



## **Share Offer**

# Access Capital Overview

- Established through capital-raising share offer in May 2007
- First year:
  - Built infrastructure and organizational capacity
  - Advised share offers: Zemen Bank (Birr 150million); Access Real Estate (Birr 50 mln)
- From Jan 2008, started acquiring operating companies. Now owns 6.

# Company Objectives

- 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.

# Strategy

Our mission and business objective are to facilitate the establishment and growth of large nationally, regionally and globally competitive business enterprises.

Access Capital:

- Makes direct equity investments from its own account in companies with attractive growth and profitability potential, takes controlling stake in investments
  - Designs the best financing mix from debt and equity to finance the company's growth.
  - Encourages investors, including co-investors.
  - Mobilizes local and foreign capital, including institutions and Diaspora.
  - Manage its group companies for maximum shareholder value
  - “Blue ocean” strategy, i.e. moving into areas that others are not yet in and developing them, taking first mover advantage.
- Avoid areas of high concentration.

# Acquisitions

- Acquired 6 operating companies with over 1,000 employees, forecast combined revenues of Birr 63.5 mln and estimated aggregate profits of Birr 6.4 mln (for the calendar year ending December 31, 2009), forecast to rise to sales of Birr 190 mln and profits of Birr 75.9 mln (year to 2010).

## Acquisitions to date:

- MA Thermoplastic Factory – Jan 2008
- Real Water (T.G.M.D. Trade Works) – July 2008
- Polytech PP Woven Bags factory – July 2008
- Flour mill – July 2008
- Piko Juice factory – sales from Feb 2009
- Horticulture 1 – July 2009
  
- Currently in negotiation to acquire 2 more companies in beverage sector with combined sales of approximately Birr 75 mln and 700 employees.

## Joint Venture & “Greenfield” Projects

- Investigating a strong pipeline of potential projects:
  - **Agriculture:** Have acquired majority ownership in one horticulture farm. Acquiring further large plots of land in Amhara region for wheat farming (2,000 hectares) and sesame (5,000 ha).
  - **Mining: ACS Joint Venture** with Australian/New Zealand experts, screening a wide range of projects. Close to finalizing ownership of a start-up coal mine in Amhara region, and reviewing gold, platinum, uranium and other mining projects with partners.
  - **Real Estate:** Access Real Estate is building 4 condominium towers with 270 units on 9,000 square meters and is acquiring 3 additional plots in various parts of the city on which it will start construction work in September.

## Joint Venture & “Greenfield” Projects - contd

- **Industry/Manufacturing:** Investigating and sometimes negotiating purchases with wide range of companies, mostly aiming at the local market. Projects under consideration include construction materials, medical, foodstuffs, beverages, etc.
- **Access Entertainment:** Believe large potential in local film industry and have invested in the production of our first mini movie with a prominent local production company.

# Expansion Projects

- Projects with our existing businesses
  - Expanding the water/beverage business
  - Expanding the horticulture (vegetables and herbs) business
  - Expanding the plastics business

# Operating Structure

- Transactions Department
  - Direct investments, screening projects according to criteria, due diligence checking, executive transactions, etc.
  - Corporate Advisory
- Group Companies Management
  - Manage the Group Companies for excellence, including financial and operational controls. AC seeks to achieve synergies and add strategic and marketing vision. Introducing group-wide Management Information System, corporate social responsibility, etc.

## Operating Structure - contd

- Research Department
  - Professional staff, producing economic statistics, analysis of economic trends, forecasts for key variables such as exchange rates, etc. Publications include:  
The Ethiopia Macroeconomic Handbook 2009  
Coffee Break?  
Credit Crunch  
Inflation Updater 2009

## Operating Structure - contd

- Sales Department
  - The ability to raise capital is a unique competitive advantage. AC has trained brokers, including professional sales staff, for selling shares to local and institutional investors. These work with client companies and entrepreneurs who wish to raise funds and they give a unique ability to channel savings into productive investments.
- Back office
  - HR, finance, administration and IT partnership with eVentive LLC from Chicago. AC also provides assistance to Group Companies in this regards

## Strategic Partners

- ***Auerbach Grayson (USA):*** Access Capital has signed an agreement to join the partnership of Auerbach Grayson & Company Incorporated 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.

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## Strategic Partners - contd

- ◆ ***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 has invested into shares in Access Capital

## Strategic Vision

- “Blue Ocean” strategy, which means moving into areas that are new /undeveloped and taking first-mover advantage to collect economic rent. First year payback on all investments is our investment decision benchmark.
- Must be the market and profit leader in all our businesses within 3 years.
- Innovation and performance excellence is our core competitive capacity.
- World-class economic research and business analysis, combined with our financial engineering expertise gives us a unique competitive advantage in Ethiopia.

## Strategic Vision (contd.)

- Shareholder Value creation is our core guiding principal.
- Access Capital offers a unique and singularly compelling opportunity to get investment exposure to virtually all sectors of the Ethiopian economy. It offers a very attractive return on investment combined with a very broad diversification of risk across all major sectors of the economy, through a tested and proven management team and business model.

## Share offer

- A total 10,000 ordinary shares, offered at Birr 5,000 each. Minimum application 20 shares (Birr 100,000) can pay
  - 100% now, or
  - 50% now and 50% in December (add Birr 150 per share service fee)
- Increase the number of Access Capital shares from 9,325 shares to 20,260 shares.
- Increase the equity capital for economies of scale and synergies
- Closes: August 31, 2009