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[20557001]

RJR Nabisco Inc. said it agreed to sell its Baby Ruth , Butterfinger and Pearson candy businesses to Nestle S.A. 's Nestle Foods unit for \$ 370 million .

[20557002]

The sale , at a higher price than some analysts had expected , helps the food and tobacco giant raise funds to pay debt and boosts Nestle 's % share of the U.S. candy market to about 12 % .

[20557003]

The candy businesses had sales of about \$ 154 million last year , which was roughly 12 % of total revenue for RJR 's Planters LifeSavers unit . according to a memorandum distributed by RJR 's owner , Kohlberg Kravis Roberts & Co. , to bankers last December .

[20557004]

The Nestle acquisition includes a candy plant in Franklin Park , Ill. , which employs about 800 workers .

[20557005]

The sale , which had been expected , is part of KKR 's program to pay down \$ 5 billion of a \$ 6 billion bridge loan by February .

[20557006]

Roughly \$ 2 billion of that debt has already been repaid from previous asset sales , and RJR expects to use another \$ 2 billion from the pending , two-part sale of most of its Del Monte unit .

[20557007]

That sale , however , could still fall through if financing problems develop .

[20557008]

Thus , it remains crucial for RJR to obtain top dollar for its smaller assets like the candy brands .

[20557010]

Since KKR bought RJR in February for \$ 25 billion of debt , it has agreed to sell nearly \$ 5 billion of RJR assets .

[20557011]

RJR 's executives have said they will dispense with certain brands , in particular , that are n't leaders in their markets .

[20557012]

