



PAI PARTNERS COMPLETES ACQUISITION OF R&R ICE CREAM

PAI Partners (“PAI”), a leading European private equity firm, today announced the completion of its acquisition of R&R Ice Cream from Oaktree Capital Management L.P., which was previously announced on 29th April. Since that announcement, R&R has also acquired Fredericks Dairies Limited’s ice cream business in the UK.

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. The Fredericks acquisition will further enhance the company’s branded offering with the addition of brands such as Cadbury, Del Monte and Vimto.

Both acquisitions were approved by regulatory authorities and gained full consent from existing bondholders. As part of the acquisition, R&R successfully raised €253 million five-year Senior PIK Toggle Notes alongside €350 million existing Senior Secured Notes.

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

Additionally R&R has announced an organisational change, with current Chairman and CEO, James Lambert OBE becoming Chairman and Ibrahim Najafi promoted to Group CEO. Speaking of the promotion, James Lambert OBE said: “Ibrahim is one of the best managers in the food industry today and his skill, dedication and hard work have played a major part in R&R’s success to date. I could not be happier that I have such an able successor to continue to grow and lead such a fantastic and successful company”.

Ibrahim Najafi joined the company in 1998 and was appointed to the Board in 2000. In 2009 he was promoted to CEO Europe and has since been responsible for the growth of the business in Germany Poland, France and Italy.

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.

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About R&R Ice Cream

R&R Ice Cream – originally Richmond Ice Cream – founded in 1985 by James Lambert, the current Chairman and a group of farmers, started out 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 leading the consolidation of the UK ice cream industry. 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 with the goal of leading the consolidation of the European ice cream market.

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.

Fredericks Dairies not only has some excellent licenced brands such as Cadbury but it also holds the UK licence for Mondelez and this reinforces the commitment between Mondelez International and R&R. Fredericks is the number 3 manufacturer in the UK ice cream market.

About PAI Partners:

PAI is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich and Stockholm. PAI manages and advises dedicated buyout funds with an aggregate equity value of EUR 4 billion. Since 1998, PAI has completed 45 buyout transactions in 10 European countries, representing close to EUR 36 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.

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