

## PRESS RELEASE

7 December 2005

### RMB CORVEST OVERHAULS FIDELITY GROUP IN R731 MILLION ENTERPRISE VALUE DEAL

FirstRand private equity group RMB Corvest has engineered a R731 million black economic empowerment deal which will see services company Fidelity Services Group completely restructured and recapitalised.

With 40 000 employees, the Fidelity Services Group ("FSG") is South Africa's leading independently managed services business. The Fidelity Group has grown from having turnover of R160 million at the time of a RMB Corvest led buyout in March 1990 to R1.9 billion today.

RMB Corvest executive Mike Donaldson said although it was unusual for a private equity investor to hold an investment for 15 years, the value of the company, and RMB Corvest's involvement in the company, had grown dramatically during that time.

In three different empowerment deals, Fidelity Services Group's three key divisions will be split into separate Newcos to facilitate the introduction of four new empowerment shareholders and to assist divisional management in acquiring direct equity stakes in their respective businesses. The three deals see Fidelity Group split into Newco-Cash Management Services, Newco-Guarding and Monitoring and Newco-Cleaning, Hygiene and Labour Outsourcing.

Safika Investments, will take a 20% interest in Fidelity Cash Management Services, the largest mover of coins and notes in SA. Sandile Zungu's investment company, Zungu Investments Company ("ZICO") will acquire an additional 5% of the business. The Fidelity Cash Management Services deal is valued at R346 million.

With a dominant market share in security services - Fidelity Springbok Security Services is SA's largest employer of security officers in industrial and commercial asset protection. The New Seasons consortium, led by Ashley Mabogoane, will take 25% of Fidelity Springbok Security Services, with existing Khulani Fidelity Services empowerment shareholder Khulani Holdings taking an additional 25% stake in the business. RMB Corvest values this deal at R295 million.

ZICO will also acquire 25% of Fidelity Supercare Cleaning Services in a R90 million deal. Fidelity Supercare Cleaning Services is the second-largest employer in the daily contract facilities cleaning market.

Donaldson said RMB Corvest and its fellow shareholders in FSG had deliberately unbundled the group as one empowerment partner would not have been able to add value to all three divisions. "Each partner was chosen due to its experience and business acumen in the respective field", Donaldson said. He said the empowerment deals would add significant value to the unbundled Fidelity group, by attracting new business to the respective companies.

RMB Corvest and Fidelity's current group CEO Rob Dickerson had considered various options for the business, including offers from trade buyers, financial institutions and empowerment groups to acquire an interest in the business, but felt that the future prosperity of the Group would best be served by allowing management and empowerment partners to take up a greater equity stake in their respective businesses.

Donaldson said the deals allowed RMB Corvest to take advantage of the appreciation in its investment in Fidelity Group, while facilitating the increase of Fidelity Group management's shareholding. "Although we sold part of our stake to facilitate the deal, RMB Corvest and Dickerson Investments will continue to hold an investment in the respective businesses. Fidelity benefits from its diversified activities in a number of well-defined growth orientated service sector activities, servicing a broad business community," Donaldson said.

After a successful and rewarding 15 year association with RMB Corvest, Dickerson Investments and management were keen to continue the relationship with a private equity party in which they have had a well cemented and successful track record.

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Distributed on behalf of RMB Corvest by: Percheron Public Relations & Marketing  
Gillian Bouchier  
Tel: +27 11 486 4300  
Cell: +27 82 892 8378  
email: [gillian@percheron.co.za](mailto:gillian@percheron.co.za)

For further information please contact: Mike Donaldson  
RMB Corvest  
Tel: +27 11 268 0555  
Cell: +27 83 326 5449  
email: [mike@rmbcorvest.co.za](mailto:mike@rmbcorvest.co.za)

Rob Dickerson  
Fidelity Services Group  
Tel: +27 11 709 8000  
Cell: +27 82 802 5782  
email: [robd@fidelity.co.za](mailto:robd@fidelity.co.za)

## Notes to editors

RMB Corvest is a private equity company in the FirstRand Group. It was established in 1989 by Neil Page, Dick Merks and Dave Rissik with the aim of investing in established, well-managed businesses with a demonstrable record of performance. It has completed more than 100 deals to date and has a professional staff complement of 9 people with collective experience in investment banking of about 90 years.

The company specialises in orchestrating and funding private equity deals in the medium enterprise sector, especially those with a BEE component. RMB Corvest provides specialist services including funding for BEE consortiums to secure equity stakes and providing BEE solutions to companies. RMB Corvest initiatives include Tandem Capital, a broad-based black managed and controlled investment company that is 30% owned by RMB Corvest; and Safika Investments, one of SA's leading empowerment investment companies, with whom RMB Corvest co-invests in selected empowerment deals.