

## Phoenix Group announces investment into Karuturi global

**Nairobi, 19<sup>th</sup> March 2018:** The US \$2 billion Phoenix Group, a global agricultural and food company engaged in the production, procurement, processing, merchandising and distribution through its integrated supply chain announced today an investment in Karuturi Global's operations in Kenya.

The investment comprising of a blend of debt and equity is expected to help Karuturi meet its current debt obligations and leapfrog it towards restarting its operations following the conclusion of a 4 year receivership period in Kenya.

Mr. Gaurav Dhawan, Executive Chairman of Phoenix Group said "the investment into Karuturi was a part of the firm's expansion plan of the farming business which has a unique distributed matrix strategy across geographies and farming techniques. This investment is timely and adds floriculture and Kenya to our growing basket."

"Karuturi fits extremely well on the Group's farming pillars of sustainability, impact and traceability. We are excited to contribute to the revival of Karuturi thereby enabling the 2200 strong work force of largely women and youth to come back to work. We only await certain clarifications from the court to initiate the process," Mr. Dhawan further added.

Karuturi Global's CEO, Mr. Ram Karuturi announced that Phoenix Group's investment means the firm can repay its debts as obligated by the High Court of Kenya, in a week or less.

"On January 19, 2018 the High Court ruled in favour of closure of the dispute between the two parties based on a compromise affidavit filed. Karuturi was obligated to pay the court approved amount and redeem the farm in the next 90 days. The Karuturi Group has always been determined to resolve the dispute amicably and restart operations," said Mr. Ram Karuturi.

Karuturi Global employs over 2200 workers, its residential camps housed 10,000 people and the firm's primary, middle and secondary schools have a population of more than 2000 students. Despite the unfortunate series of events in the last 4 years, the workers housing and children's schooling have remained undisturbed.

In addition to the school and housing scheme, the flower firm also operates a village mortuary and a 100-bed hospital serving about 30,000 people a month.

"We are committed to re-employ all our ex-employees and re-establishing all their social benefits. At the same time, our football team is being revived and shall play competitive soccer soon. Our aim is to continue being a socially conscious leader in the floriculture industry," added Mr. Ram Karuturi.

He, further said, "Karuturi is a fair trade, fair plant accredited grower and MPS accredited. We use indigenous greenhouses, which are powered in-house through biomass. We use the hydroponics method of cultivation and fertigation techniques for irrigation. In 2009 we were awarded for Excellence in the Workplace by GBC for providing the best possible working conditions to our workers. Our workplace efforts focuses on educating employees about health risks, giving them access to screening and testing, and providing treatment where necessary."

Karuturi has vast land holdings in Naivasha, a total of 500 acres with 300 acres of greenhouses valued at over USD100 million besides diversified operations in Ethiopia and India. The Naivasha farm is estimated to produce over 330 million roses annually for export to Europe accounting for about 10 percent of Kenya's exports of cut flowers.

### **About Phoenix Group**

Established in 2000 as a Rice Trading company in Singapore leveraging the expertise of the founding shareholders, PHOENIX has evolved into a multi-dimensional global Agri-foods and Resources business. Already amongst the global top 3 international rice trading companies, Phoenix Group is on track to become the world's largest rice business by volume. The company's flagship rice brand "Happy Family" is today the leading pan African rice brand, reaching countless households across Africa and loved by millions of customers.

From humble beginnings, product and geographical expansion with focus on augmenting downstream capabilities in Africa was supported by upstream capabilities and processing facilities achieving supply chain integration by 2014. CIS expansion was successfully completed in 2015 followed by MENA food brands providing direct consumer access. Since 2016 focus has been sustainable and traceable farming where the company has achieved far reaching success in Ukraine, Kazakhstan, Uganda and Benin. Today Phoenix operates 10 business verticals in 22 countries many of them integrating strategic assets along the supply chain volume of 11 Million MTs generating revenues in the excess of US\$ 2bn. The company is management owned and employs over 2500 people with its central operations in Dubai, UAE.

### **About Karuturi Global**

Karuturi Global is a world leader in production of cut roses with operations spread across Ethiopia, Kenya and India. With an area of over 292 hectares under Greenhouse cultivation, we annually produce around 555 million stems of quality cut roses, essentially for exports to high-value markets.

Karuturi's other business interests include food processing, floriculture retailing, and information technology.

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