



AGRI-VIE ACQUIRES STAKE IN LEADING SA VEGETABLE SEED COMPANY

February 2011: Agri-Vie, the private equity investment fund focused on food and agribusiness in Sub-Saharan Africa, has acquired a 37% stake in Hygrotech, South Africa's market leading vegetable seed marketing group.

According to Izak Strauss at Agri-Vie, the decision to invest in Hygrotech was taken due to the company's strong track record and potential for further expansion. "We are very excited about the future growth opportunities offered by Hygrotech. The company already has a market leading position in the core vegetable seed distribution sector and is further expanding its existing product range with specialized and market related I.P. products".

Habe Roode, CEO of Hygrotech, says that while the company's traditional target market has been vegetable farmers in South Africa and the rest of Sub-Saharan Africa it is also increasingly targeting farmers involved in the production of fruit and grain. "Hygrotech also has dealings with sports grounds, universities and golf courses through its turf grass seeds and nutrient products. The company played an integral role in the 2010 Soccer World Cup, providing 60% of the turf grass seed for the tournament."

Hygrotech also provides a range of other products including fungicides, adjuvants, growth stimulants, and plant manipulators and is currently focused on expanding its supplementary and complementary products. "We are developing a range of new products within areas such as soft chemicals, specialty nutrients, organic fertilizers, grass and pastures , as well as further expanding our in-house vegetable program and local and international seed production for the export markets," says Henk van Wyk, Hygrotech's General Manager.

To facilitate this growth, the company has a number of highly qualified industry experts driving its R&D division. It also has an exceptional ability to incorporate new products into its existing marketing structures with limited additional costs, further strengthening the case for investment.

In addition to South Africa, Hygrotech currently has a presence throughout Sub-Saharan Africa in Namibia, Mozambique, Zimbabwe, Zambia and Kenya, and is also exporting vegetable seeds and agri-chemicals to Australia. As the product base grows, the company will look to further grow its footprint across the continent and into new territories.



Despite this push into new markets, Hygrotech remains focused on its existing customer base. “Our customers are central to our product offering. All stakeholders, including those further down the value chain who purchase directly from the farmer, are regularly consulted to ensure their needs are continuously being met” says Roode.

Strauss says in addition to the compelling investment case, Hygrotech is also aligned with Agri-Vie’s mandate to promote demonstrable socio-economic and environmental developmental impacts. “Hygrotech employs people from local communities and is involved with uplifting community projects including vegetable growing at schools and churches.”

“The seed, products and technology brought by Hygrotech to certain rural areas in Southern Africa also has a hugely positive socio-economic impact on those communities by providing superior quality seed and products supported by a superior technical support system enabling more efficient agronomy,” concludes Strauss.

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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.