

**Treasury Wine Estates
Denmark ApS**
Sundkrogsgade 21
2100 København Ø
Central Business Registration No
31632250

Annual report 2016/2017

The Annual General Meeting adopted the annual report on 01.12.2017

Chairman of the General Meeting

Name: Pernille Ohlsen

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Entity details

Entity

Treasury Wine Estates Denmark ApS
Sundkrogsgade 21
2100 København Ø

Central Business Registration No: 31632250

Registered in: København

Financial year: 01.07.2016 - 30.06.2017

Executive Board

Thomas Edward King
Michelle Elisabeth Brampton
Pernille Ohlsen

Entity auditors

KPMG Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Treasury Wine Estates Denmark ApS for the financial year 01.07.2016 - 30.06.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2017 and of the results of its operations for the financial year 01.07.2016 - 30.06.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

København, 01.12.2017

Executive Board

Thomas Edward King

Michelle Elisabeth Brampton

Pernille Ohlsen

Independent auditor's report

To the shareholders of Treasury Wine Estates Denmark ApS

Opinion

We have audited the financial statements of Treasury Wine Estates Denmark ApS for the financial year 1 July – 30 June 2017, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2017 and of the results of the Company's operations for the financial year 1 July – 30 June 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

Independent auditor's report

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

København, 01.12.2017

KPMG

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 25578198

Henrik Kyhnauv-Andersen

State Authorised Public Accountant

Management commentary

Primary activities

The Company's principal activities are sale, marketing and distribution of wine exported from Treasury Wine Estates EMEA Ltd. to local customers. The company mainly acts as an agent but may also act as an intermediary in transactions between the parent or affiliated companies in the Group.

Development in activities and finances

The profit for the year amounts to DKK 65.960 against a profit last year of DKK 90.635. The management considers the result satisfying.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016/2017

	<u>Notes</u>	<u>2016/2017</u> <u>DKK</u>	<u>2015/2016</u> <u>DKK</u>
Gross profit		1.156.972	761.173
Staff costs	1	(955.061)	(817.130)
Operating profit/loss		201.911	(55.957)
Other financial income		17.652	178.522
Other financial expenses		(132.915)	(4.093)
Profit/loss before tax		86.648	118.472
Tax on profit/loss for the year	2	(20.688)	(27.837)
Profit/loss for the year		65.960	90.635
Proposed distribution of profit/loss			
Retained earnings		65.960	90.635
		65.960	90.635

Balance sheet at 30.06.2017

	<u>Notes</u>	<u>2016/2017</u> <u>DKK</u>	<u>2015/2016</u> <u>DKK</u>
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	3	0	0
Receivables from group enterprises		1.045.478	1.191.336
Other receivables		105.513	40.581
Income tax receivable		0	44.843
Receivables		1.150.991	1.276.760
Cash		1.181.778	1.265.711
Current assets		2.332.769	2.542.471
Assets		2.332.769	2.542.471

Balance sheet at 30.06.2017

	<u>Notes</u>	<u>2016/2017</u> <u>DKK</u>	<u>2015/2016</u> <u>DKK</u>
Contributed capital		125.000	125.000
Retained earnings		1.371.242	1.305.282
Equity		<u>1.496.242</u>	<u>1.430.282</u>
Trade payables		243.014	785.378
Income tax payable		19.063	0
Other payables		574.450	326.811
Current liabilities other than provisions		<u>836.527</u>	<u>1.112.189</u>
Liabilities other than provisions		<u>836.527</u>	<u>1.112.189</u>
Equity and liabilities		<u>2.332.769</u>	<u>2.542.471</u>
Related parties with controlling interest	4		

Statement of changes in equity for 2016/2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	1.305.282	1.430.282
Profit/loss for the year	0	65.960	65.960
Equity end of year	125.000	1.371.242	1.496.242

Notes

	<u>2016/2017</u>	<u>2015/2016</u>
	DKK	DKK
1. Staff costs		
Wages and salaries	857.112	714.358
Pension costs	96.200	95.578
Other social security costs	1.749	7.194
	<u>955.061</u>	<u>817.130</u>
Number of employees at balance sheet date	<u>1</u>	<u>1</u>

	<u>2016/2017</u>	<u>2015/2016</u>
	DKK	DKK
2. Tax on profit/loss for the year		
Tax on current year taxable income	19.063	27.837
Adjustment concerning previous years	1.625	0
	<u>20.688</u>	<u>27.837</u>

	<u>Other fixtures and fittings, tools and equipment DKK</u>
3. Property, plant and equipment	
Cost beginning of year	<u>17.791</u>
Cost end of year	<u>17.791</u>
Depreciation and impairment losses beginning of the year	<u>(17.791)</u>
Depreciation and impairment losses end of the year	<u>(17.791)</u>
Carrying amount end of year	<u>0</u>

4. Related parties with controlling interest

The following shareholders are recorded in the Company's register of shareholders holding at least 5% of the votes or at least 5% of the capital:

Treasury Wine Estates EMEA Limited, Regal House, 70 London Road, Twickenham Middlesex, TW1 3QS, United Kingdom.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue from goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Other financial income

Other financial income comprises interest income, transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Accounting policies

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax