
MC BUSINESS NEWS

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Dunhills/Haribo to buy Clara Candy

Dunhills Plc, a subsidiary of Haribo Group of Germany, has signed an agreement to purchase the buildings and machinery of Clara Candy. Clara Candy went into receivership on December 23, 1997.

Dunhill plans to invest substantially in the capital equipment of the plant. The

upgraded plant will produce Haribo products as an extension of its U.K. manufacturing capacity, due to expanding production requirements for the existing Haribo customer base. The company expects that the plant will be running within a few months.

Van Melle 1997 report

Dutch confectionery maker Van Melle reported in March that its 1997 net profit fell 10 percent to 47.7 million guilders (\$23.3 million), from 51 million guilders a year earlier, after the temporary closure of its factory in China.

The company reported that excluding the 13.4 million guilder post-tax charge it took for the closure, 1997 profits would have been approximately 59 million guilders.

Van Melle declined to give a profit forecast for 1998 and said it was impossible to forecast the likely negative impact of the Asian crisis.

Company staff said as soon as economic circumstances permitted it would restart production in the Chinese factory, but that the plant was expected to remain closed for another 1½–2 years.

The group has invested 40 million guilders in the Chinese venture.

Van Melle has reported that because of the devaluation of the Indonesian rupiah, it was able to export sweets at a relatively cheap rate to surrounding countries.

The company expects to break even in Germany this year after disappointments in 1997. Distribution of sweets in Germany has been difficult, according to the company, and advertising costs had been substantial.

Van Melle is increasing its global presence; it exports to some African countries and the Gulf States from India.

The rise in the U.S. dollar helped lift turnover by 37 million guilders in 1997. The positive currency effect on the group's operating result was 7 million guilders.

Favorite Brands has new president

Favorite Brands International has announced that **Al Bono**, its chief executive officer, has been named chairman and CEO and that **Mark Upson III**, formerly of Procter & Gamble, joins the firm as president and chief operating officer.

Bono and Upson will share managerial responsibilities at the company. In addition to continuing overall leadership, Bono will focus on corporate strategy, external affairs, finance and sales.

Upson will initially concentrate on strengthening internal operations, includ-

ing strategy deployment, supply chain management, engineering, MIS and purchasing.

The majority of Upson's recent experience was managing a key segment of Procter & Gamble's food and beverage sector. His last position with P&G was vice president of worldwide strategic planning for its health care sector. As P&G's vice president of food and beverages, Upson led the company's coffee and peanut butter businesses, with sales over \$1.5 billion.