

Finlays agrees sale terms of Horticulture Division with Sun European Partners

13 October, 2015

London, UK. James Finlay Limited (“Finlays”) announced today that it has signed a definitive agreement to sell its Horticulture business, Finlays Horticulture Investments (“Finlays Horticulture”) and its subsidiary companies to an affiliate of Sun European Partners, LLP (“Sun”) for an undisclosed sum.

The transaction includes the sale of Finlay Flowers UK, Finlays Fresh Produce UK, Finlays Horticulture Kenya, Finlays Horticulture Tanzania, Omniflora, Finlay Flowers BV, FV SeleQt, Dudutech and Finlays Horticulture South Africa. Finlays will, however, retain its flower farm business in Kericho, Finlay Flowers, located within its tea estates in Kenya, who will continue to supply Omniflora and Finlay Flowers UK exclusively.

“Finlays Horticulture has a strong customer base, an experienced management team and is performing well. So the decision to sell Finlays Horticulture has not been taken lightly. However, this is a strategic decision. Finlays has a unique and integrated global footprint in the beverage industry. We own and operate tea estates, extraction facilities for tea, coffee and plant extracts, packing facilities and R&D labs across four continents. We felt that it was increasingly important to focus on beverages as our core business area, rather than trying to succeed globally at both beverages and horticulture in one company. We have been working closely with Sun on this transaction and we are happy that they will be in a position to support the growth of the horticulture business going forward under new ownership”, said Finlays Managing Director, Guy Chambers.

The transaction is expected to be completed before the end of 2015, subject to closing conditions including customary regulatory approvals.

The Horticulture Division’s management team will continue to lead the business and every effort will be made to ensure a smooth transition. Martin Hudson, CEO Finlays Horticulture said: “Our team is capable and committed to delivering value, quality, availability, sustainability, innovation and insight to retail customers in the UK, Europe and South Africa. This will continue under the new ownership of Sun.”

“Finlays Horticulture is a business that is performing extremely well and has established a strong reputation in the market. Together with the management team, we will look to continue that success and focus on opportunities that will support further international growth, while continuing to invest in production,” said Paul Daccus, Managing Director at Sun European Partners.

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About Finlays

Finlays is a leading supplier of tea, coffee and natural ingredients for the global beverage industry, with extensive interests across plantations, extraction, trading, R&D, packing and customer support in Kenya, Sri Lanka, China, Argentina, North America and the UK. The company was founded in 1750 and continues to be one of the leaders of what is now known as 'global supply chain management'. Finlays is wholly-owned by John Swire & Sons Ltd and is currently headquartered in London.

Companies included in the transaction:

Finlay Flowers UK (Sandy, Spalding and Weston)
Finlays Fresh Produce (Stevenage)
Omniflora (Germany)
Finlay Flowers BV and FVSeleQt (Holland)
Finlays Horticulture Kenya (Naivasha: Flamingo Farm and Kingfisher Farm. Mt. Kenya: Ibis Farm and Siraji Farm)
Finlays Horticulture (Tanzania)
Finlays Horticulture (South Africa)
Dudutech (Kenya)

Horticulture fast facts:

Flowers

- 278 hectares under greenhouse or polytunnel in Kenya and South Africa producing 410 million stems per annum for the UK, continental Europe and Japan.
- Sources and processes 775 million stems in Kenya, UK, Germany and Holland. One of the world's largest producers and packers of Fairtrade roses and lilies.

Fresh Produce

- Grows and processes 9 million kg per annum and sells 30 million kg per annum. First supplier of Fairtrade vegetables into the UK

Insects (*Integrated Pest Management*)

- Dudutech produces biological control organisms to control common pests and diseases.
- 12 hectares of insect production facilities in Kenya yield 1.1 billion insects a month.

About Sun European Partners, LLP

Sun European Partners, LLP is a leading private investment advisory firm, focused on identifying companies' untapped potential and leveraging its deep operational and financial resources to transform results. Sun European is a trusted partner that is recognised for its investment and operational experience, including particular expertise in the consumer products and services, food and beverage, industrial, packaging, chemical, building products, automotive, restaurant and retail sectors. Since 1995, affiliates of Sun European have invested in more than 320 companies worldwide across a broad range of industries and transaction structures.

For more information contact:

Ashleigh Kahrl
Group Head of Corporate Communications

Direct Line: +44 (0)20 7802 3234

Mobile: +44 (0)7860 410 291

Email: ash.kahrl@finlays.net

www.finlays.net