



**MANAGEMENT BUY-OUT AND THE INTRODUCTION OF BEE AND MEZZANINE FUNDING
PARTNERS IN LIBRA PAINTS (PTY) LTD (“Libra Paints”)**

1. INTRODUCTION

Management, in conjunction with Inno-Phemba Investments (Pty) Ltd (“Inno-Phemba”), a BEE company, and Mezz Capital Solutions (Pty) Ltd (collectively, the “New Shareholders”) acquired 100% of Libra Paints. Nodus Capital (Pty) Ltd acted as advisor to the New Shareholders to structure, implement and raise capital for the transaction.

2. NATURE OF THE BUSINESS

Libra Paints, founded in 1977, is a quality paint company that specialises in the manufacture of paint for the industrial and decorative paint industry.

3. RATIONALE FOR THE TRANSACTION

The majority shareholder’s decision to exit the business of Libra Paints, along with recognising that BEE is a business imperative in South Africa, offered an opportunity to the New Shareholders to acquire Libra Paints. The New Shareholders aim to build on Libra Paints’ presence in the paint manufacturing industry in both South Africa and the rest of Africa.

4. TERMS OF THE TRANSACTION

The transaction was structured in the form of a LBO, entailing the purchase of the business and assets of Libra Paints, excluding certain specified assets, by a new company set up specifically for the transaction and owned by the New Shareholders. The purchase consideration was funded by a combination of externally raised senior and mezzanine debt as well as shareholder funding.

November 2008

Transaction Advisor

nodus