



PAI PARTNERS TO ACQUIRE R&R ICE CREAM FROM OAKTREE CAPITAL MANAGEMENT, L.P

29th April 2013

PAI Partners (“PAI”) today announced the acquisition of R&R Ice Cream Plc (“R&R”), a leading European ice cream manufacturer with a strong portfolio of own-label and branded products, from funds managed by Oaktree Capital Management, L.P. (“Oaktree”) and the other shareholders of R&R for an undisclosed sum. The transaction is subject to certain regulatory approvals and financing conditions. R&R’s senior management team will continue to lead the business and are investing in the company.

Founded in 1985, R&R is headquartered in North Yorkshire and is Europe’s leading supplier of own-label ice cream with a strong branded portfolio including Nestlé, Skinny Cow, YooMoo frozen yoghurt, Kelly’s of Cornwall and Disney. Most recently, R&R launched a range of Mondelez International brands including Milka, Toblerone, Daim, Oreo and Philadelphia across 10 European countries. Oaktree managed funds acquired Richmond Foods Plc in 2006 and subsequently merged it with German ice cream firm Roncadin to form R&R. Since 2006, R&R has acquired a number of ice cream businesses including Rolland and Pilpa in France, Durigon in Germany and Eskigel, Italy’s largest own-label ice cream manufacturer. Today, the company has 11 production sites across the UK and mainland Europe. Revenues for the year ending 31 December 2012 were approximately €600 million.

Earlier this month, R&R reached an agreement to acquire ice cream manufacturer Fredericks Dairies for £49 million, subject to competition clearance. Fredericks has the licence to manufacture ice cream and iced refreshment brands such as Cadbury, Barratt’s, Britvic, Del Monte, Vimto and has already launched new products under Mondelez’s Oreo brand.

PAI Partners will support R&R through its next phase of growth, investing in the expansion of the company’s international footprint and renowned consumer brands.

The consumer sector is one of PAI’s core target areas for investment, having successfully invested in leading food and consumer businesses including: Yoplait, one of the top 20 global consumer brands; United Biscuits, the largest biscuits manufacturer in the UK; and Chr. Hansen, a leading food ingredients supplier.

James Lambert, CEO & Executive Chairman at R&R Ice Cream, said:

“We are very excited to be partnering with PAI and working together on our next phase of development as we continue with our growth strategy across our brands. We have benefitted immensely from working with Oaktree and I would like to thank them for their support.”

Colm O’Sullivan, Partner at PAI Partners, said:

“R&R is a market-leading company with a strong portfolio of innovative products and excellent potential to expand in the UK and internationally. The food and consumer brands sector is a core

area of investment focus and expertise for PAI and we are delighted to be investing in R&R. We look forward to working closely with the company's management and supporting the company's continued growth."

Jim Van Steenkiste, Managing Director at Oaktree, said:

"Our partnership with R&R has been very successful. We are delighted to have supported the company in achieving significant growth since our investment in 2006 and an enhanced market position. The company today is a leader in its sector and is well-positioned for future growth. We wish R&R every success in its new relationship with PAI."

Barclays acted as sole financial advisor to Oaktree. Rothschild and Credit Suisse advised PAI Partners.

-ENDS-

Notes to Editors

About R&R Ice Cream

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 £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 Nestle 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 in 10 countries across mainland Europe. Most recently, R&R has acquired YooMoo, the leading UK frozen yogurt business, and Fredericks Dairies.

About PAI Partners:

PAI is a leading European private equity firm with offices in Paris, Copenhagen, London, Luxembourg, Madrid, Milan and Munich. PAI manages and advises dedicated buyout funds with an aggregate equity value of EUR 4 billion. Since 1998, PAI has completed 42 LBO transactions in 9 European countries, representing over EUR 34 billion in transaction value. PAI is characterised by its industrial approach to ownership combined with strong sector expertise. PAI provides portfolio companies with the financial and strategic support required to pursue their development and enhance strategic value creation.

About Oaktree

Oaktree is a leader among global investment managers specializing in alternative investments, with \$77.1 billion in assets under management as of December 31, 2012. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in distressed debt, corporate debt (including high yield debt and senior loans), control investing, convertible securities, real estate and listed equities. Headquartered in Los Angeles, the firm has over 700 employees and offices in 13 cities worldwide. For additional information, please visit Oaktree's website at www.oaktreecapital.com.

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