



## US: Nestlé leads hunt for Godiva, say analysts

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[Nestlé](#) has been touted as a possible front-runner for upmarket chocolate business Godiva after current owner [Campbell Soup](#) Co. admitted it could sell the unit.

Campbell is mulling Godiva's future because it believes the business does not fit with the company's strategy of focusing on "simple meals", including soup-based snacks.



[view image](#)

Godiva, a premium chocolate business with annual sales of around US\$500m, sells its products through company-owned and franchised retail stores, speciality retailers and department stores, and on the Internet.

Campbell, which has recently embarked on an offensive into the soup markets of Russia and China, wants to focus on more everyday products.

The admission has provoked a raft of speculation on the future of Godiva, with US confectionery giant [Hershey](#), Swiss chocolate group Lindt and even the likes of Coca-Cola Co. named as possible buyers.

However, Nestlé, the world's largest food producer, tops the list of potential suitors in the eyes of a number of analysts. Some industry watchers have placed a price tag of US\$1bn on Godiva.

"Nestlé is going to buy it - full stop," **James Amoroso**, an analyst at Swiss broker Helvea told just-food today (10 August). "Nestlé's strategy is to get into premium chocolate; [Nestlé CEO Peter] Brabeck has said it's where the company would like to take the business."

**Amoroso** dismissed "out of hand" that "non-chocolate consumer companies" like Coca-Cola Co. and gum giant [Wrigley](#) would put in serious bids.

**Amoroso** added that Lindt had expressed interest in Godiva in the mid-1990s but Campbell rebuffed the chocolate maker's overtures. "Lindt will be named as an interested party but the probability is 0.1%," he said. "Godiva was a topic in the mid-90s but Campbell didn't want to sell. Subsequently, Lindt USA started its own store network, and bought Ghirardelli and Caffarel. Now Lindt has almost more growth than it knows to do with."

David Palmer, an analyst at UBS Investment Research in New York, told just-food that "Nestlé and Hershey are at the top of a small list". He added: "Nestlé is huge; it could certainly outbid anybody."

Nestlé, for its part, refused to be drawn on the speculation. "We have no comment to make," a spokesman said from Switzerland. Nestlé publishes its first-half results next Wednesday (15 August).

A spokesman for Campbell said there, as yet, had been no interest registered in Godiva. "We're just starting the process, we started it yesterday and there's no news to report," the spokesman said.

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