

PRESS RELEASE

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CHEMIMPO ATTRACTS NEW BEE PARTNER

Major empowerment private equity investor, Safika Investments has acquired a 26 percent stake in chemical distributor and agent, Chemimpo SA (Pty) Ltd.

Safika Holdings partners with RMB Corvest in Safika Investments, which has participated in a number of BEE private equity deals over the last three years.

Chemimpo operates as a chemical distributor and agent to various industry sectors throughout Southern Africa. The company has three offices, which are located in Randburg, Durban and Cape Town, with associated warehouse facilities in each of these regions as well as a warehouse in Port Elizabeth.

Chemimpo employs 61 staff and currently represents 58 principals on an exclusive basis. A substantial number of these principals are multinationals and most products are sold on a mutually exclusive basis. The current customer base consists of in excess of 1 000 active customers, spanning a broad range of chemical and allied industries.

The South African chemicals market, including base chemicals, rubber, plastic, petroleum products and other chemicals is estimated to be worth around R270 billion per annum, and growing at a rate of around 5 – 6% per annum.

Mike Donaldson, an executive from RMB Corvest, who assisted Safika Investments in the funding and implementation of the transaction says, "We were attracted to Chemimpo as an investment for Safika Investments for a number of reasons. The company is in a position of strength because it has a diverse customer, supplier and product base; it has an extremely low staff turnover which results in its being recognized for its high service levels; and all purchases in foreign currency are covered forward to eliminate foreign exchange risk."

In addition, the company operates in a niche space in the chemical market, an area in which South Africa is expected to continue to experience good growth. With

Chemimpo's track record and its experienced management team, we believe it offers us an excellent entry into the chemicals industry," said Donaldson.

Gait Jan Schoemaker, chairman of Chemimpo said, "We are the delighted to have found Safika Investments as a BEE partner. In the new South Africa we strongly believe that we can move forward at an accelerated rate with Safika on board. We intend to continue our strong organic growth in addition to looking at a number of selective investments together with our new partners Safika Investments and RMB Corvest."

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Distributed on behalf of RMB Corvest :
and Safika Investments

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Notes to editors

Safika Holdings is one of the leading empowerment investment companies in South Africa. It has interests in media, telecommunications, information technology, real estate, human capital development, financial services and natural resources. RMB Corvest and Safika co-invest in companies requiring an empowerment shareholder where the equity exposure in a single company is between R15 million and R50 million. Safika Investments has R300 million of committed capital.