



4th January 2017

Hilton Food Group plc

Hilton to form Joint Venture with Portugal's leading food retailer

Hilton Food Group ("Hilton" or "the Group"), the leading international specialist meat packing business, is pleased to announce the signing of a 50/50 Joint Venture agreement with Sonae Modelo Continente ("Sonae"), Portugal's leading food retailer, for the supply of a wide range of packaged beef, lamb, veal and pork products to Sonae stores in Portugal. This follows a period of approximately six months of co-operation (see announcement dated 6th July 2016).

Under the terms of the agreement, Hilton will work alongside Sonae to redevelop the production facilities of its packing and sourcing subsidiary Sonae Centro Processamento Carnes (CPC), which supplies Sonae stores in Portugal. CPC currently sources over 1,000 tonnes of packaged meat products per week. Products supplied from the plant will include mince, roasting joints and other beef and pork based products. The Joint Venture will be named SOHI Meat Solutions

The redevelopment of the production facility is expected to be completed by the end of the second quarter 2017. SOHI Meat Solutions will supply product to all Sonae's grocery stores and the partners believe that the Joint Venture will be in a position to increase the overall volumes supplied to the Portuguese market.

The facility will require an initial investment of €22m, financed principally by the Joint Venture partners. Hilton's share of the investment will be financed primarily by debt. The Board expects the new facility to be earnings enhancing in 2017.

Hilton CEO, Robert Watson:

"We are very pleased that this exciting growth opportunity has advanced to a Joint Venture with Sonae Modelo Continente. Our progress in Portugal demonstrates further the strength of Hilton's flexible and versatile business model, enabling us to meet the local requirements of our customers in their territories. This now extends our presence to 15 countries, and we will continue to look for further opportunities for geographic expansion."

Sonae Modelo Continente Commercial Director, Eunice Silva:

"We are pleased that the partnership has progressed to a full Joint Venture agreement in Portugal, which will enable us to strengthen the leadership position of Continente further in the development of innovation and the sustainable promotion of the agro-food business in Portugal."

Information on Sonae:

Sonae is Portugal's leading food retailer with over 1,200 stores (including non-food and pharma stores) and a market share of c. 22%. Sonae operates a multi-format portfolio of stores covering Hypermarkets, Supermarkets as well as Convenience Stores, predominantly under the Continente banner. Sonae also has a strong presence in the online sector.

Sonae is a member of the Spain-based purchasing and services company Grupo IFA

Information on Hilton:

Hilton Food Group is the leading international food packing company, with expertise in supply chain management and supplying leading retailers across 14 European countries and Australia.

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation.

Enquiries:

Hilton Food Group

Robert Watson OBE, CEO
Nigel Majewski, CFO

Tel: +44 (0)1480 387214

Citigate Dewe Rogerson

Louise Mason
Ellen Wilton

Tel: +44 (0)20 7282 2932