

PRESS RELEASE

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RMB CORVEST & SHALAMUKA CAPITAL ACQUIRE STAKE IN EFFICIENT ENGINEERING

Shalamuka Capital, a private equity company set up to benefit the Penreach Whole School Development Programme, has acquired 29 percent in heavy engineering company, Efficient Engineering, in a broad-based black empowerment transaction.

In the same transaction RMB Corvest, a private equity business in the FirstRand Group, has acquired 26 percent in the company.

Efficient Engineering is a world class sheet metal fabrication, machining, manufacturing and heavy duty engineering works. It manufactures steel components mainly for heavy duty machinery manufacturing businesses in the earth moving, mining and crushing industries. These steel components are made to customer's specifications and Efficient Engineering has the ability to manufacture components of up to 100 tons.

The company employs 141 staff and has a well established client base, which includes customers like Komatsu, Terex, Eskom, Transnet and Thyssen Krupp.

Shalamuka Capital is a private equity company set up by the Shalamuka Foundation, a trust for beneficiaries of the Penreach Whole School Development Programme. Penreach is a non-profit skills development programme supporting qualified and unqualified teachers in Mpumalanga and the surrounding areas.

Athol Williams, a director of Shalamuka Capital said that this is an excellent opportunity for Shalamuka Capital, with the proceeds from the investment assisting the Penreach Foundation to finance their existing operations, as well expanding the teaching concept to other provinces.

RMB Corvest executive Mike Donaldson said that a number of factors had attracted RMB Corvest to Efficient Engineering as a sound investment. "The growth prospects of the industry are strong because of the expected persistence of the commodities boom and high committed capital expenditure programmes which extend beyond 2010. The strong market position of the company and their reputation for quality were also attractive, as well as the fact that the company's key customers are in strong or dominant market positions. A well-run operation with strong management and a skilled workforce, and significant barriers to entry into the industry sealed the deal for us."

Although most of the company's products are directed towards the mining industry, there are a number of other industries that will be targeted in the foreseeable future. These industries include the construction industry, the utilities industry and the freight industry.

"The company's products are mainly manufactured for South Africa, with the untapped markets in the rest of Africa, like Botswana and Zambia, providing further growth opportunities," says Donaldson.

Antonio Cimato, managing director of Efficient Engineering said, "With the addition of the broad based black empowerment group consisting mainly of black women, the company is now well positioned to be a major supplier in large infrastructure projects, such as the building of new power stations and ports and materials handling infrastructure."

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Notes to editors

RMB Corvest is a private equity company and a subsidiary of Rand Merchant Bank, a division of FirstRand Bank Limited. We offer clients a key advantage through our status as an on balance sheet private equity company, using our own funds for investment rather than third party funds. As a result, we do not have exit timing pressures and are able to invest for the longer term.

Founded in 1989 by Neil Page, Dick Merks and Dave Rissik, our company invests in established, well-managed businesses across South Africa with a proven track record of solid performance. Neil and Dick remain actively involved in the company, adding a valuable contribution to strategy and direction.

With well over 140 deals completed to date, an established track record, staff highly experienced in private equity and access to the resources of the RMB group, we provide a comprehensive private equity offering. In addition, as an on balance sheet company and through our commitment to dedicated, long-term relationships and service excellence, we are well placed to add more value for our partners.