2015

TREASURY WINE ESTATES
FULL YEAR RESULTS
19 August

TREASURY
WINE ESTATES

Michael Clarke

Chief Executive Officer

Result headlines[1,2]

- Statutory net profit after tax $77.6 million; up $178.5m on the prior year
- Net sales revenue (NSR) up 8.4% on a reported currency basis and by 3.8%[3] on a constant currency basis
- Of the 15 priority brands[4], 11 brands delivered NSR growth versus 6 brands in the prior year
- $40+ million overhead reduction achieved and 50%+ step-up in consumer marketing investment delivered
- EBITS[5], $225.1 million, up 21.9% on a reported currency basis and 16.2% on a constant currency basis, reflecting premiumisation strategy to grow NSR across priority brand portfolio and reduced cost base
- EPS of 21.9 cents per share up 25.9% on prior period (before material items, SGARA and $80.5m tax benefit in F14)
- Strong cash conversion at 102.5%
- Final dividend 8 cents per share bringing total dividend to 14 cents per share, unfranked; 1 cent per share higher than prior period
- Distributor inventory realignment program in USA complete
- Depletions ahead of shipments in all regions in F15
- Exciting pipeline of consumer marketing programs including brand innovation and campaigns in place for F16

1. *Financial information in this report is based on preliminary financial statements which are in the process of being audited. Non-IFRS measures have not been subject to audit or review. The non-IFRS measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational performance*
2. *All figures and calculations are subject to rounding*
3. *Unless otherwise stated all percentage or dollar movements from prior periods are pre any material items and on a constant currency basis*
4. *Priority brands include: Penfolds, Wolf Blass, Beringer, Lindeman's, Rosemount, Rawson's Retreat, Pepperjack, Wynns, Matua, Chateau St Jean, Stags' Leap, Gabbiano, Yellowglen, 19 Crimes and Etude*
5. *Earnings before interest, tax, SGARA and material items*

TWE

F15 re-set year: achievements

1H15 achievements

- ✓ Seamlessly transitioned Penfolds release date to October
- ✓ Significant step-up in consumer marketing
  - 1Q15: Investment in depleting Penfolds sold to retailers in F14, ahead of F15 release – Penfolds wine cabinet initiative
  - 2Q15: Launched best Penfolds marketing campaign in brand's history; "*Numbers Can be Extraordinary*"
- ✓ Steps taken to address quality of earnings base:
  - Deliberately removed unsustainable and unprofitable volume; notably in ANZ and UK
  - De-stocked in all four regions in 1H15
  - On track to deliver $35m overhead reduction in F15
- ✓ Invested in more focused route-to-market in North Asia, notably in China
- ✓ Completed planning work for supply chain optimisation initiatives
- ✓ Defended TWE against two PE firms for three months
- ✓ Focused on building confidence; from supply to sales
- ~ Commenced separate focus on Luxury & Masstige versus Commercial portfolios in Australia; slower than planned

2H15 achievements

- ✓ Delivered $40m+ reduction in overhead savings
- ✓ Identified a further $15m of overhead savings to be realised in F16
- ✓ Embedded a simpler and focused brand portfolio architecture
- ✓ Priority brands delivered 13% NSR growth in F15
- ✓ Accelerated separate supply and marketing focus on Luxury & Masstige versus Commercial portfolios
- ✓ Commenced supply chain optimisation initiatives: rationalisation of production facilities in Australia and USA; COGS benefits ramping up to $50 million by F20
- ✓ Commenced divestment of non-core brands and assets; Asti winery sold in July 2015
- ✓ Commenced global SKU rationalisation
- ✓ Optimised route-to-market in North Asia including Greater China, Korea and Singapore
- ✓ Increased focus and investment in new markets and channels with untapped growth potential, including Global Travel Retail, Latin America and Eastern Europe
- ✓ Delivered 21.9% EBITS growth[1], despite $19.3m reduction in year-on-year currency gains
- ✓ Depletions ahead of shipments in all regions in F15
- ✓ Shift to a Performance Culture

TWE

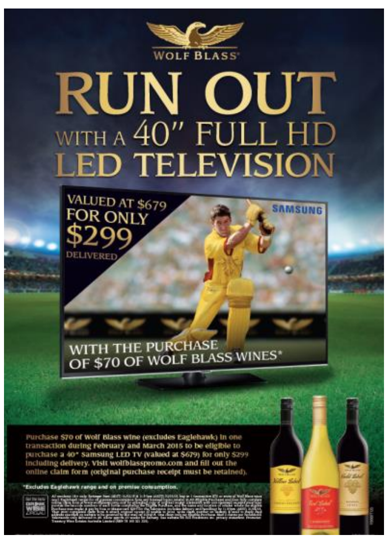
1. *On a reported currency basis*

Priority Brand highlights in F15 – ANZ

Penfolds
Vintec Promotion

Penfolds
Collection
October Release

Yellowglen
Spring Racing
Carnival



Wolf Blass ICC World
Cup Cricket Promotion

Penfolds Magill Estate
Opening

Innovation Launches
Matua Taste & Pepperjack
Certified

Priority Brand highlights in F15 – Americas

Beringer Local
Knowledge Campaign

Beringer Taste Strips
Innovation

19 Crimes distribution
acceleration and line
extension

Matua distribution
acceleration

Lindemans HGTV
Campaign

Innovation Launches
Beringer Waymaker,
Stags' Leap The Investor, Penfolds Bin 9

Priority Brand highlights in F15 – Asia and EMEA

Penfolds
Vintec Promotion – Asia and EMEA

Penfolds
Collection
October Release – Asia and EMEA

Wolf Blass
UK Sports Campaign

Wolf Blass Singapore
Sports Hub Campaign

Rawson's Retreat Asia
Distribution Gains

Innovation Launches
Nordics Lighter in Alcohol & Non Alcohol

Tony Reeves

Chief Financial Officer

Profit & Loss

		Reported Currency		Constant Currency	
$Am (unless otherwise stated)	**F15**	**F14**	**Change**	**F14**	**Change**
Volume (m 9L cases)	30.1	30.0	0.4 %	30.0	0.4 %
Net sales revenue	1,848.3	1,705.6	8.4 %	1,781.4	3.8 %
Other Revenue	113.8	109.7	3.7 %	113.8	-
Cost of goods sold	(1,320.2)	(1,239.4)	(6.5)%	(1,293.8)	(2.0)%
Cost of goods sold per case ($)	*43.83*	*41.31*	*(6.1)%*	*43.13*	*(1.6)%*
Cost of doing business	(416.8)	(391.3)	(6.5)%	(407.6)	(2.3)%
Cost of doing business margin (% of NSR)	*22.6%*	*22.9%*	*0.3ppts*	*22.9%*	*0.3ppts*
EBITS	**225.1**	**184.6**	**21.9 %**	**193.8**	**16.2 %**
EBITS margin (%)	*12.2%*	*10.8%*	*1.4ppts*	*10.9%*	*1.3ppts*
SGARA	(18.9)	(19.5)	3.1 %	(20.0)	5.5 %
EBIT	**206.2**	**165.1**	**24.9 %**	**173.8**	**18.6 %**
Net finance costs	(21.6)	(21.6)	-	(22.4)	3.6 %
Tax expense	(57.4)	34.7	NM[1]	31.3	NM
Net profit after tax (before material items)	**127.2**	**178.2**	**(28.6)%**	**182.7**	**(30.4)%**
Material items (after tax)	(49.6)	(280.6)	82.3 %	(325.5)	84.8 %
Minority interests	-	1.5	(100.0)%	1.5	(100.0)%
Net profit after tax	**77.6**	**(100.9)**	**NM**	**(141.3)**	**NM**
Reported EPS (A¢)	11.9	(15.6)	NM		
Net profit after tax (before material items, SGARA & tax benefit)	**142.5**	**112.8**	**26.3 %**	**117.8**	**21.0 %**
EPS (before material items, SGARA and tax benefit) (A¢)	21.9	17.4	25.9 %		
Average no. of shares (m)	650.0	647.9			
Dividend (A¢)	14.0	13.0			

1. *Not meaningful*

Impact of foreign exchange movements & hedge losses

Benefit from movements in foreign exchange rates in F15 $19.3m below prior year

- Overall foreign exchange rate benefit in F15 was $9.2m (versus $28.5m in F14)
- TWE has a diversified portfolio of currency exposures where production cost currencies and revenue generating currencies are not matched
- Movements in primary cost currency (AUD) are generally offset – to varying degrees – by movements of revenue currencies[1]:
  - $40.4m gain recognised in F15 from the depreciation of AUD relative to main currency pairs, the USD and GBP[2] (versus a $42.6m gain in F14)
  - Adverse revenue impact of $23.1m predominantly from the depreciation of TWE's primary revenue currencies[1,3] (versus adverse impact of $9.1m in F14)
  - Losses incurred on TWE's hedge portfolio of $9.6m: $6.1m EMEA and $3.5m Americas (versus $1.9m hedge loss in F14)

	CFX Impact		
Currency	**Underlying[1]**	**Hedging**	**Total**
AUD/USD and AUD/GBP	40.4	(9.6)	30.8
Net other currencies	(21.6)	-	(21.6)
F15	**18.8**	**(9.6)**	**9.2**
AUD/USD and AUD/GBP	42.6	(1.9)	40.7
Net other currencies	(12.2)	-	(12.2)
F14	**30.4**	**(1.9)**	**28.5**

1 Translation and transaction impact

1. *Based on inherent long term relationships between CAD relative to the USD and the Euro and SEK relative to the GBP*
2. *AUD depreciated 9.7% and 6.1% relative to the USD and GBP, respectively in F15 (versus 11.9% and 15.9% decline, respectively in F14)*
3. *The magnitude of the impact from the depreciation of the Euro relative to the GBP in F15 was significantly greater than the long term average, driven by macro-economic factors in the region*

TWE

Foreign currency risk management

Foreign exchange risk management strategy:

- Partial hedge of exposures; focused on Commercial and lower Masstige where limited ability exists for TWE to increase price following adverse movements in foreign exchange rates
- Participating approach utilising options that may be established at zero cash cost or via expenditure on premium
- Hedging conducted on the basis of each vintage and the respective duration of risk (typically ranging from 18 – 30 months)
- Changes to the fair value of unrealised hedges are recorded in equity until such time as the hedged forecast transaction takes place, at which point realised gains or losses are released to COGS

Hedge positions as at 30 June 2015:

AUD / USD transactional exposures

- Forecast F16 exposure 46% hedged at a weighted average rate of $0.86, fully participating to $0.74

AUD / GBP transactional exposures

- Forecast F16 exposure 40% hedged at a weighted average rate of £0.55, fully participating to £0.48

EBITS sensitivity to +1% change in principal cost and revenue currency exposures in F16 (excluding potential impact of currency hedging)

Currency Pair	Primary Exposure	Movement	EBITS Sensivitity (A$m)
AUD/USD	COGS	+1%	(2.2)
AUD/GBP	COGS	+1%	(1.6)
CAD/USD	NSR	+1%	1.3
EUR/GBP	NSR	+1%	1.0

TWE

US distributor inventory realignment

Two year program to address excess distributor inventory successfully completed

In total, 3.5m cases of distributor inventory was actioned as part of the realignment program by the following:

1. Destruction of old and obsolete wine

- Completed destruction of 250k cases in 2H14

2. Short-shipment delivered

- Commercial depletions exceeded shipments in F15 by 719k cases
- Between July 2013 (commencement of program) and 30 June 2015, Commercial depletions exceeded shipments by 1.5m cases. Lower volume drove increased production overhead costs in F14 and F15
- Future shipments growth to match depletions growth

3. Deployment of $61m Special Depletions Allowance (SDA) to accelerate depletion of 1.8m cases of excess Commercial wine

- SDA fully utilised as at 30 June 2015
- 1.5m cases of Commercial wine and 300k of lower-end Masstige wine successfully depleted between July 2013 and 30 June 2015
- 1.8m net inventory reduction from SDA
- Additional discounts and rebates invested to remain competitive in the marketplace

4. NRV write down – Bulk wine and finished goods

- $82.4m provision fully utilised at 30 June 2015

TWE

Cash flow and net debt

A$m (unless otherwise stated)	F15	F14
EBITDAS	**309.6**	**270.3**
Change in working capital	12.0	(73.2)
Other items	(4.4)	0.3
Net operating cash flows before financing costs, tax & material items	**317.2**	**197.4**
Cash conversion[1]	**102.5%**	**73.0%**
Capital expenditure	(90.8)	(98.4)
Net investment expenditure/other	(1.3)	(14.0)
Asset sale proceeds	6.8	8.1
Cash flows after net capital expenditure, before financing costs, tax & material items	**231.9**	**93.1**
Net interest paid	(22.1)	(20.7)
Tax paid	(34.2)	36.7
Cash flows before dividends & material items	**175.6**	**109.1**
Dividends/distributions paid	(84.7)	(77.8)
Cash flows after dividends before material items	**90.9**	**31.3**
Material item cash flows	(85.1)	(22.7)
Loans to other parties (incl invest sale proceeds)		(0.8)
Share re-purchase (employee share plan)	(0.1)	(1.1)
Finance leases	-	(1.2)
Total cash flows from activities	**5.7**	**5.5**
Opening net debt	**(209.4)**	**(210.9)**
Total cash flows from activities (above)	5.7	5.5
Proceeds from settlement of derivatives	47.0	(10.3)
Debt revaluation and foreign exchange movements	(57.2)	6.3
Increase in net debt[2]	**(4.5)**	**1.5**
Closing net debt	**(213.9)**	**(209.4)**

Significantly improved cash conversion at 102.5%

- Net debt increased $4.5m to $213.9m of which $57.2m related to lower period-end exchange rates used to revalue foreign currency borrowings at balance date, partially offset by proceeds from settlement of derivatives[2]
- Other significant drivers of the movement in net debt included:
  - $39.3m uplift in EBITDAS
  - Favourable movement in working capital
  - Reduction in capital and investment expenditure
  - Increased outflows due to utilisation of SDA and restructuring costs
  - Payment of franking deficits tax to bring TWE's franking account balance to nil
  - Lower utilisation of receivables purchasing agreements; adjusting for $107.9m in F14 versus nil in F15, net debt decreased by $103.4m

1. *Cash conversion (Net operating cash flows before financing costs, tax and material items divided by EBITDAS)*
2. *Prior period includes reclassifications to align with current year reporting. The "Proceeds from settlement of foreign exchange swaps" represents cash flows from the close out of foreign currency exchange swap contracts on foreign currency denominated intercompany loans*

TWE

Capital expenditure

A$m	F15	F14
IT spend	12.0	16.2
Vineyard redevelopments	21.8	6.1
Oak purchases	18.2	16.6
Upgrades to luxury wine making equipment & facilities	23.4	8.9
Other capex	15.4	50.6
Total capital expenditure	**90.8**	**98.4**

Continued investment in premiumisation

- Capex of $90.8m in F15 was $9.2m favourable to guidance and reflected:
  - Premiumisation activities, including investment in vineyard redevelopments, oak purchases and upgrades to Luxury wine making equipment and facilities during the period
  - Upgrade to the Penfolds Cellar Door and office space at Magill, South Australia
- Maintenance and replacement capex expected to be less than $100m in F16
- Capex required to deliver supply chain optimisation initiatives expected to be $26m in F16

TWE

Balance Sheet

A$m	F15	F14
Cash & cash equivalents	122.1	52.0
Current receivables	504.9	407.9
Non-current receivables	1.7	7.0
Current inventories	704.2	707.1
Non-current inventories	533.8	525.2
Property, plant & equipment	928.8	958.3
Agricultural assets	255.1	229.9
Intangibles	791.1	747.1
Tax assets	211.5	217.1
Assets held for sale	91.2	2.5
Other assets	5.4	6.4
Total assets	**4,149.8**	**3,860.5**
Bank overdraft	13.0	-
Current payables	455.2	449.8
Non-current payables	5.4	1.4
Borrowings	324.6	265.6
Tax liabilities	199.3	198.6
Provisions	93.4	89.8
Other liabilities	8.2	6.5
Total liabilities	**1,099.1**	**1,011.7**
Net assets	**3,050.7**	**2,848.8**

Strong and flexible balance sheet maintained

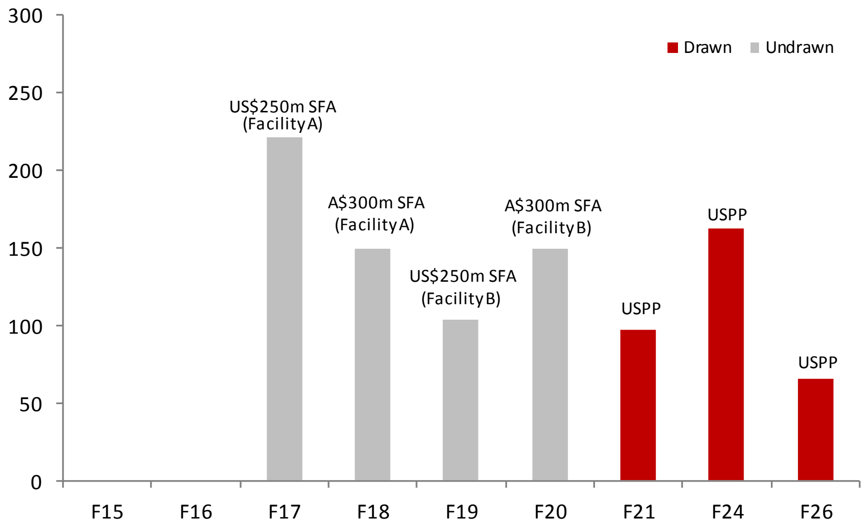
- Net assets up $201.9m in F15. Adjusted for foreign exchange rates, net assets decreased $36.8m
- Improved cash position
- Higher receivables due to lower utilisation of receivables financing arrangements
- Increased inventory principally driven by $85.4m foreign exchange rate impact
- TWE maintains financial metrics consistent with an investment grade credit profile with net debt / EBITDAS and interest cover at 0.8x and 10.8x respectively[1,2]
- Strong and flexible balance sheet provides TWE with scope to pursue growth opportunities or capital management initiatives

1. *Metrics calculated using 12 month trailing EBITDAS adjusted for bank guarantees and excluding material items*
2. *Interest cover calculated as the ratio of earnings to net interest expense, where earnings is the consolidated pre-tax profit (pre any material items and SGARA) plus the sum of the amount of net interest expense*

TWE

Capital structure and debt profile

Group debt maturity profile

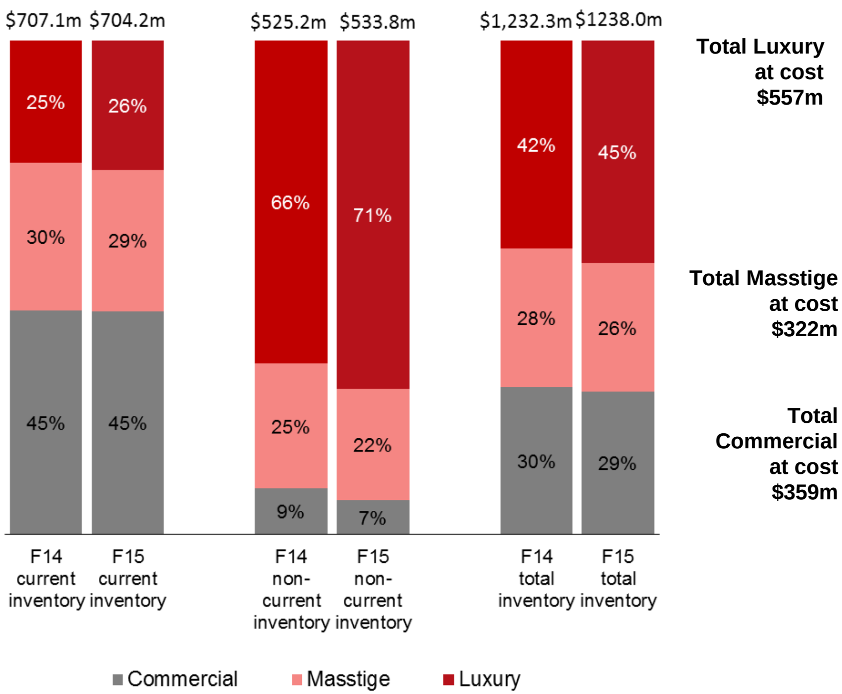


Robust capital structure and debt profile

- TWE retained committed undrawn syndicated debt facilities of $625.8m in F15 up $60.4m relative to the prior year, entirely driven by movements in foreign exchange rates
- TWE successfully refinanced a $300m syndicated facility (due to mature in April 2016) into two tranches of $150m maturing in April 2018 and April 2020
- Weighted average term to maturity of committed facilities 4.6 years, with earliest maturity in August 2016 (USD170m), followed by April 2018 (AUD150m), August 2018 (USD80m) and April 2020 (AUD150m)
- Gross debt composition as at F15: floating: 60%, fixed: 40%
- Net debt / EBITDAS and interest cover 0.8x and 10.8x, respectively

Inventory analysis

Inventory at book value split by segment – F15 and F14



** TWE participates in three segments; Luxury (A$20+), Masstige (A$10-A$20) and Commercial (A$5-A$10). Segment price points are retail shelf prices*

Inventory composition maintained

- Total inventory up $5.7m, of which +$85.4m related to movements in foreign currency
- Non-current inventory increased $8.6m driven by:
  - $27.8m foreign exchange rate movements
  - Reduced holdings of Commercial and Masstige bulk wine, partially offset by TWE's deliberate decision to withhold selected Luxury wines for sale in future years
- Current inventory reduced $2.9m, driven by
  - $57.6m[1] foreign exchange impact
  - Deliberately reduced holdings of Commercial wine
  - Volume of Luxury and Masstige wine as a percentage of total current inventory increased in F15 versus F14
- Higher COGS per case in F16 and F17 to be offset by supply chain savings. Higher COGS driven by:
  - Increased vintage costs from lower yielding harvests in 2014 and 2015[2]
  - Lower production overhead recoveries per case (2014 and 2015) due to lower Commercial volume; exacerbated by depletions exceeding shipments, globally in F15

1. *Movements in foreign exchange rates disproportionately impacts current inventory given the skew of Commercial and Masstige wines to the Americas and the EMEA regions*
2. *Lower yielding 2014 & 2015 vintages in Australia and lower yielding vintage in New Zealand in 2015*

TWE

Michael Clarke

Chief Executive Officer

ANZ – Solid result; momentum continuing

A$m	F15	F14	%	F14	%
	Reported currency			Constant currency	
Volume (m 9Le)	7.6	7.8	(2.2)%	7.8	(2.2)%
NSR (A$m)	586.3	562.2	4.3%	563.7	4.0%
NSR per case (A$)	77.28	72.49	6.6%	72.68	6.3%
EBITS (A$m)	84.4	75.1	12.4%	73.5	14.8%
EBITS margin (%)	14.4%	13.4%	1.0ppts	13.0%	1.4ppts

- Lower volume reflected focus on sustainable and profitable volume and ensuring depletions exceeded shipments. TWE-branded volume in Australia up 1.6% in F15 representing strong outperformance against total and branded-wine market[1]
- Improved customer partnerships and outstanding consumer marketing initiatives underpinned uplift in priority brand performance; Penfolds, Pepperjack and Wynns delivered double digit NSR growth in F15
- NSR per case growth driven by premiumised portfolio mix and improved sales and marketing execution
- Value growth in Australia constrained by challenging operating environment; TWE responding with supply chain optimisation initiatives
- Solid New Zealand performance characterised by premiumisation, lower overheads and increased consumer marketing
- Solid EBITS performance driven by portfolio premiumisation and focused investment on priority brands

1 *Aztec, 52 weeks to 30 June 2015*

TWE

EMEA – Currency challenged; signs of growth in 2H15

A$m	F15	F14	%	F14	%
	Reported currency			Constant currency	
Volume (m 9Le)	6.5	6.6	(2.2)%	6.6	(2.2)%
NSR (A$m)	267.1	273.9	(2.5)%	274.7	(2.8)%
NSR per case (A$)	41.30	41.41	(0.3)%	41.53	(0.6)%
EBITS (A$m)	14.4	29.1	(50.5)%	22.1	(34.8)%
EBITS margin (%)	5.4%	10.6%	(5.2)ppts	8.0%	(2.6)ppts

- Volume was driven by:
  - Exit from unsustainable volume in the UK
  - Volume growth in Western Europe, Middle East & Africa and Global Travel Retail
  - Ensuring depletions exceeded shipments in F15
- Despite challenging operating environment in the UK, benefits of consumer marketing investment in 1H15 underpinned increased listings and distribution gains of Wolf Blass and Lindemans in 2H15. UK volume up 1.0% in 2H15
- Positive momentum in Nordic markets supported by investment in advertising and leadership position of the lighter / non alcohol wine category
- Lower NSR per case due to absorption of tax increases to drive volume growth in Nordics and adverse channel mix in the UK
- Increased consumer marketing in F15 focused on priority brands
- Lower EBITS on constant currency basis driven by lower volume, increased consumer marketing and increasingly competitive retail landscape in the UK, partially offset by lower overheads and favourable portfolio mix
- Reported EBITS unfavourably impacted by $18.6m, representing a $6.1m hedge loss and $12.5m adverse impact from depreciation of EUR & SEK relative to GBP (before translating GBP into AUD)

Americas – Investment driving priority brand growth

A$m	F15	F14	%	F14	%
	Reported currency			Constant currency	
Shipments (m 9Le)	14.5	14.3	1.0%	14.3	1.0%
Depletions (m 9Le)	15.0	15.0	0.7%	15.0	0.7%
NSR (A$m)	794.5	731.9	8.6%	804.3	(1.2)%
NSR per case (A$)	54.83	51.01	7.5%	56.05	(2.2)%
EBITS (A$m)	93.2	74.9	24.4%	93.3	(0.1)%
EBITS margin (%)	11.7%	10.2%	1.5ppts	11.6%	0.1ppts

Total Americas depletions includes US depletions and Canada consumption

- Robust depletions growth of Luxury (+16%), Masstige (+20%) and priority Commercial (+1%) brands offset by decline in non-priority Commercial brands (-13% or 315k cases)
- Commercial category in USA in decline. Competitors reacted to SDA[1] support, driving increased cost to compete, with higher investment in trade promotions required – notably in 2H15 – as TWE ensured depletions exceeded shipments by 719k cases
- 3.5m cases of distributor inventory was actioned as part of the realignment program
- Adverse NSR per case driven by increased cost to compete in Commercial segment, a step-up in on-premise investment and the impact of Napa earthquake on DTC sales
- Increased COGS per case in 2H15 driven by lower production overhead recoveries from declining non-priority Commercial volume, compounded by impact of short-shipment. COGS deliberately not offset by price increases in F15. Price increases expected in F16, supported by consumer marketing invested in F15 and F16
- Canada showing positive momentum, underpinned by growth in Luxury and Masstige shipments
- EBITS in line with prior year on a constant currency basis; execution of premiumisation strategy offset by challenging Commercial category
- Reported EBITS unfavourably impacted by $14.1m, reflecting $3.5m hedge loss and $10.6m adverse impact from depreciation of CAD relative to USD (before translating USD into AUD)

1 *Special Depletions Allowance*

Asia – Execution and brand health driving profit growth

A$m	F15	F14	%	F14	%
	Reported currency			Constant currency	
Volume (m 9Le)	1.6	1.3	23.0%	1.3	23.0%
NSR (A$m)	200.4	137.6	45.6%	138.7	44.5%
NSR per case (A$)	127.07	107.34	18.4%	108.20	17.4%
EBITS (A$m)	73.1	47.7	53.2%	47.3	54.5%
EBITS margin (%)	36.5%	34.7%	1.8ppts	34.1%	2.4ppts

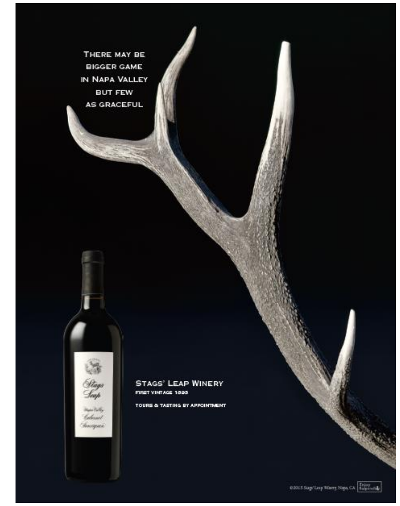
- Volume growth in Greater China (up 36%) and Southeast Asia (up 13%) driven by positive customer and consumer responses to brand-led marketing initiatives in the majority of countries and optimised routes-to-market
- NSR per case growth reflects favourable portfolio mix and highly focused brand activity
- Outstanding marketing campaigns, in-store activations and record number of winemaker visits and brand-led events hosted in F15
- Double digit NSR growth delivered by Penfolds, Wolf Blass, Rawson's Retreat, Pepperjack, Matua, Chateau St Jean, Stags' Leap and Gabbiano
- Investment in consumer marketing and in-market sales and marketing capability continued while ensuring depletions exceeded shipments
- Strong EBITS growth underpinned by portfolio premiumisation, increased distribution breadth from enhanced routes-to-market and outstanding sales and marketing execution

TWE

New Brand Campaigns in F16

Chateau St Jean
The Sonoma You Share

19 Crimes
To The Banished



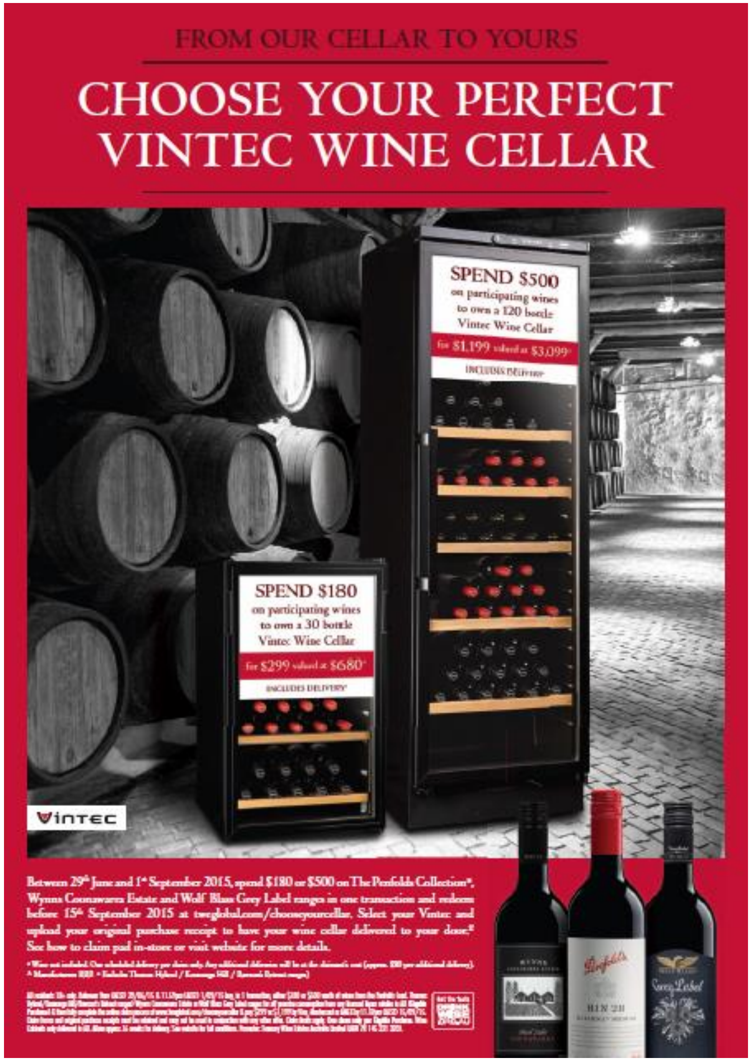
Stags' Leap
Antler

New Wolf Blass Campaign
Commenced Aug 2015

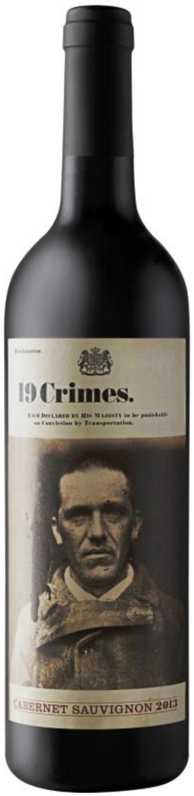
New Beringer Campaign
Commencing October 2015

New Yellowglen
Campaign featuring
Samantha Wills

Brand Activation in 1Q16

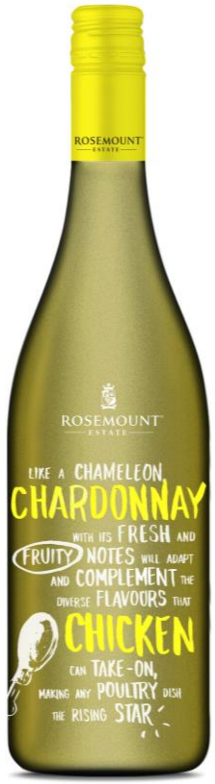


Innovation to be delivered in 1Q16



19 Crimes Cabernet Sauvignon

Etude Central Otago Pinot Noir



Rosemount Estate Food Wine Series

New Packaging for Beringer Founders Estate

Blass by Wolf Blass

Sledgehammer Pinot Noir

Innovation to be delivered in 2Q16

Squealing Pig
Central Otago Pinot
Noir Rosé

Lindemans
Gentleman's
Collection Batches

Penfolds The Max
Schubert and
Penfolds Max's

Georg Jensen
Collaboration with
Heemskerk

Outlook

- Transition from an order-taking, agricultural company to a brand-led, marketing organisation continues
- TWE pursuing premiumisation strategy by consistently reducing holdings of Commercial inventory and continuing to hold Luxury and Masstige wine
- Continue to manage overheads and keep costs down
- Supply chain savings expected to offset adverse F14 and F15 vintage and production cost driven COGS increases, in F16 and F17
- Targeting a global 30% SKU rationalisation to bring greater focus to priority brand portfolio
- TWE concluded F15 with a robust cash position. Management and the Board considering all capital management options. TWE to update market no later than interim F16 announcement
- Return on Capital Employed (ROCE) improvement a focus in F16 and beyond; delivered via earnings growth and Capital Employed optimisation
- EBITS margin expected to reach high-teens by F20[1]

1. *Absent extreme currency fluctuations*

TWE

QUESTIONS


VINT. 2013
BERINGER
FOUNDERS' ESTATE
SAUVIGNON BLANC
CALIFORNIA
VINT. 2013
BERINGER
FOUNDERS' ESTATE
CHARDONNAY
CALIFORNIA
VINT. 2013
BERINGER
FOUNDERS' ESTATE
PINOT NOIR
CALIFORNIA
VINT. 2013
BERINGER
FOUNDERS' ESTATE
SMOOTH RED BLEND
CALIFORNIA
VINT. 2013
BERINGER
FOUNDERS' ESTATE
MERLOT
CALIFORNIA

Disclaimer

Treasury Wine Estates (TWE) advises that this 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.

Supplementary Information

Definitions

Term	Definition
Constant currency	Throughout this presentation, constant currency assumes current and prior period earnings of foreign operations are translated and cross border transactions are transacted at current year exchange rates
NSR	Net sales revenue
EBITDAS	Earnings before interest, tax, depreciation, amortisation, material items & SGARA
EBITS	Earnings before interest, tax, material items and SGARA
EBIT	Earnings before interest, tax and material items
Exchange rates	Average exchange rates used for profit and loss purposes in the F15 results are: \$A1 = \$US0.8368 (F14: \$A1 = \$US 0.9183), \$A1 = GBP0.5304 (F14 \$A1 = GBP 0.5651). Period end exchange rates used for balance sheet items in F15 results are: \$A1 = \$US0.7673 (F14: \$A1 = \$US 0.9418), \$A1 = GBP0.4878 (F14: \$A1 = GBP 0.5529).
SGARA	Australian accounting standard AASB141 "Agriculture"
Shipment	Shipments refer to volume movement from TWE to a third party off-premise or on-premise distributor or retailer
Depletion	Depletions refer to volume movements from a distributor to an on-premise or off-premise retailer