



**HD** **FED:Treasury Wine embarks on \$260m restruct=2**

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**LP**

TREASURY Treasury will split its Australian commercial **business**, which includes Lindeman's and Annie's Lane, from its luxury and masstige portfolio which is home to Penfolds Grange.

It said moving the release of the Penfolds Bin Series and Icon & Luxury Collection wines to October, from March and May, would ensure the wines were on **sale** for longer.

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The change will also help Treasury manage allocations and inventory levels with key customers around the world.

"An October release for Penfolds wines is fully supported by our winemaking teams," said chief executive Michael Clarke, who took on the top job in March.

"This change places the consumer at the heart of our **business** model with Penfolds wines now more readily available in the **lead**-up to key festive periods including Thanksgiving, Christmas, **Chinese** New Year and Easter."

Treasury said it would launch its biggest ever promotion of its Penfolds range from July.

The **wine** maker expects the restructure will cause a \$260 **million** hit to its bottom line in fiscal 2014.

The charge reflects the cost of acquisitions, falls in market growth rates for commercial **wine** globally, the **company**'s brands, IT, plant and equipment assets.

As part of the changes, Treasury will also manage its **operations** in Asia, Europe, Middle East and Africa separately to its Australia-New Zealand **business**.

Treasury in May rejected a \$4.70-a-share takeover proposal from Kohlberg Kravis Roberts & Co.

It said it preferred to focus on its plans to improve performance, address various structural challenges facing the **business** and to cut costs.

Takeover speculation has been swirling around TWE as the **company** has struggled in recent years to get its assets in the US to perform better.

AAP bt/cdh

**CO** trzwn : Treasury Wine Estates Ltd

**IN** i41 : Food/Beverages/Tobacco | i426 : Wine | ialco : Alcoholic Beverages/Drinks | ibevrge : Beverages/Drinks | icnp : Consumer Goods

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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