



TREASURY WINE ESTATES

20 May 2014

ASX ANNOUNCEMENT

TWE announces rejection of preliminary, indicative and non-binding proposal for acquisition

The Board of Treasury Wine Estates Limited (ASX:TWE or the “Company”) announces that it has rejected a preliminary, indicative, non-binding and conditional proposal to acquire all of the shares of TWE at a price of \$4.70 cash per share from Kohlberg Kravis Roberts & Co. L.P. (“KKR”) by way of a scheme of arrangement.

KKR requested that the proposal be kept confidential. The Board of TWE decided that, in order to have meaningful discussions with KKR, it was important to preserve the confidentiality of the proposal and that premature disclosure would be contrary to the interests of TWE shareholders, especially given the highly conditional nature of the proposal. The decision not to disclose the proposal was also consistent with the Company’s continuous disclosure obligations. Since the proposal was received on 16 April 2016, TWE has held preliminary and confidential discussions with KKR.

The Company learnt after the market closed last night that KKR (and advisors) had spoken to one or more of TWE’s shareholders and therefore there is a risk that the confidentiality of the KKR proposal has been lost. Accordingly, to ensure there is an informed market for TWE shares, the Company is making this announcement.

The Board of TWE, together with its advisors, has carefully reviewed the proposal in the context of renewed plans for the Company under the executive management team.

Since commencing as TWE’s Chief Executive Officer on 31 March 2014, Michael Clarke has been progressing with plans to improve the Company’s performance, with a focus on improving brand prioritisation and investment, addressing structural challenges facing the business and reducing overhead costs. While these plans may drive potential asset impairments, they are fundamental to a turnaround in TWE’s short term performance and the Company’s ambitions to deliver long-term sustainable growth.

The Board has considered the KKR proposal in the context of these renewed plans and concluded that the proposal does not reflect the fundamental value of the Company and it is therefore not in the best interests of shareholders.

The Board of TWE does not intend to take any further action in relation to the proposal. The Board of TWE remains focused on maximising shareholder value and will carefully consider any future proposal that is consistent with this objective.

Shareholders do not need to take any action in response to the KKR proposal.



Contacts / Further information:

Media

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

Investors

Peter Kopanidis
Tel: + 61 3 8533 3609
Mob: +61 412 171 673