



MEDIA RELEASE

10 March 2017

Treasury Wine Estates announces addition of French wine portfolio to accelerate growth in North Asia

Treasury Wine Estates (TWE) today announced the introduction of a French wine portfolio to disrupt the traditional 'old world' mould of the French category and drive growth for the Company globally, with an initial focus on North Asia.

Shared at the Company's inaugural Investor Day in Napa, California, the new French proposition, to be launched in the first half of F18, will build on TWE's existing portfolios from Australia, New Zealand, California and Italy.

According to TWE Chief Executive Officer Michael Clarke, central to the Company's approach is embedding greater sustainability, discipline and balance across all four regional business models as well as strengthening its brand portfolio, with diversified sourcing to meet global demand.

"We have been investing behind the brands that can deliver growth on a global scale for our business with stronger marketing activity to drive consumer demand across all of our regions. We've also spent time refreshing and 'fixing' many of our brands, with a number of our Californian wine brands recently undergoing packaging refreshes including Beaulieu Vineyard, Sterling Vineyards and Beringer," Mr Clarke said.

"French wine is now an exciting new addition to our portfolio offering, and will be one of our important launches in F18. While the French category is very established globally and regarded as a quality trustmark, particularly in North Asia, we will bring a 'new world' mentality to marketing and selling this wine."

The French portfolio will include three tiers of wines showcasing the best of France, including Bordeaux, Burgundy and Châteauneuf du Pape reds, Rosé from Provence and Champagne. North Asia is the initial destination for the portfolio, with plans to market and sell the portfolio across other regions of the world in F18 and beyond.

During the Investor Day, the Company's Executive Leadership Team also shared progress against the Company's strategy to deliver previously stated financial targets of achieving high teens EBITs margin by F18.

Outlining the transition from an agricultural, order-taking company to a brand-led high performance organisation, the team highlighted the three-phase journey of fixing, growing and accelerating the brand portfolios and business models to position all four regions for sustainable success.

Cont/d...

Highlights from the briefings include:

- Investing in the organisational talent across the business, taking a 'bud to fruit' approach to build the capability of employees;
- Successfully building brand portfolios, one portfolio at a time, with solid platforms to introduce the new French portfolio following the success of the Company's Penfolds, Australian and Californian offerings;
- Ensuring the Company's supply meets demand globally in a sustainable, safe and simplified way, with a focus on Luxury and Masstige fruit;
- A focus on premiumisation and allocations across all regions to ensure strong shareholder returns;
- In ANZ, focusing on market share gains and premiumisation to deliver volume and value growth;
- In Asia, targeting number one wine importer positioning by volume and value, while preserving 30-35% EBITs margin performance;
- In Europe, protecting double digit EBITs margin performance in a commercial market; and
- In the Americas, shifting from fixing to growth, with EBITs margin to drive growth for the Company over time.

"We have taken a very disciplined approach to fixing and growing our business models and brand portfolios, but our journey is far from over. We've set the business up for long-term, sustainable success, while continuing to preserve the scarcity and value of our wines globally. The new French portfolio plays an important role in our strategy, as we look forward to continuing to deliver value for our shareholders," Mr Clarke said.

-ends-

A live webcast of the Investor Day can be viewed at the following link:

<http://edge.media-server.com/m/p/u5vkdspc>

A recording of the webcast and presentations from the TWE Investor Day will be available on www.tweglobal.com from 9am Thursday 9 March 2017 (PST).

For further information, contact:

Media

Carolyn Coon
Director, Corporate Communications
Tel: +61 3 8533 3923
M: +61 405 183 628
carolyn.coon@tweglobal.com

Investors

Jane Betts
Director, Investor Relations
Tel: +61 3 8533 3493
M: +61 437 965 620
jane.betts@tweglobal.com