McCormick To Buy Bouillon Maker For $141M

The Associated Press

SPARKS, Md. (AP) — Spice and flavoring maker McCormick & Co. said Monday that it reached a deal to buy China's Wuhan Asia-Pacific Condiments Co. for about $141 million.

The deal, which must be approved by regulators, is expected to close in mid-2013.

Privately held Wuhan manufactures and markets DaQiao and ChuShiLe brand bouillon products, which McCormick said will complement its current lineup of spices, seasoning blends and sauces for the Chinese market. Its annual sales are about $115 million.

Wuhan Asia-Pacific was founded in 1998 and has about 900 employees, a manufacturing facility and a distribution network that serves traditional markets as well as modern grocery stores.

The company's sales grew at a 25 percent compound annual rate from 2007 to 2011, boosted by increasing demand, rapid distribution expansion and brand marketing. McCormick said it expects continued annual sales growth of at least 10 percent.

McCormick expects the acquisition to slightly lower its fiscal 2013 profit, as a result of integration and financing costs, before boosting its earnings per share in 2014 and reaching its full potential in 2015, after the company is fully combined.

The Sparks, Md.-based company said it expects to record about $4 million in 2013 costs related to the acquisition.

McCormick shares rose 21 cents to $60.33 in morning trading.

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