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THURSDAY, MAY 3, 2012 / Cloudy, 66 / Weather: P. 20 ★ ★ LATE CITY FINAL www.nypost.com 75¢

Dow Jones Indust. Avg. Down 10.75 13,268.57

Business

Nasdaq Comp. Up 9.41 3,059.85

BUSINESS BRIEFS

Rajat reject

Rajat Gupta lost a bid to get documents on settlement negotiations between the SEC and witnesses cooperating with a probe into insider trading at hedge funds. The SEC is suing Gupta, a former Goldman Sachs director, for allegedly passing inside information to Galleon Group co-founder Raj Rajaratnam.

Heaton hire

Morgan Stanley hired Deutsche Bank executive Eric Heaton for a senior role in its wealth management business, Bloomberg reported.

It's a deal

The Retail, Wholesale and Department Store Union announced the ratification of a new five-year contract with Bloomingdale's covering 2,000 workers at the flagship store on East 59th Street.

Joltin' joe

Green Mountain Coffee Roasters of Vermont plunged 42 percent in after-hours trading after it cut its fiscal 2012 outlook.

More Madoff

US District Judge Jed Rakoff refused to dismiss 84 lawsuits against investors brought by Irving Picard, liquidator of Bernard L. Madoff's firm.

Sources: AP, Bloomberg, Dow Jones and Reuters

TOO HOT TO TOUCH

Rockstar's racy image scaring off soda suitors

By JOSH KOSMAN

Rockstar Energy Drink's edgy image has made it the fastest-growing player in the red-hot sector.

It is also scaring off suitors, The Post has learned.

Marketing tie-ups with Playboy, tabs on its website for potential models to apply and scantily clad women at its events have left Rockstar, after a year of looking for someone to hook up with, alone at the altar, according to sources.

"It's not an image that I would want to be associated with," a well-placed beverage executive said, when asked if his company was considering buying Las Vegas-based Rockstar.

The numbers are certainly alluring: Eleven-year-old Rockstar is posting the largest US sales gain in the energy-drinks category.

More than a year ago Rockstar hired Goldman Sachs to help it find a buyer.

Both Coca-Cola and PepsiCo passed on a deal because they were uncomfortable with Rockstar's image, sources close to the situation said.

PepsiCo handles almost all of Rockstar's US distribution.

Rockstar's US market share grew 1.7 percentage points last year to 18.7, percent, taking customers from Monster and Red Bull, Beverage Digest said.

The Dr Pepper Snapple Group is weighing a bid for Rockstar, sources said. However, its distribution system is significantly smaller than PepsiCo's, and moving Rockstar into it would likely result in lost sales, a source said.

The Las Vegas company may not be the only jilted energy drink maker. Corona, Calif.-based Monster Beverage this week appeared close to being acquired by Coke.

In fact, Coca-Cola, which distributes Monster brand drinks, a year ago suspended its share repurchase program so it could make a major acquisition, a source said.

A report this week by wsj.com said the two were in talks. Hours later, Coca-Cola shot down those rumors.

Some observers speculated Coke walked away after word of the talks leaked out, sending Monster's shares soaring 25 percent.

Michael Capellas, founder of consultant Beverage Marketing Corp., agrees the energy-drink companies' images have helped keep them single — something they can ill-afford to change given that's how they've successfully built their brands.

"You can't go too far away from that positioning; [their images] involve a good deal of edginess," Capellas said.

But brand identification isn't the only problem.

The top three US energy drink makers are growing so quickly — US volume grew 17 percent last year — they are trading at, or seeking, purchase multiples higher than their beverage kin.

"My gut is until the category slows down none of them will be purchased," Capellas said.

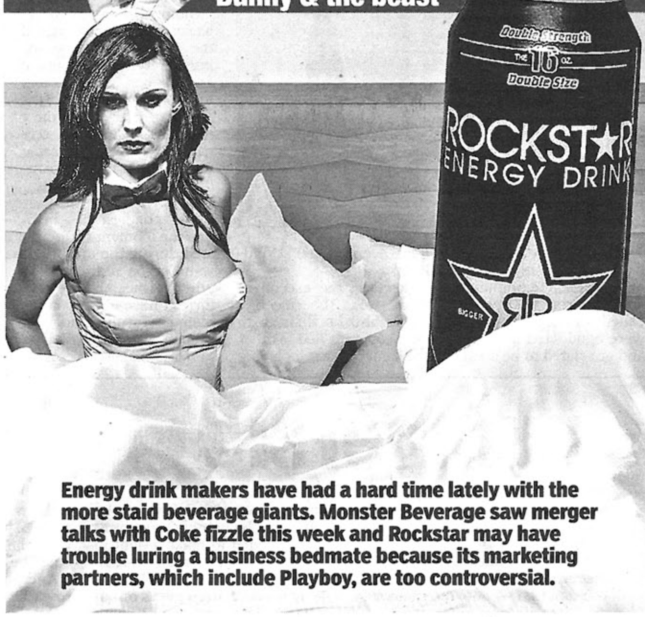
Still Stifel, Nicolaus analyst Mark Astrachan said in a report this week Coke would find an $85-a-share purchase of Monster a suitable one because of savings it would capture from handling all the US distribution. Now it handles about half the distribution.

Monster, with a $12 billion market capitalization, closed yesterday at $68.67.

PepsiCo and Coca-Cola declined to comment. Dr Pepper and Rockstar did not return calls.

jkosman@nypost.com

Bunny & the beast



Energy drink makers have had a hard time lately with the more staid beverage giants. Monster Beverage saw merger talks with Coke fizzle this week and Rockstar may have trouble luring a business bedmate because its marketing partners, which include Playboy, are too controversial.

Post photo composite

'Silver' screen: PE firm takes cut of big agent

By CLAIRE ATKINSON

Does that deal come with a star on the Hollywood Walk of Fame?

Private-equity firm Silver Lake Partners is acquiring a 31 percent stake in Hollywood's biggest talent agency, WME, run by "super agent" Ari Emanuel and Patrick Whitesell.

Under the terms, Silver Lake's managing partner, Egon Durban, will get a seat on WME's executive committee. The PE firm, known for high-profile tech investments such as Skype, was reportedly introduced to Emanuel by another Silicon Valley heavy hitter, Mark Andreessen.

WME, the result of the 2009 merger of the William Morris Agency with the Endeavor Agency, represents sports and entertainment figures including film director Michael Bay, hunk "Twilight" actor Taylor Lautner and Jets quarterback Tim Tebow.

Although the financial terms weren't disclosed, the WME deal apes a similar agreement between rival CAA and David Bonderman's TPG, which bought a 35 percent stake last October, giving CAA $165 million and access to $200 million of debt financing.

Private-equity players may also be eyeing other talent shops for a cash infusion, such as UTA, which reps the likes of Johnny Depp, Owen Wilson and Jennifer Lopez.

"Technology companies need content people, and they're leaning more and more to Hollywood," said one Tinseltown source.

Still, the cash comes with strings. Talent agencies used to Hollywood's free-spending ways may chafe under PE firm's cost-cutting practices. Five months after CAA's TPG deal, CAA announced a new chief financial officer, Jeff Berry, to rein in finances.

"Private equity is going to impose some disciplines that you may or may not want," said one Hollywood source.