



## A STAND UP PERFORMANCE

### Ethos powers high returns

Some deals just generate electricity.

With the successful exits of the electrical, telecommunications and nuclear divisions of multifaceted engineering-solutions company, 1ST, Ethos confirms its leading position as a private equity partner able to effectively understand and extract value from complex businesses.

In 2004, Ethos Fund IV in partnership with the Ethos Technology Fund, acquired 1ST in a public to private transaction. An intricate business, offering engineering solutions to its customers across diverse industries including energy, telecommunications and defence. Ethos identified 1ST as having growth potential, particularly in the rapidly expanding South African telecommunications and power-generation sector.

During the three-year investment period, Ethos played a crucial role by providing governance and focus, which positioned 1ST to take advantage of South Africa's rapidly growing demand for electricity and telecommunications infrastructure.

Once the business was allowed to focus on its individual strengths, natural acquirers Altron and Westinghouse Electric presented themselves as having the strategic credentials to take key 1ST businesses to the next level in terms of growth.

- Electrical units including Energy, Otokon, Data, Telecom and industrial were acquired for R505 million by JSE-listed Altron subsidiary, Powertech, complementing their existing marketing and manufacturing business.
- 1ST's nuclear unit, the developer of systems for the pebble bed modular nuclear reactor (PBMR) was sold to US-based Westinghouse Electric, a leading nuclear power company - greatly enhancing its nuclear capabilities in the South African market.

These transactions confirm Ethos' ability to identify attractive opportunities, unravel complexity and structure effective transactions which create value for investors and equity partners alike.

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