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EXCLUSIVE REPORT

DEALMAKERS AND THEIR DEALS

The Year's Sweetest Deal

WILLY WONKA would be proud. Archer Daniels Midland wanted to divest its global cocoa and chocolate businesses, but it couldn't find a buyer wanting both divisions. So Jenner & Block's Joseph Gromacki separated the units for the golden ticket.

This was no piece of (chocolate) cake. "The fact that it was a carve-out gave rise to a lot of complexity," to avoid disturbing assets that the seller wished to retain, Gromacki says. ADM's operations are scattered from Canada to Côte d'Ivoire, and since many of its 270 processing plants and 470 crop procurement facilities were involved in the deals, supplying both the cocoa and chocolate units, Gromacki had to separate assets in various locations. This meant observing local law in more than a dozen countries, drafting intellectual property licenses, putting information technology support agreements into place and dividing real estate assets, among other things.

Timing was another complication. Though the $440 million deal with Cargill Inc. for the chocolate business was signed before the $1.3 billion deal with Singapore-based Olam International for the cocoa operations, "it wasn't clear which would close first," Gromacki says. "We structured carefully to be sure either transaction could be completed before the other."

All told, it was a process as intricate as perfecting ganache, and for ADM, the result was just as sweet.

ADM HAD **270** PROCESSING PLANTS AND **470** PROCUREMENT FACILITIES.

Joseph Gromacki
Jenner & Block, Chicago
THE DEAL: ADM carve-outs