

All Made-Up

AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED GROWS ITS HEALTH DIVISION BY ACQUIRING ORLEANS COSMETICS (PTY) LIMITED

13 September, Cape Town - JSE-listed African Equity Empowerment Investments Limited (AEEI), has announced that it has acquired a majority stake in prestigious cosmetics distribution company, Orleans Cosmetics (Pty) Limited (Orleans).



Pictured from left to right: Don Kourie CEO of Orleans, Khalid Abdulla, Group CEO of AEEI with Alasdair Neilson, the previous owner of Orleans

Orleans is the exclusive Southern African distributor of imported, high-end cosmetic brands such as Gatineau, NUXE, RVB SKINLAB/diego dalla palma professional and Sothys. These products are sold to leading retailers such as Truworths, Woolworths etc. as well as to spas and beauty salons.

Khalid Abdulla, Group Chief Executive Officer of AEEI said, “I am delighted that AEEI has concluded the deal with Orleans. Orleans was acquired to expand our health and beauty division, which is right on track in terms of organic and acquisitive growth and in line with AEEI’s Vision 2020 Vision strategy.”

AEEI’s health division has been growing steadily over the past few years, yielding excellent results. This acquisition is a strategic move to complement AEEI’s strong health and beauty division through the addition of leading cosmetic brands to its existing portfolio. The acquisition of Orleans also talks to a strong consumer-focused growth path for the diversified investment group.

Alasdair Neilson, the previous owner of Orleans said, “I am confident that AEEI is exceptionally well-positioned to take Orleans to the next level through further value creation for the company. Orleans has been ready for this monumental shift in business strategy, especially with a successful Black Economic Empowerment business with solid credentials. AEEI is currently the top empowerment company in the country and is energetically forging ahead with innovative thinking and business practices and also building on its strategy by venturing into new territories and investments. Orleans will do very well in the AEEI stable.”

It is anticipated that AEEI’s investment into Orleans will have a pay-back period of three to four years. This ‘payback’ excludes the anticipated exponential capital appreciation expected from the investment.

Don Kourie, Chief Executive Officer of Orleans and 10% shareholder said, “We intend to double the size of the business within the next three to four years, looking to be the key player in the prestige and masstige cosmetics industries. With the support of AEEI and its track record for growing profitable businesses, it is envisaged that the company’s brands will grow quickly and significantly by building on a number of robust strategies which AEEI is already implementing.”

Orleans products are acknowledged by industry experts as a best-in-class skincare range, which, along with Gatineau, has been a forerunner for many years. The company has a close relationship with its key suppliers and retailers which he plans to strengthen. Orleans provides high quality products and excellent service from their own highly trained beauty consultants.

Skills development and refresher training courses are held regularly with the sales staff and beauty therapists so that they are equipped to have an in-depth knowledge about the products.

Abdulla further commented, “We look forward to the real growth opportunities provided through the synergies between Orleans and AEEI. We are more excited than ever about our plans to create shareholder value with our diversified products and services offerings.

This additional deal with Orleans is testament to our ambition to realise those goals and objectives.”

As proof-positive of its future-thinking approach and its ability to deliver, AEEI was recently lauded 1st overall in the Empowerdex Top 100 Empowered Companies Award of 2016; 1st overall in the Empowerdex Top 100 Empowered Management Award 2016; Runner-up in the Empowerdex Most Empowered Black Ownership under the amended codes of Good Practice 2016.

The company was also rated as a top 10 JSE-listed Company in the Financial Mail’s Top 100 JSE Companies for financial performance in 2016 and 2015; and is in the Top 10 for Integrated Reporting Assurance Services (IRAS) in the Sector: ‘Financial Services – Other’ for the Highest Sustainability Data Transparency Index (SDTI) for reporting and governance. AEEI was also awarded 3rd place overall by IRAS, out of a total of 311 companies.

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