



PRESS RELEASE

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Pearl Capital Partners makes its first investments in Ethiopia and Mozambique

The leading specialized agriculture investment manager in East Africa, Pearl Capital Partners (PCP), has just made two new investments through the African Seed Investment Fund. This fund closed in 2010 with initial investment commitments of US\$ 12 million and aims to invest in 12-15 East African seed businesses by the close of its investment period in 2014. These two investments take total commitments above the \$10 million mark and represent Pearl's first investments in the high growth potential countries of Ethiopia and Mozambique.

In Ethiopia, Pearl has invested \$1 million to acquire a 45% interest in Alemayehu Makonnen Farm PLC, a commercial seed business located in the Oromia Region, with farms in the south east of the country. The business grows and markets hybrid maize and wheat seed, together with commercial grain, throughout Ethiopia. The company has a strong focus on mechanization of farming. Pearl Capital's investment will provide Alemayehu with medium-term capital to set-up a new fully mechanized farm to increase its production capacity by acquiring additional irrigation equipment as well as working capital facilitation aimed at enabling the business service its large market.

Alemayehu's founder and Deputy General Manager, Alemayehu Makonnen said *"We are pleased to have joined hands with Pearl Capital in order to accelerate the growth of the company by ensuring consistent production growth while availing quality seeds to the Ethiopian farmers. We also look forward to tapping in the wide experience of the Pearl team as we move Ethiopian commercial farming to greater heights. We are very delighted to be working with a partner who understands our need and who brings a wealth of experience to the Alemayehu team."*

In Mozambique, Pearl has invested US\$ 0.4 million in quasi-equity in Dengo Comercial Limitada (Dengo, a local Mozambican seed business located in Chimoio in Manica province, with an expanded network of out-growers and agro dealers across the provinces of Manica, Tete and Sofala. The outgrowers grow improved seed varieties including hybrid seed maize and the business markets the seed in Mozambique.

Speaking from PCP's office in Kampala, Uganda, Tom Adlam, the Managing Partner of Pearl Capital Partners, commented: *"yet again we have reached another important milestone. The investments in Alemayehu and Dengo mark our first entry points into the Ethiopian and Mozambican markets. We are delighted to have invested in two very high-potential businesses with strong markets and clear visions. Both businesses are having massive impact on the livelihoods of smallholder farmers in remote rural areas hitherto unserved by commercial seed companies, and our investment will enable future growth."*

Pearl Capital Partners is an independent investment management business domiciled and licensed in Mauritius. Since it was founded in 2005, the Pearl group has made investments in more than 20 agriculture-related businesses in East Africa with a total value exceeding US\$ 17 million.