

EDITA FOOD INDUSTRIES S.A.E

PRESS RELEASE

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Edita Food Industries announces its intention for a secondary market public offering of ordinary shares on the Egyptian Exchange and global depositary receipts on the London Stock Exchange

Cairo, 2 March 2015

Edita Food Industries S.A.E. ("Edita" or the "Company") announced today its intention to proceed with a secondary market public offering of up to 30% of the Company's existing ordinary shares currently owned by the Selling Shareholders (as defined below) in (i) an institutional offering of ordinary shares to be listed on the Egyptian Exchange ("EGX") and global depositary receipts ("GDRs") representing ordinary shares to be listed on the London Stock Exchange ("LSE"), and (ii) a separate domestic offering of ordinary shares in Egypt (together, the "Combined Offering"). Edita has received permission to list its shares on the EGX under the symbol EFID.CA and is now in the process of holding the relevant shareholders meetings with regards to approving the Combined Offering. Subsequently, Edita will seek the regulatory approvals from the Egyptian Financial Supervisory Authority ("EFSA") and the EGX to proceed with the Combined Offering and for the shares to be admitted for trading on the EGX. Once approved by the EFSA and the EGX, the Company intends to apply for the admission of the GDRs to the Official List maintained by the Financial Conduct Authority and to the LSE for admission to trading on its regulated market for listed securities.

Edita was founded in 1996 by the Berzi family and is a leader in the growing Egyptian packaged snack food market that was estimated at EGP15.5 billion in 2014 (1). The Company manufactures, markets and distributes a range of branded baked snack products including packaged cakes, croissants and rusks (baked wheat snacks), wafers as well as selected confectionary/candy products. The Company's local brand portfolio includes household names such as *Molto*, *Todo*, *Bake Rolz*, *Bake Stix*, *Freska* and *MiMix*, with the Company also owning select international brands in certain jurisdictions, including *Twinkies*, *Hohos* and *Tiger Tail* ("HTT Brands") (2). Edita holds number-one market positions in its core cake and croissant segments and a number-two market position in rusks. In 2014, the Company derived c.94% of its revenue from Egypt, with the balance of c.6% attributable to over 14 regional export markets.

Edita operates four state-of-the-art factories in Egypt with 21 production lines. The Company has an extensive in-house sales and distribution network in Egypt that includes 18 distribution centres and with a fleet of 515 distribution vehicles. Edita sold c.3.2 billion packs in 2014 to a growing base of over 63,000 retail and wholesale customers. The Company has a leading in-house research and development department that has been instrumental in creating new concepts and brands, including facilitating Edita's entry into the savoury packaged croissants, cakes, wafers and rusks segments in Egypt.

In 2014, Edita achieved revenue, EBITDA and net profit of EGP 1,918.6 million, EGP463.1 million (24.1% margin) and EGP265.9 million, respectively. Over the 2012-2014 period, the Company achieved robust revenue, EBITDA and net profit CAGRs of 19.6%, 26.9% and 26.2%, respectively (3).

The Combined Offering will consist of ordinary shares and GDRs. The selling shareholders are Africa Samba B.V., an indirect subsidiary of funds managed by pan-emerging markets private equity firm Actis, and Exoder Limited, a subsidiary of a leading Greek snack foods player, Chipta (the "Selling Shareholders"). Berco Limited, an investment vehicle of the Berzi family, is the largest shareholder in Edita and will not be selling any shares in the transaction.

Commenting on the Combined Offering, **Edita Chairman and CEO Hani Berzi** said: "Since founding Edita in 1996, my family has always focused on building the business into a leading consumer products company with a unique combination of local insight and international best practices. Today, Edita boasts a portfolio of leading brands with strong market positions, ISO certified production facilities, an extensive sales and distribution network and best-in-class procedures and IT systems - all led by a well-rounded, internationally experienced management team. Edita has achieved robust historical growth, recording healthy sales growth over the last 15 years. We look forward to our next stage of growth as a public company."

>Edita Product Segment Details

Product Segment	Croissant	Rusks	Cake	Candy	Wafer
Year Entered	1997	2000	2003 (4)	2011	2012
Brands	Molto	Bake Stix and Rolz	Todo, Hohos, Twinkies, Tiger Tail	MiMix	Freska
SKUs (2014)	8 SKUs	11 SKUs	18 SKUs	25 SKUs	5 SKUs
FY14 Absolute (%) & Relative (x) Market Share (5)	69% 3.7x	42% 0.7x	68% 13.3x	8% 0.8x	6% 0.2x
Brand Awareness (6)	100%	95%	100%	NA	91%
Rank	#1	#2	#1	#4	#5
% of 2014 Revenue (7)	29.4%	4.6%	59.5%	2.7%	3.3%

Key Investment Highlights

- **Attractive industry backdrop driven by favourable macroeconomic, demographic and lifestyle trends in Egypt.**

As a producer of affordable snacks targeting the mass market, Edita benefits from the fact that Egypt has the largest population in the MENA region, with 88 million people, 50% of whom are below the age of 24. Egypt is also the third-largest economy in the MENA region with a GDP of USD 271 billion (8). In addition, changing lifestyles trends in Egypt, including greater time spent out of home, are supporting increased consumption of convenience / on-the-go packaged food products. Since

2010, the Egyptian snack foods market has grown at c.24% annually, reaching a market size of EGP 15.5 billion in 2014 (9).

- **Portfolio of highly recognized brands tailored to the Egyptian market, with strong absolute and relative market positions and consumer awareness in core product segments.**

Edita's portfolio includes differentiated brands in each product segment, each with its distinct positioning and target customer base. Edita's brands are characterized by high brand awareness in Egypt ranging from 91% to close to 100% for cakes, croissants, rusks and wafers brands (10). At the end of 2014, Edita had a 68% market share in cakes (#1 position), 69% in croissants (#1 position) and 42% in rusks (#2 position), with growing market positions in wafers and candies (11).

- **Extensive sales and distribution network serving a broad base of over 63,000 customers.**

Edita has a robust and differentiated sales and distribution platform with broad geographic reach including 18 distribution centres and 515 distribution vehicles across 16 governorates. Edita serves more than 63,000 wholesale and retail customers across Egypt and currently exports to more than 14 regional export markets.

- **Best-in-class industrial operations and facilities supported by a synchronized and dynamic supply chain.**

Edita operates four ISO-certified factories housing a total of 21 production lines with combined annual production capacity of c.101,100 tons at the end of 2014. Three additional production lines are expected to come on-line in March-2015 and another two are expected to come online before year-end 2015. The five additional production lines, expected to be added by 2015, will bring the total number of production lines to 26 and increase Edita's annual production capacity to 140,000 tons at the end of 2015. All factories are ISO certified for Quality Management, Environmental Management, and Food Safety, and OHSAS certified for Occupational Health and Safety. Edita also operates an integrated supply chain operation applying the international industry standard Sales & Operational Planning (SO&P) process with close coordination between all departments.

- **Leading R&D and innovation platform with a track record of successfully introducing new snack foods categories in the Egyptian market.**

Edita has successfully introduced seven brands to the Egyptian market since 1997 and has coordinated 49 SKU launches and 21 SKU de-listings since 2010. Edita has a specialist R&D department that identifies new product opportunities based on consumer research and was instrumental in introducing new snack product categories in Egypt, including packaged croissants and rusks.

- **Experienced, owner-led management team with a well-trained, tenured and motivated workforce supplemented by strong corporate governance policies.**

Edita's senior management team has an average of 22 years of experience in the industry and is led by Hani Berzi, the Company's founding Chairman and CEO, who has significant experience in the Egyptian snack food industry, having prior to Edita founded the once leading Egyptian wafer brand called Samba that was eventually sold to PepsiCo. The majority of the senior managers have prior experience with multinational companies, including Pfizer, PwC, Philip Morris, Vodafone, Heineken, Gillette, Kraft, PepsiCo, EFG Hermes and Peugeot. Edita also has a tenured, motivated and well-compensated workforce which results in the employees achieving high productivity. Edita's corporate governance is in accordance with international best practices which include independent Board members and will include an audit committee comprising of independent and non-executive members.

- **Robust regional export business with good potential for growth.**

Edita currently exports to over 14 regional export markets, primarily Libya, Iraq, Palestine, Jordan, Syria and Yemen. The Company has exclusive ownership of the HTT Brands -*Twinkies, Hohos, Tiger Tail*- in Libya, Jordan and Palestine. Edita sees potential for growth in export markets given similar macro and

demographic profiles compared to Egypt, similar consumer tastes, combined with the presence of significant Egyptian expat populations in those markets.

- **Track record of robust top and bottom-line growth combined with strong margins.**

Over the 2012-2014 period, the Company achieved robust revenue, EBITDA and net profit CAGRs of 19.6%, 26.9% and 26.2% respectively. The Company delivered a strong EBITDA margin of 24.1% in 2014.

Financial Highlights ⁽¹²⁾

EGP in millions	2014
Revenue	1,918.6
<i>12-14 CAGR</i>	<i>19.6%</i>
EBITDA	463.1
<i>% Margin</i>	<i>24.1%</i>
<i>12-14 CAGR</i>	<i>26.9%</i>
Net Profit	265.9
<i>% Margin</i>	<i>13.9%</i>
<i>12-14 CAGR</i>	<i>26.2%</i>

Offering Highlights

Following the approval of the EFSA and the EGX, the shares and GDRs will be offered to institutional investors in Egypt and internationally (the "Institutional Offering") with a further offering of shares in a domestic offering in Egypt (the "Egyptian Retail Offering"). No GDRs will be offered to the public in Egypt.

The selling shareholders are Africa Samba B.V., an indirect subsidiary of funds managed by pan-emerging markets private equity firm Actis, and Exoder Limited a subsidiary of leading Greek snack foods player Chipita (the "Selling Shareholders"). Berco Limited, an investment vehicle of the Berzi family and the largest individual shareholder in the Company, will not sell any shares in the offering and will remain the largest individual shareholder in Edita following the Combined Offering.

EFG Hermes Promoting & Underwriting and Goldman Sachs International are acting as Joint Global Coordinators and Joint Bookrunners for the Combined Offering.

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About Edita Food Industries S.A.E.

Edita, founded in 1996 and headquartered in Egypt, is a leader in the growing Egyptian packaged snack food market. The Company manufactures, markets and distributes a range of branded baked snack products including packaged cakes, croissants and rusks (baked wheat), wafers as well as selected confectionary/candy products. The Company's local brand portfolio includes household names such as *Todo*, *Molto*, *Bake Rolz*, *Bake Stix*, *Freska* and *MiMix*. The Company also has the exclusive ownership of the international brands *Twinkies*, *Hohos* and *Tiger Tail* in Egypt, Libya, Jordan and Palestine. The Company holds strong number-one market positions in its core cake and croissant segments, a number-two market position in rusks, and growing market positions in the wafers and candy segments. In 2014, the Company derived c.94% of its revenue from Egypt and c.6% from over 14 regional export markets.

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This announcement does not constitute a recommendation concerning the Combined Offering. The price and value of securities and any income from them can go down as well as up. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the Combined Offering cannot be relied upon as a guide to future performance. Before purchasing any Shares and/or GDRs, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus, when published.

In connection with the Combined Offering, EFG Hermes Promoting & Underwriting, Goldman Sachs International or any of their respective affiliates, acting as investors for their own account(s), may subscribe for or purchase ordinary shares and/or GDRs and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own accounts in such Shares and/or GDRs and other securities of the Company or related investments in connection with the Combined Offering or otherwise. Accordingly, references in the Prospectus, once published, to the Shares and/or GDRs being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, EFG Hermes Promoting & Underwriting, Goldman Sachs International or any of their respective affiliates acting as an investor for its or their own account(s). None of EFG Hermes Promoting & Underwriting, Goldman Sachs International or any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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In connection with the Combined Offering, a stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, effect transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The stabilising manager will not be required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the Egyptian Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the stabilising manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the offer price. Save as required by law or regulation, neither the stabilising manager nor any of its agents intends to disclose the stabilisation transactions conducted in relation to the Combined Offering.

Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting Edita Food Industries S.A.E (the "Company").

Forward-looking statements reflect the current views of the Company's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Company's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

ENDNOTES

1. AC Nielsen Retail Audit.
2. Edita has exclusive ownership of the HTT Brands in Egypt, Libya, Jordan and Palestine.
3. Figures derived from IFRS audited financial statements.
4. Todo was introduced in 2010.
5. Source: AC Nielsen Retail Audit. Relative market share is calculated as Edita's market share divided by market share of its next-largest competitor.
6. Source: IPSOS. Brand awareness measures the share of respondents that were familiar with the brand in aided, spontaneous consumer surveys.
7. Additional 0.4% of 2014 revenue generated from distribution of selected imported products.
8. IMF, CIA World Factbook.
9. AC Nielsen Retail Audit.
10. Source: IPSOS. Brand awareness measures the share of respondents that were familiar with the brand in aided, spontaneous consumer surveys.
11. AC Nielsen Retail Audit.
12. Figures derived from IFRS audited financial statements.