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MASSIMO ZANETTI BEVERAGE USA ANNOUNCES CLOSING OF EQUITY STAKE INVESTMENT IN CANADA'S CLUB COFFEE

(VILLORBA (TV), IT/PORTSMOUTH (Va.) U.S.A. – April 28, 2016) – Massimo Zanetti Beverage USA (MZB), the North American operating unit of the Italy-based global coffee roaster and marketer Massimo Zanetti Beverage Group, today announced that it has acquired a minority equity position in Club Coffee of Toronto, Canada. The parties expect this investment to boost sales growth through market-leading innovations and to enable MZB to expand its reach in Canada and Club Coffee to enhance its U.S. presence.

The parties announced their plans for MZB's equity investment in November 2015 and the purchase transaction closed on April 28, 2016. Following this purchase, MZB will own a 15.1 percent equity stake in Club Coffee, acquired for a purchase price of C\$15.1 million. Although their November 2015 announcement described plans for MZB' purchase of a 25.1 percent stake immediately, it since was decided that the initial purchase would be for a 15.1 percent stake with an option for MZB to increase that stake by up to an additional 10 percent. This two-stage investment decision was made in light of the uniqueness and complexities of the associated manufacturing processes and the timing of MZB's launch in the United States of new products. MZB retains the right to exercise this option for a period of thirteen months following this initial purchase at a price that will be dependent upon current market conditions at the time of exercise.

MZB's collaboration with Club Coffee includes bringing the world's first certified 100 percent compostable single-serve hot beverage technology to the North American market. By releasing its Hills Bros.[®] coffee brand using the innovative PURPOD100[™] coffee pod, MZB is leading the effort to offer to consumers a verified compostable solution to their concerns over single-serve coffee waste.

Certified by the Biodegradable Products Institute (BPI) as compostable in industrial facilities, MZB introduced the new Hills Bros.[®] compostable coffee pods in the Chicago market on Earth Day, April 22, 2016. They now also are available to consumers through the Hills Bros.[®] website, the shopMZB.com online store and on amazon.com. Other MZB brands and private label coffee products also will adopt the PURPOD100[™] single-serve format, including Chock full o'Nuts[®] and Kauai Coffee[®], with nationwide in-store availability to consumers expected later in 2016.

"MZB knows that market leadership comes from seeing what consumers want, then delivering effectively," said John Boyle, MZB USA's president and chief executive officer. "Consumers want a more sustainable option for their single-serve coffee and we are confident that our BPI-certified 100 percent compostable pod is the right solution. This equity stake demonstrates our enthusiasm for Club Coffee's commitment to technology that delivers this simple solution. It also underscores our determination to build market leadership through the innovation and the quality our consumers demand and have grown to expect from us."



“PURPOD100™ is just the first of the many significant opportunities for growth in the coffee market that our companies see,” said John Pigott, Club Coffee CEO. “This strategic shift takes the already long record of collaboration between both businesses to a new level. It positions MZB and Club Coffee to generate even more of the innovative coffee, tea and other hot beverage solutions that consumers want.”

MZB and Club Coffee were among the first companies to act on consumer concerns about the waste associated with single-serve coffee. In 2013, MZB brought an important advance to the market with its Filter Cup™ format which significantly reduced the amount of plastic compared to traditional single-serve plastic cups. The two companies announced in April 2015 the development of PURPOD100™ and in September 2015 the Biodegradable Products Institute (BPI) certified the PURPOD100™ as industrially compostable.

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About Massimo Zanetti Beverage USA:

Massimo Zanetti Beverage USA is among the nation’s largest coffee roasters, with nationally recognized retail brands including Hills Bros.®, Chock full o’Nuts®, Segafredo Zanetti®, Kauai Coffee®, MJB® and Chase & Sanborn®. In its state-of-the art manufacturing facility in Suffolk, Va., the company produces proprietary and private label coffee, tea and drink mix for customers in all retail and food service channels throughout North America and around the world. In addition, Massimo Zanetti Beverage USA franchises Chock full o’Nuts® Coffee Shops and Segafredo Zanetti Espresso® Cafés. Massimo Zanetti Beverage USA is part of the Massimo Zanetti Beverage Group, comprised of nearly 50 companies operating in over 100 countries. For more information, visit: www.mzb-usa.com.

About Club Coffee

Since 1906, Club Coffee, L.P. has built a reputation for quality and innovation. It is a key partner for MZB in the United States, the largest roaster, contract manufacturer and distributor of packaged coffees that Canadians buy from their grocery stores and a long-term partner of choice to major food service customers. Club Coffee’s record of generating innovative products and developing the proprietary blends that enable its customers to stand out in their consumer markets is backed up by an up-to-date processing infrastructure and the advanced operational and logistics capacities that ensure Club Coffee delivers on its commitment: “*We innovate, we partner, we deliver . . . with passion.*” www.clubcoffee.ca

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