

FINANCIAL REVIEW

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HD **TWE 'tardy' disclosure cops flak**
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Treasury **Wine** Estates says it has the support of the majority of its largest shareholders over its handling of a \$3.05 **billion** takeover approach by private **equity firm** Kohlberg Kravis Roberts.

It comes as some investors hit out at a month-long delay in revealing the bid and called on Treasury to engage in discussions with KKR and extract a higher offer. "If someone has put a price on the table, a limited due diligence is not out of the question," one shareholder said.

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Treasury waited 33 days before telling the market on Tuesday that it had received an indicative, non-binding offer from KKR. It said it informed the market after the private **equity** giant began secretly approaching shareholders about its offer, a move Treasury believed created a risk that confidentiality had been lost.

KKR became frustrated at a lack of cooperation from Treasury on an initial \$4.70 cash per share proposal and while it approached some Treasury shareholders it maintains "appropriate confidentiality protocols" were in place.

A Treasury shareholder and senior institutional fund manager lashed out at Treasury's disclosure. "If you get a genuine approach from a credible place with a price attached to it, my reading of the listing rules is you should disclose that," the fund manager said.

"Juxtapose it to their position, and their actual disclosure, saying they were not talking to Pernod Ricard or they were not talking to Constellation. It's ludicrous. The whole time they knew about the KKR approach."

KRR's offer has put Treasury in play but **China's** Bright Food **Group** distanced itself from speculation it was eyeing the Penfolds and Wolf Blass winemaker. A spokesman told Bloomberg Bright Foods had not had internal discussions about whether to bid for the winemaker.

Treasury maintains it has not breached disclosure rules because KKR's offer was incomplete and confidential. Treasury chairman Paul Rayner declined to comment on Friday but a Treasury spokesman said the **company** had been in discussions with the majority of its largest shareholders and had their support. "They fully support our position on how and why the market was informed," the spokesman said.

The **board** would seriously consider any offer put forward to the **company**, and if those proposals "represent fair value", Treasury "would be prepared to open the books to due diligence", he said. A number of shareholders and analysts believe KKR needs to pay more than \$5 a share to win the **company**.

Another fund manager earlier this week said it was "pretty poor" Treasury failed to disclose the bid when it was first made. "If you get approached with the stock at \$3.70, I would say that was a material bid," the fund manager said.

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

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