



MEDIA ANNOUNCEMENT

Ethos Invests into Leading South African, Independent Automotive-Parts Retailer and Wholesaler

21st January 2015

Ethos today announced an investment into AutoZone, the largest and fast growing, privately-owned automotive parts aftermarket retailer and wholesaler in Southern Africa.

AutoZone's footprint spans 151 wholly-owned retail and wholesale branches and 37 member-owned franchise branches across South Africa, Namibia, Zimbabwe, Swaziland and Botswana. Launched in 1999, the business was originally part of JSE-listed Super Group, and subsequently acquired in 2010 by RMB Corvest, together with Zico Capital and senior management in an LBO.

Christo Roos, Ethos partner said of the transaction:

"This attractive acquisition sits firmly in line with Ethos' strategy of investing in differentiated high-growth propositions. Through our partnership with AutoZone's experienced management team, we anticipate growing the business geographically, while improving customers' experience via an expanded retail footprint. Together, we have already identified immediate opportunities and have embarked on a rigorous programme to accelerate AutoZone's growth strategy."

Wayne Loraine Grews, CEO of AutoZone added:

"We are excited about this next chapter in AutoZone's growth story. Private equity shareholders are not new for us; we had an excellent, supportive relationship with RMB Corvest alongside Zico Capital and we relish the opportunity to collaborate with a firm such as Ethos, given their excellent track record of investing for growth in South Africa. Together, I believe we will make good on the opportunities ahead of us, to the benefit of our business, shareholders, staff and most importantly, our customers."

Three Ethos investment professionals, including partner, Christo Roos, will join the AutoZone Board, in line with Ethos' role of actively partnering with management to shape and implement growth strategies.

AutoZone has a base of over 680 world-class suppliers contributing to a massive range of over 75 000 active parts. Strongly underpinned by the DIY, DIFM ('Do it yourself', 'Do it for me') and cash channel customers, as well as independent spares retailers, AutoZone branches are supported by a well-developed, best practice supply chain as well as excellent merchandising and support services.

Ethos will hold a controlling interest in AutoZone, with management and BEE investors holding the remainder.

Debt for the transaction was provided by Barclays Africa Group Ltd (Barclays Africa). "Flexible financial facilities have been negotiated and are in place to ensure our envisaged growth strategy," added Christo Roos.

AutoZone is the fourth investment Ethos has concluded through its R7.9 billion, Ethos Fund VI. Earlier in 2014, Ethos announced the acquisition of South African logistics supplier RTT, which joined Kevro and Waco International in Fund VI.

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About Ethos

Ethos Private Equity is a leading South African private equity investor. We were instrumental in establishing the asset class in the region, concluding the: first buyout (1984); first public-to-private deal (1992); first BEE deal (1994); and, first international fund raising (1996). We are currently investing Ethos Fund VI, with R7.9 billion of committed capital.

Our team consists of 24 dedicated investment professionals with over 140 years of private equity experience. Ethos distinguishes itself in the South African market by combining financial discipline with value-enhancing strategies, in partnership with portfolio company management teams. This approach has resulted in an enviable track record of superior returns over our 30-year history.

We specialise in control and joint-control acquisitions and expansion capital, in medium-to-large businesses in South Africa and selectively in sub-Saharan Africa. To date, we have made 102 investments and successfully exited 88.

Our proven record of understanding businesses and effecting meaningful operational and strategic change has built Ethos' reputation as a constructive, valued equity partner. Ultimately, we build better businesses. For more information, visit www.ethos.co.za.

About AutoZone

- AUTOZONE is the largest privately-owned aftermarket automotive parts retailer and wholesaler in Southern Africa.
- AUTOZONE'S footprint spans 151 wholly-owned retail and wholesale branches and 37 member-owned franchise branches across South Africa, Namibia, Zimbabwe, Swaziland and Botswana.
- Launched in 1999, the business was originally part of JSE-listed Super Group, and subsequently acquired in 2010 by RMB Corvest, together with Zico Capital and Senior management in a LBO

About RMB Corvest

RMB Corvest is an on-balance sheet provider of private equity with 25 years' experience funding mid-sized management buy-outs, leveraged buy-outs, development capital and funded BEE solutions across Southern Africa.

About Zico Capital

Zico Capital is a leading Black owned, privately held, investment holding company in South Africa.