

Treehouse Foods to Buy Flagstone Foods in \$860M Deal

The Associated Press

OAK BROOK, Ill. (AP) — TreeHouse Foods is buying Flagstone Foods for \$860 million as a way to gain access to the growing healthy snacks category.

Flagstone, based in St. Paul, Minnesota, makes store-brand snacks such as trail mix and dried fruit. The privately held company runs a facility in Minneapolis and another in Robersonville, North Carolina. It had \$697 million in sales for fiscal 2013.

TreeHouse is purchasing Flagstone from private equity firm Gryphon Investors and other shareholders.

Gryphon formed Flagstone in November 2010 when it acquired private-label trail-mix and nuts company Ann's House of Nuts and private-label dried fruit maker American Importing Co. and combined them.

TreeHouse Foods Inc. makes non-dairy powdered creamers and sweeteners, specialty teas, cereals, macaroni and cheese and other items.

TreeHouse said Monday that it anticipates the transaction adding approximately 24 cents to 28 cents to its earnings per share in the first full year after the acquisition's closing. The deal is expected to lower 2014 earnings by about 5 cents to 8 cents per share.

The transaction is targeted to close in 2014's third quarter.

Shares of Oak Brook, Illinois-based TreeHouse added 33 cents to \$80.22 in morning trading.

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