



TREASURY WINE ESTATES

19 OCTOBER 2015

ASX ANNOUNCEMENT

Treasury Wine Estates successfully completes the Institutional component of its 2 for 15 pro rata accelerated renounceable entitlement offer and provides incremental Depreciation & Amortisation expectations as a result of the acquisition

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Treasury Wine Estates Limited (ASX:TWE) ("TWE") today announced the completion of the institutional component of its fully underwritten 2 for 15 pro rata accelerated renounceable entitlement offer (with retail entitlements trading) ("Entitlement Offer") of new TWE ordinary shares ("New Shares") to raise gross proceeds of approximately \$486 million.

Summary of the Institutional Entitlement Offer

- Completion of the institutional component of the Entitlement Offer ("Institutional Entitlement Offer") raised gross proceeds of approximately \$368 million
- Approximately 89% of entitlements available to eligible institutional investors taken up
- Institutional shortfall bookbuild ("Institutional Bookbuild") cleared at \$7.10 (being the offer price of \$5.60 for each New Share, plus \$1.50 for each entitlement), representing a 9.9% premium to the theoretical ex-rights price¹ and a 8.1% premium to TWE's last closing price
- Retail component of Entitlement Offer ("Retail Entitlement Offer") opens Monday, 26 October 2015, and retail entitlements may be traded on market from today

The Institutional Entitlement Offer attracted strong support from TWE shareholders, raising \$368 million, with approximately 89% of entitlements available to eligible institutional shareholders taken up.

¹ The theoretical ex-rights price ("TERP") is the theoretical price at which TWE shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which TWE shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to TWE's closing price of \$6.57 on 13 October 2015 being the last trading day prior to the announcement of the Entitlement Offer.

The Institutional Bookbuild attracted significant demand from both existing TWE shareholders and other institutional investors, clearing at \$7.10 (being the offer price of \$5.60 for each New Share, plus \$1.50 for each entitlement) which represents:

- a 9.9% premium to theoretical ex-rights price of A\$6.46; and
- a 8.1% premium to TWE's closing share price of A\$6.57 on 13 October 2015.

Eligible institutional shareholders who elected not to take up their entitlements, and ineligible institutional shareholders, will receive \$1.50 for each such entitlement sold for their benefit in the Institutional Bookbuild.

TWE's Chief Executive Officer, Mr. Michael Clarke said: "We are thrilled with the strong support shown by TWE's shareholders and other institutional investors for both the equity raising and TWE's acquisition of Diageo Wine.

"We now look forward to completing the retail component of the entitlement offer, closing the acquisition and integrating Diageo Wine's iconic brands into TWE's existing portfolio, for the benefit of TWE's shareholders."

Settlement of the Institutional Entitlement Offer will take place on Monday, 26 October 2015, with the New Shares to commence trading on Tuesday, 27 October 2015.

Retail Entitlement Offer

The Retail Entitlement Offer is expected to raise approximately \$119 million. The Retail Entitlement Offer will open at 9.00am (Melbourne time) on Monday, 26 October 2015 and close at 5.00pm (Melbourne time) on Wednesday, 4 November 2015.

Eligible retail shareholders in Australia and New Zealand will be able to subscribe for 2 New Shares for every 15 TWE ordinary shares held on the record date of 7.00pm (Melbourne time), Monday, 19 October 2015, at the same offer price of \$5.60 per share as the Institutional Entitlement Offer.

Eligible retail shareholders will be allotted Entitlements ("Retail Entitlements") which can be traded on ASX. If they do not choose to take up all or part of their Retail Entitlements, they can seek to sell all or part of their Retail Entitlements on the ASX or by transferring it directly to another person ahead of the retail shortfall bookbuild (discussed below). Retail Entitlements can be traded on the ASX from Monday, 19 October 2015 (on a deferred settlement basis) to Tuesday, 27 October 2015.

Retail Entitlements which are not exercised by the close of the Retail Entitlement Offer, and Retail Entitlements of ineligible retail shareholders, will be offered for sale through a retail shortfall bookbuild on Wednesday, 11 November 2015 ("Retail Shortfall Bookbuild"). Any Retail Premium (being any amount paid in respect of those Retail Entitlements sold into the Retail Shortfall Bookbuild) will be remitted proportionally to such shareholders, net of any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those retail shareholders.

Eligible retail shareholders should carefully read the retail entitlement offer booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on Friday, 23 October 2015. The retail entitlement offer booklet will be made available at www.investorcentre.com.

The retail entitlements may only be exercised by eligible shareholders, persons with addresses in Australia or New Zealand and certain categories of investors in United Kingdom, Canada (Ontario and Quebec provinces only), New Zealand, Norway, Switzerland, Sweden, Belgium, Denmark, Germany, Netherlands, Luxembourg, Ireland, France, Italy, United Arab Emirates (excluding Dubai), Hong Kong, Singapore and Japan. Persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to purchase or trade entitlements on market, or take up or exercise entitlements purchased on market or transferred from another person.

It is the responsibility of purchasers of Retail Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Retail Entitlements after the trading period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements. In the event that holders are not able to take up their Retail Entitlements, those Retail Entitlements will be sold into the Retail Shortfall Bookbuild and holders may receive no value for them.

TWE's ordinary shares are expected to resume trading from market open today on an ex-entitlement basis.

Incremental Depreciation & Amortisation expectations as a result of the acquisition

TWE advises that it expects total annual Depreciation & Amortisation (including assets subject to sale and leaseback arrangements) for the proposed acquired business to be approximately A\$25 million per annum - prior to any acquisition accounting adjustments.

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This release may not be released or distributed in the United States. This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 (U.S. Securities Act) or under the securities laws of any state or other jurisdiction of the United States. The entitlements and the New Shares may not be granted to, or taken up by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The entitlements and New Shares to be offered and sold in the Retail Entitlement Offer will only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) of the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.