



January 20, 2011 11:06 AM Eastern Time

Alothon Group Announces Investment in Industria Riograndense de Oleos Vegetais Ltda.

-- Latest Execution of Strategy to Invest in Brazilian Food & Beverage Category --

SÃO PAULO, Brazil & NEW YORK--([BUSINESS WIRE](#))--Alothon Group LLC, a leading private equity firm that invests in middle market growth companies in Brazil, announced today that it has completed an investment in Industria Riograndese De Oleos Vegetais Ltda. ("Irgovel"), through its Fund II investment fund.

Irgovel, based in the Brazilian state of Rio Grande do Sul, is the leading rice bran food ingredients producer in Brazil, with the capability and know-how to process and market food-grade rice bran oil and rice bran-based co-products. Irgovel is strategically headquartered where much of South America's rice production is concentrated and conveniently situated approximately 60 kilometers (36 miles) from the port of Rio Grande, Brazil's third largest seaport.

Alothon's investment will provide Irgovel with the ability to increase manufacturing capacity and expand its product line further into rice based food ingredients for human consumption, an area of increasing demand in both Western and Asian countries. After the expansion is completed in the next 12 months, Irgovel expects to reach approximately R\$80MM (US\$50MM) in annual revenues.

Irgovel, with 215 employees, currently offers approximately 38 products, both branded for sale to the national retail market in Brazil as well as products for export, primarily to major Asian markets. The company is a highly regarded innovator that consistently adjusts its portfolio of products to meet the demand of its markets and customers.

"The investment in Irgovel continues the execution of our strategy to make select investments in companies in Brazil that we believe will benefit from the increased purchasing power of the middle class and their desire for healthier foods and food ingredients," stated Ettore V. Biagioni, Managing Partner of Alothon. "Rice bran is a highly nutritional 'all natural' ingredient that has applications in several attractive markets such as edible grade oils, functional foods, and animal nutrition, as well as personal care."

"Irgovel's management team is very experienced in the edible oil and rice industry and is committed to increasing the scope and scale of the business through continuous innovation and the integration of value-enhancing technologies that improve the efficiency and profitability of the business," added Juan Lucena, Partner of Alothon. "We look forward to working with the company's key executives and providing them with strategic and financial know-how to help them achieve their ambitious growth objectives."

Irgovel is the sixth investment in the food and beverage category by the Alothon team in Latin America and the second in Brazil in the last six months, following its acquisition of Casadoce, www.businesswire.com/news/home/20101201006066/en/Alothon-Group-Leads-Acquisition-Casadoce-Industria-Comercio. Terms of the investment in Irgovel were not disclosed by the Alothon Group other than that the final agreement was reached in December.

About Alothon

Alothon Group LLC is a private equity firm dedicated to Latin American investments. Over the past 15 years, Alothon has invested in more than 30 companies in Latin America. The firm is currently focused on mid to late stage buyouts in Brazil, with the investment strategy focused on controlling positions in businesses with strong franchise value that are expected to benefit from the country's emerging middle class. Alothon works closely with the management of companies in which it invests and brings a combination of strategic, financial, operating and governance expertise. For additional information, please visit www.alothon.com.

"Rice bran is a highly nutritional 'all natural' ingredient that has applications in several attractive markets such as edible grade oils, functional foods, and animal nutrition, as well as personal care."

Contacts

MEDIA:

MBS Value Partners

Matthew Haines

+1.212.710.9686

matt.haines@mbsvalue.com

Permalink: <http://www.businesswire.com/news/home/20110120006071/en/Alothon-Group-Announces-Investment-Industria-Riograndense-de>

