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TRILOGY
INTERNATIONAL
LIMITED
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Trilogy International to acquire Lanocorp New Zealand Limited

New Zealand, 29 June 2017 - Trilogy International Limited (NZX:TIL, ASX:TIL) (the company or TIL) today announced it will acquire 80% of Lanocorp New Zealand Limited (Lanocorp) – developer and manufacturer of New Zealand made skincare, bodycare and haircare products for a total consideration of \$12.5 million plus any earn out payments. In addition, TIL has conditionally agreed to purchase Lanocorp's affiliated Australian business for \$1.3 million.

trilogy

ECOYA

goodness

CS&Co.

Lanocorp, more recently known for its nature based brand, By Nature, is a privately owned New Zealand business that was founded over 25 years ago in Christchurch, New Zealand and now has 37 full time employees. Lanocorp's early success was shaped by the popularity of its iconic New Zealand brand Lanocreme with tourists visiting New Zealand and Australia. This provided a platform for the company to develop and manufacture new brands for specific markets, like By Nature for the US mass market, continuing the momentum to deliver further growth.

Grant Baker, TIL's Chairman, said, "the Lanocorp business complements the TIL portfolio. It gives us geographic diversity with greater exposure to the US market and allows us to pursue products and channels outside the reach of our current portfolio. The acquisition provides further scale for TIL as we leverage our proven success with growing brands locally and in key international markets".

The total cash purchase price for 80% of Lanocorp is \$12.5 million. The two earn out payments are based on profitability thresholds for the 31 March 2018 and 31 March 2019 financial years.

The agreement includes a Call Option for TIL to acquire the remaining 20% of the Lanocorp business based on a predetermined calculation at either the third, fourth or fifth anniversary of the completion date.

The acquisition, which will be funded by existing headroom of current bank debt facilities, will be earnings accretive to TIL. In FY17 Lanocorp achieved \$10.3 million in revenue and EBITDA earnings of \$2.4 million for the twelve months ending 31 March 2017. Earnings and revenue from completion of the transaction, which is expected 7 July 2017 subject to customary closing conditions, will be recorded in TIL's interim and annual results for the 2018 financial year.

Lanocorp, owned and operated by Tim McIver, manufactures its own products and is about to move into a 3,200sqm purpose built manufacturing facility in Rolleston, Christchurch. It's internal manufacturing has allowed Lanocorp to develop new products and deliver them to market in short time frames. The By Nature brand was launched in 2012 and was originally developed for a US mass retailer. It has delivered high growth offshore since launch and more recently, it has proven early success in the New Zealand grocery channel demonstrating the wider opportunity in grocery in Australasia.

Tim McIver, Lanocorp's Managing Director, said, "we are thrilled to become part of the TIL group. It is a great fit for Lanocorp and I believe the opportunity is greater for both companies by working together."

Mr McIver will remain in the business as Managing Director and will report to a sub Board of the TIL Board, which will include Stephen Sinclair, Angela Buglass and Grant Baker.

Angela Buglass, TIL Chief Executive, said, "Lanocorp is an agile personal care company that have taken immediate advantage of market trends and retailer opportunities as they present themselves in international markets. In time, we are looking forward to leveraging their internal R&D capabilities across our portfolio."

About Lanocorp New Zealand Limited

Lanocorp New Zealand Limited ('Lanocorp'), founded over 25 years ago in Christchurch New Zealand, is a manufacturer and distributor of nature-based skincare, bodycare and haircare brands including: Lanocreme, By Nature, Rata & Co and Tiaki.

About Trilogy International Limited

TIL - *Trilogy International Limited* (NZX:TIL, ASX:TIL) is a cultivator of essential natural products and home fragrance brands: Trilogy Natural Products, ECOYA and Goodness Natural Beauty Lab in New Zealand and around the world. It's subsidiary CS Company Limited (CS&Co) distributes international cosmetics, fragrances, skincare and haircare brands in New Zealand.

Visit <http://investors.tilbrands.com> to learn more.

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