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## Arabian Food Industries Company Domty S.A.E. announces indicative price range for a public offering of ordinary shares on the Egyptian Exchange

Cairo, 3 March 2016

Arabian Food Industries Company Domty S.A.E. ("Domty," the "Company" or the "Issuer") announced today the indicative price range for an offering of up to 122,500,000 existing ordinary shares representing 49% of the Company's outstanding share capital listed on the Egyptian Exchange ("EGX") currently owned by the Selling Shareholders (as defined below).

The offering will include (i) an International Offering to institutional investors, (ii) an Egyptian Retail Offering to retail investors in Egypt (collectively the "Combined Offering") and (iii) a Closed Subscription wherein the Issuer will offer to the Selling Shareholders the right to subscribe to newly issued shares, pro rata to the percentage of shares sold by the Selling Shareholder in the Combined Offering, subject to certain conditions. Upon completion of the Closed Subscription, the Selling Shareholders will inject EGP 300 million into the company. Details of the Combined Offering are outlined in the Offering Highlights section, below.

The indicative price range for the Offering (the "Offer Price") has been set at between EGP 8.8 and EGP 9.2 per share, and the final Offer Price may be revised upward or downward from this indicative range.

Commenting on the Offering, Domty Chairman and Managing Director Mr. Omar El Damaty said: "We look forward to meeting with domestic and international investors to discuss the compelling corporate and market fundamentals that have allowed us to become a household name with a number-one position in Egypt's cheese market — and the world's largest producer of Tetra Pak-packaged white cheese. We will also be discussing with them our plans to penetrate both new market categories in Egypt as well as high-growth African markets subsequent to an EGP 300 million capital injection by the Selling Shareholders that will follow our IPO."

Domty began commercial operations in 1990 and today manufactures, markets and distributes a range of branded white and processed cheeses and juice products. Its portfolio of brands includes the flagship Domty brand as well as the 'fighter' brands Gebnety and Damo (which target new consumer brackets) and the juice brand Bravo (targeting export markets).

Domty holds market-leading positions in unprocessed (or "natural") soft packaged cheese as well as processed packaged cheese (a comparatively niche product targeting consumers with westernized eating habits). Having already become a top five player in the highly fragmented and competitive juice segment less than two years from its entry into the sector in October 2013, the Company presently has plans to penetrate the unprocessed hard packaged cheese segment. Domty also intends to use its juice sales unit as a platform for expansion into snack food categories that rely on similar sales channels.



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The Company posted sales of EGP 1,129.1 million in 2014, while sales in the first ten months of 2015 reached EGP 1,164.3 million (26.0% growth compared to the same period in 2014). Domty's sales grew by a CAGR of c. 31% from 2012 to 2014 as the Company capitalized on changing local consumption trends and introduced new products. The Company's net profit reached EGP 109.0 million in the first ten months of 2015, an EGP 77.0 million increase from the Company's net profit of EGP 32.0 million for 10M2014.

In 2014, Domty derived c. 92% of its revenue from Egypt through sales to both business and retail customers. The balance of c. 8% sales in 2014 were attributable to more than 35 regional export markets including Jordan, Palestine, Libya, Saudi Arabia, Kuwait, Lebanon and the UAE.

Pursuant to approvals received from the Egyptian Financial Services Authority ("EFSA") and the EGX, shares will be offered to international institutions (the "International Offering") with a further offering of shares in a domestic offering in Egypt (the "Egyptian Retail Offering") (together, the Combined Offering), to be followed by a rights issue exclusive to the Selling Shareholders wherein they will inject EGP 300 million into the Company (the "Closed Subscription").

The Combined Offering will consist of 122,500,000 ordinary shares, with up to 110,250,000 shares for the International Offering and a further 12,250,000 shares in the Egyptian Retail Offering.

Selling shareholders include members of El Damaty family (c. 65%) and Mr. Yehia Bin Laden (c. 35%). All selling shareholders will sell-down on a pro-rata basis through the secondary offering and subsequently subscribe pro-rata to the Closed Subscription.

The offering price will be the same for the International Offering and the Egyptian Retail Offering. The Closed Subscription will also be based on the offering price as well.

Domty received in December 2015 permission to list its shares on the EGX under the symbol DOMT.CA.

EFG Hermes Promoting & Underwriting is sole global coordinator and bookrunner for the Combined Offering. Baker & McKenzie LLP is international counsel to the issuer, while Matouk Bassiouny is serving as local counsel.

—Ends—

## About Arabian Food Industries Company Domty S.A.E.

Domty, founded in 1984 and headquartered in Egypt, is a leader in the growing Egyptian cheese and juice market. The Company manufactures, markets and distributes a range of branded white and processed cheeses and juice products, with a family of nearly 200 SKUs under a brand portfolio including Domty, Damo, Gebnety and Bravo. Domty is a household name and the number-one cheese producer in the nation by market share. The Company sells to tens of thousands of retail and business customers as well as to more than 35 export destinations. Learn more about Domty by visiting [Domty.org](http://Domty.org).

## Contact

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EFG Hermes Promoting & Underwriting is acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Combined Offering and will not regard any other person (whether or not a recipient of this announcement) as their client in relation to the Combined Offering and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their client nor for providing advice in relation to the proposed offering.

In any EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "Prospectus Directive") other than the United Kingdom, this announcement is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive ("Qualified Investors"). In addition, in the United Kingdom this announcement is only being distributed to and is only directed at (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iii) persons to whom it may otherwise be lawful to communicate it to (all such persons in (i), (ii) and (iii) above together being referred to as "relevant persons"). Any investment or investment activity to which this announcement relates is available only to relevant persons in the United Kingdom and Qualified Investors in any member state of the EEA other than the United Kingdom and will be engaged in only with such persons. Any person who is not a relevant person should not act or rely on this announcement or any of its contents. Neither this announcement, the publication in which it is contained nor any copy of it may be taken, transmitted or distributed, directly or indirectly, into Australia, Canada, Japan or to any persons in any of those jurisdictions or any other jurisdictions where to do so would constitute a violation of the relevant laws of such jurisdiction.

This announcement does not constitute a recommendation concerning the Combined Offering. The price and value of securities and any income from them can go down as well as up. Past performance is not a guide to future performance. Information in this



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announcement or any of the documents relating to the Combined Offering cannot be relied upon as a guide to future performance. Before purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus, when published.

In connection with the Combined Offering, EFG Hermes Promoting & Underwriting or any of their respective affiliates, acting as investors for their own account(s), may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own accounts in such Shares and other securities of the Company or related investments in connection with the Combined Offering or otherwise.

In connection with the Egyptian Retail Offering, EFG Hermes Promoting & Underwriting, or any of its agents, may, to the extent permitted by applicable law, effect transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. If the trading price per Share falls below the offer price on or after the date of the commencement of trading of Shares on the EGX, and ending 30 days after that date (such period, the "Stabilization Period"), purchasers of Shares in the Egyptian Retail Offering may submit sell orders and EFG Hermes Promoting & Underwriting will submit purchase orders for Shares at the offer price, which will remain open until the end of the Stabilization Period. At the end of the Stabilization Period, open purchase orders submitted by EFG Hermes Promoting & Underwriting will be matched with open sale orders and executed on the EGX. Save as required by law or regulation, neither the stabilizing manager nor any of its agents intends to disclose the stabilization transactions conducted in relation to the Egyptian Retail Offering except as may be required by the EGX and / or the EFSA.

## Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, global and regional trends in the dairy and juice industries, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.

Accordingly, investors should not rely on the forward-looking statements in this announcement and investors are strongly advised to read the following sections of the offering circular: "Summary", "Risk Factors", "Use of Proceeds", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Business" and "Egyptian Cheese and Juice Industries". These sections include more detailed descriptions of factors that might have an impact on our business, financial condition and the industry in which



## ARABIAN FOOD INDUSTRIES COMPANY DOMTY S.A.E

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