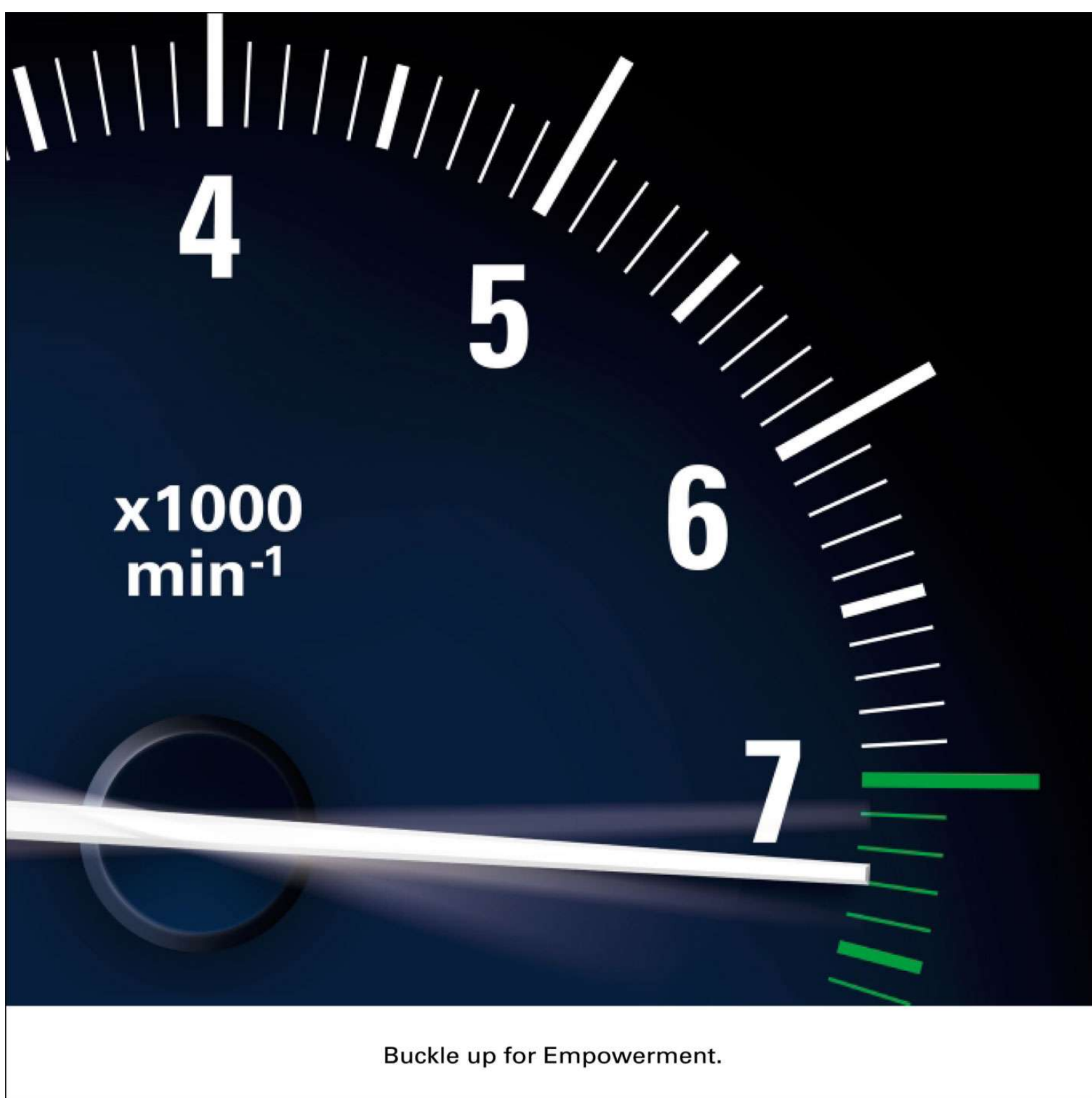


ETHOS

PRIVATE EQUITY



Ethos steps on the Empowerment gas.

Ethos Private Equity Fund III has divested from leading local logistics company, Crossroads Distribution, in a deal which further enhances this empowered company's Black Economic Empowerment (BEE) rating.

Crossroads was established in 1997 by Ethos and management to acquire the Transport Division of JSE-listed Tencor Ltd after it chose to divest of this non-core business.

Ethos and management recognised that the identification and introduction of value-adding BEE partners was fundamental to the success of Crossroads. Ethos assisted management to identify suitable partners, secure funding, and structure the entry of Malesela into the business. Malesela are now known as Community Investment Holdings.

Malesela played a leading role in assisting the company to secure the then existing contracts with Government agencies and also significantly enhanced Crossroads' ability to bid for future contracts. The partnership between management and its shareholders has been highly successful. Value has been added with strategic initiatives as well as at board, client liaison and new business levels. Crossroads has led the way in terms of BEE shareholding in the logistics industry, which in turn has led to high levels of new business generation.

Ethos' exit has enabled Malesela to consolidate and increase its shareholding in Crossroads. The Crossroads investment has again demonstrated the ability of the private equity model to forge and sustain meaningful Black Economic Empowerment.

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