







# Is Private Capital a Reliable Partner in Developing Africa's Infrastructure?

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# Africa's Infrastructure Is Attracting Private Sector Capital

<p><b>Gautrain</b></p>  <p>Absa Capital/ J&amp;J Group</p> <p>R84 Million direct equity investment and loan</p> <p>South Africa</p> <p>2008</p>	<p><b>MTN Nigeria</b></p>  <p>Emerging Africa Infrastructure Fund</p> <p>US\$10 Million Loan</p> <p>Nigeria</p> <p>2005</p>	<p><b>Transnet</b></p>  <p>Barclays Capital/ Absa Capital</p> <p>R30bn Domestic Medium</p> <p>South Africa</p> <p>2007</p>
<p><b>Celtel International</b></p>  <p>AIG Infrastructure Fund</p> <p>US\$1bn foreign bond</p> <p>Burkina Faso, Chad, Congo Brazzaville, DRC, Gabon, Malawi, Niger, Sierra Leone, Sudan, Tanzania, Uganda, Zambia, Kenya</p> <p>2000</p>	<p><b>Seacom</b></p>  <p>Emerging Africa Infrastructure Fund</p> <p>US\$35 Million Loan</p> <p>Kenya, Tanzania, Mozambique, South Africa</p> <p>2007</p>	<p><b>Pan African Energy</b></p>  <p>AIG Infrastructure Fund</p> <p>US\$ 20.8 Million direct investment.</p> <p>Gabon, Tanzania</p> <p>2000</p>

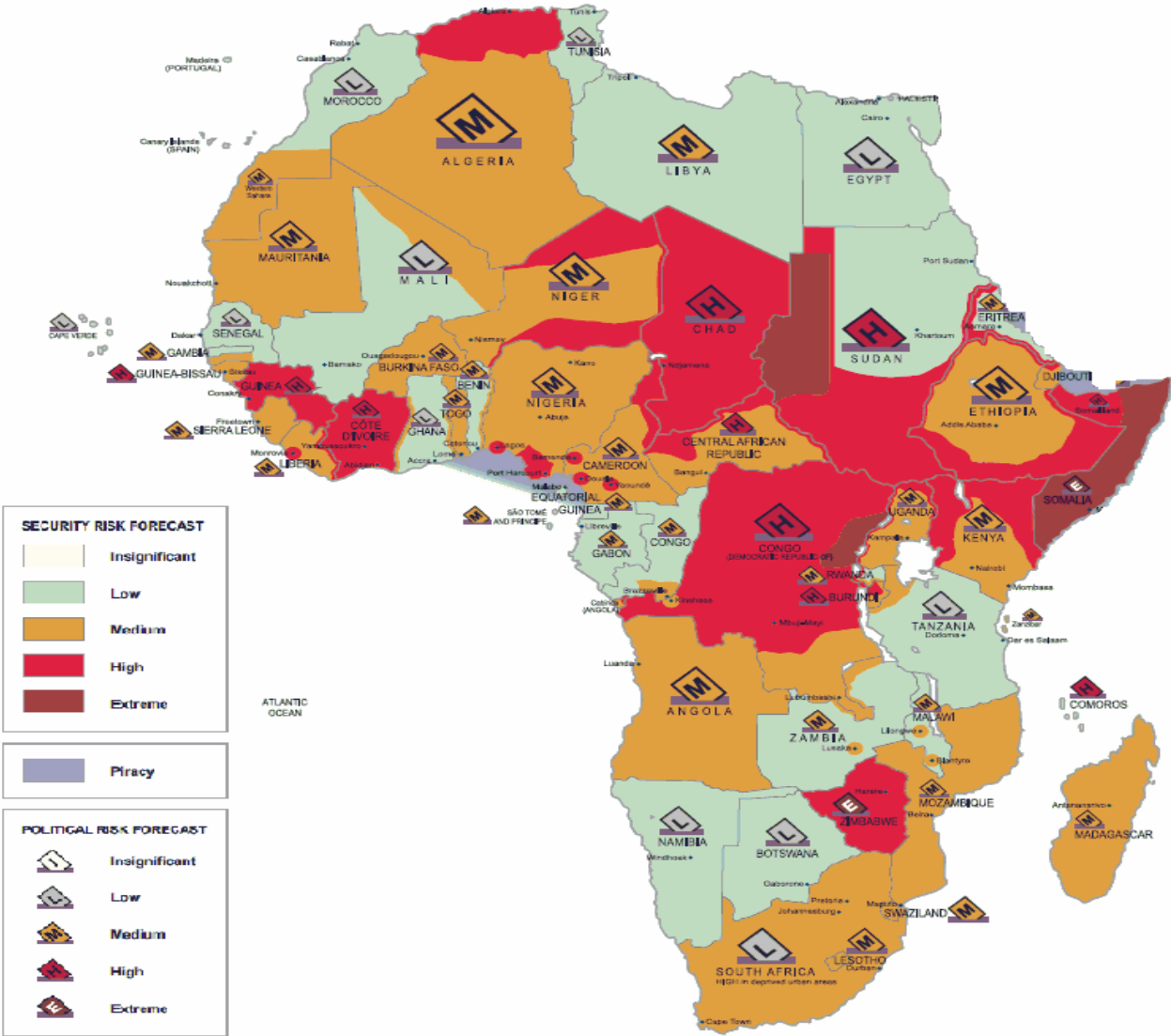
# Enormous Expected Demand for Infrastructure Development in Africa Over the Next 40 years

US\$ Billions

	2010-2020	2020-2030	2030-2040	2040-2050	Total
<b>Telephones</b>	39	70	126	205	\$440
<b>Electricity Generation</b>	26	49	95	164	\$334
<b>Paved Roads</b>	17	27	42	55	\$141
<b>Internet</b>	7	14	29	53	\$103
	<b>\$89</b>	<b>\$160</b>	<b>\$292</b>	<b>\$477</b>	<b>\$1,018</b>

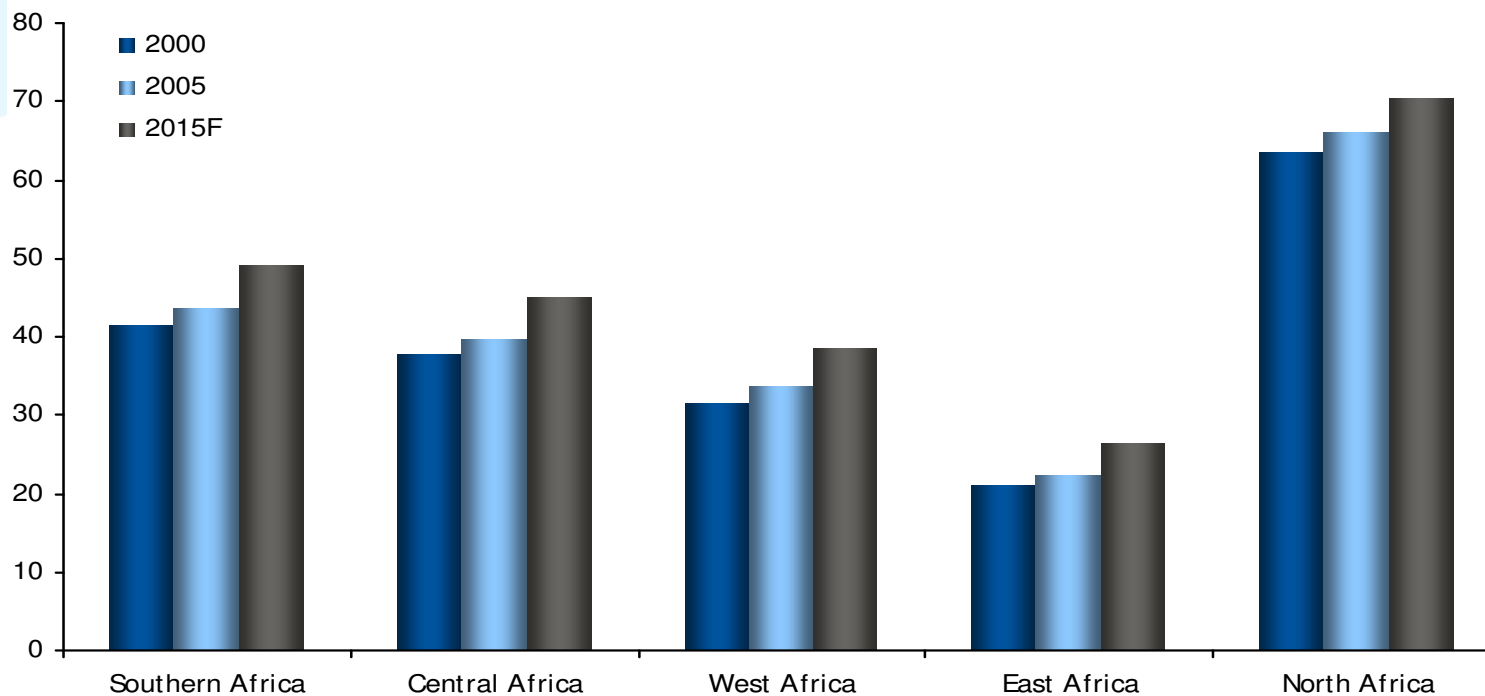
Source: Goldman Sachs

# Driven By Growing Political and Regulatory Liberalization...



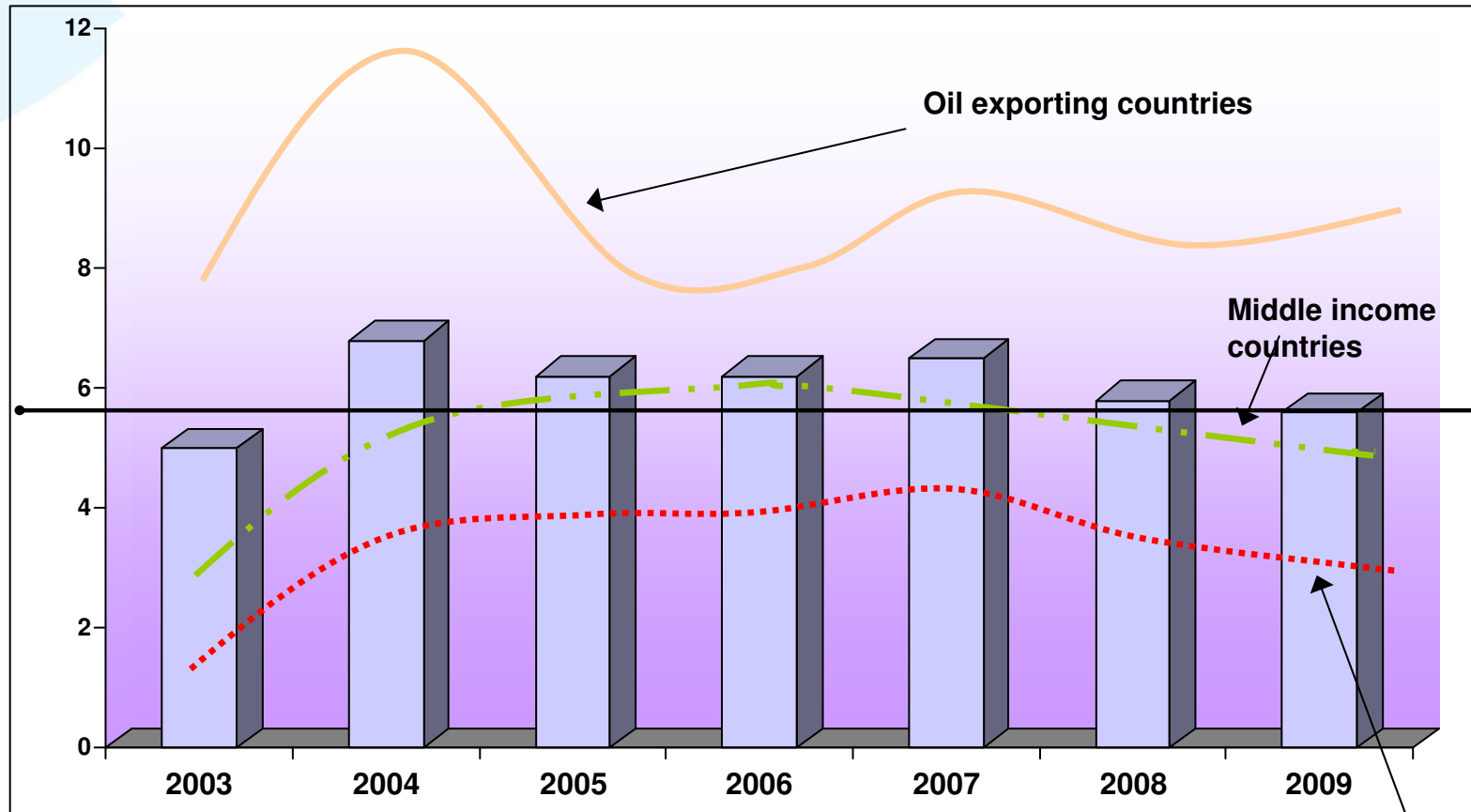
# Increasing Levels of Urbanization...

### Urban Population as a % of the Total Population



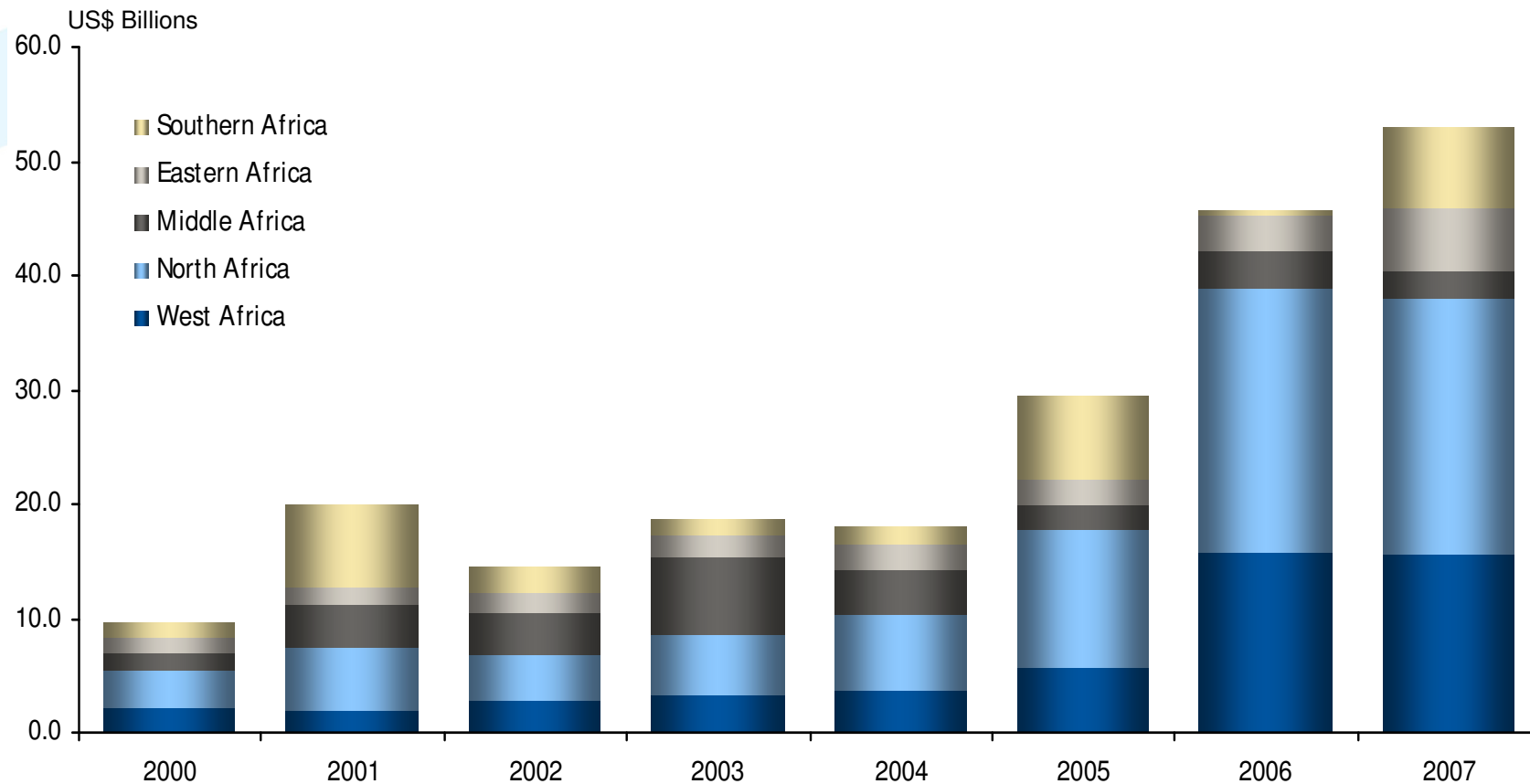
# And Higher Domestic Growth Rates

**% GDP Growth Across Africa 2003-2009**



Low income countries

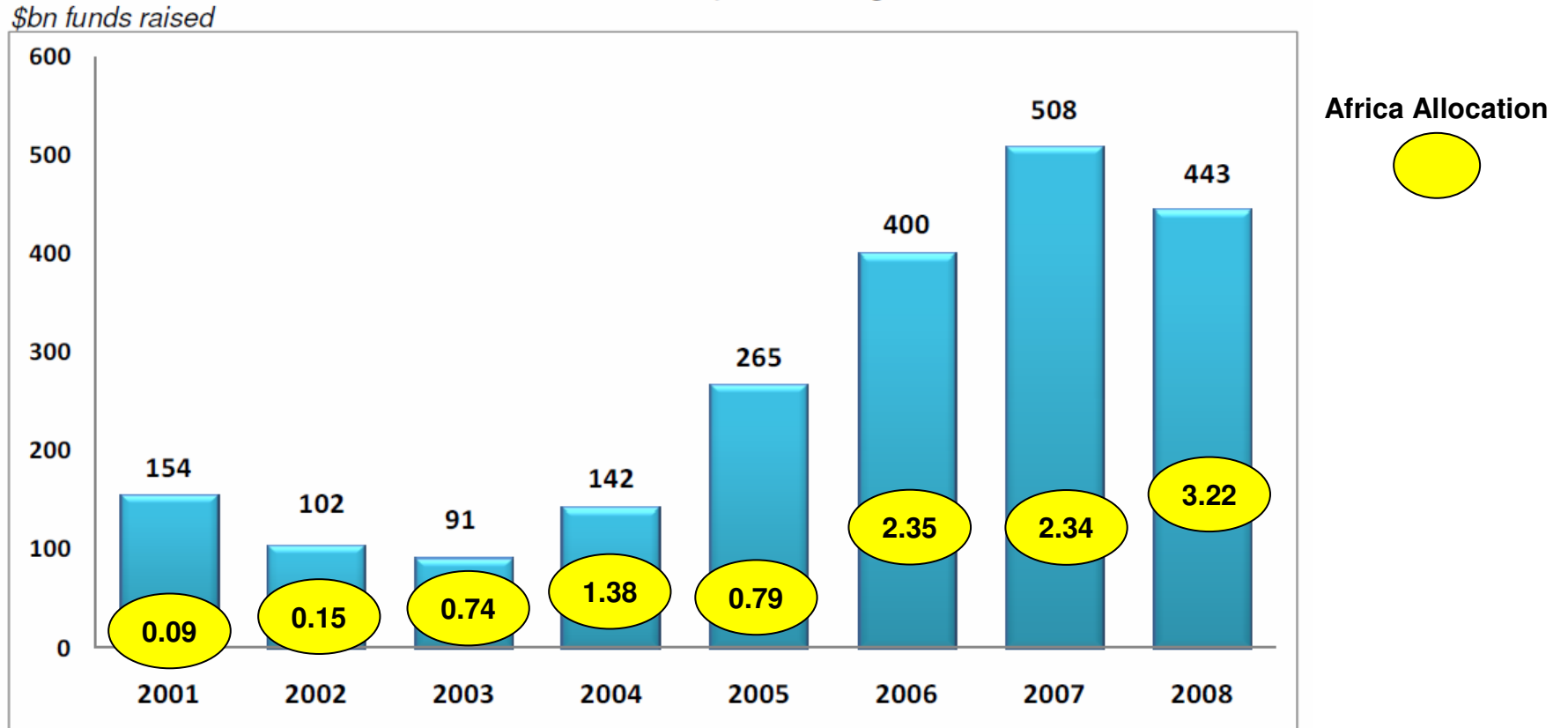
# Reward Has Been Larger Amounts of Foreign Direct Investment



Source: UNCTAD, Absa Capital

# More Private Equity Flows

Global private equity fundraising



Sources: Collier Capital Limited, Emerging Markets Private Equity Association

**...Although Africa Still Only Attracts Less Than 1% of Global PE Flows**

# However, Only a Handful of Private Equity Players Focus on Infrastructure in Africa



## Total Capital Committed

Key Africa-Focused Equity Infrastructure Funds

Pan Africa Infrastructure Development Fund \*

\$625m

Absa Capital

R5 bn

Emerging Africa

\$450m

CVCI Africa Fund

\$200m

Southern Africa Infrastructure Investment Fund

R1.2bn

# Despite the Current Global Economic Crisis, Investor Interest Will Return

## Investor Understanding

Extent and nature of exposure

## Regional Improvements

Consolidate political and regulatory liberalization

Improve regional integration

Enhance social delivery & security

## Better Partners

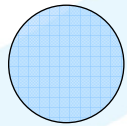
Market insight and access

Technical and operational capabilities

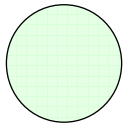
Highly reputable

***...Africa's Investments Must Be Able to Deliver Higher Risk-Adjusted Returns***

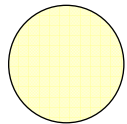
# Absa Capital is a Major Player in the Development of Africa's Infrastructure



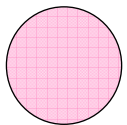
Together with Pan Africa Infrastructure Development Fund, AbCap is the single largest private sector equity investor in Africa's infrastructure



Only major investment bank in sub-Saharan Africa with a dedicated equity investment business



Leverages off Absa Group's and Barclays Africa's extensive footprint across 13 of the largest markets in sub-Saharan Africa and Barclays' extensive global reach



Particular focus on physical infrastructure in the energy, telecommunications and transport industries

~ End ~