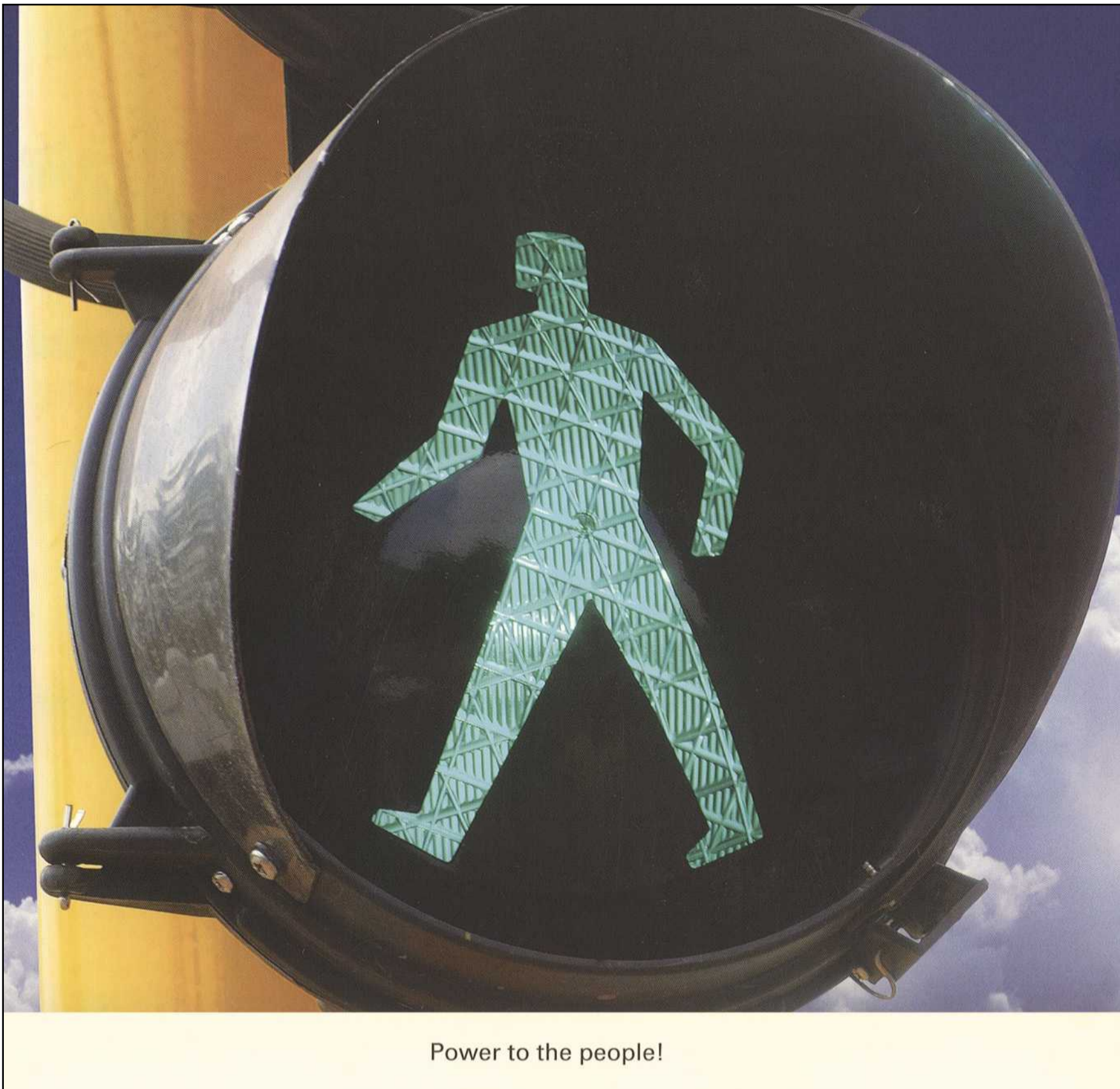


ETHOS

PRIVATE EQUITY



Power to the people!

Ethos facilitates R1,3bn bid for two Delta divisions set to grow on the back of SA's infrastructure drive.

Ethos jointly originated and led the R1,3bn bid of two divisions of Delta Electrical Industries Limited: Repairs and Services, and the Replacement Parts divisions (the former including Africa's largest private sector repairer of electric motors, transformers and traction drive systems). The deal was clinched after a highly competitive auction process involving numerous strategic bidders. This underlines Ethos' willingness and ability to commit considerable capital in order to acquire organisations that exhibit exceptional value and potential.

"These quality businesses lend themselves to a private equity deal because they are highly cash-generative and service-oriented; they're market-leaders with strong management teams and are set to experience solid growth on the back of committed infrastructure spend by Government and economic growth in South Africa," says Ethos Partner Danie Jordaan. The equity consortium included Old Mutual Asset Managers, Actis and management, as well as BEE partners Aka Capital and Sphere Holdings. The BEE consortium's stake vests immediately and was primarily funded by Old Mutual (SA), with Ethos and Actis also contributing. "Strong and credible BEE partnerships are crucial to the group's prospects and we believe we will be able to unlock considerable value in the business," says Ethos Associate Lorraine Corlet. "The company's BEE credentials will be further enhanced by bringing the company's operational BEE participants into the mainstream of the management process."

Ethos Principal Christo Roos adds: "This is our first transaction in partnership with Sphere Holdings following the announcement of their shareholding in Ethos, and is a landmark in terms of our alliance. The transaction demonstrates the viability of private equity funding as a solution for corporate restructuring and ownership transformation."

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