



Lotus Bakeries acquires Swedish Annas Pepparkakor

Lembek/Tyresö, 6 November 2008 – Lotus Bakeries (“Lotus”) is pleased to announce that it has entered into an agreement with Accent Equity, a Swedish private equity fund, to buy the shares of Annas Pepparkakor Holding AB of Sweden (together with its affiliates “Anna’s”).

Anna’s is founded in 1929 and a high quality producer of “Pepparkakor” a traditional Swedish biscuit. Pepparkakor is a thin and crispy biscuit enriched with cinnamon and ginger spices. The Anna’s products come in different flavours but always based on the same dough and traditional recipe.

Anna’s has shown a steady organic growth over the years. The total turnover as per year-end (30th of June 2008) amounts to SEK 172 million (equivalent to euro 17,3 million). Anna’s has realized a recurring EBITDA of 12 % on turnover.

The homemarket and origin of Anna’s is Sweden which represents about 28 % of the turnover. Anna’s is the best known brand of Pepparkakor and the market leader in Sweden. In Sweden, the Anna’s brand will be retained, supported and further expanded.

Recently North America became Anna’s largest market which represents 40 % of their total turnover. Ikea offers the Anna’s assortment worldwide in the department Ikea Food of their stores. The total sales to Ikea and the export to countries such as Finland, UK, Japan Australia, Norway and Portugal, represent 32 % of Anna’s turnover.

Anna’s has two production facilities. These factories are located in Sweden (in Tyresö near Stockholm) and Canada (in High River near Calgary). The total number of employees amounts to 67 people of which 50 are employed in Tyresö and 17 in High River.

The initial purchase price paid is based on an enterprise value of SEK 164 million (equivalent to euro 16,5 million). Depending on the year-end results of Anna’s as per 30th of June 2009 an additional amount will be paid on the EBITDA growth. In any case the enterprise value paid will be lower than 8 times recurring EBITDA. The acquisition will be fully financed by an unsecured bank loan to be repaid over seven years. The closing of the acquisition is foreseen at the end of November 2008. The results of Anna’s will be consolidated within the Lotus Bakeries group figures as per 1st of December 2008.

In general, Lotus Bakeries Group wants to reinforce its sustainable growth and profitability by concentrating on authentic specialties within the biscuits, ginger bread, waffles and pastries world. Furthermore, Lotus Bakeries wants to pursue a brand policy with products that are distinctive in terms of quality and consumer satisfaction, driven dynamically by a strong commercial organization and effectively targeted marketing campaigns. In this way, Lotus wants to strengthen or acquire a leading position for its specialties. The acquisition of Anna’s fits perfectly into the Group’s strategy to focus on high quality authentic specialties compatible with a branded strategy and with international potential.

Lotus Bakeries in a nutshell

Lotus Bakeries focuses on authentic specialities from the biscuit and cake world: caramelized biscuits (speculoos), gingerbread, waffles, frangipane, Madeleine, Breton butter specialities, Enkhuizer biscuits, battenbergs, etc. Lotus Bakeries, with headquarters in Belgium, is a dynamic, internationally oriented enterprise with production facilities in Belgium, the Netherlands and France. It has sales organizations in Belgium, the Netherlands, France, Germany/Austria, UK, Switzerland, Spain, the Czech Republic, the United States of America, and Singapore. With 1161 employees, Lotus Bakeries produces and sells high-quality, tasty products under the Lotus and Peijnenburg brand names. By maintaining a healthy balance between tradition and innovation, Lotus Bakeries indulges consumers with a unique range of products. Lotus Bakeries realised in 2007 a turnover of euro 224 million. The shares of Lotus Bakeries are listed on Euronext Brussels.

Accent Equity in a nutshell

Accent Equity Partners is a leading lower mid-market private equity company specializing in corporate buyouts in the Nordic region. Since the mid-nineties, the Accent team has advised six funds and carried out some 50 buyouts and 40 exits. Accent Equity Partners is an advisor to funds with a committed capital of about EUR 1 billion. Accent invests in well-established Nordic companies with a clear potential for value creation via strong growth, operational improvements and strategic development.
Further information: www.accentequity.se

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Further information on Lotus Bakeries can be found on the website:
www.lotusbakeries.com