

FINANCIAL REVIEW

SE	Market Wrap - Street Talk
HD	Bright Food circles Treasury Wine Estates post-KKR bid
BY	Edited by Sarah Thompson, Anthony Macdonald and Gretchen Friemann
WC	266 words
PD	23 May 2014
SN	The Australian Financial Review
SC	AFNR
ED	First
PG	14
LA	English
CY	Copyright 2014. Fairfax Media Management Pty Limited.
LP	<p>Ailing Treasury Wine Estates appears to have gained another suitor even though buyout giant KKR was shown the door.</p> <p>The brusque dismissal of KKR's highly conditional \$3 billion bid, equating to \$4.70 per share, led some in the market to conclude the winemaker will retain its relatively lucrative US arm on the expectation its more robust performance will turbocharge earnings growth across the group.</p>
TD	<p>However, it seems interest in Treasury Wine is far from subsiding.</p> <p>Street Talk understands the Chinese-owned food group, Bright Food, is weighing a potential offer.</p> <p>News of another mooted buyer follows recent speculation, denied by Treasury Wine, about interest in the US division from Pernod Ricard and Constellation Wines.</p> <p>Persistent talk about a takeover – Bright Food was linked to the company in 2011 – has sent the stock into overdrive over the past week, even though management signalled a potential downgrade to earnings.</p> <p>New Treasury Wine boss Michael Clarke has repeatedly quashed hopes of a partial sale of the group, insisting publicly that the US wine business is an integral part of the company.</p> <p>But the company's determination to soldier on amid challenging conditions in both the Australian and Chinese wine markets has not deterred KKR.</p> <p>The buyout firm is understood to be closing in on a debt package for Treasury Wine, with some in the market predicting the company will eventually gain access to due diligence.</p> <p>In 2011, Bright Food denied it had any potential interest.</p>
CO	trzw : Treasury Wine Estates Ltd brgfdc : Bright Food (Group) Co Ltd
IN	i41 : Food/Beverages/Tobacco i426 : Wine ialco : Alcoholic Beverages/Drinks ibevrge : Beverages/Drinks icnp : Consumer Goods ifood : Food Products
NS	ccat : Corporate/Industrial News
RE	austr : Australia apacz : Asia Pacific ausnz : Australia/Oceania
PUB	Fairfax Media Management Pty Limited
AN	Document AFNR000020140522ea5n0002j