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PACIFIC EQUITY PARTNERS SELLS PETERS FOOD GROUP LIMITED TO R&R ICE CREAM

Funds advised by Pacific Equity Partners (PEP) today announced the sale of Peters Food Group Limited (Peters / Company), one of Australia's oldest consumer businesses, to R&R Ice Cream plc (R&R), backed by funds advised by PAI Partners (PAI). The terms of the deal are not disclosed.

Under the agreement, R&R will acquire Peters, with its portfolio of household name ice creams including Drumstick, Connoisseur, Peters Original and Maxibon. PEP Fund IV purchased Peters from Nestlé in 2012. Since the acquisition, Peters has undergone a significant transformation driven by investment in its core brands, substantial new product development and improvement in operating costs, under the leadership of CEO, Stephen Audsley. It generates annual sales of circa A\$269m (€190m).

Founded in 1985, R&R is the largest private label ice cream manufacturer in Europe and the second largest ice cream manufacturer overall in Europe. Its strong branded portfolio includes the Mondelez and Nestlé brands (including Cadbury Dairy Milk, Oreo, Milka, Smarties and Kit-Kat) as well as brands such as Disney, YooMoo frozen yogurt and Kelly's of Cornwall. Revenues for the year ending 31 December 2013 were approximately A\$968m (€681m).

R&R is fully committed to continuing to invest in Peters and the Company's long history of innovation. The existing Australian executive leadership team will continue to develop the Peters business locally and as a part of the broader global R&R business.

By combining the two companies, R&R is further establishing its position as a world leader in the ice cream manufacturing market with a unique presence both in the European and Australian markets and significant increased potential for international expansion.

Pacific Equity Partners Managing Director, Tony Duthie, said:

"PEP has a long track record of investing in and growing businesses. The successful transformation of the Peters business underscores our ability to combine outstanding management, operational experience and industry knowledge to individual companies, resulting in strong returns for our investors. We are pleased that a company of R&R's pedigree will help drive the future of the Peters' business alongside the existing skilled and committed Australian management team."

Peters Chief Executive Officer, Stephen Audsley, said:

“Peters remains a proudly Australian company employing around 500 people across Australia. With the backing of R&R, Peters will continue to invest in its market leading brands including Drumstick and Connoisseur and in its long history of innovation. Manufacturing will continue at our world class facility in Mulgrave from which we intend to create new opportunities for growth.”

Ibrahim Najafi, CEO of R&R, said:

“We are delighted to have come to an agreement with Peters and PEP. Peters is an iconic Australian business and the leader in the Australian ice cream manufacturing market; it will be an exciting complement to R&R’s European presence. We look forward to working with Stephen and his team and accelerating our growth as one combined business.”

Financial advisers to PEP were Morgan Stanley, Allens provided legal advice and PWC provided accounting and tax advice.

Financial advisers to R&R were Rothschild, Allen & Overy provided legal advice and KPMG provided accounting and tax advice.

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Notes to Editors

About Peters

Peters is one of Australia's oldest and most iconic consumer businesses, established in Manly, Sydney, in 1907. The Company has a portfolio of iconic and heritage brands focused on the Premium segment of the ice cream market and widely recognised as some of Australia's most trusted consumer brands.

A dynamic and forward looking company, Peters has a culture and strong track record of innovation and is one of the country's leading ice cream manufacturers by value and volume. Today, the Company's brand portfolio includes some of Australia's most recognisable household names, including Peters Original, Drumstick, Connoisseur, Skinny Cow and Maxibon.

Peters sells its products through two core distribution channels Grocery (supermarkets) and Impulse (Convenience outlets) and holds market leadership positions in both. Peters' products cater to all segments of the market including tubs, cones, sticks, sandwiches and cups in both single serve and multi-pack formats. Operating from its modern production facility located at Mulgrave in Victoria, Peters employs around 500 people throughout Australia.

About R&R

R&R Ice Cream – originally Richmond Ice Cream – started out in 1985 as a North Yorkshire-based own label ice cream manufacturer. In the early years it had five employees and turnover of approximately A\$441,000 (£250,000). In 1998 the business merged with Treats Group plc – a Leeds based ice lolly manufacturer – followed by the acquisitions of ABF's ice cream business in 2000 and of Nestlé Ice Cream's UK business in 2001. The Nestlé acquisition allows the company to manufacture, distribute and market top brands such as Fab, Mr Men, Smarties, Rolo and Rowntrees Fruit Pastilles.

In 2006, following the Oaktree managed funds' acquisition of the company; Richmond was merged with German ice cream manufacturer Roncadin GmbH to form R&R Ice Cream. The expansion programme accelerated with Kelly's of Cornwall added to the portfolio in 2008 and the French business Rolland joining in 2010. This has been followed by the purchase of Pilpa in France, the German ice cream company Durigon and Italy's largest own-label ice cream manufacturer Eskigel.

In 2011, R&R announced a licensing agreement with Mondelez International to manufacture and distribute an ice cream range of Mondelez International (formerly Kraft Foods) brands including Milka, Toblerone, Daim, Oreo and Philadelphia across Western and Eastern Europe. Most recently, R&R has acquired YooMoo, the leading UK frozen yogurt business, and Fredericks Dairies. R&R was acquired by PAI in mid-2013.

Today R&R is Europe's leading supplier of own-label ice cream with a strong branded portfolio including Mondelez, Nestlé, Disney, YooMoo frozen yogurt and Kelly's of Cornwall. The company has 9 production sites across the UK and mainland Europe.

About Pacific Equity Partners

Pacific Equity Partners is the largest PE Fund in Australia and New Zealand with more than A\$6 billion (€3.8 billion) equity funds under management. The team provide strategic management experience and capital resources to generate sustainable value within the PEP Funds' operating companies through a focus on supporting management to drive operational improvement and realise additional growth opportunities.

Established in 1998, PEP Funds have made 24 operating company investments, and over 60 add-on acquisitions at the company level. The 10 current PEP group operating companies span several industries including energy, consumer products, entertainment and basic financial services industries, with a total combined enterprise value over A\$10 billion (€6.4 billion). Together, these businesses employ over 40,000 people across Australia and New Zealand.

PEP has been the recipient of a number of awards in recent years, including Firm of the Year, Best LBO Deal of the Year and Private Equity Firm of the Year.

Further information on PEP and its operating companies can be found at www.pep.com.au

About PAI Partners

PAI is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich and Stockholm. PAI manages A\$8.2 billion (€5.8 billion) of dedicated buyout funds. Since 1994, PAI has completed more than 50 LBO transactions in 10 European countries, representing over A\$51 billion (€36 billion) in transaction value. PAI is characterised by its industrial approach to ownership combined with its sector based organisation, Food being one of the sectors where it has a long track record of successful investments. PAI provides portfolio companies with the financial and strategic support required to pursue their development and enhance strategic value creation.

For further information about PAI: www.paipartners.com