

Israel's Strauss Group Purchases LeCafe Brand

By [The Moscow Times](#)

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TEL AVIV — Israeli food and beverage maker Strauss Group said Sunday that its coffee subsidiary was buying the LeCafe brand, sold in Russia and former Soviet Union countries, for \$37 million.

LeCafe had sales of \$23 million in 2009 and \$16 million in the first nine months of 2010.

Strauss Coffee also paid \$6 million to acquire 51 percent of the LeCafe Group, which owns buildings and warehouses that will serve as Strauss's logistics center in Russia.

Gadi Lesin, president and chief executive of Strauss, said the Russian coffee market is considered to be one of the largest in the world.

"This acquisition takes us to the next level in our growth strategy in Russia, an area that has presented growth over the past four years," he said in a statement.

Strauss, the world's fifth-largest coffee firm in terms of green coffee procurement, also plans to use the property to build a plant to produce roasted and ground coffee that will be wholly owned by Strauss Coffee.

Strauss Coffee will invest \$6 million in building the plant in 2011 and 2012.

"This acquisition will enable us to enhance our position as the No. 3 instant coffee player and No. 2 roast and ground coffee player in Russia," said Todd Morgan, chief executive of Strauss Coffee. "We will do so by strengthening our portfolio with a familiar brand, gaining more market shares and increasing our shelf space significantly."

Strauss Group owns 74.9 percent of Strauss Coffee, with the rest owned by private investment group TPG Capital. Strauss Coffee focuses on Israel, Brazil, Poland, the Balkans, Serbia, Russia and Ukraine.

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