

Beatrice sells food unit for \$985 million

Special for USA TODAY

The Beatrice Cos. said Monday it'll sell its international food division to the New York investment firm TLC Group L.P. for \$985 million.

The move catapults TLC, a 4-year old investment firm run by Reginald Lewis, to the No. 1 spot among the USA's black-owned businesses. TLC is currently No. 6 on *Black Enterprise* magazine's list of the largest black-owned businesses.

The deal: TLC will buy a 55% stake in the food company. Drexel Burnham Lambert Inc., which is providing financing for the leveraged buyout, will own most of the remaining stake. Drexel will use bank loans and high-yield, high-risk "junk" bonds in the financing.

Beatrice's international food unit includes 64 companies in 31 countries. It was put up for sale shortly after Beatrice was taken private in a \$6.2 billion leveraged buyout last year. Last year, the unit earned \$147 million last year on revenues of \$2.5 billion.

TLC said it plans to sell the unit's Canadian operations to Onex Corp., a Toronto-based investment group, for \$225 million to help complete the financing of the deal.

The Canadian business accounts for about one-fifth of Beatrice's pre-tax profits, or about \$27 million.

TLC's latest purchase far surpasses its previous largest deal: It bought New York-based McCall Pattern Co. for a \$1 million equity stake in 1984. TLC sold the company earlier this year to John Crowther Group, a British textile company, for \$62 million and the assumption of \$32 million in debt.

Previously, the largest black-owned business, according to *Black Enterprise*: Johnson Publishing Co., based in Chicago.