

# ETHOS

PRIVATE EQUITY



Strong and black, please.

## Ethos enables SA's largest food sector empowerment deal - Foodcorp.

Ethos is pleased to announce the sale of Foodcorp to our black empowerment partner, Pamodzi, in a landmark BEE transaction. This transaction demonstrates the ability of Ethos, as a leading private equity firm, to play a pioneering role in bringing about meaningful empowerment in South Africa.

Ethos partnered with Pamodzi in 1998 to acquire Foodcorp, having identified it as an undervalued company with strong brands and significant non-core assets. Ethos led the delisting from the JSE, in what was South Africa's largest ever private equity deal, with an enterprise value of R2.1 bn at the time.

Together, Ethos and Pamodzi played a value-adding role by strengthening strategic decision making at Foodcorp's senior management and board level. We also assisted in substantial corporate restructuring -with the disposal of a number of non-core assets and the acquisition of certain value-adding businesses.

Ethos Partner Nadine Rechenberg states that, "The original Foodcorp transaction demonstrates that the private equity model is an ideal mechanism to achieve substantial effective wealth and ownership transfer to BEE companies whilst growing a sustainable business."

Foodcorp has been exited 5,25 years after Ethos and our co-investors made the original investment. The Foodcorp transaction has enabled Ethos to generate R822m of gross cash distributions to Ethos' Fund IV institutional and individual private equity investors.

April 2004

