

Agents:
Fluval Ukvala
 Western Cape (Pty) Ltd
 Eastern Cape Valves
 Ukvala (Pty) Ltd
 Tel: (021) 981 7881
 Tel: (021) 981 7886
 Fax: (021) 981 7886
 Email: fluvalw@fluvalw.co.za
www.fluvalw.co.za

Johannesburg
 sales@rotex.co.za • www.rotexindia.com
 Tel: (011) 453 7067 • Fax: (011) 454 1099

ROTEX
 VALVE AUTOMATION SYSTEM
 (PTY) LTD

Engineering for the future

Switch Boxes
 Valve actuation package
 Solenoid
 Electric 1/4 turn actuators

Frost Product Sales SA

Phone (011) 814 6746 • Fax (011) 814 4979
 Email: frost@icon.co.za



FRED KELLY & SONS
 CUSTOM-BUILT CONVEYORS & FLIGHTS

Telephone (011) 814 6451/2
 Fax (011) 814 4979
 Email: mhs@icon.co.za

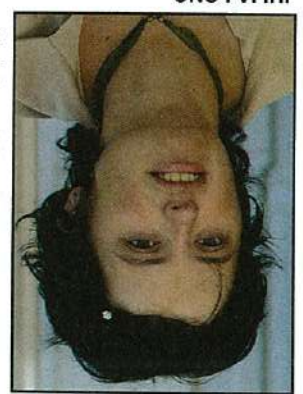
STEEL CHAIN MANUFACTURERS

Tel (011) 814 8384/5
 Fax (011) 814 2607
 Email: steelchain@icon.co.za

ANGEL SCALES UP

VENTURE CAPITAL

Shuttleworth-linked venture capital fund now targeting more established firms with aggressive growth ambitions



Terence Creamer | Editor

South African venture capital company HBD, which is still strongly associated with information-technology entrepreneurs, has launched in late 2006 a fund, launched in late 2006, that HBD is in the final stages of a due diligence involving an investment into a leisure-and-entertainment enterprise that offers a "unique" restaurant experience. It is also interrogating an equity position in a logistics enterprise. To date, though, capital from Fund2 has been deployed in only two instances: an investment into EDH, which develops products and services for the sport, defence and industrial inspection markets, including a radar-based solution used by broadcasters to track and display shots made by golfers during tournaments; and an investment into a company called incubata, which is an Internet search-engine marketing business, with a turnover of R50-million a year. Long says its basic criterion remains that the companies be established and domiciled in South Africa.

She anticipates that HDB will remain invested in the companies for a period of about five years, and says its partners accept upfront that HDB will be seeking to make a profitable exit at some point. These exits can take various forms, from selling the business to similarly-styled entities, through to an initial public offering, most probably through a listing on the JSE's small-company board, AltX.

The company has already exited from some of its initial investments made during the roll-out of Fund1, but Long admits that most of these have been conducted at a loss.

"We are acutely aware of the risks involved and don't take them lightly. But our assessment is that, if we invest in ten companies and spend R100-million in the process, just one might turn out to be core. But that core investment will offer a return that more than covers the upfront investment with a healthy return, with the balance of the disposals offering a bonus over and above that return," she concludes.

ENGINEERING NEWS COUPON ON PAGE 92 E10912

If most of us practised what we preach, it would certainly keep us busy.

MALAWI IN FUEL SAMBA

ETHANOL PROJECT

Southern African country keen to tap into Brazil's ethanol expertise

Marcel Chimwala | Correspondent

The privately owned Ethanol Company of Malawi (Ethco) is importing a flex-fuel vehicle from Brazil to be used in a government-backed initiative to investigate the practicability of using ethanol-based fuels to power vehicles.

"We want to identify with the Brazilian scenario because it seems in with the needs of a developing country like Malawi because of its reasonably low production costs," says Henry Mbeza, the director for science and technology at the Ministry of Education, Science and Technology.

Ethco is providing the ethanol petrol with 20% ethanol. Malawi has been producing ethanol since 1982 at Ethco's Dwangwa plant, which was followed by the establishment of another plant at Nchalo in 2004 by another local private firm, Press Cane. The two multinational sugar groups Illovo's research project in liaison with the government-run Lilongwe Technical College.

The project has so far tested a distance of 1 000 km, and Mbeza says the vehicle's performance was not that different from that of a petrol-driven Pajero.

"We are optimistic about the project because ethanol-driven vehicles have not shown any harmful effects to human beings and the environment thus far, apart from the release of carbon dioxide, which is absorbed by sugar cane plants," says Mbeza.

The Brazilian-made flex-fuel vehicle that the project wants to test in the second series of experiments was originally modelled to run on 100% petrol or ethanol of any combination of fuel in a single tank.

"Our project started in April last year, but it only got \$1-million from the government under the science plan. This is far from enough, considering the requirements of the project. We really need cooperating partners to come in," says Mbeza. Meanwhile, Mbeza says he has received enquiries from officials of the South African government and private firms, who are interested in the research on ethanol-powered vehicles.

"The South African government asked for information from us because it wants the country's firms to join in the manufacture of flex-fuel vehicles that could use a combination of petrol and ethanol in any mixture in a single tank."

to complement the experiments currently under way," he says.

The experiments on ethanol-driven vehicles are part of an \$8.3-million science initiative, in line with the New Partnership for Africa's Development's goal of bringing economic success to African countries by fostering the rapid industrialisation through the development of science and technology.

Malawi currently uses unleaded petrol blended with 10% ethanol at its refineries and, before it switched from leaded to unleaded petrol in February 2006, it used to blend its petrol with 20% ethanol.

sentinel
 Steel Service Centre

Tel: 011 824-3490
 Fax: 011 824-3421
 Email: isabelr@sssc.co.za

WE ARE A DYNAMIC COMPANY COMMITTED TO EXCELLENCE IN:

- CNC HIGH DEFINITION PLASMA CUTTING
- CNC FLAME CUTTING
- CNC BENDING
- ROLLING
- DRILLING

QUALITY, SERVICE, DELIVERY

WE TRY HARDER

