



Press release

25 October 2006

### **The Blackstone Group and PAI partners acquire United Biscuits**

October 2006 – The Blackstone Group and PAI partners are pleased to announce that they have entered into a definitive agreement to acquire United Biscuits for a purchase price in excess of £1.6 billion. The transaction will be financed through a combination of equity contributed equally by Blackstone and PAI funds and debt financing. It is expected that members of United Biscuit’s management team will participate in the ownership of the ongoing entity.

The Company is a leading European manufacturer of biscuits and snacks. It is the number one player in the UK biscuit market with well-known household brands such as McVitie’s, go ahead! and Jacob’s. UB is also the number two business in the biscuit markets in France and Belgium, joint number one in the Netherlands, the number two in the UK bagged snacks market and UK cake market and the number one in the UK nuts market.

Malcolm Ritchie, Chief Executive, UB says, “Blackstone has a successful track record of owning and developing companies such as UB and I believe the Company will benefit from their involvement. PAI is one of our existing shareholders and we are delighted that they continue to see the great potential of the business and want to remain as shareholders. We delivered a strong half year result and we continue to see opportunities to further develop our key brands in all sectors.”

David Blitzer, Senior Managing Director of The Blackstone Group, says, “We are attracted to United Biscuits’ market position as well as its existing and new product lines. We look forward to partnering with the strong management during this next step of the company’s evolution.”

Bertrand Meunier, Senior Partner of PAI declares “We have known United Biscuits for a long time and welcome the opportunity to continue working with its outstanding management team which has led an impressive turnaround. We fully support their strategy to continue to develop market positions through new product developments and selected acquisitions”.

The completion of the transaction is subject to satisfaction of customary conditions to closing, including the clearance by the European Commission as well as consent of the UK Pension Regulator, and is expected to close by December 2006. The equity financing necessary for the transaction has been fully committed by Blackstone and PAI and the debt financing necessary for the transaction has been fully committed by Barclays, Goldman Sachs and JP Morgan, subject to customary closing conditions including completion of definitive documentation. Blackstone and PAI were also advised by JP Morgan, Herbert Smith and Simpson Thacher.

## **Contacts**

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## **Notes to editors**

### **The Blackstone Group**

The Blackstone Group, a global private investment and advisory firm, was founded in 1985. The firm has raised a total of more than \$67 billion for alternative asset investing since its formation of which approximately \$30 billion has been for private equity investing. The Private Equity Group is currently investing its fifth general private equity fund with commitments of \$15.6 billion, and has over 60 experienced professionals with broad sector expertise. Blackstone's other core businesses include Private Real Estate Investing, Corporate Debt Investing, Hedge Funds, Mutual Fund Management, Private Placement, Marketable Alternative Asset Management, and Investment Banking Advisory Services. Further information is available at <http://www.blackstone.com>.

### **PAI partners**

PAI is a leading European private equity firm with offices in Paris, London, Madrid and Milan. PAI manages and advises dedicated buyout funds with an aggregate equity value of over €7 billion.

In recent years, PAI has led several high profile European leveraged buyouts of sector-leading companies. Acquisitions have included: Chr. Hansen, the worldwide leader in natural ingredients to the food industry (€1.1 billion); Coin, the market leading apparel retailer in Italy (€640 million); Cortefiel, the market leading apparel retailer in Spain (€1.5 billion); Elis, the European leader in the textile rental and well-being services industry (€1.5 billion); Global Closure Systems, the worldwide leader in speciality and beverage closure systems (€583 million); Kwik-Fit, Europe's largest automotive fast-fit services provider (€1.2 billion); Saeco, the leading European coffee machine manufacturer (€825 million); Saur, a leader in the water distribution, sanitation and waste management in France (€1 billion); Spie, a leading multitechnical services company in France (€980 million); Vivarte, the leading specialist retailer of footwear and clothing in France (€1.5 billion) and Yoplait, the #2 worldwide producer of fresh dairy products.

PAI is characterised by its operational approach to ownership combined with industrial and sector expertise. PAI provides portfolio companies with the financial and strategic support required to pursue their development and enhance strategic value creation. For further information on PAI partners: [www.paipartners.com](http://www.paipartners.com)

## **United Biscuits**

UB is the leading manufacturer and marketer of biscuits in the U.K., joint number one in the Netherlands and the second largest in France and Belgium. In the U.K., UB is the leading manufacturer and marketer of packaged nuts and the second largest manufacturer and marketer of savoury snacks and crisps. In Ireland, UB is number two in biscuits and number three in snacks.

UB manufactures and markets a wide range of products in the U.K. and continental Western Europe that are household names in their respective markets. Branded products account for almost 90% of sales in 2006. Among UB's popular brand names are McVitie's, Penguin, go ahead!, McVitie's Jaffa Cakes, Jacob's, Jacob's Cream Crackers, Twiglets, Hula Hoops, Skips, Mini Cheddars, McCoy's, Phileas Fogg and KP Nuts in the U.K. and BN, Delacre, Verkade and Sultana in Continental Europe. McVitie's is among the best known brands in the U.K.. McVitie's biscuits were purchased by over 85% of UK households in 2005.

UB owns and operates 15 manufacturing facilities of which 11 are in the U.K. and employs over 9,000 people of whom over 7,500 work in the U.K..