

AGRI FUND LINKS ECO-TOURISM TO AGRIBUSINESS

01 June 2010: Agri Vie, the sub-Saharan private equity fund investing in food and agribusiness, has acquired a strategic minority stake in Asilia, the leading East African ecotourism group with upmarket lodges and camps in Tanzania and Zanzibar.

Asilia marks Agri-Vie's first foray into the eco-tourism sector, with previous investments made by the private equity fund being predominantly in the food and agribusiness sector.

According to Herman Marais, chief executive at Agri-Vie, eco-tourism is set to experience sustained growth in Africa over the next few decades, as investors increasingly recognise the sector as being a viable and investible industry.

"While agribusiness remains the most formalised industry in rural sub-Saharan Africa, we believe eco-tourism is ready to make a quantum leap from lifestyle and ego operators, to become a sustainable and investible industry that can add value to conservation and economic growth in the region. With such untapped potential, we are confident that eco-tourism is set to be one of the key sectors in Africa over the next 30 years."

He adds that there are clear synergies between agri-business and the tourism sector, which provides a ready market for local food products and other supplies. "The Agri-Vie fund's investors recognize the commercial and developmental synergies between agribusiness and ecotourism in the rural development context of Africa."

Another player in the sector, Wilderness Safaris, is currently in the process of listing on the stock exchange in Botswana and Johannesburg, providing further evidence of the evolution of the eco-tourism sector into an investible industry.

He says Asilia – which generates around \$10-million in revenues annually from four safari camps and a luxury lodge – is an important part of this growing trend. "Asilia brings a much-needed corporate approach to the business of eco-tourism, which will help to improve the profile of tourism industry in Africa and enable it to build scale and harness the potential of the region."

Marais says that the investment also remains consistent with Agri-Vie's stated mandate of making investments into sustainable businesses that are not just profitable, but also have a positive impact on the region in which they operate by promoting socio-economic development. "Asilia



already employs more than 350 people in the region, who in turn support hundreds more household members. Business revenues also fund conservation institutions and projects, thus helping to secure Africa's wildlife legacy."

Jeroen Harderwijk, Managing Director of Asilia, says the capital from the investment will be used to finalise ongoing projects as well as helping to fund the group's expansion plans. "We are already one of the top three players in the eco-tourism market in Tanzania and we are in advanced talks to move into the Kenyan market.

"We see both these markets as a core part of our future strategy and our vision is to become a regional leader in the eco-tourism business."

He says the tourism industry in Tanzania and Kenya currently attracts 800 000 and 1 million tourists each year respectively. "The world is finally waking up to Africa as a prime tourism destination and we expect these numbers to grow from their current base as the region gains further recognition in global markets."

Harderwijk says one of the keys to operating successfully and sustainably in the East African region is to establish strong relationships with the local communities. "There are unique challenges that one faces in creating tourism establishments in these regions and to deal with these effectively, it is vital that companies work with the local people, not only by providing much-needed employment but also by incorporating them into planned developments in order to have a positive impact on the region."

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About Agri-Vie

Agri-Vie is a private equity investment fund focused on food and agribusiness in Sub-Saharan Africa with a mission to generate an above average investment return, as well as demonstrable socio-economic development impacts through its equity investments. The fund was initiated by SP-aktif and Sanlam Private Equity with the cooperation of South African and international investors as well as the Makotulo BEE Consortium. The fund's vision is to be a catalyst for sustainable growth through investing in one of the foundation sectors of Africa's economies. Agri-Vie seeks to realise this vision through deploying development capital and management know-how according to sound investment and business principles. Agri-Vie Investment Advisors is a financial services provider authorized by the Financial Services Board, Registration number 33826. Visit www.agrivie.com for more information.