Kellogg Completes $2.7B Purchase Of Pringles

CINCINNATI (AP) — The Kellogg Co. has completed its $2.7 billion purchase of Pringles from the Procter & Gamble Co.

Kellogg, which gets most of its revenue from North America, is hoping the acquisition can help it expand into a global snacking company. Pringles, known for iconic tube packaging, are sold in more than 140 countries and produce two-thirds of their annual revenue overseas.

Kellogg CEO John Bryant said in an interview Thursday with the Associated Press that buying Pringles gives the company a "truly global snack platform."

P&G wanted to sell off the salty snack line, the last of its food businesses, to focus on its core household and consumer products. The brand reportedly had several suitors as it is recognized around the globe and generates roughly $1.5 billion in annual revenue.

The Cincinnati company initially planned to sell Pringles to San Francisco-based Diamond Foods Inc. for $1.5 billion, but the deal collapsed amid an accounting scandal at Diamond.

Kellogg swooped in and announced in February that it would buy Pringles in an all-cash deal. The Battle Creek, Mich.-based breakfast giant is best known for its lineup of sweet breakfast items, such as Frosted Flakes and Eggo frozen waffles. But its snack cupboard also includes Cheez-It and Keebler's Club crackers.

P&G said it expects the transaction to produce an after-tax gain of $1.4 billion to $1.5 billion, or 47 cents to 50 cents per share. The company said Pringles employees, including those at factories in Jackson, Tenn., and Mechelen, Belgium, will now work for Kellogg.

Shares of Kellogg, based in Battle Creek, Mich., fell 58 cents to close Thursday at $48.78.

P&G's shares fell 3 cents to end the regular day at $62.29.

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