



PRESS ANNOUNCEMENT

PHATISA'S AFRICAN AGRICULTURE FUND INVESTS IN THE MERIDIAN GROUP

1 OCTOBER 2014

The African Agriculture Fund (AAF), managed by Phatisa, has invested in the Meridian Group, a US\$ 250 million (revenue) business with operations in Mozambique, Malawi, Zimbabwe, Zambia and Mauritius. Meridian's main focus is the manufacture and distribution of specialised fertiliser blends. The Group also includes a business in the processing and storage of agricultural products and a chain of retail stores.

Poor soil fertility is one of the major causes of food insecurity in Africa. The balanced application of fertiliser is critical to improving food production because it improves soil health, and dramatically increases agricultural yields and profitability.

The Meridian Group of companies can trace their origins back more than 25 years. Today, Meridian employs over 3,000 people and is responsible for distributing over 350,000 tonnes per annum of its products throughout Southern Africa.

Andy Watt, Director of Meridian Group commented 'we are excited by the African Agriculture Fund's funding into the business as this will help support expansion plans across the Group. We believe that with this investment, Meridian will be well positioned to meet the increasing demands for fertiliser in sub-Saharan Africa.'

Joseph Bergin, who led the deal for Phatisa said 'Meridian is playing a vital role in improving food security in Africa by providing smallholders with the inputs necessary to improve their yields and break the poverty cycle. We are working closely with management and we believe our strategic investment will help take this business to new heights.'

AAF is a private equity fund committed to investing in the African food value chain. The investment in Meridian also presents the AAF's Technical Assistance Facility with the opportunity to deploy much-needed technical knowhow to African smallholder farmers.

The Meridian investment represents a further step for the AAF in building on the inputs platform they have created over the last three years in southern Africa. This, the seventh AAF portfolio company, confirms Phatisa's standing as the foremost African private equity agriculture and food investor.

Ends

(Words 325)

Phatisa press contact

Izelle le Roux-Owen, Corporate Communications & Investor Relations, Phatisa
Telephone: + 27 11 463 1920
Email: izelleleroux@phatisa.com



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Phatisa is an African private equity fund manager, operating across sub-Saharan Africa, with offices in Mauritius, South Africa, Zambia, Kenya, and Ghana, as well as London. The firm has two sector-specific funds under management, totalling more than US\$ 285 million, focused on food and affordable housing. Phatisa comprises a team with a significant track record of managing private equity funds and businesses throughout the continent. Phatisa's African Agriculture Fund has committed investments in excess of US\$ 123 million, from Sierra Leone in West Africa to Mauritius, East Africa and 10 other countries in between. This reflects a total of 16 investments (including follow-on deals) across diverse sectors: primary farming, palm oil, processing, inputs, mechanisation, fertiliser, protein production and FMCG beverages. Phatisa also introduced an Eastern and Southern African investment initiative in response to the ever-increasing housing shortage – the Pan African Housing Fund (PAHF). The Fund first closed at US\$ 41.5 million in December 2012, commenced operations during Q1 2013 and has concluded one investment to date. At the heart of Phatisa is development equity, as embodied in the unique formula of **DevEq = PAT * x + i²**™; a balanced blend of private equity and development finance – striving to build sustainable assets on the ground; ensuring best possible returns for investors, including the community in which these operate. www.phatisa.com

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