

Vevey, 27 April 2016

Nestlé and R&R to create Froneri, an ice cream and frozen food joint venture

Nestlé and R&R, a leading ice cream company based in the UK, have agreed to set up Froneri, a joint venture with sales of around CHF 2.7 billion in over 20 countries employing about 15,000 people. Froneri will be headquartered in the UK and will operate primarily in Europe, the Middle East (excluding Israel), Argentina, Australia, Brazil, the Philippines and South Africa. The new company will combine Nestlé and R&R's ice cream activities in the relevant countries and will include Nestlé's European frozen food business (excluding pizza and retail frozen food in Italy), as well as its chilled dairy business in the Philippines. The transaction is subject to employee consultations and the approval of regulatory authorities. Financial details are not being disclosed.

Paul Bulcke, Nestlé CEO: "This is an exciting growth opportunity in a dynamic category. Froneri will capitalise on complementary strengths and innovation expertise, combining Nestlé's strong and successful brands and experience in 'out-of-home' distribution with R&R's competitive manufacturing model and significant presence in retail."

Ibrahim Najafi, R&R Ice Cream CEO: "I am thrilled about the potential of Froneri and the opportunity for R&R to combine with the biggest and best food business in the world. R&R has gone from strength to strength in the last few years and the blend of people from the two organisations will create a leading team, ideally suited to drive future growth."

Frédéric Stévenin, Partner at PAI Partners: "Froneri, through the combination of Nestlé's and R&R's expertise, and the backing of PAI Partners, is a unique and exciting opportunity for further strong growth. We look forward to further leveraging our industrial approach to ownership and strong consumer expertise to support R&R in this new venture."

Luis Cantarell, Nestlé Executive Vice President Europe, Middle East and North Africa, will chair Froneri's Board of Directors which will be composed of three senior Nestlé executives and three senior executives appointed by private equity firm PAI Partners, R&R's owner. Ibrahim Najafi will be Froneri CEO. Nestlé and PAI will have equal equity interests in the joint venture.

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