chief Executive Officer

Summary

Wine market fundamentals remain robust

- EBITS up 13.1% and EBITS margin improving 1.3 percentage points
- Volume declined 6.6% however outstanding volume and value for many brands
- Strong A$ continues to provide challenges – committed to finding offsets
- ANZ and Asia regions produced very strong earnings growth
- TWE aligned and united group – focussed on and committed to our growth agenda

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Priorities for FY12

Build exceptional brands	• New global structure • International expansion • Long term brand business plans • New packaging and creative • Superb resource allocation
Drive top line growth	• Stabilise commercial brands in Americas and EMEA • Continued momentum in ANZ • Continued investment in Asia
Apply and practise cost management	• Efficiency program to realise $30 million savings • Apply and practise cost management discipline • Expect to identify further savings

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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
• And to improve return on capital as we continuously improve our asset efficiency

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Questions and Answers


Supplementary Information

Segment earnings

Pro forma	Reported Currency 1H 11	Reported Currency 1H 10	Reported Currency Change	Constant currency 1H 10	Constant currency Change
ANZ Volume[1]	4.4	4.5	(3.0)%	4.5	(3.0)%
ANZ NSR ($m)	297.6	304.0	(2.1)%	302.7	(1.7)%
ANZ EBITS ($m)	44.6	41.3	8.0%	41.9	6.4%
Americas Volume[1]	8.3	9.4	(11.8)%	9.4	(11.8)%
Americas NSR ($m)	431.3	488.9	(11.8)%	458.1	(5.9)%
Americas EBITS ($m)	54.1	43.7	23.8%	38.9	39.1%
Asia Volume[1]	0.4	0.4	20.0%	0.4	20.0%
Asia NSR ($m)	31.3	25.1	24.7%	24.9	25.7%
Asia EBITS ($m)	6.6	6.4	3.1%	6.2	6.5%
EMEA Volume[1]	4.9	4.8	0.8%	4.8	0.8%
EMEA NSR ($m)	166.8	189.5	(12.0)%	163.8	1.8%
EMEA EBITS ($m)	(0.5)	12.0	(104.2)%	(3.0)	83.3%

Note: Numbers are subject to rounding

[1] millions of 9L cases

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Please refer to slide 2 for Important Notice in relation to pro forma financial information

Segment earnings

Pro forma	Reported Currency 2H 11	Reported Currency 2H 10	Reported Currency Change	Constant currency 2H 10	Constant currency Change
ANZ Volume[1]	3.4	3.4	1.3%	3.4	1.3%
ANZ NSR ($m)	280.3	250.5	11.9%	249.9	12.2%
ANZ EBITS ($m)	51.7	42.8	20.8%	43.2	19.7%
Americas Volume[1]	7.6	8.5	(10.6)%	8.5	(10.6)%
Americas NSR ($m)	363.4	444.1	(18.2)%	384.5	(5.5)%
Americas EBITS ($m)	38.1	63.7	(40.2)%	46.3	(17.7)%
Asia Volume[1]	0.5	0.5	3.3%	0.5	3.3%
Asia NSR ($m)	50.6	41.2	22.8%	40.8	24.0%
Asia EBITS ($m)	20.8	16.7	24.6%	16.8	23.8%
EMEA Volume[1]	3.7	4.0	(9.3)%	4.0	(9.3)%
EMEA NSR ($m)	137.0	146.9	(6.7)%	143.0	(4.2)%
EMEA EBITS ($m)	7.0	3.0	133.3%	9.5	(26.3)%

Note: Numbers are subject to rounding

[1] millions of 9L cases

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Please refer to slide 2 for Important Notice in relation to pro forma financial information

Segment earnings

Pro forma	Reported Currency FY11	Reported Currency FY10	Reported Currency Change	Constant currency FY10	Constant currency Change
ANZ Volume[1]	7.8	7.9	(1.2)%	7.9	(1.2)%
ANZ NSR ($m)	577.9	554.5	4.2%	552.6	4.6%
ANZ EBITS ($m)	96.3	84.1	14.5%	85.1	13.2%
Americas Volume[1]	15.9	17.9	(11.2)%	17.9	(11.2)%
Americas NSR ($m)	794.7	933.0	(14.8)%	842.6	(5.7)%
Americas EBITS ($m)	92.2	107.4	(14.2)%	85.2	8.2%
Asia Volume[1]	1.0	0.9	10.5%	0.9	10.5%
Asia NSR ($m)	81.9	66.3	23.5%	65.7	24.7%
Asia EBITS ($m)	27.4	23.1	18.6%	23.0	19.1%
EMEA Volume[1]	8.5	8.9	(3.8)%	8.9	(3.8)%
EMEA NSR ($m)	303.8	336.4	(9.7)%	306.8	(1.0)%
EMEA EBITS ($m)	6.5	15.0	(56.7)%	6.5	0.0%

Note: Numbers are subject to rounding

[1] millions of 9L cases

Please refer to slide 2 for Important Notice in relation to pro forma financial information

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Definitions

Term	Definition
Constant Currency	Throughout this presentation constant currency assumes current and prior period earnings of self-sustaining 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, significant items & SGARA.
EBITS	Earnings before interest, tax, significant items and SGARA.
EBIT	Earnings before interest, tax and significant items.
Exchange rates	Average exchange rates used for profit and loss purposes in the year ended 30 June 2011 are: $A1 = $US 0.9876 (2010: $A1 = $US 0.8814), $A1 = GBP 0.6205 (2010: $A1 = GBP 0.5579). Period end exchange rates used for balance sheet items are: $A1 = $US1.069 (2010: $A1 = $US 0.8500), $A1 = GBP 0.6650 (2010: $A1 = GBP 0.5646).
Market data	
OCFPIT	Operating cash flow before cash receipts and payments associated with significant items and other one-off transactions and prior to interest and tax.
SGARA	Australian accounting standard AASB141 “Agriculture”.

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