



ACCESS CAPITAL SERVICES Share Company

Incorporated in Ethiopia under the Commercial Code (Registration Number 04/2/17273/99). An offer for 10,000 Ordinary Shares at Birr 5,000 per share.

PRIVATE PLACEMENT MEMORANDUM

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM



PRIVATE PLACEMENT: Offering of 10,000 Ordinary Shares in Access Capital Services Share Company ("Access Capital") of par value Birr 1,000 each, offered at Birr 5,000 each.

Summary Information on Sale of Shares

Access Capital Services S.C.

OFFERS

10,000 REGISTERED ORDINARY SHARES FOR PUBLIC SUBSCRIPTION

PAR VALUE PER SHARE	- BIRR 1,000.00
OFFERING PRICE PER SHARE	- BIRR 5,000.00
COMMISSION PER SHARE	- BIRR 150.00 (3%)
TERMS OF PAYMENT	- 100% payment on subscription (commission is waived) or 50% payment on subscription 50% by 31 December 2009
MINIMUM INVESTMENT	- 20 shares (Birr 100,000 + commission)
OFFER OPENS:	- 1 July 2009
OFFER CLOSSES:	- 31 August 2009

ADDRESS

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1 Legal disclaimers and warnings: NOTICE TO OFFEREEES

The Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Shares in any jurisdiction in which such offer or solicitation would be unlawful. No person has been authorized to give any information or to make any representations other than those contained in this Memorandum and, if given or made, such information or representations must not be relied upon.

This Memorandum contains summaries or explanations of certain documents that govern the transactions described herein believed to be accurate, but reference is made to the actual documents and all of the statements and information set forth in this Memorandum are qualified in their entirety by reference to such documents.

You should conduct an independent investigation of the risks posed by an investment in the Shares. Prior to your purchase of any Shares, you and your representatives may ask questions of the officers of Access Capital about any aspect of this Offering and may obtain from them any additional information necessary to verify information set forth in this Memorandum to the extent that they possess such information or can acquire it without unreasonable effort or expense. You should consult your own investment, legal, tax, and accounting advisors to determine whether a purchase of Shares is an appropriate investment for you and the applicable legal, tax, regulatory, and accounting treatment of an investment in Access Capital's stock. This Private Placement Memorandum and any other information communicated by Access Capital or its agents does not purport to constitute expert advice in such matters.

This Offering is made subject to withdrawal, cancellation, or modification by Access Capital without notice and is specifically subject to the terms described in this Memorandum. Shares are being offered, subject to prior sale and to the Company's right to reject any subscription in whole or in part or to allot to you less than the number of Shares for which you subscribe.

Confidentiality

The information in this Memorandum is confidential and proprietary to Access Capital and is being submitted to you solely for your confidential use and with the explicit understanding that, without the prior written permission of Access Capital, you will not release this Memorandum or discuss the Memorandum, its existence, or any of the information contained herein, or make any reproduction of or use this Memorandum for any purpose other than to evaluate a potential investment in the Shares. By accepting delivery of this Memorandum, you agree promptly to return it and any other documents or information furnished to you by Access Capital, if you elect not to purchase any of the Shares offered hereby, or if the Offering is terminated or withdrawn.

By accepting delivery of this Memorandum, you acknowledge and agree that all of the information contained herein is of a confidential nature and may be regarded as material non-public information under the relevant legislation (Ethiopian and international) and that this Memorandum has been furnished to you by Access Capital solely for your confidential use for the purpose of enabling you to consider and evaluate an investment in the Shares. You agree that you will treat such information in a confidential manner, will not use such information for any purpose other than evaluating an investment in the Shares, and will not, directly or indirectly, disclose or permit your agents or affiliates to disclose any of such information without the prior written consent of Access Capital. You also agree to make your representatives aware of the terms of this paragraph and to be responsible for any breach of this agreement by such representatives. Likewise, without the prior written consent of Access Capital, you agree that you will not, directly or indirectly, make any statements, any public announcements, or any release to any trade publication or to the press with respect to the subject matter of this Memorandum.

Cautionary Notice Regarding Forward-Looking Statements

All statements that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements, including statements about future business and economic conditions, market size, share and demand, and business performance. Our expectations, objectives, anticipations, intentions and strategies regarding the future, expected operating results, revenues and earnings and current and potential litigation are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results in the forward-looking statements. All forward-looking statements included in this Memorandum are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any forward-looking statement or statements. You are cautioned not to place undue reliance on forward-looking statements contained in this Memorandum.

Market Data

The industry and market data presented in this Memorandum are inherently estimates and are based upon third-party data, including information compiled by Access Capital Research Team and investment and portfolio management offices as well as other sources, information made public by market research and Internet companies and Access Capital's own estimates. While Access Capital believes that the data is reasonable, in some cases this data is based on estimates by Access Capital or others and cannot be verified by Access Capital. Accordingly, prospective investors are cautioned not to place undue reliance on the industry and market data included in this Memorandum.

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2 Summary of the Offering

2.1 Summary of the Business

Access Capital is an innovative company which supports economic growth in Ethiopia by i) helping dynamic Ethiopian businesses raise funds and ii) widening the opportunities for investors. It seeks to encourage the growth of sustainable and productive businesses and economic infrastructure while achieving above-average returns for its shareholders.

The business objectives of the Company (extracted from the Memorandum of Association) are:

- To invest in different sectors of the economy.
- To render advisory services to investors regarding investment.
- To buy shares from different companies and sell same.
- To do other business related to the above.

Access Capital Services S.C. was formed after a successful capital-raising share offer. It is a Share Company in terms of the Ethiopian Commercial Code (1960). The Company was registered on 26 May 2007 and started operations in June 2007. The offices are on the 6th-7th floors of the prestigious new Zemen Bank building in Josef Broz Tito Street (in Kazanchis area of the Addis Abeba CBD), where it shares headquarters with Zemen Bank S.C.

The initial business model for Access Capital takes three directions:

1. Making direct investments into companies – Private Equity Transactions

The main business of Access Capital since November 2007 has been to invest into distressed companies. In some cases, the investee companies have faced problems with working capital and management and Access Capital has been able to step in at the point where the company's bank is moving towards foreclosure. By adding a small amount of capital, for instance by bringing loans up-to-date, Access Capital has been able to purchase majority (90%) stakes in four businesses for very little capital supplied (see attached deal summaries). Access Capital is concentrating on opportunities which offer a payback period of one year or less.

So far the initial concentration has been on the fast-moving consumer goods market and suppliers to this, as demand for their products far exceeds capacity, and demand is expected to be boosted by the anticipated growth in the economy as well as individual incomes. The approach is bottom-up, i.e. to focus on evaluating opportunities as they arise.

Access Capital is also investing in start-up companies. The first is Piko Juice, which in January 2009 started producing and selling 150 ml pyramid packs of "Snap Juice", a fruit drink which is aimed at the mass market. Once the sales are well established, Piko will expand into 1 litre juice packs. Both products have almost no local competition – nearly all competitive products are imported at high prices - and enjoy growing demand in the local market.

ACCESS CAPITAL GROUP COMPANIES						
Name (PLC unless otherwise indicated)	TGMD Trade Works (Real Water)	Polytech PP Woven Bags	Piko Juice Factory	MA Thermoplastic Ind	Access Real Estate SC	Flour Mill (not incorp.)
Nature of Business	Bottled water	Industrial polypropylene bags	Packaged juice products	Plastic products	Property development	Flour
Percentage Owned	90%	90%	75%	90%		90%
Date of (expected) investment	Jul-08	Jul-08	Nov-07	Jan-08		no start date

Note: PLC =Private Limited Company, SC = Share Company

2. Group Companies Management

In all cases so far, Access Capital has opted to take full control of companies it has invested into. This is linked to management and governance concerns as well as the strong management team that Access Capital offers. Access Capital brings operations, financial and marketing management expertise across a range of sectors, chiefly concentrating on manufacturing for the local consumer goods markets.

Access Capital's typical involvement with a Group Company includes: preparing a business plan/

evaluating any existing business plan and then setting a range of milestones and financial and operational performance targets. This is done in consultation with management and their performance is to be assessed against achievement of the targets. Access Capital is closely involved in setting up and running the financial control system and is also establishing a centralized Management Accounting IT system which will provide accurate feedback on production, sales, supply chain and other aspects of monitoring the Group Company's daily and weekly performance. Access Capital also provides Human Resources Management support.

3. Assisting investors find growth opportunities, and helping entrepreneurs raise long-term risk capital – Corporate Advisory

The Company helps investors to find projects, and also helps entrepreneurs and established businesses to raise funds.

Access Capital tailors its role to fit the needs of institutional or individual foreign and local investors. For instance, if an investor is keen to buy a stake in an existing company, Access Capital performs due diligence and other studies, and advises on the purchase or acquisition. We will also monitor the investment, if required, and can take an active management role, possibly through a seat on the board of directors or other close monitoring. For a greenfield project, Access Capital will provide some or all of feasibility studies, establishing a local company, obtaining licences, land, etc. We could also recruit and supervise management and provide support services through our expert Group Companies Management team.

When raising capital for companies with growth opportunities, Access Capital works with local entrepreneurs to enhance their business plans and financial structures so they can link to relevant local and foreign entrepreneurs. The Company has advised the share offer of a bank (Birr 140 million from 2,700 shareholders) and Access Real Estate S.C. (currently raising Birr 100 million).

2.2 Summary of Terms and Conditions of the Offering

A total of 10,000 ordinary shares of par value Birr 1,000 each are being offered at Birr 5,000 per share. There is only one class of shares in issue. When the new shares are fully subscribed and issued, the share capital will increase from 9,325 shares to 20,260 shares. The aim is to increase the equity capital and thus the deal flow. This will bring corresponding economies of scale and synergies in the investments. We will also bring in specialized investors who will be able to contribute skills and expertise in terms of the business operations and future growth of Access Capital.

The offer is open until 31 August 2009.

The Share Offering will be made primarily to individually targeted institutional and experienced investors, both by presentation of this Private Placing Memorandum and through individual meetings, where requested. After the closing date, a final allocation of the shares on offer will be made by the Board of Directors of Access Capital Services S.C. They may act purely on their own discretion in allocating the shares on offer, and do not have to give any reasons or enter any correspondence for accepting or refusing any applications to subscribe for the shares.

Existing shareholders have a preferred right, in proportion to their holdings, to allotment of the shares issued in the Share Offering in terms of the Commercial Code (Art 345). This right is to buy shares at the same price as new shareholders, being the offer price of Birr 5,000 per share. Existing shareholders are being contacted directly and given the opportunity to exercise their preferred right. The minimum purchase is 10 shares (Birr 50,000).

The local associate of Deloitte is able to facilitate foreign investor applications, including offering expert advice or holding shares as a nominee. Please contact HST/Deloitte for details.

2.3 Risk Factors

Ethiopian economy

Traditionally the Ethiopian economy has been seriously affected by factors including variable weather, uncertainties within the Horn of Africa region and development challenges relating to poverty. However, the key investors targeted by Access Capital are already operating within Ethiopia and are well aware of the risks of their domestic economy.

Equity Investments

The principle of equity investments (shares) is that the value of a share is assessed from time to time, according to the prospects that the business which issued the shares will generate better profits in future. Since business prospects can vary, this could mean that the capital value of the shares could fall (or even be destroyed altogether in the worst-case scenario). However, studies worldwide show that over most longer-term investment periods, the average returns on equity investments beat those of other investments, even in the world’s most developed markets.

Foreign Exchange Controls and Tax - for Foreign Investors

Ethiopia has a legal and regulatory structure for handling foreign exchange transactions on the capital account, including share structures, which need to be notified through a commercial bank and the National Bank of Ethiopia at the time of investment. It is recommended to handle this through a local specialized intermediary. Investors are likely to be subject to income tax on capital gains of 30% and withholding tax on dividends of 10%, but this Memorandum does not constitute expert tax advice and you should consult your professional adviser.

2.4 Use of Proceeds

Access Capital aims to raise Birr 50 million through the current share offer, which will be invested into projects as follows:

Expansion Projects - Birr 25 million, including expanding production at Real Water, PP Bags and other Group Companies, into projects to satisfy proven demand.

Further leveraged buyouts - Birr 25 million. There is a significant pipeline of projects coming to Access Capital, now that the model is established and better understood in the local marketplace and relations are growing with existing banks. The Private Equity Transactions department staff are analyzing the projects in order to pick those which offer the best risk-return spread, taking into account Access Capital’s criteria to achieve 1 year payback on investments.

As part of the business model of Access Capital, investors in the share offer will be offered the opportunity to co-invest with Access Capital in private equity/venture capital transactions or to participate in projects advised by Access Capital’s Corporate Finance department.

2.5 Expected returns

(Warning: These are based on forward-looking statements and the warning contained in the cautionary note applies)

	Dec 2010	Dec 2011
Earnings Per Share	5,944	9,623
Earnings ROI (Earnings per share/cash invested @ Birr 5,000)	119%	192%
Cash ROI (free cash flow/cash invested @ Birr 5,000)	177%	390%
Price-Earnings (@Birr 5,000)	0.8 x	0.5 x
Price/Cash flow (CF=NPAT+D&A)	0.6 x	0.3 x

2.6 Dividend Policy

Each shareholder is entitled to a dividend on the net profit of the Company. The General Meeting of Shareholders will declare the amount of dividend to be paid. The Promoters and Founders are not entitled to any extra share of the net profit of the company and will participate equally with all other shareholders according to their shareholding.

3 Management Discussion

3.1 Economy Overview

Ethiopia, with proud centuries of history as a nation and Africa’s second biggest population, could be one of the economic powerhouses of the continent. However, decades of economic disruption are starting to be put right by the Government’s move towards reforms and a market economy. This includes more liberal investment and trade laws designed to increase the role of the private sector and encourage foreign direct investment by providing incentives and creating an attractive business climate. While there are many structural barriers to be overcome, in recent years economic growth has been among the best in Africa, and medium-term prospects continue good.

Year	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9
GDP growth	11.7%	12.6%	11.5%	11.5%	11.6%	8.0% (est)

Source: National Bank of Ethiopia, IMF; estimate by Access Capital research. The Ethiopian fiscal year is to 7 July.

However, 48% of the economy (Gross Domestic Product) is made up of agriculture and 85% of the population (68 out of 80 million) earn their living directly or indirectly from this, making the economy vulnerable to the effects of drought and climate change. The industrial sector was estimated to account for 14% of GDP (manufacturing was 5%) and the service sector for 43% (including 13% for trade, hotels and restaurants). Ethiopia stands at a trade crossroads between Africa and the Middle East. It is a member of the Common Market for Eastern and Southern Africa (COMESA) and benefits from trade advantages under the European Union’s Everything-But-Arms (EBA) initiative and the US Africa Growth and Opportunities Act (AGOA). The export sector has shown significant improvement in the last few years. Earnings from exports are nearly US\$1.5 billion and have grown at an annual average of 25% for the last five years.

The country is attracting significant investment interest, aimed at local and export production especially agriculture, mining and other sectors. Foreign Direct Investment (FDI) is up more than five-fold in the past five years and data in the balance of payments suggest actual inflows rose from \$150 million in 2003/4 to \$816 million in 2007/8. Government is also investing heavily in growth and productivity. Government spending increased to Birr 47 billion and this is expanding public goods provision in many areas, especially in health, education, roads, electricity and telecommunications.

3.2 Sector Overview

Ethiopia’s capital market consists mainly of the formal financial sector, which comprises mainly commercial banking (one Government commercial bank and eight private commercial banks, two Government-owned “development” banks), insurance services and a growing micro-finance sector. The financial sector’s contribution to GDP was estimated at US\$235 million (2006/7) and it had grown on average by 18% a year over the five years to July 2007. Capital markets are in a very early stage of development and this severely constrains firms’ access to long-term finance. There is high liquidity (deposits, etc.) in the banking system, but it is hard for entrepreneurs and growing businesses to get long-term finance from the commercial banks as credit provision is over-dependent on the availability of collateral (security) and because bank lending relies heavily on short-term trade finance.

Savers are also constrained by the lack of financial instruments available which would offer opportunities to diversify investments. The usual home for savings is bank deposits which currently pay 4% per year, far lower than the prevailing annualized rate of inflation and currency devaluation. Local investors seeking better local returns have tended to direct a disproportionate portion of their capital into the acquisition of real estate, which itself is in short supply. One result is overpriced real estate markets in some urban areas of the country.

The capital available in Ethiopia is not used as effectively as possible to support growth in the most productive and promising parts of the economy, because the local capital markets are underdeveloped and ineffective. There is a clear need for innovation to help investors find appropriate investment

vehicles and to help business firms seeking long-term capital. Effective capital markets (including banks, insurance companies, Government investment bodies and other intermediaries) move funds from savers to entrepreneurs as efficiently as possible, through accurate analysis of where the growth opportunities are and professional skills in ensuring that investments are used for the most productive (and therefore most profitable) growth opportunities. Successful entrepreneurs pay salaries to households and taxes to Government, fuelling a cycle of growth

Corporate Capital Demand: Ethiopia has a large underutilized pool of local capital, meanwhile many eligible local privately and state-owned companies have strong local, regional and international business prospects. There is a shortage of risk capital and expertise to fill the “equity gap” faced by many local companies which hinders eligible companies from considering equity financing and taking bolder steps in their investment planning. A capital market would help the Ethiopian private sector to take advantage of opportunities, for instance in privatization programmes and competing with international companies.

Institutional Capital Supply: There are few institutions in the market, apart from banks and insurance companies. They have almost zero weighting in equities and few skilled resources committed to investment processes. No mutual funds, pension funds and other long-term pools of savings have yet embraced the benefits of investing in equity and participating more actively in capital markets. There appears to be considerable room to develop research and skills for investment amongst cash-rich institutional and individual investors. The potential investor base in Ethiopia includes: i) individuals looking for investment opportunities that offer high potential returns, including Ethiopians living abroad and looking for channels to invest in growth back home, and ii) institutions with idle capital, such as banks with excess liquidity.

The main aim of Access Capital is to help channel funds from savers to those entrepreneurs who can make best use of them. The company addresses the twin challenges of i) laying the necessary infrastructure to mobilize savers’ funds by building a larger and more widely-based investor base, and ii) identifying companies which could provide high-return investment opportunities. We believe the business environment in Ethiopia is highly conducive to the emergence of such an institution. The process of allocating capital (investing) will be based on our investment philosophy and driven by research, combining studies of sectors and industries with in-depth study of the companies we invest in. Our involvement with the companies will involve the application of proven corporate governance standards to manage risk and ensure that high returns are possible. We have already identified through research that there are a significant number of attractive investment opportunities in a variety of sectors that meet our requirements.

The general activities through which Access Capital can assist in these processes include:

Corporate Financial Advisory: Assisting growth businesses to raise long-term funds for expansion. This would include advising businesses and helping them to prepare financing proposals and presenting these, with our economic analysis and other background materials, to key investors. The financing instruments may include equity and/or debt securities. Organizations raising capital could include private sector companies as well as publicly-owned enterprises, for instance raising finance for infrastructure expansion. Access Capital may assist companies to raise finance without committing its own funds but it may also take a role in investing in the offer or other participation. This helps to raise long-term finance by tapping investors who may be interested in diversifying some of their savings away from low-interest bank deposits into equity investments that have the potential to pay higher returns.

Private Equity: Access Capital invests its own funds in very promising investment opportunities that meet its investment criteria. Typically this could be in the form of taking shares and usually a controlling interest in the business to be invested into. Access Capital’s own funds would be raised through share offerings and through debt financing. A professional private equity investor would aim to stay well informed about the progress of the business invested in, perhaps through having a seat or seats on the Board of Directors. According to a pre-agreed plan, after a period (sometimes five years) of successful growth, the private equity investor would aim to sell its shares to other investors, possibly a business interested in entering the same field or to a wide range of investors.

Liquidity Creation: One key reason why long-term equity investments may not be attractive to savers in Ethiopia is that, to date, such securities have been illiquid, making it difficult to exit the investment (i.e. sell or dispose and get cash when they need it). For instance, a share may be valid as long as the company is in business, which could be decades. Savers may need their money because they have urgent financial needs or because they wish to invest in something they feel is more attractive. Access Capital can help by providing a facility for people wishing to sell securities such as shares (equities) by buying the shares itself or by finding buyers. If a security is liquid, this makes it more attractive to savers and so means that the company, Government or other enterprise which wants to raise capital can get the capital more cheaply (i.e. by selling equity at a higher value or by raising debt at lower interest rates).

Access Capital works primarily at the wholesale and corporate level. Its clients for capital-raising would typically be large enterprises with capital needs running into tens or hundreds of millions of Birr. It would also aim to deal primarily with specialized investors able to afford and understand the risks of long-term equity investments. Experience world-wide suggests that, by working in this necessary but specialized niche, revenues and profit margins can be considerable. This is where Access Capital is positioned.

Summary: How Can Access Capital Help Ethiopian Companies?

Access Capital can contribute to the development of Ethiopia's economy through the following activities:

1. Working with company owners and managements to identify areas and projects for expansion, develop a long-term business plan and evaluate the costs and benefits of such projects;
2. Designing the best financing mix from debt and equity to finance the company's growth.

The Ethiopian financial sector has been described as one of the most underdeveloped in Africa, This means that there is huge scope for growth and first movers can achieve exceptional returns. In particular there is a severe shortage of long-term risk capital, with Access Capital being one of the few professional providers of equity investment capital. In return for taking the risks associated with pioneering in this vital sector for Ethiopia's development, Access Capital can expect exceptional returns from its investments.

3.3 The Business of Access Capital

3.3.1 Establishment

Access Capital Services S.C. was formed after a successful capital-raising share offer and started operations in June 2007. The offices are on the 7th-8th floors of the prestigious new Zemen Bank building in Josef Tito Avenue (in Kazanchis area of the Addis Abeba Central Business District), where it shares headquarters with Zemen Bank S.C. The company is structured to deliver value to its shareholders through choosing and managing profitable equity investments.

Date of Registration

The Company is a Share Company in terms of the Ethiopian Commercial Code (1960). The Company was registered on 26 May 2007.

Name of the Company

The Company's name is registered at the Registrar of Companies as "ACCESS CAPITAL SERVICES (SHARE COMPANY)". Its registered headquarters is at Zemen Bank bldg., Josef Tito Avenue, Kirkos sub-city, Kebele 16/17, House 1038, Addis Abeba. Its postal address is P.O. Box 28119, Code 1000, Addis Abeba, Ethiopia.

3.3.2 Business Strategy & Plan

The business objectives of the Company (extracted from the Memorandum of Association) are:

- To invest in different sectors of the economy.
- To render advisory services to investors regarding investment.
- To buy shares from different companies and sell same.
- To do other business related to the above.

Access Capital is an innovative company which supports economic growth in Ethiopia by i) helping dynamic Ethiopian businesses raise funds and ii) widening the opportunities for investors. It seeks to encourage the growth of sustainable and productive businesses and economic infrastructure while achieving above-average returns for its shareholders.

Access Capital will facilitate the establishment and growth of business enterprises that can compete nationally, regionally and globally by:

- Making direct equity investments from its own account in companies with attractive potential for growth and profitability, and designing the best financing mix from debt and equity to finance growth.
- Encouraging other investors to co-invest in such businesses, such as local and foreign institutions and individuals, including the many Ethiopians living abroad who are keen to invest in their home country.
- Giving advisory services to investors regarding investment.

The Ethiopian capital market is characterized by a severe shortage of long-term risk capital, and this is proving a severe strain on growth of supply to meet the demand of successful economic growth and constraining the growth of the private sector to its ability to provide jobs and technology and to boost the economy. There are very numerous growth opportunities which are desperate for risk capital and anyone able to provide it can ask for very high returns. Access Capital bridges the gulf between the owners of financial capital and those who can use it effectively to create and grow productive enterprises. In this way, we aim to benefit Ethiopian investors, entrepreneurs, workers and farmers.

The initial business model for Access Capital takes three directions, which are spelled out in more detail below under Operations and Management:

3.3.3 Competitive Advantage

Access Capital is bringing tried and tested methodology from other markets, but has no domestic competitors. Competitors would tend to be foreign-based, and very few of them have entered the local market so far, despite the considerable interest. There is a considerable advantage to being an Ethiopian-based investment company, given the size of investment operations, the lack of reliable information and the local investment climate. This includes language, tax and regulatory conditions that are very unique to the Ethiopian marketplace.

3.3.4 Summary of Memorandum and Articles of Association

Summary of Memorandum of Association

The Memorandum of Association contains 19 Articles. These deal with the founding of the Company, including the Founding Shareholders and the Business Objectives of Access Capital, which can be summarized as:

- 3.1. To invest in different sectors of the economy.
- 3.2. To render advisory services to investors regarding investment.
- 3.3. To buy shares from different companies and sell same.
- 3.4. To do other business related to the above.

The initial share capital issued in terms of the Memorandum is Birr 9.3 million, and shares may only be issued registered in the name of the holder (no bearer shares). The Memorandum outlines the organs of the Company and their respective powers, as well as details of the powers of the President, and clauses on Auditors, effective date, etc. It does not provide for any share of profits to be reserved for the Promoters and Founders of the Company.

Summary of the Articles of Association

The Articles of Association contain 44 Articles. These deal with various procedural and administrative matters such as calling of general meeting, quorum, proxy and majority requirements at General Meetings, powers and duties of the President, keeping accounts and financial reporting of the Company, withdrawal of membership and death of a member. The relevant Articles also detail that there is only one class of shares and the rights attached to such shares as well as the rights and liabilities of shareholders.

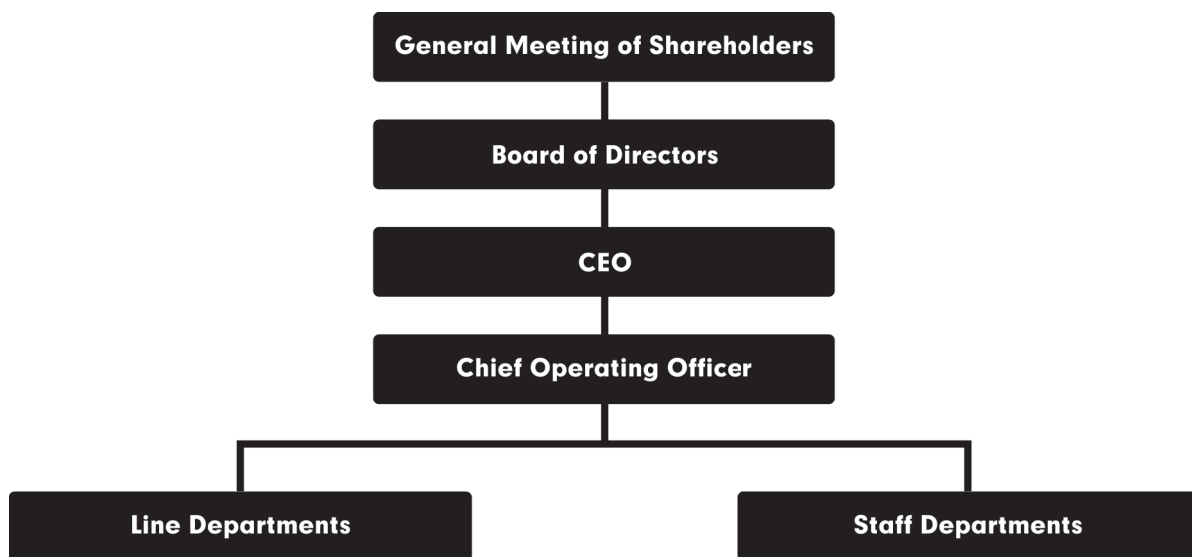
3.3.5 Organization and Management

Access Capital Services S.C. was formed after a successful capital-raising share offer and started operations in June 2007. Our offices are on the 7th and 8th floors of the prestigious Zemen Bank S.C. headquarters building in Josef Tito Avenue (Kazanchis area of Addis Abeba Central Business District).

The highest decision-making body of Access is the General Meeting of Shareholders. This would normally meet once a year (Annual General Meeting) to elect the Directors and fix their remuneration, approve the reports of the Board and the External Auditor, and decide on the appropriation of the net profits of the Company. However, a General Meeting of Shareholders can be held more often according to the Company Statutes in terms of an Extraordinary General Meeting.

The Board of Directors, consisting of five members, each elected for a period of three years, is the policy organ of the company. It is responsible for policy matters, approval and follow-up of annual programs and budgets, and the appointment of the President of the Company.

Access Capital is made up of the following divisions:



Transactions

The main business of Access Capital since November 2007 has been to invest into distressed companies. In some cases, the investee companies have faced problems with working capital and management and Access Capital has been able to step in at the point where the company’s bank is moving towards foreclosure. By adding a small amount of capital, for instance by bringing loans up-to-date, Access Capital has been able to purchase majority (90%) stakes in four businesses for very little capital supplied (see attached deal summaries). The bank has been willing to roll over financing and the seller is willing to accept a purchase price in the form of deferred payment out of profits. This has created the chance for very leveraged purchases of existing businesses who already have customers waiting for the product.

Making investments into Group Companies (operating subsidiaries) includes:

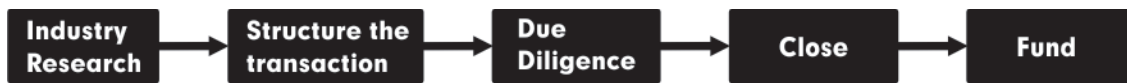
- Taking controlling stakes, “turning-around” the businesses and then managing them. This could include businesses that have run into trouble with banks and others. In some cases, we may save them from closing.
- Setting up and run new businesses for identified business opportunities.
- Setting up and administering investments on behalf of overseas investors wishing to enter the Ethiopian venture capital market.

Access Capital is concentrating on opportunities which offer a payback period of approximately one year or less. So far the initial concentration has been on the fast-moving consumer goods market and suppliers to this, as well as PP Bags which is providing a key industrial input linked to economic growth.

The second form of investment so far is to start new companies. This approach is being pioneered by Piko Juice which has started producing and selling 150 ml pyramid packs of “Snap Juice”, a fruit drink which is aimed at the lower segment of the mass market. Once the model and processes are well established, Piko would aim to expand into 1 litre juice packs. Both products have no local competition, growing market demand and high import prices.

The Private Equity Transactions team sources new transactions and negotiates, structures, finances and does due diligence and other studies related to acquisitions, as well as executing the acquisitions.

Process, systems and governance are key to the success of Private Equity Transactions. Access Capital is developing transaction models appropriate to local conditions, such as shortage of audited financial statements or other reliable information. The team screens a large number of investments to find a few interesting prospects, and for the selection we use blanket screens, such as minimum payback period. The transactions process can be thorough, involving extensive work in a very limited time. A deal should only be finalized once Access Capital’s Investment Team/Committee is satisfied with the results of due diligence studies.



Access Capital assigns a team of 1 Associate (Senior Analyst) and 1 Junior Analyst (or as required) to each transaction. The team gets support from Access Capital Research, including any sector specialists, or external sector specialists.

Access Capital’s first investments are:

Real Water (TGMD Trade Works):

A leading bottled water factory was acquired during July 2008. It is exceeding previous production capacity estimates and sales are going very well.

Polytech PP Woven Bags:

The company is among the market leaders in providing large, heavy-duty packaging for several domestic industrial and commercial uses, for which there is strong demand. The business was acquired during July 2008.

Piko Juice:

A new Tetra Pak© juice packaging factory has been built next to Thermoplastic Industries, very convenient for the main road and Addis Abeba. The factory started production during January 2009.

MA Thermoplastic Industries:

Access Capital invested into MA Thermoplastic Industries, one of Ethiopia’s leading plastics factories, in December 2007.

Flour Mill:

A medium-sized flour mill factory which was acquired in July 2008.

There is also a **Corporate Advisory** section, whose objectives are:

- To help businesses raise long-term finance for expansion. The advisory service includes: strategic, restructuring and other advice to businesses, helping them to prepare financing proposals and present these to investors, supported by Access Capital’s economic analysis and other background. The financing instruments may include equity and/or debt securities.
- To advise business investors looking for productive investments, including market studies, due diligence, transaction support, etc. For a remote investor wishing to set up an active business, Access Capital could supply management support through the Group Companies Management team (see above). Access Capital is already working with many medium-scale investors, particularly foreign investors, and performs corporate consulting, for instance in restructuring, strategy, etc. International interest in investing into Ethiopia has increased dramatically in the last six months and Access Capital has supporting several investors from the US, UK, Middle and Far East to channel their investments into productive opportunities.

Ethiopia is seen by many international investors as a promising frontier market. However, they are looking for an experienced local company that understands their concerns as international investors, but also understands the local market and investment and business climate. Many key visitors come to our offices as part of their search to learn more about the Ethiopian opportunities and to discuss or visit specific projects. All have been excited about the prospects of growth in a market with some 80 million people, experiencing and likely to continue to experience sustained GDP growth of 10% a year or more (see above).

Access Capital's role is tailored to fit the needs of the investors. For instance, on an investment into an existing company, we will perform due diligence and other studies, and advise on the purchase or acquisition. We will also monitor the investment, if required, including playing an active management role, possibly through a seat on the board of directors or other close monitoring. For a greenfield project, Access Capital will provide some or all of feasibility studies, establishing a local company, obtaining licences, land, etc. We could also recruit and supervise management and provide support services through our expert Group Companies Management team.

With regard to capital-raising for companies with growth opportunities, Access Capital has expertise and experience in advising share offers and assisting companies in marketing shares, dealing with local and international investors and to train and work with brokers to sell shares. Access Capital has built expertise for share offerings and has strong marketing capabilities, both through its own share marketing teams and through Internet sales. Other expertise is working with local entrepreneurs to enhance their business plans and financial structures so they can link to relevant local and foreign entrepreneurs.

Clients of the Corporate Advisory capital-raising service include:

- Access Real Estate S.C. (www.accessrealestatesc.com). Access Capital is advising this company which has so far raised more than Birr 45 million from shareholders in order to build and sell affordable homes in 7-storey condominium units.
- A local bank which raised Birr 140 million from 2,700 local shareholders (foreign passport holders not allowed to invest into Ethiopian banks).

Group Companies Management

In many cases, Access Capital has opted to take full control of companies it has invested into. This is linked to management and governance concerns as well as the strong management team that Access Capital offers. Access Capital is building a team with operations and marketing expertise across a range of sectors, chiefly concentrating on manufacturing the local consumer goods markets.

This is a specialized investee company management team. We "take over" the companies into which Access Capital has invested, once the acquisition is complete, and run them for growth and long-term profitability. The specialists on the team are: Finance Specialist, Operations Management Specialist and Marketing Specialist. Their role is to run and develop the Operational Subsidiary/Group Companies, improving the efficiency and productivity of manufacturing operations and all other aspects including finance, marketing and human resources management.

The Group Companies Management team takes over once the Private Equity Transactions team has completed a transaction. GCM team is responsible for:

- Reviewing any business plans prepared by the Transactions Team, or preparing a new 3-year Business Plan as a rolling plan, altered every 3 months and giving specific targets and milestones.
- Setting up and managing the company, while developing its capacity for expansion.
- Selecting and putting in place a suitable General Manager (GM) and management team for the company (including existing management if applicable, as well as appointments).
- Monitoring performance and taking remedial action, using weekly and other reports. Giving strategic input and other added value, including synergies with other group companies.
- Coordinating outsourced support: for instance in IT and Finance/Management Information Systems; best practices for human resources management such as performance management, training, etc.; and other support through the Access Capital back office (Access Capital Services).

As outlined in the detailed information per Group Company, Access Capital provides

- New management and direction to the companies under its control. It aims to introduce high-quality new management into these companies, most of which were family-controlled before purchase. AC expert consultants (in-house and outsourced) offer strategic, marketing, operations and other advice, and HR assistance to ensure a quality and productive workforce. Access Capital will aim to manage companies to achieve maximum sustained shareholder value, with a long-term approach to building customer relationships and sustainable business.
- Business Planning and Management to achieve results against the Plan.
- Working capital to repair or expand machines, financing for expansion, financial management and fund-raising (negotiating with banks, etc.)
- Financial controls and advisory services including daily and weekly financial reporting via AC dedicated accounting expert.
- An Enterprise Resource Management IT system that will allow the companies to focus on production and sales.
- Synergies with other companies in the group, for instance in terms of marketing and logistics.

Corporate Advisory:

Liquidity Creation:

A key reason why long-term equity investments in Ethiopia may not be attractive to savers is that so far the securities have been illiquid, meaning it is hard to exit the investment by selling or disposing in order to take out cash). For instance, a share (equity) lasts as long as the company is in business, which could be decades. However, a saver may need her or his money because of urgent financial needs or because she or he wants to invest in something more attractive. Access Capital is ready to buy back its own shares and those of its investee companies from investors wishing to sell.

Research:

Access Capital’s Research Division provides useful information for decision-makers internally and externally, including for clients. We gather reliable, regular and real-time data as they are published and keep in touch with key players and policy-makers on future trends and developments.

Access Capital has been preparing sector and macro-economic research reports since mid-2006 and we have a useful database of business opportunities and possible trends. Our first research reports published are:

- The Ethiopian Macroeconomic Handbook 2009 (March 2009)
- Credit Crunch – The Ethiopian Version (April 2009)
- Coffee Break? (April 2009)
- Inflation Updater – April 2009 (April 2009)
- Sector Updater – Cement (May 2009)

They are published on the website (www.accesscapitalsc.com) and can be updated every six months or more often if warranted. Summary economic data is published regularly.

Other Departments:

Sales and Marketing:

A key success of Access Capital is our ability to support companies wishing to sell shares in the Ethiopian marketplace, using share sales teams which include both professional insurance brokers and a specially trained sales team. The Internet is a marketing tool. Access Capital is building experience and contacts to place equity and other investments with selected Ethiopian and international investors. The Sales and Marketing team builds sustained relationships with its investors and shareholding clients, advising them on future investments, share sales, etc.

Finance and Administration:

Access Capital knows how important financial management, IT and other management tools are in order to deliver the best value to the company’s shareholders. We work with eVentive LLC, an international technology partner, to provide IT networks, network computer servers, HR and administration support, etc. as well as to introduce a Management Information System (MIS) IT system to our Group Companies.

Risk Management:

This Department monitors Private Equity Transactions and Group Companies Management to ensure adequate safeguards of Access Capital shareholders' funds. It overviews all Access Capital operations to ensure they comply with Ethiopian laws and regulations and with international best practice and standards for venture capital.

3.3.6 External Auditors

The external auditor is Kokeb Moges & Co.

3.3.7 Legal Advisor

The external legal advisor is Ato Amsalu Baye, Attorney-at-Law. Access Capital shares a high-level internal group legal advisor with Zemen Bank and this department includes specialists in banking, finance and relevant fields.

3.3.8 Strategic Partners

Auerbach Grayson (USA):

Access Capital has signed an agreement to join the partnership of Auerbach Grayson & Company Incorporated (www.agco.com) of New York, USA. Auerbach Grayson is a US-registered stockbroker committed to serving the international needs of major global institutional investors. Clients typically have assets ranging from \$100 million to several billion dollars. Through its worldwide network of broker partners in 122 countries, Auerbach Grayson offers research, execution and clearance in equities, derivatives and fixed-income instruments. Each broker partner provides their research to Auerbach Grayson on an exclusive basis. Auerbach Grayson's oversight assures that the research meets the standards of institutional investors. With over 400 analysts amongst its partners, Auerbach Grayson has unique coverage of small, medium-cap and emerging market equities.

Kestrel Capital (Kenya)

Kestrel Capital (East Africa) Ltd. is an investment bank licensed by the Kenyan Capital Markets Authority (CMA) and a member of the Nairobi Stock Exchange (NSE). Kestrel is the leading channel in Kenya for foreign and local institutional investors, with a strong focus on market and company research. Kestrel's foreign client base covers Europe, USA, South America, Asia, Southern African and West Africa. Kestrel is also the market leader for trading "blue chip" companies in Kenya such as Safaricom, Equity Bank, East African Breweries and Barclays Bank of Kenya. Over the years, Kestrel has received several awards from Euromoney magazine as the "Best Stockbroker in Kenya". Kestrel believes in the future of Access Capital and has invested into shares in Access Capital.

3.3.9 Profiles: Board of Directors

Dr. Berhane Ghebray, Chairman

Dr. Berhane Ghebray has run his own Law and Consultancy firm since 1995, after a distinguished career as a business executive, a diplomat and an international civil servant as well as teaching law in the Addis Ababa University Faculty of Law. His legal practice is well-established and he enjoys a solid reputation in Ethiopia and abroad.

Recent work experience includes legal due diligence work as part of the Société Française d'Etude et de Conseil (SOFRECO) team working for 9 enterprises in the textile and food sectors on behalf of the Ethiopian Privatization Agency and previously with the international consulting firm Ernst & Young for due diligence reports on 17 enterprises in the transport and agricultural sectors. Other due diligence studies have been done for the Commonwealth Development Corporation (UK). He has represented foreign companies in negotiations with the Public Enterprises Supervising Authority (PESA) and significantly contributed to bringing deals to a successful conclusion.

Dr Berhane is a leading expert in arbitration, including acting as arbitrator on behalf of the UN World

Food Program and the European Union and has served as Counsel, expert witness and attorney in several cases brought before the ICC International Court of Arbitration. He is included in the roster of a small number of lawyers kept by the Ethiopian Investment Agency, international organizations and diplomatic missions and he provides legal services on a regular or occasional basis to public enterprises, private businesses and individuals.

Currently, he is also on the Board of Directors of Bank of Abyssinia. His academic qualifications include a Doctorate in Law from the University of Paris (Sorbonne) and he has been a visiting Fulbright Scholar at Columbia University, New York, USA.

Ermyas Tekil Amelga, Founder, Director and CEO

Ato Ermyas returned to Ethiopia in 1996, after 8 years of undergraduate and graduate academic training and 12 years of successful investment banking experience in the United States. He worked for top international firms such as Kidder Peabody & Co, Inc. (1987-1991 as Vice President Corporate Finance covering Investment Banking in New York and then Los Angeles), and Manufacturer's Hanover Trust (1984-1987: Vice President Corporate Finance). He also served on the Board of Pacific Thrift & Loan, a mid-size bank in Western USA, and was Managing Director of Amray Capital Advisers in Orange County, California (1992-1996).

After returning to Ethiopia in 1996, Ato Ermyas purchased a large edible oil company from the Ethiopian Privatization Agency and partnered in establishing Lovely Biscuits (a dry biscuit manufacturing company). In addition, he co-founded East African Investment Securities (a non-bank financial services and consulting company). He was the founder and lead member of the initiative to establish the Addis Ababa stock exchange. He is best known for the pioneer bottled water company, Highland Springs Mineral Water, which is the leading bottled water company in Ethiopia. Ato Ermyas has moved out of operational management but remains Executive Director, without operating responsibilities, of Ethiopian Ventures Ltd., which operates Highland Springs Mineral Water, Royal Crown Cola soft drinks and a plastic products manufacturing operation. Since 2006, he has focused on the financial services sector and has established Access Capital Services S.C., Zemen Bank S.C., Access Real Estate S.C. and Access Leasing S.C. (under formation). The combined number of personnel employed by Ato Ermyas' companies is over 1,600 full-time employees.

His academic qualifications include: MBA in Finance from Boston University, Graduate School of Management (1984), MA in International Economics from Boston University, Graduate School of Economics (1982), and BA in Economics and Political Science from Amherst College (1980).

Haile Leul Tamiru, Director

Haile Leul Tamiru is a Certified Public Accountant with rich experience over 16 years in auditing and consulting private companies, non-governmental organizations (NGOs) and programs and projects funded by government and NGOs in the USA and Ethiopia. Auditing work includes enterprises up for privatization in Ethiopia. He is the Senior Partner and founding member of HST (now Deloitte) and he has previously worked as a sole proprietor of a business. He has worked with international teams on financial audits, compliance audits, management consulting and analyzing organizational structures and operational efficiency for a wide range of organizations, including trade associations and strengthening the capacity of a Chamber of Commerce. Haile Leul brings computer skills to his work, including installation and training given on comprehensive financial reporting systems. Education qualifications include a BSC degree in Accounting and Economics from California State University and he is a CPA (Certified Public Accountant).

Yoseph Asrat, Director

Yoseph Asrat is CEO in ECBG Group of Companies. ECBG is extensively engaged in construction-related activities. Under his leadership, the business started as a small-scale machinery rental private company a decade ago and now owns 5 companies, i.e. ECBG Con (a GC 1 Construction Company), Kingong Orientrac PLC (a machinery rental company), JAB Rock Drilling and Blasting PLC (engaged in a drilling, blasting and machinery hire), JAB Stone Gravel PLC (engaged in manufacturing crushed gravel

and related products), and Inter ET PLC (runs road marking and furnishing activities).

Before moving to Ethiopia, he was in Canada, as the principal franchisee of Gateway Newstands, a 500-store chain in North America. Currently, Yoseph represents the Principals of Gateway Newstands and its affiliates in the Middle East, especially in the U.A.E., as a full partner and Manager of Foreign Business Development.

Internationally, he has appeared before the International Chamber of Commerce as a witness for the Ethiopian Roads Authority on a case litigated between the Ethiopian Government and a French contractor. Yoseph still owns a business in Toronto. His academic qualifications include an Accounting Diploma from the Commercial College, Addis Ababa, Ethiopia and a Management Diploma from SAIT Polytechnic, Calgary, Canada.

Eskinder Joseph, Director

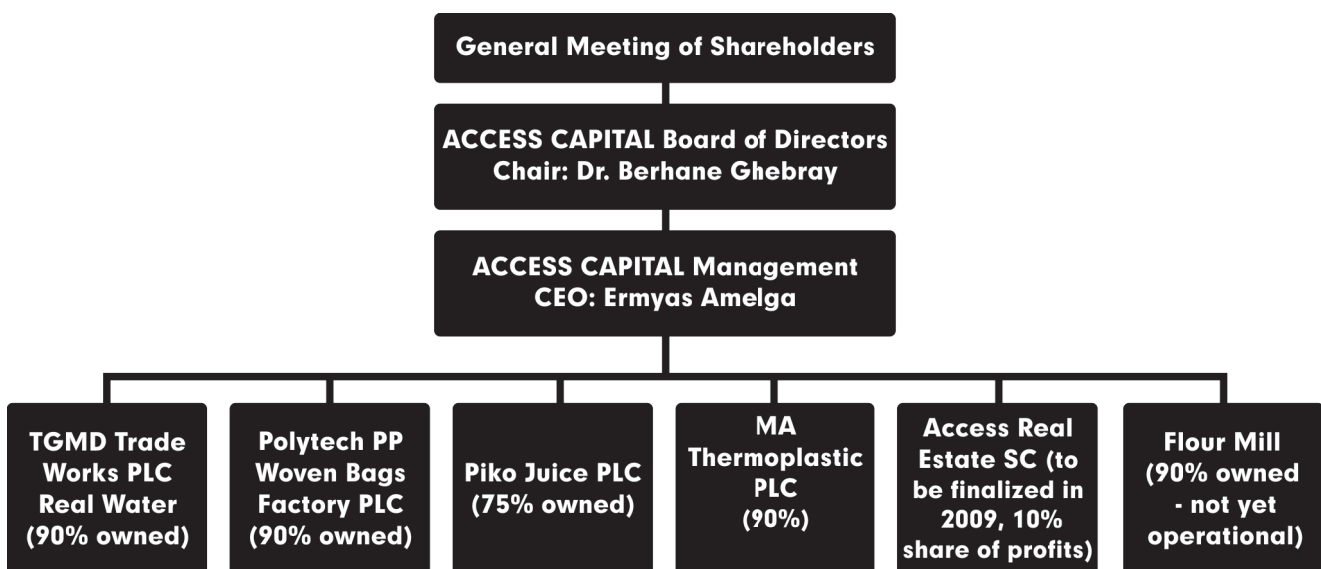
Eskinder started his career at Ethiopian Airlines, working as an airline pilot for two years. He emigrated to the USA to pursue his studies, attending Santa Barbara College, California and Georgetown University, Washington D.C. He worked as a legal clerk at Joel S. Crosby International Law and as a bank officer at Santa Barbara Savings & Loan Bank in California.

Upon his return to Ethiopia, Eskinder became founder and Managing Director of Meskel Flowers Plc, which is the first private cut-flowers and horticultural farm in Ethiopia. He also manages and runs a fleet of refrigerator-mounted trucks providing transport to companies involved in the production and export of cut flowers. At YEMCO Trading PLC, he serves as the Managing Director, providing flower arrangement services to prestigious hotels such as Sheraton Addis, Addis Ababa Hilton and high-end shopping centres such as Novis Supermarket. Also in Beta Associates, he provides advisory services to agricultural firms. Eskinder has a BA degree in Economics and International Studies from Claremont McKenna College, Claremont, California. He is a member of the Ethiopian Horticultural Enterprises Association and is a member of the Advisory Board of Ethiopian Children’s Village.

3.3.10 PROFILES: Access Capital Senior Staff

See Annex 1

3.3.11 Access Capital Group Companies



4 Financial Overview

4.1.1 Bank Loans

At 30 June 2008, the total bank loans issued to Access Capital was Birr 15.8 million, some of this being short-term financing. Access Capital guaranteed some bank loans to Group Companies.

4.1.2 Dividend Policy

Each shareholder is entitled to a dividend on the net profit of the Company. The General Meeting of Shareholders will declare the amount of dividend to be paid. The Promoters and Founders are not entitled to any extra share of the net profit of the company and will participate equally with all other shareholders according to their shareholding.

4.2 Financial Forecasts: Existing Operations

During its first year of operations (until the financial year end 30 June 2008), Access Capital's main source of income was advising share offers, where Access Capital receives a service fee per share issued. Some is paid out to independent brokers including Internet consultants in the form of share commission, where appropriate, but some share sales are conducted directly from Access Capital's own offices or through its own specialized staff.

During the course of the year Access Capital has started using its own funds to invest into Leveraged Buyout Opportunities. In most cases, a very small equity injection is required to buy a majority, usually 90%, stake in a heavily leveraged acquisition of a distressed asset, which may have working assets and sound business fundamentals which can be determined through Access Capital's due diligence investigations and operational management capacity. The company often comes with a heavy load of bank debt, and the banks have agreed to roll this over confident that Access Capital will bring a turnaround in the company's activities and enough capital to restart and expand production. Equity to the previous owner can also be spread over a period and funded from future selling operations. In every case, Access Capital expects a payback period on its investment of 1 year or sometimes less. Income to Access Capital is in the form of dividends received from the companies. It can be accounted for forecasting purposes as consolidated income and balance sheet entries across Access Capital and its subsidiaries.

In cases where further bank finance is constrained for the companies, for instance due to previous problems or lack of further collateral, Access Capital has also made temporary loans, in terms of loan agreements at stated interest rates. These are expected to be paid back and substituted with loans from commercial banks as the sales, profitability and standing of the Group Companies improves.

The expenses have consisted of the establishment and running costs of Access Capital's offices. Through careful recruitment processes we have built high-quality management both for Access Capital, including skills not previously available in Ethiopia, and as support for the Group Companies. We have built a Research capability and databases, reporting structures, etc. and publish the website, www.access-capital.com. The IT infrastructure is sufficient for the foreseeable future.

For the purposes of forecasting the uses of the current funds, the assumption is that the funds flow from the existing investments will be used for a combination of dividends to shareholders and to expand these projects and move into new projects.

In order to make forecasting easier for foreign investors, we have switched the forecast periods to cover the calendar years. However, the reporting period of the company will remain the 30 June year end, as is usual for Ethiopian companies and closely aligns to the Ethiopian calendar (the Ethiopian fiscal year usually ends on 7 July).

4.2.1.1 Access Capital Income Statement and Forecast: Assuming existing funds

	December 31 2009		December 31 2010		December 31 2011		December 31 2012		December 31 2013	
Revenue	<i>All figures are in Birr.</i>									
Total Revenue	63,473,006	100%	189,958,470	100%	229,237,333	100%	291,199,228	100%	340,759,884	100%
COGS										
Total COGS	36,763,896	58%	70,743,428	37%	82,343,567	36%	98,948,653	34%	114,449,123	34%
Operating profit	26,709,110	42%	119,215,042	63%	146,893,766	64%	192,250,575	66%	226,310,761	66%
Expenses										
Selling and distribution	3,574,336	6%	12,641,839	7%	14,732,531	6%	17,824,013	6%	8,275,663	2%
General and administrative	9,179,456	14%	13,276,996	7%	15,826,459	7%	19,272,929	7%	25,823,802	8%
Total Operating Expense	12,753,792	20%	25,918,835	14%	30,558,990	13%	37,096,942	13%	34,099,465	10%
EBITDA	13,955,318	22%	93,296,207	49%	116,334,776	51%	155,153,633	53%	192,211,296	56%
Amortization	877,462	1%	1,553,354	1%	1,553,354	1%	1,553,354	1%	1,553,354	0%
Depreciation	1,068,563	2%	5,537,969	3%	6,573,032	3%	7,075,710	2%	7,195,468	2%
EBIT	12,009,293	19%	86,204,883	45%	108,208,390	47%	146,524,568	50%	183,462,474	54%
Interest Expense	5,644,456	9%	5,270,218	3%	3,485,913	2%	1,819,966	1%	378,876	0%
EBT	6,364,837	10%	80,934,666	43%	104,722,477	46%	144,704,602	50%	183,083,598	54%
Tax	-	0%	5,059,560	3%	29,233,566	13%	40,459,048	14%	53,019,433	16%
EAT	6,364,837	10%	75,875,106	40%	75,488,911	33%	104,245,555	36%	130,064,165	38%

SUMMARY	2009	2010	2011	2012	2013
Total Revenue	63,473,006	189,958,470	229,237,333	291,199,228	340,759,884
EBITDA	13,955,318	93,296,207	116,334,776	155,153,633	192,211,296
Net Earnings	6,364,837	75,875,106	75,488,911	104,245,555	130,064,165
Total Shares Outstanding	9,325	9,325	9,325	9,325	9,325
Earnings per Share	683	8,137	8,095	11,179	13,948
ROI	68%	814%	810%	1118%	1395%

4.2.1.2 Access Capital Balance Sheet and Forecast: Assuming existing funds

	December 31 2009		December 31 2010		December 31 2011		December 31 2012		December 31 2013	
ASSETS	<i>All figures are in Birr.</i>									
Fixed Assets-NBV										
Net Fixed Assets	70,671,559	45%	71,060,603	46%	82,359,644	44%	85,681,032	35%	79,526,103	25%
Other Assets										
Total Investment and Other Assets	32,689,744	21%	67,066,899	43%	65,837,296	35%	83,400,959	34%	118,703,398	37%
Current Assets										
Total Current Assets	52,008,362	33%	16,797,143	11%	37,687,242	20%	72,921,803	30%	125,619,215	39%
Total Assets	155,369,665	100%	154,924,644	100%	185,884,182	100%	242,003,793	100%	323,848,715	100%
LIABILITIES AND CAPITAL										
Capital										
Paid-in Capital and Reserves	53,991,925	35%	97,773,935	63%	144,646,337	78%	214,937,204	89%	309,029,512	95%
Long-Term Liabilities										
Total Long-Term Liabilities	65,316,547	42%	45,674,271	29%	29,805,435	16%	10,848,578	4%	4,049,898	1%
Current Liabilities										
Total Current Liabilities	36,061,194	23%	11,476,437	7%	11,432,410	6%	16,218,012	7%	10,769,305	3%
Total Liabilities	101,377,740	65%	57,150,709	37%	41,237,845	22%	27,066,590	11%	14,819,203	5%
Total Liabilities & Capital	155,369,665	100%	154,924,644	100%	185,884,182	100%	242,003,794	100%	323,848,715	100%

Note: Only Access Capital Services and Investee companies positions are consolidated in this balance sheet.

4.2.1.3 Access Capital Cashflow Forecast: Assuming existing funds

Item	Investing	December 31 2009	December 31 2010	December 31 2011	December 31 2012	December 31 2013
	<i>All figures are in Birr.</i>					
Initial Investment-year 0	-5,692,000					
Total Revenue		63,473,006	189,958,470	229,237,333	291,199,228	340,759,884
Less: Operating cost		49,517,689	96,662,263	112,902,557	136,045,595	148,548,588
Operating Profit		13,955,318	93,296,207	116,334,776	155,153,663	192,211,296
Less: Interest Expense		5,644,456	5,270,218	3,485,913	1,819,966	378,876
Depreciation and Amortization		1,946,025	7,091,324	8,126,386	8,629,064	8,748,822
Profit Before Tax		6,364,837	80,934,666	104,722,477	144,704,602	183,083,598
Less : Tax		-	5,059,560	29,233,566	40,459,048	53,019,433
Profit After Tax		6,364,837	75,875,106	75,488,911	104,245,555	130,064,165
Add: Depreciation and Amortization		1,946,025	7,091,324	8,126,386	8,629,064	8,748,822
less: Capital Expenditure	-	(3,556,974)	(36,086,539)	(11,340,402)	(10,556,623)	(1,200,064)
Add: Interest		3,951,119	3,689,152	2,440,139	1,273,976	265,213
Free Cash Flow	-	8,705,007	50,569,044	74,715,034	103,591,973	137,878,136
	-9,325,000	8,705,007	50,569,044	74,715,034	103,591,973	137,878,136

Financial Indicators	2009	2010
Earnings Per Share	683	8,137
Earning ROI (Earnings per share/cash invested @ Birr 1,000)	68%	814%
Cash ROI (free cash flow/cash invested @ Birr 1,000)	93%	542%
Price-Earnings (@Birr 1,000)	1.5 x	0.1 x
Price/Cash flow (CF=NPAT+D&A)	1.1 x	0.2 x

4.3 Financial Forecasts: After raising an extra Birr 50 million

Warning: These are forward-looking statements, as per the cautionary notice above.

The following forecasts are prepared on the assumption that Access Capital will raise Birr 50 million through the current share offer, which will be invested into projects.

The new shareholders' funds at Access Capital are expected to be deployed as follows:

Expansion projects at Group Companies – Birr 25 million.

Further leveraged buyouts - Birr 25 million.

The forecast also includes the creation of a \$150 million Private Equity fund to carry forward a number of investment projects. This is after consultation with a range of private investors who are interested to invest into Ethiopia but would rather spread their investment than go into individual projects.

4.3.1.1 Access Capital Income Statement and Forecast: Assuming Utilization of Additional Birr 50 million

	December 31 2009		December 31 2010		December 31 2011		December 31 2012		December 31 2013	
Revenue	<i>All figures are in Birr.</i>									
Total Revenue	63,473,006	100%	239,464,350	100%	361,994,785	100%	407,678,419	100%	475,422,234	100%
COGS										
Total COGS	36,763,896	58%	70,743,428	30%	82,343,567	23%	98,948,653	24%	114,449,123	24%
Operating profit	26,709,110	42%	168,720,923	70%	279,651,218	77%	308,729,766	76%	360,973,111	76%
Expenses										
Selling and distribution	3,574,336	6%	12,641,839	5%	14,732,531	4%	17,824,013	4%	8,275,663	2%
General and administrative	9,179,456	14%	13,276,996	6%	15,826,459	4%	19,272,929	5%	25,823,802	5%
Total Operating Expense	12,753,792	20%	25,918,835	11%	30,558,990	8%	37,096,942	9%	34,099,465	7%
EBITDA	13,955,318	22%	142,802,087	60%	249,092,228	69%	271,632,824	67%	326,873,646	69%
Amortization	877,462	1%	1,553,354	1%	1,553,354	0%	1,553,354	0%	1,553,354	0%
Depreciation	1,068,563	2%	5,537,969	2%	6,573,032	2%	7,075,710	2%	7,195,468	2%
EBIT	12,009,293	19%	135,710,764	57%	240,965,842	67%	263,003,759	65%	318,124,824	67%
Interest Expense	5,644,456	9%	5,270,218	2%	3,485,913	1%	1,819,966	0%	378,876	0%
EBT	6,364,837	10%	130,440,546	54%	237,479,929	66%	261,183,794	64%	317,745,948	67%
Tax	-	0%	10,010,148	4%	42,509,311	12%	52,106,967	13%	66,485,668	14%
EAT	6,364,837	10%	120,430,399	50%	194,970,618	54%	209,076,827	51%	251,260,280	53%
SUMMARY	2009	2010	2011	2012	2013					
Total Revenue	63,473,006	239,464,350	361,994,785	407,678,419	475,422,234					
EBITDA	13,955,318	142,802,087	249,092,228	271,632,824	326,873,646					
Net Earnings	6,364,837	120,430,399	194,970,618	209,076,827	251,260,280					
Total Shares Outstanding	20,260	20,260	20,260	20,260	20,260					
Earnings per Share	314	5,944	9,623	10,320	12,402					
ROI	11%	203%	329%	352%	424%					

Note: All figures are in Birr.

4.3.1.2 Access Capital Balance Sheet and Forecast: Assuming Utilization of Additional Birr 50 million

	December 31 2009		December 31 2010		December 31 2011		December 31 2012		December 31 2013	
ASSETS	<i>All figures are in Birr.</i>									
Fixed Assets-NBV										
Net Fixed Assets	70,671,559	45%	71,060,603	36%	82,359,644	27%	85,681,032	24%	79,526,103	17%
Other Assets										
Total Investment and Other Assets	32,689,744	21%	67,066,899	34%	65,837,296	21%	83,400,959	23%	118,703,398	25%
Current Assets										
Total Current Assets	52,008,362	33%	61,352,435	31%	161,624,478	52%	194,156,775	53%	273,702,157	58%
Total Assets	155,369,665	100%	199,479,936	100%	309,821,418	100%	363,238,765	100%	471,931,658	100%
LIABILITIES AND CAPITAL										
Capital										
Paid-in Capital and Reserves	53,991,925	35%	102,229,465	51%	161,050,037	52%	241,824,031	67%	348,035,951	74%
Long-Term Liabilities										
Total Long-Term Liabilities	65,316,547	42%	45,674,271	23%	29,805,435	10%	10,848,578	3%	4,049,898	1%
Current Liabilities										
Total Current Liabilities	36,061,194	23%	51,576,200	26%	118,965,946	38%	110,566,157	30%	119,845,809	25%
Total Liabilities	101,377,740	65%	97,250,472	49%	148,771,381	48%	121,414,734	33%	123,895,707	26%
Total Liabilities & Capital	155,369,665	100%	199,479,936	100%	309,821,418	100%	363,238,766	100%	471,931,658	100%

Note: Only Access capital services and Investee companies positions are consolidated in this Balance sheet.
All figures are in Birr.

4.3.1.3 Access Capital Cashflow Forecast: Assuming Utilization of Additional Birr 50 million

Item	Investing	December 31 2009	December 31 2010	December 31 2011	December 31 2012	December 31 2013
	<i>All figures are in Birr.</i>					
Initial Investment-year 0	-5,692,000					
Total Revenue		63,473,006	239,464,350	361,994,785	407,678,419	475,422,234
Less: Operating cost		49,517,689	96,662,263	112,902,557	136,045,595	148,548,588
Operating Profit		13,955,318	142,802,087	249,092,228	271,632,824	326,873,646
Less: Interest Expense		5,644,456	5,270,218	3,485,913	1,819,966	378,876
Depreciation and Amortization		1,946,025	7,091,324	8,126,386	8,629,064	8,748,822
Profit Before Tax		6,364,837	130,440,546	237,479,929	261,183,794	317,745,948
Less : Tax		-	-	5,180,888	78,355,138	95,323,784
Profit After Tax		6,364,837	130,440,546	232,299,041	182,828,656	222,422,164
Add:Depreciation and Amortization		1,946,025	7,091,324	8,126,386	8,629,064	8,748,822
less:Capital Expenditure	-	(3,556,974)	(36,086,539)	(11,340,402)	(10,556,623)	(1,200,064)
Add: Interest		3,951,119	3,689,152	2,440,139	1,273,976	265,213
Free Cash Flow	-	8,705,007	105,134,484	231,525,164	182,175,073	230,236,135
	-59,325,000	8,705,007	105,134,484	231,525,164	182,175,073	230,236,135

Financial Indicators	2009	2010
Earnings Per Share	314	5,944
Earning ROI (Earnings per share/cash invested @ Birr 5,000)	6%	119%
Cash ROI (free cash flow/cash invested @ Birr 5,000)	15%	177%
Price-Earnings (@Birr 5,000)	15.9 x	0.8 x
Price/Cash flow (CF=NPAT+D&A)	6.8 x	0.6 x

Note: All figures are in Birr.

5 Offer Details

5.1 Shares Available

A total of 10,000 ordinary shares of par value Birr 1,000 each are being offered at an offer price of Birr 5,000 per share. There is only one class of shares in issue. When the new shares are fully subscribed and issued, the share capital will increase from 9,325 shares to 20,260 shares.

5.2 Effects of Offering

The effect of the offering will be to increase the number of Access Capital shares issued by more than 100%, thus diluting any existing shareholders who do not choose to subscribe in the new share offer. The aim is to increase the equity capital and thus the deal flow. This will bring corresponding economies of scale and synergies in the investments. We will also bring in specialized investors who will be able to contribute skills and expertise in terms of the business operations and future growth of Access Capital.

5.3 Plan of Offering

The Share Offering is made to individually targeted investors, both by presentation of this Private Placing Memorandum and through individual meetings, where requested. A final allocation of the shares on offer will be made by the Board of Directors of Access Capital Services S.C. They may act purely on their own discretion in allocating the shares on offer, and do not have to give any reasons or enter any correspondence for accepting or refusing any applications to subscribe for the shares, irrespective of whether a price offered is better than that offered by other successful bidders.

Existing shareholders have a preferred right, in proportion to his or her holding, to allotment of the shares issued in the Share Offering in terms of the Commercial Code (Art 345). This right is to buy shares at the same price as new shareholders, being the offer price of Birr 5,000 per share. Existing shareholders are being contacted directly and given the opportunity to exercise their preferred right. The minimum purchase is 10 shares (Birr 50,000).

5.4 How to subscribe

Prospective investors, who wish to subscribe to the Shares of Access Capital and who qualify as eligible investors, may acquire a copy of the Private Placement Memorandum from Access Capital's office located on 7th floor, Zemen Bank building, Josef Tito Avenue, Kazanchis, (Kirkos sub-city, Kebele 03, House 042). The Private Placement Memorandum is available in English. Subscribers are advised to read the Private Placement Memorandum, and, for any query they may have, to seek clarification from Access Capital or from their professional advisers (lawyers, accountants, etc.).

Subscribers should apply on the enclosed application form, indicating the number of shares they wish to subscribe for and the subscription price they are depositing. Any share allocation is at the sole discretion of the Board of Directors. The shares should be paid for in full within the stated time period. The minimum allocation per investor (individual or institutional) will be to the value of Birr 100,000 (20 shares). There is 3% commission (Birr 150 per share), which is waived in the case where the investor pays in full on first allocation.

The offer is open from 1 July 2009 until 31 August 2009. Applicants can either pay in full (if so the 3% commission will be waived) or choose to pay 50% now and the remaining 50% by 31 December 2009. Payment should be made in cleared funds in the account (Zemen Bank #0100200118404). Investors are requested to provide proof of such payment. Foreign investors wishing to record their investment as being made in foreign currency should contact Access Capital or their local banker for details on how to comply with relevant National Bank of Ethiopia directives and guidelines.

The local associate of Deloitte is able to facilitate foreign investor applications, including offering expert advice or holding shares as a nominee. Please contact HST/Deloitte for details.

For any further clarification or assistance, please contact Access Capital at the following address:

7th floor, Zemen Bank Building
Josef Tito Avenue, Kazanchis
Kirkos sub-city, Kebele 16/17, House 1038

Tel: +251-11-553 9769
Fax: +251-11-553 9758

Email: offer@accesscapitalsc.com

5.5 Investment Considerations

Highlighted below are a number of points which could serve as guide in considering an investment in Access Capital.

1. Nature of Business

The business lines of Access Capital have largely not yet been served in Ethiopia. Economies around the world, including the largest and the fastest-growing developing economies, are fuelled by capital and investment. There is significant potential for growth for the business of Access Capital in order to fill a back-log of development of such business and meet the needs both for capital for entrepreneurs and for higher return investments for savers. Typically, such activities can offer high profits (and risks) because the activities are targeted at and specialist in the needs of larger corporate clients, enabling more fees and returns to be generated by concentrating on larger transactions that are not served by existing intermediaries. In the Ethiopian context, there are many constraints that are currently experienced, including illiquidity (hard to move investments around), poor information, low bank rates of returns and high transaction costs, poor networks, etc. As Access Capital works to reduce these, profits could be even higher due to the compensatory cost of the traditional inefficiencies.

2. Investment return likely to beat inflation, could be better than existing alternatives.

Historically and across the world, equities have tended on average to offer a return that is at least as good as inflation. This would be an increasing consideration if the rate of inflation were to pick up in Ethiopia. The rate of return on bank deposits in Ethiopia currently stands at 4%, well below rates of inflation and currency depreciation.

3. Liquidity in Equity Investment

One of the major drawbacks which has stopped people from investing in shares in Ethiopian businesses is the difficulty in selling their shares again if they need cash or wish to move to another investment. Access Capital aims to overcome this problem through offering to buy and sell its own shares. This is expected to make Access Capital's own shares and other companies' shares more attractive to investors.

4. Quality Management

Access Capital is staffed by competent professional staff with years of experience in Ethiopia, North America and Europe. The Company has built a wide-ranging network of business associates to complement our strong sales team in attracting investors from Ethiopia and abroad.

5. Investments backed through top-quality research

In order to overcome information constraints which could be encountered, Access Capital has placed a special focus on starting with top-quality research, including the overall Ethiopian economy, high-level screening reviews of different sectors to determine those with best investment potential, and then detailed reviews of different sectors. Project proposals and investment opportunities are studied within the context of this structured, analytical, methodological approach to the investment process. Access Capital is also adopting best practice from key institutions in Africa and more widely.

6. Strong Board of Directors and Emphasis on Corporate Governance

Leaders in industry, finance, and the legal field make up our strong Board of Directors. Their invaluable contribution comes from their broad understanding of Ethiopia's social, political and economic

developments. In addition, governance structures are such that the majority of the Board are non-executive directors and further steps are being implemented to ensure Access Capital complies with strong international standards of governance.

7. Large potential investor base

Access has identified that there is a large number of potential individual investors both within Ethiopia and abroad as well as a good selection of diverse institutional investors.

8. Strong systems and controls.

Access Capital has adopted the standards of industry leaders from abroad, having given careful thought to the process of adapting them to Ethiopia’s unique situation.

9. First mover advantage

Access Capital is likely to be the key force in key business areas for some time, due to strong barriers to entry. These include the months of research required to review projects and the IT and other systems that Access Capital is developing. Access Capital will aim to be set long-term industry standards and play a leadership role, including working with stakeholders, potential regulators and others to develop the sector.

10. Many attractive, large investment and co-investment opportunities.

Our research processes have identified a number of large investment opportunities in Ethiopia. Access Capital will be in a unique position to raise capital for these projects and create novel opportunities for partnerships in marrying investment capital to promising companies in Ethiopia. As part of the business model of Access Capital, investors in the share offer will be offered the opportunity to co-invest with Access Capital in private equity/venture capital transactions or to participate in projects advised by Access Capital’s Corporate Finance department.

11. Strategic partners

Auerbach Grayson (USA):

Access Capital has signed an agreement to join the partnership of Auerbach Grayson & Company Incorporated (www.agco.com) of New York, USA. Auerbach Grayson is a US-registered stockbroker committed to serving the international needs of major global institutional investors. Clients typically have assets ranging from \$100 million to several billion dollars. Through its worldwide network of broker partners in 122 countries, Auerbach Grayson offers research, execution and clearance in equities, derivatives and fixed-income instruments. Each broker partner provides their research to Auerbach Grayson on an exclusive basis. Auerbach Grayson’s oversight assures that the research meets the standards of institutional investors. With over 400 analysts amongst its partners, Auerbach Grayson has unique coverage of small, medium-cap and emerging market equities.

Kestrel Capital (Kenya)

Kestrel Capital (East Africa) Ltd. is an investment bank licensed by the Kenyan Capital Markets Authority (CMA) and a member of the Nairobi Stock Exchange (NSE). Kestrel is the leading channel in Kenya for foreign and local institutional investors, with a strong focus on market and company research. Kestrel’s foreign client base covers Europe, USA, South America, Asia, Southern African and West Africa. Kestrel is also the market leader for trading “blue chip” companies in Kenya such as Safaricom, Equity Bank, East African Breweries and Barclays Bank of Kenya. Over the years, Kestrel has received several awards from Euromoney magazine as the “Best Stockbroker in Kenya “. Kestrel believes in the future of Access Capital and has invested into shares in Access Capital.

5.6 Risk Factors

Ethiopian economy

Traditionally the Ethiopian economy has been seriously affected by factors including variable weather, uncertainties within the Horn of Africa region and development challenges relating to poverty. However,

the key investors targeted by Access Capital are already operating within Ethiopia and are well aware of the risks of their domestic economy.

Equity Investments

The principle of equity investments (shares) is that the value of a share is assessed from time to time, according to the prospects that the business which issued the shares will generate better profits in future. Since business prospects can vary, this could mean that the capital value of the shares could fall (or even be destroyed altogether in the worst-case scenario). However, studies worldwide show that over most longer-term investment periods, the average returns on equity investments beat those of other investments, even in the world's most developed markets.

Foreign Exchange Controls and Tax – for Foreign Investors

Ethiopia has a legal and regulatory structure for handling foreign exchange transactions on the capital account, including share structures, which need to be notified through a commercial bank and the National Bank of Ethiopia at the time of investment. It is recommended to handle this through a local specialized intermediary. Investors are likely to be subject to income tax on capital gains of 30% and withholding tax on dividends of 10%. They are advised to seek individual expert advice on tax and other implications and this Memorandum does not purport to offer such advice.

Other Matters

5.7 Documents available for Inspection

The following documents are available for inspection at the headquarters of Access Capital Services, S.C.

- Memorandum of Association
- Articles of Association
- Audited accounts to 30 June 2007 (part period) and to 30 June 2008.

5.8 Compliance with Commercial Code

This Private Placing Memorandum contains

- Summary of the Memorandum and Articles of Association (page 9)
- Date by which subscribing shareholders should discharge their obligations (page 30)
- The price at which shares are to be issued (page 29)
- The shares are to be paid up in full on subscription
- The place where applications and payments should be made (page 30)

6 Application Form

6.1 Individual

Please complete all items. Incomplete forms may not be accepted.

Only single entities are accepted, whether individuals or corporate bodies. In the case of joint shareholdings (husband and wife, savings club, etc.) the applicants should select one individual to represent them for all shareholder rights in terms of the Commercial Code Art 328.(2)

For corporate applications, please use the second application form.

Acceptance of all and any subscriptions is at the sole and absolute discretion of the Board of Access Capital.

Name: First _____ **Middle** _____ **Last** _____

ID/Passport Number: _____ **Nationality** _____

Physical address: Town/AA sub-city _____ **Kebele** _____ **House No.** _____

Physical address international: _____ **P.O. Box** _____

Telephone: work _____ **home** _____

Fax _____ **mobile** _____

I/we hereby apply for the following number of shares (figures) _____,
(words) _____

at Birr 5,000.00 each plus commission. My/our application (number of shares x Birr 5,000 or Birr 5,150 including commission per share) totals Birr (figures) _____,
(words) _____

Note: The minimum application is Birr 100,000.00.

The funds should be deposited in the account: ACCESS CAPITAL SHARE OFFER at Zemen Bank (Joseph Tito Street, Kazanchis), account number 0100200118404.

I would prefer to pay (tick as appropriate):

- 100% at allocation (3% commission is waived) or
 50% at allocation plus 3% commission, followed by 50% by 31 December 2009.

I have read and understood the Private Placing Memorandum and I agree irrevocably to all terms contained therein:

Signed _____ Date _____

For Company Use only:

Other details: _____

Stamp or signature of Broker _____

6.2 Corporate

Please complete all items. Incomplete forms may not be accepted.

Only single entities are accepted, whether individuals or corporate bodies. In the case of joint shareholdings (husband and wife, savings club, etc.) the applicants should select one individual to represent them for all shareholder rights in terms of the Commercial Code Art 328.(2)

For corporate applications, please use the second application form.

Acceptance of all and any subscriptions is at the sole and absolute discretion of the Board of Access Capital.

Legal name of the Company or other institutional body _____

Authorized representative: Name _____ **Position:** _____

Company registration number: _____ **Country:** _____

Physical address: Town/AA sub-city _____ **Kebele** _____ **House No.** _____

Physical address international: _____ **P.O. Box** _____

Telephone: work _____ **Direct** _____

Fax _____ **mobile** _____

I/we hereby apply for the following number of shares (figures) _____

(words) _____

at Birr 5,000.00 each plus commission. My/our application (number of shares x Birr 5,000 or Birr 5,150 including commission per share) totals Birr (figures) _____

(words) _____

Note: The minimum application is Birr 100,000.00.

The funds should be deposited in the account: ACCESS CAPITAL SHARE OFFER at Zemen Bank (Joseph Tito Street, Kazanchis), account number 0100200118404.

I would prefer to pay (tick as appropriate):

100% at allocation (3% commission is waived) or

50% at allocation plus 3% commission, followed by 50% by 31 December 2009.

I have read and understood the Private Placing Memorandum and I agree irrevocably to all terms contained therein:

Signed _____ Date _____

For Company Use only:

Other details: _____

Stamp or signature of Broker _____

ANNEXES

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Profiles: Access Capital Senior Staff

Ermyas Amelga, Founder, Director and CEO

Ato Ermyas returned to Ethiopia in 1996, after 8 years of undergraduate and graduate academic training and 12 years of successful investment banking experience in the United States. He worked for top international firms such as Kidder Peabody & Co, Inc. (1987-1991 as Vice President Corporate Finance covering Investment Banking in New York and then Los Angeles), and Manufacturer's Hanover Trust (1984-1987: Vice President Corporate Finance). He also served on the Board of Pacific Thrift & Loan, a mid-size bank in Western USA, and was Managing Director of Amray Capital Advisers in Orange County, California (1992-1996).

After returning to Ethiopia in 1996, Ato Ermyas purchased a large edible oil company from the Ethiopian Privatization Agency and partnered in establishing Lovely Biscuits (a dry biscuit manufacturing company). In addition, he co-founded East African Investment Securities (a non-bank financial services and consulting company). He was the founder and lead member of the initiative to establish the Addis Ababa stock exchange. He is best known for the pioneer bottled water company, Highland Springs Mineral Water, which is the leading bottled water company in Ethiopia. Ato Ermyas has moved out of operational management but remains Executive Director, without operating responsibilities, of Ethiopian Ventures Ltd., which operates Highland Springs Mineral Water, Royal Crown Cola soft drinks and a plastic products manufacturing operation. Since 2006, he has focused on the financial services sector and has established Access Capital Services S.C., Zemen Bank S.C., Access Real Estate S.C. and Access Leasing S.C. (under formation). The combined number of personnel employed by Ato Ermyas' companies is over 1,600 full-time employees.

His academic qualifications include: MBA in Finance from Boston University, Graduate School of Management (1984), MA in International Economics from Boston University, Graduate School of Economics (1982), and BA in Economics and Political Science from Amherst College (1980).

Tom Minney, Investments Coordinator

Tom's experience includes institution-building, corporate finance and capital markets development in southern Africa, before moving to Ethiopia in 2004. He was General Manager of the Namibian Stock Exchange for five years of strong growth in listings and turnover (from US\$23,000 per annum in 1993 to US\$307 million in 1999). He was a founder member of the Committee of SADC Stock Exchanges and an international speaker on capital market development. Since 2000, as Manager: Corporate Finance in NIB Namibia (Pty.) Ltd., Tom has led black empowerment and capital-raising transactions, and has been involved in deals worth together over N\$1 billion. As a consultant, Tom advised businesses and empowerment groups, including global fair trade company People Tree over 7 years as it expanded from its Japan base into UK market and raised £1 million in funding in 2007.

Before 1994 Tom was a full-time journalist and wrote and broadcast for BBC Africa Service, Reuters, Financial Times Business Information, 'Africa Economic Digest', 'African Business' and 'Financial Mail', and researched for the Economist Intelligence Unit. Full-time journalism posts include 'Investor's Chronicle' (UK), Journalist covering development in Africa and Middle East for Christian Aid (UK), and Business Reporter on 'The Namibian' newspaper.

Qualifications include: Master in Business Leadership (equivalent to MBA, University of South Africa, cum laude); Master of Arts (Balliol College, Oxford University, in Classics); stock-broking (SA Institute of Stockbrokers/ University of Witwatersrand, South Africa). His UNISA master's thesis was on economics ("Stock Exchanges and Economic Development").

Winta Yohannes, Vice President - Investments

Winta gained most of her private equity and accounting expertise in the US financial market. In 2000 she joined Waterside Capital Corporation, a publicly-traded Venture Capital firm specializing in growth-stage and mezzanine financing. During her stay, she was Financial Analyst performing functions such as: conducting due diligence, analyzing financial statements, developing statistical, financial and forecasting models, preparatory investigations, evaluating clients' monthly financial reports, cash flow analysis and data and information management. Later as Controller she worked closely with the CFO furnishing statements for the quarterly report (10Q) and annual report (10K), in addition to preparing reports for internal and external auditors including the Small Business Administration (SBA).

Later, she joined Custom Accounting Services, a Certified Public Accountants (CPA) firm in Missouri, giving a full range of accounting and auditing services to companies in various industries and also has gained hands-on business experience as a Senior Consultant for Axiom Blue Energy Drink (Missouri) where she consulted the company on securing seed capital for first round and later served as a CFO and performed all corporate and financial functions. She returned to Ethiopia and started working with Beyo-Liebherr, an Ethio-German partnership company that specializes in importing and assembling refrigerators and earth-moving machines. She worked closely with the CEO and created in-depth sales and market analysis while achieving a good market share.

She has a BSc degree in Finance and Information Systems from Old Dominion University, Virginia.

Zerayakob Belete, VP Project Finance

Zerayakob has wide experience in projects and project management. His first work was erecting and commissioning a sugar project with US company F.C. Shaffer & Associates. He worked for the then Ethiopian Science & Technology Commission and his duties included local research evaluation and monitoring and acting as focal point for UN agency the International Atomic Energy Agency (IAEA). He also managed projects supported by Swedish Agency for Research Cooperation with Developing Countries (SIDA/SAREC). Much of his experience of project development is gained working for local businesses and a General Manager of Nexus Investment Solution PLC, a consulting company. He has developed cement, steel, brewery, food industries, textile, and agricultural projects for clients.

He has trained in project management with the University of Bradford and received both undergraduate and postgraduate degrees in Engineering from Addis Ababa University. He has more than 14 years' work experience.

Mesfin Assefa, Chief Accountant

Mesfin heads the Finance Department, including both the head office accounts and those of the group companies. He is drawing on over 19 years experience in accounting in Ethiopia, including in leading manufacturing companies.

He started as an Accountant with the Water Supply and Sewerage Authority (1992-1995) before moving to Dire Dawa Food Complex Factory (1995-1007). He was promoted to Head of General Accounts Section at Meher Fiber Products Factory (1007-1999) and then had three success promotions at Natural Gum Processing and Marketing Enterprise (1999-2001), ending as Finance Manager. From there he moved to be Head of General Accounts Section at Summit Beverages, a soft-drink manufacturer (2001-2005) and then to Finance Manager at Summit Agro Industries (2005-2009). He joined Access Capital as Finance Manager – Investee Companies in February 2009 and was promoted in May. His experience includes a wide range of industries, including processing industries, and he has worked in posts ranging from accountant, analyst to finance manager. His achievements include setting up systems, managing and developing employees, and sorting out backlogs of up to a decade in accounting systems.

He has a BA degree in Accounting from Addis Ababa University and has the ACCA (Association of Chartered Certified Accountants) international accounting qualification.

Azeb Alfred Shafi, HR & Administration Manager, Special Assistant to the CEO and Projects Coordinator

Azeb Alfred returned to Ethiopia after several decades in the US, in order to become Special Assistant to the CEO and Special Projects Coordinator. In the US, she had gained extensive managerial experience through a long and successful career in the hospitality industry.

She worked her way up to General Manager in the hospitality division of Carrollton Enterprises, a large and established developer in the Washington Metropolitan area. She worked at Carrollton Enterprises between 1979 and 1995 and built a reputation as manager who has a knack for troubleshooting and fixing failing operations. On one case, she was assigned to a business entity that was losing money at the rate of \$170,000 per month prior to her arrival in 1993 and by 1994 it was generating \$100,000 plus profit. She received a formal commendation for the “dramatic operational, product and service improvements”.

Azeb has also headed, with equal success, the Student Program at the University of Maryland between 2004 and 2008. She won numerous awards for her exceptional performance, including “Nominee of Outstanding Supervisor of the Year” in 2008 and a Certificate of Service citing her “faithful” five years of service.

Azeb has also owned and operated Calverton Party Time, a party goods supply and services company from 1996 to 2000. She also served as a work-study mentor at the Charles Herbert Flowers High School and received a Certificate of Appreciation (2008) for “outstanding service as Work-study Mentor”.

While in the US she earned a Bachelor of Arts (B.A.) in Political Science with a minor in African-American Studies from Howard University and a Master of Science (M.Sc.) in Technology Management from Maryland University College.

Ziad Chahwan, Senior Project Manager (Group Companies Management)

Ziad brings years of hands-on manufacturing and distribution experience in the beverages industry to the companies into which Access Capital invests. He started his working career in insurance with Elka pour l' Assurance et la Reassurance in Lebanon and gained a license in reinsurance contracts. He expanded his interests and ended up as Purchase Manager for the group, which includes restaurants, construction, farms, etc. and as a Member of the Board. He moved into making and selling bottled water, and in 1996 he joined a small company Monacool s.a.r.l, which expanded fast. Four years later he moved to Sannine, a bigger company, which also expanded several times under his leadership. He also acted as consultant on the establishment of a water factory in Iran. In 2006 he joined Nestlé Water as Consultant to the GM for the Middle East and worked on projects in several countries, especially Jordan.

His degree is Business Administration at the Université Libanaise Tripoli (ULT) and he is fluent in Arabic, French and English. In his spare time in Lebanon he has run election campaigns as organizer (1996 and 2000) and consultant (2005).

Yonas Kebede, Senior Analyst – Real Estate

Yonas has both communications and financial markets experience, including 26 years' experience in the USA. From 1992-1999 he was Asset Manager (Vice President) for Descartes Financial Corp, a Los Angeles-based company specializing in real-estate. He worked as Research Associate and later Vice President (1985-1991) in the High-Yield Bond ("Junk Bond") department of Drexel Burnham Lambert, Inc. in Beverly Hills, where he monitored transactions for compliance with securities laws, reviewed trades, settlements and fund transfers, interpreted bond covenants and provisions, and created and maintained a database for Sinking Fund and Convertible Bonds. He worked as Legal Researcher at the United Nations, New York (1979-1985) and as a Financial Aid Officer, later Administrator, at Seattle Opportunities Industrialization centre, a vocational community college.

Prior to joining Access Capital in 2006, he was producing reports and documents for UN agencies in Ethiopia and writing a column called "My Perspective" in Fortune newspaper. Previously he was Editor-in-Chief of Capital newspaper, where he also produced his own column. Other work experience since returning to Ethiopia includes one year as General Manager of Express International Group, General Services Agent for British Airways, and Executive Assistant to CEO of Wegagen Bank.

Yonas's educational background includes a Masters Degree in Comparative Jurisprudence (Howard University, Washington D.C) with internship at the United Nations and a Bachelor of Law Degree (Haile Selassie University, Addis Ababa).

Dejene Kebede, Senior Analyst

Dejene has a wide range of work experience in Ethiopia, particularly as General Manager of Ethio-Drilling Enterprise, a water and other drilling company, which gave him practical experience of working with entrepreneurs, NGOs, businesspeople and local governments in the country. He brings a wide range of mining and other experiences from over 25 years of working in Ethiopia, and this also includes starting and running businesses such as Cinema Express, a drive-in cinema, and Ethio-Express International, an import and export company. He has worked as an agricultural expert (he headed a research project on the problems of quelea birds) and during his brief exile in USA he worked as an expert on a fruit fly project for California Department of Agriculture).

His educational qualifications include an advanced diploma in agriculture from Jimma College of Agriculture and in-service training in various fields both in Ethiopia and at Santa Clara Valley University College in USA.

Annex 2: Summary Details Of Investee Companies

Company Name: **Real Water (TGMD) PLC**

Date Acquired: **1 July 2008**

Type of Deal: **Leveraged Buyout**

Real Water is a factory that produces bottled drinking water in different sizes from 0.5 litre to 2 litre. There is strong demand for its products and Access Capital has developed several expansion possibilities.

The majority shareholder of Real Water is Access Capital with its recent acquisition of 90% of the company, while Ato Tadele Galecha owns the remaining 10%.

The plant remains at its former location in Burayu town, Oromia along the Addis Ababa – Wollega road. It shares the premises with Polytech PP Woven Bags Factory, another Access Capital Investment.

Since Access Capital acquired the business, improvements have been made to the manufacturing capacity and processes, new management has been installed and production has been increased, with some days exceeding the previously estimated capacity of the plant. Relations with suppliers have been improved, and a sales office has been established in Addis Ababa to improve responsiveness to customers and the market.

Company Name: **Polytech PP Woven Bags Factory**

Date Acquired: **1 July 2008**

Type of Deal: **Leveraged Buyout**

Polytech is one of the few polypropylene bags manufacturing companies established in Ethiopia. The factory was established in 2001 and has been producing different types of bags and hessian cloths of different sizes and shapes. Since its inception, the factory has supplied the nation's economic driving engines (i.e. agriculture and manufacturing industries) with quality packaging. However, under its former management, operations discontinued due to poor market conditions. Access Capital has purchased 90% of the company, following its objective of purchasing companies that are facing financial and/or management related difficulties. The remaining 10% share is retained by the founder Ato. Tadele Galecha.

After the purchase by Access Capital, the factory resumed operations during October 2008 under new management at its former location, Burayu town, Oromia where it shares premises with Real Water, another Access Capital investment. Sales have been going extremely well.

Under Access Capital ownership, the management have been upgraded and new managers with extensive international experience have been introduced. Key management tasks being performed include: continuous improvement of operations, personnel performance management and extensive training and targeted B2B marketing. Decision-making is being supported by timely and well-researched information.

Company Name: **Piko Juice Factory PLC**

Date of Inception: **November 2007**

Type of Deal: **Greenfield**

Piko Juice is a start-up manufacturing company involved in the production and distribution of juice products in Ethiopia and neighbouring countries. In Ethiopia, its products are established by the brand name, "Snap!". It is a private limited company owned by Access Capital S.C. (75% of equity) and Prisma Investment PLC (25%) which is linked to the management. The company will utilize the latest technology in the form of filling and packaging machinery from Tetra Pak Sweden as well as Tetra Pak® aseptic packaging. Its objective includes producing quality concentrate juices in different flavours and creating distribution channel to distribute these widely to the growing population of Addis Abeba (at least 4 million people and growing faster than the rest of the country) and other cities. This will lead to growth and expansion in the long run.

Access Capital and Prisma Investment have finalized the set up of the factory. Operations are due to start during November-December 2008. Tetra Pak is commissioning the packaging machinery and is also involved in creating a clear marketing campaign to reach target consumers through TV, Radio, and print ads.

One of the strengths of the company will be the management. It consists of various nationals with an outstanding experience in management in the Middle East, Africa and Western countries. Ziad Chahwan, who has years of hands-on manufacturing and distribution experience in the beverages industry, is the General Manager and is responsible for the execution of policies and procedures of the company.

The company started producing and selling juice products in January 2009.

Company Name: **Thermo Plastic Ind. Pvt. Ltd. Co.**

Date Acquired: **15 January 2008**

Type of Deal: **Leveraged Buyout**

MA Thermo Plastics Industry PLC is one of the largest plastic manufacturing companies in Ethiopia. Established in 1971, it is the oldest plastic producer in the country. Its objective is to produce plastic products locally as a substitute for imported plastic items and produce plastic products as an alternative to wood and steel products. It is engaged in almost all plastic processing technologies, including: Film Blowing, Extrusion, Injection Molding, Blow Molding and Compression Molding. Currently, it can produce over 200 products, depending on market demand, and has a flexible production system. It achieved steady growth and gained sizeable market share for many years. However, before the time of Access Capital's involvement, sales have dropped drastically due to a lack of working capital financing. As of January 2008, Access Capital has acquired 90% of the company including managing all vital posts to restructure and turn around the company. Ato Moges Alemu, the founder of the company, has retained the remaining 10% of the company.

Since the transfer of ownership, the company has resumed operations at its Kaliti factory. It is the vision of the management to expand in order to utilize 100% capacity in order to grab the fast-growing market for plastic products in the country.

The management includes both experienced former management as well as industry professionals introduced by Access Capital, backed by experts with international backgrounds. The company's organizational structure has been transformed to aid in achieving the firm's goal. The focus of the organization has shifted to quality, new product development, strong customer relationship management, and strong market research in order to become the leader in the industry.



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