

SE **Business**  
 HD **Treasury flags US expansion**  
 BY Eli Greenblat  
 WC 314 words  
 PD 22 August 2014  
 SN The Age  
 SC AGEE  
 ED First  
 PG 25  
 LA English  
 CY © 2014 Copyright John Fairfax Holdings Limited.  
 LP

Results - Beverages

Treasury **Wine** Estates boss Michael Clarke will not allow calamitous acquisitions made by former management or circling private **equity** suitors deter him from beating a path to the US, and has signalled an appetite for acquiring premium Californian **wine** brands to augment his ambitious growth strategy.

TD

Mr Clarke - who on Thursday unveiled his maiden result as chief executive, which showed a loss of \$100.9 **million** for fiscal 2014 against a profit of \$47.2 **million** in the previous year - said better times were ahead.

"I would hope there is upside from here," Mr Clarke said.

But the upside could be captured by private **equity** rather than existing shareholders, with Kohlberg Kravis Roberts, along with an unnamed second bidder presumed to be TPG, both pitching a takeover set at \$5.20 a share, to value the winemaker at \$3.4 **billion**.

Mr Clarke said acquisitions were still on his agenda, despite the uncertainty around the bids and Foster's disastrous \$6 **billion** splurge on **wine** assets that brought the brewer to its knees and led it to spin off Treasury **Wine** more than two years ago.

"We believe there is an opportunity to accelerate our growth, especially in the areas of 'masstige' [mass production, prestige wines] and luxury wines propositions in North America."

Treasury **Wine**'s loss for 2014 was driven by \$281 **million** in write-downs, with pre-tax earnings of \$184.6 **million** in line with forecasts.

The Australia-New Zealand arm suffered a one-third slide in earnings to \$75.1 **million**.

An austerity drive in **China** saw Asian earnings drop 12.5 per cent to \$47.7 **million**.

Earnings in the Americas rose 12.1 per cent to \$74.9 **million**.

The **company** declared a final dividend of 7¢ a share, unfranked and payable on October 2.

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 | namz : North America | usa : United States | apacz : Asia Pacific | ausnz : Australia/Oceania  
 PUB Fairfax Media Management Pty Limited

**AN** Document AGEE000020140821ea8m0001o