

**SE** **Business**  
**HD** **Bid target Treasury Wine full of cheer despite loss**

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**WC** 271 words  
**PD** 21 August 2014  
**SN** London Evening Standard  
**SC** NS  
**ED** 1; National  
**PG** 54  
**LA** English  
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THE boss of the world's secondlargest winemaker, which is the target of a £1.9 **billion** bid battle, today struck a bullish tone on the **company's** future despite revealing a bigger-than-expected A\$101 **million** (£56.5 **million**) loss.

Australia's Treasury**Wine** Estates, the subject of a takeover battle between private **equity** firms KKR and TPG Capital, revealed the loss at its fullyear results and said operating earnings had fallen 32%, hit by currency fluctuations.

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But former Kraft executive Michael Clarke, who took over running the **business** in March, was adamant the **group** is in recovery as it slashes costs and jobs. He said: "The fundamentals which make our **business** attractive have not changed. Importantly, the change required to enable the **company** to realise the true value of its brands, assets and people has begun."

The maker of Lindemans, Rosemount and Wolf Blass wines suffered competition in its home market from New Zealand imports and rival wines from South America, while a **Chinese** crackdown on ostentatious giftgiving as part of an anti-corruption drive has also hit sales. It had to destroy thousands of gallons of "old and obsolete **wine**" in the US that had passed its drink-by date, and wrote off A\$281 **million**.

The **group** did not comment on the takeover offers it has received. But Clarke said it will now focus on more upmarket wines and will target Asia and the US. He added: "Our Americas **business** represents a key growth platform. Our participation has been limited due to supply constraints."

**CO** autry : Australia Treasury | tpgpar : TPG, Inc. | trzwn : Treasury Wine Estates Ltd

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**AN** Document NS00000020140821ea8l0004t