

# Whitworths acquires Carr's Flour Mills

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CARLISLE, ENGLAND — Whitworths Holdings Ltd. on Sept. 5 acquired Carr's Flour Mills Ltd. from Carr's Group Plc for a gross consideration of £36 million and net consideration of £24.9 million after adjustments for working capital and net debt in the business at completion. Carr's Flour Mills is the food division of Carr's Group.

Whitworths is a 100% family owned business that includes the flour milling company of Whitworth Brothers Ltd.

"The sale of Carr's Flour Mills Ltd. represents an exciting stage in Carr's strategic development," said Tim Davies, chief executive officer (CEO) at Carr's. "At a time of increasing competition and volatility in the flour market, consolidation is essential and inevitable. This acquisition by Whitworths presents a great opportunity for the food division to continue building on the strong foundations laid over many years. On behalf of the Carr's board, I would like to thank everyone who has contributed to the division's success."

Following an approach from Whitworths to acquire Carr's food division, the board undertook a review of the group's three divisions. In order to drive future growth and accelerate the financial returns of the group, Carr's decided that it was in the best interests of shareholders to proceed with the sale. The group's focus and investment now will be centered on growing its agriculture and engineering divisions.

In 2015 Carr's food division's operating profit was £3.1 million and its revenue was £80.3 million. Carr's three milling centers are located in Cumbria, Essex and Fife in the United Kingdom, and use wheat imported from mainland Europe, Canada and the United States. In 2012, Carr's built a new mill at Kirkcaldy, on Scotland's east coast. The division currently employs 169 staff members.

"Carr's Flour Mills Ltd. shares a similar history to Whitworths in that it is a long standing business that has received material investment in recent years," said Martin George, chairman of Whitworths Holdings Ltd. "The business is a great fit geographically and will give us access to the South East, North of England and Scottish markets that would otherwise not be available, and means we have national reach."

It is Carr's board's intention's to return £16 million to shareholders in the form of a special dividend while retaining the balance of £8.9 million to strengthen the group's balance sheet and to enable it to pursue opportunities to expand the group in its ongoing divisions of agriculture and engineering, both by acquisition and by organic growth through investment

Carr's agriculture business continues to develop international opportunities in new markets for its feedblock technology. Long-term research and development over 20 years supports the company's ambition with further recent investment made in research and development projects in both New Zealand and South America. Carr's said both of these markets are prime targets for the international expansion of the group's feedblock business.

Whitworth Brothers Ltd. produces a wide range of wheat flours as well as flour and grits milled from maize, rice and rye grains.