

ETHOS

PRIVATE EQUITY



We're tuned for performance.

Ethos exits investment with sale to global leader, Cummins Engine Company.

Ethos Private Equity, together with the management of Cummins Diesel Sales & Service (CDS&S) has sold 100% of CDS&S to Cummins Incorporated, the world's largest independent diesel manufacturer.

CDS&S is the sole official distributor of Cummins engine parts and service in South Africa, Botswana, and Namibia, and was acquired by Ethos from NEI Africa in a management buyout in 1993. CDS&S has distributed under license from Cummins for over 50 years.

In 1995, Ethos was on hand when an unexpected swing in business cycles called for the rescheduling of debt and the redefining of strategy. Ethos was instrumental in introducing a new MD to CDS&S in late 1995 and the company was positioned to maximise returns from the upswing in business cycle that started in late 1996. Ethos' philosophy of partnering management to extract value, successfully implemented in CDS&S, has resulted in the great growth prospects it faces today. During 1999, CDS&S achieved earnings growth of close to 68% and the business has achieved earnings growth of approximately 50% in 2000.

The investment into South Africa by Cummins Incorporated is a vote of confidence in the country and also reflects the strong underlying fundamentals and growth prospects for the business.

Claudia Koch, Ethos partner, comments: "Cummins is the blue chip of global diesel engine manufacturers and its decision to acquire the South African business is an exciting development for South Africa, the local business and management. We partnered management in building CDS&S into a world class business and this transaction reflects the value-added benefits of our private equity model."

Ethos invests in quality businesses and partners quality management teams. As a result, our funds are brimming with a diverse portfolio of companies of the calibre of CDS&S. It's part of the formula that ensures an above average return for our investors.