



TREASURY WINE ESTATES

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MEDIA RELEASE

TWE to move wine production from Ryecroft winery

Treasury Wine Estates Limited (TWE) has today announced that it will cease operations at its Ryecroft winery in South Australia's McLaren Vale and move this production to other TWE wineries in South Australia. As a result of this change TWE will not process grapes at Ryecroft winery for the 2015 Vintage.

This transfer of production from Ryecroft winery to other facilities is consistent with TWE's strategic roadmap, which includes stepping-up consumer marketing investment in its brands, driving a separate focus on the Commercial portfolio, improving its cost base, light-weighting its capital structure and delivering supply chain efficiencies and improved profitability.

Senior management met with Ryecroft employees on site this morning to inform them of the Company's plans, and have commenced consultation with relevant trade unions.

Peter Taylor, Director Wine Production ANZ, acknowledged that this decision was not made lightly.

"The decision to stop operating Ryecroft winery was an extremely difficult one and is certainly not a reflection on the experience or capability of the team working there.

"This is a tough but necessary action that TWE has to take. We have several wineries within our production footprint and need to ensure that they operate at the highest possible capacity to maximise the efficiencies of our network. Unfortunately Ryecroft has been operating at around half its capacity for several years now, and it is simply not sustainable for this to continue," he said.

Plans for shutting down Ryecroft winery operations will commence immediately although it is likely to take several months for this process to conclude. There are currently 33 people working at Ryecroft and TWE is working closely with impacted employees and their representatives to determine the next steps in this process. All impacted employees will be eligible to apply for alternative positions within TWE, and if no suitable positions are secured, they will be supported with outplacement services and redundancy entitlements in accordance with their contractual terms/Enterprise Bargain Agreement.

In recent years, the Ryecroft winery has been the primary facility for the production of Rosemount wines. Rosemount remains a valued brand within TWE's wine portfolio and will continue to be made at other South Australian wineries in the Company's network.

"Rosemount wines previously made at Ryecroft will continue to source their fruit from McLaren Vale and surrounding regions; the only change is the location where the wine will be made" said Mr Taylor.

TWE will continue to operate the Rosemount cellar door in McLaren Vale and approximately 900 hectares of vineyards throughout the Fleurieu Peninsula, with approximately 50 employees remaining in the region.

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