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Danone Hopes To Feed US Yogurt Appetite With YoCrunch Buy

By **Kathryn Brenzel**

Law360, New York (August 09, 2013, 4:09 PM ET) -- French multinational company Groupe [Danone](#) said Friday it's sweetening its U.S. offerings with the purchase of YoCrunch, a company that pairs yogurt with crunchy toppings from well-known brands such as Oreo, as part of its move to increase American yogurt consumption.

The companies declined to disclose the financial details of the deal, but noted that the Connecticut yogurt company boasted \$110 million in annual net sales. The addition joins brands such as Activia and Oikos, which are owned by Groupe Danone's American yogurt outfit, Dannon Co. Inc.

The acquisition is the latest move by Danone to increase its hold on the growing U.S. yogurt market, which by some researchers' estimates topped \$7 billion in 2012. YoCrunch expands the “various ways in which Americans can enjoy yogurt,” Danone said in a statement.

The deal is part of Danone's business strategy of untangling “what people eat and what they don't eat,” to boost what the company sees as comparatively infrequent yogurt consumption in the U.S., according to Dannon spokesman Michael Neuwirth.

“Yogurt is such an integral part of the culture and diet of other countries,” he told Law360 on Friday. “We see it as an opportunity to help Americans eat better.”

Neuwirth said the companies will not likely release the cost of the acquisition or other financial considerations. Under the deal, YoCrunch will continue to operate independently. For now, the company's packaged toppings will stay with YoCrunch's offerings, but the toppers could eventually appear on other Danone brands, he said.

YoCrunch was founded in 1985 and operates out of Naugatuck, Conn. The company makes yogurt and, largely through licensing agreements, separately packages toppings that include Fruity Pebbles, Reese Pieces and other crunchy fare, according to the company.

Representatives for YoCrunch did not immediately return calls for comment.

The purchase follows Danone's announcement last month that it had inked a deal with [Starbucks](#) to create Greek yogurt parfait products under Starbuck's “Evolution Fresh” brand. Danone's foray into the Greek yogurt craze with its Oikos brand proved especially fruitful, considerably increasing the company's share in the U.S. yogurt market, the company said in its financial report for 2012.

Danone bills itself as a health-focused international company, specializing in fresh dairy products, baby nutrition, waters and medical nutrition, according to the company. The company, which raked in more than €20 billion (\$26.7 billion) in sales in 2012, employs approximately 102,000 people and has more than 190 production plants.

Danone was represented by Clare O'Brien, David Connolly, John Cannon, Larry Bambino and Jessica Delbaum of [Shearman & Sterling LLP](#).

Other attorney information was not immediately available.

--Editing by Kat Laskowski.

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