

# THE GORES GROUP

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FOR IMMEDIATE RELEASE

## THE GORES GROUP AND PREMIER FOODS COMPLETE TRANSACTION CREATING JOINT VENTURE

**LOS ANGELES, CA, April 29, 2014** – The Gores Group, a leading global investment firm, and Premier Foods plc (PFD.L) have completed a joint venture transaction in relation to Hovis, Premier Foods’ bread business. As part of the transaction, Gores acquired a 51% stake in Hovis. Premier Foods will maintain a 49% ownership interest in the joint venture.

Founded in 1886, Hovis is an iconic UK brand of flour and bread and has significant expansion potential into other bakery segments being one of Britain’s best known food brands famous for health and naturalness.

As stated when the transaction was announced, Gores will pay £30 million for a 51% controlling stake in the joint venture, of which £15m is deferred and contingent on future business performance. Gores and Premier Foods have further agreed to support Hovis with a combined commitment of up to £45 million for the period after completion and under certain conditions. This investment, together with external financing and cash flow from the business, would be used to invest approximately £200 million over the next five years to improve Hovis’ operational infrastructure and reinvigorate the brand.

Gavin Darby, Chief Executive Officer of Premier Foods, said: “I’m delighted that we’ve found a strong partner in The Gores Group who will help provide the investment necessary to develop the bread business. This will be good for our customers, our employees and all those connected with the business. A joint venture arrangement also means we will share in the future gains from this investment as the business continues its return to profitable growth, helping us maximize value creation.”

“We believe there is significant untapped potential in such a well-loved, household name and are confident in the abilities of the talented management team to drive value for all stakeholders. The Gores Group has a rich history of working alongside corporate partners to unlock latent value in divisions that require operational and commercial improvement and, as such, we are convinced that Hovis offers a perfect fit for our unique capabilities,” added Fernando Goni, Managing Director at The Gores Group.

The joint venture will be led by Bob Spooner, who was appointed Chief Executive Officer once the transaction closed. Bob was formerly Managing Director Bread and

Group Supply Chain Director for Premier Foods and was responsible for leading the first stages of the restructuring of the bread business over the past 18 months.

### **About The Gores Group, LLC**

The Gores Group, founded in 1987 by Alec Gores, is a global investment firm focused on acquiring controlling interests in mature and growing businesses which can benefit from the firm's operating experience and flexible capital base. The firm combines the operational expertise and detailed due diligence capabilities of a strategic buyer with the seasoned M&A team of a traditional financial buyer. Over its 25 year history, The Gores Group has become a leading investor having demonstrated a reliable track record of creating value in its portfolio companies alongside management. Headquartered in Los Angeles, The Gores Group maintains offices in Boulder, CO, and London. For more information, please visit [www.gores.com](http://www.gores.com).

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