TREASURY
WINE ESTATES

12 November 2015

Treasury Wine Estates Limited 2015 Annual General Meeting

Treasury Wine Estates Limited (ASX: TWE) will today address shareholders at its Annual General Meeting to be held in Adelaide, commencing at 10:00am ACDT.

Attached is a copy of the Address to be delivered by the Chairman, Paul Rayner and the Address to be delivered by the CEO, Michael Clarke.

A live webcast of the Annual General Meeting can be viewed at www.tweglobal.com. An archive of proceedings will also be available from the website.

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Treasury Wine Estates Limited 2015 Annual General Meeting

Chairman's Address

Paul Rayner

Fiscal 2015 was a year of genuine progress and positive transformation for Treasury Wine Estates (TWE).

Whilst I recognise that it may seem a long time ago, it is important to remind shareholders that the fiscal year commenced with the Company facing two private equity led takeover bids.

I trust that, with the benefit of hindsight, shareholders and other external stakeholders are now clear that the decisions taken by the Board in relation to the two acquisition proposals were absolutely the right ones, and that the proposals submitted did indeed significantly undervalue our Company.

Thankfully, both the Board and executive management were able to put the distractions of those bids behind us by the end of the first half of fiscal 2015, enabling us to focus on what really mattered - fixing the fundamentals of the base business.

This 'reset' of the Company's core operations is the real achievement of fiscal 2015, and has enabled TWE to deliver a significant step up in the marketing of our focus brands whilst simultaneously driving significant improvements in the Company's overall financial performance.

Fiscal 2015 was Mike Clarkes' first full financial year in charge as our Company's Chief Executive Officer.

Under Mike's leadership, the team at TWE has taken the tough decisions necessary to enhance the quality and sustainability of TWE's base business by:

- reducing overheads and right sizing the Company's cost base
- driving a separate focus on TWE's Commercial portfolio versus its Luxury & Masstige brands
- significantly stepping up investment behind the consumer marketing of our focus brands
- reducing inventory levels at select retail and distributor partners in all four regions; and
- optimising the Company's Supply chain

The Board fully supported this transformation agenda and is delighted with the initial outcomes of this reset year.

Our fiscal 2015 financial performance demonstrates, along with the significant momentum with which we have started the current financial year, that the tough decisions taken, and aggressive change agenda pursued, is having the desired results.

These results should be warmly welcomed by the Company's shareholders.

I want to recognise the role played by all employees at TWE in delivering such a demanding amount of change over the last year. It is no exaggeration to state that

many companies would have taken 2-3 years to deliver what TWE has achieved in the last 12 months.

I will let Mike speak to the detail of the Company's financial results, but the Board is in no doubt we enter fiscal 2016 with a leaner, more efficient business, a clear strategic plan and a focused approached to brand investment.

We also have stronger relationships with key customers, exciting campaigns that are engaging established consumers and attracting new fans around the globe, and a steady stream of the highest accolades from the world's leading wine shows and wine publications.

Solid progress has also been made in all of TWE's key regions, and Mike will speak to the detail of Company performance in ANZ, EMEA, Americas and Asia in his remarks.

The Company's balance sheet remains an area of ongoing focus for both management and the Board, and I am pleased to report that over fiscal 2015 TWE continued to act with discipline and maintain comparatively low levels of debt.

Earlier this calendar year, the Company also successfully refinanced a $300m syndicated debt facility that was due to mature in April 2016, with the new agreement delivering a better margin over base interest rates.

Taking the Company's financial performance over the full fiscal year into account, the Board was pleased to confirm a full year dividend of 14 cents per share, up 1 cent per share on prior year; representing a payout of 64 percent of normalised earnings – in the middle of the Company's stated policy range.

Over fiscal 2015, the Board continued to work extremely closely with executive management to drive delivery against the Company's agreed 5 Year Plan and immediate strategic roadmap.

Whilst I am personally proud of the progress made in delivering against this strategy, the Board also acknowledges that the positive transformation of TWE is not yet complete and that an ongoing focus, and continued hard work, will be required to deliver to the 5 Year Plan in fiscal 2016 and succeeding years.

The Board is committed to helping management build on the momentum established in fiscal 15, in order to deliver to both our stated commitments – continuing to advance work started on supply chain optimisation, right-sizing the Company's brand portfolio and driving an increasingly separate focus on our Commercial versus Luxury & Masstige brands - as well as undertaking new actions to drive improvements in TWE's financial performance.

Once such action, recently announced to the market, was the Company's acquisition of Diageo's wine business in the United States and UK.

This acquisition represents a highly compelling strategic and financial opportunity for TWE's shareholders. The business and brands we are purchasing are very aligned with our established strategic roadmap and we expect the acquisition to deliver long-term value creation to our global operations and to our shareholders.

As a Board, we remain committed to a remuneration regime, and incentive structures, that ensure management and shareholder interests are aligned.

Linking pay with performance is a principle that I have consistently spoken to during my time as Chairman, and shareholders have my assurance that this principle will continue to underpin the Board's approach to remuneration.

Given the strong financial results delivered over the course of fiscal 2015, an appropriate payout was made on TWE's Short-Term Incentive Plan (STIP) to staff. There was, however, no vesting of fiscal 2013 Long Term Incentive Plans (LTIPs) as key performance hurdles for the period were not met.

I would also like to stress that the inclusion of a ROCE hurdle for FY16 LTIPs is both a logical and sensible change for the Company to adopt.

In determining which measure was most appropriate to complement relative TSR, and better align with our business strategy, a return on capital employed (ROCE) has been included for fiscal 2016 because:

- it is well suited as a metric appropriate for an industry such as ours that inherently has a high level of capital employed.
- a step-up to a higher sustainable level of ROCE is a fundamental requirement in order to deliver long-term shareholder value.
- historically this is a business that has delivered returns that have been well below its cost of capital. Therefore we must do better in future.

All other terms and conditions for LTIPs remain unchanged from fiscal 2015; and in reference to questions about the implications of the recent Diageo wine acquisition, I can assure shareholders that on fiscal 2016 STIP and LTIPs there will be 'No penalties and no free kicks'.

Later in today's proceeding, I will be asking shareholders to vote for the adoption of the remuneration report that is contained in the Directors' Report for the financial year ended 30 June 2015.

Shareholders will also be asked to vote on the re-election of three members of the Company's current Board; and approve the allocation of performance rights to TWE's Chief Executive Officer.

On all of these matters, I strongly ask for shareholder support.

The Board remains committed to ensuring that Company remuneration and incentives remain fully aligned with maximising shareholder returns, and I would like to thank those shareholders, and proxy advisors, who have already indicated their support for the Company's remuneration framework.

In summary, the Company's overall approach to remuneration has remained both measured and responsible; and when looked at as a package, I am clear that TWE's approach to remuneration remains in keeping with the best practice adopted by other leading ASX listed companies.

Fiscal 2015 saw a positive step-change in the Company's approach to Corporate Social Responsibility (CSR), with an enhanced focus on TWE' s three strategic priorities being:

- responsible consumption;
- sustainable sourcing; and
- community engagement.

On responsible consumption, work was undertaken throughout the year to educate TWE staff on the responsible consumption of alcohol. Ensuring the Company had informed and engaged its own staff on this important topic was an essential first step before TWE could become an effective ambassador on responsible consumption with Government, relevant industry bodies, and in the communities where the Company's operations are based.

On sustainable sourcing, TWE's Responsible Procurement Code was incorporated into all new supplier request processes; with environmental assessments also now formally included in the Company's new product development processes.

Corporate volunteering was a particular highlight of TWE's CSR agenda in fiscal 2015, with the Company's first Annual Global Volunteering Week taking place. This Week helped to more than treble employee volunteering rates across the Company globally, and I was delighted to take part in some of the volunteering activities – seeing first-hand the benefits provided to both Company culture and our charitable partners.

Fiscal 2015 also provided a range of opportunities for TWE in the area of public policy and regulation. In particular, I would like to put on the public record the Company's sincere appreciation for all the hard work and diligence from the Federal Australian Government in successfully concluding Free Trade Agreements with South Korea, Japan and, most recently, China.

All three FTA's have the potential to provide real and significant benefits to TWE, and the wider Australian wine industry – benefits that the Company fully intends to realise.

TWE also welcomes the tariff eliminations negotiated as part of the Trans-Pacific Partnership (TPP).

TWE is also cautiously optimistic about the opportunities for beneficial reform arising from the Federal Government's tax reform and Wine Equalisation Tax (WET) rebate reform consultation processes.

As a Company, we urge the Government to be bold on both WET rebate and wider wine taxation reform.

For far too long the Australian wine industry has discussed the problems and tinkered around the edges of genuine reform.

Now is the time for clear and decisive action.

The current WET rebate is adversely impacting legitimate Australian wine producers, and contributing to the significant oversupply of low value wine that is damaging profitability domestically and 'Brand Australia' internationally.

Major change is required, and TWE calls for the Government to implement significant reforms including:

- the removal of rebate entitlement from bulk and unbranded wine
- action to limit rebate accessibility by foreign (i.e. non-Australian) producers by adopting a legislated grants scheme

- stricter criteria to define the eligibility of a ‘genuine’ wine producer; and

-.an immediate reduction in the rebate cap to $150,000 per annum.

Such reforms would address many of the distortionary and damaging behaviours currently associated with the WET rebate and align industry support more closely to the WET rebate’s original policy intent.

In terms of wider taxation reform, TWE continues to advocate strongly for a tax regime for wine that supports, rather than penalises, more premium wine production.

The current ad valorem model actively works against the production of the types of more premium wines which consumers, both domestically and internationally, increasingly want to buy.

In contrast, a category based volumetric model for taxing wine, with a single rate applied to the wine category within the WET regime (i.e. not an excise arrangement), actively supports a globally competitive Australian wine industry, helping to support the production of wines above $10 per bottle where opportunities for enhanced profitability and growth are more pronounced.

Before closing, I would like to sincerely thank all Directors for their many and varied contributions over the last year.

Fiscal 2015 gave rise to a number of issues, and involved several critical transformation projects, and I wish to acknowledge the significant contribution made by the Board over the year.

Later in this meeting, I will ask you to endorse the re-election of Mike Cheek, Ed Chan and Garry Hounsell as Non-Executive Directors; a move the Board strongly supports.

In conclusion, I am delighted at what has been achieved during TWE's 'reset' year in fiscal 2015.

The fact that such meaningful and necessary change has been able to be delivered in conjunction with an improved set of financial results is both significant and a source of genuine pride.

I also wish to take this opportunity to acknowledge the work of Tony Reeves. As announced to the market this morning, Tony will shortly be leaving his post as TWE's Chief Financial Officer and, on behalf of the Board, I wish to thank him for the professionalism he has brought to the finance function and the role he has played in successfully transforming the Company into the strong position it is in now.

You have my assurance that the Board remains totally focused and committed to helping TWE achieve its strategic objectives and delivering improved shareholder returns.

I want to express my appreciation to Mike, the senior management team, and all TWE staff for their hard work, dedication, creativity and resilience in developing and applying new strategies for the Company in what has been a truly transformational year. Keeping the business on track during the private equity bids in the first part of the year was a very significant achievement, as was the volume

of positive change delivered during TWE's 'reset year' – for which Mike and his entire team should be heartily congratulated.

Finally, my sincere thanks go to you, our shareholders, for your support, confidence and ongoing investment in our business.

Treasury Wine Estates Limited 2015 Annual General Meeting

Chief Executive Officer's Address

Michael Clarke

Good morning.

Let me start by extending my very warm welcome to you – our shareholders – to the 2015 Annual General Meeting.

Today, it gives me great pleasure to address you from South Australia... the spiritual home of some of our leading Australian wine brands including Penfolds, Wolf Blass, Saltram and Wynns Coonawarra Estates.

It was a year ago that I made my first AGM address to you and in that meeting, we shared TWE's strategic roadmap.

A strategy that will see TWE transition from an order-taking, agricultural company to a brand-led, marketing organisation.

Underpinning this transformation are six strategic initiatives:

- Fix the core business;
- Realign the company's portfolio;
- Invest in our brands and our people;
- Enhance our relationships with key stakeholders;
- Optimise our capital base; and
- Drive improved financial performance

Fiscal 15 was a re-set year for our Company, where we took the necessary steps to reposition TWE to deliver consistent, sustainable, value creation for our shareholders.

During the year, we embedded substantial strategic, operational and cultural change within our Company and I would like to acknowledge everyone at TWE for their commitment and endurance during a year of profound change.

During the year, we:

- Seamlessly transitioned the Penfolds release date in order to embed sustainable selling and marketing practices and drive margin accretion;
- We commenced our supply chain optimisation initiatives, initially identifying $50m in COGS savings by fiscal 20. We recently announced the second phase of this initiative, lifting the savings from $50m to $80m by fiscal 20;
- We accelerated the separate focus on our Commercial versus our Luxury & Masstige portfolios, globally;
- We over-delivered on our overhead reduction program; successfully removing more than $40m of costs from the business. We also identified a further $15m of overhead savings that will be realised in fiscal 16. This will see more than $55m in cumulative overheads removed in just two years;
- We redeployed some of the overhead savings to make a necessary step-change in our consumer marketing investment; largely focused on our top 15 priority brands;

- We optimised our routes-to-market in Greater China, Korea and Singapore, the benefits of which were evident in the 53 percent uplift in EBITS reported by the Asia region. More recently, we commenced similar route-to-market changes in Japan and Taiwan;
- We deliberately focused on sustainable and profitable volume; ensuring depletions exceeded shipments in all regions;
- We delivered on our commitment to realign distributor inventory levels in the US while at the same time, we assisted retailers and distributors – globally – to reduce their inventory levels of our products during the course of the year
- We invested in new markets and channels, notably in Latin America and Global Travel Retail;
- We commenced a 30 percent SKU rationalisation to remove unnecessary cost and complexity from our brand portfolio; and
- We instilled a performance culture where our teams are motivated to win sustainably

In this context, I am delighted to share some of the financial highlights of fiscal 15 with you.

On a reported currency basis, our net sales revenue grew by 8 percent and our Earnings Before Interest, Tax and SGARA increased by a very pleasing 22 percent to $225.1m.

Our reinvigorated and focused approach to brand building saw 11 of our 15 priority brands deliver net sales revenue growth over the year versus just 6 brands in fiscal 14.

Collectively, our priority brand portfolio delivered 13 percent net sales revenue growth, versus just 3 percent growth in fiscal 14.

Particular highlights included Penfolds, Wolf Blass, Stags' Leap, 19 Crimes, Wynns, Rawson's Retreat, Pepperjeck, Chateau St Jean, Etude and Matua.

Our cashflow results were, in my view, a clear indication of the positive changes we have made during the year; with cash conversion above 100 percent.

Our balance sheet continued to be a key strength and opportunity for Treasury Wines. In fiscal 15, we maintained financial metrics consistent with an investment grade credit profile with net debt / EBITDAS and interest cover at 0.8x and 10.8x, respectively.

Also during the year, we did a lot of work to improve the quality of our inventory.

We deliberately reduced our holdings of Commercial and lower-end Masstige wine and at the same time, we held back Luxury wine for sale in future years.

Adjusting for material items, SGARA and the prior year tax benefit, we reported very strong Earnings Per Share growth in fiscal 15, up 26 percent to 21.9 cents per share.

At our fiscal 15 result announcement, we also took the opportunity to highlight our renewed focus on delivering a more efficient capital base, thereby improving TWE's Return On Capital Employed.

Wine is by nature, a capital intensive business and we are firmly focused on driving value for our shareholders by both earnings growth and capital employed optimisation.

In that context, I'd like to share with you an important – and exciting – new step we are taking that will see some of our treasured, regional brands brought out of the shadows.

These brands are called regional gems. Gems are brands that have a very strong consumer following, but are not scalable or of sufficient size to become global, umbrella brands.

Included in this portfolio are iconic Australian brands like T'Gallant, Coldstream Hills, Seppelt, Bailleys, Saltram, Leo Buring and Devil's Lair.

You have heard me talk about the potential to cluster vineyards, wineries and teams in order to deliver enhanced returns. We are executing on this and we have now formed a dedicated team focused on this portfolio of gems.

We intend to provide these brands with focus and the investment they deserve as some of Australia's greatest regional wines.

We are confident that this new way of managing smaller, but very valuable brands will drive margin accretion as well as delivering efficiencies to our Capital Employed.

I look forward to sharing more on this at our half year results in February.

And, as a result of the uplift in consumer marketing investment and our enhanced focus on brand building in fiscal 15, TWE entered fiscal 16 with an

outstanding pipeline of consumer marketing programmes in place.

These programmes include both brand innovations and brand activation campaigns.

It is therefore, not surprising that we recently announced that the strong performance of our 15 priority brands has accelerated, with these brands collectively delivering 20 percent net sales revenue growth in the first quarter of fiscal 16.

This acceleration is across all regions.

We are seeing sales, earnings and margin improvements in all regions in the fiscal year-to-date:

- As we continue to optimise our brand investment;
- Remain focused on managing our cost base;
- Embed new and more efficient routes-to-market; and
- As we continue to partner with our customers around the world to drive wine category growth.

I, together with the Board and the Management team, am confident that TWE will generate a high-teens EBITS margin by fiscal 20, up from 12 percent as at fiscal 15.

This margin accretion will come from:

- Continued premimiumsation of our portfolio, globally;
- Marketing and selling our brands sustainably and profitably;

- Optimising our brand investment by driving consumer pull strategies, thereby reducing reliance on discounts and rebates over time;
- Pursuing margin-enhancing innovation within our trusted umbrella brands;
- Investing in new routes-to-market in key growth regions; thereby driving apparent scarcity and margin accretion in our home markets;
- Remaining vigilant on costs; and
- Improving the margins of our Commercial and Luxury & Masstige portfolios by right-sizing our supply production footprint, globally.

As a result, I'd like to reiterate our previously communicated EBITS guidance for fiscal 16 of $270m to $290m, before the impact of the recently announced acquisition of Diageo's wine business.

This brings me to our most recent announcement.

On 14 October, we announced that we had reached agreement with Diageo to acquire its US and UK wine operations for a cash payment of US$552m and assumption of capitalised leases of US$48m.

This transaction will provide our company with the ability to step-change our US business and importantly, this deal is a game-changer for the growth profile of our US portfolio, globally.

The acquisition immediately doubles our Luxury and Masstige net sales revenue in the Americas.

Importantly though, and consistent with our strict acquisition criteria, we now have immediate access to increased Luxury and Masstige fruit; the majority of which is sourced from grower contracts and leased vineyards.

Upon completion – which is expected to be by January 2016 – TWE will be well positioned to accelerate the sale of our US brand portfolio in, not only the US, but into Canada, Asia and Latin America.

Not only is the transaction strategically compelling, so too are the transaction metrics.

The purchase price implies a low transaction multiple especially when you take into account that we will take ownership of Diageo's state-of-the-art bottling facility that allows us to avoid US$80m of capex investment and that we expect to recognise synergies of at least US$25m by fiscal 20.

EPS accretion was another strict transaction criteria and I am therefore delighted to execute a deal which delivers low double digit EPS accretion in the first full fiscal year and high teens EPS accretion once the full run-rate synergies are realised.

This deal is also accretive to our EBITS margin aspiration and with Diageo's capital-light operating model, our focus on Return on Capital Employed is enhanced.

As we integrate Diageo into the TWE family, we will replicate our journey of:

- Making quality wines;

- Breathing life into strong brands with latent equity via focus and consumer marketing investment;
- Simplifying overhead costs and infrastructure; and
- Driving profitable and sustainable top-line momentum in order to extract greater value for you, our shareholders.

Finally, the strength and flexibility of our balance sheet will be preserved with pro-forma fiscal 15 trailing Net Debt / EBITDAS and interest cover remaining very strong at 1.8x and 6.7x, respectively.

This deal will be transformational for your Company and I thank you – our shareholders – for the overwhelming support we received.

With that, let me close with some important acknowledgements.

I would like to thank Tony Reeves for his many valuable contributions to our Company and acknowledge Tony as a consummate professional who has played an integral role in helping me rebuild TWE into the strong company it is today.

I would also like to share my enthusiasm for the appointment of Noel Meehan as our incoming CFO. Noel Meehan joins the TWE family with extensive experience across several listed organisations. I am confident that the time is right for a new CFO to help advance TWE into its next phase of growth.

I would also like to thank the TWE Board for their support and guidance during what has been a very busy year. And the staff at TWE for driving the turnaround of this very special business and you, our shareholders, for your ongoing interest, support and investment in Treasury Wine Estates.