



TREASURY WINE ESTATES

23 OCTOBER 2015

ASX ANNOUNCEMENT

Notification to Ineligible Retail Shareholders

NOT FOR DISTRIBUTION IN THE UNITED STATES

Treasury Wine Estates Limited (“TWE”) will today despatch the attached letter to ineligible retail shareholders regarding the Entitlement Offer.

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IMPORTANT INFORMATION:

This notification does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the entitlements under the Entitlement Offer (“Entitlements”) nor the New Shares to be issued under the offer (“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 Entitlement Offer will only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) of the Securities Act) in reliance on Regulation S under the U.S. Securities Act.



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23 October 2015

Dear Shareholder

TREASURY WINE ESTATES RETAIL ENTITLEMENT OFFER: NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

On Wednesday, 14 October 2015, Treasury Wine Estates (**TWE**) announced it is conducting an offer to raise approximately \$486 million via an underwritten 2 for 15 pro-rata accelerated renounceable entitlement offer of new TWE ordinary shares (New Shares), with tradeable retail entitlements for eligible retail shareholders (**Entitlement Offer**). TWE is raising capital to partially fund the acquisition of selected assets from Diageo Plc's US and UK wine operations (**Diageo Wine**), as set out in the Investor Presentation published on ASX on Wednesday, 14 October 2015.

This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.

What is the Entitlement Offer?

Under the Entitlement Offer, TWE is offering entitlements pro rata to all eligible retail shareholders and eligible institutional shareholders which can be exercised to buy New Shares at an offer price of \$5.60 per New Share (**Offer Price**). This represents a 14.8% discount to the closing price of Ordinary Shares on ASX on Tuesday, 13 October 2015 and a 13.3% discount to the theoretical ex-rights price¹ of \$6.46.

The Entitlement Offer is being made without a prospectus or disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) as modified by Australian Securities and Investments Commission Class Order [CO 08/35].

The institutional component of the Entitlement Offer has already closed and the results have been announced to the ASX. An offer booklet in relation to the retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be despatched to eligible retail shareholders on or around Friday, 23 October 2015.

Why you will not be able to subscribe for New Shares under the Entitlement Offer

In compliance with ASX Listing Rule 7.7.1(b), TWE wishes to advise that you will not be able to subscribe for or purchase New Shares under the Entitlement Offer because your registered address as a TWE shareholder is outside Australia or New Zealand. TWE has determined that it would not be reasonable to make or extend offers under the Retail Entitlement Offer to shareholders whose address on the TWE share register as at 7:00pm (Melbourne time) on Monday, 19 October 2015 is outside of Australia and New Zealand. In particular, shareholders that are in the United States or are acting for the account or benefit of a person in the United States (to the extent such person holds TWE ordinary shares for the account or benefit of such person in the United States) are not eligible to participate in the Retail Entitlement Offer. This is due to the legal and regulatory requirements in countries other than Australia and New Zealand and the potential costs to TWE of complying with these requirements compared with

¹ Theoretical Ex-Rights Price (**TERP**) is the theoretical price at which ordinary shares in TWE should trade immediately after the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which ordinary shares trade immediately after the announcement of the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to TWE's closing price of \$6.57 per share on 13 October 2015 being the last trading day prior to the announcement of the Offer.





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the relatively small number of shareholders in those countries, the relatively small number of existing TWE ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled to subscribe for.

Unfortunately, according to our records, you are ineligible to subscribe for New Shares under the Entitlement Offer. However, as the Entitlement Offer is renounceable, you may receive value for your entitlements, which is explained further below.

TWE has arranged for the entitlements of ineligible retail shareholders to be offered for sale by a nominee in a bookbuild process on Wednesday, 11 November 2015 (**Retail Shortfall Bookbuild**). Your entitlements will be offered for sale on your behalf in the Retail Shortfall Bookbuild and any retail premium (being any amount paid in respect of those entitlements) will be paid to you, net of any applicable withholding tax (Retail Premium). It is expected that the proceeds will be paid to you on or around Wednesday, 18 November 2015, however, it is possible you will not receive any Retail Premium if there is insufficient demand in the Retail Shortfall Bookbuild.

To the maximum extent permitted by law, TWE, Goldman Sachs Australia Pty Ltd as the Underwriter, and their related bodies corporate, directors and employees disclaim any liability, including for negligence, for any failure to sell entitlements in the Retail Shortfall Bookbuild at a price in excess of the Offer Price.

The retail entitlements will be tradeable on ASX. The assignment, transfer and exercise of retail entitlements trading on ASX will be restricted to persons meeting certain eligibility criteria. In particular, persons in the United States and persons acting for the account or benefit of persons in the United States will not be eligible to purchase or trade retail entitlements or to exercise retail entitlements they acquire. If you buy retail entitlements during the trading period, but you do not meet the eligibility criteria, you will not be able to take up or exercise those entitlements and, as a result, you may receive no value for them.

If you have any questions about the Retail Entitlement Offer, you should seek advice from your financial adviser or other professional adviser. You can also call the Retail Entitlement Offer Information Line on 1800 158 360 within Australia or +61 3 9415 4208 outside Australia (Monday to Friday 8.30am – 5.30pm, Melbourne time).

We look forward to continuing our strong relationship with all of our Shareholders.

Your sincerely

Paul Rayner
Chairman

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This letter does not constitute an offer to sell, or the 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, as amended (Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, entitlements may not be issued to, purchased or traded by, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of persons in the United States, unless they have been registered under the Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States, in each case in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act.

