



13th October 2005

Apeejay acquires iconic Typhoo brand from Premier Foods

Apeejay Surrendra Group ("Apeejay, today announced that it is acquiring Typhoo, London Fruit & Herb, Lift and other associated tea brands from Premier Foods plc ("Premier") for £80million. Apeejay believes the Premier tea business will benefit from increased investment and focus combined with Apeejay's extensive experience in the global tea market and vertically integrated approach.

Apeejay will be buying Premier's entire tea business: the 100 year old iconic Typhoo brand; London Fruit & Herb; Lift; QT and other associated brands; its extensive own label contracts; and the Moreton tea manufacturing facility in Merseyside, which employs 249 people. In the year to 31 December 2004 Premier's tea business had net sales of £70.2 million and gross sales of about £80 million. Apeejay does not expect there to be any redundancies at the Moreton plant as part of the transaction and anticipates recruiting employees across a range of central functions in the near future.

The Chairman of Apeejay Surrendra Group said: 'We are delighted to have acquired the Premier tea business and the iconic Typhoo brand. The business has strong growth potential, a well-run factory and a committed and experienced workforce. We are confident that our commitment to increasing the investment both behind the brands and own label business combined with our extensive tea experience will enable us to build market share and further grow the business.'

Both Apeejay and Premier are committed to a smooth transition for the business and so have entered into an agreement whereby Premier will provide transitional services to Apeejay following completion. This will include commercial and administrative support, logistics and the manufacture of Lift and Typhoo QT instant teas. Apeejay intends to hire a management team to be based in Moreton as soon as possible.

The consideration will be paid in cash and the transaction is expected to complete shortly.

Tea brands acquired

Launched in 1903 by Birmingham grocer John Summer, Typhoo has been waking the nation with its favourite cuppa for nearly 100 years. Today, Typhoo is one of Britain's favourite teas.

As well as producing original tea bags and producing the UK's number one decaffeinated tea, there are a number of other alternatives in the Typhoo range with "Typhoo Fruit & Herb", "Typhoo Green Tea" and "Typhoo QT" instant white tea.

Other brands included in the sale include the London Fruit & Herb, Natureland and Heath & Heather fruit and herb tea brands for the export and health food markets and Freshbrew, Glengettie, Melroses and Ridgeways regional and speciality teas.

History

Premier, then Hilldown Holdings plc, acquired Typhoo together with a number of other brands in 1989 when it acquired Premier Brands Limited. Premier Brands Limited was formed in 1986 when a



management buyout team acquired the business from Cadbury Schweppes plc. The Lift instant tea business was acquired by Premier in 2001 from Northern Foods plc.