Appendix 4D

Treasury Wine Estates Limited

For the half year ended 31 December 2017

ABN 24 004 373 862

1. Results for announcement to the market

Key information	Half year ended 31 December 2017 $m	Half year ended 31 December 2016 $m	% Change increase / (decrease)	Amount increase / (decrease) $m
Revenue from ordinary activities	1,336.6	1,368.4	(2.3)%	(31.8)
Net profit attributable to members of Treasury Wine Estates Limited	187.2	136.2	37.4%	51.0
Earnings before interest, tax, SGARA and material items	283.3	226.8	24.9%	56.5

Earnings per share	Half year ended 31 December 2017 Cents per share	Half year ended 31 December 2016 Cents per share
Basic earnings per share	25.6	18.5
Basic earnings per share, adjusted to exclude SGARA and material items	27.8	20.2

2. Dividends

The Directors declared an interim dividend of 15.0 cents per share in respect of the half year ended 31 December 2017 on 31 January 2018. Accordingly this dividend is not provided for in the balance sheet as at 31 December 2017. The record date for determining an entitlement to receipt of the interim dividend is 5pm, 8 March 2018 and the dividend is expected to be paid on 6 April 2018.

Dividends (distributions)	Cents per share	Franking %
Interim dividend – half year ended 31 December 2017 (determined subsequent to balance date)[1]	15.0 cents	75
Final dividend – year ended 30 June 2017	13.0 cents	50
Interim dividend – half year ended 31 December 2016	13.0 cents	unfranked

1 - Non-resident withholding tax is payable on the unfranked component of this dividend as the conduit foreign income component for the period is declared to be $16.3 million.

The Dividend Reinvestment Plan (DRP) continues to be suspended with respect to the interim dividend for the half year ended 31 December 2017.

3. Financial statements

Please refer to pages 1 through 23 of this report wherein the following are provided:

- Directors' report;
- Auditor's independence declaration;
- Consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2017;
- Consolidated statement of financial position as at 31 December 2017;
- Consolidated statement of changes in equity for the half year ended 31 December 2017;
- Consolidated statement of cash flows for the half year ended 31 December 2017;
- Notes to the consolidated financial statements;
- Directors' Declaration; and
- Independent auditor's review report for the half year ended 31 December 2017.

4. Net tangible assets

Net tangible asset backing per ordinary share	**Half year ended 31 December 2017 $**	**Half year ended 31 December 2016 $**
Net tangible asset backing per ordinary share	3.28	3.42

5. Associates and joint ventures

Investments in Associates and Joint Ventures	**Half year ended 31 December 2017 $m**	**Year ended 30 June 2017 $m**
Investments accounted for using the equity method	2.3	2.4
Investments in associates and joint venture partnerships are accounted for in the consolidated financial statements using the equity method of accounting. The Group holds a 50 percent investment in Fiddlesticks LLC, a company incorporated in the United States of America. The percentage ownership at 31 December 2017 is consistent with the prior period.		

6. Further information

Additional Appendix 4D disclosure requirements can be found in the notes to the half-year financial report, the half-year Directors' Report and the ASX announcement lodged with this document.

Further information can be obtained from:

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Treasury Wine Estates Limited

Directors' report
For the half year ended 31 December 2017

The Directors present their report on the consolidated entity ("the Group") comprising Treasury Wine Estates Limited ("the Company") and the entities it controlled at the end of, or during, the half year ended 31 December 2017.

DIRECTORS

The members of the Board of Directors of Treasury Wine Estates Limited who held office during the half year and as at the date of this report are as follows:

Paul Rayner (Chairman)
Michael Clarke (Chief Executive Officer)
Ed Chan
Michael Cheek
Warwick Every-Burns
Garry Hounsell
Lauri Shanahan
Peter Hearl (retired 31 August 2017)
Lyndsey Cattermole (retired 18 October 2017)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the period involved the production, marketing and sale of wine.

OPERATING AND FINANCIAL REVIEW

Financial information in the Operating and Financial Review is based on the reviewed financial statements. 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 and make decisions on the allocation of our resources.

A full review of operations of the Group during the half year is contained in the Australian Securities Exchange announcement dated 31 January 2018.

Throughout this review, constant currency assumes current and prior period earnings of foreign operations are translated and cross border transactions are transacted at current year exchange rates.

Net profit after tax attributable to members of Treasury Wine Estates Limited for the half year ended 31 December 2017 was $187.2 million, and reported earnings per share was 25.6 cents per share.

Net sales revenue increased to $1,295.4 million, an increase of 0.1% on a reported currency basis and 1.2% on a constant currency basis compared to the prior comparative period ("PCP"). Total volume for the half year was 18.4 million cases, down 0.3 million cases on the PCP.

Earnings before interest, tax, SGARA and material items ("EBITS") of $283.3 million is up by 24.9% on a reported currency basis. On a constant currency basis, EBITS increased by 26.1%. All regions delivered EBITS and EBITS margin growth in 1H18.

The Group also delivered EBITS margin accretion, up 4.4 ppts on a reported currency basis to 21.9% in the half year ended 31 December 2017 and up 2.9 ppts relative to the 19.0% EBITS margin achieved for the year ended 30 June 2017.

Cost of doing business (gross profit less EBITS) decreased to $262.5 million, a decrease of 4.1% on a reported currency basis, principally driven by reduced overheads and A&P optimisation.

The SGARA loss for the period (Australian Accounting Standard AASB 141) was $24.0 million (PCP: $10.5 million loss).

EVENTS SUBSEQUENT TO REPORTING DATE

The following events have occurred subsequent to 31 December 2017:

1. The Board declared an interim dividend of 15.0 cents per share (75% franked) on 31 January 2018.

2. On 31 January 2018, TWE announced a series of improvements to its route-to-market in the US to enhance its competitive positioning and drive portfolio growth. Changes range from implementing direct and hybrid sales and distribution models, to changing distributors, and are set out as follows:

   - In California and Washington, states that allow producers to distribute directly, TWE is implementing a direct sales and distribution model for all key national retail partners. To service the remainder of the market, TWE has appointed new full service distributor partners, Classic Wines of California and Vehrs Distributing, in California and Washington, respectively;
   - In Florida, TWE is implementing a new hybrid distribution model with its key retail partners (national and regional), collaborating with a newly appointed distributor partner, Breakthru Beverage Group, to manage sales execution for these customers. Breakthru Beverage Group will operate a full service distribution model for the remainder of the market; and
   - In a number of other states, TWE has appointed new full service distributor partners. These include Breakthru Beverage Group in Illinois, Colorado, South Carolina and Minnesota, Johnson Brothers in Indiana, Hawaii, Iowa and West Virginia, Vehrs Distributing in Oregon and Specialty Imports in Alaska.

   TWE expects to have fully embedded internal operating model changes and operating rhythms with retail and distributor partners by 2H19.

Other than the above, there are no further matters or circumstances which have arisen since 31 December 2017 which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

SHARES

The movement in share capital from 30 June 2017 is set out below:

	Number of shares (million)
Balance at 30 June 2017	738.1
Shares bought back and cancelled during the period	(11.5)
Balance at 31 December 2017	**726.6**

DIVIDENDS

A final dividend in respect of the year ended 30 June 2017 of $96.0 million (representing a dividend of 13 cents per ordinary share) was paid in October 2017. This dividend was 50% franked.

The Directors declared an interim dividend of 15.0 cents per share in respect of the half year ended 31 December 2017 on 31 January 2018. Accordingly this dividend is not provided for in the balance sheet as at 31 December 2017. The record date for determining an entitlement to receipt of the interim dividend is 5pm, 8 March 2018 and the dividend is expected to be paid on 6 April 2018.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

ROUNDING

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.* In accordance with that Instrument, reported amounts have been rounded to the nearest tenth of one million dollars unless otherwise stated.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

Paul Rayner
Chairman

Michael Clarke
Chief Executive Officer

31 January 2018

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Treasury Wine Estates Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Treasury Wine Estates Limited for the half-year ended 31 December 2017 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Paul J McDonald

Partner

Melbourne

31 January 2018

Treasury Wine Estates Limited
Consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2017

	Note	Half year 2017 $m	Half year 2016 $m
Revenue	4	**1,336.6**	**1,368.4**
Cost of sales		**(790.8)**	**(867.8)**
Gross profit		**545.8**	**500.6**
Selling expenses		**(143.1)**	**(143.5)**
Marketing expenses		**(56.8)**	**(68.4)**
Administration expenses		**(51.1)**	**(54.2)**
Other expenses		**(37.0)**	**(28.0)**
Profit before tax and finance costs		**257.8**	**206.5**
Finance income		**10.8**	**10.8**
Finance costs		**(25.9)**	**(23.9)**
Net finance costs		**(15.1)**	**(13.1)**
Profit before tax		**242.7**	**193.4**
Income tax expense		**(55.5)**	**(56.7)**
Net profit		**187.2**	**136.7**
Net profit attributable to non-controlling interests		**-**	**(0.5)**
Net profit attributable to members of Treasury Wine Estates Limited		**187.2**	**136.2**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Cash flow hedges		**1.0**	**11.2**
Tax on cash flow hedges		**(0.2)**	**(3.6)**
Exchange difference on translation of foreign operations		**(22.8)**	**33.2**
Other comprehensive income for the half year, net of tax		**(22.0)**	**40.8**
Total comprehensive income for the half year attributable to members of Treasury Wine Estates Limited		**165.2**	**177.0**
Non-controlling interests		**-**	**0.5**
Total comprehensive income for the half year		**165.2**	**177.5**
Earnings per share for profit attributable to the ordinary equity holders of the Company		**Cents per share**	**Cents per share**
Basic	7	**25.6**	**18.5**
Diluted	7	**25.4**	**18.3**

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Treasury Wine Estates Limited
Consolidated statement of financial position as at 31 December 2017

	Note	Dec 2017 $m	Jun 2017 $m	Dec 2016 $m
Current assets				
Cash and cash equivalents		**202.5**	240.8	339.9
Receivables		**661.4**	606.5	620.9
Inventories		**1,051.5**	947.9	927.3
Assets held for sale		**15.5**	36.0	37.7
Other current assets		**4.5**	4.0	6.9
Total current assets		**1,935.4**	1,835.2	1,932.7
Non-current assets				
Inventories		**662.2**	763.9	645.2
Property, plant and equipment		**1,319.1**	1,328.5	1,354.2
Agricultural assets		**37.0**	37.7	37.2
Intangible assets		**1,090.6**	1,095.8	1,120.3
Deferred tax assets		**138.7**	208.0	245.8
Other non-current assets		**10.0**	10.2	10.0
Total non-current assets		**3,257.6**	3,444.1	3,412.7
Total assets		**5,193.0**	5,279.3	5,345.4
Current liabilities				
Trade and other payables		**712.7**	662.5	642.9
Current tax liabilities		**37.1**	51.1	33.2
Provisions		**47.0**	61.3	75.2
Other current liabilities		**5.4**	4.4	5.2
Total current liabilities		**802.2**	779.3	756.5
Non-current liabilities				
Trade and other payables		**52.0**	57.4	61.3
Borrowings	8	**695.3**	596.4	636.0
Deferred tax liabilities		**160.7**	233.9	239.8
Other non-current liabilities		**5.5**	3.8	3.4
Total non-current liabilities		**913.5**	891.5	940.5
Total liabilities		**1,715.7**	1,670.8	1,697.0
Net assets		**3,477.3**	3,608.5	3,648.4
Equity				
Contributed equity	9	**3,372.4**	3,528.6	3,524.3
Reserves		**(90.1)**	(23.9)	57.5
Retained earnings		**190.8**	99.6	62.7
Total parent entity interest		**3,473.1**	3,604.3	3,644.5
Non-controlling interest		**4.2**	4.2	3.9
Total equity		**3,477.3**	3,608.5	3,648.4

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Treasury Wine Estates Limited
Consolidated statement of changes in equity for the half year ended 31 December 2017

	Contributed equity $m	Retained earnings $m	Foreign currency translation reserve $m	Other reserves $m	Total $m	Non - controlling interests $m	Total equity $m
Balance at 30 June 2016	3,533.6	15.1	(1.1)	18.2	3,565.8	3.4	3,569.2
Profit for the half year	-	136.2	-	-	136.2	0.5	136.7
Total other comprehensive income/(loss)	-	-	33.2	7.6	40.8	-	40.8
Total comprehensive income/(loss) for the half year	-	136.2	33.2	7.6	177.0	0.5	177.5
Transactions with owners in their capacity as owners directly in equity							
Own shares acquired	(18.3)	-	-	-	(18.3)	-	(18.3)
Share-based payment expense	-	-	-	8.6	8.6	-	8.6
Vested deferred shares and share rights	9.0	-	-	(9.0)	-	-	-
Dividends to owners of the Company	-	(88.6)	-	-	(88.6)	-	(88.6)
Balance at 31 December 2016	3,524.3	62.7	32.1	25.4	3,644.5	3.9	3,648.4
Balance at 30 June 2017	3,528.6	99.6	(51.8)	27.9	3,604.3	4.2	3,608.5
Profit for the half year	**-**	**187.2**	**-**	**-**	**187.2**	**-**	**187.2**
Total other comprehensive income/(loss)	**-**	**-**	**(22.8)**	**0.8**	**(22.0)**	**-**	**(22.0)**
Total comprehensive income/(loss) for the half year	**-**	**187.2**	**(22.8)**	**0.8**	**165.2**	**-**	**165.2**
Transactions with owners in their capacity as owners directly in equity							
Shares bought back and cancelled	**(162.7)**	**-**	**-**	**-**	**(162.7)**	**-**	**(162.7)**
Share-based payment expense	**-**	**-**	**-**	**8.1**	**8.1**	**-**	**8.1**
Vested deferred shares and share rights	**6.5**	**-**	**-**	**(52.3)**	**(45.8)**	**-**	**(45.8)**
Dividends to owners of the Company	**-**	**(96.0)**	**-**	**-**	**(96.0)**	**-**	**(96.0)**
Balance at 31 December 2017	**3,372.4**	**190.8**	**(74.6)**	**(15.5)**	**3,473.1**	**4.2**	**3,477.3**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Treasury Wine Estates Limited
Consolidated statement of cash flows for the half year ended 31 December 2017

	Half year 2017 $m Inflows/ (Outflows)	Half year 2016 $m Inflows/ (Outflows)
Cash flows from operating activities		
Receipts from customers	**1,663.7**	1,638.3
Payments to suppliers, governments and employees	**(1,396.3)**	(1,371.1)
Borrowing costs paid	**(1.6)**	(1.4)
Income taxes paid	**(70.2)**	(22.8)
Interest paid	**(11.6)**	(10.1)
Net cash flows from operating activities	**184.0**	232.9
Cash flows from investing activities		
Payments for property, plant, equipment	**(74.7)**	(51.5)
Payments for intangible assets	**(9.2)**	(9.2)
Payments for subsidiaries, investments and other assets	**-**	(26.4)
Proceeds from sale of property, plant and equipment	**36.0**	50.5
Net cash flows from investing activities	**(47.9)**	(36.6)
Cash flows from financing activities		
Shares bought back and cancelled	**(162.7)**	-
Dividend payments	**(96.0)**	(88.6)
Proceeds from borrowings	**174.1**	-
Repayment of borrowings	**(60.0)**	-
Proceeds from settlement of currency swaps	**(0.2)**	1.1
Purchase of shares	**(24.4)**	(18.4)
Net cash flows from financing activities	**(169.2)**	(105.9)
Total cash flows from activities	**(33.1)**	90.4
Cash and cash equivalents at the beginning of the half year	**240.8**	252.1
Effects of exchange rate changes on foreign currency cash flows and cash balances	**(5.2)**	(2.6)
Cash and cash equivalents at 31 December	**202.5**	339.9

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Treasury Wine Estates Limited
Notes to the consolidated financial statements
for the half year ended 31 December 2017

NOTE 1 CORPORATE INFORMATION

The financial report of Treasury Wine Estates Limited ("the Company") and of its controlled entities (collectively "the Group") for the half year ended 31 December 2017 was authorised for issue in accordance with a resolution of Directors on 31 January 2018. Treasury Wine Estates Limited is a for profit company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange (ASX).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial report for the half year ended 31 December 2017 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and was approved by the Board of Directors on 31 January 2018.

This financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial report. Accordingly, this report should be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by the Company in accordance with the continuous disclosure obligations arising under ASX listing rules.

(b) Basis of preparation

This report:
- Has been prepared on a historical cost basis, except for derivative financial instruments, agricultural assets and assets and liabilities acquired in a business combination which have been measured at fair value; and
- Is presented in Australian dollars with all values rounded to the nearest tenth of one million dollars unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.*

The accounting policies are consistent with those applied in the previous financial year.

Line items labelled 'other' on the faces of the consolidated financial statements comprise miscellaneous income, expenses, assets, liabilities or cash flows which individually or in aggregate are not considered material to warrant separate disclosures.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New accounting standards and interpretations

Since 30 June 2017 we have adopted the following new and amended accounting standards.

Reference	Title	Application
AASB 2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017

The adoption of these standards did not have a significant impact on the consolidated financial statements.

(d) Issued but not yet effective accounting standards

The following relevant accounting standards have recently been issued or amended but are not yet effective and have not been adopted for this half year reporting period.

Reference	Title	Application
AASB 15	Revenue from Contracts with Customers	1 January 2018
AASB 9	Financial Instruments (December 2014)	1 January 2018
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018
AASB 2014-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 January 2018
AASB 2015-8	Amendments to Australian Accounting Standards – Effective Date of AASB 15	1 January 2018
AASB 2016-3	Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018
AASB 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018
Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
AASB 2017-4	Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments	1 January 2019
AASB 16	Leases	1 January 2019

Other than the impact of AASB 16 *Leases* outlined below, these standards are not expected to have a material impact on the Group's financial position or its performance.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 16 Leases

AASB 16 *Leases* was released in February 2016 by the Australian Accounting Standards Board. This standard removes the lease classification test for lessees and will require the Group to bring all material leases with lease terms greater than one year onto the balance sheet. There is also new guidance on when an arrangement would meet the definition of a lease.

The new standard is mandatory for annual reporting periods beginning after 1 January 2019, but is available to be early adopted. The Group is in the process of performing an initial assessment of the potential impact on its consolidated financial statements. The Group will be required to recognise new assets and liabilities for its operating leases including vineyards, buildings, equipment and motor vehicles, and the nature of the expenses related to those leases will change as AASB 16 replaces the straight-line operating lease expense with a depreciation charge for the right-of-use assets and interest expense on the lease liabilities.

The Group intends to apply the full retrospective transition option.

The Group expects to disclose a more detailed impact assessment in the 2018 Annual Report.

NOTE 3 SEGMENT INFORMATION

The Group reports segment information on the same basis as its internal management reporting structure and consistent with the information used to organise and manage the Group.

The reportable segments are based on the aggregation of operating segments determined by the similarity of the nature of products, the production process, the types of customers and the methods used to distribute the products.

During F18 the business structure was re-organised to better reflect the way the Group was being managed. Effective from 1 July 2017, the results of Latin America are reported with Americas (previously combined with Europe). To facilitate comparability over reporting periods, comparatives have been re-stated to incorporate these changes.

Presentation of segment results
The principal profit metric for internal management reporting is Management earnings before interest, tax, SGARA and material items (EBITS). Corporate charges are allocated to each segment on a proportionate basis linked to segment revenue, head count or where the work in undertaken depending on the nature of the charge.

NOTE 3 SEGMENT INFORMATION (CONTINUED)

The Group has the following reportable segments:

(i) Australia & New Zealand (ANZ)
This segment is responsible for the manufacture, sale and marketing of wine within Australia & New Zealand. Until August 2017 the segment also distributed beer and cider under licence.

(ii) Europe
This segment is responsible for the manufacture, sale and marketing of wine within Europe.

(iii) Americas
This segment is responsible for the manufacture, sale and marketing of wine within the North American and Latin Americas regions.

(iv) Asia
This segment is responsible for the sale and marketing of wine within Asia (including the Middle East & Africa).

Segment assets and liabilities
Segment assets and liabilities represent those working capital and non-current assets and liabilities that are located in the respective segments. Cash and borrowings are not considered to be segment assets/liabilities as they are managed by our centralised treasury function. Consistent with the use of EBITS for measuring profit, tax assets and liabilities, which do not contribute towards EBITS, are not allocated to operating segments.

Intersegment transactions
The price of an intersegment transaction is set at an arm's length basis. Whilst these transactions are eliminated on consolidation, they are shown within the segment revenue and EBITS to reflect the segment of origin performance, including production.

Corporate charges
Unallocated corporate charges are reported in the Corporate/unallocated segment. Net finance costs are not allocated to segments as our financing function is centralised through our treasury function.

Segment loans payable and loans receivable
Segment loans are initially recognised at the amount transferred. Intersegment loans receivable and payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates.

Other
If items of revenue and expense are not allocated to operating segments, then any associated assets and liabilities are also not allocated to segments.

NOTE 3 SEGMENT INFORMATION (CONTINUED)

Half year 2017	**ANZ**	**Americas**	**Asia**	**Europe**	**Intersegment elimination**	**Total Segment**	**Unallocated/ Corporate**	**Consolidated**
	$m	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Total revenue comprises:								
Net sales revenue	333.9	503.8	297.5	160.2	-	1,295.4	-	1,295.4
Other revenue	34.7	4.0	-	0.5	-	39.2	2.0	41.2
Intersegment revenue	137.6	23.2	-	22.4	(183.2)	-	-	-
Total segment revenue (excl other income/interest)	**506.2**	**531.0**	**297.5**	**183.1**	**(183.2)**	**1,334.6**	**2.0**	**1,336.6**
Management EBITS	**68.2**	**100.4**	**117.0**	**24.0**	**-**	**309.6**	**(26.3)**	**283.3**
SGARA profit/(loss)	(1.3)	(22.7)	-	-	-	(24.0)	-	(24.0)
Material items	-	(1.5)	-	-	-	(1.5)	-	(1.5)
Management EBIT	**66.9**	**76.2**	**117.0**	**24.0**	**-**	**284.1**	**(26.3)**	**257.8**
Net finance costs								(15.1)
Consolidated profit before tax								**242.7**
Depreciation of property, plant and equipment	**(19.0)**	**(20.8)**	**(0.2)**	**(1.0)**	**-**	**(41.0)**	**(1.2)**	**(42.2)**
Amortisation of intangible assets	**(0.5)**	**(0.3)**	**-**	**-**	**-**	**(0.8)**	**(4.5)**	**(5.3)**
Capital expenditure	**(17.6)**	**(59.6)**	**(0.3)**	**(0.6)**	**-**	**(78.1)**	**(5.8)**	**(83.9)**
Segment assets (excl intersegment assets) – 31 Dec 17	**2,063.3**	**2,199.8**	**155.5**	**357.4**	**-**	**4,776.0**	**417.0**	**5,193.0**
Segment assets (excl intersegment assets) – 30 Jun 17	**2,173.1**	**2,133.0**	**77.9**	**345.5**	**-**	**4,729.5**	**549.8**	**5,279.3**
Segment liabilities (excl intersegment liabilities) – 31 Dec 17	**263.4**	**442.2**	**58.6**	**88.2**	**-**	**852.4**	**863.3**	**1,715.7**
Segment liabilities (excl intersegment liabilities) – 30 Jun 17	**271.1**	**418.0**	**28.4**	**81.0**	**-**	**798.5**	**872.3**	**1,670.8**

NOTE 3 SEGMENT INFORMATION (CONTINUED)

Half year 2016	ANZ $m	Americas $m	Asia $m	Europe $m	Intersegment elimination $m	Total Segment $m	Unallocated/ Corporate $m	Consolidated $m
Total revenue comprises:								
Net sales revenue	322.8	576.6	218.1	177.2	-	1,294.7	-	1,294.7
Other revenue	46.8	23.3	-	0.7	-	70.8	2.9	73.7
Intersegment revenue	139.3	33.0	-	18.7	(191.0)	-	-	-
Total segment revenue (excl other income/interest)	**508.9**	**632.9**	**218.1**	**196.6**	**(191.0)**	**1,365.5**	**2.9**	**1,368.4**
Management EBITS	**53.1**	**93.3**	**79.0**	**20.5**	**-**	**245.9**	**(19.1)**	**226.8**
SGARA profit/(loss)	5.8	(16.3)	-	-	-	(10.5)	-	(10.5)
Material items	4.0	(13.5)	-	(0.3)	-	(9.8)	-	(9.8)
Management EBIT	62.9	63.5	79.0	20.2	**-**	**225.6**	**(19.1)**	**206.5**
Net finance costs								(13.1)
Consolidated profit before tax								**193.4**
Depreciation of property, plant and equipment	**(22.8)**	**(28.0)**	**(0.2)**	**(1.0)**	**-**	**(52.0)**	**(1.2)**	**(53.2)**
Amortisation of intangible assets	**(0.5)**	**-**	**-**	**-**	**-**	**(0.5)**	**(3.4)**	**(3.9)**
Capital expenditure	**(19.6)**	**(31.9)**	**-**	**(0.7)**	**-**	**(52.2)**	**(8.5)**	**(60.7)**
Segment assets (excl intersegment assets) – 31 Dec 16	**1,946.2**	**2,306.0**	**90.1**	**373.7**	**-**	**4,716.0**	**629.4**	**5,345.4**
Segment assets (excl intersegment assets) – 30 Jun 16	**2,074.9**	**2,217.3**	**51.5**	**361.3**	**-**	**4,705.0**	**581.5**	**5,286.5**
Segment liabilities (excl intersegment liabilities) – 31 Dec 16	**233.7**	**407.1**	**30.6**	**83.1**	**-**	**754.5**	**942.5**	**1,697.0**
Segment liabilities (excl intersegment liabilities) – 30 Jun 16	**278.9**	**459.7**	**19.7**	**103.0**	**-**	**861.3**	**856.0**	**1,717.3**

NOTE 4 REVENUE

	Half year 2017 $m	Half year 2016 $m
Revenue		
Net sales revenue*	**1,295.4**	1,294.7
Other revenue	**41.2**	73.7
Total revenue	**1,336.6**	1,368.4

*Net sales revenue is net of trade discounts and volume rebates

Types of products and services

The Group generates revenue through the sale of branded wines, principally as a finished, bottled product. The Group's wine portfolio includes some of the world's leading Commercial, Masstige and Luxury wine brands such as Penfolds, Beringer, Lindeman's, Wolf Blass, 19 Crimes, Chateau St Jean, Beaulieu Vineyard and Sterling Vineyards.

The Group provides contract bottling services to third parties and generates royalty income from the use of brands by third parties. Until August 2017 the Group also distributed beer and cider under licence in New Zealand.

NOTE 5 OTHER EARNINGS DISCLOSURES

	Half year 2017 $m	Half year 2016 $m
Net gain relating to property, plant and equipment and intangible assets		
(Write-down) / reversal of write-down of assets	**1.7**	(7.1)
Net profit on disposal of assets	**2.3**	10.3
Restructuring and redundancy costs	**-**	(2.4)

US tax reform

On 22 December 2017 the USA Government passed the Tax Cuts and Jobs Act ('the Act'). The Act reduces the US Federal corporate tax rate from 35% to 21% effective from 1 January 2018. At 31 December 2017 the Group recognised a one off benefit of $20.9m arising due to the restatement of its net deferred tax liability in respect of its US operations. Excluding the one off tax benefit, basic earnings per share would have been 22.7 cents per share, and diluted earnings per share would have been 22.6 cents per share. Basic earnings per share (adjusted to exclude SGARA and material items) would have been 24.9 cents per share.

The ongoing impact of the change to the corporate tax rate and other impacts from the Act will be reflected in the calculation of tax expense for the year ended 30 June 2018.

NOTE 6 MATERIAL ITEMS

The following individually material items are included within the consolidated statement of profit or loss and other comprehensive income.

	Half year 2017 $m	Half year 2016 $m
Individually material items included in profit/(loss) before income tax:		
Restructure and redundancy costs[1]	**(1.5)**	(5.6)
Write down of assets[2]	**-**	(4.2)
Total material items (before tax)	**(1.5)**	(9.8)
Tax effect of material items	**0.6**	3.7
Total material items (after tax)	**(0.9)**	(6.1)

1. In the current period, comprises costs associated with integrating businesses acquired. In the prior period, comprises costs in relation to executing supply chain optimisation programs, implementing overhead reductions arising from changes to the Group's supply chain network and costs associated with integrating businesses acquired.

2. Includes write down of various assets associated with business integration activities.

NOTE 7 EARNINGS PER SHARE

	Half year	
	2017 Cents per share	**2016 Cents per share**
Basic earnings per share[1]		
Basic earnings per share (cents) based on net profit attributable to members of Treasury Wine Estates Limited	**25.6**	18.5
Diluted earnings per share[1]		
Diluted earnings per share (cents) based on net profit attributable to members of Treasury Wine Estates Limited	**25.4**	18.3
	Number	Number
Weighted average number of shares		
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share (in thousands)	**731,181**	736,617
Effect of potentially dilutive securities:		
Deferred shares (in thousands)	**4,570**	7,750
Weighted average number of ordinary shares on issue used in the calculation of diluted earnings per share (in thousands)	**735,751**	744,367

	Half year	
	2017 $m	**2016 $m**
Earnings reconciliation		
Basic and diluted earnings per share		
Net profit	**187.2**	136.7
Net profit attributable to non-controlling interests	**-**	(0.5)
Net profit attributable to members of Treasury Wine Estates Limited used in calculating basic and diluted earnings per share	**187.2**	136.2

1 - Excluding the one off tax benefit, for half year 2017 basic earnings per share would have been 22.7 cents per share, and diluted earnings per share would have been 22.6 cents per share.

NOTE 8 BORROWINGS

	31 December 2017 $m	30 June 2017 $m
Total borrowings consists of:		
Current	**3.8**	4.1
Non-current	**695.3**	596.4
Total borrowings	**699.1**	600.5

Details of major arrangements
The Group has $1,165.6 million total facilities. The utilised facilities and associated carrying values at 31 December 2017 are:

US Private Placement Notes
US Private Placement Notes of US$400.0 million (unsecured) are on issue, with maturities ranging from December 2020 to June 2029. The carrying value at 31 December 2017 is $512.8 million (June 2017: $520.8 million). USPP notes bear interest at fixed and floating interest rates. In accordance with the Group's risk management strategy, the Group has entered into a combination of fixed to floating and floating to fixed interest rate swaps to obtain the desired fixed/floating interest ratio, with interest rate caps also used to manage interest rate risk.

Other facilities
In addition to the above the Group has drawn down amounts under bilateral facilities maturing in April 2020 ($52.1 million), April 2021 ($47.1 million) and April 2022 ($15.0 million). The facilities bear interest at floating rates. The Group is also party to a number of finance lease arrangements which have a carrying value of $74.5 million (30 June 2017: $77.9 million). The Group's finance lease arrangements have a duration of up to 15 years.

NOTE 9 CONTRIBUTED EQUITY

	31 December 2017 $m	30 June 2017 $m
Issued and paid-up capital		
726,646,801 (June 2017: 738,135,033) ordinary shares, fully paid	**3,377.8**	3,540.5
Own shares held	**(5.4)**	(11.9)
	3,372.4	3,528.6
Contributed equity at the beginning of the period	**3,528.6**	3,533.6
Share movements:		
Shares bought back and cancelled (June 2017: Nil)	**(162.7)**	-
Net movement in own shares held	**6.5**	(5.0)
Contributed equity at the end of the period	**3,372.4**	3,528.6

On 17 August 2017, the Company announced an on-market share buy-back of up to $300.0 million, which commenced in September 2017. During the period to 31 December 2017, the Company bought back and cancelled 11,488,232 shares at an average price per share of $14.16.

During the period, the Company purchased 1.7 million shares ($24.4 million) under the third party arrangement to satisfy share based payment obligations upon vesting under the Group's Employee Equity Plans.

NOTE 10 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair values of cash and cash equivalents, financial assets and most financial liabilities approximate their carrying value. The fair value of the US Private Placement Notes is $569.7 million (June 2017: $590.1 million). There have been no reclassifications of financial assets from fair value to cost, or from cost or amortised cost to fair value during the half year.

The fair values of derivative financial instruments are based upon market prices, or models using inputs observed from the market, where markets exist or have been determined by discounting the expected future cash flows by the current interest rate for financial assets and financial liabilities with similar risk profiles (consistent with June 2017, level 2 valuations).

The valuation of derivative financial assets and liabilities reflects the estimated amounts which the Group would be required to pay or receive to terminate the contracts (net of transaction costs) or replace the contracts at their current market rates at reporting date.

As the purpose of these derivative financial instruments is to hedge our underlying assets and liabilities denominated in foreign currencies and to hedge against risk of interest rate fluctuations, it is unlikely in the absence of abnormal circumstances that these contracts would be terminated prior to maturity.

For all other recognised financial assets and financial liabilities, based on the facts and circumstances existing at reporting date and the nature of our financial assets and financial liabilities including hedge positions, we have no reason to believe that the financial assets could not be exchanged, or the financial liabilities could not be settled, in an arm's length transaction at an amount approximating its carrying amount.

NOTE 11 DIVIDENDS

	Half year	
	2017	**2016**
	$m	**$m**
Dividends declared and paid on ordinary shares:		
Final dividend for 2017 of 13.0 cents per share, 50% franked (2016: 12.0 cents per share, unfranked)	**96.0**	88.6
Dividends declared after balance date		
Since the end of the half year, the Directors declared an interim dividend of 15.0 cents per share (2016: 13.0 cents) 75% franked (2016: unfranked). This dividend has not been recognised as a liability at 31 December 2017	**109.0**	96.0

NOTE 12 CLASS ACTION

On 28 August 2017 the Company announced that it had reached an agreement to settle the previously announced shareholder class action commenced on 2 July 2014 by Brian Jones, represented by Maurice Blackburn, relating to historical market disclosures that occurred in 2013. The settlement of the claim was without admission of liability and was approved by the Court on 10 November 2017. The settlement amount, $49.0 million inclusive of interest and costs, was fully insured. The agreement to settle was a commercial decision made in the best interests of the Company's shareholders to enable the Company to remain focused on executing against its strategy without the distraction and expense of the legal proceeding.

NOTE 13 EVENTS SUBSEQUENT TO REPORTING DATE

The following events have occurred subsequent to 31 December 2017:

1. The Board declared an interim dividend of 15.0 cents per share (75% franked) on 31 January 2018.

2. On 31 January 2018, TWE announced a series of improvements to its route-to-market in the US to enhance its competitive positioning and drive portfolio growth. Changes range from implementing direct and hybrid sales and distribution models, to changing distributors, and are set out as follows:

   - In California and Washington, states that allow producers to distribute directly, TWE is implementing a direct sales and distribution model for all key national retail partners. To service the remainder of the market, TWE has appointed new full service distributor partners, Classic Wines of California and Vehrs Distributing, in California and Washington, respectively;
   - In Florida, TWE is implementing a new hybrid distribution model with its key retail partners (national and retail), collaborating with a newly appointed distributor partner, Breakthru Beverage Group, to manage sales execution for these customers. Breakthru Beverage Group will operate a full service distribution model for the remainder of the market; and
   - In a number of other states, TWE has appointed new full service distributor partners. These include Breakthru Beverage Group in Illinois, Colorado, South Carolina and Minnesota, Johnson Brothers in Indiana, Hawaii, Iowa and West Virginia, Vehrs Distributing in Oregon and Specialty Imports in Alaska.

   TWE expects to have fully embedded internal operating model changes and operating rhythms with retail and distributor partners by 2H19.

Other than the above, there are no further matters or circumstances which have arisen since the end of the period ending 31 December 2017 which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Treasury Wine Estates Limited
Directors' Declaration
For the half year ended 31 December 2017

The Directors declare that the consolidated financial statements and notes for the Group:

a) are prepared in accordance with the Corporations Act 2001, Accounting Standard AASB 134: *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) give a true and fair view of the Group's financial position as at 31 December 2017 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

Paul Rayner
Chairman

Michael Clarke
Chief Executive Officer

31 January 2018
Melbourne, Australia

KPMG

Independent Auditor's Review Report

To the shareholders of Treasury Wine Estates Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of Treasury Wine Estates Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Treasury Wine Estates Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 31 December 2017 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-year Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2017;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Group*** comprises Treasury Wine Estates Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

KPMG

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Treasury Wine Estates Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

KPMG

Paul J McDonald

Paul J McDonald
Partner
Melbourne
31 January 2018