

PRESS ANNOUNCEMENT

THE AAF SME FUND INVESTS IN ZAMBIAN FOOD AND BEVERAGE PRODUCTION COMPANY

11 October 2013

The AAF SME Fund, a private equity fund focused on African food production and processing, managed by Databank Agrifund Manager Limited (DAFML), has successfully closed its investment in Matonjeni Marketing, (<http://www.matonjeni.com/>), an upcoming food and beverage company focusing on the production, processing and marketing of beverages and food enhancers.

Matonjeni's branded food and beverage products include Ochardlain, Citrade, First Harvest, Nektarade, Shambala, Rage and Dawnridge. The Company is focused on the domestic market and is currently in all major towns of the Zambian market and also plans to open distribution hubs all across Zambia.

The AAF SME Fund is providing a mix of equity and mezzanine funding with a further option of supplying additional investment to assist Matonjeni to grow its production capacity and market.

In conjunction with this investment, the AAF Technical Assistance Facility (TAF) is exploring projects that will provide technical assistance to Matonjeni in terms of its management information system, marketing and distribution. It is expected that these projects will not only build the capacity of the local Matonjeni management team, but also create local employment opportunities within Matonjeni's marketing and distribution channels.

"Matonjeni is an ideal candidate for our mandate to expand value added services such as local processing, while partnering with strong, committed management teams that are open to the value-add associated with private equity partners. The Company has unique brands that require years and profound expertise to replicate," DAFML Senior Managing Partner, Dennis Matangira, said in a statement. "The holistic approach of the AAF SME Fund to not only fund the Company, but insistence on finding ways to increase stakeholder involvement as well as extension programmes for self-employed vendor networks through the Technical Assistance Facility, made them a very attractive partner for Matonjeni," added Mr Mayor Mangeya, the CEO of Matonjeni.

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The AAF SME Fund is a sub-fund of the Africa Agriculture Fund (AAF), managed by Phatisa.

The AAF TAF is primarily funded by the EU, managed by the International Fund for Agricultural Development (IFAD) and implemented by TechnoServe. The project received additional donations from the Alliance for a Green Revolution in Africa (AGRA), Italian Development Cooperation and the United Nations Industrial Development Organisation (UNIDO).

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