

# The New York Times

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**HONG KONG** -- Two of the world's biggest buyout firms appear to share a taste for Australian **wine**.

Treasury **Wine** Estates, the owner of Penfolds, Beringer Vineyards and other popular wines, said on Monday that it had received a bid competing with the \$3.2 **billion** buyout offer it received last week from Kohlberg Kravis Roberts.

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Treasury **Wine** did not identify the new bidder, which matched K.K.R.'s offer, referring to the **company** only as "another global private **equity** investor." But several news reports on Monday, citing unidentified people, named the rival suitor as TPG, another leading American private **equity group**.

A spokeswoman for TPG in Melbourne, Australia, declined to comment Monday, as did a spokesman for Treasury **Wine**.

Although the rival bid only matched K.K.R.'s offer of 5.20 Australian dollars, or \$4.82, per share, the emergence of another bid suggests a takeover battle for Treasury **Wine** and raises the possibility that one or both of the private **equity** groups will have to raise their bids. Investors are betting that will happen, and in trading on Monday in Sydney, Australia, they pushed shares in Treasury **Wine** to a closing price of 5.33 Australian dollars apiece, a 2.5 percent premium to the buyout offers on the table.

K.K.R. offered \$2.8 **billion** for Treasury **Wine** in April, but that offer was rejected by the winemaker's **board** of directors in May as undervaluing the **company**. Rhône Capital, a New York private **equity firm**, joined K.K.R. in making the revised bid last week.

Clearly, private **equity** sees an opportunity to engineer a turnaround at Treasury **Wine**, which is based in Melbourne and also owns the Lindeman's, Rosemount Estate and Wolf Blass labels, among more than 80 **wine** brands. In an effort to help reverse a decline in sales and profits in Australia and the United States, the winemaker in March hired Michael Clarke, a former senior executive in Europe at Kraft Foods and Coca-Cola, as its chief executive. In June, it said it would book an impairment charge of 260 **million** Australian dollars in the value of its **wine** brands this year.

K.K.R.'s interest in Treasury **Wine** arises as it seeks to deploy some of the \$6 **billion** it raised in July 2013 for a new Asia-Pacific fund, a record amount for private **equity** in the region. For TPG, a successful takeover of the winemaker would be a sizable deal, coming at a time when it has been making minority investments as it seeks to recover from giant bets that went sour during the financial crisis of 2008.

This is a more complete version of the story than the one that appeared in print.

CO brngvn : Beringer Vineyards | kkr : KKR & Co. L.P. | trzwn : Treasury Wine Estates Ltd

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