

THE ALLIANCE BETWEEN DEOLEO AND HOJIBLANCA

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In October 2012, Deoleo and Hojiblanca, two olive oil producers, established a collaboration agreement in order to consolidate the Spanish leadership within global olive oil industry through a long-term common solid project.

This operation was executed by means of a minority acquisition of a 9,63% of Deoleo's equity by Hojiblanca, which was carried out through a non-cash capital increase by the first one, covered with the acquisition of Hojiblanca's brand and industrial facility in Antequera (Málaga). This participation in equity implied the inclusion within Deoleo's Board of Directors of the President and the CEO of Hojiblanca, José Moreno and Antonio Luque, respectively.

Group Deoleo (former SOS Corporation) is worldwide leader in commercialization of bottled olive oil with a 22% market share. The firm follows a brand strategy among which we can find the Spanish Carbonell and Koipe, as well as the Italian Bertolli, Carapelli and Sasso. The total turnover of the group in 2011 was 961 million euro.

Meanwhile, Hojiblanca is a cooperative that, in the time of the agreement, had 96 members within its olive oil section and embraced more than 55,000 olive farmer families. It was the leading producer of virgin olive oil with an output of 173,000 tons, which represented 6.6% of the global production, and presence in more than 60 countries. On the other hand, it was the second worldwide producer of table olives. It so happened that Hojiblanca had acquired to Deoleo its brand of table olives, Acyco, in the summer of 2011.

The agreement was welcomed by the market as Deoleo's stocks rose a 7% the day of the announcement, when they were in a delicate moment with several years of losses. Specifically, in the first semester of 2012, Deoleo's stocks lost 4.2 million € and the company had a debt of 639 millions. It was expected that Hojiblanca's business would add a turnover of 40 million € and a Ebitda of 5,3 million. On the other hand, the agreement gives Hojiblanca the opportunity to get into the largest olive oil marketing group of the world.