

Appendix 4D

Treasury Wine Estates Limited

For the half year ended 31 December 2011

ABN 24 004 373 862

1. Results for announcement to the market

Key information	Half year ended 31 December 2011 \$m	Half year ended 31 December 2010 \$m	% Change increase / (decrease)	Amount increase / (decrease) \$m
Statutory results *				
Revenue from ordinary activities	876.0	745.1	17.6 %	130.9
Profit (loss) attributable to members of Treasury Wine Estates Limited	40.0	25.9	54.4 %	14.1
Proforma results *				
Revenue from ordinary activities	876.0	947.0	(7.5)%	(71.0)
Earnings before interest, tax, SGARA and material items	91.7	91.5	0.2 %	0.2

Earnings per share	Half year ended 31 December 2011 Cents per share	Half year ended 31 December 2010 Cents per share
Statutory basic earnings per share	6.2	3.1
Basic earnings per share, adjusted to exclude SGARA and material items	9.1	3.5

Dividends (distributions)	Cents per share	Franking %
Interim dividend – half year ended 31 December 2011 (determined subsequent to balance date) ¹	6.0 cents	50%
Final dividend – year ended 30 June 2011	6.0 cents	50%
Interim dividend – half year ended 31 December 2010	-	-

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 nil.

*** Supplementary comments**

Effective from 9 May 2011, Treasury Wine Estates Limited (the Company) and its controlled entities (collectively referred to as TWE) demerged from Foster's Group. Some of the legal entities and businesses which form part of TWE post demerger and whose results and cash flows enter into the calculation of TWE's consolidated results and cash flows are

different to those legal entities and businesses whose results and cash flows enter into the calculation of the comparative consolidated results and cash flows in respect to the half year ended 31 December 2010.

Accordingly whilst TWE's statutory financial information for the comparative half year ended 31 December 2010 presents TWE's performance in compliance with statutory reporting obligations for that half year, as a result of the impact of the demerger the comparatives do not provide a like for like comparator to the statutory financial information for the half year ended 31 December 2011.

Readers are referred to note 3 within the accompanying financial statements wherein the impacts of the demerger are further set out.

2. Dividends

Directors declared an interim dividend in respect to the half year ended 31 December 2011 on 17 February 2012. Accordingly this dividend is not provided for in the balance sheet as at 31 December 2011. The record date for determining an entitlement to receipt of the interim dividend is 5pm, 29 February 2012 and the dividend is expected to be paid on 2 April 2012.

3. Financial statements

Please refer to pages 3 through 24 of this report wherein the following are provided:

- Directors' report;
- Auditor's independence declaration;
- Consolidated statement of comprehensive Income for the half year ended 31 December 2011;
- Consolidated statement of financial position as at 31 December 2011;
- Consolidated statement of changes in equity for the half year ended 31 December 2011;
- Consolidated statement of cash flows for the half year ended 31 December 2011;
- Notes to the consolidated financial statements; and
- Independent auditor's review report for the half year ended 31 December 2011.

4. Net tangible asset backing

Net tangible asset backing per ordinary share	Half year ended 31 December 2011	Half year ended 31 December 2010
	\$	\$
Net tangible asset backing per ordinary share	3.05	0.11

5. Further information

Further information can be obtained from:

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Treasury Wine Estates Limited

Directors' report For the half year ended 31 December 2011

The Directors present their report on the consolidated entity ("TWE") comprising Treasury Wine Estates Limited ("the Company") and the entities it controlled at the end of, or during, the half year ended 31 December 2011.

DIRECTORS

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

David Dearie (CEO)
Maxwell Ould (Chairman)
Lyndsey Cattermole AM
Warwick Every-Burns
Paul Rayner
Peter Hearl (appointed 17 February 2012)

PRINCIPAL ACTIVITIES

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

FINANCIAL AND OPERATIONS REVIEW

For the six months ended 31 December 2011 total volume for TWE declined 6.2% versus the prior corresponding period. This was primarily as a result of exiting certain unprofitable volume in the UK where volume declined by 1.1 million cases compared to the prior period, although a small volume decline was also recorded in the Americas.

Net sales revenue declined by 7.4% to \$858.1 million. On a constant currency basis, net sales revenue declined by 2.6%. Declines were reported by the Americas and EMEA Regional Business Units, with ANZ flat compared to the prior corresponding period and Asia in growth. Net sales revenue per case was up \$1.83 per case or 3.7% compared to the prior period driven by improved pricing and mix in Asia and EMEA.

Cost of sales declined 4.2% with the impact of lower volume partially offset by higher cost of sales per case. Adjusting for mix, cost of sales per case were marginally above the prior period.

Gross profit margin increased 10 basis points to 34.0% on a reported basis and 100 basis points on a constant currency basis.

Cost of doing business declined 80 basis points to 23.3%. Our efficiency program continues to focus on driving improvements in our cost base.

EBITS of \$91.7 million was up 0.2% on a reported basis. Exchange rate movements were again a significant factor, reducing EBITs by approximately \$12.8 million, with the most significant impacts in the Americas and EMEA regions due to the relatively higher Australian dollar compared with the previous corresponding period. On a constant currency basis, EBITs increased by 16.5%.

EBIT margin increased 80 basis points on a reported basis, and 180 basis points on a constant currency basis, to 10.7%.

SGARA in the period was a \$10.6 million loss due to reduced yields from a challenging 2011 Californian Vintage with the cost of production from owned vineyards exceeding the market price of grapes produced. The market price of grapes in both countries is currently showing an increasing trend as the supply/demand balance tightens due to Vintage 2011 impacts in Australia and increased demand in California.

EBIT margin increased 14 basis points on a reported basis, and 110 basis points on a constant currency basis to 9.5%.

A material item expense of \$14.7 million before tax was reported. This comprised three components, firstly, a \$20.0 million cost associated with the efficiency program and management restructuring, primarily related to expected redundancy payments, \$5.0 million of this amount was paid in cash in the first half. Secondly, a \$9.0 million write down of the value of a range of IT and supply chain assets. Finally, we removed four vineyards which were previously held for sale, which resulted in the release of related provisions of \$14.3 million. Three further vineyards remain held for sale.

Net profit after tax for the first half of fiscal 2012 was \$40.0 million, and EPS was 6.2 cents per share. Net profit after tax (before material items and SGARA) was \$58.6 million, and EPS on the same basis was 9.1 cents per share.

Treasury Wine Estates Limited

Directors' report For the half year ended 31 December 2011

As noted in the Company's 2011 annual report, effective from 9 May 2011 TWE demerged from Foster's Group. Some of the legal entities and businesses which form part of TWE post demerger and whose results and cash flows enter into the calculation of TWE's statutory financial information in respect to the half year ended 31 December 2011 are different to those legal entities and businesses whose results and cash flows enter into the calculation of the comparative consolidated statutory financial information in respect to the half year ended 31 December 2010.

Accordingly whilst TWE's statutory financial information for the comparative half year ended 31 December 2010 presents a view of TWE's performance in compliance with statutory reporting obligations for that half year, as a result of the impact of the demerger the comparatives do not provide a like for like comparator to the statutory financial information for the half year ended 31 December 2011.

Readers are referred to note 3 within the accompanying financial statements wherein the impacts of the demerger are further set out.

To assist shareholders and other stakeholders in their understanding of TWE's business as it is now structured, pro forma financial information for the comparative half year ended 31 December 2010 is provided in a separate announcement lodged with the Australian Securities Exchange on 17 February 2012.

EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances which have arisen since the end of the half year ended 31 December 2011 which have significantly affected or may significantly affect the operations of TWE, the results of those operations or the state of affairs of TWE in subsequent financial periods.

SHARES

There were no movements in the number of ordinary fully paid shares since the end of the previous financial year.

	Number of shares (million)
Balance at 30 June 2011	647.2
Balance at 31 December 2011	647.2

SHARE SALE FACILITY

TWE plans to implement a share sale facility for shareholders with a "minimal holding" of shares (securities with a value less than \$500). A letter describing this facility will be mailed to eligible shareholders in March 2012.

DIVIDENDS

A final dividend in respect of the year ended 30 June 2011 of \$38.8 million (representing a dividend of 6 cents per ordinary share) was paid on 6 October 2011. This dividend was 50% franked.

The Directors have declared an interim dividend of 6 cents per ordinary share, franked at 50%. The record date of the dividend is 29 February 2012 and the dividend is expected to be paid on 2 April 2012.

AUDITOR INDEPENDENCE

The external auditor has provided a written statement that no professional engagement for TWE has been carried out which would impair their independence as auditor. The auditor's independence declaration is attached as part of this report.

Treasury Wine Estates Limited

Directors' report For the half year ended 31 December 2011

ROUNDING

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial report. In accordance with that Class Order, reported amounts have been rounded to the nearest tenth of one million dollars.

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



Max Ould
Chairman



David CM Dearie
Chief Executive Officer

17 February 2012



Auditor's Independence Declaration

As lead auditor for the review of Treasury Wine Estates Limited for the half year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Treasury Wine Estates Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'A. Mill', with a long, sweeping underline.

Andrew Mill
Partner
PricewaterhouseCoopers

Melbourne
17 February 2012

Treasury Wine Estates Limited

Consolidated statement of comprehensive income for the half year ended 31 December 2011

		Half year	
	Note	2011 \$m	2010 \$m
Revenue	4	876.0	745.1
Cost of sales		(584.3)	(570.8)
Gross profit		291.7	174.3
Other income	4	0.6	1.5
Selling expenses		(90.8)	(54.5)
Marketing expenses		(58.9)	(36.4)
Administration expenses		(42.9)	(11.3)
Other expenses		(34.3)	(80.6)
Share of net profits of associates and joint ventures accounted for using the equity method		1.0	-
Profit / (loss) before tax and finance costs		66.4	(7.0)
Finance income		1.6	80.6
Finance costs		(4.9)	(33.3)
Net finance income / (cost)	4	(3.3)	47.3
Profit before tax		63.1	40.3
Income tax expense		(23.1)	(14.2)
Net profit		40.0	26.1
Net profit attributable to non-controlling interests		-	(0.2)
Net profit attributable to members of Treasury Wine Estates		40.0	25.9
Other comprehensive income / (loss)			
Cash flow hedges		0.7	0.4
Tax on cash flow hedges		-	-
Exchange difference on translation of foreign operations		48.8	(73.3)
Other comprehensive income / (loss) for the half year, net of tax		49.5	(72.9)
Total comprehensive income / (loss) for the half year attributable to members of Treasury Wine Estates		89.5	(47.0)
Non controlling interests		-	0.2
Total comprehensive income / (loss) for the half year		89.5	(46.8)
Earnings per share for profit attributable to the ordinary equity holders of the Company.	8	Cents per share	Cents per share
- Basic		6.2	3.1
- Diluted		6.2	3.1

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Treasury Wine Estates Limited

Consolidated statement of financial position as at 31 December 2011

		31 December 2011 \$m	30 June 2011 \$m
	Note		
Current assets			
Cash and cash equivalents		36.2	64.8
Receivables		512.7	451.6
Inventories		715.3	768.5
Current tax assets		6.2	-
Assets held for sale		4.8	12.4
Derivative financial assets		1.6	0.7
Total current assets		1,276.8	1,298.0
Non-current assets			
Receivables		1.1	1.0
Inventories		239.8	196.7
Investments	10	8.9	8.9
Derivative financial assets		0.2	-
Property, plant and equipment		910.6	912.7
Agricultural assets		197.6	180.5
Intangible assets	7	947.9	927.1
Deferred tax assets		184.5	178.8
Total non-current assets		2,490.6	2,405.7
Total assets		3,767.4	3,703.7
Current liabilities			
Payables		408.6	369.2
Borrowings		1.1	1.1
Current tax liabilities		-	11.3
Provisions		61.0	47.5
Derivative financial liabilities		1.2	0.6
Total current liabilities		471.9	429.7
Non-current liabilities			
Borrowings		84.9	135.4
Deferred tax liabilities		284.0	257.9
Provisions		4.0	3.9
Total non-current liabilities		372.9	397.2
Total liabilities		844.8	826.9
Net assets		2,922.6	2,876.8
Equity			
Contributed equity	11	3,042.3	3,045.0
Reserves		(185.9)	(233.5)
Retained earnings		62.2	61.0
Total parent entity interest		2,918.6	2,872.5
Non-controlling interest		4.0	4.3
Total equity		2,922.6	2,876.8

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 2011

	Contributed equity \$m	Retained earnings \$m	Cash flow hedge reserve \$m	Share based payments reserve \$m	Foreign currency translation reserve \$m	Demerger and other reserve \$m	Total \$m	Non controlling interests \$m	Total equity \$m
Balance at 30 June 2010	650.0	(2,590.1)	1.1	-	(344.7)	24.6	(2,259.1)	4.0	(2,255.1)
Profit for the half year	-	25.9	-	-	-	-	25.9	0.2	26.1
Total other comprehensive income / (loss)	-	-	0.4	-	(73.3)	-	(72.9)	-	(72.9)
Total comprehensive income / (loss) for the year	-	25.9	0.4	-	(73.3)	-	(47.0)	0.2	(46.8)
Transactions with owners in their capacity as owners directly in equity									
Issue of ordinary shares	3,500.0	-	-	-	-	-	3,500.0	-	3,500.0
Dividends to owners of the company	-	-	-	-	-	-	-	-	-
s258F capital reduction	(1,102.5)	1,102.5	-	-	-	-	-	-	-
Balance at 31 December 2010	3,047.5	(1,461.7)	1.5	-	(418.0)	24.6	1,193.9	4.2	1,198.1
Balance at 30 June 2011	3,045.0	61.0	-	0.2	(404.4)	170.7	2,872.5	4.3	2,876.8
Profit for the half year	-	40.0	-	-	-	-	40.0	-	40.0
Other comprehensive income	-	-	0.7	-	48.8	-	49.5	-	49.5
Total comprehensive income for the period	-	40.0	0.7	-	48.8	-	89.5	-	89.5
Transactions with owners in their capacity as owners directly in equity									
Share based payment expense	-	-	-	2.9	-	-	2.9	-	2.9
Purchase of own shares	(2.7)	-	-	-	-	-	(2.7)	-	(2.7)
Dividends to owners of the company	-	(38.8)	-	-	-	-	(38.8)	(0.3)	(39.1)
Common control transaction	-	-	-	-	-	(4.8)	(4.8)	-	(4.8)
Balance at 31 December 2011	3,042.3	62.2	0.7	3.1	(355.6)	165.9	2,918.6	4.0	2,922.6

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 2011

	Half year	
	2011	2010
	\$m	\$m
	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities		
Receipts from customers	1,146.4	899.2
Payments to suppliers, governments and employees	(1,028.5)	(811.4)
Interest received	1.6	0.6
Borrowing costs	(4.4)	(19.7)
Income taxes paid	(31.6)	(3.8)
Net cash flows from operating activities	83.5	64.9
Cash flows from investing activities		
Payments for property, plant, equipment and agricultural assets	(12.5)	(19.0)
Payments for intangible assets	(5.4)	-
Payments for investments and other assets	(0.4)	-
Net proceeds from repayment of loans	0.9	0.8
Proceeds from sale of property, plant and equipment	0.4	0.8
Net cash flows from investing activities	(17.0)	(17.4)
Cash flows from financing activities		
Payments for shares bought back	(2.7)	-
Payments to non controlling interests	(0.3)	-
Dividend payments	(38.8)	-
Proceeds from borrowings	90.1	-
Repayment of borrowings	(145.5)	(48.9)
Net cash flows from financing activities	(97.2)	(48.9)
Total cash flows from activities	(30.7)	(1.4)
Cash and cash equivalents at the beginning of the year	64.8	37.1
Effects of exchange rate changes on foreign currency cash flows and cash balances	2.1	(5.2)
Cash and cash equivalents at the end of the year	36.2	30.5

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

Treasury Wine Estates Limited

Half year report

Notes to the consolidated financial statements

31 December 2011

Note 1 Corporate information

The financial report of Treasury Wine Estates Limited (TWE) for the half year ended 31 December 2011 was authorised for issue in accordance with a resolution of directors on 17 February 2012. TWE is a 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

Basis of preparation

The financial report for the half year ended 31 December 2011 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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 consolidated entity as the full financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Treasury Wine Estates Limited during the interim reporting period in accordance with the continuous disclosure obligations arising under ASX listing rules.

The accounting policies adopted are consistent with those applied in the previous financial year. This report is presented in Australian dollars.

Adoption of new and revised Accounting Standards

The Group has adopted the following accounting standard which became applicable from 1 July 2011:

- *AASB 1054 Australian Additional Disclosures.*

The adoption of this standard did not have any effect on the financial position or performance of TWE.

TWE has not elected to early adopt any other new standards or amendments that are issued but not yet effective.

Significant Accounting Policies

Operating Segments

TWE has identified its operating segments based on the internal reports reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining the allocation of resources. These reports present a view of the business from a geographic perspective.

The reportable segments are based on 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.

TWE has identified the following reportable segments:

i. Australia & New Zealand Wine (ANZ)

This segment is responsible for the manufacture, sale and marketing of wine within Australia and New Zealand.

ii. Europe, Middle East and Africa (EMEA)

This segment is responsible for the sale and marketing of wine within the EMEA region.

iii. Americas

This segment is responsible for the manufacture, sale and marketing of wine within the Americas region. Geographically, the segment includes the results of trading in both the United States and Canada.

iv. Asia

This segment is responsible for the sale and marketing of wine within the Asia region.

Types of products and services

TWE's wine portfolio includes some of the world's leading premium wine brands such as Penfolds, Beringer, Lindemans, Wolf Blass and Rosemount.

Treasury Wine Estates Limited

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Seasonality

TWE's business is subject to seasonality with sales peaks occurring during the summer periods in the markets in which it operated, namely the Southern and Northern hemisphere markets. In addition, the timing of product releases, most notably TWE's luxury brand releases, is concentrated in the second half of the financial year resulting in sales and profits associated with those releases being more significant in second half of the financial year.

Accounting policies and inter-segment transactions

The prices charged in respect to inter-segment sales and other services are set on an arm's length basis and are eliminated on consolidation.

Corporate charges

Certain Corporate shared service charges are allocated to each business segment on a proportionate basis linked to segment revenue or head count depending on the nature of the charge and enter into the determination of segment results. Unallocated costs are reported in the Corporate segment. Net finance costs are not allocated to segments as TWE's financing function is centralised in TWE's treasury function.

Segment loans payable and loans receivable

Segment loans are initially recognised at the consideration received excluding transaction costs. Inter-segment loans receivable and payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates.

Other

It is TWE's policy that if items of revenue and expense are not allocated to operating segments, then any associated assets and liability are also not allocated to segments.

Treasury Wine Estates Limited

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Note 3 Treasury Wine Estates' demerger

Effective from 9 May 2011, Treasury Wine Estates Limited (the Company) and its controlled entities (collectively referred to as 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 the Company 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 for the comparative half year ended 31 December 2010 includes the results and cash flows of those entities and transactions and cash flows in respect to other assets and liabilities that subsequently ceased to be part of TWE under the corporate restructure on 9 May 2011, including those relating to certain non-wine activities and external borrowings which formed part of TWE prior to the demerger, but were retained by Foster's Group upon demerger.

In addition, TWE's statutory financial information for the comparative half year ended 31 December 2010 does not include the results of the entities, assets and liabilities that became part of TWE under the corporate restructure on 9 May 2011, including those relating to TWE's business in the EMEA region and certain activities in the ANZ region.

Lastly, TWE's statutory financial results and cash flows for the comparative half year do not reflect the impact of certain operating and corporate costs associated with TWE becoming a stand-alone consolidated entity from 9 May 2011.

Whilst TWE's statutory financial information for the comparative half year ended 31 December 2010 presents TWE's performance in compliance with statutory reporting obligations for that half year, as a result of the impact of the aforementioned demerger activities it does not provide a like for like comparator to the statutory financial information for the half year ended 31 December 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 comparative half year ended 31 December 2010 is provided in a separate announcement lodged with the Australian Securities Exchange on 17 February 2012.

The pro forma information provided in that separate announcement has been prepared on a consistent basis to similar information provided within the Company's 2011 annual report (refer pages 28 through 35) and within the Foster's Group demerger scheme booklet (refer pages 64 and 65). A reconciliation between the pro forma financial information and Treasury Wine Estates Limited's statutory income statement is included within the separate announcement. The reconciliations and the pro forma financial information in that separate announcement have not been audited.

Treasury Wine Estates Limited

Half year report

Notes to the consolidated financial statements

31 December 2011

	Half year	
	2011	2010
	\$m	\$m
Note 4 Revenue, income and expenses		
Revenue		
Sales revenue*	858.1	725.2
Other revenue	17.9	19.9
Total revenue	876.0	745.1
Other income		
Net profit on disposal of		
- property, plant and equipment	0.6	0.9
- agriculture assets	-	0.6
Total other income	0.6	1.5
Depreciation of property, plant and equipment	(33.5)	(38.0)
Amortisation of intangible assets	(1.3)	-
Net agriculture valuation movement	(10.6)	(5.2)
*Sales revenue is net of trade discounts and volume rebates		
Finance income		
- Foster's Group entities (formerly related parties)	-	80.5
- other persons	1.6	0.1
Finance costs		
- Foster's Group entities (formerly related parties)	-	(28.5)
- other persons	(4.9)	(4.8)
Net finance income/(cost)	(3.3)	47.3
Other disclosures		
- doubtful debts expense	0.3	0.1
- other	(1.2)	1.4
Write-down in value of inventories	4.8	2.1

Treasury Wine Estates Limited

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31 December 2011

	Half year	
	2011	2010
	\$m	\$m

Note 5 Material items

Individually material items included in profit / (loss) before income tax:

Net gains arising from fixed asset valuation assessments (tax expense applicable \$3.1m)	5.3	-
Restructuring and redundancy costs (tax benefit applicable \$6.2m)	(20.0)	-
Total material items (tax benefit applicable \$3.1 million)	(14.7)	-

During the half year ended 31 December 2011, a \$14.3m provision in respect to assets previously classified as 'assets held for sale' was released. In addition, other assets with a written down value of \$9.0m were written off during the half year. The impacts of these valuation assessments are reflected in the net \$5.3m disclosed above.

Treasury Wine Estates Limited

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Note 6 Segment results

Half year 2011	ANZ	Americas	Asia	EMEA	Corporate	Intersegment elimination	Consolidated
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total revenue comprises							
Net sales revenue	297.4	388.0	41.3	131.4	-		858.1
Other revenue	16.1	-	0.1	0.4	1.3		17.9
Inter-segment revenue	182.7	6.4	-	19.8	-	(208.9)	-
Total segment revenue (excl other income/interest)	496.2	394.4	41.4	151.6	1.3	(208.9)	876.0
Management EBITs	48.5	39.8	12.0	3.0	(11.6)		91.7
SGARA profit/(loss)	(5.4)	(5.2)	-	-	-		(10.6)
Material items	5.3	-	-	-	(20.0)		(14.7)
Management EBIT	48.4	34.6	12.0	3.0	(31.6)		66.4
Net finance income/(costs)							(3.3)
Consolidated profit before tax							63.1
Depreciation of property, plant and equipment	(22.8)	(10.1)	-	(0.5)	(0.1)		(33.5)
Amortisation of intangible assets	-	-	-	-	(1.3)		(1.3)
Share of profit of associates & joint ventures	1.0	-	-	-	-		1.0
Capital expenditure	(5.6)	(6.4)	-	(0.6)	(5.3)		(17.9)
Segment assets (excl intersegment assets) – Dec 11	1,797.9	1,346.1	21.5	313.6	288.3		3,767.4
Segment assets (excl intersegment assets) – Jun 11	1,855.5	1,247.4	26.6	309.3	264.9		3,703.7

Treasury Wine Estates Limited

Half year report

Notes to the consolidated financial statements

31 December 2011

Note 6 Segment results (continued)

Half year 2010	ANZ	Americas	Asia	EMEA	Corporate	Intersegment elimination	Consolidated
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total revenue comprises							
Net sales revenue	261.8	431.3	31.3	0.8	-		725.2
Other revenue	17.2	2.3	0.1	0.3	-		19.9
Inter-segment revenue	124.7	3.5	-	10.4	-	(138.6)	-
Total segment revenue (excl other income/interest)	403.7	437.1	31.4	11.5	-	(138.6)	745.1
Management EBITs	-	51.2	6.5	0.1	(59.6)		(1.8)
SGARA profit/(loss)	(3.8)	(1.4)	-	-	-		(5.2)
Material items	-	-	-	-	-		-
Management EBIT	(3.8)	49.8	6.5	0.1	(59.6)		(7.0)
Net finance income/(costs)							47.3
Consolidated profit before tax							40.3
Depreciation	(25.6)	(12.1)	-	(0.3)	-		(38.0)
Amortisation of intangible assets	-	-	-	-	-		-
Share of profit of associates & joint ventures	-	-	-	-	-		-
Capital expenditure	(9.6)	(9.0)	-	(0.1)	(0.3)		(19.0)
Segment assets (excl intersegment assets) – Dec 10	7,965.8	1,331.4	17.6	84.3	1,574.2		10,973.3
Segment assets (excl intersegment assets) – Jun 10	6,127.9	1,550.0	0.1	37.6	1,889.1		9,604.7

Treasury Wine Estates Limited

Half year report

Notes to the consolidated financial statements

31 December 2011

Note 6 Segment results (continued)

Management EBITs

The Chief Executive Officer assesses the financial performance of each segment by analysing the segment's result on a measure of management EBITs. Management EBITs is defined as profit from continuing operations excluding the effect of net finance costs, tax, material items and the net profit effects of agricultural assets (SGARA). Corporate charges are allocated to each segment on a proportionate basis linked to segment revenue or head count depending on the nature of the charge.

Segment assets

Segment assets represent those working capital and non-current assets which are located in the respective segments. Cash, tax and Corporate related assets are included in the Corporate segment.

	31 December 2011 \$m	30 June 2011 \$m
Note 7 Intangible Assets		
Brand names and licences		
Brand names and licences at cost	888.5	871.4
IT development costs		
At cost	56.2	50.8
Accumulated amortisation	(1.5)	(0.2)
	54.7	50.6
Goodwill		
Goodwill at cost	4.7	5.1
Total intangible assets	947.9	927.1

Treasury Wine Estates Limited

Half year report

Notes to the consolidated financial statements

31 December 2011

	Half year	
	2011	2010
Note 8 Earnings per share	Cents per share	Cents per share
Basic earnings per share		
Basic earnings per share (cents) based on net (loss)/ profit attributable to members of Treasury Wine Estates Limited	6.2	3.1
Diluted earnings per share		
Diluted earnings per share (cents) based on net (loss)/ profit attributable to members of Treasury Wine Estates Limited	6.2	3.1
Weighted average number of shares	Number	Number
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share (in thousands)	647,227	840,257
Effect of dilution:		
Deferred shares & options (in thousands)	2,410	-
Weighted average number of ordinary shares on issue used in the calculation of diluted earnings per share (in thousands)	649,637	840,257
Earnings reconciliation		
Basic earnings per share	\$m	\$m
Net profit/ (loss)	40.0	26.1
Net (profit)/ loss attributable to non-controlling interests	-	(0.2)
Net profit/ (loss) attributable to members of Treasury Wine Estates Limited used in calculating basic earnings per share	40.0	25.9
Diluted earnings per share		
Net profit/ (loss)	40.0	26.1
Net (profit)/ loss attributable to non-controlling interests	-	(0.2)
Net profit/ (loss) attributable to members of Treasury Wine Estates Limited used in calculating diluted earnings per share	40.0	25.9
Basic earnings per share, adjusted to exclude SGARA and material items		
Basic earnings per share (cents) based on net (loss)/ profit attributable to members of Treasury Wine Estates Limited, before SGARA and material items	9.1	3.5
Earnings reconciliation		
Basic earnings per share, adjusted to exclude SGARA and material items	\$m	\$m
Net profit/ (loss)	40.0	26.1
Add back SGARA loss after tax	7.0	3.6
Add back material items after tax	11.6	-
Net (profit)/ loss attributable to non-controlling interests	-	(0.2)
Net profit/ (loss) attributable to members of Treasury Wine Estates Limited used in calculating basic earnings per share, adjusted to exclude SGARA and material items	58.6	29.5

Notes to the consolidated financial statements 31 December 2011

Note 9 Dividends

An interim dividend of 6.0 cents per share cents per share, 50% franked, was declared on 17 February 2012. This dividend has not been recognised as a financial liability in the financial statements. No other dividends were proposed or declared during the half year (2010: nil). The record date for determining an entitlement to receipt of the interim dividend is 5pm, 29 February 2012. The dividend is expected to be paid on 2 April 2012.

Share Sale Facility

Treasury Wine Estates Limited plans to implement a share sale facility for shareholders with a “minimal holding” of shares (securities with a value less than \$500). A letter describing this facility will be mailed to eligible shareholders in March 2012.

		31 December	30 June
		2011	2011
	Note	\$m	\$m
Note 10 Investments			
Investments accounted for using the equity method	(i)	8.9	8.9
Total investments		8.9	8.9

(i) Investments accounted for using the equity method

Investments in associates and joint venture partnerships are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the entity holding the ownership interest. The entities are primarily involved in, or have been involved in the production, marketing and distribution activities of TWE.

Name of entity	Country of Incorporation	Reporting date	Ownership interest	
			Dec 2011	Jun 2011
			%	%
Fiddlesticks LLC	United States of America	31 December	50.0	50.0
Judd Road Vineyards Limited	New Zealand	30 June	-	50.0
Make Wine Pty. Ltd.	Australia	30 June	50.0	50.0
Make Wine Trust	Australia	30 June	50.0	50.0
Oak Vale Vineyard Limited	New Zealand	30 June	-	50.0
Rapuara Vintners Limited	New Zealand	30 June	50.0	50.0

ii) Entities entering and leaving TWE

TWE did not acquire any new entities or dispose of any entities during the half year ended 31 December 2011. In respect to the year ended 30 June 2011, and as part of TWE's demerger from the Foster's Group, an internal corporate restructure took place immediately prior to the demerger. This resulted in several entities ceasing to be and several entities becoming subsidiaries of the Company. Full details in respect to these changes are provided in note 34 to TWE's annual report for the year ended 30 June 2011.

Treasury Wine Estates Limited

Half year report

Notes to the consolidated financial statements

31 December 2011

		31 December 2011 Shares million	30 June 2011 Shares million
Note 11 Contributed equity			
Paid up capital			
Ordinary fully paid shares	(a)	647.2	647.2
Opening balance - ordinary fully paid shares		647.2	650.0
Issued for consideration		-	3,500.0
Share capital consolidation	(b)	-	(4,150.0)
Shares issued under the Foster's Group demerger scheme	(c)	-	647.2
Closing balance		647.2	647.2

a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

(b) Share consolidation

Immediately prior to demerger the Company undertook a share consolidation whereby all shares on issue were converted to one ordinary share.

(c) Foster's Group demerger scheme

Under the Foster's Group demerger scheme, one Treasury Wine Estate Limited share was offered for every three Foster's Group Limited ordinary share held on the record date, being 16 May 2011, thereby resulting in the issue of 647.2 million ordinary shares.

Note 12 Contingent liabilities

Litigation

Various entities in TWE are party to legal actions which have arisen in the ordinary course of business. The actions are being defended and no material losses are expected to arise.

Note 13 Events subsequent to reporting date

There are no matters or circumstances which have arisen since the end of the half year ended 31 December 2011 which have significantly affected or may significantly affect the operations of TWE, the results of those operations or the state of affairs of TWE in subsequent financial periods.

Treasury Wine Estates Limited

Half year report

Directors' declaration

31 December 2011

The directors declare that the financial statements and notes for the consolidated entity:

- a. are prepared in accordance with the Corporations Act 2001, Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b. give a true and fair view of the consolidated entity's financial position as at 31 December 2011 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.



Max Ould
Chairman

17 February 2012



David CM Dearie
Chief Executive Officer



Independent auditor's review report to the members of Treasury Wine Estates Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Treasury Wine Estates Limited, which comprises the balance sheet as at 31 December 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Treasury Wine Estates Limited (the consolidated entity). The consolidated entity comprises both Treasury Wine Estates Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility 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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such 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

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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the 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.



Independence

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

Conclusion

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:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'A. Mill'.

Andrew Mill
Partner
PricewaterhouseCoopers

Melbourne
17 February 2012