



TREASURY WINE ESTATES

23 OCTOBER 2015

ASX ANNOUNCEMENT

Retail Entitlement Offer Booklet **NOT FOR DISTRIBUTION IN THE UNITED STATES**

Treasury Wine Estates Limited ("TWE") will today despatch the attached Retail Entitlement Offer Booklet and personalised Entitlement and Acceptance Forms to eligible retail shareholders.

The Retail Entitlement Offer Booklet contains information in relation to TWE's fully underwritten pro rata 2 for 15 accelerated renounceable entitlement offer (with tradeable retail entitlements) announced on 14 October 2015 ("Retail Entitlement Offer").

The Retail Entitlement Offer will close at 5.00pm (Melbourne time) on Wednesday, 4 November 2015.

Only Eligible Retail Shareholders in Australia and New Zealand may participate in the Retail Entitlement Offer. The eligibility criteria for the Retail Entitlement Offer is set out in the Retail Entitlement Offer Booklet.

The Retail Entitlement Offer Booklet is also available on TWE's website at www.tweglobal.com.

For further information on the Retail Entitlement Offer you should call the TWE Offer Information Line on 1800 158 360 (within Australia) or +61 3 9415 4208 (outside Australia) from 8.30am to 5.30pm (Melbourne time) Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser

Contacts / Further information:

Media

Roger Sharp

Tel: +61 3 8533 3786

Mob: +61 458 883 599

Investors

Jane Betts

Tel: +61 3 8533 3493

Mob: +61 437 965 620

IMPORTANT INFORMATION:

This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the entitlements under the Retail Entitlement Offer (“Entitlements”) nor the New Shares to be issued under the offer (“New Shares”) have been, nor will be, registered under the U.S. Securities Act of 1933 (U.S. Securities Act) or under the securities laws of any state or other jurisdiction of the United States. The Entitlements and the New Shares may not be granted to, or taken up by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Entitlements and New Shares to be offered and sold in the Retail Entitlement Offer will only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) of the Securities Act) in reliance on Regulation S under the U.S. Securities Act.



RETAIL ENTITLEMENT OFFER



**TREASURY
WINE ESTATES**

Treasury Wine Estates Limited

ABN 24 004 373 862

2 for 15 pro rata accelerated renounceable rights offer of Treasury Wine Estates Limited ordinary shares at an offer price of A\$5.60 per New Share.

This offer closes at 5.00pm (Melbourne time) on Wednesday, 4 November 2015.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Retail Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Retail Offer Booklet is not a prospectus under the Corporations Act 2001 (Cth) (**Corporations Act**) and has not been lodged with the Australian Securities & Investments Commission (**ASIC**). Please call your stockbroker, accountant or other professional adviser or the TWE Offer Information Line on 1800 158 360 (within Australia) or +61 3 9415 4208 (outside Australia) if you have any questions.

Defined terms used in these important notices have the meaning given in this Retail Offer Booklet.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

Future performance and forward looking statements

This Retail Offer Booklet contains certain “forward looking statements”, including but not limited to projections, guidance on future revenues, earnings, margin improvement, other potential synergies and estimates, the timing and outcome of the Diageo Wine acquisitions, the outcome and effects of the entitlement offer and the use of proceeds, and the future performance of Diageo Wine and Treasury Wine Estates Limited (ABN 24 004 373 862) (**TWE**) post-acquisition. Forward looking statements can generally be identified by the use of forward looking words such as “expect”, “anticipate”, “likely”, “intend”, “propose”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance”, “potential”, and other similar expressions within the meaning of securities laws of applicable jurisdictions.

The forward looking statements contained in this Retail Offer Booklet are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of TWE, its Directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the “Key Risks” section of the TWE Investor Presentation included in Section 5 of this Retail Offer Booklet for a summary of certain general, TWE specific and acquisition specific risk factors that may affect TWE. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors included in the TWE Investor Presentation included in Section 5 of this Retail Offer Booklet. Investors should consider the forward looking statements contained in this Retail Offer Booklet in light of those disclosures. The forward looking statements are based on information available to TWE as at the date of this Retail Offer Booklet.

Except as required by law or regulation (including the ASX Listing Rules), TWE undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Past performance

Investors should note that past performance, including the past share price performance of TWE and the pro forma historical information in the TWE Investor Presentation included in Section 5 of this Retail Offer Booklet, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future TWE performance including future share price performance. The pro forma historical information is not represented as being indicative of TWE's views on its future financial condition and/or performance.

Jurisdictions

This Retail Offer Booklet, and any accompanying Australian Securities Exchange (**ASX**) announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the entitlements to purchase new ordinary shares in TWE (**New Shares**) pursuant to the offer

described in this Retail Offer Booklet (**Entitlements**) (**Retail Entitlement Offer**) nor the New Shares have been, or will be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be issued to, purchased by, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Shares in the Retail Entitlement Offer will be sold only in “offshore transactions” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Withholding tax

This Retail Offer Booklet refers to the potential payment of a Retail Premium to certain investors. TWE may be required to withhold Australian tax in relation to payments to certain investors under applicable laws. References to the payment of the Retail Premium in this Retail Offer Booklet should be read as payments net of any applicable withholding taxes.

References to “you” and “your Entitlement”

In this Retail Offer Booklet, references to “you” are references to Eligible Retail Shareholders (as defined in Section 6.1) and references to “your Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders.

Times and dates

Times and dates in this Retail Offer Booklet are indicative only and subject to change. All times and dates refer to Melbourne time. Refer to the “Key Dates” section of this Retail Offer Booklet for more details.

Currency

Unless otherwise stated, all dollar values in this Retail Offer Booklet are in Australian dollars (**A\$ or AUD**).

Trading Entitlements and New Shares

TWE will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by TWE or the TWE Share Registry or otherwise, or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

TWE will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by TWE or the TWE Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, accountant or other professional adviser.

Refer to Section 6 for details.

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KEY DATES FOR THE RETAIL ENTITLEMENT OFFER

Event	Date
Announcement of the Entitlement Offer	Wednesday, 14 October 2015
Entitlements commence trading on ASX on a deferred settlement basis	Monday, 19 October 2015
Record Date for eligibility in the Entitlement Offer (7.00pm, Melbourne time)	Monday, 19 October 2015
Retail Offer Booklet despatched and Retail Entitlements allotted	Friday, 23 October 2015
Retail Entitlement Offer opens (9.00am, Melbourne time)	Monday, 26 October 2015
Retail Entitlements commence trading on ASX on a normal settlement basis	Monday, 26 October 2015
Retail Entitlements trading on ASX ends	Tuesday, 27 October 2015
Retail Entitlement Offer closes (5.00pm, Melbourne time) ¹	Wednesday, 4 November 2015
Retail Shortfall Bookbuild	Wednesday, 11 November 2015
Settlement of the Retail Entitlement Offer	Friday, 13 November 2015
Issue of New Shares under the Retail Entitlement Offer	Monday, 16 November 2015
New Shares under the Retail Entitlement Offer commence trading on ASX	Tuesday, 17 November 2015
Despatch of holding statements for New Shares under the Retail Entitlement Offer	Wednesday, 18 November 2015
Retail Premium (if any) despatched	Wednesday, 18 November 2015

The timetable above is indicative only and may be subject to change. TWE reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, TWE reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of Entitlements and New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

Enquiries

If you have any questions, please contact the TWE Offer Information Line on 1800 158 360 (within Australia) or +61 3 9415 4208 (outside Australia) or consult your stockbroker, accountant or other professional adviser. The TWE Offer Information Line will be open from 8.30am to 5.30pm (Melbourne time), Monday to Friday.

¹ Eligible Retail Shareholders who wish to take up all or a part of their Entitlement must complete and return their personalised Entitlement and Acceptance Form with the requisite accompanying payment (Application Monies) OR pay their Application Monies via BPAY by following the instructions set out on the personalised Entitlement and Acceptance Form, so that they are received by the TWE Share Registry by no later than 5.00pm (Melbourne time) on Wednesday, 4 November 2015. Eligible Retail Shareholders should refer to Section 2 for options available to them to deal with their Entitlement.

LETTER FROM CHAIRMAN

Friday, 23 October 2015

Dear Shareholder,

On behalf of TWE, I am pleased to invite you to participate in a fully underwritten 2 for 15 pro-rata accelerated renounceable entitlement offer of New Shares at an offer price of \$5.60 per New Share (**Offer Price**) to raise gross proceeds of approximately \$486 million (**Entitlement Offer**). The Entitlement Offer was announced on Wednesday, 14 October 2015.

Proceeds of the Entitlement Offer will be used to partially fund the purchase price for the acquisition of the majority of the wine assets of Diageo plc's US and UK wine operation (**Diageo Wine**) as announced to ASX by TWE on Wednesday, 14 October 2015.

Acquisition of Diageo Wine

Diageo Wine is a leading player in the US Luxury and Masstige wine market, being the owner of a collection of iconic wine brands based in Napa, California.

Key US brands to be acquired include the well-known Beaulieu Vineyards, Sterling Vineyards, Acacia, Provenance and Hewitt, amongst other assets.² Diageo Wine's US wine business had a total sales volume of approximately 4 million cases³ of wine for FY15, with a strong representation in the growing Luxury and Masstige segments.

TWE will also acquire the Blossom Hill wine brand in the UK. Blossom Hill is one of the leading wine brands in the UK by volume and value in FY15.⁴ Diageo's UK wine business had a total sales volume of approximately five million cases of wine, sold in both Great Britain and in 28 international markets in FY15.

In FY15, Diageo Wine generated sales of approximately US\$470 million and pro forma EBITDAS of US\$76 million.

Entitlement Offer

Under the Entitlement Offer, eligible shareholders are entitled to acquire 2 New Shares for every 15 existing TWE shares held on the Record Date at 7.00pm Melbourne time on Monday, 19 October 2015.

The Offer Price of \$5.60 per New Share represents a 14.8% discount to TWE's closing price on Tuesday, 13 October 2015 of \$6.57 and a 13.3% discount to the theoretical ex-rights price⁵ of \$6.46. New shares issued through the Entitlement Offer will rank equally with existing TWE shares in all respects.

The fully underwritten Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Institutional Entitlement Offer and associated bookbuild have raised gross proceeds of approximately \$368 million.

The Retail Entitlement Offer is expected to raise gross proceeds of approximately \$119 million. This Retail Offer Booklet relates to the Retail Entitlement Offer and Entitlements allotted under it (**Retail Entitlements**). This Retail Offer Booklet contains important information about the Retail Entitlement Offer and TWE's business.

Accompanying this Retail Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your Entitlement. Your Entitlement may have value and it is important that you determine whether to take up, sell or transfer, or do nothing in respect of your Entitlement (see Section 3).

² The businesses and assets acquired do not include Diageo's interest in the Moët-Hennessy brand, the license to distribute Yellowtail, the Chalone brand/winery and the estate vineyard or the Acacia winery and part of a vineyard co-located to the winery.

³ 9L equivalents.

⁴ Nielsen MAT to 12 September 2015.

⁵ Theoretical Ex-Rights Price ("**TERP**") is the theoretical price at which shares in TWE should trade immediately after the ex-date of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares in TWE trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to TWE's closing price of \$6.57 per share on Tuesday, 13 October 2015 being the last trading day prior to the announcement of the Entitlement Offer.

The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Wednesday, 4 November 2015. To participate, you will need to complete and return your personalised Entitlement and Acceptance Form together with the requisite Application Monies, or alternatively pay your Application Monies using BPAY so that they are received by the TWE Share Registry by 5.00pm (Melbourne time) on Wednesday, 4 November 2015.

If you do not wish to take up your Entitlement, you may sell all or part of your Entitlement on ASX from Monday, 19 October 2015 to Tuesday, 27 October 2015, or transfer all or part of your Entitlement directly to another person. The assignment, transfer and exercise of Retail Entitlements is restricted to persons meeting certain eligibility criteria, as described in Section 6.1. If holders of Retail Entitlements at the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements and, as a result, they may receive no value for them. If you choose to do nothing in respect of all or a part of your Entitlement, part or all (as applicable) of your Entitlement will be offered for sale for your benefit through a bookbuild process on Wednesday, 11 November 2015 (**Retail Shortfall Bookbuild**). In this case, you will receive the amount paid (if any) in respect of the Entitlements sold to investors in the Retail Shortfall Bookbuild (**Retail Premium**), less any applicable withholding tax as described in Section 3.7.

Please carefully read this Retail Offer Booklet in its entirety and consult your financial adviser before making your investment decision. In particular, you should read and consider the “Key Risks” section of the TWE Investor Presentation included in Section 5 of this Retail Offer Booklet which contains a summary of some of the key risks associated with an investment in TWE.

If you have any questions in respect of the Entitlement Offer, please call the TWE Offer Information Line on 1800 158 360 (within Australia) or +61 3 9415 4208 (outside Australia) from 8.30am to 5.30pm (Melbourne time) Monday to Friday.

Yours faithfully,



Paul Rayner
Chairman,
Treasury Wine Estates Limited

1. IS THIS RETAIL OFFER BOOKLET RELEVANT TO YOU?

This Retail Offer Booklet is relevant to you if you are an Eligible Retail Shareholder.

In this Retail Offer Booklet, references to “you” are references to Eligible Retail Shareholders and references to “your Entitlement” or “your Retail Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Melbourne time) on Monday, 19 October 2015;
- have a registered address on the TWE share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds TWE ordinary shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Refer to Section 6.1 for further details.

2. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder you may take any of the following actions:

1. Take up all or part of your Entitlement; or
2. Sell all or part of your Entitlement:
 - on ASX; or
 - by transferring it directly to another person; or
3. Do nothing and let all or part of your Entitlement be sold into the Retail Shortfall Bookbuild.

If you are a retail shareholder that is not an Eligible Retail Shareholder you are an Ineligible Retail Shareholder. Ineligible Retail Shareholders will receive the Retail Premium (if any), less any applicable withholding tax, for the sale of their Entitlements by a nominee for their benefit through the Retail Shortfall Bookbuild.

Options available to you	Key considerations
1. Take up all or part of your Entitlement	<ul style="list-style-type: none">• You may elect to purchase New Shares at the Offer Price (see Section 3.5.1 for instructions on how to take up your Entitlement).• The New Shares will rank equally in all respects with existing Shares.• The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Wednesday, 4 November 2015.• If you only take up part of your Entitlement, you may choose to sell or transfer the balance (see Option 2 below) or you may do nothing and let that part be offered for sale in the Retail Shortfall Bookbuild for your benefit (see Option 3 below).• Eligible Retail Shareholders are not able to apply for New Shares in excess of their Entitlement as set out in their personalised Entitlement and Acceptance Form.

Options available to you	Key considerations
2. Sell all or part of your Entitlement	<ul style="list-style-type: none"> • If you do not wish to take up all or part of your Entitlement, you may be able to sell all or part of your Entitlement on ASX through your broker (see Section 3.5.2) or transfer your Entitlement directly to another person (see Section 3.5.3). • Retail Entitlements may be traded on ASX from Monday, 19 October 2015 to Tuesday, 27 October 2015 (ASX code: TWER). You may incur brokerage costs if you sell all or part of your Entitlement on ASX. • If you hold your existing Shares on capital account, the proceeds of any sale of the Retail Entitlement should be treated as capital gains for Australian income tax purposes (see Section 4.2). • Prices obtained for Retail Entitlements may rise and fall over the Retail Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of TWE existing Shares relative to the Offer Price. If you sell your Entitlement in the Retail Entitlement trading period, you may receive a higher or lower amount than a shareholder who sells their Entitlement at a different time in the Retail Entitlement trading period or through the Retail Shortfall Bookbuild. You will also forgo any exposure to increases or decreases in the value of New Shares had you taken up that Entitlement. Your percentage shareholding in TWE will also be diluted. • If you only sell part of your Entitlement, you may choose to take up the remainder (see Option 1) or you may do nothing and let that part be offered for sale in the Retail Shortfall Bookbuild (see Option 3 below).
3. Do nothing and let all or part of your Entitlement be offered for sale in the Retail Shortfall Bookbuild	<ul style="list-style-type: none"> • To the extent you do not take up or do not sell all of your Entitlement on ASX (or via direct transfer), your Entitlements will be offered for sale on your behalf in the Retail Shortfall Bookbuild on Wednesday, 11 November 2015 and you will receive the Retail Premium (if any), less any applicable withholding tax, in respect of these Entitlements (see Section 3.5.4). There is no guarantee that there will be any Retail Premium. • The ATO has stated in Taxation Ruling TR 2012/1 that in certain circumstances retail premiums will be taxed either as unfranked dividends (which may be subject to dividend withholding tax if you are not an Australian resident Shareholder) or as ordinary income (and not as capital gains). The ATO's ruling does not apply to the Entitlements because, amongst other things, the Entitlements are tradeable on ASX. • TWE's tax advisor considers that any Retail Premium should be taxable in the hands of Eligible Retail Shareholders who hold their existing Shares on capital account as a capital gain (see Section 4.2). However, it is possible the ATO could seek to apply the tax treatment specified in Taxation Ruling TR 2012/1 to Entitlements sold via the Retail Shortfall Bookbuild. • Accordingly, Eligible Retail Shareholders who propose to allow their Entitlements to be offered for sale in the Retail Shortfall Bookbuild should consider instead selling their Entitlements on ASX, the tax treatment for which is more certain. • You will not incur brokerage costs on any Retail Premium received from the Retail Shortfall Bookbuild. • By letting your Entitlement be offered for sale in the Retail Shortfall Bookbuild, you will forgo any exposure to increases or decreases in the value of New Shares (or any value for that Entitlement which may have been achieved through its sale on ASX or otherwise). Your percentage shareholding in TWE will also be diluted.

3. HOW TO APPLY

3.1 OVERVIEW OF THE ENTITLEMENT OFFER

Eligible shareholders are being offered the opportunity to purchase 2 New Shares for every 15 existing Shares held as at the Record Date of 7.00pm (Melbourne time) on Monday, 19 October 2015 (**Record Date**), at the Offer Price of \$5.60 per New Share.

The Entitlement Offer is comprised of four components.

- **Institutional Entitlement Offer** – Eligible Institutional Shareholders (as defined in Section 6.2) were given the opportunity to take up all or part of their Entitlement. Entitlements under the Institutional Entitlement Offer (**Institutional Entitlements**) were renounceable and were not able to trade on ASX. Approximately 89% of Institutional Entitlements were taken up by Eligible Institutional Shareholders and this process was completed on Thursday, 15 October 2015;
- **Institutional Shortfall Bookbuild** – Institutional Entitlements not taken up and Entitlements of ineligible institutional shareholders were sold through a bookbuild process on Friday, 16 October 2015 (**Institutional Shortfall Bookbuild**). The premium paid in respect of those Entitlements was \$1.50 per Entitlement (**Institutional Premium**). Eligible Institutional Shareholders who elected not to take up all or part of their Institutional Entitlements, and ineligible institutional shareholders, will receive the Institutional Premium for each Entitlement that was not taken up and that was sold in the Institutional Shortfall Bookbuild;
- **Retail Entitlement Offer** – Eligible Retail Shareholders (as defined in Section 6.1) will be allotted Entitlements under the Retail Entitlement Offer (**Retail Entitlement**) which can be taken up in whole or in part, or traded on ASX (or transferred directly to another person) in whole or in part. This means that if you do not wish to take up all or part of your Retail Entitlement you may sell on ASX or transfer all or part of your Retail Entitlement in order to realise value from your Retail Entitlement. You may incur brokerage costs if you sell your Retail Entitlement on ASX; and
- **Retail Shortfall Bookbuild** – Retail Entitlements which are not taken up by the close of the Retail Entitlement Offer and Entitlements of Ineligible Retail Shareholders (as defined in Section 3.6) will be offered for sale through the Retail Shortfall Bookbuild. Any Retail Premium, less any applicable withholding tax, will be remitted proportionally to holders of those Retail Entitlements at the close of the Retail Entitlement Offer, and to Ineligible Retail Shareholders. The Retail Premium, if any, is expected to be paid on or about Wednesday, 18 November 2015.

You have a number of decisions to make in respect of your Entitlement. You should read this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Entitlement Offer is underwritten by the Underwriter. Further details on the Retail Entitlement Offer and the Retail Shortfall Bookbuild are set out below.

3.2 THE RETAIL ENTITLEMENT OFFER

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 2 New Shares for every 15 existing Shares held as at the Record Date at the Offer Price of \$5.60 per New Share.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer.

The Retail Entitlement Offer opens at 9.00am (Melbourne time) Monday, 26 October 2015 and will close at 5.00pm (Melbourne time) on Wednesday, 4 November 2015.

3.3 YOUR ENTITLEMENT

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 2 New Shares for every 15 existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares. See Sections 6.1 and 6.14 for information on restrictions on participation.

3.4 CONSIDER THE RETAIL ENTITLEMENT OFFER CAREFULLY IN LIGHT OF YOUR PARTICULAR INVESTMENT OBJECTIVES AND CIRCUMSTANCES

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Retail Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the information on TWE and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement, sell or transfer all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Retail Offer Booklet and other announcements made available at www.tweglobal.com (including announcements which may be made by TWE after publication of this Retail Offer Booklet).

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You should also refer to the “Key Risks” section of the TWE Investor Presentation included in Section 5 of this Retail Offer Booklet.

3.5 OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder, you may take any of the following actions:

- take up all or part of your Entitlement (see Section 3.5.1); or
- sell all or part of your Entitlement to persons meeting certain eligibility criteria:
 - on ASX (see Section 3.5.2); or
 - by transferring it directly to another person (see Section 3.5.3); or
- do nothing and let your Entitlement be offered for sale through the Retail Shortfall Bookbuild (see Section 3.5.4).

The Retail Offer is an offer to Eligible Retail Shareholders only (as defined in Section 6.1).

Eligible Retail Shareholders who do not participate fully in the Retail Offer will have their percentage holding in TWE reduced. Eligible Retail Shareholders who participate in the Retail Offer will not see their percentage holding in TWE reduced if they take up all of their Entitlement.

3.5.1 If you wish to take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, please either:

- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies; or
- pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

so that they are received by the TWE Share Registry, by no later than 5.00pm (Melbourne time) on Wednesday, 4 November 2015.

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on Monday, 16 November 2015. TWE's decision on the number of New Shares to be issued to you will be final.

TWE also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders, if TWE believes their claimed entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to TWE's satisfaction (see Section 6.10).

Eligible Retail Shareholders are not able to apply for New Shares in excess of their Entitlement.

3.5.2 If you wish to sell all or part of your Entitlement on ASX

If you wish to sell all or part of your Entitlement on ASX, you should instruct your stockbroker and provide details as requested from your personalised Entitlement and Acceptance Form or as accessed online at www.investorcentre.com. Allow sufficient time for your instructions to be carried out by your stockbroker. Please note you may incur brokerage if you choose to sell your Entitlement on ASX.

Entitlement trading on ASX starts on a deferred settlement basis at 10.00am (Melbourne time) on Monday, 19 October 2015 (ASX code: TWER) and ceases at 4.00pm (Melbourne time) on Tuesday, 27 October 2015. There is no guarantee that there will be a liquid market for Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve.

This Retail Offer Booklet, along with your personalised Entitlement and Acceptance Form, will be despatched on Friday, 23 October 2015.

TWE will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade your Entitlement before the Retail Entitlements are allotted, or before you receive your personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by TWE or the TWE Share Registry or failure to maintain your updated details on the TWE share register or otherwise.

If you wish to sell part of your Entitlement on ASX and let the balance be offered for sale into the Retail Shortfall Bookbuild, follow the procedures above in respect of the part of your Entitlement you wish to sell on ASX, and do nothing in respect of the balance. You will receive the Retail Premium (if any), less any applicable withholding tax, in respect of those Entitlements sold through the Retail Shortfall Bookbuild.

Prices obtainable for Retail Entitlements may rise and fall over the Retail Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of TWE existing Shares relative to the Offer Price. If you sell your Entitlements in the Retail Entitlement trading period, you may receive a higher or lower amount than a shareholder who sells their Entitlements at a different time in the Retail Entitlement trading period or through the Retail Shortfall Bookbuild.

If you sell your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in TWE will also be diluted.

3.5.3 If you wish to transfer all or part of your Entitlement other than on ASX

If you wish to transfer all or part of your Entitlement other than on ASX, you must forward a completed Renunciation and Acceptance Form to the TWE Share Registry in relation to the part of your Entitlement that you wish to transfer. If the transferee wishes to take up all or part of the Entitlement transferred to them, they must send their Application Monies together with the Entitlement and Acceptance Form related to the Entitlement transferred to them to the TWE Share Registry.

You can obtain a Renunciation and Acceptance Form through the TWE Offer Information Line on 1800 158 360 (within Australia) or +61 3 9415 4208 (outside Australia) or from your stockbroker. The Renunciation and Acceptance Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form related to the Entitlement transferred to them must be received by the TWE Share Registry at the mail or hand delivery address in Section 3.9 no later than 5.00pm (Melbourne time) on Wednesday, 4 November 2015.

If the TWE Share Registry receives both a completed Renunciation and Acceptance Form and an application for New Shares in respect of the same Entitlement, the transfer will take priority over the application.

If you wish to transfer part of your Entitlement and allow the balance to be offered for sale in the Retail Shortfall Bookbuild, follow the procedures above in respect of the part of your Entitlement you wish to transfer, and do nothing in respect of the balance. You will receive the Retail Premium (if any), less any applicable withholding tax, in respect of those Entitlements sold through the Retail Shortfall Bookbuild.

If you transfer your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in TWE will also be diluted.

You may only transfer your Entitlement in this way to a purchaser whose address is in Australia or New Zealand, who is not in the United States and is not acting for the account or benefit of a person in the United States. Persons that are in the United States or that are acting for the account or benefit of a person in the United States will not be eligible to purchase, trade, take up or exercise Entitlements. You should inform any transferee of these restrictions.

See Sections 6.1 and 6.14 for more information on restrictions on participation.

3.5.4 If you wish to let your Entitlement be sold through the Retail Shortfall Bookbuild

Any of your Entitlements which you do not take up, sell or transfer will be offered for sale in the Retail Shortfall Bookbuild on Wednesday, 11 November 2015 to Eligible Institutional Investors. You will receive the Retail Premium (if any), less any applicable withholding tax, in respect of those Entitlements sold through the Retail Shortfall Bookbuild (see Section 3.7).

By allowing your Entitlement to be offered for sale in the Retail Shortfall Bookbuild, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement (or any value for your Entitlement which may have been achieved through its sale on ASX or otherwise). Your percentage shareholding in TWE will also be diluted.

3.6 INELIGIBLE RETAIL SHAREHOLDERS

Ineligible Retail Shareholders will receive the Retail Premium (if any), less any applicable withholding tax, for Entitlements that have been sold on their behalf into the Retail Shortfall Bookbuild.

3.7 RETAIL SHORTFALL BOOKBUILD

Retail Entitlements which are not taken up by close of the Retail Entitlement Offer, and Retail Entitlements of Ineligible Retail Shareholders, will be offered for sale in the Retail Shortfall Bookbuild. Any Retail Premium (being any amount paid in respect of those Entitlements sold into the Retail Shortfall Bookbuild) will be remitted proportionally to such shareholders on or about Wednesday, 18 November 2015, net of any applicable withholding tax.

Retail Premium amounts (if any), less any applicable withholding tax, will be paid in either Australian dollars or New Zealand dollars based on your nominated bank account. If you are an Eligible Retail Shareholder and you have an Australian or New Zealand bank account the details of which have been provided to the TWE Share Registry for direct crediting of payment, then the Retail Premium (if any), less an applicable withholding tax, will be paid into that bank account.

In all other circumstances, the Retail Premium (if any), less any applicable withholding tax, will be paid by an Australian dollar cheque.

The Retail Premium may be zero, in which case no payment will be made to holders of those Entitlements offered for sale in the Retail Shortfall Bookbuild. The outcome of the Institutional Shortfall Bookbuild (including the Institutional Premium) is not an indication as to whether there will be a Retail Premium or what any Retail Premium may be.

The ability to sell Entitlements under the Retail Shortfall Bookbuild and the ability to obtain any Retail Premium will depend on various factors, including market conditions. If there is a Retail Premium, it may be less than, more than, or equal to the Institutional Premium or less than, more than or equal to any price or prices that Entitlements may be able to be sold on ASX or otherwise transferred. To the maximum extent permitted by law, TWE, the Underwriter and each of their respective related bodies corporate and affiliates, and each of their respective directors, officers, partners, employees, representatives and agents, disclaim all liability, including for negligence, for any failure to procure a Retail Premium under the Retail Shortfall Bookbuild and for any difference between the Retail Premium and the Institutional Premium. TWE reserves the right to issue Entitlements under the Retail Shortfall Bookbuild at its discretion.

You should note that if you sell or transfer all or part of your Entitlement or allow all or part of your Entitlement to be offered for sale in the Retail Shortfall Bookbuild, then you will forgo any exposure to increases or decreases in the value of New Shares (or any value for that Entitlement which may have been achieved through its sale on ASX or otherwise) and your percentage shareholding in TWE will be diluted by your non-participation in the Retail Entitlement Offer.

3.8 PAYMENT

You can pay in the following ways:

- by BPAY®; or
- by cheque.

Cash payments will not be accepted. Receipts for payment will not be issued.

TWE will treat you as applying for as many New Shares as your payment will pay for in full.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

3.8.1 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.10; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the TWE Share Registry by no later than 5.00pm (Melbourne time) on Wednesday, 4 November 2015. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make your payment.

3.8.2 Payment by cheque

For payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to “Treasury Wine Estates Limited” and crossed “Not Negotiable”.

Your cheque must be:

- for an amount equal to \$5.60 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

3.9 MAIL OR HAND DELIVERY

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Melbourne time) on Wednesday, 4 November 2015. If you make payment via cheque you should mail or hand deliver your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001
Australia

Hand Delivery Address

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
Australia

(Please do not use this address for mailing purposes)

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at TWE's registered or corporate offices or other offices of the TWE Share Registry.

3.10 REPRESENTATIONS BY ACCEPTANCE

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have represented to TWE that you are an Eligible Retail Shareholder and:

- acknowledge that you have read and understand this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet, and TWE's constitution;
- authorise TWE to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once TWE receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided, except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- authorise TWE, the Underwriter, the TWE Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the TWE Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;

- acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in TWE and is given in the context of TWE's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risks" section of the TWE Investor Presentation included in Section 5 of this Retail Offer Booklet and that investments in TWE are subject to risk;
- acknowledge that none of TWE, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of TWE, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- authorise TWE to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of TWE, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent such person holds TWE ordinary Shares for the account or benefit of such person in the United States);
- you understand and acknowledge that neither the Entitlements nor New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Notwithstanding the foregoing, the Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- you are subscribing for or purchasing Entitlements or New Shares in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- you have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

3.11 REPRESENTATIONS BY ACQUIRERS OF RETAIL ENTITLEMENTS

Investors who acquire Retail Entitlements on ASX or otherwise will, by acquiring those Retail Entitlements, and by applying to take up all or part of those Retail Entitlements, be deemed to agree to make and be subject to the representations, declarations, warranties and agreements in Section 3.10 above (with references to the personalised Entitlement and Acceptance Form to be read as including any other form provided or required to be provided to TWE, the TWE Share Registry or the person's stockbroker).

The Retail Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States.

Investors should note that if you purchase Retail Entitlements in a transaction on ASX or otherwise, in order to take up or exercise those Entitlements and subscribe for New Shares you:

- must be an Eligible Retail Shareholder (as defined in Section 6.1), a resident in Australia or New Zealand, or otherwise qualify as an 'Eligible Person'⁶; and
- must not be in the United States or acting for the account or benefit of a person in the United States.

⁶ Certain investors in a limited number of foreign jurisdictions (other than the United States) may be Eligible Persons if they satisfy the requirements of that expression as set out in the 'Entitlement and Acceptance Form' (Appendix E) in respect of the Entitlement Offer which is available at www.tweglobal.com.

3.12 ENQUIRIES

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the TWE Offer Information Line on 1800 158 360 (within Australia) or +61 3 9415 4208 (outside Australia). The TWE Offer Information Line will be open from 8.30am to 5.30pm (Melbourne time), Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

4. AUSTRALIAN TAXATION CONSIDERATIONS

4.1 INTRODUCTION

This is a summary of the Australian tax consequences of the Retail Entitlement Offer for shareholders that hold their Shares on capital account for Australian income tax purposes. This summary does not consider the consequences for shareholders who:

- acquire Entitlements otherwise than under the Retail Entitlement Offer (eg. their Entitlements are acquired on ASX);
- hold existing Shares, New Shares or Entitlements in a business of share trading, dealing in securities or otherwise hold their existing Shares, New Shares or Entitlements on revenue account or as trading stock;
- acquired existing Shares in respect of which the Entitlements are issued under an employee share scheme;
- are subject to the 'taxation of financial arrangements' provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to their holding of Shares, New Shares or Entitlements; or
- in relation to a non-Australian resident, hold their Shares, New Shares or Entitlements through a permanent establishment in Australia.

This summary is necessarily general in nature and is based on Australian income tax legislation and administrative practice in force as at the date of this Retail Entitlement Offer Booklet. It does not take into account any financial objectives, tax positions or investments needs of any Shareholders and should not be construed as being investment, legal or tax advice to any particular Shareholder.

As the taxation implications of the Retail Entitlement Offer will depend upon a shareholder's particular circumstances. Shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Retail Entitlement Offer that are not covered by this summary. Such shareholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Retail Entitlement Offer in any jurisdictions that are relevant to them.

Neither TWE nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Retail Entitlement Offer.

4.2 INCOME TAX CONSEQUENCES OF ENTITLEMENTS

Australian resident shareholders

a) Issue of Entitlements

The issue of Entitlements to Australian resident shareholders should not, of itself, give rise to any amount of assessable income or capital gain for shareholders.

b) Exercise of Entitlements

The exercise of Entitlements should not, of itself, result in any amount being included in a shareholder's assessable income and should not give rise to any capital gain under the capital gains tax (CGT) provisions.

Eligible Retail Shareholders that exercise their Entitlements will receive New Shares. The amount paid to exercise Entitlements (ie. the Offer Price) and any non-deductible incidental costs will form the cost base of the New Shares acquired through exercise for CGT purposes.

c) Sale on ASX or transfer of Entitlements

The Entitlements are classified as assets for CGT purposes. Entitlements may be sold on the ASX or through a sale or transfer to a third person.

Shareholders will have no cost base for their Entitlements under the CGT rules. Shareholders will realise a capital gain equal to the sale price (or deemed market value sale price if Entitlements are sold or transferred for no consideration or on non-arm's length terms) less any incidental costs of disposal. This capital gain will be included in assessable income after the application of current year or carry forward capital losses.

Shareholders will be treated as having acquired their Entitlements on the same date they acquired the Shares which gave rise to the Entitlements. This means that if a qualifying shareholder (an individual, trust or complying superannuation fund) has held their Shares for at least 12 months prior to the date of sale or transfer of their Entitlements, they should be entitled to discount the amount of any capital gain resulting from the sale of the Entitlements (after the application of any current year or carry forward capital losses). The amount of this discount is 50% for individuals and trustees and 33 $\frac{1}{3}$ % for complying superannuation entities. This is referred to as the 'CGT discount'. The CGT discount is not available for companies that are not trustees. Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of discount capital gains.

d) Sale of Entitlements through Retail Shortfall Bookbuild

Retail shareholders who do not or cannot exercise, sell or transfer their Entitlements will have their Entitlements offered for sale on their behalf in the Retail Shortfall Bookbuild on Wednesday, 11 November 2015 and any amount paid for the Entitlement will be remitted to them as a Retail Premium.

There is some uncertainty in relation to the taxation treatment of amounts received under a 'retail bookbuild'. In January 2012, the Commissioner of Taxation (the Commissioner) issued taxation ruling TR 2012/1 in which he ruled that in certain situations, such amounts are assessable either as an unfranked dividend or ordinary income (rather than as a capital gain under the CGT rules). Importantly, TR 2012/1 states that the ruling does not apply to entitlements which are assignable or tradeable or given to a nominee for disposal on behalf of shareholders entitled to them.

Having regard to the manner in which the Retail Shortfall Bookbuild is to be conducted (the Entitlements are tradeable on ASX and Entitlements which are not exercised by Eligible Retail Shareholders will be offered for sale on their behalf in the Retail Shortfall Bookbuild), TWE's taxation advisor considers that:

- TR 2012/1 should not apply to Entitlements; and
- any Retail Premium received by Eligible Retail Shareholders should be treated as capital proceeds for the Entitlements sold on their behalf through the Retail Shortfall Bookbuild. Eligible Retail Shareholders whose Entitlements are sold in the Retail Shortfall Bookbuild should derive a capital gain that should be taxable under the CGT provisions – in the manner set out in the section above.

It is possible that the Commissioner may seek to treat an amount received through the Retail Shortfall Bookbuild as assessable (ie. to apply the tax treatment set out in TR 2012/1 to Entitlements sold in the Retail Shortfall Bookbuild). While TWE does not consider this view to be correct, in light of this uncertainty, shareholders should seek advice from their own financial advisor or other professional advisor about the tax consequences of participating in the Retail Shortfall Bookbuild.

In the event that the Commissioner provides guidance or advice that is considered by TWE to indicate that the Retail Premium should be treated otherwise than outlined above, TWE may take steps to follow such advice, including making withholding from the Retail Premium.

Non-Australian resident shareholders

a) Issue of Entitlements

No income tax or CGT liability should arise to non-Australian resident shareholders as a result of being issued of Entitlements.

b) Exercise of Entitlements

No income tax or CGT liability should arise to non-Australian resident shareholders, who exercise their Entitlements by accepting the Retail Entitlement Offer.

c) Sale on ASX or transfer, of Entitlements

No Australian income tax or CGT should be payable on any gain realised upon the disposal of Entitlements held by non-Australian Resident shareholders, on the basis that no single non-Australian Resident shareholder holds more than 10% of the total existing Shares.

d) Sale through Retail Shortfall Bookbuild

As noted above, the Commissioner ruled in TR 2012/1 that in certain situations amounts received by shareholders under a 'retail bookbuild' should be treated either as an unfranked dividend or ordinary income (rather than as a capital gain under the CGT rules). If the Commissioner were to treat the amounts received by shareholders through the Retail Shortfall Bookbuild as a dividend (ie. by applying the reasoning in TR 2012/1), then dividend withholding tax would be payable at the rate of 30% (unless reduced under a relevant double tax treaty). For the reasons discussed above, TWE's taxation advisor considers that TR 2012/1 should not apply to the disposal of Entitlements and the Retail Premium should be treated as a non-taxable capital gain (rather than a dividend) for non-Australian resident shareholders.

4.3 INCOME TAX CONSEQUENCES OF NEW SHARES

Australian resident shareholders

Dividends paid on the New Shares should be frankable for imputation purposes. Generally, provided that a shareholder is a 'qualified person' and the Commissioner of Taxation does not make a determination under the dividend streaming rules to deny the benefit of the franking credits to the shareholder, the shareholder:

- should include the amount of the dividend as well as an amount equal to the franking credits attached to the dividend in their assessable income in the income year in which they receive the dividend; and
- should qualify for a tax offset equal to the franking credits attached to the dividend, which can be applied against their income tax liability for the relevant income year.

A shareholder should be a 'qualified person' if the 'holding period rule' and the 'related payments rule' are satisfied. Generally:

- to satisfy the 'holding period rule', a shareholder must have held their New Shares 'at risk' for a continuous period of at least 45 days (excluding the day of disposal) within a period beginning on the day after the day on which they acquired and ending on the 45th day after they become ex-dividend. To be held 'at risk', a shareholder must retain 30% or more of the risks and benefits associated with holding their New Shares. Where a shareholder undertakes risk management strategies in relation to their New Shares (eg. by the use of limited recourse loans, options or other derivatives), the shareholder's ability to satisfy the 'at risk' requirement of the 'holding period rule' may be affected; and
- under the 'related payments rule', a shareholder who is obliged to make a 'related payment' (essentially a payment passing on the benefit of the dividend to another person), in respect of a dividend must hold the New Shares 'at risk' for at least 45 days (not including the days of acquisition and disposal) within each period beginning 45 days before and ending 45 days after they become ex-dividend.

A shareholder who is an individual is automatically treated as a 'qualified person' for these purposes if the total amount of the tax offsets in respect of all franked amounts to which the shareholder is entitled in an income year does not exceed \$5,000. This is referred to as the 'small shareholder rule'. However, a shareholder will not be a 'qualified person' under the small shareholder rule if 'related payments' have been made, or will be made, in respect of such amounts.

In relation to the tax consequences on disposal of New Shares, any gain or loss realised on disposal should be taxable under the CGT provisions. The cost base for New Shares will be the amount paid for them (ie. the Offer Price) together with certain incidental costs of acquisition and disposal. The New Shares will be treated as having been acquired on the date the relevant shareholder exercised their Entitlements to buy the New Shares (ie. the date the shareholder returned their completed Entitlement and Acceptance Form). This means that the New Shares would need to be held for at least 12 months after this date in order for qualifying shareholders (individuals, trusts and complying superannuation funds) to be eligible for the CGT discount concession on disposal of the New Shares.

Non-Australian resident shareholders

Dividends paid on New Shares should not be subject to Australian non-resident withholding tax to the extent the dividends are franked.

To the extent an unfranked dividend is paid to non-Australian resident shareholders, withholding tax will be payable. The rate of withholding tax is 30%. However, non-Australian resident shareholders may be entitled to a reduction in the rate of withholding tax if they are resident in a country which has a double taxation agreement with Australia.

In relation to the tax consequences on disposal of New Shares, non-Australian resident shareholders should generally not be taxable on any gain realised on disposal of their New Shares.

4.4 PROVISION OF TFN OR ABN

Australian tax legislation imposes withholding tax (currently at a rate of 49%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided. Shareholders that have not previously provided their TFN or ABN (if applicable) to TWE may wish to do so prior to the close of the Retail Entitlement Offer to ensure that withholding tax is not deducted from any Retail Premium payable to them.

A shareholder is not required to provide their TFN or ABN to TWE.

4.5 OTHER AUSTRALIAN TAXES

GST and stamp duty are not payable on the issue, receipt, exercise, sale, transfer or disposal of New Shares or Entitlements.

GST is not payable in relation to the payment of dividends by TWE.



TREASURY
WINE ESTATES

TWE announces acquisition of Diageo's wine business and entitlement offer

14 October 2015



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Important notice and disclaimer

Disclaimer

This investor presentation (Presentation) has been prepared by Treasury Wine Estates (ABN 24 004 373 862) (TWE). This Presentation has been prepared in relation to TWE's acquisition of the majority of assets from Diageo Plc's US and UK wine operations ('Diageo Wine') and a fully underwritten 2 for 15 pro-rata accelerated renounceable entitlement offer of new TWE ordinary shares (New Shares) with retail rights trading (Entitlement Offer) to be made under section 708AA of the Corporations Act 2001 (Cth) (Corporations Act) as modified by the Australian Securities and Investments Commission (ASIC). The Entitlement Offer will be made to:

- Eligible institutional shareholders of TWE (Institutional Entitlement Offer); and
- Eligible retail shareholders of TWE (Retail Entitlement Offer).

Summary information

This Presentation contains summary information about TWE and its activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in TWE or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

TWE's historical information in this Presentation is, or is based upon, information that has been released to the Australian Securities Exchange (ASX). This Presentation should be read in conjunction with TWE's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au. Certain information in this presentation has been sourced from Diageo Wine and its associates. While steps have been taken to review that information, TWE, the underwriter and their affiliates are not in a position to warrant its accuracy.

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The retail offer booklet for the Retail Entitlement Offer will be available following its lodgement with ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet in deciding whether to apply under that offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the retail offer booklet and the entitlement and acceptance form.

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Cooling off rights do not apply to the acquisition of New Shares.

Investment risk

An investment in TWE shares is subject to known and unknown risks, some of which are beyond the control of TWE. TWE does not guarantee any particular rate of return or the performance of TWE. Investors should have regard to the risk factors outlined in this Presentation when making their investment decision.

Financial data

All financial information in this Presentation is in Australian Dollars (\$) or AUD) unless otherwise stated. Investors should note that this Presentation contains pro forma and forecast financial information. In particular, a pro forma balance sheet as at 30 June 2015 has been prepared by TWE based on the audited FY15 TWE balance sheet, unaudited and unreviewed management reporting balance sheets of Diageo Wine as at 30 June 2015 (extracted and derived from Diageo's underlying financial reporting system which was used to prepare Diageo's FY15 audited financial statements) and certain acquisition adjustments. The pro forma and forecast financial information, and the historical information, provided in this Presentation is for illustrative purposes only and is not represented as being indicative of TWE's views on its future financial condition and/or performance.

Investors should also note that this Presentation does not include financial statements of Diageo Wine. The pro forma financial information has been prepared by TWE in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia and the Diageo Wine financial information has been extracted from the FY15 audited financial statements of Diageo. Investors should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.



Important notice and disclaimer

Financial information for Diageo Wine contained in this presentation has been derived from financial statements and other financial information made available by Diageo Wine in connection with the acquisition. Such financial information does not purport to comply with Article 3-05 of Regulation S-X.

Investors should be aware that certain financial measures included in this presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and are also 'non-GAAP financial measures' under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures include EBITA, EBITDAS, EBITs, SGARA (Self-generating and Regenerating Assets), interest cover and interest / EBITs, net debt / EBITDAS, as shown on slide 14. The non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards and International Financial Reporting Standards (IFRS). Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Presentation.

Future performance

This Presentation contains certain 'forward looking statements', including but not limited to projections, guidance on future revenues, earnings, margin improvement, other potential synergies and estimates, the timing and outcome of the Diageo Wine acquisitions, the outcome and effects of the entitlement offer and the use of proceeds, and the future performance of Diageo Wine and TWE post-acquisition (Combined Group). Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions and include:

The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of TWE, its Directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the 'Key Risks' section of this Presentation for a summary of certain general, TWE specific and Acquisition specific risk factors that may affect TWE. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. The forward looking statements are based on information available to TWE as at the date of this Presentation.

Except as required by law or regulation (including the ASX Listing Rules), TWE undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Past performance

Investors should note that past performance, including past share price performance of TWE and pro forma historical information in this Presentation, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future TWE performance including future share price performance. The pro forma historical information is not represented as being indicative of TWE's views on its future financial condition and/or performance.

Disclaimer

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Statements made in this Presentation are made only as the date of this Presentation. The information in this Presentation remains subject to change without notice. The underwriter of the Entitlement offer and/ or its affiliates are also acting as financial adviser to TWE in relation to the proposed acquisition, and the underwriter and/ or its affiliates are acting as sole mandated lead arranger, underwriter and bookrunner of the US\$150 million acquisition bridge loan facility and US\$170 million term loan facility. Furthermore, in the course of its ordinary business, an affiliate(s) of the underwriter may execute currency or other hedging transactions with TWE and/ or its affiliates as counterparties, including in connection with the proposed acquisition. The underwriter and/ or its affiliates may receive fees and/ or other consideration in relation to these transactions. The underwriter and/ or its affiliates may also hold securities in TWE.

TWE reserves the right to withdraw the Entitlement Offer or vary the timetable for the Entitlement Offer without notice.



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Transaction highlights



The transaction – snapshot

TWE to acquire majority of assets from Diageo Plc's US and UK wine operations (Diageo Wine)¹

Transaction value of US\$600 million comprising a cash payment of US\$552 million (A\$754 million) and the assumption of capitalised leases of US\$48 million (A\$66 million)²

Implied transaction multiple of 7.9x Diageo Wine's FY15 EBITDAS³ before synergies

Acquisition expected to complete in approximately three months⁴



¹ The businesses acquired do not include Diageo's interest in the Moët-Hennessy brand, the license to distribute Yellowtail, the Chalone brand/winery and estate vineyard or the Acacia winery and part of a vineyard co-located with the winery.

² An AUD/USD rate of 0.7316 has been assumed throughout this presentation (unless otherwise stated).

³ Diageo Wine's earnings before interest, tax, SG&A and material items (EBITDAS) as a standalone business was extracted and derived by Diageo from Diageo's underlying financial reporting system which was also used to prepare Diageo's FY15 audited financial statements, but has not been separately audited.

⁴ Subject to conditions, in particular anti-trust approval in the US.



The transaction – strategically compelling

Strategic highlights

- Acquisition is expected to immediately double TWE's Americas Luxury and Masstige¹ Net Sales Revenue (NSR)
- Provides immediate access to increased supply of Luxury and Masstige fruit; TWE positioned to accelerate US brand growth in the US, Canada, Asia and Latin America
- Acquisition enhances TWE's premiumisation strategy; more than 80 percent of Diageo Wine's US NSR generated by the Luxury and Masstige portfolio
- In the first full year of trading following completion of the acquisition, TWE expects that ~75% of gross profit from the acquired Diageo Wine business will be Luxury and Masstige
- Diageo Wine's capital-light model complements TWE's strategy; TWE will own less than two percent of vineyards used by Diageo Wine due to lease arrangements
- Delivers a leading UK Commercial brand (Blossom Hill) and drives acceleration of the separate focus on the Commercial portfolio, globally
- TWE avoids US\$80 million of capital investment that would be required to replace existing TWE leased bottling facility in the US

¹ Americas comprises the United States and Canada. Portfolio segments based on Average Unit Price (AUP) per 750ml: Commercial price points: US\$4 – US\$10; Masstige price points: US\$10 – US\$20; and Luxury price points: US\$20+.



The transaction – financially enhancing

Financial highlights for TWE

- Compelling purchase price; implying a transaction multiple of 7.9x Diageo Wine's EBITDAS¹ (before synergies) for the twelve months to 30 June 2015
- Expected to deliver TWE at least US\$25 million (A\$34 million) of annual cash synergies before FY20, predominantly through the elimination of costs and additional supply chain optimisation savings
- Expected to deliver low double digit percent EPS² accretion in the first full fiscal year following the acquisition (FY17), including phased synergies (high teens percent EPS accretion with full run-rate synergies)
- Expected to enhance both ROCE and EBITs³ margin before FY20 as results and synergies are delivered
- TWE's balance sheet strength and flexibility preserved; pro-forma for the acquisition, FY15 net debt / EBITDAS of 1.8x⁴ (pro forma for the pro-rata accelerated entitlement offering and new debt facilities, and before synergies)

¹ Diageo Wine's EBITDAS as a standalone business was extracted and derived by Diageo from Diageo's underlying financial reporting system which was also used to prepare Diageo's FY15 audited financial statements, but has not been separately audited.

² Before material items and self-generating and regenerating assets (SGARA).

³ Return on capital employed, and earnings before interest, tax, SGARA and material items, respectively.

⁴ Refer slide 14 for details of the balance sheet pro forma adjustments.



Diageo Wine poised to benefit from TWE's strategic roadmap



Overview of Diageo Wine



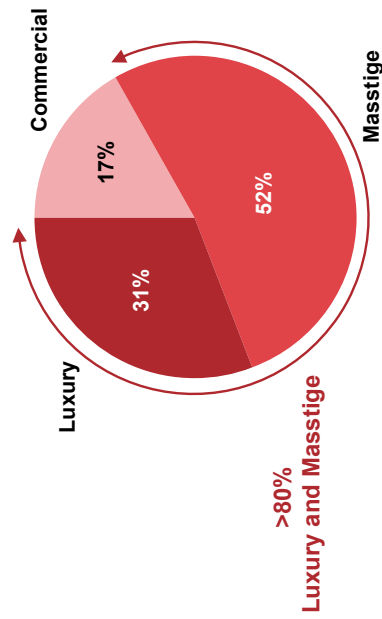
Diageo Wine's US sales business

– Strong Luxury and Masstige focus

Summary

- US wine market fundamentals are highly attractive: market in volume and value growth (+3% and +5%, respectively)¹
- Diageo US is an established Luxury and Masstige wine producer: >80% of FY15 NSR generated by Luxury and Masstige portfolio, with total sales volume of ~4 million 9LE cases
- Diageo US generated NSR of ~US\$326 million in FY15 (~A\$390³ million)
- The Diageo US brand portfolio is a combination of:
 - “Heritage” brands with long histories of exceptional winemaking in highly respected wine regions; and
 - “Lifestyle” brands, which are generally contemporary, innovative brands with appeal to new-to-category consumers

FY15 NSR by price segment^{4,5}



Source: Management estimates

¹ As per Nielsen MAT for the market above US\$4 per 750ml, at 12 September 2015.






² Does not include all brands.

³ Converted at the average AUD/USD for FY15 of 0.8367.

⁴ Portfolio segments based on AUP per 750ml: Commercial price points: US\$4 – US\$10; Masstige price points: US\$10 – US\$20; and Luxury price points: US\$20+.

⁵ Excludes estimate for brands not acquired as part of the transaction.

Key acquired brands²

Brand type	Brand	Description	Sourcing Locations
Heritage		Internationally-recognised Napa Valley winery which first began production in the 1960s	<ul style="list-style-type: none"> Calistoga, Napa
Heritage		Leading Napa Valley winery founded in 1900 by Georges de Latour with rich history in the Rutherford AVA	<ul style="list-style-type: none"> Rutherford, Napa
Heritage		Pioneer in chardonnay and pinot noir winemaking	<ul style="list-style-type: none"> Napa
Heritage		Rutherford AVA producer	<ul style="list-style-type: none"> Rutherford, Napa
		Rutherford AVA vineyard first planted in 1880, known for producing some of the world's finest Cabernet Sauvignon	
Lifestyle	Various	Including Uppercut, Woodwork, Once Upon a Vine, The Great American Wine Company	<ul style="list-style-type: none"> Various locations

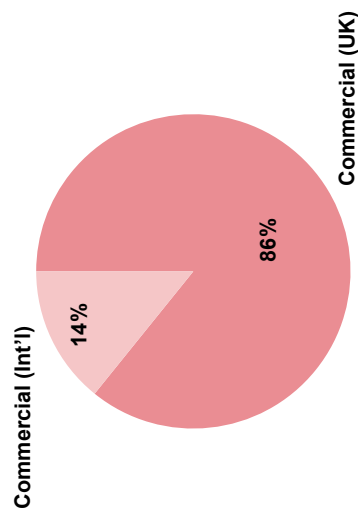


Diageo Wine's UK sales business – A leading market player

Summary

- Diageo UK is a leading distributor in the UK commercial wine market, with ~86% of NSR generated in the UK and the remainder internationally, largely in Western Europe
- Diageo UK generated total NSR of ~US\$144 million in FY15 (A\$172² million), with total sales volume of ~5 million 9LE cases
- Brand portfolio includes Blossom Hill, the UK's #2 wine brand by value and volume³, and Piat D'Or
- Blossom Hill has strong consumer awareness and preference in the UK⁴

FY15 NSR by price segment and sales region⁵



Source: Management estimates.

¹ Excludes agency brands (distributor arrangements).



² Converted at the average AUD/USD for FY15 of 0.8367.

³ Source: Nielsen MAT at 12 September 2015.

⁴ Source: Wine Intelligence Brand Tracker, 2015.

⁵ Commercial is classified as <£6 AUP per 750ml. Excludes Yellowtail.

Acquired brands¹

Brand	Description	Sales Region
	• The UK's #2 wine brand by value and volume, with strong distribution reach and scale	• UK, Western Europe
	• French wine brand created with the consumer in mind	• UK, Western Europe

Wine brand snapshot



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Diageo Wine's supply chain

– Efficient and capital-light

Overview

- Diageo operates a capital-light supply chain model
 - ~1% of US in-take from owned vineyards¹
 - 100% of UK volume sourced from bulk wine suppliers
- Diageo operates a diversified sourcing model: owned, leased, grower contracts and bulk wine market
- Access to ~4,800² acres of owned and leased vineyards in California (excluding grower contract related acreage)
- Provides access to some of California's most prized wine-growing regions, including Napa Valley and Central Coast
- 100% of US volume Californian-sourced. 85% of UK volume California-sourced, 15% sourced from Italy, Spain and France for FY15

Summary of owned and leased supply assets

Vineyards³

Region	Total acreage
Rutherford, Napa Valley	~500
Napa Valley ex. Rutherford	~1,600
Central Coast and California	~2,700

Wineries and packaging facilities

Type	Location
3 wineries	Napa Valley (Provenance, Sterling, BV)
1 winery	Central Coast (Paicines)
1 bottling plant (includes warehousing)	Sonoma

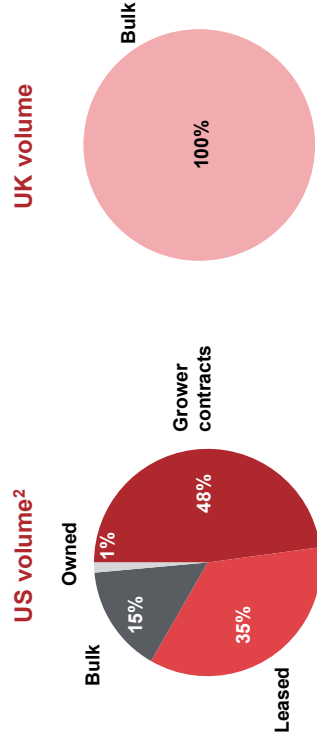
Source: Management estimates, Nielsen

¹ As per 2015 Vintage.

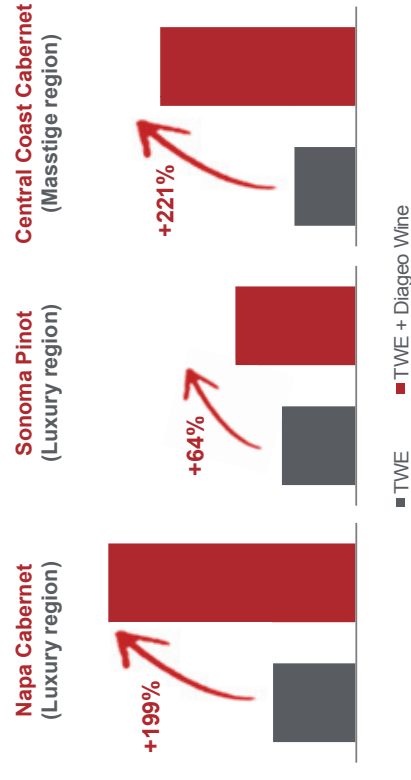
² Excludes the Chalone estate vineyard or part of a vineyard co-located with the Acacia winery.

³ Excludes ~3,600 acres operated through grower contracts, the Chalone estate vineyard and part of a vineyard co-located with the Acacia winery.

Sourcing model by region¹ (Tons)



Selected plantings by varietal (Acres)



Anticipated transaction cash synergies

The acquisition is expected to deliver at least US\$25 million (A\$34 million) of annual cash synergies before FY20, through the elimination of costs and additional supply chain optimisation savings

Synergy	Detail
Wineries	<ul style="list-style-type: none"> Optimisation and improved utilisation of the combined winery network in both the Luxury North Coast facilities and Masstige Central Coast facilities
Packaging and Logistics	<ul style="list-style-type: none"> Consolidation of volumes into an integrated network (US and UK)
Freight	<ul style="list-style-type: none"> Leveraging combined freight volumes into an integrated service model (US and UK)
Procurement	<ul style="list-style-type: none"> Reduced procurement costs from increased scale
Sourcing	<ul style="list-style-type: none"> Reduced sourcing costs from increased scale
Vineyards	<ul style="list-style-type: none"> More efficient farming costs through shared asset utilisation
Overheads and Business Process	<ul style="list-style-type: none"> Improved efficiency through operational scale and removal of duplication



Pro forma key financials

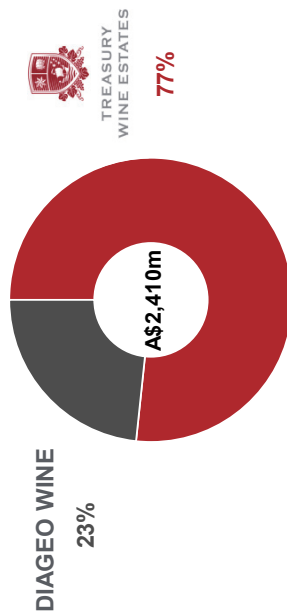


TWE pro forma key financials

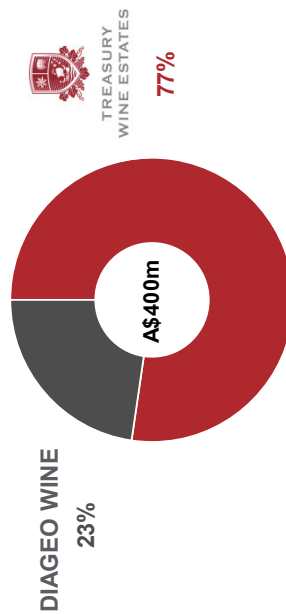
The combined entity is expected to have an attractive earnings profile and strong balance sheet

Selected pro forma normalised FY15 P&L items¹

Revenue



EBITDAS



Selected pro forma FY15 capital metrics

A\$m, 30-Jun-2015	TWE standalone	Impact of the acquisition	Pro-forma entity
Cash and other investments	111	0	111
Loans and borrowings	325	485	809
Net debt	214	485	699
Net assets	3,051	486	3,537
Net debt / EBITDAS	0.8x	-	1.8x
Interest cover ³	10.8x	-	6.7x

Note: P&L information excludes the impact of synergies and one-off costs. Indebtedness table includes both the balance sheet of the acquired entities and the impact of funding the transaction.

¹ Diageo Wine's NSR and EBITDAS as a standalone business was extracted and derived by Diageo from Diageo's underlying financial reporting system which was also used to prepare Diageo's FY15 audited financial statements, but has not been separately audited. Converted at the average AUD/USD for FY15 of 0.8367.

² Pro-forma transaction loans and borrowings includes assumed capitalised leases from the acquisition of US\$48 million (A\$66 million).

³ Interest cover calculated as the ratio of earnings to net interest expense where earnings is the consolidated pre-tax profit (pre any material items and SGARA) plus the sum of the amount of net interest expense.



Acquisition terms and funding



Acquisition terms and funding

Purchase price	<ul style="list-style-type: none"> Total transaction value of US\$600 million comprising a cash payment of US\$552m (A\$754 million) and the assumption of capitalised leases of US\$48 million (A\$66 million) Total funding task of US\$662 million (A\$905 million), including one-off costs, capital expenditure, working capital movements and transaction costs
Funding	<ul style="list-style-type: none"> Offer of fully paid ordinary shares in TWE through a fully underwritten 2 for 15 pro-rata accelerated renounceable entitlement offer with retail entitlements trading (PAITREO) to raise A\$486 million US\$150 million underwritten 18-month bridge acquisition debt facility US\$170 million through an underwritten refinancing of TWE's existing syndicated debt facility due to mature in August 2016 (being a new 4 year term facility) The acquisition is expected to complete in approximately three months, subject to conditions, including anti-trust approval in the US
Timing	
Integration	<ul style="list-style-type: none"> The new debt facilities include headroom for TWE to draw down debt to fund integration and one-off costs as required

Sources and uses of funds¹

Sources	US\$m	A\$m	Uses	US\$m	A\$m
Entitlement Offer	356	486	Cash consideration	552	754
New debt facilities	306	419	Transaction costs	25	34
			FY16 working capital, one-off items and capital expenditure	86	117
Total sources	662	905	Total uses	662	905

Note: In addition to the sources and uses outlined above, TWE will also assume capitalised leases of US\$48 million (A\$66 million).

¹ Note that total sources and total uses may not sum due to rounding.



Fully underwritten 2 for 15 pro-rata accelerated renounceable entitlement offer

Structure and size	<ul style="list-style-type: none"> Fully underwritten 2 for 15 pro-rata accelerated renounceable entitlement offer to raise approximately \$486m Approximately 87 million new TWE fully paid ordinary shares to be issued
Offer price	<ul style="list-style-type: none"> \$5.60 per New Share 14.8% discount to TWE's closing price of \$6.57 at 13 October 2015 13.3% discount to the theoretical ex-rights price of \$6.46¹
Institutional Entitlement Offer	<ul style="list-style-type: none"> Institutional Entitlement Offer open from Wednesday, 14 October 2015 to Thursday, 15 October 2015 Institutional entitlements not taken up by institutional shareholders and entitlements of ineligible institutional shareholders will be offered for sale to institutional investors in a bookbuild process managed by the underwriter
Retail Entitlement Offer	<ul style="list-style-type: none"> Retail entitlements trading from Monday, 19 October 2015 to Tuesday, 27 October 2015² Retail Entitlement Offer open from Monday, 26 October 2015 to Wednesday, 4 November 2015 Retail entitlements not taken up by retail shareholders and entitlements of ineligible retail shareholders will be offered for sale to institutional investors in a bookbuild process managed by the underwriter
Ranking	<ul style="list-style-type: none"> New Shares issued will rank equally in all respects with existing shares from the date of issue

¹ The Theoretical Ex-Rights Price ("TERP") is the theoretical price at which TWE shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which TWE shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to TWE's closing price of \$6.57 on 13 October 2015.

² Refer to slide 30 for restrictions on eligibility criteria to exercise acquired entitlements.



Indicative Entitlement Offer timetable

Event	Date
Announcement of acquisition and Entitlement Offer and trading halt	Wed, 14-Oct-2015
Announcement of completion of Institutional Entitlement Offer and trading halt lifted	Mon, 19-Oct-2015
Retail entitlements commence trading on ASX on a deferred settlement basis	Mon, 19-Oct-2015
Record date under the Entitlement Offer (7.00pm Melbourne time)	Mon, 19-Oct-2015
Despatch of Retail Information Booklet and entitlement application	Fri, 23-Oct-2015
Retail Entitlement Offer opens (9.00am Melbourne time)	Mon, 26-Oct-2015
Settlement of Institutional Entitlement Offer, including the Institutional Shortfall Bookbuild	Mon, 26-Oct-2015
Issue and quotation of New Shares under the Institutional Entitlement Offer, including the Institutional Shortfall Bookbuild	Tue, 27-Oct-2015
Retail entitlements trading on ASX ends	Tue, 27-Oct-2015
Retail Entitlement Offer closes (5.00pm Melbourne time)	Wed, 4-Nov-2015
Settlement of Retail Entitlement Offer, including the Retail Shortfall Bookbuild	Fri, 13-Nov-2015
Issue of New Shares under the Retail Entitlement Offer, including the Retail Shortfall Bookbuild	Mon, 16-Nov-2015
New Shares under the Retail Entitlement Offer, including the Retail Shortfall Bookbuild, commence trading on ASX	Tue, 17-Nov-2015
Despatch of Holding Statements and Retail premium (if any)	Wed, 18-Nov-2015



Note: The indicative timetable is subject to change. TWE reserves the right to vary the timetable for the Entitlement Offer without notice, subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. The commencement of quotation of New Shares under the Entitlement Offer is subject to confirmation from ASX.

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Trading update



Trading update

- In addition to our recent updates on supply chain optimisation¹ and our overhead reduction program², we would like to update the market on recent trading and outlook for FY16
- TWE continues to execute against its strategic roadmap by driving top line sales momentum, optimising brand investment and embedding new and improved routes-to-market
- With an acceleration in sales and earnings performance in the first quarter of FY16 and expectations of continued momentum in the remainder of the year, TWE expects full year FY16 EBITs to be in the range of A\$270m – A\$290m³, prior to the impact of the acquisition
 - This compares to current consensus EBITs (mean and median) for FY16 of A\$271m⁴

¹ Cumulative A\$80m estimated by FY20.

² Cumulative A\$55m estimated by FY16.

³ Calculated using average FY16 forecast exchange rate provided by analysts to TWE: AUD/USD 0.735 and AUD/GBP 0.46.

⁴ Consensus as measured by analysts' forecasts provided to TWE.



Appendix A: Risks



Key risks

This section includes details of the key risks attaching to an investment in shares in TWE. These risks may affect the future operating and financial performance of TWE and the value of TWE shares. Before deciding whether to invest in TWE shares, you should consider whether such an investment is suitable for you having regard to publicly available information (including this Presentation), your personal circumstances and following consultation with a financial or other professional adviser. Additional risks and uncertainties that TWE is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect TWE's operating and financial performance.

You should note that the occurrence or consequences of many of the risks described in this section are partially or completely outside the control of TWE, its directors and senior management. Further, you should note that this section focuses on the potentially key risks and does not purport to list every risk that TWE may have now or in the future. It is also important to note that there can be no guarantee that TWE will achieve its stated objectives or that any forward looking statements or forecasts contained in this Presentation will be realised or otherwise eventuate. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.



Key acquisition risks

Risk	Description
Completion risk	Completion of the acquisition is subject to obtaining Hart-Scott Rodino antitrust approval in the US, no breach of warranty by the Diageo Wine vendors that has a material adverse effect and no intervention by a regulatory body or order of a court of competent jurisdiction that prevents completion occurring.
Reliance on information provided	TWE undertook a due diligence process in respect of Diageo Wine, which included the review of financial and other information provided by the vendors of Diageo Wine. Despite taking reasonable efforts, TWE has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, TWE has prepared (and made assumptions in the preparation of) the financial information relating to Diageo Wine on a stand-alone basis with such information being derived / extracted by Diageo from Diageo FY15 audited accounts since there were no standalone Diageo Wine audited financial statements and also TWE post-acquisition (Combined Group) financial information included in this Presentation in reliance on limited financial information and other information provided by the vendors of Diageo Wine. TWE is unable to verify the accuracy or completeness of all of that information. If any of the data or information provided to and relied upon by TWE in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Diageo Wine and the Combined Group may be materially different to the financial position and performance expected by TWE and reflected in this Presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on TWE.
Change of control risk	As the acquisition of Diageo Wine involves, in part, the acquisition of shares in companies, the acquisition will result in a change of control of those entities. This could have adverse consequences for TWE. For example, contracts with counterparties may be subject to review or termination in the event of a change of control



Key acquisition risks (continued)

Risk	Description
Operational implementation risk	<p>The combination of two businesses of the size of TWE and Diageo Wine carries risk, including potential delays or costs in implementing necessary changes, and difficulties in integrating various operations. The success of the Acquisition and, in particular, the ability to realise the synergy benefits of the Acquisition outlined in the Presentation, will be dependent upon the effective and timely combination of the TWE and Diageo Wine businesses. There is a risk that the synergies may be less than expected, may be delayed or may not materialise at all. While TWE has undertaken analysis in this area, expected synergies cannot be confirmed until the Acquisition is fully implemented. There is a risk that the Combined Group's future profitability and prospects could be adversely affected if integration is not completed efficiently and effectively, with minimal disruption to the businesses. Although TWE and Diageo Wine have progressed some of their integration planning, there remains a risk that unforeseen events may arise causing the synergies to be delayed, not be obtained, or cost more to achieve than originally expected. These risks include:</p> <ul style="list-style-type: none"> • Possible difficulties in bringing together the cultures and management styles of both organisations in an effective manner; • Disruption to the ongoing operations of both businesses; • Higher than anticipated integration costs; • Unforeseen costs relating to the integration of some of the IT platforms, management information systems and financial and accounting systems of both businesses; and • Unintended loss of key personnel or expert knowledge or reduced employee productivity due to uncertainty arising as a result of the Acquisition
Transitional service agreements	<p>There are a number of transitional service agreements (TSAs) which will be entered into as part of the Acquisition. If the counterparties to the TSAs do not perform to standards expected by TWE, then integration of the businesses may be more difficult than expected and performance of the Diageo Wine business may be less than expected.</p>



Key share and Entitlement Offer risks

Risk	Description
Risks associated with an investment in shares	<p>There are general risks associated with investments in equity capital. The trading price of TWE shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the new shares offered under the Entitlement Offer being less or more than the Entitlement Offer price. Generally applicable factors which may affect the market price of shares include:</p> <ul style="list-style-type: none"> • General movements in Australian and international stock markets; • Investor sentiment; • Australian and international economic conditions and outlook; • Changes in interest rates and the rate of inflation; • Change in government regulation and policies; • Announcement of new technologies; • Geo-political stability, including international hostilities and acts of terrorism <p>No assurances can be given that the new shares offered under the Entitlement Offer will trade at or above the Offer price. None of TWE, its directors or any other person guarantees the market performance of the new shares.</p>
Risks associated with renouncing retail entitlements under the Entitlement Offer	<p>Prices obtainable for retail entitlements may rise and fall over the entitlements trading period. If you sell your entitlements at one stage in the retail entitlements trading period, you may receive a higher or lower price than a shareholder who sells their entitlements at a different stage in the retail entitlements trading period or through the retail shortfall bookbuild.</p> <p>If you renounce your entitlements by doing nothing under the Entitlement Offer, there is no guarantee that any value will be received for your renounced entitlements through the bookbuild process.</p> <p>The ability to sell entitlements under a bookbuild and the ability to obtain any value for them will be dependent upon various factors, including market conditions. Further, the bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which will, if accepted result in otherwise acceptable allocations to clear the entire book.</p> <p>To the maximum extent permitted by law, TWE, the underwriter and any of their respective related bodies corporate, affiliates, directors, officers, employees or advisers, will not be liable including for negligence for any failure to procure applications for new shares offered under the Entitlement Offer or any proceeds for entitlements offered under the bookbuild at prices in excess of the Entitlement Offer price or at all. There is no guarantee that there will be a viable market during, or on any particular day in, the entitlement trading period, on which to sell retail entitlements on ASX.</p>
If you do not take up entitlements you will be diluted	<p>You should note that if you sell, or do not take up, all or part of your entitlements, then your percentage shareholding in TWE will be diluted by not participating to the full extent in the Offer and you will not be exposed to future increases or decreases in TWE's share price in respect of the new shares which could have been issued to you had you taken up all of your entitlement.</p>
Tax consequences of entitlements	<p>The tax consequences from selling entitlements or from doing nothing may be different. Before selling entitlements or choosing to do nothing in respect of entitlements, you should seek independent tax advice and may wish to refer to the tax disclosure contained in the Retail Offer Booklet which will provide further information on potential taxation implications for Australian shareholders.</p>



Key general risks

Risk	Description
Competition	TWE operates in a competitive business environment in Australia and internationally. Each of the markets in which TWE operates is characterised by competition on the basis of quality, price and brand awareness which can be heightened during periods of grape oversupply. Consequently, TWE's financial performance, revenues and market share may be adversely affected by the actions of its competitors, such as price discounting or increased marketing initiatives, and TWE's response to such actions.
Agricultural factors	Winemaking and grape growing are subject to a variety of agricultural factors beyond TWE's control, such as disease, pests, rainfall and extreme weather conditions. To the extent that any of the foregoing impacts the quality and quantity of grapes available to TWE for production of its wines, the results of its operations could be adversely affected.
Third party distributors	In certain markets and channels, TWE utilises independently-owned distributors to distribute its products. Further, in on-premise and off-premise channels, TWE relies on retailers and hospitality providers to sell its products to consumers. Generally, distributors and retailers also sell products that compete with TWE's products. Of particular note, the concentrated retail landscape in the UK, where a small number of retailers account for a significant proportion of the total liquor market and the concentration of the US liquor market, which is dominated by a small number of large distributors. TWE cannot prevent distributors or retailers from giving its competitors' products higher priority, thereby reducing their efforts to sell TWE products and TWE may not be able to quickly replace such distributors or retailers.
Foreign exchange rates	TWE is exposed to the effect of foreign exchange rate fluctuations. The impact from movements in exchange rates on TWE's earnings incorporates both transaction and translation impacts. Adverse foreign exchange rate movements may require an increase in the sales price of TWE's products, which may also impact upon wine consumers' spending patterns.
Portfolio and cost structure misalignment	Wine sales are affected by consumer preferences, which are in turn driven by industry trends and market perceptions of different types of wines (including different varieties and the geographic region they are sourced from). Certain types of wines are at times more popular than others and, accordingly, the portfolio of wine products sold by TWE may not be aligned with consumer preferences. If there is a decline in consumption of TWE products for one of these reasons, TWE may not be able to respond quickly due to the lead time required to switch grape varieties and to manufacture certain wine products, increasing risk of margin losses and stock write-downs. A decline in consumption of TWE products for this and any other reason may also result in the under utilisation of wine production assets, the resolution of which may require changes to TWE's production footprint.
Damage to warehouses and storage tanks	TWE owns or leases wine production, bottling and packaging assets and stores wine that is undergoing maturation or is finished product, in various warehouses and storage tanks. Damage to or destruction of these facilities could result in the loss of production capability or the loss of significant volumes of wine, impacting the quantity of wine available for particular brands and vintages and hence adversely impacting TWE's financial results. It cannot be certain that the financial impact of any such event would be mitigated, fully or partially, by insurance.
Key brands	TWE's success in generating profits and increasing its market share is based on the success of its key brands. Reliance on key brands makes TWE vulnerable to brand damage from negative publicity, product tampering or recalls, unauthorised use of its brands or ineffective brand management by TWE or its licensees, increasing risk of stock and asset write-downs.



Key general risks (continued)

Risk	Description
Economic climate	Changes in the general domestic and international economic climate may have an adverse impact on the operating and financial performance of TWE. These general economic conditions are influenced by such factors as government regulatory policies, economic growth, interest rates, inflation, employment levels and consumer and business sentiment.
Market	The price of TWE shares may be impacted by external factors over which TWE and TWE Directors have no control. These external factors include economic, political and regulatory conditions in Australia and overseas, investor sentiment in the local and international stock markets as well as other factors such as international hostilities and acts of terrorism.
Regulation	The businesses of TWE are highly regulated in many markets in which they sell their products. These regulations govern many parts of their operations, including the manufacturing, marketing, advertising, distribution and sales of their products. The alcohol industry in a particular market could be subjected to changes or additions to existing regulations which could increase the cost of goods or restrict TWE's ability to sell or market their respective products.
Private label	TWE sell their products through a number of retailers which have "generic" or private labels for their wine, beer, cider and spirits offerings. These private label products compete with the sale of TWE products to end customers. An increase in the focus of these retailers on their private label wine or private label beer, cider and spirits offerings could result in a decline in sales of TWE products respectively.
Information technology systems failure	TWE's customer service relies on TWE's ability to satisfactorily manage high turnover volumes and a large number of customers and suppliers. A severe disruption to the information technology systems may significantly impact the operations and value of TWE. TWE is in the process of upgrading its IT systems. By its nature, this has the potential to adversely impact the supply chain and customer service levels.
Taxation	The ability of TWE to obtain the benefit of existing tax losses and claim other beneficial tax attributes will depend on future circumstances and may be adversely affected by changes in ownership, business activities, levels of taxable income and any other conditions relating to the use of the tax losses or other attributes in the jurisdictions in which TWE operates. Changes in taxation laws (or their interpretation) in Australia and other countries where TWE has operations could materially affect TWE's financial performance and impact on its ability to obtain the benefit of existing tax losses and claim other beneficial tax attributes. In addition, governments may review and impose additional or higher excise or other taxes on alcohol, which may have an adverse effect on consumer buying patterns and may adversely impact TWE's financial results. Further, the determination of the taxation treatment of investments, activities or transactions requires an interpretation of the relevant taxation laws and significant judgment in circumstances where there may be differing but reasonable interpretations which may be adopted. Consistent with other companies of the size and diversity of TWE, TWE may be the subject of periodic information requests, investigations and audit activities by the ATO and tax authorities in other jurisdictions in which TWE operates.



Key general risks (continued)

Risk	Description
Accounting	Changes in accounting or financial reporting standards may adversely impact the reported financial performance of TWE.
Litigation	Exposure to litigation brought by third parties such as customers, regulators, employees or business associates could negatively impact on TWE's financial performance through increased costs, payments for damages and reputational damage.
Employees	TWE competes in labour markets to attract and retain their employees and management team. The competitive nature of these labour markets may result in the loss of key employees from time to time or make it difficult and costly to attract or retain employees. Interruptions at TWE's workplaces arising from industrial disputes, work stoppages and accidents may result in production losses and delays. Renegotiation of collective agreements may increase TWE's operating costs and may involve disputes. While a strong emphasis is placed on the implementation of occupational health and safety standards, the risk of a serious injury or fatality remains possible. The occurrence of such events may have an adverse effect on the productivity and operations of TWE.
Political climate and location	TWE operates in a number of countries. Each of the countries in which TWE operates is subject to different political, economic and legal conditions. Consequently, changes to fiscal or regulatory regimes applying in the relevant jurisdictions, policies relating to foreign trade or difficulties interpreting and complying with local laws may affect the profitability of each of TWE's foreign operations, and its ability to maintain and repatriate funds from those operations.
Catastrophic events	TWE's operations could be impacted by accidents, natural disasters or other catastrophic events which could materially disrupt its operations. Such events could occur through the impact of natural disasters or as a result of human error or negligence. In certain circumstances, insurance policies operate to mitigate this risk. It cannot be certain that the financial impact of any such event would be mitigated, fully or partially, by insurance.
Terrorism	TWE's operations and earnings may be affected by acts of terrorism, either directly through product tampering or business disruption or indirectly through the impact on business conditions in any of the countries in which TWE operates. Acts of terrorism may also result in a deterioration of consumer confidence. This may lead to a reduction in spending on discretionary purchases, including alcohol beverages, which could adversely affect the revenues and financial results of TWE.



Appendix B: Selling restrictions



Restrictions on eligibility criteria to exercise Retail Entitlements

The Entitlements may only be exercised by eligible shareholders, persons with a registered address in Australia or New Zealand and certain categories of institutional investors in United Kingdom, Canada (Ontario and Quebec provinces only), New Zealand, Norway, Switzerland, Sweden, European Economic Area (Belgium, Denmark, Germany, Netherlands, Luxembourg), Ireland, France, Italy, United Arab Emirates (excluding Dubai International Financial Centre), Hong Kong, Singapore and Japan. Persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to purchase or trade Entitlements on ASX or take up Entitlements purchased on ASX or transferred directly from another person.

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Entitlements after the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements. In the event that holders are not able to take up their Entitlements, those Entitlements will be sold into the Retail Shortfall Bookbuild and holders may receive no value for them.



Restrictions on eligibility criteria to exercise Retail Entitlements

International Offer Restrictions

This document does not constitute an offer of entitlements ("Entitlements") or new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and accepted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

The Company, and the directors and officers of the Company, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.



Restrictions on eligibility criteria to exercise Retail Entitlements

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Entitlements and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*



Restrictions on eligibility criteria to exercise Retail Entitlements

European Economic Area – Belgium, Denmark, Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of Entitlements and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of Entitlements and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The Entitlements and the New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the Entitlements and the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation. Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the Entitlements and the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.



Restrictions on eligibility criteria to exercise Retail Entitlements

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The Entitlements and the New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.



Restrictions on eligibility criteria to exercise Retail Entitlements

Italy

The offering of the Entitlements and the New Shares in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, "CONSOB") pursuant to the Italian securities legislation and, accordingly, no offering material relating to these securities may be distributed in Italy and these securities may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998, as amended ("Decree No. 58"), other than:

- to qualified investors ("Qualified Investors"), as defined in Article 100 of Decree No. 58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999, as amended ("Regulation No. 11971"); and
- in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Entitlements or the New Shares or distribution of any offer document relating to these securities in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 (as amended) and any other applicable laws; and
- in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws.

Any subsequent distribution of the Entitlements and the New Shares in Italy must be made in compliance with the public offer and prospectus requirement rules provided under Decree No. 58 and the Regulation No. 11971, unless an exception from those rules applies. Failure to comply with such rules may result in the sale of such securities being declared null and void and in the liability of the entity transferring the securities for any damages suffered by the investors.

Japan

The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.



Restrictions on eligibility criteria to exercise Retail Entitlements

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The Entitlements and the New Shares in the entitlement offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.



Restrictions on eligibility criteria to exercise Retail Entitlements

Sweden

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Restrictions on eligibility criteria to exercise Retail Entitlements

United Kingdom

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TREASURY WINE ESTATES

14 OCTOBER 2015

ASX ANNOUNCEMENT

TWE announces acquisition of Diageo's wine business for US\$600 million and entitlement offer

NOT FOR DISTRIBUTION OR RELEASE INTO THE UNITED STATES

- Treasury Wine Estates (ASX:TWE or the "Company") has agreed to acquire the majority of assets from Diageo Plc's (LSE:DGE or "Diageo") US and UK wine operations ("Diageo Wine") for a cash payment of US\$552 million (A\$754¹ million) and the assumption of capitalised leases of US\$48 million (A\$66 million).
- The acquisition is compelling for TWE's shareholders. The transaction is expected to deliver TWE low double digit percent EPS² accretion in the first full fiscal year following the acquisition (FY17) including phased synergies.
- Total annual cash synergies of at least US\$25 million (A\$34 million) expected before FY20.
- Expected to enhance both ROCE and EBITs³ margin before FY20 as results and synergies are delivered.
- TWE expects to fund the acquisition via a fully underwritten 2 for 15 pro-rata accelerated renounceable entitlement offer to raise approximately A\$486 million, with the balance funded through new USD denominated fully underwritten debt facilities.
- TWE also announces an improved financial outlook. With an acceleration in TWE's standalone sales and earnings performance in the first quarter of FY16 and expectations of continued momentum in the remainder of the year, TWE expects FY16 EBITs to be in the range of A\$270 million – A\$290 million⁴, prior to the impact of the acquisition.

Strategic rationale and financial highlights

- Acquisition is expected to immediately double TWE's Americas Luxury and Masstige net sales revenue⁵.
- Provides immediate access to increased supply of Luxury and Masstige fruit; TWE positioned to accelerate US brand growth in the US, Canada, Asia and Latin America.
- Acquisition enhances TWE's premiumisation strategy; more than 80% of Diageo Wine's US net sales revenue is generated by its Luxury and Masstige portfolio.

¹ An AUD/USD rate of 0.7316 has been assumed throughout this announcement (unless otherwise stated).

² Before material items and self-generating and regenerating assets (SGARA).

³ Return on capital employed, and earnings before interest, tax, SGARA and material items, respectively.

⁴ Calculated using average FY16 forecast exchange rates provided by analysts to TWE: AUD/USD 0.735 and AUD/GBP 0.46.

⁵ Americas comprises the United States and Canada.

- In the first full year of trading following completion of the acquisition, TWE expects that approximately 75% of gross profit from the acquired Diageo Wine business will be Luxury and Masstige.
- Diageo Wine's capital-light model complements TWE's strategy; TWE will own less than two percent of vineyards used by Diageo Wine due to lease arrangements.
- Delivers a leading UK Commercial brand (Blossom Hill) and drives acceleration of the separate focus on the Commercial portfolio, globally.
- TWE avoids US\$80 million of capital investment that would have been required to replace TWE's existing leased bottling facility in the US.
- Compelling purchase price; implying a transaction multiple of 7.9x Diageo Wine's EBITDAS⁶ (before synergies) for the twelve months to 30 June 2015.
- Expected to deliver TWE low double digit percent EPS accretion in FY17, including phased synergies (high teens percent EPS accretion, pro forma with full run-rate synergies).
- TWE balance sheet strength and flexibility preserved; pro forma FY15 net debt / EBITDAS of 1.8x (pro forma for the pro-rata accelerated renounceable entitlement offering and new debt facilities, and before synergies).
- Acceleration of TWE's sales and earnings momentum in the first quarter of FY16 underpins uplift in expected EBITs for FY16, prior to the impact of the acquisition.

Acquisition of Diageo Wine

TWE has agreed to acquire the majority of the assets of Diageo Plc's US and UK wine operations for a cash consideration of US\$552 million and assumption of US\$48 million of capitalised leases, implying a transaction multiple of 7.9x EBITDAS (before synergies) for the 12 months to 30 June 2015.

The acquisition is subject to certain regulatory approvals, including anti-trust approval in the US, and is expected to complete in approximately three months.

The Diageo Wine business

Diageo Wine is a leading player in the US Luxury and Masstige wine market, being the owner of a collection of iconic wine brands based in Napa, California.

Key US brands to be acquired include the well-known Beaulieu Vineyards, Sterling Vineyards, Acacia, Provenance and Hewitt, amongst other assets⁷. Diageo's US wine business comprises approximately 4 million cases⁸ of wine for FY15, with a strong representation in the growing Luxury and Masstige segments.

TWE will also acquire the Blossom Hill wine brand in the UK. Blossom Hill is one of the leading wine brands in the UK by volume and value in FY15⁹. Diageo's UK wine business comprises approximately five million cases of wine, sold in both Great Britain and in 28 international markets in FY15.

⁶ Diageo Wine's EBITDAS as a standalone business was extracted and derived by Diageo from Diageo's underlying financial reporting system which was also used to prepare Diageo's FY15 audited financial statements, but has not been separately audited.

⁷ The businesses and assets acquired do not include Diageo's interest in the Moët-Hennessy brand, the license to distribute Yellowtail, the Chalone brand/winery and the estate vineyard or the Acacia winery and part of a vineyard co-located to the winery.

⁸ 9L equivalents.

⁹ Nielsen MAT to 12 September 2015.



In FY15, Diageo Wine generated sales of approximately US\$470 million and pro forma EBITDAS of US\$76 million.

Financial benefits of acquisition

The acquisition of Diageo Wine is financially and strategically compelling for TWE's shareholders.

The acquisition is expected to deliver TWE at least US\$25 million (A\$34 million) of annual cash synergies before FY20, predominately through the elimination of costs and additional supply chain optimisation savings.

The acquisition is expected to deliver low double digit percent EPS accretion in FY17, being the first full year, including phased synergies (high-teens percent EPS accretion pro forma with full run-rate synergies), at the same time enhancing TWE's ROCE and EBIT margin before FY20 as results and synergies are delivered.

On today's announcement, Mr. Paul Rayner, Chairman of TWE commented:

"The acquisition of Diageo Wine represents a highly compelling strategic and financial opportunity for TWE's shareholders. Diageo Wine's business is very aligned to our strategic roadmap and we expect that the acquisition will deliver long-term value creation to our global operations and to our shareholders."

Mr. Michael Clarke, Chief Executive Officer of TWE, commented:

"This acquisition will transform our US business into a larger player of scale in the attractive Luxury and Masstige segments of the high growth US market. The additional supply of Luxury and Masstige wine will be a game-changer for our US brands, providing us with an immediate opportunity to step-change our growth in the US, Canada, Asia and Latin America.

"The acquisition of Blossom Hill in Diageo's UK wine business will provide us with the scale and critical mass to deliver enhanced value creation from our combined Commercial businesses by accelerating our separate focus on the Commercial portfolio, globally.

"Furthermore, Diageo Wine's international partnerships and established agency brands potentially provide new opportunities to take select European wines to our customers and consumers in key growth markets, notably Asia and Latin America.

"As we integrate the acquisition of Diageo Wine we will preserve the quality of the wines while replicating the journey that we began with TWE eighteen months ago. This will include increasing the efficiency and profitability of the business with a focus on costs, investing in the valuable brands we have acquired and delivering sustainable long-term top line growth – globally.

"We remain committed to our strategic roadmap of transitioning our business from an order-taking agricultural company to a brand-led and capital-light, marketing organisation. The acquisition is highly complementary to this strategy and I am confident our combined businesses will deliver both immediate and long term benefits to our shareholders."

**Strong fiscal year-to-date results in TWE trading ahead of expectations for FY16**

TWE continues to execute against its strategic roadmap by driving top line sales momentum, optimising brand investment and embedding new and improved routes-to-market.

TWE today announces an improved outlook. With an acceleration in TWE's sales and earnings performance in the first quarter of FY16 and expectations of continued momentum in the remainder of the year, TWE expects full year EBITs to be in the range of A\$270 million – A\$290¹⁰ million, prior to the impact of the acquisition in FY16.

On a standalone basis, TWE's balance sheet also remains strong and continues to strengthen as a result of positive cash flows.

Transaction to be funded via a A\$486 million fully underwritten pro-rata accelerated renounceable entitlement offer and fully underwritten new debt facilities

TWE's acquisition of Diageo Wine will be partially funded through a fully underwritten pro-rata accelerated renounceable entitlement offer (with tradable retail entitlements) at an offer price of A\$5.60 per share ("Offer Price") to raise approximately A\$486 million ("Entitlement Offer"). The remainder of the required funding will be obtained through new, fully underwritten debt facilities. In addition to the cash consideration, the balance of the funding will be applied to near-term working capital needs and one-off costs and capital expenditure relating to the transaction.

Further details on transaction funding are set out in the table below¹¹.

Sources	US\$m	A\$m
Entitlement Offer	356	486
New debt facilities	306	419
Total sources	662	905

Uses	US\$m	A\$m
Cash consideration	552	754
Transaction costs	25	34
FY16 working capital, one-off items and capex	86	117
Total uses	662	905

In addition to the uses outlined above, TWE will also assume capitalised leases of US\$48 million (A\$66 million).

The combined TWE and Diageo Wine business will continue to target financial metrics consistent with an investment grade credit profile, and post transaction will have pro forma FY15 net debt/EBITDAs and interest cover of 1.8x and 6.7x, respectively. Further details on TWE's post-transaction capital structure are set out in the table below:

¹⁰ Calculated using average FY16 forecast exchange rates provided by analysts to TWE: AUD/USD 0.735 and AUD/GBP 0.46.

¹¹ Note that total sources and total uses may not sum due to rounding.



A\$m, 30-Jun-2015	TWE standalone	Impact of the acquisition	Pro forma entity
Cash and other investments	111	0	111
Loans and borrowings	325	485 ¹²	809
Net debt	214	485	699
Net assets	3,051	486	3,537
<i>Net debt / EBITDAS¹³</i>	<i>0.8x</i>	<i>-</i>	<i>1.8x</i>
<i>Interest cover¹⁴</i>	<i>10.8x</i>	<i>-</i>	<i>6.7x</i>

Overview of the Entitlement Offer

TWE's acquisition of Diageo Wine will be partly funded by a fully underwritten 2 for 15 pro-rata accelerated renounceable entitlement offer (with tradeable retail entitlements) at an offer price of A\$5.60 per new share. The Entitlement Offer will raise approximately A\$486 million.

The Offer Price represents:

- a 14.8% discount to TWE's closing share price of A\$6.57 on 13 October 2015, and
- a 13.3% discount to the theoretical ex-rights price of A\$6.46¹⁵.

The Entitlement Offer comprises an accelerated institutional entitlement offer ("Institutional Entitlement Offer") and a retail entitlement offer that includes the ability for eligible shareholders to trade their retail entitlements on ASX ("Retail Entitlement Offer"). Under the Entitlement Offer, eligible shareholders are entitled to subscribe for 2 new TWE ordinary shares ("New Shares") for every 15 existing TWE ordinary shares ("Entitlement") held as at 7.00pm (Melbourne time) on Monday, 19 October 2015 ("Record Date").

New Shares issued will rank equally with existing TWE shares in all respects.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place from Wednesday, 14 October 2015 to Thursday, 15 October 2015.

Eligible institutional shareholders can choose to take up all, part or none of their Entitlement ("Institutional Entitlement"). Institutional Entitlements cannot be traded on ASX. Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Institutional Entitlements of ineligible institutional shareholders, will be offered for sale through an institutional shortfall bookbuild ("Institutional Shortfall Bookbuild") to be conducted on Friday, 16 October 2015. Any proceeds from the sale of institutional Entitlements under the Institutional Shortfall Bookbuild in excess of the Offer Price will be remitted proportionally to those institutional shareholders, less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those institutional shareholders.

¹² Pro forma transaction loans and borrowings includes assumed capitalized leases from the acquisition of US\$48 million (A\$66 million).

¹³ Metrics calculated using 12-month EBITDAS adjusted for bank guarantees and excluding material items.

¹⁴ Interest cover calculated as the ratio of earnings to net interest expense, where earnings is the consolidated pre-tax profit (pre any material items and SGARA) plus the sum of the amount of net interest expense.

¹⁵ The theoretical ex-rights price ("TERP") is the theoretical price at which TWE shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which TWE shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to TWE's closing price of \$6.57 on 13 October 2015 being the last trading day prior to the announcement of the Entitlement Offer.

TWE shares have been placed in trading halt while the Institutional Entitlement Offer and Institutional Shortfall Bookbuild are undertaken.

Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Monday, 26 October 2015 and close at 5.00pm on Wednesday, 4 November 2015.

Eligible retail shareholders will be allotted Entitlements ("Retail Entitlements") which can be traded on ASX. If they do not choose to take up all or part of their Retail Entitlements, they can seek to sell all or part of their Retail Entitlements on the ASX or by transferring it directly to another ahead of the retail shortfall bookbuild (discussed below). Retail Entitlements can be traded on the ASX from Monday, 19 October 2015 (on a deferred settlement basis) to Tuesday, 27 October 2015.

Retail Entitlements which are not exercised by the close of the Retail Entitlement Offer, and Retail Entitlements of ineligible retail shareholders, will be offered for sale through a retail shortfall bookbuild on Wednesday, 11 November 2015 ("Retail Shortfall Bookbuild"). Any proceeds from the sale of Retail Entitlements under the Retail Shortfall Bookbuild in excess of the Offer Price will be remitted proportionally to those retail shareholders, less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those retail shareholders.

Eligible retail shareholders should carefully read the retail entitlement offer booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on Friday, 23 October 2015 and will be made available on TWE's website (www.tweglobal.com).

Entitlements may only be exercised by eligible shareholders, being persons with a registered address in Australia or New Zealand, or certain categories of institutional investors in United Kingdom, Canada (Ontario and Quebec provinces only), New Zealand, Norway, Switzerland, Sweden, European Economic Area (Belgium, Denmark, Germany, Netherlands, Luxembourg), Ireland, France, Italy, United Arab Emirates (excluding Dubai International Financial Centre), Hong Kong, Singapore and Japan. Persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to purchase or trade Entitlements on the ASX or take up Entitlements purchased on ASX or transferred directly from another person.

It is the responsibility of purchasers of Retail Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Retail Entitlements after the trading period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements. In the event that holders are not able to take up their Retail Entitlements, those Retail Entitlements will be sold into the Retail Shortfall Bookbuild and holders may receive no value for them.

Shareholder enquiries

Retail shareholders who have questions relating to the Entitlement Offer should speak with their broker or adviser and/or call the TWE Entitlement Offer Information Line on:

- 1800 158 360 (from within Australia); or
- +61 3 9415 4208 (from outside Australia),

between 8.30am to 5.30pm (Melbourne Time) Monday to Friday from Wednesday, 14 October 2015 to Wednesday, 18 November 2015 (inclusive).

Indicative Timetable

The indicative timetable for the Entitlement Offer is as follows.

Dates and times may be subject to change without notice	
Announcement of acquisition and Entitlement Offer and trading halt	Wed, 14-Oct-2015
Institutional Entitlement Offer opens	Wed, 14-Oct-2015
Institutional Entitlement Offer closes	Thu, 15-Oct-2015
Institutional Shortfall Bookbuild	Fri, 16-Oct-2015
Announcement of completion of Institutional Entitlement Offer and trading halt lifted	Mon, 19-Oct-2015
Retail Entitlements commence trading on ASX on a deferred settlement basis	Mon, 19-Oct-2015
Record date under the Entitlement Offer	7.00pm, Mon, 19-Oct-2015
Despatch of Retail Offer Booklet and entitlement application	Fri, 23-Oct-2015
Retail Entitlement Offer opens	9.00am, Mon, 26-Oct-2015
Settlement of Institutional Entitlement Offer, including the Institutional Shortfall Bookbuild	Mon, 26-Oct-2015
Issue and quotation of New Shares under the Institutional Entitlement Offer, including the Institutional Shortfall Bookbuild	Tue, 27-Oct-2015
Retail entitlements trading on ASX ends	Tue, 27-Oct-2015
Retail Entitlement Offer closes	5:00pm, Wed, 4-Nov-2015
Retail Shortfall Bookbuild	Wed, 11-Nov-2015
Settlement of Retail Entitlement Offer, including the Retail Shortfall Bookbuild	Fri, 13-Nov-2015
Issue of New Shares under the Retail Entitlement Offer, including the Retail Shortfall Bookbuild	Mon, 16-Nov-2015
New Shares under the Retail Entitlement Offer, including the Retail Shortfall Bookbuild, commence trading on ASX	Tue, 17-Nov-2015
Despatch of Holding Statements and Retail premium (if any)	Wed, 18-Nov-2015

These dates are indicative only and are subject to change without notice. All times and dates refer to times and dates in Melbourne, Australia. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, TWE has the right, with the consent of the Underwriter, to amend the timetable, including extending the Retail Entitlement Offer or accepting late applications, either generally or, in particular cases, without notice.

Further information regarding this announcement is contained in the investor presentation released to the ASX today.

Contacts / Further information:

Media

Roger Sharp
Tel: +61 3 8533 3786
Mob: +61 458 883 599

Investors

Jane Betts
Tel: +61 3 8533 3493
Mob: +61 437 965 620

Carolyn Coon
Tel: + 61 3 8533 3923
Mob: +61 405 183 628

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Forward looking statements

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements should, or can generally, be identified by the use of forward looking words such as "believe", "expect", "estimate", "will", "may", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the expected outcome of the acquisition of Diageo Wine and the outcome and effects of the offer. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of TWE and cannot be predicted by TWE and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which TWE operates. They also include general economic conditions, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

None of TWE or any of its subsidiaries and its affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements. Statements about past performance are not necessarily indicative of future performance.

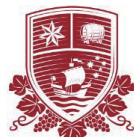


Financial data

Investors should be aware that certain financial data included in this announcement are “non-GAAP financial measures” under Regulation G of the U.S. Securities Exchange Act of 1934. These measures include EBITDAS, EBITs, EBITDA, ROCE, SGARA, interest cover and interest/EBITs, net debt and net debt/EBITDAS.

In addition, such measures may be “non-IFRS financial information” under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC. The disclosure of such non-GAAP financial measures in the manner included in this announcement may not be permissible in a registration statement under the U.S. Securities Act. These non-GAAP financial measures do not have a standardized meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although TWE believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this announcement.

Investors should note that this announcement contains pro forma financial information, including the pro forma balance sheet as at 30 June 2015, reflecting the impact of the acquisition of Diageo Wine as if the acquisition had occurred on 30 June 2015. The pro forma balance sheet has been prepared by TWE and is based on the audited FY15 TWE balance sheet, unaudited and unreviewed management reporting balance sheets of Diageo Wine as at 30 June 2015 (extracted and derived by Diageo from Diageo’s underlying financial reporting system which was also used to prepare Diageo’s FY15 audited financial statements, but has not been separately audited) and certain acquisition adjustments. The pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Such financial information does not purport to comply with Article 3-05 of Regulation S-X.



TREASURY WINE ESTATES

19 OCTOBER 2015

ASX ANNOUNCEMENT

Treasury Wine Estates successfully completes the Institutional component of its 2 for 15 pro rata accelerated renounceable entitlement offer and provides incremental Depreciation & Amortisation expectations as a result of the acquisition

NOT FOR DISTRIBUTION OR RELEASE INTO THE UNITED STATES

Treasury Wine Estates Limited (ASX:TWE) ("TWE") today announced the completion of the institutional component of its fully underwritten 2 for 15 pro rata accelerated renounceable entitlement offer (with retail entitlements trading) ("Entitlement Offer") of new TWE ordinary shares ("New Shares") to raise gross proceeds of approximately \$486 million.

Summary of the Institutional Entitlement Offer

- Completion of the institutional component of the Entitlement Offer ("Institutional Entitlement Offer") raised gross proceeds of approximately \$368 million
- Approximately 89% of entitlements available to eligible institutional investors taken up
- Institutional shortfall bookbuild ("Institutional Bookbuild") cleared at \$7.10 (being the offer price of \$5.60 for each New Share, plus \$1.50 for each entitlement), representing a 9.9% premium to the theoretical ex-rights price¹ and a 8.1% premium to TWE's last closing price
- Retail component of Entitlement Offer ("Retail Entitlement Offer") opens Monday, 26 October 2015, and retail entitlements may be traded on market from today

The Institutional Entitlement Offer attracted strong support from TWE shareholders, raising \$368 million, with approximately 89% of entitlements available to eligible institutional shareholders taken up.

¹ The theoretical ex-rights price ("TERP") is the theoretical price at which TWE shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which TWE shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to TWE's closing price of \$6.57 on 13 October 2015 being the last trading day prior to the announcement of the Entitlement Offer.

The Institutional Bookbuild attracted significant demand from both existing TWE shareholders and other institutional investors, clearing at \$7.10 (being the offer price of \$5.60 for each New Share, plus \$1.50 for each entitlement) which represents:

- a 9.9% premium to theoretical ex-rights price of A\$6.46; and
- a 8.1% premium to TWE's closing share price of A\$6.57 on 13 October 2015.

Eligible institutional shareholders who elected not to take up their entitlements, and ineligible institutional shareholders, will receive \$1.50 for each such entitlement sold for their benefit in the Institutional Bookbuild.

TWE's Chief Executive Officer, Mr. Michael Clarke said: "We are thrilled with the strong support shown by TWE's shareholders and other institutional investors for both the equity raising and TWE's acquisition of Diageo Wine.

"We now look forward to completing the retail component of the entitlement offer, closing the acquisition and integrating Diageo Wine's iconic brands into TWE's existing portfolio, for the benefit of TWE's shareholders."

Settlement of the Institutional Entitlement Offer will take place on Monday, 26 October 2015, with the New Shares to commence trading on Tuesday, 27 October 2015.

Retail Entitlement Offer

The Retail Entitlement Offer is expected to raise approximately \$119 million. The Retail Entitlement Offer will open at 9.00am (Melbourne time) on Monday, 26 October 2015 and close at 5.00pm (Melbourne time) on Wednesday, 4 November 2015.

Eligible retail shareholders in Australia and New Zealand will be able to subscribe for 2 New Shares for every 15 TWE ordinary shares held on the record date of 7.00pm (Melbourne time), Monday, 19 October 2015, at the same offer price of \$5.60 per share as the Institutional Entitlement Offer.

Eligible retail shareholders will be allotted Entitlements ("Retail Entitlements") which can be traded on ASX. If they do not choose to take up all or part of their Retail Entitlements, they can seek to sell all or part of their Retail Entitlements on the ASX or by transferring it directly to another person ahead of the retail shortfall bookbuild (discussed below). Retail Entitlements can be traded on the ASX from Monday, 19 October 2015 (on a deferred settlement basis) to Tuesday, 27 October 2015.

Retail Entitlements which are not exercised by the close of the Retail Entitlement Offer, and Retail Entitlements of ineligible retail shareholders, will be offered for sale through a retail shortfall bookbuild on Wednesday, 11 November 2015 ("Retail Shortfall Bookbuild"). Any Retail Premium (being any amount paid in respect of those Retail Entitlements sold into the Retail Shortfall Bookbuild) will be remitted proportionally to such shareholders, net of any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those retail shareholders.

Eligible retail shareholders should carefully read the retail entitlement offer booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on Friday, 23 October 2015. The retail entitlement offer booklet will be made available at www.investorcentre.com.

The retail entitlements may only be exercised by eligible shareholders, persons with addresses in Australia or New Zealand and certain categories of investors in United Kingdom, Canada (Ontario and Quebec provinces only), New Zealand, Norway, Switzerland, Sweden, Belgium, Denmark, Germany, Netherlands, Luxembourg, Ireland, France, Italy, United Arab Emirates (excluding Dubai), Hong Kong, Singapore and Japan. Persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to purchase or trade entitlements on market, or take up or exercise entitlements purchased on market or transferred from another person.

It is the responsibility of purchasers of Retail Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Retail Entitlements after the trading period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements. In the event that holders are not able to take up their Retail Entitlements, those Retail Entitlements will be sold into the Retail Shortfall Bookbuild and holders may receive no value for them.

TWE's ordinary shares are expected to resume trading from market open today on an ex-entitlement basis.

Incremental Depreciation & Amortisation expectations as a result of the acquisition

TWE advises that it expects total annual Depreciation & Amortisation (including assets subject to sale and leaseback arrangements) for the proposed acquired business to be approximately A\$25 million per annum - prior to any acquisition accounting adjustments.

Contacts / Further information:

Media

Roger Sharp

Tel: +61 3 8533 3786

Mob: +61 458 883 599

Investors

Jane Betts

Tel: +61 3 8533 3493

Mob: +61 437 965 620

IMPORTANT NOTICE

This release may not be released or distributed in the United States. This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 (U.S. Securities Act) or under the securities laws of any state or other jurisdiction of the United States. The entitlements and the New Shares may not be granted to, or taken up by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The entitlements and New Shares to be offered and sold in the Retail Entitlement Offer will only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) of the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

6. IMPORTANT INFORMATION

This Retail Offer Booklet (including the ASX announcements in Section 5) and enclosed personalised Entitlement and Acceptance Form (**Information**) have been prepared by TWE.

This Information is dated Friday, 23 October 2015 (other than the TWE Investor Presentation and the Offer Launch Announcement published on the ASX website on Wednesday, 14 October 2015 and the Institutional Offer Completion Announcement published on the ASX website on Monday, 19 October 2015). This Information remains subject to change without notice and TWE is not responsible for updating this Information.

There may be additional announcements made by TWE after the date of this Retail Offer Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration of whether to take up, sell or transfer, or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by TWE (by visiting the ASX website at www.asx.com.au) before submitting your application to take up your Entitlement, or selling or transferring your Entitlement.

No party other than TWE has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

This Information is important and requires your immediate attention.

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the “Key Risks” section of the TWE Investor Presentation included in Section 5 of this Retail Offer Booklet, any of which could affect the operating and financial performance of TWE or the value of an investment in TWE.

You should consult your stockbroker, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

Trading of Entitlements and New Shares

It is expected that trading of Retail Entitlements on ASX will commence at 10.00am (Melbourne time) on Monday, 19 October 2015 on a deferred settlement basis until 4.00pm (Melbourne time) on Friday, 23 October 2015 (when those Entitlements are expected to be allotted) and from 10.00am (Melbourne time) on Monday, 26 October 2015 until 4.00pm (Melbourne time) on Tuesday, 27 October 2015 on a normal settlement basis. Following this, it is expected that trading on ASX of New Shares to be issued under the Retail Entitlement Offer will commence at 10.00am (Melbourne time) on Tuesday, 17 November 2015 on a normal settlement basis.

TWE will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by TWE or the TWE Share Registry or otherwise or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

TWE will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by TWE or the TWE Share Registry or otherwise or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker or other professional adviser.

6.1 ELIGIBLE RETAIL SHAREHOLDERS

This Information contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by ASIC.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Melbourne time) on Monday, 19 October 2015;
- have a registered address on the TWE share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds TWE ordinary shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. TWE reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by Bpay®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

TWE may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

TWE has decided that it is unreasonable to make offers under the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. TWE may (in its absolute discretion) extend the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand (except the United States) in accordance with applicable law.

6.2 ELIGIBLE INSTITUTIONAL SHAREHOLDERS

Eligible Institutional Shareholders are institutional shareholders to whom the Underwriter made an offer on behalf of TWE under the Institutional Entitlement Offer.

6.3 RANKING OF NEW SHARES

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares. The rights and liabilities attaching to the New Shares are set out in TWE's constitution, a copy of which is available at www.tweglobal.com.

6.4 RISKS

The Investor Presentation details important factors and risks that could affect the financial and operating performance of TWE. You should refer to the "Key Risks" section of the Investor Presentation released to ASX on Wednesday, 14 October 2015 which is included in Section 5 of this Retail Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

6.5 RECONCILIATION, TOP-UP SHARES AND THE RIGHTS OF TWE AND THE UNDERWRITER

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. In addition, where trustees of TWE's employee share plans hold shares on behalf of participants in those plans, the number of New Shares that are offered may need to increase to take account of the rounding referred to in Section 6.8. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that TWE may need to issue additional New Shares (**Top-Up Shares**) to ensure that the relevant investors receive their appropriate allocation of New Shares. The price at which these Top-Up Shares would be issued is not known.

TWE also reserves the right to reduce the size of an Entitlement or number of New Shares or the amount of the Institutional Premium or Retail Premium (if any), less any applicable withholding tax, allocated to Eligible Institutional Shareholders or Eligible Retail Shareholders, or persons claiming to be Eligible Institutional Shareholders or Eligible Retail Shareholders or other applicable investors, if TWE believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, TWE may, in its discretion, require the relevant shareholder to transfer excess New Shares to the Underwriter at the Offer Price per New Share. If necessary, the relevant shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

Investors who sell Entitlements to which they are not entitled, or who do not hold sufficient Entitlements at the time required to deliver those Entitlements, may be required by TWE to otherwise acquire Entitlements or Shares to satisfy these obligations.

By applying under the Entitlement Offer, including pursuant to acquisitions of Entitlements, those doing so irrevocably acknowledge and agree to do the above as required by TWE in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of TWE or the Underwriter to require any of the actions set out above.

6.6 RECEIPT OF EXCESS RETAIL PREMIUM

If you receive a Retail Premium payment, less any applicable withholding tax, in excess of the Retail Premium payment to which you were actually entitled based on that part of your Entitlement under the Retail Entitlement Offer which remains held by you as at close of the Retail Entitlement Offer on 5.00pm (Melbourne time) on Wednesday, 4 November 2015, then, in the absolute discretion of TWE, you may be required to repay TWE the excess Retail Premium.

By taking up or transferring your Entitlement, or accepting the payment to you of a Retail Premium, you irrevocably acknowledge and agree to repay any excess payment of the Retail Premium as set out above as required by TWE in its absolute discretion. In this case the amount required to be repaid will be net of any applicable withholding tax. You also acknowledge that there is no time limit on the ability of TWE to require repayment as set out above and that where TWE exercises its right to correct your Entitlement, you are treated as continuing to have taken up, transferred or not taken up any remaining part of the Entitlement.

6.7 NO COOLING OFF RIGHTS

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

6.8 ROUNDING OF ENTITLEMENTS

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

6.9 TRADING OF RETAIL ENTITLEMENTS

Entitlements under the Retail Entitlement Offer are tradeable and can be sold or transferred. They are expected to be quoted on and tradeable on ASX from Monday, 19 October 2015 to Tuesday, 27 October 2015. You may sell your Entitlements (which you do not wish to take up or let be offered for sale in the Retail Shortfall Bookbuild) in order to realise value which may attach to those Entitlements if sold at that time. If you let your Entitlement be sold into the Retail Shortfall Bookbuild, you have the opportunity to receive any Retail Premium, less any applicable withholding tax (see Section 3.5.4). There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact the ability to sell Entitlements on ASX and the price able to be achieved.

Prices obtainable for Retail Entitlements may rise and fall over the Retail Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of TWE existing Shares relative to the Offer Price. If you sell your Entitlement, you may receive a higher or lower amount than a shareholder who sells their Entitlement at a different time in the Retail Entitlement trading period or through the Retail Shortfall Bookbuild.

If you decide not to take up all or part of your Entitlement, you should consider whether to sell all or part of your Entitlement or allow all or part of it to be offered for sale in the Retail Shortfall Bookbuild. Information on how Entitlements may be sold or transferred is set out in Section 3 and information on Australian taxation considerations is set out in Section 4.

Institutional Entitlements under the Institutional Entitlement Offer were not quoted on or tradeable on ASX nor privately transferable.

The Retail Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States.

Investors should note that if you purchase Retail Entitlements on ASX or otherwise, in order to take up or exercise those Retail Entitlements and subscribe for New Shares you:

- must be an Eligible Retail Shareholder, a resident in Australia or New Zealand, or otherwise qualify as an 'Eligible Person'⁷; and
- must not be in the United States or acting for the account or benefit of a person in the United States.

If you do not satisfy the above conditions, you will not be entitled to take up Retail Entitlements or subscribe for New Shares.

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements. In the event that holders are not able to take up their Entitlements, they may receive no value for them.

⁷ Certain investors in a limited number of foreign jurisdictions (other than the United States) may be Eligible Persons if they satisfy the requirements of that expression as set out in the 'Entitlement and Acceptance Form' in respect of the Entitlement Offer which is available at www.investorcentre.com.

6.10 NOTICE TO NOMINEES AND CUSTODIANS

If TWE believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not sell or transfer Entitlements in respect of or purport to accept the Retail Entitlement Offer in respect of, Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and Institutional Shareholders who were treated as ineligible institutional shareholders under the Institutional Entitlement Offer.

Persons acting as nominees for other persons must not purchase, take up or exercise any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to purchase or trade Retail Entitlements on ASX or otherwise, or take up or exercise Retail Entitlements purchased on ASX or otherwise and may receive no value for any such Entitlements held.

TWE is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary, including following acquisition of Entitlements on ASX or otherwise, complies with applicable foreign laws. TWE is not able to advise on foreign laws.

6.11 NOT INVESTMENT ADVICE

This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. TWE is not licensed to provide financial product advice in respect of the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with TWE's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.tweglobal.com.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser or call the TWE Offer Information Line on 1800 158 360 (within Australia) or +61 3 9415 4208 (outside Australia) between 8.30am and 5.30pm (Melbourne time), Monday to Friday.

Nominees and custodians may not distribute any part of this Retail Offer Booklet in the United States or in any other country outside Australia and New Zealand except (i) Australian and New Zealand nominees may send this Retail Offer Booklet and related offer documents to beneficial shareholders who are professional or institutional shareholders in other countries (other than the United States) listed in, and to the extent permitted under, the "Selling Restrictions" section of the TWE Investor Presentation included in Section 5 of this Retail Offer Booklet and (ii) to beneficial shareholders in other countries (other than the United States) where TWE may determine it is lawful and practical to make the Retail Entitlement Offer.

6.12 QUOTATION AND TRADING

TWE has applied to the ASX for official quotation of the New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, TWE will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Retail Entitlement Offer will commence at 10.00am (Melbourne time) on Tuesday, 17 November 2015.

6.13 INFORMATION AVAILABILITY

If you are in Australia or New Zealand, you can obtain a copy of this Retail Offer Booklet during the Entitlement Offer by calling the TWE Offer Information Line on 1800 158 360 (within Australia) or +61 3 9415 4208 (outside Australia) between 8.30am and 5.30pm (Melbourne time), Monday to Friday.

A replacement Entitlement and Acceptance Form can also be requested by calling the TWE Offer Information Line.

If you access the electronic version of this Retail Offer Booklet, you should ensure that you download and read the entire Retail Offer Booklet. The electronic version of this Retail Offer Booklet on the TWE Entitlement Offer website will not include an Entitlement and Acceptance Form.

6.14 FOREIGN JURISDICTIONS

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. See the foreign selling restrictions set out in the “Appendix B: Selling Restrictions” section of the TWE Investor Presentation included in Section 5 of this Retail Offer Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

Entitlements and New Shares are not being offered to the public within New Zealand other than to existing shareholders of TWE with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. It is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

The Entitlements and New Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Retail Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States. Neither the Entitlements nor the New Shares may be offered to or sold to persons in the United States or to persons who are acting for the account or benefit of persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Retail Entitlements and the New Shares in the Retail Entitlement Offer will be sold only in ‘offshore transactions’ (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act. Because of these legal restrictions, you must not distribute, release or send copies of this Retail Offer Booklet or any other material relating to the Retail Entitlement Offer to any person in the United States.

6.15 UNDERWRITING OF THE ENTITLEMENT OFFER

TWE has entered into an underwriting agreement (**Underwriting Agreement**) with Goldman Sachs Australia Pty Ltd ABN 21 006 797 897 (the **Underwriter**) who has agreed to manage and underwrite the Entitlement Offer. As is customary with these types of arrangements:

- TWE has agreed, subject to certain carve-outs, to indemnify the Underwriter, its affiliates, successors or related bodies corporate and each of its respective directors, officers, agents, employees, representatives or advisers against all costs, claims, damages, liabilities or other losses or expenses of any kind it may suffer or incur in connection with the Entitlement Offer;
- TWE and the Underwriter have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer;
- the Underwriter may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:
 - the agreement under which TWE will acquire Diageo Wines is terminated, purported to be terminated, is amended in a material respect, or is or becomes void or voidable;
 - the funding agreements relating to the acquisition of Diageo Wines are terminated or purported to be terminated by the Company, or terminated by a counterparty for cause, or is amended in a material respect, or is or becomes void or voidable;

- TWE is removed from the official list of ASX, its Shares are suspended from quotation, or approval for quotation of New Shares is not given by ASX;
- there are material financial or economic disruptions in key markets or hostilities commence or escalate in certain key countries;
- there are certain delays in the timetable for the Entitlement Offer without the Underwriter's consent;
- prior to the close of the Institutional Shortfall Bookbuild, the S&P/ASX 200 Index falls by more than 10% below the level of the S&P/ASX 200 Index at the close of trading on 13 October 2015;
- in the reasonable opinion of the Underwriter, any of the offer documents (including this Retail Offer Booklet and all ASX announcements made in connection with the Entitlement Offer) is or becomes misleading or deceptive (including by omission) in a material respect or likely to mislead or deceive in a material respect, or the offer documents omit any material information they are required to contain (having regard to section 708AA of the Corporations Act and any other applicable requirements), or any expression of opinion or intention in such documents is not fairly and properly supportable in a material respect or there are no reasonable grounds for the making of any material statements in such documents as they relate to future matters; or
- TWE withdraws from the Entitlement Offer.

The Underwriter will be paid:

- an underwriting fee of 1.45% (excluding GST) of the Institutional Entitlement Offer proceeds;
- a management and selling fee of 0.40% (excluding GST) of the Institutional Entitlement Offer proceeds;
- an underwriting fee of 1.45% (excluding GST) of the Retail Entitlement Offer proceeds; and
- a management and selling fee of 0.40% (excluding GST) of the Retail Entitlement Offer proceeds.

The Underwriter will also be reimbursed for certain expenses.

Neither the Underwriter nor any of its respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Information and they do not take any responsibility for this Information or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriter and its respective related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Underwriter nor any of its respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by the Underwriter or any of its respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

TWE will arrange for Entitlements which are not taken up by close of the Retail Entitlement Offer to be sold to eligible institutional investors. TWE has engaged the Underwriter to assist in selling Entitlements to subscribe for New Shares (including Entitlements that would have been issued to Ineligible Retail Shareholders had they been eligible to participate in the Retail Entitlement Offer), through the Retail Shortfall Bookbuild. However, it is important to note that Underwriter will be acting for and providing services to TWE in this process and will not be acting for or providing services to shareholders or any other investor. The Underwriter may also hold interests in the securities of TWE or earn brokerage, fees or other benefits from TWE. The engagement of the Underwriter by TWE is not intended to create any agency, fiduciary or other relationship between the Underwriter and the shareholders or any other investor.

6.16 ASIC MODIFICATION

In order to conduct the Entitlement Offer in accordance with section 708AA of the Corporations Act, ASIC has granted TWE modification from certain provisions of the Corporations Act to permit terms of the offers to shareholders to differ in so far as Retail Entitlements can be taken up in whole or in part, or traded on ASX (or transferred directly to another person) in whole or in part, while Institutional Entitlements were able to be taken up in whole or in part (but not traded on ASX).

6.17 GOVERNING LAW

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

6.18 DISCLAIMER OF REPRESENTATIONS

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by TWE, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of TWE, nor any other person, warrants or guarantees the future performance of TWE or any return on any investment made pursuant to this Information or its content.

6.19 WITHDRAWAL OF THE ENTITLEMENT OFFER

TWE reserves the right to withdraw all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case TWE will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, TWE may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to TWE will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to TWE.

6.20 PRIVACY

As a shareholder, TWE and the TWE Share Registry have already collected certain personal information from you. If you apply for New Shares, TWE and the TWE Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, TWE and the TWE Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, the TWE Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handing of mail, or as otherwise under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) TWE or the TWE Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to TWE through the TWE Share Registry as follows:

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Vic 3067

1800 158 360 (within Australia)
+61 3 9415 4208 (outside Australia)

www.investorcentre.com

CORPORATE DIRECTORY

Treasury Wine Estates Limited

ABN 24 004 373 862

58-82 Queensbridge Street

Southbank VIC 3006

www.tweglobal.com

Treasury Wine Estates Offer Information Line

1800 158 360 (within Australia)

+61 3 9415 4208 (outside Australia)

Open between 8.30am to 5.30pm (Melbourne time)

Monday to Friday

Treasury Wine Estates Share Registry

Computershare Investor Services Pty Limited

Yarra Falls

452 Johnston Street

Abbotsford VIC 3067

www.investorcentre.com

Australian legal adviser

Herbert Smith Freehills

Level 42, 101 Collins Street

Melbourne VIC 3000

Underwriter

Goldman Sachs Australia Pty Ltd

ABN 21 006 797 897

Level 42, Governor Phillip Tower

1 Farrer Place,

Sydney NSW 2000

