Catalyst

SA's quarterly Private Equity & Venture Capital magazine

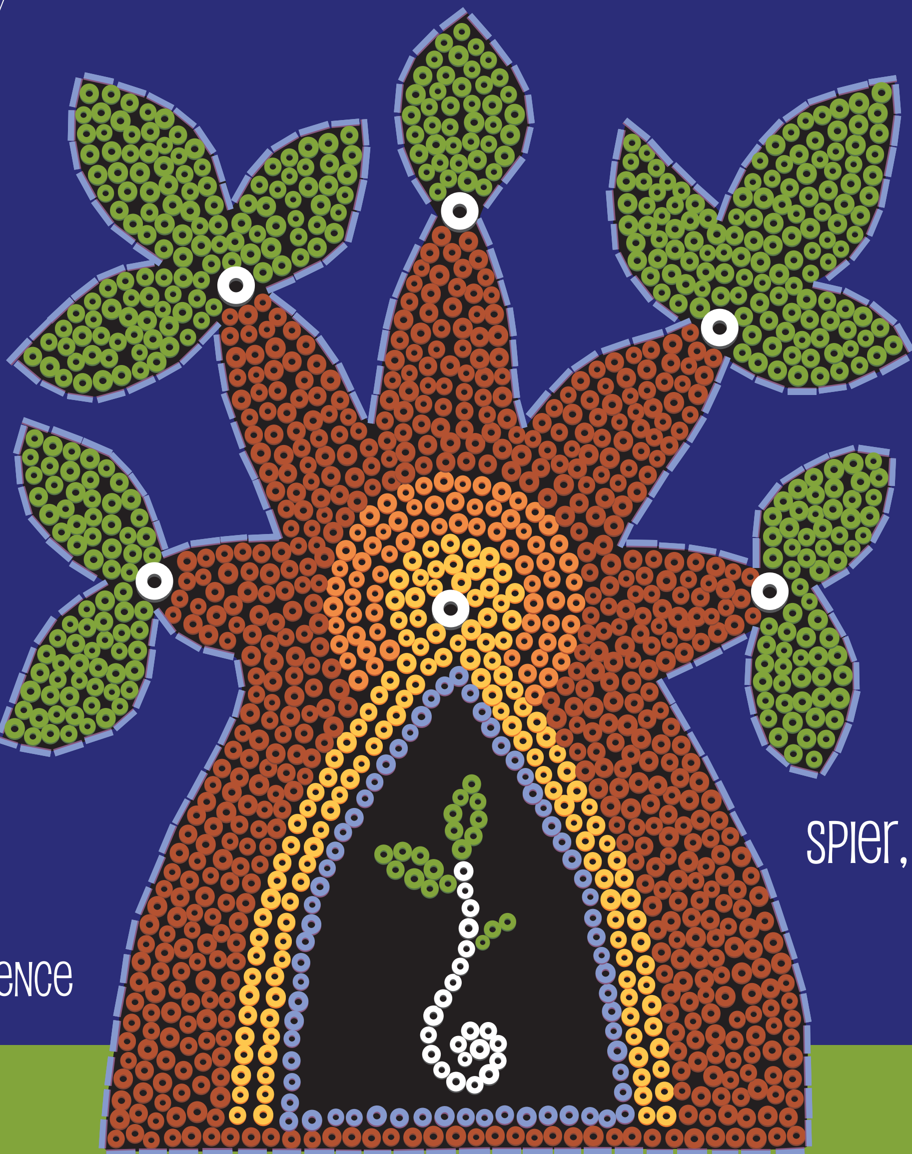
Vol 11 No 3
SEPTEMBER QUARTER 2014

Capitalworks exits
Rhodes Food Group

Turbocharging VC

Private equity builds
low-cost housing

SAVCA
SOUTHERN AFRICAN VENTURE CAPITAL AND PRIVATE EQUITY ASSOCIATION



2015 SAVCA Private Equity Industry Conference

Spier, Stellenbosch
South Africa
13 February 2015

Investing for growth, investing for good

The programme will showcase how private equity funding gives investors valuable exposure to African growth while also having a positive developmental impact on the continent. The annual event promises to build on previous successes with a dynamic line-up of industry stalwarts, acclaimed business experts and insights from institutional investors.

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- Unparalleled industry networking opportunities
- A high level of discussion and insights into trends driving investment
- Opportunities to build your firm's profile as a sponsor of exhibitor

Masterclass for Institutional Investors into Private Equity Funds

The main conference will be preceded by an LP-only Masterclass on Thursday 12 February 2015. Please register now if you are interested in joining this complimentary half-day session, open exclusively to institutional investors with an allocation to private equity.

Register now to join 400 senior finance professionals, fund managers, institutional investors, policymakers and the media to explore the future of private equity in the Southern African region.

Fees

Standard: *Members*	R12 500
Standard: *Non-member*	R14 500

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FROM THE EDITOR'S DESK

The third quarter ended with markets recording record highs and sentiment generally optimistic thanks to an ideal environment for exits via IPOs, and improving global economic prospects. What a difference the month of October always makes to a sanguine market mood. No sooner had Capitalworks exited its Rhodes Food Group Investment (page 2) than markets started to correct, massively.

At the time of writing this note, in the week ending October 24th, the ALSI Total Return, that's including dividends, which had averaged 16.1% over the last five years and 18.8% over the last three years, was sitting at relatively paltry 5.8% year-to-date. Less than inflation with one quarter to go.

But what spells bad news for some may actually spell grand opportunities for others.

A slide in equity markets will clearly put off IPO investors, and slowing global growth has injected a new caution into corporates. But everyone in the private equity community is surely looking at what IPOs haven't gone ahead and whether they can get in on them.

Despite that shiny side of the coin, failed IPOs are clearly not always good news for private equity firms, particularly if they are the owners looking to sell in a listing. And they still face competition for deals with trade buyers and investors, such as sovereign wealth funds.

Old Mutual's wealth arm snapped up money manager and former IPO candidate, Quilter Cheviot, for £585m (R10.4 bn) in October, less than the price it reportedly offered earlier in September when equity capital markets were in better shape.

One area that remains robust in the private equity space though is infrastructure. The 2014 SAVCA-KPMG Private Equity Industry Performance Survey indicates that around R38bn – or 23% – of the R162.2bn in assets under management (committed capital plus investments) by its members in 2013, are from funds with a dedicated infrastructure mandate, up from 18% in 2012. Around one fifth of the industry's unrealised investment portfolio in 2013 was in infrastructure.

And social infrastructure such as low-cost housing (page 6) is proving to be a honeypot offering syrupy returns on the back of important political goodwill credits too.

This push by private equity capital into the "de Sotofication" of sub-Saharan Africa is no doubt also a longer term play into developing the next major FMCG market as Africa's middle class rises.

I'm extremely pleased to announce that DealMakers/Catalyst is an official media partner for the Annual SAVCA Private Equity Conference, to be held on 12-13 February 2015, at Spier Wine Estate in Stellenbosch.

I look forward to featuring the event in the first quarter edition and hosting some of the international LP's on Classic Business to talk about their impressions of the investment climate in sub-Saharan Africa over the near-to-medium-term.

As always we at DealMakers/Catalyst are striving to bring you closer to the dealmakers across the continent; what they're thinking and where they're investing.

Erratum: In the June quarter edition of Catalyst (Vol 11 No 2) the headline of the Phatisa fund story should have read DevEq = PAT * x + i ² ™. ◆

Michael Avery

Contents

Catalyst

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Gleason Publications

The R2,6bn listing of Rhodes Food group on the JSE in early October marked the end of a short yet fruitful involvement with the business for Capitalworks, the private equity partner that played an instrumental role in allowing CEO, Bruce Henderson, and his management team to buyout the business some two years prior.

Bullish brands pave the Rhodes to an MBO-led listing

It also marked a unique involvement for Capitalworks, which generally sees itself as much longer term investor.

A Groot Drakenstein-based food group, Rhodes' product range comprises canned fruit, jam, vegetable and meat products, chilled ready-made meals, pies, pastries and dairy products. These are marketed through a growing portfolio of strong brands, including Rhodes, Magpie, Bull Brand, Hazeldene, Portobello and Trout Hall, complemented by several private label product ranges packed for premium domestic and international retailers.


Bruce Henderson

And the Company also has an exclusive arrangement with Woolworths to provide its ready-made meals on a national basis and to supply Ayrshire dairy products in the Western Cape and Eastern Cape.

"The company was founded by Cecil John Rhodes originally as a deciduous fruit canning operation," explains Bruce Henderson. *"Then we have a significant operation in Swaziland, which is where I started my career in the food business. And the shareholders of Swazi Can acquired the old RFF operation in 1999 and we put those together and we formed what we called Rhodes Food Group, and that was really the start of the modern-day business."*

Since then Henderson and his team set about acquiring and building bolt-on businesses under the current management team including Magpie (2004), Sunpie (2006), Giants Canning (2007), Del Monte (2010) and Bull Brand (2013).

"We're organised into two segments primarily, being regional and international. The international is all about canned fruits exported all over the world; and then the regional business consists of the long-life side which is various canned foods, fruits, jams, meats and so on and then the fresh section as well which comprises the ready-made meals and diary."

Growth has been nothing short of phenomenal for the period investors are allowed to see. From FY11 to FY14 Rhodes grew its earnings before interest and tax at a super-charged compound annual growth rate of around 70%.

But Henderson admits this growth has been largely fuelled by its acquisitive strategy as he chuckles rather wryly at the suggestion he and his management team are considered turnaround specialists.

"We have made some strategic acquisitions along the way and some of them have required a bit of turnaround in that they've been non-core assets within other holding structures," explains Henderson. *"But we've always been very selective about what we've acquired and made sure that it fits in with what we're doing and that it fits our core competency and something we can add value to."*

In 2012, Henderson and the rest of the management team participated in a management buyout acquiring a 29% stake in the business's ords (27,5% of the Fully Diluted Shares) in RFG. This was facilitated by subordinated funding provided by Capitalworks in the form of shareholder loans and Funding Preference Shares.

When quizzed about what this deal did to the Rhodes' balance sheet, with some 42% of total assets financed by interest bearing debt (excluding the prefs), a ratio that swells to 68% if you include trade creditors, Henderson was sanguine about the group's ability to continue along its aggressive acquisitive growth path, thanks largely to the listing.

"Historically we've had a dividend policy in place but then we've ploughed back the retained profits and then geared

those to whatever extent we can to fund our growth both organic and acquisitive and I think the balance sheet perhaps got a bit distorted, we took on more debt than we had historically during an MBO process and then the Bull Brand acquisition came shortly after that, which was also debt funded. So as it currently stands we probably would've had to go into a holding pattern for the next two years and that was one the main motivations for our listing because there are many opportunities out there and we have a great deal of momentum."

Henderson is looking to use the proceeds generated from the private placing, some R600m, to pay down some of the more expensive debt and thereafter maintain debt levels at between twenty to fifty percent of equity, which he believes will provide management with the flexibility to continue growing and make the appropriate acquisitions when they come along.

And some of that expensive debt was no doubt the preference share funding provided by Capitalworks in the Group Restructuring to Rhodes Food; the 10 000 cumulative redeemable preference shares in Rhodes Food bearing 18% interest. Proving that MBO's don't come cheap.

What now for RFG?

Henderson says he and his management team are looking to continue twinning the organic growth strategy with value accretive acquisitions of businesses and reputable brands that are "strategically aligned to [Rhodes] core fresh food and long-life food product categories."

"Our existing businesses and brands have strong growth potential. Sub-Saharan Africa has some of the world's fastest growing markets and is an area of particular focus. We believe there is significant opportunity for Rhodes, Bull Brand and some of our other brands to expand into this market."

The results since the 2011 financial year have been influenced by the acquisition of the fruit canning operation in Tulbagh, Western Cape from USA-based Del Monte, for R60m; and the Bull Brand Acquisition from KAP, in August 2013, for R128.1m.

When quizzed about what this deal did to the Rhodes' balance sheet, with some 42% of total assets financed by interest bearing debt (excluding the prefs), a ratio that swells to 68% if you include trade creditors, Henderson was sanguine about the group's ability to continue along its aggressive acquisitive growth path.

In addition, the funding of the Group Restructuring, which occurred in October 2012, has impacted RFG's financial results in the form of higher finance charges on bank debt and shareholder funding. And without this debt encumbrance Henderson is positive that he can drive even better growth into the future.

And judging by the appetite for the business during the listing, investors are hungry for more of the same. ◆

Enhancements to venture capital tax regime should boost small business access to funding.

SARS delivers on venture capital tax incentives

Two proposed changes to Section 12J of the Income Tax Act will have a positive impact on the South African venture capital industry and stimulate investment into privately owned entrepreneurial businesses in South Africa, according to Jeff Miller CEO of Grovest, the country's first s12J VCC.

A higher investee asset threshold, as well as a permanent investment deduction, will increase the appeal of venture capital as an investment asset class, at the same time giving a boost to small business development and job creation.

Government first implemented a venture capital company (VCC) tax regime in 2009. A VCC is an investment vehicle through which a number of investors can fund a portfolio of business interests.

"The original tax concessions in the VCC regime were intended to promote access to equity finance by privately owned businesses -- but the take-up of the allowance has been limited," says Southern African Venture Capital & Private Equity (SAVCA) CEO, Erika van der Merwe. *"Our industry and its partners, including the SiMODiSA initiative [a recently established industry-led association to specifically address and determine what can be done to overcome the barriers that SMEs and start-ups face], have been working closely with government on enhancing these provisions, and the recently released Draft Taxation Laws Amendment Bill demonstrates Treasury's commitment to stimulating investment across the venture capital industry."*

The s12J amendments have been welcomed by venture capital funds. *"They significantly enhance the attractiveness of tax incentives available to venture capital investors,"* says Van der Merwe, *"and in turn this should stimulate greater levels of investment into small and medium-sized businesses in South Africa."*

Van der Merwe singled out the efforts of Treasury and government in being these changes to fruition.

"We have been impressed with SARS' willingness to engage in open dialogue in this regard. Many small businesses struggle to obtain growth capital as there are not many investment companies that focus on the SME space. The s12J improvement is yet another step by government to make it easier for smaller businesses to function and thrive, grow sustainably and create jobs. We trust that, in time, additional steps will be taken to support entrepreneurship and funding of early-stage ventures."

The first key taxation amendment is that the total asset limit for qualifying investee companies (being the businesses in which the VCC may invest) has been increased to R50m.

"Previously the VCC tax regime allowed VCCs to invest in companies with a maximum book value of R20 million," explains Rick Basson, co-founder of Broadreach Capital, a SAVCA-member firm which has a registered VCC fund. *"We believe that was too low and one of the principal reasons why the s12J incentive wasn't taken up to any significant degree. A venture fund and its investment assets need to be of a certain size in order to appeal to fund managers. Quite simply, it was not economical for fund managers to set up funds to invest solely in assets of that size, and the level of risk involved in such small investments kept most investors away."*

Basson is confident that with the increase to a R50m asset limit, these concerns will largely be removed.

"This incentive will support very early stage tech companies and start-ups with almost no assets. And it will also stimulate investment in the real job creators, being the SMEs, across various industries," says Basson. *"Particular beneficiaries will be the many established and growing SMEs in education, franchising, telecommunications and renewable energy industries. These businesses have asset bases of over R20m, and with the proposed changes to s12J, we will be now be able to invest in them."*

"Being able to invest in qualifying companies with assets of up to R50m certainly increases our potential investment universe," enthuses Miller.

The second s12J amendment relates to the deduction available to an investor subscribing for shares in a VCC. At present, this deduction is immediate and for the full amount of the investment made – however, it is recouped and becomes taxable if the investor sells the VCC shares at any time.

The improvement to this provision is that SARS will now allow the investment deduction to be permanent, as long as that investment is held for a five-year minimum period. There will be no reversal of the deduction on eventual disposal of an investment in a VCC, provided this holding period requirement is met.

Jeff Miller

Miller mentioned during an interview on Classic Business that this change in particular will see fund volumes into these types of investments increasing. *"I have no doubt that, with the s12J allowance now becoming a permanent deduction, this will attract a large flow of investment into our fund, as individuals and trusts with high taxable income will want to take advantage of this new tax-efficient asset class."*

Broadreach Capital compares the local taxation amendments to the UK and is hopeful that venture capital will now have broader appeal, particularly to individual investors.

"The improved VCC regime mirrors the very successful Venture Capital Trust framework established in the United Kingdom," says Basson. "We hope that, as is the case in the UK, a VCC investment will eventually form part of the investment portfolio of most ordinary taxpayers once they realise the unique combination of excellent returns and economic stimulation that this form of asset class offers."

Keet van Zyl from SiMODiSA commends the announced changes, and expresses optimism that further amendments will follow to boost the South African venture capital industry. *"The amendments to the VCC regime are welcome; our view is that additional steps are required to ensure that this tax structure is employed enthusiastically – and is truly effective. The changes indicated in the February Budget, which importantly covered, amongst other things, capital gains tax concessions for investors into VCCs, have not yet been implemented in full. We strongly believe their inclusion will significantly add to the potential impetus for industry growth that is much needed in our country."*

The proposed s12J amendments will come into effect on April 1 2015. ◆

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RMB Ventures and Bopa Moruo have facilitated the MBO of One Digital Media

RMB Ventures and Bopa Moruo recently partnered with management to acquire One Digital Media, the leading provider of digital signage solutions in South Africa, in a deal that will provide a platform for the continued growth of the business.

For more information, contact Muhammed Asad Moosa on +27 11 282-8448, email muhammed.moosa@rmb.co.za or Pearl Tsotetsi on +27 11 282-4966, email pearl.tsotetsi@rmb.co.za

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ONE
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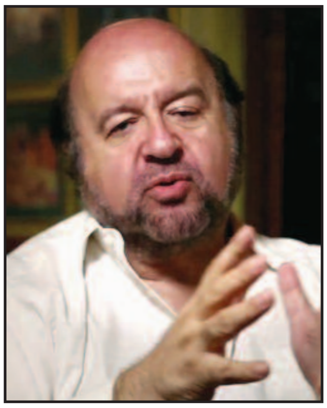
The rise of private property ownership is emerging as one of the key pillars supporting the structural shift in Africa towards higher growth, declining real levels of poverty and increased development.

The rise of the de Soto option lures private equity

There are still some major challenges, most notable in Madagascar, Zimbabwe and the Ivory Coast, but it is a wave that is taking on unstoppable proportions.

Peruvian Economist, Hernando de Soto, has gained international acclaim for the work he has undertaken to replicate the model he pioneered in his native country through the Institute for Liberty and Democracy (ILD), to provide among others, small coca farmers with legal title to their land.



Hernando de Soto

The main thesis of De Soto's work is that no nation can have a strong market economy without acceptable involvement in an information framework that records ownership of property and other economic information. Unreported, unrecorded economic activity results in many small entrepreneurs who lack legal ownership of their property, making it difficult for them to obtain credit, sell the business, or expand. They cannot seek legal remedies to business conflicts in court, since they do not have legal ownership.

De Soto stated famously:

"When you look at 19th century America or 18th and 16th century Europe, all of a sudden it'll become clearer that … the thing that broke the back of poverty and privilege in developed countries in the past was when property rights came around and destroyed feudal title."

Soula Proxenos

The movement is being aided to a large degree by private equity capital with investors lining up for a share of sub-Saharan Africa's booming affordable housing market. Global private equity investor, International Housing Solutions', second fund attracted an impressive R1.5bn at first close. Investors include the National Housing Finance Corporation (NHFC), the World Bank's International Finance Corporation (IFC), WBD Investment Holdings, Global Environmental Facility and the Eskom Pension and Provident Fund. The Overseas Private Investment Corporation, a first fund investor, is also investing in IHS's Fund II.

The launch of Fund II followed the strong risk-adjusted returns achieved for the investors in its first fund, the R1.8-billion SA Workforce Housing fund (SAWHF), which pioneered the development of large-scale stock in the rapidly expanding affordable housing sector in SA.

The SAWHF provided financing for over 28 000 housing units with a combined total value of more than R8.6bn. IHS was also able to track and quantify the very positive social impact of the investment on the lives of people living in the developments which it funded.

Soula Proxenos, Managing Partner of IHS, says the strong returns achieved with IHS's first fund provided clear proof that middle and low income housing is a sound investment and a strong base for ongoing inflows into the sector.

"There has been a great deal of interest in this historically under-focused asset class from both South African and international investors. Our investors are particularly attracted to this asset class as they want to achieve superior returns and help improve the social circumstances and make a significant positive impact on the lives of thousands of people. With our second fund, our strategy remains the same," says Proxenos. "Because of urbanization and the growth of the middle class in Africa, the need for housing across the continent vastly outstrips supply, especially in the category of affordable housing.

In countries with a functioning mortgage market, that need translates into market demand. IHS specializes in sourcing and managing housing investments to fill this gap. The housing is targeted primarily at lower- and middle-income households.

Our investments in Fund II will remain primarily in the form of equity in the development of new single-family homes, multi-family (rental) and student housing."

Proxenos says that Fund II will consist of two sleeves: one of which will invest 100% in South Africa, and one of which will invest 100% in other target sub-Saharan African countries.

"Demand outstrips supply in many markets in Africa, and where the right conditions exist, the sub-Saharan sleeve of Fund II will invest in some of these markets. Our main focus will remain South Africa, but the sub-Saharan sleeve will start to proactively source deals in Ghana, Zambia, Botswana, Namibia, and Mauritius," she says.

"There are many great opportunities for affordable housing investments across Africa, and we're optimistic that Fund II will deliver the same positive returns for investors, as our first fund, the SAWHF did. We look forward to extending the successes of our first fund in Fund II and are confident we will raise more than R3bn ($300 million) for the new fund," concludes Proxenos. ◆

Vantage's Fund II provides mezzanine debt funding to one of the fastest growing pharmaceutical companies in South Africa, Austell Laboratories.

Mezzanine medicine

In September, Vantage Capital, Africa's largest independent provider of mezzanine risk capital, injected mezzanine debt funding into Austell Laboratories, a fast-growing potential-laden 100% black-owned pharmaceutical company in South Africa.

The pharmaceutical industry has been singled out for its position to service the rapidly expanding African middle class. According to IMS data (the world's leading information, services and technology company) by 2016 pharmaceutical spending in Africa is expected to reach $30bn and more than doubling current levels to $45bn by 2020.

Zaheer Cassim, Associate Partner at Vantage, is excited by the investment, which he believes fits appropriately with Vantage's investment ethos.

"Austell is a great example of how Vantage is providing financial support to emerging mid-market companies in South Africa," explains Cassim. *"The strong empowerment credentials of the Company and the socio-economic impact of a transforming health care industry is a great story which we are proud to be a part of."*

Zaheer Cassim

Vantage provided a mezzanine facility which will be used by Austell to fund its working capital needs and the acquisition of further medical dossiers in order to expand its range of products. Medical dossiers are the documented blue-print of a medical drug which contains the chemical formulation, dosage requirements and clinical trials data relating to a specific drug.

Austell currently provides a basket of generic and premium products to the pharmaceutical market in South Africa. Sales, marketing and distribution is managed through its national sales team which targets pharmacies, doctors, specialists and large chain retailers.

Luc Albinski

The Company is already well-renowned in the industry for taking the cough and sinus drugs Prospan® and Sinupret® to market-leading positions in their respective therapeutic classes. Austell has also launched several new products this year and according to CEO and founder, Suhail Gani, plans to increase its basket of offerings over the next few years.

Gani was particular pleased with the flexible funding option that Vantage brought to the table "to support our business during this critical and rapid growth phase."

Luc Albinski, Managing Partner at Vantage, added, *"This transaction ticked all the right boxes for us as Vantage: the robustness of the pharmaceutical sector in which the Company operates, the strong owner managed culture, the empowerment and social impact of the investment and of course the phenomenal growth prospects we see in Austell."*

With Fund II now largely deployed, Albinski said that Vantage has commenced the raising of its third mezzanine fund which is targeted to close by the first quarter of 2015 at R 2.5bn. Further underlining the attractive market conditions for mezzanine funding at times when banks and other lenders tighten up their lending criteria and rates are rising. ◆

Local and International news

International

The Women's Private Equity Network (WPEN) Summit 2014 takes place in London on November 12th and presents a unique opportunity for senior level and next generation women to cut across regions, organisations and 'old guard' networks in order to develop new relationships, make valuable business connections, promote their firms and enhance their careers. Over 100 participants are already registered for the event and comprise professional women from the major investment firms, law firms and investment banks as well as company directors and high profile entrepreneurs.

Women members of SAVCA can benefit from an exclusive 15% off the cost of delegate tickets.

To secure your place at the event, simply visit www.wpensummit.com and enter the following discount code on the registration page: **WPEN2014 SAVCA**. ◆

African businesspeople are increasingly seeing the benefits of private equity funding for growth and expertise, according to **The Africa Report**.

In what may have been the largest private equity (PE) deal this year in Africa, the US private equity juggernaut Kohlberg Kravis Roberts (KKR) bought Dutch flower grower Afriflora, which is based in Ethiopia.

It is a sign that African PE has hit the big time: KKR is one of the largest fund managers in the world, with $95bn in assets under management. ◆

African private equity deals are on the rise according to a new survey from global law firm Freshfields Bruckhaus Deringer.

The value of global private equity deals targeting Africa rose 137% in the first half of 2014 compared to the same period last year, according to the law firm.

Global PE funds completed 15 deals collectively worth $1.5bn in the period between January 1 2014 and June 30 2014, up from 10 deals totalling $621mn in the first half of 2013. As a proportion of total African PE spend (83% in 2014 H1) and deal volume (44% in the same period), global PE firms are now more active on the continent than ever before.

Private equity firms based both domestically and globally invested $4.26bn last year, more than at any point since the global financial crisis. The previous high was in 2007 when PE firms poured more than $7.6bn into assets on the continent. ◆

National news

Registration is open for the Annual SAVCA Private Equity Conference, which will be held on 12-13 February 2015, at Spier Wine Estate in Stellenbosch.

To book or find out more about the event contact Lauren du Toit at SAVCA at events@savca.co.za ◆

The African Agriculture Fund (AAF), managed by Phatisa, has invested in the Meridian Group, a $250mn (revenue) business with operations in Mozambique, Malawi, Zimbabwe, Zambia and Mauritius.

Meridian's main focus is the manufacture and distribution of specialised fertiliser blends. The Group also includes a business involved the processing and storage of agricultural products and a chain of retail stores.

Poor soil fertility is one of the major causes of food insecurity in Africa. The balanced application of fertiliser is critical to improving food production because it improves soil health, and dramatically increases agricultural yields and profitability.

The Meridian Group of companies can trace their origins back more than 25 years. Today, Meridian employs over 3000 people and is responsible for distributing over 350 000 tonnes per annum of its products throughout Southern Africa. ◆

PRIVATE EQUITY DEALS Q1 – Q3 2014 – SOUTH AFRICA

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Disposal by	Times Media to Subcocept	Nu Metro Cinema division and Popcorn Cinema Advertising Sales	Arbor Capital Corporate Finance; icapital; PSG Capital; ENSafrica	R75m	Jan 6
Disposal by	Acorn General Fund 1	25% stake in Target Investments	Acorn Equity; VanderSpuy	undisclosed	Jan 13
Acquisition by	Investec Asset Management and The Carlyle Group	undisclosed stake in J&J		undisclosed	Jan 24
Acquisition by	Acorn Agri from Thembeka Capital and Overberg Agri	23.6% stake in Overberg Agri	Acorn Equity; VanderSpuy	R189,3m	Feb 6
Acquisition by	MICROmega from Acorn General Fund 1 and Acorn Venture Technology Fund 1	56,67% stake in USC Metering	Acorn Equity; Merchantec Capital; VanderSpuy	R39,67m	Feb 7
Acquisition by	Nedbank Capital Private Equity	30% of Little Green Beverages	Nedbank Capital	undisclosed	Feb 10
Disposal by	AngloGold Ashanti to QKR Corporation	AngloGold Ashanti Namibia (Navachab Gold Mine)	Standard Bank; CIBC World Markets plc; UBS; ENSafrica; Webber Wentzel	$124,2m	Feb 10
Acquisition by	Old Mutual Private Equity	Stake in 10X Investments	Leaf Capital; Cliffe Dekker Hofmeyr; Bernadt Vukic Potash & Getz	undisclosed	Feb 12
Acquisition by	Trinitas Private Equity and management (70%:30%)	The Auto Industrial Group		undisclosed	Mar 18
Disposal by	Corvest 2	42.2964% stake in Kwikot	Cliffe Dekker Hofmeyr	undisclosed	not announced Q1
Disposal by	Corvest 2 to Pastral	4.4894% stake in Kwikot	Cliffe Dekker Hofmeyr	undisclosed	not announced Q1
Disposal by	Corvest 2 to Ciral	0.4% stake in Kwikot	Cliffe Dekker Hofmeyr	undisclosed	not announced Q1
Disposal by	Vantage Capital	stake in CA Sales		undisclosed	Apr 3
Acquisition by	Credit Services Holdings (Actis and management)	Compuscan	Webber Wentzel	undisclosed	Apr 24
Acquisition by	Bopa Moruo Private Equity from Kagiso Stragetic Investments	25% of Waco Africa	Cliffe Dekker Hofmeyr	R10,25m	Jun 9
Acquisition by	PSG Private Equity	50% stake in Entrepo		undisclosed	Jun 24
Acquisition by	Acorn Agri	25.1% stake in Lesotho Milling Company	Acorn Equity	R34,5m	Jul 1
Acquisition by	Zukubu (Pan-African Private Equity Fund 2012) from Ebrahim Valli Investments and Ms Shehnaaz Kadwa	49.99% (24.99%:25%) of R and S Consulting		R70,99m	Jul 3
Disposal by	Morvest Business to Zukuba	50,01% stake in R and S Consulting	Sasfin Capital; Cliffe Dekker Hofmeyr; Mazars	R73,3m	Jul 3
Acquisition by	Rockwood Private Equity Fund I	remaining 51% stake in Bravo Group not already held	Werksmans	not publicly disclosed	not announced Q3

PRIVATE EQUITY DEALS Q1 – Q3 2014 – REST OF AFRICA

COUNTRY	NATURE OF DEAL	DETAILS	ADVISERS	ESTIMATED VALUE	DATE
Africa	Capital Raising	Helios Towers Africa : Existing shareholders and new shareholders		$630m	Jul 10
Algeria	Acquisition by	Emerging Capital Partners of a 33% stake in Atlas Bollting Corporation		undisclosed	Mar 14
Angola	Disposal by	Abraaj Group of it's stake in Fibrex		undisclosed	Aug 3
Angola	Acquisition by	Vital Capital Fund of a stake in the Luanda Medical Centre		$16,6m	Sep 24
Congo	Investment by	XSML in Quickprint		undisclosed	May 20
Cote d'Ivoire	Investment by	Fonds Cauris Croissance II in Cipharm		undisclosed	May 1
DRC	Investment by	XSML in Inzia		undisclosed	Jan 23
Egypt	Acquisition by	Abraaj Group (through Creed Healthcare) of 41.98% of Cairo Medical Centre		EGP75 per share	Feb 23
Egypt	Acquisition by	Abraaj Group (through Huxley Holdings) of Cairo for Investment and Real Estate Development		EGP20.5 per share	Feb 23
Egypt	Disposal by	Actis to Fairfax Financial of its remaining 6.5% stake in Commercial International Bank	CI Capital Investment Banking	undisclosed	May 19
Egypt	Disposal by	Actis on the open market of a 2.6% stake in Commercial International Bank		$117m	Apr 1
Egypt	Acquisition by	Ripplewood of a 2.3% stake in Palm Hills		undisclosed	May 7
Egypt	Disposal by	Qalaa (Citadel Capital) and minorites of 100% of Sphinx Glass (73.3%:26.7%) to Construction Products		$114,2m	May 13
Egypt	Acquisition by	KKR of a stake in Afriflora		undisclosed	Jun 5
Ethiopia	Investment by	Acumen in Mekelle Farms, through majority shareholder AGFlow Ventures		undisclosed	Mar 14
Ghana	Acquisition by	Leapfrog Investments of a stake in Petra Trust		undisclosed	Jan 15
Ghana	Acquisition by	Amethis Finance and ERES of a minority stake in Fidelity Bank Ghana	Fidelity Securities; IC Securities	$35m	Feb 26
Ghana	Investment by	Duet Consumer West Africa in Shop N Save and GNFoods		$50m	Mar 13
Ghana	Investment by	The West Africa Emerging Markets Growth Fund in Leasafric Ghana		$5m	Jul 1
Ghana	Disposal by	Synergy Capital of its investment in Ridge Energy		undisclosed	Aug 29
Kenya	Acquisition by	Actis of a 36% stake in AutoXpress	Webber Wentzel	undisclosed	Feb 3
Kenya	Acquisition by	TransCentury of all the shares in Cable Holdings held by Aureos East Africa Fund		share swop	Feb 26
Kenya	Acquisition by	Acumen of an equity stake in Miliki Afya		$600 000	Feb 10
Kenya	Investment by	Agri-Vie in Kariki Group		$5m	Feb 12
Kenya	Acquisition by	Pearl Capital Partners of a minority stake in Eldoville Dairies	Horizon Africa Capital	KES200m	Mar 3
Kenya	Disposal by	TransCentury subsidiary Safari Rail to Africa Railways (subsidiary of Citadel Capital), of an additional 34% stake in Rift Valley Railways	Stephenson Harwood	undisclosed	Apr 1
Mauritius	Acquisition by	Adenia Partners of a majority stake Mauvilac from the Maurel family and other shareholders		undisclosed	Sep 29
Morrocco	Acquisition by	Abraaj Group of a stake in Kool Food		undisclosed	Apr 16
Morrocco	Acquisition by	African Development Partners II of an equity stake in Université Privée de Marrakech	Capital Trust	$20m	May 14
Nigeria	Acquisition by	Fusion Capital of a 45% equity stake in GAL Baking Services		undisclosed	Mar 14
Nigeria	Acquisition by	Fusion Capital of a 25% stake in REMU Microfinance Bank		undisclosed	Mar 25
Nigeria	Acquisition by	Helios Investment Partners of a minority stake in ARM Pension Managers PFA	Ernst & Young	undisclosed	Jun 2
Nigeria	Investment by	African Capital Alliance in Gas Train		undisclosed	Jun 9
Nigeria	Investment by	African Capital Alliance in online travel agency, Wakanow		undisclosed	Aug 29
Nigeria	Acquisition by	Fusion Capital of a 40% equity stake in Xtra Publishing		undisclosed	Jul 10
Rwanda	Investment by	Acumen in KZ Noir (convertible debt)		$1,2m	Jan 30
Sudan	Disposal by	Citadel Capital of its 66.12% in Sudanese Egyptian Bank to Islamic Solidarity Bank of Sudan		$22m	Apr 27
Tanzania	Acquisition by	Catalyst Principal Partners of a majority stake in heavy equipment rental and logistics firm, EFFCO		undisclosed	Feb 26
Togo	Disposal by	The Central Africa Growth Sicar (Emerging Capital Partners) to Gabon's Strategic Investment Fund of its stake in Oragroup		undisclosed	May 12
Tunisia	Acquisition by	The Abraaj Group of a majority stake in Polyclinique Taoufik S.A.		undisclosed	Jul 14
Uganda / Kenya	Disposal by	Actis of a substantial stake (39%) in Umeme to Investec Asset Management (18.47%) and other institutional investors	Stanbic Bank Uganda; CFC Stanbic Kenya	$85,5m	May 19
Zambia	Acquisition by	Standard Chartered Private Equity of a 25.8% stake in Copperbelt Energy through the acquisition of a stake in parent company Zambian Energy Corporation	Standard Bank	$57m	Mar 11