

Press release

South Africa's first dedicated infrastructure equity fund achieves successful sale of toll road assets

Cape Town, 5 July 2016: African Infrastructure Investment Managers (AIIM) has announced the successful sale of investments in three privately-concessioned toll roads in Southern Africa. Acting as the manager of the South Africa Infrastructure Fund (SAIF), AIIM successfully concluded the transaction on 4 July 2016. This sale represents the largest private equity realisation for toll road infrastructure in Africa to date.

SAIF was established in 1996, and in mid-2000 management of the Fund was awarded to AIIM. Under AIIM's management, the Fund evolved into a significant player in Southern African toll roads with material stakes in N3 Toll Concession, Trans African Concessions and the South African Toll Road Company, a holding company through which SAIF invested in the Bakwena Platinum Corridor Concession. SAIF's success was also due to strong support from its institutional investors, who endorsed their confidence in the asset class and AIIM by extending the fund term to 2016, making SAIF the first 20-year infrastructure fund in South Africa.

Each of the toll roads has in excess of 10 years' operating history and together these roads cover a total of 1,364 kilometres on South Africa's key transport corridors extending from Gauteng province to Maputo in Mozambique, the Botswana border and KwaZulu Natal respectively.

During the period of SAIF's involvement, capital expenditure in excess of R13 billion was deployed for rehabilitation and expansion to maintain service standards and increase road safety for road users. The toll road concessions also support a comprehensive range of socio-economic and education programmes along the concession corridors.

Jurie Swart, AIIM CEO said: "This sale transaction demonstrates the increasing development of the African infrastructure sector and addressing the concern investors may have around the ability to dispose of infrastructure assets. The interest from international investors is testament to Africa's improving status as an investment destination in the current global environment of low yields. Through our investment approach of active involvement in the management of our portfolio companies, AIIM has been able to develop a portfolio of mature toll road concessions with operations and governance on a par with those seen in developed markets. This has been a foundation of AIIM's value realisation strategy across our portfolios."

Andrew Canter, Chairman of the SAIF Governing Board since 2000 said: "The success of this transaction is a prime example of how private equity investors create value in the companies they own and operate. The SAIF investors were early pioneers in establishing the private infrastructure equity sector in South Africa, and the proof of that model is path-breaking for the wider investment community. The realisation process of the toll roads was managed through competitive bids to ensure transparency and protection of all parties and saw strong interest from both local and international investors."

The final sale was to a consortium of largely existing investors which included Public Investment Corporation, Liberty Group Limited, Old Mutual and Africa Finance Corporation.

Macquarie Capital was the financial adviser on the transaction, with various internationally experienced advisors appointed in respect of legal, tax and accounting, technical, environmental and insurance matters.

ENDS

PR & Media contact

Michelle de Power

T: +27 21 670 3962

E: michelle.depower@aiafrica.com



About African Infrastructure Investment Managers (AIIM)

AIIM develops, advises and manages private equity infrastructure funds designed to invest long-term institutional unlisted equity in African infrastructure projects. AIIM's investment philosophy has been extensively tested across regions, sectors and infrastructure asset types over the last 16 years to withstand the challenges often associated with infrastructure projects in Africa, mitigate risks and enhance returns. AIIM provides strategic, commercial, operational and financial expertise into infrastructure investment activities in East, West and Southern Africa and has USD1.9 billion under management across six African infrastructure funds. AIIM has positioned itself as a leading infrastructure equity investment manager in the African landscape providing compelling investment opportunities, which seek to deliver superior returns for investors through effective environmental, social and governance management, while making a tangible contribution to local economies and communities. AIIM is a member of Old Mutual Alternative Investments, one of the largest alternative investment managers in Africa. For more information visit www.aiimafrica.com

About N3TC

N3 Toll Concession (N3TC) manages the 416km section of the N3 between Johannesburg and Durban, from Heidelberg South interchange in Gauteng to the Cedara interchange near Hilton in KwaZulu Natal. The N3 Toll Route is a major economic arterial for Southern Africa accommodating between 11,000 and 16,000 vehicles every week day and over 30,000 vehicles during peak holiday periods and long weekends. Having established a sound engineering and financial platform, N3TC proactively addressed customer needs with a focus on safety, convenience and mobility. For more information visit <http://www.n3tc.co.za/>

About TRAC

Trans African Concessions (TRAC) was established to develop the N4 and runs over a distance of about 564km between Gauteng (east of Pretoria) and the Port of Maputo, operating six mainline toll plazas along the route stretching from Pretoria to Komatipoort in Mpumalanga and beyond the South African border to the Mozambican capital of Maputo. The N4 Toll Route has been a catalyst for progress and development in South Africa and Mozambique and has played a pivotal role in improving cross-border co-operation between the two countries. For more information visit <http://www.tracn4.co.za/>

About Bakwena Platinum Corridor Concessionaire

Bakwena Platinum Corridor Concessionaire manages the toll route covering 385km, comprising a 90km section of the N1 from Pretoria northwards to Bela Bela, and a 295km section of the N4 running from Pretoria westwards via Rustenberg to the Botswana border. The infrastructure has resulted in extensive development towards the west and north of Pretoria and assists in improving economic development in Gauteng and surrounding areas. The Bakwena N1N4 toll provides safe, reliable and efficient passage between Gauteng and the North and West of the country for road users. For more information visit <http://www.bakwena.co.za/>