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NEW PARTNERSHIP FOR EZIBUY

EziBuy Limited (“EziBuy”), Australasia’s largest apparel and home décor catalogue company, has announced a significant equity investment by a leading private equity company.

Australian-based Catalyst Investment Managers Pty Limited (“Catalyst”) will acquire a 43.5% equity shareholding in the company through a newly incorporated company, Multichannel Limited, which is wholly owned by funds managed by Catalyst.

Founders, brothers Peter and Gerard Gillespie, will remain the majority shareholders and will remain on the Board of Directors. They established the company in Palmerston North, New Zealand in 1978 and expanded to Australia in 1992.

EziBuy’s multi-channel retail model allows customers to purchase its products via mail order, telephone, its website and in-store. Central to the model is its catalogue offering which showcases the company’s apparel and homeware brands to more than half a million Australasian customers.

This transaction is Catalyst’s second significant investment in New Zealand in the past six months, following its acquisition of Metro GlassTech in August 2006.

EziBuy Chief Executive, Mary Devine, says Catalyst is the right partner for the company as it continues significant growth plans, particularly in the Australian market.

“We have been through a robust and comprehensive process to select a partner and investor that brings attributes to the table that support the growth plans. Catalyst has a proven track record and extensive experience in the apparel retail sector.”

“EziBuy has opened new stores in Hamilton and Tauranga in recent months and further stores are planned for Wellington and Auckland. In the Australian market, EziBuy is investigating growth opportunities to develop the active customer base further. The core strength of EziBuy’s multi-channel strategy is also reinforced by the fact EziBuy is consistently ranked as the most popular apparel website in New Zealand and Australia by ‘Hitwise.’

“We are very excited by this opportunity to invest in EziBuy and to partner with Mary Devine and her high quality management team. EziBuy is a vibrant and strongly profitable business, which has significant opportunities for growth. We look forward to working with Mary and the Gillespie family to build on their already significant achievements,” says Managing Director of Catalyst, Trent Peterson.

“We are looking forward to working with Catalyst to optimise the potential of the EziBuy business model,” concluded Mary Devine.

The acquisition is subject to OIO approval.

The exiting shareholders are New Zealand private equity company Direct Capital Ltd and Direct Group Pty Ltd.

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Background – EziBuy

EziBuy Limited is the largest fashion clothing and home décor catalogue company in Australasia. It has a turnover in excess of \$170 million and employs more than 800 staff.

The company was established in Palmerston North in 1978 by brothers Peter and Gerard Gillespie. It expanded to Australia in 1992.

EziBuy makes its core fashion and homeware collections available through catalogues and via its website. It also has retail stores in New Zealand and Australia.

The company's first mailing list of organisations and clubs were drawn from telephone books. Thirty years on, EziBuy produces over 30 catalogues that are mailed to more than half a million people in New Zealand and Australia, and dispatches an average of 9,000 parcels a day to Australasian shoppers.

EziBuy's catalogues showcase the company's core womenswear brands – Capture, Emerge, Grace Hill, Glory and Urban – plus the extended choice offered by exclusive European brands, Together and Apart. Sara, a 16+ women's fashion collection, completes the range.

EziBuy also provides corporate apparel through Profile, its corporate apparel division, which has led the New Zealand market in providing branded clothing solutions to a range of blue-chip clients and large multi-nationals for 13 years.

A true Kiwi success story, EziBuy is one of the few New Zealand companies that have successfully integrated into the Australian market and has established itself as a trans-Tasman household name.

EziBuy cemented its presence in the Australian market when in February 2002 it secured the direct database from Australia's largest catalogue retailer, Coles Myers. Today, Australian customers account for over 50 per cent of EziBuy's total business.

Background – Catalyst

Catalyst Investment Managers is a leading Australasian private equity firm. Catalyst has completed over 30 transactions in Australia and New Zealand with a combined enterprise value of almost A\$3 billion.

Catalyst makes investments in market leading businesses, with excellent management, robust cash flows and strong growth prospects.

Catalyst has developed significant experience in investing in the Australasian retail sector, having successfully invested in Just Group (re-listed in 2004), Pacific Brands (listed in 2004) and Australian Discount Retail (acquired in 2005).

Some of Catalyst's significant investments include:

- *Pacific Brands, acquired from Pacific Dunlop in 2001 for A\$730 million, and subsequently listed on the ASX for A\$1.725 billion in 2004. Pacific Brands is Australasia's leading wholesaler of branded everyday apparel and household products including underwear, socks, shoes, bedding, pillows etc.*
- *Just Group, acquired from public shareholders (including Kimberly Family) in 2001 for A\$125 million, and subsequently re listed on the ASX for A\$573 million in 2004. Just Group is Australia's largest specialty apparel retailer following a period of significant earnings growth and various acquisitions.*
- *Taverner Hotel Group, a group of 33 pubs built through acquisition throughout Australia over the period 2001 – 2005. Taverner was sold to Woolworths for A\$380 million in 2005.*
- *Australian Discount Retail Pty Ltd, formed by the simultaneous acquisition of the Australian business of The Warehouse Limited, and the discount variety business of Miller's Retail Limited. These businesses were acquired in 2005 for A\$200 million. The combined group is Australia's leading discount variety retailer, with turnover in excess of \$1 billion, and c.450 stores.*
- *Aperio Group, Australia/NZ's leading flexible packaging manufacturer, which was acquired from AEP Industries in 2004, and has since gone on to complete the acquisitions of FPSI, EPIC and Finewrap.*
- *Moraitis Group, Australia's leading wholesaler and distributor of fresh fruit and vegetables to the retail grocery industry. Moraitis is a high growth business with turnover in excess of A\$250 million. Catalyst acquired a significant stake in Moraitis Group in 2006.*
- *Metro GlassTech, New Zealand's leading manufacturer, supplier and distributor of value added glass products to the construction industry. Catalyst acquired Metro GlassTech in August 2006.*
- *Global Television (GTV) is Australia's leading provider of equipment studios and technical services to the television production industry. Catalyst completed the acquisition of GTV from public shareholders in January 2007.*