



Building The New Africa

Introduction to the Africa Finance Corporation

- Rationale and Mandate
- Member Countries
- Sector Focus
- Business Model
- Product & Service Offerings
- Investment Appraisal Process
- Ownership Structure
- Major Shareholders & Board of Directors
- Corporate Governance
- Management & Staff
- Summary Financial Information

Project and Transactions

- Sample Projects & Transactions
- Potential Projects & Transactions

Despite improved governance and macroeconomic conditions, Africa's share of global private infrastructure investment has remained small

- Substantial demand for infrastructure assets exists
- Returns are attractive relative to more developed markets
- Yet there are few successful projects
- Due to lack of project structuring expertise and risk capital



Investment flows now further threatened by tighter credit markets and global investors retreat to perceived safer regions

Mission: Infrastructure Development and Profitability



Objective:

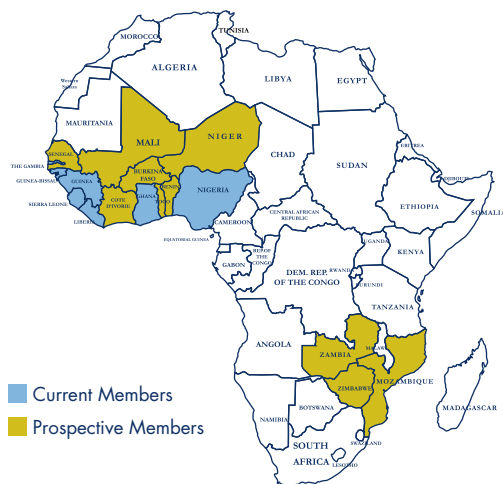
The mission of the Africa Finance Corporation is to help address Africa's infrastructure development needs, while seeking a competitive return on capital for shareholders.

Since commencing operations in 2007, AFC has created the building blocks required to attain this objective:

- Raised US\$1.1bn in fully paid-in equity capital
- Private sector majority (57.5%) shareholding
- Experienced group of investment and engineering professionals
- World class team, from diverse nationalities
- Strong board of directors and corporate governance
- Robust and growing pipeline of projects and transactions
- More than US\$595.0m in approved investments across sectors
- Established relationships with leading global and Africa-focused investors

International Institution, Established by Treaty

AFC is an international institution established by treaty between independent sovereign states. Current membership includes:



Current Members

- Nigeria (Host Country)
- Ghana
- Guinea Bissau
- Sierra Leone
- The Gambia
- Liberia
- Guinea Conakry

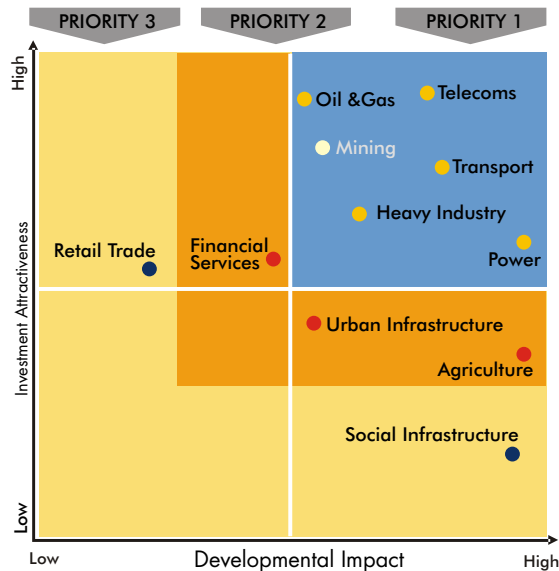
Prospective Members

- Zambia
 - Zimbabwe
 - Kenya
 - Mozambique
 - Cape Verde
 - BCEAO (Central Bank of West African States*)
- *Togo, Senegal, Mali, Cote d'Ivoire, Burkina Faso, Benin, Niger

Various prospective new member countries are now at different stages of due-diligence

Specialized Sector Focus across Africa

AFC prioritizes sectors with simultaneously high profit potential and developmental impact



AFC is focused on originating and executing transactions in the following sectors:

1. Power
IPPs, Emergency Power, Gas-to-Power, Coal
2. Transport Infrastructure
Roads, Rail, Aviation, Ports, Logistics
3. Heavy Industry
Fertilizer, Cement, Manufacturing, Refining
4. Oil & Gas
Exploration & Production, Energy Services
5. Telecoms
Infrastructure, B2B and Shared Services

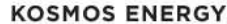
Business Model Underpinned by Three Key Offerings

AFC offers a unique value proposition as an Africa-focused bank covering three complementary service areas: project development, financial advisory and principal investing.

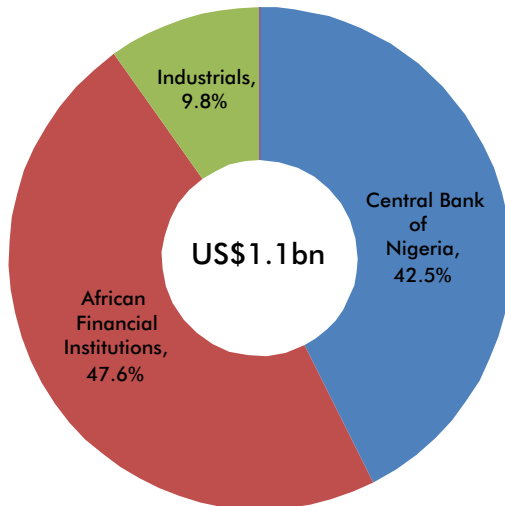


AFC fills key market gaps by participating across the project lifecycle, ensuring that projects are well structured and transactions reach financial close

Strategic Focus on International Partnerships



AFC Shareholders include: the Central Bank of Nigeria, various African financial institutions, and other industrial/corporate shareholders



Central Bank of Nigeria:

- Anchor capital for start-up
- Solidifies partnership with host government
- Shareholding held in trust for other African investors

African Financial Institutions:

- Promotes synergy between African banks
- Strengthens local support and partnership
- Ensures proximity to projects/transaction flows

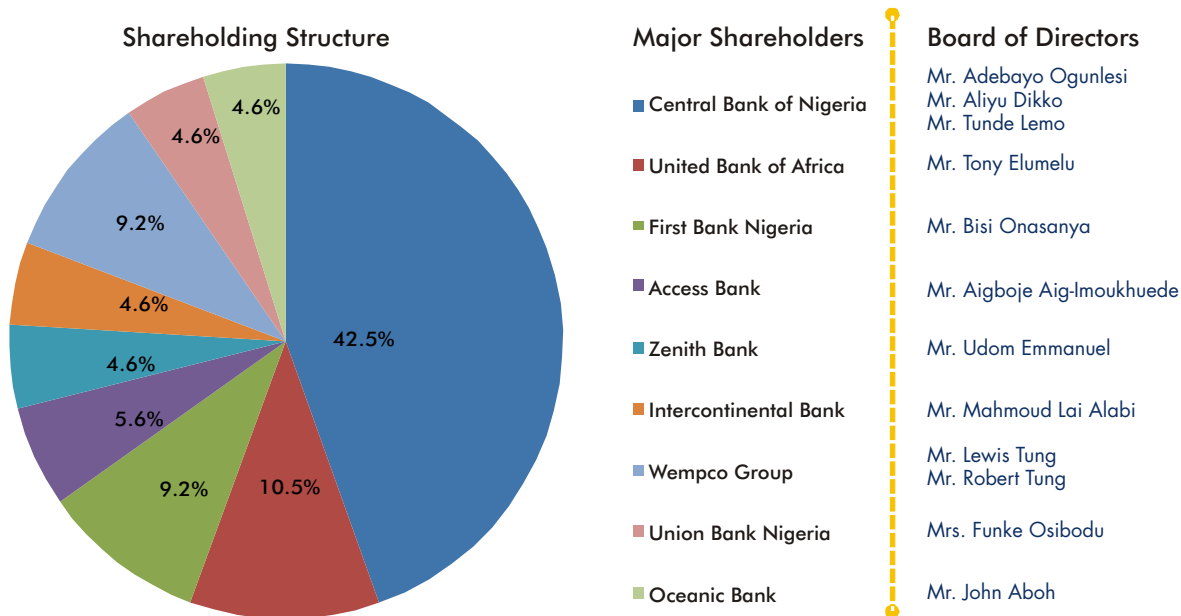
African Industrials and Corporations:

- Integrates local corporate experience
- Strengthens support from leading local sponsors

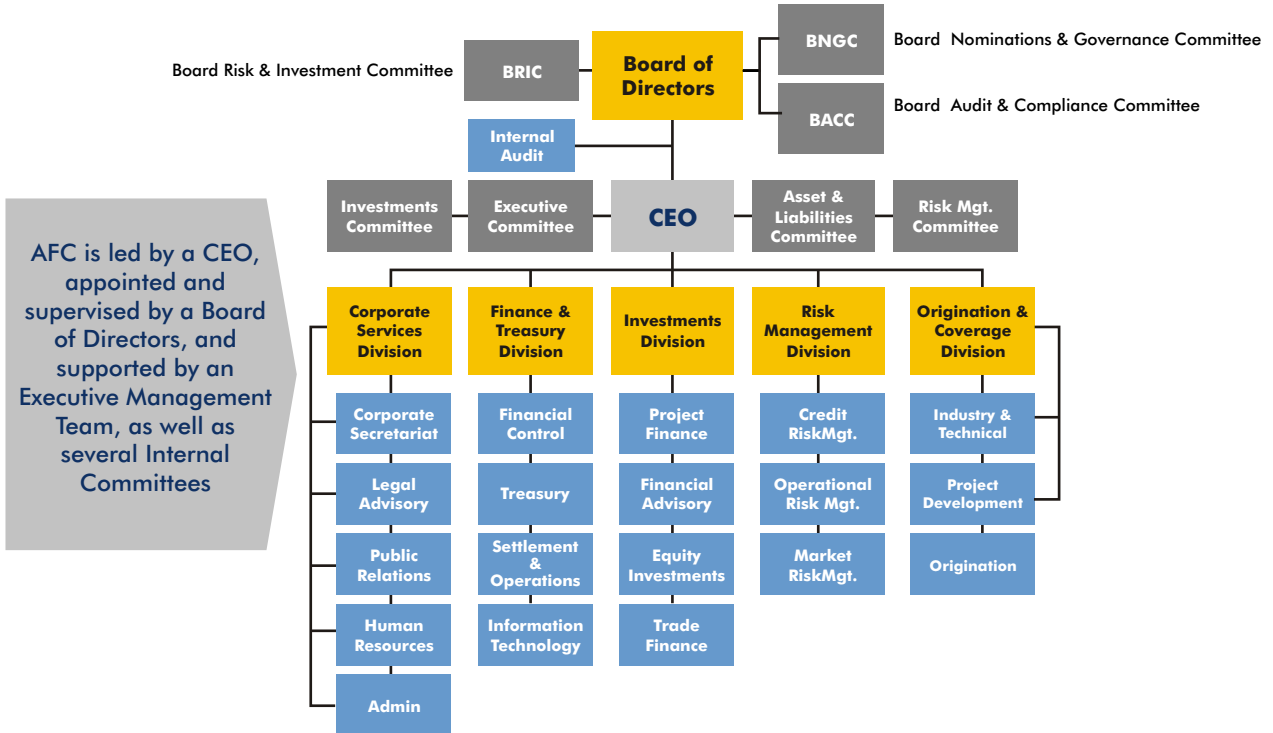
Capitalized with US\$1.1bn, AFC operates a dollar denominated balance sheet, and mainly provides financing in this currency

Strong Shareholders & Board of Directors

The AFC Board of Directors Comprises Senior Industry Executives and Professionals, Representing Major Regional Banks and Industrial Corporations



International Standards in Corporate Governance



Internationally Respected Board Leadership



The AFC Board of Directors is chaired by the internationally respected investment banker, Bayo Ogunlesi, who has several decades of experience financing infrastructure assets across the globe.



Adebayo Ogunlesi, Chairman

Chairman and Managing Partner of Global Infrastructure Partners, a US\$5.64bn private equity fund that invests in infrastructure assets worldwide.

GIIP's founding investors include Credit Suisse and General Electric, and the fund recently agreed the £1.455 billion acquisition of London's Gatwick Airport.

Prior to founding GIIP, Mr. Ogunlesi was Executive Vice Chairman and Chief Client Officer of Credit Suisse's Investment Banking Division with senior responsibility for Credit Suisse's corporate and sovereign investment banking clients.

He also served as Global Head of Credit Suisse's Investment Banking Department which included its worldwide capital markets - debt and equity, mergers and acquisitions, corporate finance and advisory, industry, country and regional banking businesses.

Prior to becoming an investment banker, he was an attorney with the New York law firm of Cravath, Swaine & Moore, and previously served as a Law Clerk to the Honorable Thurgood Marshall, Associate Justice of the United States Supreme Court.

Mr. Ogunlesi's role ranges from providing broad strategic and institutional development advice, to overseeing investment approvals and other major corporate decisions.

Experienced Management Team

AFC is managed by a team of professionals with several decades cumulative experience in banking and infrastructure across Africa



Andrew Alli, Chief Executive Officer

Until his appointment, Andrew was the Deputy Chief Executive Officer of Travant Capital, a private equity fund. Prior to that, he was with the International Finance Corporation, the private sector financing arm of the World Bank Group, in Washington to as an investment officer working first in the Oil Gas and Mining Department and then in the Telecommunications Department. In 2002 he was appointed IFC's Country Manager for Nigeria, responsible for managing IFC's operations in the country. In 2006, he was appointed Country Manager for Southern Africa, where he was responsible for South Africa and seven other countries.



Solomon Asamoah, Deputy CEO & Chief Investment Officer

Former Vice President for Private Sector and International Investments at the Development Bank of Southern Africa (DBSA) with over 20 years of experience originating and executing transactions, Solomon was the Special Assistant to the Executive Vice President and Managing Director of the International Finance Corporation. He later became a Principal Investment Officer at the IFC in Johannesburg, where he led the IFC's activities across Africa in the ICT sector. Prior to IFC, he was an Investment Banker with HSBC Markets in the City of London.



Adesegun Akin-Olugbade, Executive Director & General Counsel

Former General Counsel and Director at the African Development Bank and a graduate of Harvard Law School, Dr. Akin-Olugbade has over 25 years of experience in the legal /financial sector having worked at both technical and management levels, in the public and private sector, leading corporate and commercial law firms and international financial institutions. Dr. Akin-Olugbade was the pioneer Chief Legal Officer and Head of the Legal Services Department of the African Export-Import Bank (Afreximbank).

Management Team CONT'D



Oliver Andrews, Director & Chief Coverage Officer

Former CEO of TCI Infrastructure Limited (TCII)- an Infrastructure developer and project finance boutique, specializing in the provision, development and financial engineering of infrastructure projects in Emerging Markets with a focus in Africa. Oliver has a background in engineering and project finance, with over 30 years experience in the transport sector, at least 20 of which have been as an infrastructure project developer and strategic adviser.



Adesola Adeduntan, Director & Chief Financial Officer

Formerly a Senior Vice-President of Citigroup within the Corporate and Investment Banking Division and Chief Financial Officer of Citibank Nigeria (Citibank's second largest franchise in Africa), Dr. Adeduntan has 15 years of experience in the financial sector. Prior to his work at Citigroup, he was senior manager in the financial services group of KPMG/Arthur Andersen where he led the audit teams of several high profile clients and many risk management and financial advisory assignments mainly in the financial services sector.



Roger Ellender, Senior Vice President & Chief Risk Officer

Roger has over thirty years experience of investment and commercial banking, working mainly in emerging markets countries. Joining Bank of America in 1978, Roger worked in the Bank's London and Bahrain branches in corporate banking, financial institutions and risk management. Subsequently Roger worked for Standard Chartered Bank and Credit Suisse, in London, where he was responsible for structured trade finance, and for UBS, in Singapore, where he was responsible for Export Credit backed Vendor Financing. He has also served as an Executive Director in charge of Risk & Chief Risk Officer at different Nigerian commercial and investment banks.

Global Standard Professional Team

The AFC team comprises a diverse group of professionals , with varied competencies and significant experience in banking and infrastructure across the continent

Diversity:

Largely bi-lingual and multi-cultural group of approximately 40 professionals, from various countries across the continent and globally

Competence:

Widespread backgrounds, with qualifications in areas ranging from Engineering to Banking and Finance, Project Development and Consulting

Experience:

Team comprises professionals recruited from international investment banks, DFIs, utilities, regional banks and operating companies



Strong and Stable Financial Position



Africa Finance Corporation Audited Financial Statements

(Figures in USD Thousands unless otherwise stated)

| Income Statement | 2009 | 2008* |
|-------------------------------------|------------------|------------------|
| Interest Income | 75,474 | 82,854 |
| Fee and Commission Income | 4,974 | 458 |
| Operating Income | 80,448 | 83,312 |
| Exchange Loss | (26,688) | (53,873) |
| Administrative Expenses | (20,279) | (25,020) |
| Profit for the Period | 28,715 | 4,419 |
| Balance Sheet Summary | 2009 | 2008 |
| Total Assets | 1,127,174 | 1,098,352 |
| Total Liabilities | 4,720 | 4,614 |
| Share Capital | 1,089,319 | 1,089,319 |
| Retained Earnings | 33,134 | 4,419 |
| Total Equity | 1,122,453 | 1,093,738 |
| Total Liabilities and Equity | 1,127,174 | 1,098,352 |

*Fourteen months from November 2007 to December 2008



Projects and Transactions

- Sample Projects & Transactions
- Potential Projects & Transactions

Sample Transaction: West Africa Under-Sea Cable

Opportunity

- Main One set up to own and operate a sub-marine fibre optic cable from Portugal to South Africa, landing in Nigeria
- Consists of 12,378km long cabling, with landing stations in key markets across Northern, Western and Southern Africa
- Capacity is 10x the current size of SAT-3, Nigeria's monopoly cable
- Strong revenues from leases/capacity sales to leading local telecoms operators
- Cable completed to cost and on-time, now live and operational



Transaction Highlights

- Project first phase (cost: US\$240.0m) is cable from Portugal to Nigeria, with landing points on West African Coast
- AFC is co-largest equity investor with up to US\$37.0m committed
- Sponsors are local African entrepreneurs and institutions
- Financing partners include: AfDB, DEG, PAIDF & Nigerian banks
- Project will dramatically improve regional connectivity and access
- Significant technology/broadband cost reductions to local businesses and consumers also anticipated



Sample Transaction: Nigeria Upstream Gas Producer

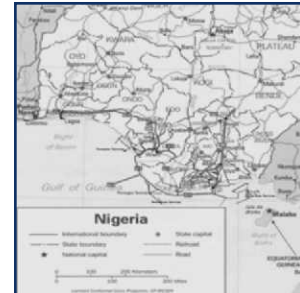
Opportunity

- Nigeria suffers from a significant gas supply-demand imbalance, presenting enormous challenges for domestic power generation
- Seven Energy is an indigenous oil and gas exploration and production company, focused on the monetization of Nigeria's significant discovered but undeveloped gas reserves
- Several major assets with proven reserves owned in Nigeria, managed by internationally experienced team
- Production due in 2011, and key offtake arrangements in place with major industrial customers in the region (power & heavy industry)



Transaction Highlights

- Sponsors are local African entrepreneurs
- Other shareholders include: Investec, Capital International and Actis
- US\$22.5m equity investment by AFC is part of US\$200.0m round of debt and equity capital raising by the company
- AFC is investing alongside international bank, Standard Chartered
- Project will have significant direct impact on gas availability for domestic power generation, opening up enormous potential for industrial activity across the nation



Sample Transaction: West Africa Aircraft Acquisition

Opportunity

- Fastest-growing privately owned airline in Nigeria, serving over 11 domestic routes with a fleet of 16 airplanes
- Good quality corporate with additional financing support available from local and international banking partners
- Seeking expansion capital to grow its fleet and add routes to Europe and Southern Africa
- Short-term refinancing facility was required on a Trade Finance basis



Transaction Highlights

- AFC played a key role in a US\$100.0m structured Trade Finance transaction
- Financing partners: HSBC, Afrexim Bank and Union Bank Nigeria
- Innovative transaction was awarded the 2008 Trade Finance Deal of the Year for Africa by Euromoney
- Modern fleet acquisition to contribute greatly to local aviation industry safety standards
- Support also aimed at expanding regional integration and growth of local corporates



Sample Transaction: South Africa Toll-Road

Opportunity

- Bakwena Road consists of a 95km section of the N1 highway running from Pretoria northwards, and a 290km section of the N4 highway running from Pretoria westwards, to the Botswana border
- Route designed as part of intercontinental axis to stimulate agriculture, manufacturing, mining and tourism traffic, with combined urban and intercity tolling
- Early maturity stage toll-road, fully operational since December 2004, with proven traffic characteristics and blended annual average growth rate from 2004 to 2009 of more than 9.0%
- Strong investor group and management team, including leading local and international financiers and operators

Transaction Highlights

- AFC US\$20.0m equity investment as part of US\$160.0m post-completion acquisition transaction
- Financing partners include: Macquarie, Old Mutual, Kagiso (a BEE fund) and PIC, the South African pension fund manager
- Significant decrease in transportation costs since inception, reducing travel times and vehicle operating costs through improved road surfaces



Sample Project: Greenfield IPP in Ghana

Opportunity

- Ghana is a fast-growing economy with significant electric power supply deficits forecasted based on current pace of growth
- Recently discovered commercial quantity oil & gas resources, expected to start yielding revenues in 2010, with significant local gas utilization potential
- AFC (in conjunction with major local and international partners) is working to develop a 340MW combined cycle thermal IPP to meet existing demand, and potentially utilize discovered gas resources
- The Project is appropriately structured and has widespread support at the highest levels of local and national government in Ghana, as well as strong private sector support



Transaction Highlights

- Work is concluded regarding necessary permits, agreements, approvals and licenses, as well as early stage project development planning
- Financial close is planned for early 2011, with development plan now moving into concluding phases
- AFC co-sponsors will include local entrepreneurs, international DFIs and international power companies



Sample Project: Cape Verde Greenfield Wind-Farm

Opportunity

- Cape Verde is an archipelago country with outstanding wind resources, a heavy reliance on expensive imported fossil fuel for energy generation and a strong growth economy with one of the better credit ratings in Sub-Saharan Africa
- The Project comprises the development, construction, ownership and operation of 30 wind turbines on 4 islands for an approximate 28 MW of installed capacity for Cape Verde
- AFC is working with leading international developers, InfraCo, and local electricity company, Electra, to deliver the project
- The Project is appropriately structured and enjoys widespread support at the highest levels of government in Cape Verde



Transaction Highlights

- Project development work is near conclusion with all major contracts and agreements (PPA, EPC, O&M) in place, as well as €30.0m debt capital commitments from AfDB and EIB
- Construction expected to be concluded in two phases each completed within 40 to 60 weeks of commencement
- AFC's c.40.0% ownership interest in a €61.0m innovative renewable energy project underscores commitment to this sub-sector in Africa



Selected On-going & Potential Projects



Aluminum Smelter:
Restructuring & Recapitalization
Potential Size:
US\$400m



Toll Road:
Upgrade & Operation Concession
Potential Size:
US\$900m



Under-Sea Fibre Optic Cable:
Second Phase Expansion
Potential Size:
US\$300m



Nigeria Captive IPPs:
Refinancing & Expansion
Potential Size:
US\$20m - US\$50m



Upstream Oil & Gas:
Near Production Assets
Potential Size:
US\$50m - US\$200m



Petroleum Refinery:
Restructuring & Recapitalization
Potential Size:
US\$300m



Captive Emergency Power:
Various Regional Projects
Potential Size:
US\$10 - US\$25m



Telecoms:
Tower Services Infrastructure Expansion
Potential Size:
US\$50m - US\$70m



Upstream Oil Rig Services:
Expansion Capital
Potential Size:
US\$20m

Selected On-going & Potential Projects



Cement Plant Construction:
Various Regional Debt & Equity
Potential Size:
US\$20m - US\$50m



Regional Sea Ports:
Development & Expansion Capital
Potential Size:
US\$50m - US\$250m



Toll Road Concession:
Acquisition Financing
Potential Size:
US\$280m



Trade Finance:
Various Regional Export/Import Partnerships
Potential Size:
US\$10m - US\$30m



Pan-Regional Railway Concession:
Acquisition Capital
Potential Size:
US\$200m



Airport Upgrade, Refinance & Concession:
Various Regional Projects
Potential Size:
US\$10m - US\$50m

Contact Information



Andrew Alli

President & CEO

T: +234 279 9605

E: andrew.alli@afrcafc.org

Solomon Asamoah

Deputy CEO & Chief Investment Officer

T: +234 279 9620

E: solomon.asamoah@afrcafc.org

Adesegun Akin-Olugbade

Executive Director & General Counsel

T: +234 279 9621

E: adesegun.akin-olugbade@afrcafc.org

Oliver Andrews

Director, Origination & Coverage

T: +234 279 9617

E: oliver.andrews@afrcafc.org

Africa Finance Corporation

A: 3A Osborne Road, Ikoyi, Lagos-Nigeria

T: +234 279 9600 | **E:** contact@afrcafc.org

Africa Finance Corporation

A: 3A Osborne Road,
Ikoyi, Lagos
Nigeria

T: +234 279 9600

E: contact@africafc.org

W: www.africafc.org

