

ETHOS

PRIVATE EQUITY



It's what you're left with when the scaffolding comes down, that counts.

In our case it's a deal worth R5.4 billion

In July 2000 an Ethos-led consortium bought Waco for R2.4 billion, the largest private equity deal in South Africa at the time. Ethos confirmed its reputation for effective financial re-engineering by leading the complex buyout, which entailed intricate structuring across a number of geographic regions, tax jurisdictions and currencies, and represented a ground-breaking transaction in terms of large multi-national, 'public to private' buyouts in South Africa.

Waco has undergone major transformation since the delisting, including the introduction of a new management team. They were tasked with overhauling Waco's performance, disposing of several non-core businesses and growing the company footprint, culminating in acquisitions in the UK, South Africa and New Zealand.

Strongly supported by Ethos and the consortium, Waco developed into an aggressive and formidably managed asset. In late 2004 the Waco shareholders started to explore the possibility of a liquidity event and embarked on a dual track exit process - the first one of its kind in South Africa - with full IPO and trade-sale advisory teams running separate processes.

Shareholders were eventually able to achieve significantly greater value through exiting to a financial buyer and announced a sale to an international private equity consortium, which included CCMP Capital Asia (CCMPA), JP Morgan Partners, and Waco management.

For Ethos and the shareholders, the R5.4 billion exit represents another record deal in the South African private equity sector and further confirms Ethos' ability to create value for investors and equity partners alike.

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