

# Danone aims for organic top spot with US takeover

PARIS - French dairy giant Danone said on Thursday it had agreed to buy US organic foods producer WhiteWave Foods with a view to creating a world leader for organic produce.



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The all-cash transaction values the US company at \$12.5bn (11.3bn euros) and will allow Danone to double its business in the US, the French group said in a statement, adding it expected to finalise the deal by the end of the year.

Danone's share price rose by more than four per cent in early Paris trading on news of the deal.

"Our perfect complementarity will allow us to create a uniquely-positioned organic world leader," CEO Emmanuel Faber said in a conference call.

Both companies' board of directors have unanimously approved the deal, Danone said.

WhiteWave produces a range of organic dairy products and plant-based dairy alternatives, achieving sales of \$4bn in 2015 with such brands as Silk milk and Earthbound Farm organic salad.

Since its stock market flotation in 2012, WhiteWave has generated an annual increase in operating profit of 20%, Danone said.

The French company said the deal would allow it to tap into consumer trends "for healthier and more sustainable eating and drinking options".

"Organic foods and beverages and non-GMO plant-based alternatives to milk and yogurt are among the fastest growing categories in the industry," Danone said.

Dairy products are already a core business for Danone, which employs 100,000 people worldwide and generated \$22.4bn of sales last year.

Its portfolio also includes baby food and water.

"The value-creation profile is strong. We will contribute 100 years of research and development into protein fermentation, which will be combined with WhiteWave's transformation know-how," Faber said.

Danone said it had offered to pay \$56.25 per share "representing a total enterprise value of approximately \$12.5bn." It said the takeover will be financed entirely by debt.

The deal, which is expected to produce annual synergies of \$300m by 2020, has yet to be endorsed by WhiteWave's shareholders and by competition authorities.

**Source:** AFP

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