



Edita Food Industries acquires rights to its existing HoHo's, Twinkies & Tiger Tail (HTT) Brands in 12 additional MENA countries, acquires technical assistance & know-how to manufacture 11 new Hostess Brands products

Expansion of existing Edita-owned brands into new territories and acquisition of know-how and technical assistance to launch new products marks new phase in Edita's drive to establish meaningful direct presences on the ground in key regional target markets.

Cairo, 19 April 2015

Edita Food Industries S.A.E. (EFID.CA on the Egyptian Exchange and EFIFq.L on the London Stock Exchange), a leader in the Egyptian packaged snack food market with number-one market shares in its core cake and croissant segments, has finalized an agreement with Hostess Brands LLC to expand Edita's ownership of its HoHo's, Twinkies and Tiger Tail brands ("HTT") to 12 new countries across the Middle East and North Africa while also acquiring the right to manufacture and market 11 other Hostess Brands on a regional basis.

Under the terms of the deal, Edita's full ownership of the HTT brands in Egypt, Libya, Jordan and Palestine will now extend to new markets including Morocco, Algeria, Tunisia, Syria, Lebanon, Iraq, Bahrain, Oman, the UAE, Kuwait, Qatar and Saudi Arabia. In another closely-related transaction, Edita has acquired the license, know-how and technical assistance from Hostess Brands LLC across current and expansion territories that will allow Edita to manufacture and market 11 other Hostess products. Edita will not own the trademarks to the new brands.

Coming just weeks into Edita's debut as a publicly traded company, the expansion opportunity will expand use of the HTT brands across the MENA region, from the Maghreb to the Gulf. Additionally, the acquisition of know-how for the 11 new products will enable Edita to enlarge its current cake portfolio and maintain its market leadership position not only in Egypt, but also across the region.

Commenting on the transaction, **Edita Chairman and Managing Director Hani Berzi** said: "Our ability to swiftly capture this opportunity as it became available just weeks after trading commenced underscores not just the strength of our management team, but also our commitment to create new shareholder value through expansion opportunities. The extension of our HTT ownership footprint beyond the existing four markets, and the roll out of new Hostess Brands products, will help Edita further consolidate its position as the leader in the packaged snack food market both locally and regionally.

"Indeed, this transaction marks a very new and exciting phase in our regional expansion strategy as we look to grow the contribution of MENA sales and operations to our revenues beyond the c. 6% for which they accounted in 2014. We will do this not just through growing our exports, but by seizing opportunities as they present themselves to establish meaningful direct presences on the ground in key target markets across the region.

"Moreover, the acquisition will allow us to introduce new products to our home market that will sustain our strong momentum in the core cakes segment, with domestic production allowing us to seed future export markets in advance of our direct entry," Berzi concluded.

The transaction will be financed by a medium-term facility.



Edita holds number-one market positions in Egypt in its core cake and croissant segments and a number-two market position in rusks. In 2014, Edita recorded revenues of EGP 1,918.6 million, EBITDA of EGP 463.1 million (24.1% margin) and reported net profit of EGP 265.9 million.

Apollo Global Management and C. Dean Metropoulos acquired both the Hostess and Dolly Madison brands in January 2013; Edita subsequently acquired ownership of the HTT brands in Egypt, Libya, Jordan and Palestine in April 2013.

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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, rusks (baked wheat), and 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 HTT brands *Twinkies*, *Hoho's* and *Tiger Tail* in Egypt, Libya, Jordan, Palestine, Morocco, Algeria, Tunisia, Syria, Lebanon, Iraq, Bahrain, Oman, the UAE, Kuwait, Qatar and Saudi Arabia; and is party to a technical assistance and know-how agreement to manufacture 11 additional HTT brands across its territories. 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. Learn more at ir.edita.com.eg.

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