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The Coca-Cola Company and TGI Group Announce Strategic Investment in Nigeria's Chi Limited

Coca-Cola acquires initial minority shareholding in Nigeria's leading value-added dairy, juices and snacks business to expand its African stills beverage portfolio

LAGOS, Nigeria--(BUSINESS WIRE)-- The Coca-Cola Company (NYSE: KO) and Tropical General Investments Group (TGI Group) – the holding company of Chi Ltd, Nigeria's leading dairy and juice company – today announced a binding agreement for The Coca-Cola Company to acquire an initial minority equity shareholding in Chi Ltd. The agreement creates a strategic relationship between two beverage industry leaders within Africa's largest economy that together serve Nigeria's most popular sparkling soft drinks, juices, value-added dairy and water beverage brands.

Chi Limited's leading value-added dairy and juice beverage brands complement The Coca-Cola Company's broad beverage portfolio in Nigeria. (Photo: Business Wire)

Within the agreement, The Coca-Cola Company has made an initial 40 percent equity investment in Chi Ltd and intends to increase ownership to 100 percent within three years, subject to regulatory approvals, while working on other long-term commercial structures. Additionally, the parties have agreed to jointly discuss and explore other opportunities in the region to further develop this relationship.

The investment in Nigeria's leading value-added dairy and juice beverage brands – which include Hollandia and Chivita – further expands The Coca-Cola Company's West African portfolio of still beverages while establishing Coca-Cola's presence in Africa's high-growth value-added dairy category. The agreement will allow both companies to leverage their respective investments and expertise to further drive innovation, optimize efficiency and strengthen route-to-market to accelerate growth and increase consumer availability and choice.

TGI Group's relationship with The Coca-Cola Company will also help Chi Ltd achieve its ambitious growth plans through access to Coca-Cola's broad product portfolio and integration into global best practices in production, distribution and brand-building.

"For more than 30 years Chi's leadership has built a greatly admired business that has quickly grown to become Nigeria's leading producer and distributor of value-added dairy and juice products and we are delighted to enter the next phase of our growth journey together," said Nathan Kalumbu, President, Coca-Cola Eurasia and Africa. "Coca-Cola and Chi share the same commitment to Africa, to investing in our operations and to continuous innovation, and our relationship will allow us to continue to provide Nigerian consumers the No. 1 beverage in each of the categories we serve."

“We strongly believe in this journey we are starting with The Coca-Cola Company. The relationship will allow us to expand our regional footprint and product portfolio. We stay firmly committed to growing our investments in the Nigerian economy, increasing employment and local content while supporting the communities we operate in. Chi will continue to provide its consumers with innovative products in the dairy, juices and snacks categories,” said Cornelis Vink, Chairman of TGI Group and Chi Ltd.

“We are immensely proud of the success that Chi has achieved in building the much-loved Hollandia and Chivita brands. We recognize the unique opportunity that the relationship with The Coca-Cola Company brings to further develop Chi as a strong regional company, building on the tremendous progress achieved to date,” said Rahul Savara, Group Managing Director of TGI Group.

“Coca-Cola has been investing in Nigeria for more than 60 years and today’s announcement represents the latest significant step in our commitment to growing our business and providing trusted beverage brands for Nigerian consumers and communities,” said Kelvin Balogun, President of Coca-Cola Central, East and West Africa. “We are extremely optimistic about Africa’s continued economic and social growth and recognize the importance of ensuring we stay one step ahead of evolving consumer tastes by broadening our portfolio and introducing new products. Today’s announcement positions both Coca-Cola and Chi well for future growth in what is an exciting time in the beverage industry in Africa.”

In 2014, the Coca-Cola system announced an increased investment in Africa to a total of $17 billion from 2010 to 2020. This investment, which is roughly three times the amount invested in the last decade, is funding new manufacturing lines, distribution capabilities and cold drink equipment while creating additional jobs and opportunities on the continent.

Coca-Cola was first served in Johannesburg in 1928 and the Company’s products are now present in every country in Africa with its system employing more than 70,000 people in 145 bottling and canning facilities.

About The Coca-Cola Company

The Coca-Cola Company (NYSE: KO) is the world’s largest beverage company, refreshing consumers with more than 500 sparkling and still brands. Led by Coca-Cola, the world’s most valuable brand, our Company’s portfolio features 20 billion-dollar brands including Diet Coke, Fanta, Sprite, Coca-Cola Zero, vitaminwater, Powerade, Minute Maid, Simply, Georgia and Del Valle. Globally, we are the No. 1 provider of sparkling beverages, ready-to-drink coffees, and juices and juice drinks. Through the world’s largest beverage distribution system, consumers in more than 200 countries enjoy our beverages at a rate of more than 1.9 billion servings a day. With an enduring commitment to building sustainable communities, our Company is focused on initiatives that reduce our environmental footprint, support active, healthy living, create a safe, inclusive work environment for our associates, and enhance the economic development of the communities where we operate. Together with our bottling partners, we rank among the world’s top 10 private employers with more than 700,000 system employees. For more information, please visit www.coca-colacompany.com, follow us on Twitter at twitter.com/CocaColaCo or visit our blog at www.coca-colablog.com.

About Tropical General Investments Group (TGI Group)

Tropical General Investments Group (TGI Group) is the majority shareholder of Chi Ltd. TGI Group invests in emerging economies, adding value to locally available resources targeting an end product both for local consumption and the global market. TGI has over three decades of experience building local and regional sustainable businesses in fast moving consumer goods (FMCG), agriculture, agro-allied, healthcare, chemicals, etc. The Group's global presence in manufacturing, farming and agro-processing, distribution etc. spans 12 countries, with a staff of over 9,000. For more information, please visit www.clicktgi.net

About Chi Limited

Incorporated in 1980, Chi Limited is one of the most admired companies in the domain of Food & Beverages in Nigeria and has market leadership positions in fruit juices, ice tea, value-added dairy products and snacks in Nigeria. Chi operates in these categories with several mega brands including CHIVITA 100%, CHIVITA Active, CHI Exotic, CHI Happy Hour, CHI Ice Tea, Capri-Sonne, Hollandia, Chi Super Bite, Beefie. Chi Limited has successfully built its business through innovative product introductions, a significant product portfolio, robust route to market structure and a state of the art manufacturing facility.

The company has something to offer to almost everyone. Chi's products help to cater to the diverse needs & palates of every segment of this dynamic population, thus making Chi's brands most admired and providing a range of choices to each socio-economic and demographic consumer segment.

For more information please visit www.houseofchi.com, follow us on Twitter at @Chivita100juice or @HollandiaYogh or Like us on Facebook (https://www.facebook.com/ChivitaPremium)

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