



TREASURY WINE ESTATES

3 June 2016

MEDIA RELEASE

US supply chain optimisation to continue positive momentum

Treasury Wine Estates Ltd (TWE) announced today that it is making changes to its wine supply and production network in the United States as part of the integration of the recently acquired Diageo Wine business.

As part of optimising TWE's US supply chain, the Company will:

- Consolidate winemaking production in California in the Central and North Coast regions; with Luxury wine production focused at the Beringer (Pratt Ave) winery and Masstige wine at the Paso Robles winery.
- Consolidate Luxury winemaking on-site at Sterling Vineyards.
- Focus winemaking at Beaulieu Vineyard (BV) on Luxury wine production only.
- Discontinue winemaking at the Chateau St. Jean winery in Sonoma County, with production moving to Beringer (Pratt Ave). All hospitality and direct-to-consumer functions remain unchanged at the site.
- Sell the Paicines winery on California's Central Coast with production consolidated at Paso Robles.
- Divest a small number of vineyards and land holdings.
- Commit to additional investment in its US wineries between Vintage 2016 and Vintage 2018 to support its growth agenda for premium American wines in the Asia region.

Changes to TWE's US supply and production footprint will affect a number of roles within the Company; however, some roles may transfer to new owners dependent on relevant sales and divestment processes.

These initiatives will enable brands recently acquired from Diageo to benefit from the positive transformation already undertaken with the Company's established portfolio, and are consistent with strategic plans announced at the time of the Diageo Wine acquisition (14 October 2015). It is expected that this next stage of US supply chain optimisation will be complete by the end of fiscal 2018.

Contacts / Further information:

Media

Roger Sharp

Tel: +61 3 8533 3786

Mob: +61 458 883 599