Cyan Magenta Yellow Black

Passion reborn for new Kate's owner

By Joan Verdon
THE RECORD, HACKENSACK, N.J.

Angelica Berrie — philanthropist, former Russ Berrie and Co. chief executive officer and widow of that company's founder, Russ Berrie — says she's found new joy with a business venture that returned her to an old passion — paper.

Berrie, 54, bought Kate's Paperie company, a five-store chain of specialty paper, gift wrap and gift stores in Manhattan and Greenwich last fall and recently acquired a majority stake in Boston International, an upscale paper products and partyware distributor.

Berrie said her new role directing Kate's Paperie has proved to be "good therapy" during a time when the infant bedding and furniture company her husband founded is being restructured and preparing to shed the Russ Berrie name.

Berrie, an Englewood, N.J., resident, served as CEO of Russ Berrie and Co., for two years after the death of her husband on Christmas Eve 2002. She eventually removed herself from the company — now based in Wayne, N.J. — after pressure from shareholders who felt turnaround experts should be brought in to lead the company in a new direction. She sold the Russ Berrie Foundation's 42 percent stake in the company to two private investment firms in 2006 for $99.4 million. From 2006 to 2008, she devoted herself to the foundation's many charitable projects.

But Berrie also began looking for a new business venture "because I wanted to challenge myself. I didn't want to be a lunch lady," she said. Berrie had been a fan of the Kate's chain for years. She sold paper products to them 20 years ago, when she owned a factory in the Philippines that made paper jewelry, papier-mache ornaments and other items. Berrie is taking over the company at a time when consumers are putting the brakes on discretionary spending on luxuries such as handmade paper.

The family that founded and owned Kate's, the Flax family, "were not necessarily in a sale mode," when Berrie first approached them.

"I courted them, got to know them, shared my vision of Kate's," she said.

"They understood I really loved it," she said. "At the right time, I think they were ready to let go."

Berrie declined to disclose the purchase price because Kate's is a private company. The chain has annual sales of about $20 million and 100 employees, she said.

Since purchasing the company, she has overseen the redesign of the logo, made some store layout changes, brought in artists to design store windows and recently hired a CEO, Michael Mosca, a former executive at Martha Stewart Living Omnimedia Inc. and Williams-Sonoma Inc. In addition, she has been upgrading the company's software to expand online sales to other parts of the country.

She also moved the company's warehouse to Englewood, and says that she eventually would like to open a Kate's outlet store in New Jersey. But she has no immediate plans to add more Kate's stores.

"Right now I'm happy to have five," she said. "I didn't buy it to make it a chain like Papyrus or anything like that."

Berrie said the current economy has been challenging, and the company has had to trim staff. However, it still maintains its emphasis on customer service. She pulled out her BlackBerry and displayed thank-you notes from customers raving about how the Kate's staff solved gift-wrapping challenges such as providing traditional Japanese-style wrapping for gifts being given by a chef.

While some longtime paper companies have folded in recent months, "Kate's has a broader base of gifts. It's not just about paper," Berrie said. "It's about creativity. That's why I bought it. You come in here to feel good," she said, looking around the company's store on Spring Street in Soho.

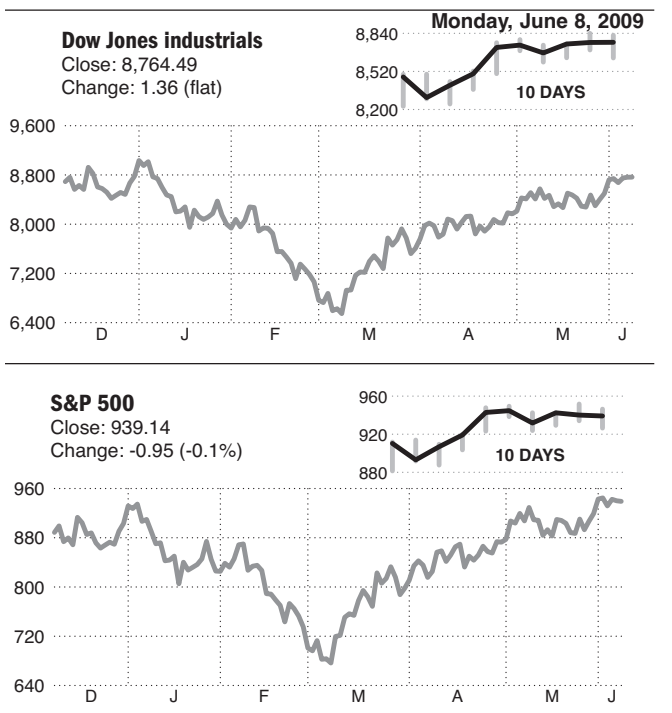
Kate's Paperie "is well-known and highly regarded in the stationery industry," said Kathy Krassner, editor-in-chief of Greetings etc., a trade publication based in Randolph, N.J. The chain, Krassner said, "has always been on the cutting edge in terms of its merchandise and product displays."

Krassner said that although the economic downturn is challenging stationery stores as it is all retailers, "the good news is that people are still buying wedding invitations, birth announcements, greeting cards, gift wrap, and other paper products year-round, despite the state of the economy." She also sees a trend toward high-quality and handmade papers, a Kate's specialty.

Berrie said one of the reasons she's a Kate's fan is she loves sending handwritten notes, written on beautiful paper with color-coordinated ink. "I have two drawers at home, two sides of my desk, full of the most beautiful cards. Most of them from Kate's, even before I bought the company." Now, she said, "I'm my own best customer. I'm here every week buying things from every store. But now I get an employee discount."

STAFF FILE PHOTO

Shiho Masuda ties ribbon on a gift during a demonstration at Kate's Paperie in Greenwich in 2003. Angelica Berrie bought the five-store chain of specialty paper, gift wrap and gift stores and recently acquired a majority stake in Boston International, an upscale paper products and partyware distributor.



StocksRecap

	NYSE	NASD
Vol. (in mil.)	4,416	1,955
Pvs. Volume	5,156	2,246
Advanced	1121	1055
Declined	1912	1663
New Highs	10	42
New Lows	1	5

	HIGH	LOW	CLOSE	CHG.	%YTD
DOW	8823.97	8633.07	8764.49	+1.36	-0.14
DOW Trans.	3366.32	3272.09	3338.85	-11.13	-5.61
DOW Util.	345.41	338.37	342.49	-2.11	-7.62
NYSE Comp.	6109.02	5983.46	6068.56	-14.08	+5.41
NASDAQ	1857.80	1818.59	1842.40	-7.02	+16.83
S&P 500	946.33	926.44	939.14	-0.95	+3.97
S&P 400	596.81	584.42	592.21	-3.88	+10.02
Wilshire 5000	9706.15	9507.94	9632.96	-22.28	+6.01
Russell 2000	531.09	520.07	524.79	-5.57	+5.07

Stocks of Local Interest

Name	52-Week High	52-Week Low	Last	Chg	VOL (000s)	PE
AT&T Inc	38.76	20.90	**24.40**	**-.16**	28798	12
ATMI Inc	29.92	8.70	**16.41**	**+.09**	190	cc
AcmeU	14.80	5.33	**7.90**	**...**	0	8
Aetna	46.76	14.21	**24.09**	**-1.31**	6918	8
Agilent	38.00	12.02	**19.64**	**-.26**	2133	14
Aircastle	14.41	2.54	**7.68**	**-.17**	279	6
Alexion s	47.96	28.16	**36.54**	**-.68**	615	cc
ArchCh	43.01	15.00	**28.55**	**-.23**	170	21
Aristotle	10.50	2.74	**4.62**	**-.32**	6	dd
AsburyA	15.96	1.00	**11.22**	**+.21**	499	dd
AvisBudg	13.62	0.34	**4.31**	**-.25**	3551	dd
Baldor	39.90	10.21	**24.31**	**-.70**	583	13
Baldw	3.21	0.72	**.90**	**+.03**	71	dd
BkofAm	39.50	2.53	**12.06**	**+.20**	240856	16
BkNYMel	43.00	15.44	**28.54**	**+.32**	11211	34
Barnes	29.86	7.69	**16.00**	**-.88**	559	14
Berkley	31.21	16.62	**23.55**	**+.14**	1296	59
BerkHa A	147000	70050	**90351**	**+551**	0	56
BerkH B	4700	2241	**2932**	**+12**	13	54
Biodel	19.28	1.62	**4.98**	**-.02**	48	dd
BlackD	69.50	20.10	**32.08**	**-.05**	1442	8
BoltTech	24.00	5.25	**13.05**	**+.46**	75	9
Brinks s	39.42	18.19	**28.80**	**-.29**	233	9
BrMySq	23.98	16.00	**19.76**	**-.17**	8779	8
CIGNA	44.14	8.00	**21.27**	**-1.57**	7055	13
Cadbury	53.82	27.58	**34.88**	**+.16**	348	...
CampSp	40.85	24.63	**28.91**	**+.14**	3162	14
CarpTech	49.86	11.72	**23.66**	**-.80**	550	9
CeleraGrp	17.56	5.03	**8.57**	**-.04**	210	dd
Cenveo	12.85	1.54	**4.90**	**+.04**	199	dd
Chevron	101.30	55.50	**69.58**	**+.21**	9497	7
CollctvBrd	21.00	3.85	**14.40**	**-.20**	1446	dd
CompDivHd	14.64	6.89	**8.61**	**+.11**	461	5
CompTch	3.23	0.54	**2.34**	**+.14**	57	dd
ConnWtrSv	28.95	17.31	**21.59**	**-.23**	25	21
ConEd	46.39	32.56	**35.81**	**+.03**	1674	9
Corning	27.56	7.36	**15.53**	**-.05**	10779	6
Covidien	57.00	27.27	**35.65**	**-.28**	5802	...
Crane	43.17	10.87	**24.90**	**-.28**	208	14
Cytec	61.69	10.50	**21.57**	**-.85**	598	dd
Daimler	70.85	21.53	**37.69**	**-.96**	328	...
Delcath	4.11	0.82	**3.77**	**-.11**	237	dd
DowChm	39.99	5.89	**16.95**	**-.61**	19411	dd
DuPont	48.22	16.05	**26.21**	**-.79**	14203	18
EMCOR	36.05	11.17	**22.58**	**-.31**	488	8
Eaton	97.93	30.02	**48.64**	**+.57**	2397	11
EdgarOnl	2.49	0.60	**1.33**	**-.03**	7	dd
EmersonEl	56.77	24.39	**35.15**	**-.05**	5686	13
EthanAl	34.02	6.98	**12.78**	**-.41**	355	dd
ExxonMbl	89.63	56.51	**73.17**	**+.20**	22669	10
FactsetR	67.96	31.15	**52.47**	**-.93**	757	19
FortuneBr	67.20	17.68	**36.70**	**+.17**	1576	30
FrontierCm	12.94	5.32	**7.15**	**-.02**	2734	13
FuelCell	9.25	1.98	**4.06**	**+.07**	549	dd
GAMCO	68.52	21.66	**53.07**	**-.13**	65	66
Gartner	28.39	8.33	**15.86**	**-.22**	241	15
GenElec	30.74	5.73	**13.56**	**+.02**	57868	9
GenesWyo	47.41	16.42	**29.61**	**-.03**	163	14
GerberSci	12.64	1.65	**3.30**	**+.02**	36	7
GlaxoSKln	49.48	27.15	**33.31**	**+.28**	1633	...
GrafTech	27.98	3.55	**11.54**	**-.22**	1797	8
Hallibrtn	55.38	12.80	**22.80**	**-.02**	12177	15
Harman	46.35	9.17	**20.01**	**-.47**	685	dd
HartfdFn	73.89	3.33	**14.79**	**-.11**	8977	dd
HealthNet	29.91	7.38	**14.54**	**-.66**	1905	9
Hexcel	23.74	4.49	**13.08**	**-.48**	1556	11
HomeDp	30.74	17.05	**24.56**	**+.39**	12985	17
HonwllIntl	56.88	23.06	**35.67**	**-.05**	4684	10
HubbelA	52.98	20.70	**33.45**	**-.55**	0	9
HubbelB	47.84	22.05	**35.92**	**-.66**	148	10
IMS Hlth	23.93	9.63	**11.94**	**-.12**	1865	6
ING 6.125	20.99	2.83	**14.64**	**-.15**	56	...
IndepHld	13.70	2.25	**6.99**	**-.26**	10	dd
InfoSvcs	5.39	2.50	**2.83**	**+.18**	8	dd
InteractBrk	35.27	12.68	**15.21**	**-.08**	352	8
IBM	130.93	69.50	**107.49**	**+.25**	6323	12
IntPap	31.07	3.93	**14.72**	**+.24**	7205	34
Interpublic	9.69	2.57	**5.74**	**+.04**	5370	12
JPMorgCh	50.63	14.96	**35.39**	**+.84**	60966	26
JetBlue	7.74	2.81	**4.26**	**-.10**	14511	dd

Name	52-Week High	52-Week Low	Last	Chg	VOL (000s)	PE
Kaman	33.88	9.33	**17.95**	**-.05**	128	14
Kellogg	58.51	35.64	**44.52**	**+.74**	2092	15
KimbClk	66.66	43.05	**52.78**	**+.37**	3090	13
L-1 Ident	17.22	3.23	**8.78**	**-.13**	370	dd
LGL Grp	8.75	1.00	**3.40**	**+.03**	3	dd
Landstar	59.21	27.21	**38.80**	**+.14**	414	20
M&T Bk	108.53	29.11	**49.02**	**+.58**	1127	13
MTM Tech rs	4.65	0.05	**1.30**	**-.30**	14	dd
MarshM	36.82	17.18	**20.03**	**+.24**	3436	34
MStewrt	9.99	1.60	**3.45**	**+.01**	118	dd
Merck	38.90	20.05	**25.93**	**-.14**	17572	9
NatSemi	24.21	9.02	**13.95**	**+.31**	6661	15
NaugatVly	10.00	4.37	**6.55**	**...**		dd
Neurogen h	1.20	0.06	**.33**	**-.03**	4009	dd
NewAlliBc	17.98	9.36	**12.74**	**-.10**	509	28
NewmtM	53.77	21.17	**44.66**	**-.18**	6451	30
Nextwave h	5.37	0.07	**.37**	**-.04**	391	dd
NoestUt	28.20	17.16	**21.12**	**-.11**	1320	11
NovoNord	68.35	41.35	**51.46**	**-1.70**	391	...
Novogen	7.45	1.23	**2.98**	**-.26**	36	...
NSTAR	40.00	25.67	**30.86**	**-.13**	596	14
OdyssyR	54.56	31.55	**41.35**	**-.35**	134	9
Olin	30.39	8.97	**13.38**	**-.29**	838	6
Omnicom	47.58	20.09	**32.29**	**-.30**	1759	11
PartnerRe	76.96	47.70	**66.84**	**-.32**	379	dd
PatriotCp	9.90	0.88	**1.90**	**-.02**	91	dd
PeopUtdF	21.76	13.92	**15.62**	**+.01**	2333	35
PepsiBott	34.83	15.78	**33.04**	**-.37**	1784	40
PepsiCo	75.25	43.78	**54.15**	**-.73**	6816	17
PerkElm	29.95	10.88	**16.48**	**-.22**	580	14
Pfizer	20.13	11.62	**14.31**	**-.20**	47560	12
PhotrIn	8.80	0.33	**3.88**	**-.05**	271	dd
PitnyBw	39.98	17.62	**22.35**	**+.02**	1995	11
Praxair	99.74	47.40	**75.42**	**-.44**	1115	20
Presstek	6.58	0.87	**1.86**	**-.07**	52	dd
priceline	134.50	45.15	**116.28**	**-.04**	1092	28
PrmEgy	82.38	24.46	**40.42**	**-1.78**	1	dd
ProctGam	73.57	43.93	**53.14**	**-.04**	10567	12
Rayonier	49.54	22.28	**39.83**	**-.31**	753	23
SaraLee	15.07	6.80	**9.07**	**+.07**	3899	dd
Schlmbrg	111.95	35.05	**57.33**	**+.06**	8070	14
SealAir	25.32	10.38	**19.63**	**-.11**	1641	20
SilganHld	58.19	36.40	**47.25**	**+.05**	569	13
StanlWk	49.58	22.61	**36.60**	**+.71**	1313	10
StarGas	3.62	1.63	**3.50**	**-.01**	304	13
Starbucks	18.56	7.06	**14.97**	**-.12**	11845	cc
StuLnCp	126.15	20.82	**45.79**	**-.59**	18	14
SturmRug	13.71	4.36	**11.85**	**+.28**	286	18
TICC Cap	6.32	2.21	**4.25**	**+.09**	65	...
TempleInld	20.49	2.34	**13.81**	**-.02**	2213	37
Terex	68.17	7.34	**14.62**	**-.53**	3322	dd
Textron	59.66	3.57	**12.01**	**-.30**	3869	9
ThomsonR	36.94	19.30	**31.27**	**+.44**	202	16
TW Cable rs	90.21	20.19	**32.25**	**+.25**	3272	dd
TimeWrn rs	37.47	15.41	**25.91**	**+.61**	13008	dd
TrnsLx	3.97	0.20	**1.21**	**-.08**	3	dd
TranSwtc h	1.15	0.20	**.35**	**+.02**	83	dd
UBS AG	25.72	7.04	**13.74**	**-.01**	3300	...
UIL Hold	36.03	17.00	**21.59**	**+.15**	270	10
UST Inc	69.48	49.28	**69.46**	**...**		20
UnilevNV	31.94	16.91	**24.58**	**-.12**	2391	26
Unilever	31.91	16.95	**24.28**	**...**	715	...
Unisys h	4.74	0.28	**1.49**	**-.01**	964	dd
UtdRentals	22.74	2.52	**6.60**	**+.18**	1712	dd
UtdTech	69.37	37.40	**56.49**	**+.10**	5202	12
UtdHlthGp	33.49	14.51	**26.05**	**-1.05**	10428	11
UnumGrp	27.50	7.61	**17.27**	**+.08**	3000	11
UrstdBid	19.08	9.18	**14.09**	**+.21**	12	25
VerizonCm	38.68	23.07	**29.28**	**+.03**	12287	13
Warnaco	53.89	12.22	**35.07**	**-.50**	1142	22
Jupitrmed	1.88	0.20	**.53**	**+.01**	23	dd
WebsterFn	31.00	2.85	**7.79**	**+.02**	358	dd
WldW Ent	17.13	8.76	**14.02**	**+.13**	186	29
XL Cap	33.82	2.56	**10.93**	**+.26**	5879	dd
Xerox	14.62	4.12	**7.10**	**-.01**	4813	12
Zygo	13.79	3.06	**5.85**	**-.29**	48	dd

Most Actively Traded ($1 or more)

NYSE Name	Volume	Last	Chg	AMEX Name	Volume	Last	Chg	Nasdaq Name	Volume	Last	Chg
Citigrp	2747537	3.42	-.04	Hemisphrx	183281	3.05	+.32	PwShs QQQ	837166	36.67	-.11
BkofAm	2408556	12.06	+.20	PSCrudeDL	n137706	4.59	+.11	Microsoft	484694	22.05	-.09
SPDR	2027256	94.16	-.39	NthgtM g	33043	2.12	-.08	Intel	431259	15.92	...
DirxFinBear	1769445	4.40	-.07	GoldStr g	28740	2.00	-.06	Cisco	416686	19.87	...
DirxFinBull	1542482	10.43	+.14	NovaGld g	24656	5.05	-.11	Oracle	342828	20.87	+.16
SPDR Fncl	915812	12.41	+.09	EldorGld g	22765	9.27	+.03	Apple Inc	328731	143.85	-.82
FordM	849080	6.38	+.02	AdvTecAcq	22067	8.06	+.01	FifthThird	310848	7.25	+.12
WellsFargo	650961	25.39	+.67	GrtBasG g	20443	1.63	+.02	DryShips	300127	7.10	+.02
JPMorgCh	609658	35.39	+.84	Oilsands g	19633	1.14	-.04	GenBiotc h	289191	.75	-.06
iShEMkt s	608847	33.09	-.52	Taseko	18430	1.84	-.05	CellTher rsh	270932	1.71	+.08

Interestrates

Bond prices fell. The yield on the 10-year note, a benchmark for home mortgages, rose. Short-term Treasurys got hit hard for a second day.

	PRIME RATE	FED FUNDS
YEST	3.25	.13
6 MO AGO	4.00	1.00
1 YR AGO	5.00	2.00

TREASURIES	YEST	PVS	NET CHG	WK	MO	QTR	1YR AGO
3-month T-bill	.18	0.17	+0.01	▲	▲	▼	1.82
6-month T-bill	.34	0.33	+0.01	▲	▲	▼	1.97
1-year T-note	.67	0.67	...	▲	▲	▼	2.09
2-year T-note	1.39	1.30	+0.09	▲	▲	▲	2.37
5-year T-note	2.92	2.85	+0.07	▲	▲	▲	3.19
10-year T-note	3.88	3.86	+0.02	▲	▲	▲	3.93
30-year T-bond	4.63	4.65	-0.02	▲	▲	▲	4.65

BONDS	YEST	PVS	NET CHG	WK	MO	QTR	1YR AGO
Lehman Long T-Bd Idx	4.57	4.56	+0.01	▲	▲	▲	4.54
Bond Buyer Muni Idx	5.49	5.46	+0.03	▲	▲	▼	5.13
Lehman US Aggregate	4.50	4.29	+0.21	▲	▲	▲	4.98
Lehman US High Yield	12.75	12.94	-0.19	▼	▼	▼	9.92
Moodys AAA Corp Idx	5.78	5.72	+0.06	▲	▲	▲	5.69
Lehman Comp T-Bd Idx	2.74	2.68	+0.06	▲	▲	▲	3.28
Lehman US Corp	6.47	6.28	+0.19	▲	▼	▼	6.10

Commodities

Oil prices fell as a four-month rally that has roughly doubled the price of crude lost some steam. Prices for some metals closed off their lows for the day. Commodities prices have rallied recently.

FUELS	CLOSE	PVS.	%CHG	%YTD
Crude Oil (bbl)	68.09	68.44	-0.51	+52.7
Ethanol (gal)	1.74	1.76	-1.30	+7.5
Heating Oil (gal)	1.77	1.77	-0.12	+25.4
Natural Gas (mm btu)	3.73	3.87	-3.54	-33.6
Unleaded Gas (gal)	1.94	1.96	-0.95	+91.7

METALS	CLOSE	PVS.	%CHG	%YTD
Aluminum (lb)	0.74	0.73	+2.08	+3.9
Copper (lb)	2.25	2.28	-1.49	+60.5
Gold (oz)	951.70	961.70	-1.04	+7.7
Platinum (oz)	1244.00	1286.20	-3.28	+32.9
Silver (oz)	14.94	15.37	-2.82	+32.6

AGRICULTURE	CLOSE	PVS.	%CHG	%YTD
Cattle (lb)	0.79	0.80	-0.91	-5.5
Coffee (lb)	1.30	1.34	-2.84	+16.1
Corn (bu)	4.35	4.44	-2.03	+6.9
Cotton (lb)	0.56	0.55	+1.02	+13.6
Lumber (1,000 bd ft)	203.70	213.70	-4.68	+20.3
Orange Juice (lb)	0.88	0.90	-2.43	+27.8
Soybeans (bu)	12.32	12.25	+0.57	+26.8
Wheat (bu)	5.98	6.23	-4.01	-2.1

Business People

• The John F. Welch College of Business at **Sacred Heart University** has appointed **Anthony Macari** as director of its master's of business administration program. Macari has been with Sacred Heart since last year as a clinical assistant professor of finance and was director of its Stamford campus.

Macari

The resident of New Canaan, in addition to his teaching and administrative duties at Sacred Heart, was a co-founder and partner in Carlyle Brands Consulting, where his clients included Lehman Brothers, SchoolNet and Cardean University.

He also was a director of strategy and assistant dean for business and legal studies at New York University, and director of business development and of planning and forecasts at Fortune Brands in Old Greenwich.

Macari has a bachelor's degree in English and a master's of business administration degree from the University of Connecticut. He also has a law degree from Pace University School of Law.

• **Knight Libertas LLC**, a subsidiary of Knight Capital Group with offices in Greenwich and Jersey City, N.J., appointed **Daniel Mullineaux** as managing director and global head of Emerging Markets Fixed Income.

Knight Libertas is an institutional fixed-income broker-dealer providing trade execution, investment research and capital markets services.

Knight Libertas also expanded the emerging markets fixed-income team with the hiring of **Stephen Kenny** and **Max Nair**, who will be responsible for sales in the Greenwich office. **Paul Quinn** will join the emerging markets trading operation in Greenwich from UBS.

Kenny, with a bachelor's degree in English from the College of the Holy Cross, was managing director and global head of emerging markets trading and sales at UBS, and helped build and manage operations of more than 75 employees worldwide.

Nair, who has bachelor's and master's in business administration degrees from West Virginia University, was director with UBS until joining Knight Libertas in April.

Quinn is a trader in emerging markets fixed income and joined Knight Libertas in March after 10 years in the global emerging markets group at UBS. He has a bachelor's degree in accounting from Fairfield University.

Mullineaux has a master's in business administration degree from New York University's Stern School of Business and a bachelor's degree in finance from Syracuse University.

• **Mark Hiltwein** has been promoted to president of field sales and manufacturing for Cenveo Inc., a Stamford-based provider of management and distribution of print and related products and services.

Hiltwein is a certified public accountant who has been with Cenveo since 2007 as executive vice president and chief financial officer. A graduate of Kean University, he was chief financial officer at the commercial printers Moore Wallace Inc., and L.P. Thebault Co., before coming to Cenveo.

Cenveo also announced the promotion of **Kenneth Viret** to senior vice president and chief financial officer and **Scott Goodwin** to corporate controller.

Viret, who joined Cenveo in 2005, has held senior financial management positions at Triarc Cos. Inc., Loral Space & Communications and Coopers & Lybrand. He is a graduate of Pace University and a certified public accountant.

Goodwin previously held the position of assistant corporate controller. Before Cenveo, he spent seven years in public accounting at Deloitte & Touche. He is a certified public accountant and received his degree in accounting from The Citadel.

— Richard Lee

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Pepsi Bottling to buy Ab-Tex Beverage

Pepsi Bottling Group Inc. will pay about $200 million for Abilene, Texas-based Ab-Tex Beverage Ltd.

By Zachary R. Mider and Duane D. Stanford
BLOOMBERG NEWS

Somers, N.Y.-based Pepsi Bottling Group Inc., trying to defend itself against an unsolicited takeover bid from PepsiCo Inc., will buy a Texas bottler.

The company will pay about $200 million for Abilene, Texas-based Ab-Tex Beverage Ltd., said people with knowledge of the situation. The acquisition would give Pepsi Bottling, the world's largest bottler of Pepsi soda, about $100 million in additional sales.

Pepsi Bottling Chairman and Chief Executive Officer Eric Foss, a Ridgefield resident, is seeking to convince shareholders that the $4 billion takeover offer in April by PepsiCo, its franchisor and biggest shareholder, undervalues the company. The bottling company, which can't pursue another suitor because PepsiCo controls 40 percent of its voting power, said last week its acquisition strategy will boost profit amid a shrinking U.S. soda market.

"As the pace of bottler consolidation in the U.S. accelerates, we will continue to capitalize on opportunities to expand our business," Foss said in a statement Monday. The company's 2009 sales will drop 2 percent to $13.5 billion, 11 analysts' estimates compiled by Bloomberg show.

The Ab-Tex purchase is the fifth announced by Pepsi Bottling since the start of last year. Foss argued last week that the company should fetch a price similar to those it paid for smaller bottlers.

Pepsi Bottling's last 12 acquisitions were valued at an average of 9.5 times earnings before interest, taxes, depreciation and amortization, Foss said last week. The Ab-Tex takeover would be at about the same multiple.

PepsiCo's bid for Pepsi Bottling values the firm at about 6.7 times its last twelve months earnings before interest, taxes, depreciation and amortization, based on the $29.50-a-share value of the offer as of April 19 and $5.4 billion of net debt. A purchase of Somers, N.Y.-based Pepsi Bottling at 9.5 times Ebitda would be worth more than $50 a share.

Dave DeCecco, a spokesman for PepsiCo, declined to comment.

PepsiCo, in a statement last week, said it may stop pursuing a takeover of Pepsi Bottling if it can't get a reasonable price. Purchase, N.Y.-based PepsiCo added it would maintain a disciplined stance with regard to the commercial arrangements with Pepsi Bottling if the bid fails.