

Food Group Newsletter

Hoping for a happier 2011

Best wishes for the New Year to all the clients, friends and contacts of Rollits' Food Group. After a truly tumultuous last year, we look forward to 2011 with renewed optimism and the thought that things generally can only get better!

In the latest edition of the Rollits Food Group Newsletter we cover all the major food and drink deals in the UK, together with some of the highlights from around the world, since March of last year. We have also covered the food deals Rollits were involved in during 2010. Because of the number of transactions in our month by month guide we have reduced our other news coverage, but we have briefly flagged up some interesting developments in our 'News bites' section.



2010 – The year the big guns really went global

The worldwide economic crisis of the previous couple of years had caused a drying-up of M&A activity across the globe, but 2010 saw a major resurgence of interest in growth through acquisition. The overwhelming conclusion from our review of deals in the year is that the big multinationals dominated the M&A scene, with Lactalis, Danone, Marfrig, Hain Celestial, Ralcorp, Kerry, Emmi and General Mills among the international companies involved in multiple deals around the world. Although engaged in some food deals, it was surprising that Nestlé and Unilever appeared to be less active.

There is no doubt that the major food players want to become bigger and geographically broader, but at the same time more focused in their product sectors.

There has also been an emergence of new buyers, particularly from the Far East, with companies such as Bright Food Group, Bangkok Ranch and Thai Union Frozen Products seen actively in the marketplace.

2010 saw some very chunky transactions with the sales of Cognis, Burger King,

Del Monte Foods and Wimm-Bill-Dann Foods to name just some of the more eye-catching deals.

In the UK the M&A picture has been more subdued with speculation far exceeding the number of completed deals, but the proposed merger of Greencore and Northern Foods to create a leading force in chilled convenience foods was particularly noteworthy. Question marks remain over a number of other quoted food plcs and more activity is expected.

The private equity firms interested in food have healthy funds and have been actively looking both to buy and sell, with Lion Capital and PAI Partners very much to the fore. Interestingly, private equity firms such as Langholm and Darwin have been willing to do smaller deals in niche, branded categories.

There was the usual round of peripheral factory closures in the UK and a number of small companies going into administration, but generally less than expected as the banks held back. Remarkably few food businesses going into administration ceased trading altogether, most springing back to life under another guise. Caution is still the name of the game, but there are signs that confidence is returning.



Julian Wild, Rollits' Corporate Finance Partner, with James and Kate Mackenzie of The Pipe and Glass Inn at South Dalton, near Beverley. James was the 2010 winner of the Champion Award, sponsored by Rollits, at the annual deliciouslyyorkshire food awards at Rudding Park, near Harrogate, on 8 November 2010. Julian also acted as a judge in several of the award categories.

Month by month guide to mergers and acquisitions

March 2010

Electra Partners invested EUR10.5m in artificial sausage casings business **Kalle**, acquired by Silverfleet Capital in 2009.

Novelty confectionery company Bon Bon Buddies bought boxed chocolate companies **Kshocolât** out of administration together with the Hot Choc brand.

Acquisitive French dairy company Lactalis agreed to buy Spanish dairy business **Puleva Food** from Ebro Puleva for EUR630m. In July Lactalis also bought organic yogurt business **Rachel's**, owned by Dean Foods, based near Aberystwyth.

Glanbia announced it was in discussions to sell its Irish dairy and agri businesses to major shareholder Glanbia Co-operative Society in order to focus on international nutritional ingredients and cheese.

Leading duck breeder **Cherry Valley Farms** was sold to Thai duck processor Bangkok Ranch, controlled by Navis Capital and Rabobank.

Own label fruit juice and soft drink supplier **Refresco** sold a 20% stake to 3i, which had previously backed a MBO in 2003, in return for a EUR84m capital injection. In August Refresco agreed the purchase of **Soft Drinks International**, a German producer of soft drinks and water.

Sunfresh Bakers was bought out of administration by Stephen and Mark Taylor and continued to trade as Taylors the Bakers.

Finance Wales invested £250k alongside bank funding in bakery business **Just Love Food Company**.

Warburtons bought the Newburn baking plant in Newcastle of **North East Bakery**, which went into administration at the end of 2009.

Bakkavör sought to put its financial problems in the past by revealing a refinancing deal with its lenders.

April 2010

ADM Global announced the closure of its Hull cocoa site with the loss of 100 jobs and moved production overseas.



Following the collapse into administration of British Seafood Group in February, Grimsby-based **Five Star Fish** was bought by the Boparan Group, owners of Harry Ramsden's.

Coca-Cola increased its stake in smoothie supplier **Innocent** to nearly 60%, having acquired around 18% for £30m last year.

Swiss dairy company Emmi agreed to buy local speciality cheese producer **Fromalp** from German company Hochland. In August Emmi purchased US goats cheese supplier **Cypress Grove Chèvre** and in December added **Le Petit Chevrier**. Emmi also acquired **Dr Oetker's** Onken yogurt brand later in the year.

Northern Irish fresh-cut fruit processor Orchard County Foods bought Wilson's Country's stake in the **Simply Fruit** joint venture.

Pershore-based vegetable producer **Simms & Woods** called in administrators, with the packhouse being sold to Sandfield Farm.

The reshaping of ingredients company **Glanbia** was set to continue with the EUR300m sale of its Irish dairy and agri business to Glanbia Cooperative Society only for Co-op shareholders to reject the plan the following month.

Raven Patisserie was bought by conservemaker Wilkin & Sons and will be known in future as Tiptree Patisserie.

Northern Foods announced the closure of its **Ethnic Cuisine** ready meals factory in Swansea after failing to agree supply terms with the site's major customer, Sainsbury's.

R&R Ice Cream, owned by Oaktree Capital Management, acquired French own label counterpart **Rolland** from its family owners.

2 Sisters Food Group, part of the acquisitive Boparan Group, agreed the purchase of the Dutch **Storteboom Group**, which processes fresh and frozen poultry products.

Orkla Food Ingredients in Norway acquired the Netherlands-based **Sonneveld Group**, which is market leader in bread improvers in the Benelux.

New York private equity firm Warburg Pincus made a EUR80m investment in Polish restaurant chain **AmRest** in one of the first private investment in public equity (PIPE) deals in Eastern Europe.

Grieg Seafood Hjalmland agreed to buy Shetland salmon producer **Northern Aquaculture** with four production sites for £1.8m.

C&C Group announced the sale of its spirits and liqueurs division, including Tullamore Dew and Carolans, to scotch whisky maker William Grant & Sons for EUR300m. Three of **William Grant's** liqueur brands were then sold to Gruppo Campari in September for EUR128.2m.

Manchester cake maker Martins Foods bought Southport craft baker **Mellors** out of administration.

May 2010

Langholm Capital backed the MBO of **Barts Spices** led by chief executive Matthew Shaw with debt funding from HSBC.

First Milk proceeded with the closure of its **Rothsay Creamery** on the Isle of Bute with the loss of 19 jobs.

Chesterfield-based wines and spirits company Global Brands acquired premium drinks agency **Inspirit Brands**.

Felix Abba, owned by Norwegian group Orkla, announced the purchase of Estonian confectionery company **Kalev Chocolate Factory**.

Month by month guide to mergers and acquisitions

North American brewer Molson Coors acquired a 51% stake in a new JV with **Hebei Si'hai Beer Company** of China for a cash investment of \$40m.

Lincolnshire-based **Lincs Turkeys** with £23m turnover was sold to leading turkey producer Bernard Matthews Holdings.

Piper Private Equity has provided £3m of growth funding to **Diet Chef**, the home delivered diet meals company.

Scottish bakery firm **Mathiesons** was sold out of administration to newly-formed Mathiesons Foods, formed out of a merger with two other bakery businesses, James Allan Bakers and Murdoch Bakers.

Hedon Salads, a UK glasshouse grower and supplier of fresh produce, merged with English Village Salads, part of the Bakkavör Group (see *Rollits' food deals*).

Belgian frozen food group PinguinLutosa announced the takeover of French Co-operative **CECAB** with a view to expanding in Eastern Europe.

In a hectic period of activity, French food giant Danone agreed a JV with local milk co-operative **Murray Goulburn** to enter the Australian dairy products market. The following month Danone merged its Russian fresh dairy business with **Unimilk** and agreed to buy protein supplement maker **Medical Nutrition USA** for \$62m. In July Danone sold its 23% stake in **Huiyan Juice Group** in China to Hong Kong private equity fund SAIF for a reported EUR200m and in August sold its minority stake in Russian food giant **Wimm-Bill-Dann Foods** for EUR470m. In November Danone agreed to buy **YoCream**, the leading producer of frozen yogurt in the US, for \$103m.

Swiss food company **Huegli** announced the sale of its Czech chocolate spreads business acquired in 1999.



Leading UK soft drinks maker Britvic bought France's leading independent soft drinks group **Fruité Enterprises** in a deal valued at just over £200m.

Danish food ingredients group **Chr Hansen**, owned by PAI Partners, announced details of its planned IPO to raise \$522m.

Moy Park, part of Brazilian food group Marfrig, said it was buying Northern Irish chicken and turkey processor **O'Kane Poultry** based in Ballymena with sales of £140m.

In a major development in the UK grocery market, Asda bought discounter **Netto's** UK business from Dansk Supermarked in a deal worth £778m, but was later required by the OFT to sell off 47 stores.

Swiss agri-business Syngenta is acquiring the **Maribo Seed** sugar beet business from Nordic Sugar for EUR43m.

Seafood company Royal Greenland entered a JV with Russian distributor **Agama**.

Organic cheese supplier Godminster acquired Somerset soft cheese maker **Daisy & Co**.

June 2010

Darwin Private Equity bought organic baby food supplier **Plum Baby**, founded by Susie Willis, for £10m.

AIM-listed agri-business Wynnstay acquired 200-year-old Selby-based **Woodheads Seeds** funded by a £4m share placing.

Swiss food group Aryzta announced the purchase of two US bakery companies, **Fresh Start Bakeries** for \$900m and **Great Kitchens** for \$180m.

In the month deals came thick and fast in Continental Europe with Slovak investment fund Penta acquiring Hungarian meat processor **Kaiser**, Belgian margarine company Vandemoortele buying a fats business from **Van Dijk** and Spain's Pasta Gallo buying a 25% stake in Czech company **Europasta**.

One of the most significant deals of the month saw Brazil's Marfrig acquire **Keystone Foods**, the largest private meat products company in the US, for \$1.26bn.

US group Hain Celestial added to its Luton sandwich business in the UK by buying **Churchill Food Products**, resulting in the closure of the Nottingham site. Hain Celestial also bought the **World Gourmet Marketing** snacks business and the following month followed up with Washington yoghurt business **3 Greek Gods**.

Roberts Bakery purchased **Aldreds the Baker** after owners D&G Food Group went into administration a little over a year after acquiring five bakery businesses from McCambridge Group. In October Roberts also acquired the central bakery of Chester craft baker **P&A Davies**.

Another rescue from administration saw Scotland's **Fords Bakery** bought by Scullions Wholesale Bakery, a subsidiary of McGhee Group. But less good news for **Buxton Spa Bakery**, which ceased trading in July.

Other big deals in the month saw global ingredients supplier Corn Products International agree to buy **National Starch** from AkzoNobel for \$1.3bn and BASF's EUR3.1bn acquisition of German company **Cognis**, adding functional ingredients to BASF's animal nutrition.

Ralcorp were busy in June, buying **American Italian Pasta** for \$1.2bn, two Canadian cracker businesses, **North American Baking** and **JT Bakeries**, and then frozen breakfast foods company **Sepp's Gourmet Foods**.

Heinz entered the growing soy sauce market in China with the \$165m acquisition of **Foodstar**.

Heineken sold loss-making drinks wholesaler **Waverley TBS** to investment firm Manfield Partners and the following month completed the acquisition of the beer operations of **Femsa**, producer of Sol.

Dairy Crest reduced its stake in Irish dairy company **Wexford Creamery** from 80% to 30%, whilst farmer-owned Wexford Milk Producers increased its stake to 70%.

Carr's Milling Industries acquired two Scottish animal feed companies, **Scotmin Nutrition** and **AC Burn**, from Buccleuch Country for £5.6m. In September it followed up with **Forsyth's Wooler**.

Due to competition fall-out from the Cadbury takeover, Kraft had to sell its **Wedel** business in Poland to Asian confectionery company Lotte Group. This was followed in July by Kraft selling **Kandia-Excelent** in Romania to Oryxa Capital.

US ingredients company Newly Weds Foods acquired UK coatings specialist **Witwood Food Products** in Banbury.

Bakery group Lantmannen Unibake announced the purchase of the remaining shares in **Bakehouse**, the UK supplier of pastries and baked products in which it bought a majority stake last year.

July 2010

Ending more than 130 years in sugar, **Tate & Lyle** sold its European refining business, including the Lyle's Golden Syrup factory in London, to American Sugar Refining for £211m. In November Tate & Lyle sold its molasses business to Belfast grain trader W&R Barnett for £67m.

Also in sugar, Singapore's Wilmar International agreed to acquire **Sucrogen**, the sugar and renewable energy division of Australian company CSR, for \$1.5bn.

Waitrose made a move into the Channel Islands with the acquisition of five stores from **SandpiperCI**.

The Irish Dairy Board decided to merge its **Kerrygold** and **North Downs Dairy** hard cheese businesses to become Adams Foods with factories at Leek and Wincanton.

The Lowestoft factory of burger producer **Wessex Foods** was devastated by fire, resulting in the closure of the site. Shortly after, the Rotherham factory of **Dearne Valley Foods** was also badly damaged by fire.



Hotel Chocolat raised £3.7m to fund expansion through an innovative 'chocolate bond'.

Greencore announced the sale of its Dutch-based convenience food business to private equity group Parcom.

Morrisons increased its involvement in food manufacturing by acquiring packaged vegetable business **Simply Fresh Foods**, based in Worsley.

Mitchells & Butlers sold 52 of its budget hotels, mostly to Prupim, part of Prudential.

Highland Game acquired Chesterfield-based meat supplier **Rick Bestwick** and The Scottish Salmon Company bought **West Minch Salmon** with 11 sites in the Outer Hebrides.

After much speculation, Unilever finally sold its **Findus Italy** frozen foods business to Birds Eye Iglo for £681m, beating off strong competition from Lion Capital's Findus Group. But soon after Lion Capital agreed to buy **Picard Surgelées** from BG Partners for over EUR1.3bn. Lion Capital also put noodle chain **Wagamama** up for sale with a price tag in excess of £200m.

Leading UK biscuits and snacks business **United Biscuits**, owned by private equity firms Blackstone and PAI Partners, was put up for sale with a £2bn valuation, but later exclusive talks with China's Bright Food Group broke down.

Hatfield-based online retailer **Ocado** was floated on the Stock Exchange to a mixed reaction and ended trading with a value of around £1bn, well down on expectation.

MW Brands, owner of John West canned tuna, changed hands again when sold by Trilantic Capital Partners to Thai Union Frozen Products for £566m.

Nestlé acquired clinical nutrition business **Vitaflo**, based in Liverpool, with sales of £24m, and the following month acquired the Guatemala powdered drinks business **Mahler**.

Cranwick created a JV with Morrisons for the production of cooked meats (see *Rollits' food deals*).

August 2010

Northern Foods agreed a £6.4m deal to sell Leeming Bar-based **Dalepak** to Irish Food Processors Group (see *Rollits' food deals*).

Unilever added to its ice cream activities with the purchase of the Danish operations of **Diplom-Is**.

Kerry Group announced its offer for Cork-based **Newmarket Co-operative Creameries** of £27m and acquired Lancashire-based infused oils maker **SpringThyme**. In October Kerry acquired California-based ingredients company **Agilex Flavors**.

Alfesco, best known for its seafood interests, completed the acquisition of French frozen bakery group **Brossard**.

Swiss bakery group Aryzta bought out 50-50 partner Tim Hortons from its **Maidstone Bakeries** JV in Ontario for £290m.

Leading Italian pasta company Barilla announced the sale of Germany's largest retail bakery brand, **Kamps**, to Equity Capital Management.

Middlesborough snacks business **Baked Snacks Company**, formerly owned by Zetar and headed by Mobeen Mehdi, went into administration.

Isis Equity Partners-owned Enotria acquired UK wine distributor, **Great Western Wine Company**.

Tiptree jam maker Wilkin & Sons agreed to buy Great Chesterford Christmas puddings business **Coles Traditional Foods**.

Northumberland Foods (formerly Cheviot Foods) in Amble ceased trading, but the site was bought in October by Newcastle-based Longbenton Foods.

Fast food chain **Burger King**, formerly owned by Diageo and listed since 2006, was taken private again for \$4.1bn by 3G Capital.

September 2010

The latest factory closures saw Tayto's **Red Mills Snack Foods** factory at Wednesbury transfer production to Corby, **Vion** close its Mytholmroyd bacon factory and **Warburtons** close its Newport bakery.

Finnish meat company HKScan bought Danish poultry processor **Rose Poultry** for up to EUR23.9m.

CapVest Equity Partners established **Valeo Foods**, in which it will hold 55%, by combining Origin Foods and newly-acquired Batchelors in a deal worth EUR150m.

Vitacress, owned by Portugese RAR Group, agreed the purchase of **Van Heyningen Brothers**, the herb production side of Humber VHB.

Arla Foods joined First Milk and Milk Link as a shareholder in the **Westbury Dairies** JV in Wiltshire.

Entrepreneur Luke Johnson bought a majority stake in the North West restaurant chain **Ego** from LDC. Mr Johnson's Risk Capital Partners was also reported to be seeking a buyer for its 24% stake in fish supplier **Seafood Holdings**.

Balmakeith-based **Claymore Dairies**, formerly owned by Arla Foods, has been bought from management by Scotland's leading independent dairy company, Graham's The Family Dairy.

Cargill agreed to buy the tomato sauce and paste business of **Unilever** in Brazil for R\$600m, whilst a George Weston subsidiary acquired **Keystone Bakery Holdings**, a supplier of frozen baked goods, for nearly \$185m.

Continued overleaf...

Month by month guide to mergers and acquisitions continued...

It was announced that German yogurt company Müller had built up a stake of just over 3% in UK-listed **Dairy Crest**, whilst **Unilever** put up for sale its sauce brands Ragu and Chicken Tonight.

Norwegian company Norpol, with interests in Poland, acquired Maryport fish processor **Brookside Products**.

Cooplands (Doncaster) added to its acquisition of Ainsleys of Leeds earlier this year by acquiring retail bakery shops from **Sparks Confectioners** in Bradford (see *Rollits' food deals*).

October 2010

Coca-Cola closed the acquisition of the **Coca-Cola Enterprises** (CCE) North America business for \$12.3bn, whilst selling the company's Norway and Sweden bottling operations to CCE for \$822m.

It was reported that **Iceland** CEO and founder Malcolm Walker had tabled a MBO offer to take control of the frozen food retailer at a value of £1bn, but the Icelandic owners had rejected the offer.

Also reported was the possible sale of **Tangerine Confectionery** with sales over £150m by Growth Capital Partners.

Gimv concluded a co-investment in Belgian **Eden Chocolates**, with the chocolatier receiving EUR7m to fund expansion in China.

Leading UK cash & carry wholesaler Booker announced the purchases of fine food supplier **Ritter-Courivaud** for £14.5m and on-trade wholesaler **Classic Drinks** for £4m.

French private label biscuit maker Biscuits Poult bought Polish counterpart **Lidier SKG**.



IK Investment Partners bought a majority stake in France's largest own-label salty snacks maker, **Snacks International**, from the Caillavet family in a deal said to be worth EUR115m.

Tough times for independent greengrocers were reinforced by Bristol-based **Stokes**, with 17 stores, calling in an administrator.

Nevertheless there is still an appetite to invest with **Marine Harvest** spending £12m to expand its Lochailort salmon farm and **Tomlinson's Dairies** building the biggest dairy processing plant in Wales at Wrexham.

Scotland's **Produce Investments**, better known for potato supplier Greenvale, announced a flotation on AIM to raise £15m.

November 2010

Lion Capital bought **Bumble Bee Foods**, North America's leading supplier of shelf-stable seafood, from Centre Partners Management.

Fane Valley Co-operative Society announced the sale of its liquid milk operation to Dale Farm, resulting in the closure of its Newry site.

Premier Foods disclosed that it was in talks with Mitsubishi-owned Princes over the sale of Premier's canning sites at Wisbech and Long Sutton.

51-strong Spar convenience store chain **Botterills** was sold to Scotmid Co-operative.

Grupo Bimbo acquired the North American bakery business of **Sara Lee** for \$959m, whilst Sara Lee agreed to buy **Café Damasco**, a coffee business in Southern Brazil.

Carrefour sold its Thai business to Casino's Big C for EUR868m.

In one of the most interesting deals of the year Northern Foods and Greencore announced a 50/50merger to create **Essenta Foods** to be resident in Ireland.

Lactalis made a pre-emptive strike on France's yogurt business **Yoplait**, owned equally by PAI Partners and Sodial, with a EUR1.4bn bid ahead of a formal tender process. But the offer was swiftly rejected.

General Mills announced the sale of its Croissant King and Van den Bergh's frozen bakery business in Australia to Kerry Group. In the same month General Mills acquired Dean Foods' **Mountain High Yogurt** business in Colorado.

Spain's Ebro Foods bought the rice division of **SOS** for EUR195m.

Orkla Brands put its Norwegian fresh bakery business, **Bakers**, up for sale.

November was brought to a rousing conclusion with KKR leading a \$5bn agreed acquisition of food and pet products business **Del Monte Foods** in one of the biggest leveraged buy-out deals in the US this year.

Malvern-based Westbridge Foods bought Kent importer **BRI-TAL**.



December 2010

Privet Capital acquired **Polestar Foods**, securing the future of the former Heinz frozen desserts factory at Okehampton, but not preventing its sister site at Leamington Spa falling into administration.

PepsiCo announced its plans to buy Russia's leading dairy business **Wimm-Bill-Dann Foods** in a deal worth \$5.4bn and became the controlling shareholder in Californian coconut water business **ONE**.

Premier Foods announced that talks on the sale of its **Quorn** meat-free business were at an advanced stage.

Greencore followed up its proposed merger with Northern Foods by announcing the purchase of Boston sandwich maker **On A Roll** to add to its existing US 'food to go' facilities in Newburyport and Cincinnati.

Up to 170 employees were expected to be made redundant at Bakkavör's **Bourne Prepared Produce** site in Lincolnshire.

GlaxoSmithKline agreed to buy sports nutrition company **Maxinutrition** from Darwin Private Equity for £162m.

Malton-based hotdog maker **Westler Foods** went into administration

Rollits' food deals

Since the Ainsley's of Leeds deal completed with both Cooplands (Doncaster) and Cooplands (Scarborough) early in the year, Rollits has been involved in the following food transactions in recent months:

- Rollits' Managing Partner, Richard Field, advised **Hedon Salads**, a UK glasshouse grower and supplier of fresh produce, on its merger with English Village Salads (EVS), part of the Bakkavör Group. The new shareholding structure comprises Bakkavör, Hedon Salads and Growco, a producer organisation based in Yorkshire. The new enlarged EVS will manage the combined packing and marketing business and, as part of the new joint venture, Hedon Salads will continue to operate as a large scale grower of a range of salad products.
- Steve Trynka, Rollits' Senior Partner, advised **Cranswick plc** on establishing a joint venture with supermarket group Morrisons for the production of cooked meats.
- Nasim Sharf, one of Rollits' corporate partners, advised **Cooplands of Doncaster** on the acquisition of retail bakery shops from Sparks Confectioners in Bradford. Cooplands' Executive Chairman Chris Peck commented: *"The stores are in high footfall locations and the heritage and family culture of Sparks fits seamlessly with our own business, which has been in retail baking for almost 80 years"*.
- Rollits' Corporate Finance Partner, Julian Wild, advised **Northern Foods plc** on its successful sale of the Dalepak business to Irish Food Processors Group, one of Europe's leading meat processing companies, in a deal worth £6.4 million. Dalepak is a leading UK manufacturer of branded and private label frozen grillsteaks, burgers, crispbakes and vegetable-based meat free products at Leeming Bar in North Yorkshire.



News bites



The latest grocery figures from Kantar Worldpanel for the 12 weeks to 28 November 2010 showed **grocery price inflation** falling to 2.8%, with Tesco's market share up slightly year-on-year at 30.7%, Asda flat at 17.0%, Sainsbury's up strongly to 16.4% but Morrisons down a touch at 12.0%. Biggest growth came at Waitrose, up 9.4% on the previous year to 4.1%.

- Rollits follows **EU protected designations of origin and protected geographical indications** closely. It was interesting to see Yorkshire Forced Rhubarb enter the register of PDOs in March 2010 and become the 41st protected British food. The Cornish Pasty is currently waiting for final approval of PGI status.
- Dutch food company Unilever has declared that Slim.Fast, the brand name for its popular weight management product, is not under threat of being construed as an unauthorised health claim under the EU's **2006 nutrition and health claims regulation**. Ultimately it is for the European Food Safety Authority (EFSA) to decide.
- In July 2010 the UK government announced that the **Food Standards Agency (FSA)** would retain its food safety remit but would in England lose its responsibility for nutrition policy (to the Department of Health) and country of origin labelling (to Defra).
- In November 2010 drinks company Innocent, part-owned by Coca-Cola, lost its claim for a refund of **VAT** when a tax tribunal ruled that its fruit smoothies were a VATable 'beverage' and not a VAT-free 'liquefied fruit salad', as contended by the company.

Rollits' lunches prove great success

Rollits has been delighted to use its dining facilities in Hull to host special events for invited guests and two of the business lunches in 2010 featured speakers with strong food connections.

On 2 July **Peter De Braal**, a Vice President of **Cargill**, the US's largest private corporation, spoke to a number of Yorkshire and Humber family businesses about the company, its values and its ethos.

On 8 October **Lord Christopher Haskins**, former Chairman of **Northern Foods plc**, addressed senior executives in the food industry about 'Risks and opportunities in the food chain – 2010 and beyond'.

Another event which proved a great success in 2010 was the Food & Drink Sector lunch which Rollits co-hosted with **Barclays Corporate**, which attracted a full house of food companies to Barclays' Humber Quays offices in Hull on 14 May.

Information

If you have any queries on any articles in this newsletter please contact:
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This newsletter is for the use of clients and will be supplied to others on request. It is for general guidance only. It provides useful information in a concise form. Action should not be taken without obtaining specific advice. We hope you have found this newsletter useful. If, however, you do not wish to receive further mailings from us, please write to Mrs. Pat Coyle, Rollits, Wilberforce Court, High Street, Hull HU1 1YJ.

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A list of members' names is available for inspection at our offices. We use the term 'partner' to denote members of Rollits LLP.