

Bacardi nabs 42 Below



GOING global . . . Geoff Ross, managing director and CEO of 42 Below, has sold his business to Bacardi. / Agence France-Presse

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NEW Zealand businessman Geoff Ross has sold his successful Kiwi-distilled vodka 42 Below to the world's largest rum producer, Bacardi, for \$NZ138 million (\$A121 million).

The sale, which is expected to be completed in the next month, ends a dream run for Ross, a former Saatchi & Saatchi executive, and three backers, who began the global vodka group in windy Wellington in 1999.

The name 42 Below came about because Wellington is located on the 42nd parallel which crosses the country and the vodka itself contains 42 per cent alcohol.

42 Below is listed on the NZ exchange and Bacardi is offering NZ77¢ a share for the company, a 35 per cent premium to Tuesday's closing price although the shares yesterday jumped to NZ76¢.

Ross, co-founders Grant Baker and Stephen Sinclair and investor David Wright own 53 per cent of the company and have agreed to accept the Bacardi bid.

"The brand has always been unashamedly New Zealand and now with Bacardi's help our country's vodka brand is set to become a major global force," Ross said in a statement yesterday.

The 42 Below sale comes amid a changing face of the Australasian alcohol business. Vendors of the giant Independent Liquor group, which owns 65 per cent of the New Zealand ready-to-drink market and 30 per cent of the Australian market, this week issued an information memorandum to potential buyers of the \$1.2 billion business, including Lion Nathan, Foster's and Coca-Cola Amatil.

Today 42 Below has been voted among the best vodkas on the globe, outpacing some of Russia and Sweden's finest drops and the company is currently involved in a major push into the Soviet bloc.

The group floated at NZ50¢ a share, later touching a high of NZ85¢. It posted a net loss of \$NZ3.3 million on revenue of \$NZ17 million for the year to March 31. In the US, 42 Below is now in more than 13 states.