

HD **Snack-Food Maker Gets Snapped Up**

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SYDNEY -- The food-making unit of one of the Philippines' largest companies acquired New Zealand's biggest snack-food producer, gaining access to ginger nuts and other cookie varieties already popular in many Western countries.

Universal Robina Corp., part of Philippines conglomerate JG Summit Holdings, purchased Griffin's Foods for 700 **million** New Zealand dollars (US\$608 **million**). The deal gives the buyer a strong cookie manufacturer to incorporate into its vast Asian distribution network.

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Universal Robina has a presence in Thailand, Vietnam, Indonesia, Malaysia, Singapore, **China** and **Hong Kong**. The purchase of Griffin's Foods also provides a new way for the Philippines **company** to serve Asian populations increasingly shifting to Western-style diets as the region becomes wealthier.

Griffin's Foods, created more than 150 years ago, produces close to a **billion** cookies a year. Its biscuit, including Gingernuts, Cookie Bears and MallowPuffs, are well known at home and in Australia, where most of the New Zealand **company's** exports go.

Universal Robina bought the **company** from Pacific **Equity** Partners, an Australian private-**equity** **firm** that paid NZ\$385 **million** eight years ago to **buy** the cookie manufacturer from Danone SA of France.

"The expanding middle class in Asia is going to mean demand for a whole range of things, and food is a part of that," said Paul Bloxham, chief economist at HSBC for Australia and New Zealand. "We also know there's lots of savings in Asia looking for a home, and some food manufacturers in Australia and new Zealand are potential candidates for foreign investment."

Griffin's Foods' ginger nuts -- also known as ginger snaps in some countries -- are made with ginger powder and other spices such as cinnamon already widely used in Asian cuisine. The solid structure of the biscuits make them suitable for dunking into hot beverages such as tea, a habit more commonplace in certain Western countries.

Takeover interest in the food sector in Australia and New Zealand has increased recently as foreign companies seek to capitalize on the reputation both countries have for producing high-quality products.

Their geographic distance from mainland Asia also means Australia and New Zealand are less prone to outbreaks of disease that intermittently compromise the quality of food exports.

Earlier this month, Australian **bread** maker Goodman Fielder Ltd. accepted a joint bid of 1.32 **billion** Australian dollars (US\$1.24 **billion**) from Singapore's Wilmar International Ltd. and **Hong Kong's** First Pacific Co. In May, Saputo Inc. of Canada won a three-way bidding contest to **acquire** Warrnambool **Cheese & Butter** Factory Co. of Australia for A\$500 **million**.

Australia last year blocked a A\$3 **billion** bid by U.S. agribusiness Archer Daniels Midland Co. to **buy** grain handler GrainCorp Ltd., saying a takeover would go against the national interest.

Universal Robina said it expected Griffin's Foods to generate about NZ\$280 **million** in annual net sales and NZ\$78 **million** in earnings before interest, taxes, depreciation and amortization in the current financial year, compared with roughly NZ\$40 **million** when PEP bought the **business** in 2006.

"We believe Griffin's is a natural strategic fit to our existing snack-foods portfolio given its strong **brand** heritage in New Zealand -- a country trusted world-wide in having high credibility when it comes to food quality, safety and authenticity," Universal Robina Chief Executive Lance Gokongwei said.

It is the first significant acquisition by a Philippines **company** of a New Zealand **business**. The only other such purchase of any note occurred several years ago, when tuna manufacturer Alliance Select Foods International Inc. bought a small local canned-fish **company**.

Universal Robina posted net sales of 45.73 **billion** Philippine pesos (US\$1.05 **billion**) for the first half of the financial year to March, up 14% from a year earlier. Strong sales of branded consumer food and rising overseas demand drove the **company's** growth in the period.

Griffin's Foods was advised by Credit Suisse **Group** AG and First NZ Capital.

Cris Larano and Trefor Moss in Manila contributed to this article.

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