

MC BUSINESS NEWS

THE MANUFACTURING CONFECTIONER – The Business Magazine of the Global Sweet Goods Industry

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Nestlé acquires Garoto in Brazil

Nestlé has announced its acquisition of Garoto in Brazil. The amount of the transaction is estimated at approximately \$420 million. The deal is estimated to increase Nestlé's market share from 31.4 percent to more than 50 percent.

Family-owned Garoto had been for sale since the middle of last year. Sales in 2001 were slightly less than US\$200 million.

The Swiss company said it would maintain the brand, popular in Brazil. Garoto exports to 40 countries, mostly in Latin America.

Garoto had been the only remaining independent chocolate maker in Brazil. Kraft Foods, a division of Philip Morris, acquired Lacta in 1996 and Hershey purchased Visconti last year.

Joyco joint venture with Colombina

Joyco, the confectionery subsidiary of Spanish food group Agrolimen, has created a joint venture in Colombia to cover the *Pacto Andino* markets. The company has joined forces with Colombian La Colombina.

Joyco Colombina, which will have its headquarters in Cali, Colombia, will man-

ufacture chewing gum and other food products. Joyco, which celebrates its 25th anniversary this year, has 14 production centers in eight countries. In 2001 they had sales of almost €350 million. The company has also recently created a joint venture in China with Trolli.

Chupa Chups considers opening 5,000 retail stores

Chupa Chups, the Spanish confectionery group, wants 5,000 Chupa Chups stores worldwide within the next three years. These outlets will sell both the company's own confectionery products, and other products under license, according to Xavier Bernat, chairman of the company.

Bernat says that these outlets will consist of small shops in well known streets and shopping centres, and corners in department stores, or other areas such as airports or theme parks. The family-owned group wants the project to account for 15–25 percent of its business in the medium term.

New investment structure for Sunrise Confections

Franklin Connections, L.P., parent company of Sunrise Confections, announced a new investment structure for Sunrise. Both Sunrise Confections and Azar Nut Company are operating divisions of Franklin Connections.

The new investment structure includes the acquisition of Franklin by Elamex, S.A. de C.V., a company that is publicly traded

on the Nasdaq. All of the current Franklin investment group will be involved in the new structure. The Franklin board chairman is also currently the Elamex board chairman. The restructuring causes no changes in Franklin's management team.

The acquisition of Franklin will be accomplished by the issuance of Elamex stock and cash to Franklin shareholders.