

PRESS RELEASE

AllIM continues to serve Africa's growing energy demands through investment in hydro power

Cape Town, 1 September 2015: African Infrastructure Investment Managers (AllIM), a leading African infrastructure equity investment manager, has announced its industrial partnership with Hydroneo Afrique, a wholly-owned subsidiary of MECAMIDI, an established global manufacturer and developer of small and medium hydro power plant equipment, to develop a pipeline of hydro power plants across Africa.

The partnership will facilitate the development of a pipeline of small and medium hydro power plants in Cameroon, Cote d'Ivoire, Gabon, Ghana and Mozambique. These hydro power plants will better serve the growing energy demands across Africa, and facilitate the long-term economic growth and competitiveness of the continent.

The two companies intend to establish a 50/50 joint venture that will develop, finance, build, own and operate a number of small and medium hydro power plants in Africa. With a total investment of approximately US\$500 million, these projects are expected to represent an installed capacity of 200 MW over the next five years.

AllIM CEO, Jurie Swart explains that the combination of a critical requirement for core infrastructure and the development of private investment programmes is driving a strong pipeline of infrastructure opportunities through which investors are able to generate strong risk-adjusted returns. "This partnership represents an attractive opportunity to support the development of a pan-African infrastructure platform. Africa has extensive untapped hydro power potential and small and medium hydro power plants would be a holistic solution to Africa's growing energy-generation capacity gaps.

"MECAMIDI are well known for their expertise in the hydropower industry and we look forward to a successful long-term relationship," he says.

Hydropower is a verified technology and a widely-used renewable energy source. Approximately 15 percent of the world's hydro power potential is in Africa, of which less than 10 percent is currently utilised. The objective of the partnership is to unlock the hydro power potential in Africa mainly through run-of-river hydro power plants, which have less of an environmental and social impact than large-scale hydro power projects.

MECAMIDI's team of seasoned engineers and technicians have significant experience in developing, designing, and building hydro power plants. With five factories across three continents, MECAMIDI has equipped hundreds of power plants up to 50MW across the world, representing a total of 4,000MW of installed capacity. MECAMIDI's development track record includes a 153MW portfolio in Bulgaria and Kazakhstan as well as 41MW of hydro power projects in East Africa through a similar partnership with Omnicane.

“Following the success of the first set of investments in East Africa and several projects currently in development across Kenya, Uganda and Rwanda, MECAMIDI – through its affiliate Hydroneo Afrique – is thrilled to partner with AIIM, a well-established leader in infrastructure investment, to jumpstart Sub-Saharan Africa’s hydropower industry,” says Hydroneo Afrique CEO, Samuel Zekri. “This strategic alliance will allow us to make the most out of the region’s great hydro potential and address its ever growing energy need.”

According to Swart, with a generating capacity of over 1,000MW, AIIM’s power portfolio is advancing the development of the Sub-Saharan African energy sector. “Complementary to the partnership with MECAMIDI, AIIM has built strong relationships with power project developers including international power developer, Joule Africa and renewable energy developer, African Clean Energy Development (ACED) to enhance its infrastructure investment pipeline,” he explains.

AIIM develops, advises and manages private equity infrastructure funds designed to invest long-term institutional equity in African infrastructure projects. It has circa US\$1.2 billion of funds under management across five infrastructure funds, and over 15 years’ experience managing investments in 19 portfolio companies across the renewable energy, power generation, transport, port logistics and telecommunications sectors. The depth of knowledge and experience within AIIM allows for the identification of quality investment opportunities and a disciplined approach to the investment and asset management processes, providing strategic, commercial, operational and financial expertise to infrastructure investment activities throughout Sub Saharan Africa.

AIIM’s flagship pan-African fund, African Infrastructure Investment Fund 2 (AIIF2) has made several strategic investments for the African continent through a successful investment programme. This includes two landmark transactions on the continent, namely Cenpower Generation Company (Cenpower) developing the Kpone IPP in Ghana and the Azura IPP in Nigeria.

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