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TRILOGY  
INTERNATIONAL  
LIMITED  
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trilogy

ECOYA

**goodness**

CS&Co.

 **Lanocorp**

***Trilogy International announces proposed  
acquisition by CITIC Capital***

15 December 2017 – Trilogy International Limited (NZX:TIL, ASX:TIL) (“TIL”) advises that it has entered into a Scheme Implementation Agreement (“SIA”) with CITIC Capital China Partners III, L.P (“CITIC Capital”). Under the SIA, it is proposed that a wholly-owned subsidiary of CITIC Capital will acquire all the outstanding shares in TIL for NZ\$2.90 cash per share under a scheme of arrangement (“Scheme”).

The SIA follows confidential discussions between CITIC Capital and the Board and a period of due diligence. Upon conclusion of the negotiations TIL and CITIC Capital entered into the SIA.

The Scheme is conditional on the approval of TIL’s shareholders, the High Court, and the New Zealand Overseas Investment Office (amongst other things).

A copy of the SIA can be found at <http://investors.tilbrands.com>.

The Directors of TIL have appointed Grant Samuel to prepare an independent adviser’s report to assist them, and TIL’s shareholders, in assessing the merits of the Scheme. The report is expected to be sent to shareholders with TIL’s Notice of Meeting.

Subject to Grant Samuel concluding that the proposed consideration of NZ\$2.90 per TIL share is within or above its valuation range, and no superior proposal arising, TIL’s Directors intend to:

- unanimously recommend to TIL’s shareholders that the Scheme be approved; and
- vote the TIL shares they control in favour of the Scheme.

The Business Bakery, which holds 31.2% of the TIL shares on issue, intends to vote all of its TIL shares in favour of the Scheme, on the same terms as above.

The Directors of TIL believe that the Scheme provides an opportunity for shareholders to realise value for their TIL shares at a premium to the market price before the SIA was announced on 15 December 2017. The NZ\$2.90 cash per share Scheme proposal represents:

- A premium of 27.8% to TIL's closing New Zealand share price on 14 December 2017;
- A premium of 28.1% to TIL's New Zealand volume weighted average share price for the three months ended 14 December November 2017;
- An EV/EBITDA multiple (12 months to 30 September 2017) of 13.6x.

TIL Chairman Grant Baker said the Directors considered the advantages and disadvantages of the Scheme proposal and concluded that the Scheme provides certainty regarding the value of the shares.

“The Board remains confident that TIL is well positioned to deliver growth in earnings across each of its four businesses in the long term. Delivering this growth will take time and involves execution risks. Therefore, shareholders may find attractive the opportunity to realise the value of their TIL shares in cash now.”

"CITIC Capital is viewed as a good owner of TIL as it moves into its next phase of growth. In particular, CITIC Capital's strong relationships in the Asian and US markets provide an opportunity to unlock the potential of these brands, and achieve faster growth globally," Mr Baker said.

Angela Buglass, CEO of TIL, said: "CITIC Capital will bring added capability necessary to build our brands on a truly global scale, better serve our customers and consumers, and provide new career opportunities for our people."

A scheme of arrangement is a court-approved process which requires TIL to obtain approval from its shareholders at a Special Meeting. The Scheme requires the approval of both (i) 75% of all votes cast by shareholders; and (ii) 50% of the total voting rights attaching to TIL shares (whether or not voted).

A shareholder meeting to consider the Scheme is expected to be held in March 2018. Prior to the meeting, shareholders will receive a Notice of Meeting and Explanatory Memorandum, as well as a copy of the Grant Samuel independent adviser's report.

Mr Baker said: “The Board strongly encourages shareholders to exercise their right to vote either in person or by proxy, and to seek independent advice as necessary.”

“As the owners of TIL, by voting, shareholders can have their say in determining the future of their investment in TIL. The vote of every single shareholder counts in order to reach the required thresholds.”

## **About Trilogy International Ltd**

Trilogy International Limited (NZX:TIL, ASX:TIL) is a cultivator of essential natural products and home fragrance brands: Trilogy Natural Products, ECOYA, Goodness Natural Beauty Lab, By Nature, Lanocreme, Tiaki, and Rata & Co, in New Zealand and around the world. Its 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.

For more information:

### **Angela Buglass**

Chief Executive Officer

+64 21 848 293

[angela.buglass@tilbrands.com](mailto:angela.buglass@tilbrands.com)

### **Lindsay Render**

Chief Financial Officer

+64 21 522 101

[Lindsay.render@tilbrands.com](mailto:Lindsay.render@tilbrands.com)

## **About CITIC Capital**

CITIC Capital Holdings Limited is a leading global alternative asset manager with US\$22 billion of assets under management. The firm was founded in 2002 and has been one of the pioneers in cross-border investments. CITIC Capital manages investments through its multiple asset class platform covering private equity, real estate, structured investment & finance, and asset management. The firm has over 130 portfolio companies that span 11 sectors and employ over 820,000 people around the world. CITIC Capital is headquartered in Hong Kong, with offices in Shanghai, Beijing, Shenzhen, Tokyo, New York, with a team of 280 staff.

CITIC Capital's private equity arm, CITIC Capital Partners, focused on control buyout opportunities globally, has completed over 50 investments in the past years in China, Japan, U.S. and Europe. The private equity arm currently manages US\$4.7 billion of committed capital. For more information, please visit [www.citiccapital.com](http://www.citiccapital.com).