

# ETHOS

PRIVATE EQUITY



The second nine-letter word is 'limestone'.

## Ethos partnership powers high returns in lime for milestone BEE exit.

Ethos has sold its controlling interest in Idwala Investment Holdings (Pty) Ltd (a leading producer of lime and industrial minerals) to a Tiso Group led consortium in a BEE transaction worth R938m. The deal has enabled a broad-based group of Idwala management and staff to acquire 26 percent of the company.

Idwala was established in 1998 when Holcim SA's (previously Alpha Limited) industrial division was sold to its management and Ethos through a leveraged buy-out. Ethos was initially attracted to the partnership by Idwala's strong growth potential, dominant and stable market share, history of strong cash-flow generation, and the expert management team.

By backing the right jockey, Ethos' growth strategy quickly resulted in resounding success. Working in close partnership with Idwala's management, cash-flow generation in Lime far exceeded expectations, while Industrial Minerals experienced significant growth. The strong financial performance resulted in debt reduction ahead of schedule, allowing for major expansion programmes and significant return of capital to shareholders over the investment period.

The transaction demonstrates Ethos' proven ability to identify attractive opportunities and back management's expansion plans to generate superior earnings growth.

Ethos exits Idwala five years and five months after Fund IV made the original investment. The transaction has generated R882m in gross distributions to Fund IV investors.

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