

Food Business Review

Paine & Partners to make strategic investment in Costa Group

July 22, 2011

Paine & Partners, a global private equity investment firm, will make a strategic investment in Costa Group, the Australian producer, marketer and exporter of fresh fruit and vegetables. The transaction is expected to close later this year.

The financial details of the deal have not been revealed as yet. Paine & Partners and Costa will set up a newly structured private company on a 50/50 ownership basis. Frank Costa will continue to be the Costa's chairman and Harry Debney will continue to be the chief executive.

Frank Costa said that the company's board believes the arrangement with Paine & Partners offers both financial resources and the opportunity for management and employees to pursue long term strategic growth. "The interest Paine & Partners has shown by investing directly in our business is also a significant vote of confidence in the way our business is run and its potential for future growth and ongoing success," Costa added.

Costa generates annual revenues exceeding \$650m. Its business is primarily focused on seven core fruit and vegetable product categories - mushrooms, tomatoes, berries, bananas, citrus, grapes and avocados. In addition, the company is also considered to be a leading third party warehousing and distribution provider for ambient and chilled consumer products.

The investment would help the vegetable producer to execute its business strategies and invest in the innovative horticultural techniques, value adding facilities, and distribution centers.