

HD TPG ramps up Asia activity

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The **firm** has offered A\$3.4bn for Australia's Treasury **Wine** as it recruits a Korea deal maker in **Hong Kong**

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TPG Capital has emerged as a competitor in the buyout of Australian **wine business** Treasury **Wine** Estates in a deal worth as much as A\$3.4 **billion** (\$3.15 **billion**; €2.35 **billion**), rivaling the bid from global private **equity firm** Kohlberg Kravis Roberts.

Treasury **Wine** confirmed the receipt of a proposal from a global private **equity firm** of A\$5.20 in cash per share – the same amount KKR and co-investor Rhône Capital bid earlier this month.

Although it did not name the bidder, media has widely reported TPG as the unnamed private **equity firm**.

KKR and Rhône had previously offered A\$3.1 **billion** for the **business** in April, although the proposal was rejected on the grounds that the **board** felt it didn't reflect the proper value of the **company**.

Satisfied with the raised bid last week, Treasury Wines said it would engage with KKR and Rhône on a non-exclusive basis, allowing the firms to carry out due diligence.

Treasury **Wine** is now talking to both private **equity** bidders, stating there is no certainty that either proposal will result in a formal offer.

"As previously stated, if an offer does result, the **board** will assess whether it delivers a value proposition that is superior to the expected benefits from management's renewed strategic plans," a Treasury **Wine** statement said.

Its plans include increasing consumer marketing investment in the **company**'s brands, continuing to drive efficiencies and improve the cost base, and addressing structural opportunities by focusing on commercial brands separately from its luxury portfolio in Australia.

TPG declined to comment on the matter, but it comes as the **firm** ramps up its activity in Asia Pacific markets, having having closed its sixth Asia-focused vehicle on \$3.3 **billion** in May this year after a difficult two-year fundraising period.

The **firm** is also this month adding Seung-june Lee to its **Hong Kong** office as a principal to focus on investments in South Korea, a source close to the matter confirmed to Private **Equity** International.

Lee joins from Goldman Sachs in **Hong Kong**, where he also focused on Korea – a relatively quiet market for TPG in recent years.

Lee's appointment is one of many recent team changes at TPG in Asia – the **firm**'s fundraising process rapidly improving after it restructured its Asia Pacific team earlier this year.

In January, senior partner Tim Dattels relocated from the TPG San Francisco headquarters to **Hong Kong** to become co-head of Asia. He joined Ben Gray as co-head, who is based in Singapore and also serves as managing partner in Korea, Japan, Australia and Southeast Asia.

The same month, TPG appointed Datuk Ganen Sarvananthan, head of investments and executive director at Khazanah Nasional Berhad, to its Southeast Asia investments team.

TPG has also strengthened its **China** ties this month, receiving a \$250 **million** investment into its management **company** from **China** Life Insurance, one of the world's largest insurers, PEI reported last week. The partnership will allow both parties to access each other's networks in **China** and offshore, creating opportunities both ways, one source said.

**CO** autry : Australia Treasury | kkr : KKR & Co. L.P. | rhcap : Rhone Capital LLC | tpgpar : TPG, Inc. | trzwn : Treasury Wine Estates Ltd

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