

IRESS acquires Peresys, completes realisation of Horizon Equity Partners' TechVentures fund

Horizon Equity Partners, one of the most established and successful private equity firms in South Africa, is pleased to announce that Australia's IRESS (ASX: IRE) has acquired portfolio firm Peresys for R375m.

The sale of Horizon's investment in Peresys, originally made in 2003, marks the full realisation of Horizon's TechVentures Fund, which began investing in 2001 with R150m in committed capital. The return to the Fund from the Peresys transaction was 14x cost and brings the overall IRR on the Fund's portfolio to almost 40% per annum.

Richard Flett, managing director of Horizon, says this deal is great for both companies. "For IRESS, they instantly get a dominant position in South Africa in order execution, post-trade, and FIX-based routing. For Peresys, they can bring the IRESS product portfolio to South Africa over time and get the backing of a much larger company to grow from its already strong position. It's a classic case of 'win-win' and vindicates our underlying investment thesis in the TechVentures fund, that South Africa can produce technology winners whose IP, market position and management team are attractive to international acquirers."

Peresys is the third company in Horizon's TechVentures fund to be acquired by a listed international company, following in the footsteps of Prism and Medikredit. Horizon sponsored the management buyout of Peresys from Peregrine in December 2003, since when the firm has seen its revenues triple and employees double.

Ashley Mendelowitz, CEO of Peresys, comments that "Horizon has been an excellent partner for us, providing not just finance but also adding real value in a number of key areas that supported our business growth".

Horizon is currently investing its Fund III, a generalist fund that targets growth capital investments across a number of industry sectors, including but not limited to ICT. It has invested in @Source, a processor of rehydrated and dried fruit for the retail market, S. Bacher & Co, a distributor of watches, fragrances, other branded consumer goods, and Lincoln Lubrication SA, which supplies lubrication and fluid handling systems for industrial applications.

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Media Contact:

Richard Flett
Horizon Equity Partners
(011) 502-6940
Richard@horizonequity.co.za

About Horizon Equity Partners

Horizon Equity Partners is widely recognised as a leading provider of growth and buyout capital to small and medium sized enterprises. It is one of South Africa's longest established private equity firms, with an investment track record in the country dating back to 1996. Key executives have collectively initiated and managed over 30 private equity investments, many of which have been profitably exited. It currently manages over R400 million on behalf of institutional investors including development finance institutions as well as insurance companies and funds-of-funds. More than half this capital comes from international investors.

About Peresys

Peresys provides technology solutions to the South African financial markets, specialising in building and running FIX enabled connected trading communities. Peresys' offerings span the entire trade cycle from Indications of Interest (IOI) to Contract Notes across asset classes including Equities, Fixed Interest and Derivatives.

Peresys product suite spans the entire range of sell-side and buy-side components and delivers a significant order routing network connecting local participants and international clients to South Africa. The Peresys execution and order routing network, combined with IRESS' existing connectivity networks in Australia, New Zealand, and Canada now represents an expanded trading community of buy sides to more than 150 brokers.