



# TREASURY WINE ESTATES

22 October 2012

## **ASX ANNOUNCEMENT**

### **TWE EXPECTS MID-SINGLE DIGIT GROWTH IN FISCAL 2013 AHEAD OF ABOVE AVERAGE EBITS GROWTH IN FISCAL 2014**

Further to our full year results on 17 August 2012, Treasury Wine Estates today provides additional guidance on its expected fiscal 2013 and 2014 financial performance.

As previously stated, our fiscal 2013 performance is impacted by the weather affected 2011 vintages in Australia and California, which saw fewer wines produced and at a higher cost. Also impacting fiscal 2013 are higher corporate costs driven by the need to build a standalone IT system following demerger. In addition, TWE continues to work with our distributor partners in the USA to reduce the level of inventory carried in fiscal 2013.

In light of these challenges and a slow first quarter trading performance in Australia and the Americas region, we have further refined the guidance provided at the full year results. At the full year results we stated that EBITS growth for fiscal 2013 would be below the average of the past two financial years on a constant currency basis (which corresponds to 15.8%), before rebounding to above average growth rates in fiscal 2014.

In the first half of fiscal 2013, we expect constant currency EBITS to be below the same period in fiscal 2012 by approximately 20%. Notwithstanding the slower start to the current financial year, we expect constant currency EBITS growth for the full year to be in the mid-single digit range.

We reiterate our positive outlook for fiscal 2014, underpinned by the iconic wines crafted from an exceptional 2012 vintage and a strong increase in non-current inventory. TWE remains well positioned to satisfy growing consumer demand for TWE's luxury and masstige wines in both existing and new markets.

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