

Second wave BEE deal concluded

Kagiso and Waco Africa establish long-term partnership

Waco Africa Limited, the South African business of Waco International Limited, has announced a strategic long-term BEE agreement with the Kagiso Group. Waco International's South African business, Waco Africa, trades under the brand names Form-Scaff and SGB-Cape, and is the market leader in scaffolding, forming and shoring in southern Africa.

Waco International was recently sold in one of the largest ever foreign equity buyout investments in South Africa for R5,4bn. Waco Africa's former BEE partner, Kagiso Ventures, a well-known provider of empowerment capital, was entitled to realise its 25,1% investment in Waco Africa as a result of this acquisition. Recognising the substantial growth in their initial investment in Waco Africa, Kagiso Ventures sold its stake realising several hundred million rands.

Kagiso has once again demonstrated their confidence in Waco Africa's management and continued long-term growth prospects by purchasing a new

"We have agreed to remain invested in Waco Africa for the long-term, which is in accordance with our investment criteria."
Afzal Patel, MD of Kagiso Ventures.

stake of 25% in the company. This investment has been made by Kagiso Strategic Investments. The latter is a long-term investment vehicle within the Kagiso stable.

Waco Africa and Kagiso initially established relations in 2001 and worked together in formulating the growth strategy for the company. Kagiso will continue to contribute to the success of Waco Africa by growing the business and winning new customers. Waco Africa customers in turn will benefit from a more attractive business proposition.

Comments Dave Best, MD of Waco Africa: "It is great that Kagiso has shown its continued confidence in us by reinvesting in the company. They have got to know us well and are therefore in a good position to carry on helping us to develop new business opportunities for both Form-Scaff and SGB-Cape in South Africa. They bring a wealth of contacts within the parastatal sector where, with the major planned investment in infrastructure in the economy, we are well placed to participate."

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