

## **CHAMP Ventures sells Retail Apparel Group Pty Limited (“RAG”) to Navis Capital**

CHAMP Ventures Pty Limited, manager of the CHAMP Ventures Investment Trust No. 5, announced the sale of RAG to Navis Capital which completed on 4 May 2011.

RAG is one of Australia’s most successful menswear retailers specialising in smart casual menswear across its three established brands of Tarocash, yd and Connor.

CHAMP Ventures, initially invested in RAG in July 2004 in order to assist with succession planning of the two founders and to assist positioning the business for continued growth. RAG’s growth was driven both organically and via acquisitions, which were supported by further capital investment in partnership with the remaining founder and the management team.

When CHAMP Ventures made its initial investment, Tarocash had 43 stores. This footprint was expanded to 248 stores across Australia and New Zealand at the time of exit. The enlarged footprint included brand expansion, with the newest brand, Connor, developed during the CHAMP Ventures investment period, continuing to provide RAG with significant growth opportunities in new market segments.

Mr Su-Ming Wong, Managing Director of CHAMP Ventures, said “The RAG story is a fantastic example of private equity partnering with outstanding retail management and a quality underlying business.”

Mr Stephen Leibowitz, the founder and Executive Chairman of RAG appreciated the opportunity provided by partnering with private equity to focus solely on driving growth. Mr Leibowitz, who, along with senior RAG management, will continue to partner with NAVIS Capital to drive further growth in RAG said, “A key benefit I have gained from working with CHAMP Ventures is learning the importance of working on the business, rather than in the business and I am looking forward to taking RAG to an exciting new level with our new partner, NAVIS Capital”.

In what remains a difficult retail trading environment, Mr Wong noted that the better retailers will continue to grow and grow market share, with the RAG platform proving a resilient business model. “There remains significant opportunity for RAG both organically and through acquisition, which will enable it to continue its successful growth story.” Mr Wong said.

The terms of the RAG sale are confidential, but Mr Wong said “Importantly as a result of the sale, CHAMP Venture’s fifth fund will provide a 3 times return for our investors”.

CHAMP Ventures and RAG were advised on the sale by Greenhill Caliburn.