Press Release

The Abraaj Group agrees to acquire 100% stake in leading African frozen dairy business - Fan Milk International

- Abraaj agrees to acquire iconic West African food consumer brand in landmark transaction

- Acquisition represents the largest ever African FMCG private equity transaction in Sub-Saharan Africa, outside RSA

- The Abraaj Group is one of the largest and most active private equity investors in Africa having invested US$2.2 billion in sixty-nine partner companies

Accra, Ghana, 19 June 2013: The Abraaj Group, a leading investor operating in growth markets, today announced its agreement to acquire a 100% stake in Fan Milk International (“FMI”), West Africa’s market leading manufacturer and distributor of frozen dairy products and juices.

Established over 50 years ago, FMI possesses an impressive track-record of organic growth in West Africa where it has become the undisputed market leader in frozen dairy products. FMI currently operates through subsidiaries in the rapidly growing markets of Ghana, Nigeria, Togo, Ivory Coast, Benin and Burkina Faso. The company has successfully built and controls a unique and fully integrated regional manufacturing and distribution cold chain network, as well as a broad portfolio of convenience food and beverage brands that reaches over 31,000 end-sales points. FMI, through its subsidiaries, currently sells over 1.8 million products on a daily basis across West Africa.

FMI’s range of frozen dairy and beverage products supply some of the world’s fastest growing consumer, youth and urban markets with projected private consumption growth
rates ranging from 4.2% to 9.9% and GDP growth rates of up to 8.3% across FMI’s core, target markets in West Africa\(^1\).

Building on this portfolio of highly recognized brands, FMI is now well positioned to embark on further penetration and growth into new African markets. Abraaj will work alongside the company’s strong, locally experienced management team to tap the ongoing rise of the African consumer class, in FMI’s existing market reach of over 250 million consumers and beyond.

**Commenting on the transaction, Arif Naqvi, Founder and Group Chief Executive of the Abraaj Group, said:** “This is a landmark deal for both African Private Equity and the Abraaj Group. The considerable investment and growth plans we have for FMI mirror the scale and depth of investment opportunities that we believe are now abundant on the African continent. Africa is witnessing the rise of a burgeoning middle and consumer class, so the acquisition of FMI is an extremely exciting and compelling investment opportunity. FMI’s portfolio of leading consumer food brands perfectly complements our African investment strategy. The Abraaj Group has now invested US$2.2 billion into sixty-nine partner companies across Africa making us one of the most active, long term investors on the continent.”

“Abraaj’s deeply embedded environmental, social and governance principles will also ensure we create long term, social benefits for FMI’s local communities alongside the strong financial returns we aim to generate.”

**Jacob Kholi, Partner of the Abraaj Group in Africa, added:** “Our relationship with and knowledge of FMI has been built up over many years, thanks to our twenty year, on the ground presence in Africa. This investment in FMI builds on our strategy of targeting both the African agri-food sector, as seen with our investment in Brookside Dairy, the largest dairy in East Africa, as well as the rapidly growing African FMCG sectors.”

“We’re excited for Abraaj to have led the largest ever FMCG private equity transaction in Sub-Saharan Africa, outside South Africa.”

**Preben Sunke, Chairman of Fan Milk International said:** “Having started as a family business more than five decades ago, we are extremely proud to have built both a strong business and a platform on which to take the company further on the African continent.”

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\(^1\) Source: Economist Intelligence Unit
The transaction is expected to close by the end of November this year. Freshfields Bruckhaus Deringer acted as legal advisors to The Abraaj Group. Norton Rose Fulbright acted as legal advisors to Fan Milk International.

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THE ABRAAJ GROUP

The Abraaj Group is a leading private equity investor operating in the developing and growth markets of Asia, Africa, Latin America and the Middle East.

The Abraaj Group currently manages US$ 7.5 billion across 25 sector and country-specific Funds encompassing private equity (majority and significant minority investments with ticket sizes of between US$ 10 million to US$ 100 million) and real estate (primarily yield-generating) investments.

Funds managed by the Group have holdings in over 150 partner companies that create sustainable value in sectors including manufacturing, education, retail, aviation, oil and gas, financial payments infrastructure, healthcare and agribusiness. Examples of Abraaj partner companies in Africa include Brookside Dairy, the largest dairy in East Africa, Vine Pharmaceuticals, the largest pharmacy retail chain in Uganda and Athi River Steel Plant Limited in Kenya, one of the largest hot and cold rolled steel producers in the region. The Abraaj Group has eight offices across the African continent – Ghana, Nigeria, Kenya, South Africa, Morocco, Algeria, Tunisia and Egypt.
The Abraaj Group is committed to the highest environmental, stakeholder engagement and corporate governance standards and is a signatory of the UN-backed Principles for Responsible Investment and the United Nations Global Compact.