



TREASURY WINE ESTATES

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Australian tax transparency measures Treasury Wine Estates' Australian tax contribution in fiscal 2016

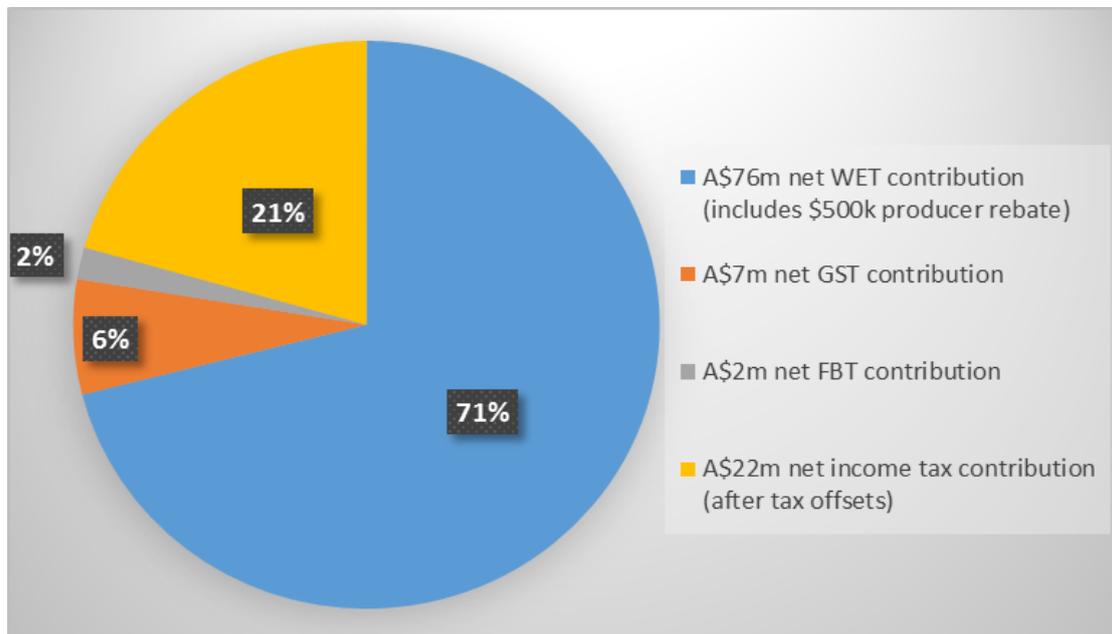
Introduction

In line with global initiatives to improve corporate tax transparency, the Australian Tax Office (ATO) will publish information on the tax returns of public Australian companies that report a total income of A\$100 million or more in their fiscal 2016 tax return. The details to be published by the ATO are the corporate tax entity's name, Australian Business Number, total income, taxable income and income tax payable.

Treasury Wine Estates' Australian federal tax contribution for fiscal 2016

Treasury Wine Estates (TWE) paid a net amount of A\$107 million in Australian federal taxes for the fiscal 2016 period.

The Australian federal taxes paid by TWE for fiscal 2016 included income tax, Wine Equalisation Tax (WET), Goods and Services Tax (GST) and Fringe Benefits Tax (FBT). The chart below depicts TWE's total Australian federal tax contribution in respect of fiscal 2016, split by type.



In addition to TWE's Australian federal tax contribution shown in the chart above, TWE contributes to Australian state taxes, including payroll tax, land tax and stamp duties.

TWE's fiscal 2016 Australian tax return information

Key numbers from TWE's fiscal 2016 Australian income tax return include:

	(A\$ million)
Total income ¹	1,353
Profit/(loss) before tax ²	317
Taxable income ³	139
Tax on taxable income	42
Tax offsets applied	(20)
Income tax payable after tax offsets ⁴	22

¹ Total Australian income includes net sales revenue and all other revenue and excludes expenses (e.g. COGS, interest, employee costs, depreciation, etc.).

² Profit before tax of A\$317 million includes a dividend of A\$132 million from a wholly owned foreign subsidiary which is non-assessable for Australian tax purposes. Further details of the tax and accounting differences in the 2016 year are disclosed in TWE's 2016 tax transparency report, which is published on TWE's website.

³ Taxable income is assessable income derived from all sources less allowable deductions incurred in gaining that income.

⁴ Income tax payable was reduced to A\$22 million through the application of tax offsets totalling A\$20 million for franking deficit tax paid, research and development expenditure and foreign income taxes paid. TWE exhausted the balance of its franking deficit tax offset in its 2016 Australian income tax return.

TWE's position on tax transparency

TWE places significant importance on maintaining high standards of tax governance and compliance, and fully supports the work on tax transparency by the ATO, the Organisation for Economic Co-operation and Development (OECD), the Group of Twenty (G20) and other organisations.

TWE has published a tax report adhering to the principles and details of the [voluntary tax transparency code](#) as outlined by the Board of Taxation for the financial year ended 30 June 2016. In addition, TWE released details of its Australian federal tax contribution and Australian tax return information for fiscal 2014 and 2015 in previous years.

TWE considers the greater transparency of corporate tax affairs to be an opportunity to share relevant information with stakeholders that is above and beyond what the ATO will publish later this year.

TWE's tax profile

Treasury Wine Estates Limited (TWEL) is an Australian company listed on the Australian Securities Exchange. TWEL is the ultimate global parent company of the TWE group.

TWEL has many wholly-owned subsidiaries in Australia. TWEL and its Australian wholly-owned subsidiaries are taxed in Australia as a consolidated group for income tax purposes.

Currently, TWEL has wholly-owned subsidiaries operating in our four key market segments: Australia and New Zealand, the Americas, Asia and Europe. Each of these subsidiaries is subject to the taxation regime of their respective jurisdiction.

TWE has a Tax Governance policy which has been reviewed and approved by the Board. The core guiding principles of this policy include:

- a. Comply with all tax laws in the countries in which TWE operates
- b. Maintain effective relationships with revenue authorities in countries in which TWE operates
- c. Adhere to the Board approved tax risk framework

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