

3G Capital

3G buys control of Burger King

Burger King – the world’s second-largest quickservice hamburger restaurant chain – has been sold to 3G Capital, a private equity firm, in a deal valued at over \$3-billion.

The deal was announced in September after the Miami-based chain had been the subject of takeover rumours for days.

Burger King, which has about 12 000 outlets, floated on Wall Street in 2006, four years after being bought by a group of private equity firms.

The deal, worth \$24 a share, was concluded after Burger King’s stock price surged more than 15% on September 1. The companies said that the deal represented a 46% premium to Burger King’s share price before news of a possible takeover surfaced. 3G will also take on Burger King’s debt, valuing the deal at \$4bn in total.

Burger King has struggled during the recession and forecast weak demand for the rest of the year. Burger King’s core customers are young men between 18 and 34, an income group badly hit by unemployment in the US.

Once said to be unique, the company’s flame-grilled hamburgers have competition from several smaller rivals, including Five Guys and In-N-Out Burger in the United States.

Analysts believe that an overhaul of the menu and international expansion are essential for Burger King. One said the company needs to work with its large group of franchise owners to brighten its locations.

3G owns controlling or partial stakes in beermaker Anheuser-Busch InBev, Lojas Americanas, a non-food and online retailer in Latin America, and America Latina Logistica, the largest railroad and logistics business in Latin America. 3G also has a small stake, less than 1%, in Wendy’s, a Burger King rival.

New York-based 3G is backed by Brazilian billionaire Jorge Paulo Lemann and two of his partners Marcel Telles and Carlos Alberto Sicupira.

In terms of the deal with 3G, Burger King’s chairman and chief executive John Chidsey will become co-chairman of the board. Alex Behring, managing partner of US-based 3G, will be the other co-chairman.



Compass Group Southern Africa

Compass invests in the future

Compass Group Southern Africa has invested R5.4-million over the past three years to train more than 140 young people in food preparation at its Chefs’ Academy.

Among them are hearing-impaired youngsters, associated with the National Institute for the Deaf. One of them, Leena Pillay from Port Shepstone, says she is inspired by Reuben Riffel for his great food and presentation and because he owns a restaurant.

“I’ve always had a passion for food, its preparation, catering and the general hospitality industry.”

Through a one-year Theta-accredited training programme – underpinned by various allowances and stipends, free uniforms and a full set of chef knives – students learn the skills required to become a professional chef.

Lientjie van Rensburg, national manager of organisational and talent development at Compass, says: “Our involvement with the Chefs’ Academy goes beyond merely handing out money. We impart the relevant knowledge and place some of our graduates in the business because we believe in sustainable empowerment.”

Barbara Crafford, NID college learnership facilitator, takes particular pride in her students because of the manner in which they have overcome their disability.

She says: “I share my skills and passion with them. Compass is giving kids who may not otherwise have received such opportunities a great future. This is what makes me look forward to coming to the college every day.”

● ABOVE: Leena Pillay has impaired hearing but this has not prevented her from training for a career in the hospitality industry.