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BUSINESS DAY

17 Jan 2012

P. 5

National

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25mm x 89mm

A.V.E. = R 1,463.00

4080001-RMB Corvest



Private equity firm **RMB Corvest** is about to close an investment deal in Nigeria, which it says could herald the start of several such deals in Africa.
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P. 8

National

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Net Sales : 0

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96mm x 153mm

A.V.E. = R 9,683.67

4080001-RMB Corvest

RMB Corvest set to close deal in Nigeria

SURE KAMHUNGA

Financial Services Editor

PRIVATE equity firm RMB Corvest is about to close an investment deal in Nigeria, which it said yesterday could herald the beginning of several such deals in Africa over the coming years.

The company is targeting small to medium-sized companies in sub-Saharan Africa that are desperate for capital to expand to rising demand, particularly of consumer goods.

RMB Corvest operates in the same segment in SA. Its director, Mike Donaldson, said this referred to companies with an enterprise value of up to R1bn, although typical deals were for values of up to R400m.

"We are about to close a deal in Nigeria which we have been working on for the past 11 months," Mr Donaldson said without identifying the target company or the amount of equity investment involved. However, he confirmed that the company was in the consumer goods sector.

International and South African private equity players are testing their appetites for investing in sub-Saharan Africa, drawn by a growing middle class and

heady economic growth rates. Favourite sectors for investment include consumer and financial services and telecoms.

The sub-Saharan region is home to more than 860-million of the continent's estimated population of 1-billion. Organisations such as the World Bank predict the region will achieve some of the world's highest growth rates over the next decade.

Mr Donaldson said markets such as Nigeria were ripe for investment and this was reflected in the growing interest shown by private equity companies trawling Africa for opportunities.

Executives from Standard Bank and private equity firm Medu Capital late last year made similar comments, while international firms such as Actis, Ethos, Bain and US-based Carlyle Group are invested or are seeking to invest in sectors such as financial services, energy and retail.

Mr Donaldson said he believed SA-based private equity companies had the competitive advantage over their global rivals.

"For us you could say we are taking baby steps into Africa and we are going to be more focused on the consumer sector."

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