

## Empowerment deal- Form-Scaff and SGB-Cape well positioned to support South Africa's growth opportunities

Waco Africa trading as Form-Scaff and SGB-Cape sign long term Black Economic Empowerment agreement with Kagiso.

Market leader in forming, shoring and scaffolding operations in Southern Africa.

- Blue chip customers
- Flexible product range
- Country wide distribution

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## Press cutting

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## New "second wave" black economic empowerment deal signed in construction sector

**Waco Africa Limited, the South African business of Waco International Limited, announced a strategic long-term BEE agreement with the Kagiso Group in March this year.**

**W**aco International was recently sold in one of the largest ever foreign equity buyout investments in South Africa for R5,4 billion. 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.

The Kagiso Group also purchased a new stake of 25% in the company. This investment has been made by Kagiso Strategic Investments, a long-term investment vehicle within the Kagiso stable. Stephen Goodburn, Group FD of Waco International said that Waco had had a very amicable and successful relationship with Kagiso since 2001. "Kagiso is highly reputable and we are excited to be continuing our partnership as we grow our South African business," said Goodburn.

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 will benefit from a more attractive business proposition.

Dave Best, MD of Waco Africa, stated: "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

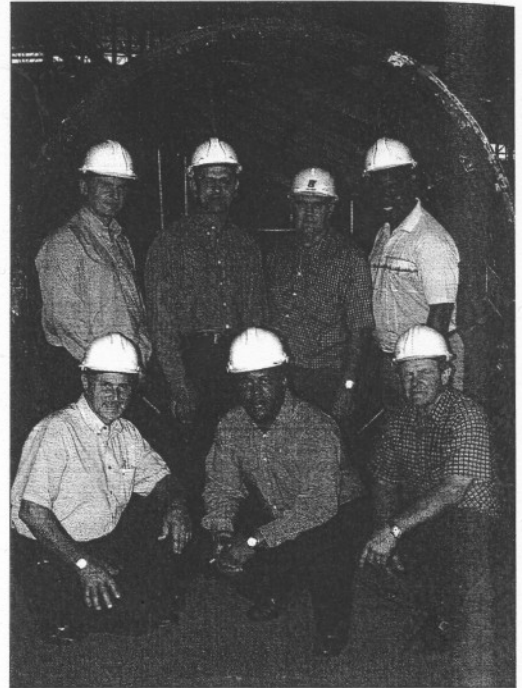
a good position to carry on helping us to develop new business opportunities for both Form-Scaff and SGB-Cape in South Africa. They bring a wealth of contacts within the parastatal sector where, with the major planned investment in infrastructure in the economy, we are well placed to participate".

Form-Scaff manufactures, hires and sells formwork and scaffolding to all the major South Africa construction market participants. Its new purpose built manufacturing facility is located in Elandsfontein on a 45,500 m<sup>2</sup> site. Form-Scaff has historically focused on traditional steel and glass reinforced products and new product offerings include timber faced formwork. Products are exported to other parts of Africa, Australia, the Middle East and South America.

All branches have ISO 9000/2001 accreditation through BVQI and Form-Scaff has also been awarded NOSA Safety grading. Products comply with all relevant SABS, as well as European, USA and Australian standards where applicable.

SGB-Cape is a newly formed entity from the merger between Cape Contracts and SGB in April last year. SGB-Cape supplies services into a range of market sectors including, but not limited to power generation, petrochemicals, mining and mineral processing, paper and pulp, gases and cryogenics, speciality and fine chemicals. SGB-Cape has 18 branches nationwide. SGB-Cape has been awarded Eskoms prestigious Level 1 approval for thermal insulation work.

According to Waco Africa the group is fully committed to Black Economic Empowerment in South Africa and the company aims to ensure that its corporate and social make-up is consistent with the broader



Back row (from left to right) : Erik Esterhuysen, Production Director – Afzal Patel, MD Kagiso Ventures – Rob Channon, Special Factory Manager – John Buthani, Receive and Dispatch Quality Control.  
Front row: Dave Best, MD Waco Africa – Bruce Zungu, Deputy MD Kagiso Ventures – Dries Snyman, Standard Factory Manager

demographics of South African society. Kagiso is expected to continue to work with Waco Africa to help its transformation initiatives. This new deal means that customers can count their business with Waco Africa towards their empowerment procurement spend.

Afzal Patel, MD of Kagiso Ventures, said: "We have been exceptionally pleased with the performance of our investment in Waco Africa to date and were therefore keen to realise the gains from the sale for Kagiso Ventures. Looking to the future, we have considered the bright prospects and strong market position of Waco Africa and have therefore acquired a new stake in the company. We have agreed to remain invested for the long term which is in accordance with our investment criteria". ■