

Press Release

CDPQ acquires a substantial minority interest in TVS Logistics Services

Chennai / Montreal, October 19, 2016: TVS Logistics Services Ltd. (TVS LSL), the only Indian multinational third-party logistics service provider, announced that it has reached an agreement with Caisse de dépôt et placement du Québec (CDPQ), one of North America's largest pension fund managers. Under this agreement, CDPQ will invest over INR 1000 crores (\$155 million US) to acquire a sizeable minority stake in TVS LSL, a privately held subsidiary of the TVS Group. Following this transaction, existing investors Goldman Sachs and KKR will fully exit their investments in TVS LSL. CDPQ will purchase most of their joint stake, while TVS family members and management will acquire the remainder.

Beyond this equity investment, CDPQ is ready to commit significant additional capital to finance transformative acquisitions and support the expansion of TVS LSL in India and globally.

R. Dinesh, Managing Director, TVS Logistics Services Ltd. said: "We are happy to have CDPQ, a leading global institutional asset manager, on board. Over the years, we have benefitted from a meaningful partnership with global investors like Goldman Sachs and KKR. We believe CDPQ is the perfect long-term partner for our next phase of growth as we look to expand the scale of our business. TVS Logistics, over the years, has grown at a CAGR of more than 30% and has a strong global track record of growth, both organically and through acquisitions. We look forward to continuing this evolution and build on our successes through a fruitful partnership with CDPQ."

Michael Sabia, President and Chief Executive Officer, CDPQ said: "Efficiency in delivering goods to customers is a key driver of business performance. TVS Logistics is well positioned to seize growth opportunities resulting from recent tax reforms in India and global demand for state-of-the-art logistics services. CDPQ's strategy is to identify world-class management teams and to support them over the long term. This is precisely what we intend to do with TVS Logistics as it expands in its home market and abroad."

Sanjeev Mehra, Goldman Sachs' representative on the board of TVS LSL, said, "We have been privileged to partner with Dinesh and the TVS Group as their first private equity investor. During our eight year long partnership together, we have successfully scaled the company, added new services and geographic capabilities. Goldman Sachs is proud to have been part of this transformation and growth in creating an Indian champion through one of our first investments in India."

Sanjay Nayar, Member & CEO of KKR India, said "We are proud to have worked alongside the TVS Logistics team in this partnership to enable several game-changing acquisitions across geographies. This expanded their service offerings and capabilities globally. With this unique platform, we are confident TVS will experience continued success with CDPQ."

TVS LSL, in the last many years, has substantially widened its service capabilities, including last mile delivery, demand forecasting, and technology logistics through its acquisitions in the UK such as Rico Logistics and Multipart. It further added capabilities like sub-assembly and sequencing through its Wainwright acquisition in the US. With a global footprint and suite of sophisticated capabilities and services, TVS LSL is now well positioned to increase its coverage across all segments of the logistics supply chain in India and other parts of Asia.

TVS LSL has a significant presence in the UK and in the USA. Its UK business has grown sevenfold in the last five years from £40m to £275m. It is also one of the largest Indian employers in Northern England with more than 3,500 employees in the UK and in Europe. In the USA, it operates through seven facilities with over 800 employees.

CDPQ opened CDPQ India, its New Delhi-based office, in March 2016. It is led by Anita Marangoly George, Managing Director, South Asia, whose mandate is to identify the best investment opportunities in the South Asian markets.

The transaction is subject to the approval by the Competition Commission of India (CCI).



ABOUT TVS LOGISTICS SERVICES LTD.

TVS Logistics was started as a business unit of T V Sundram Iyengar & Sons Ltd in 1995 and was later established as a separate company, TVS Logistics Services Limited (TVS LSL), in December 2004.

TVS LSL is an Indian multinational company providing end-to-end integrated logistics services to sectors like, automobile, beverages, IT, healthcare, telecom, retail, FMCG and defence globally. It has presence in 14 countries - India, USA, UK, Spain, Germany, Italy, France, Singapore, Hong Kong, Thailand, China, Australia, New Zealand and Mexico. The company forms an indispensable link between suppliers and customers from across sectors in over 50 countries and manages more than 100 blue chip customers through its 15,000 plus skilled work force. TVS LSL manages over 10 million square feet of warehouse space in India.

ABOUT CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

Caisse de dépôt et placement du Québec (CDPQ) is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at June 30, 2016, it held CA\$254.9 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure and real estate. CDPQ is present in India through its subsidiary CDPQ India, based in New Delhi. For more information, visit cdpq.com, follow us on Twitter [@LaCDPQ](https://twitter.com/LaCDPQ) or consult our [Facebook](#) or [LinkedIn](#) pages.

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