

# Hillshire Gives Pinnacle Foods \$163M Breakup Payment

The Associated Press

NEW YORK (AP) — Pinnacle Foods said Monday it has scrapped its sale to Hillshire Brands, freeing Hillshire to be acquired by Tyson Foods.

Pinnacle Foods, which makes Birds Eye frozen vegetables, Duncan Hines cake mixes and Hungry-Man frozen dinners, said it will get a \$163 million breakup payment from Hillshire. The Parsippany, New Jersey, company said it expects about \$25 million in one-time costs connected to the scotched sale.

Chicago-based Hillshire Brands Co. agreed to buy Pinnacle Foods for \$4.23 billion in May. But Tyson and Pilgrim's Pride went after Hillshire two weeks later, and on June 9, Hillshire accepted Tyson's \$7.75 billion offer.

The deal with Tyson, which is based in Springdale, Arkansas, is contingent on Hillshire walking away from its offer for Pinnacle. Hillshire's board had withdrawn support for the move because it considered the offer from Tyson a superior proposal.

Pinnacle Foods Inc. said it will use the proceeds to reduce its debt. The company's other brands include Wish-Bone salad dressing, Celeste frozen pizzas and Vlasic pickles.

Hillshire, makes Jimmy Dean sausages, Ball Park hot dogs and Hillshire Farm lunch meat.

Shares of Pinnacle Foods lost 19 cents to \$32.71 in aftermarket trading, and Hillshire stock rose 35 cents to \$62.65. Tyson Foods is valuing Hillshire at \$63 per share.

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