



PRESS RELEASE

3rd March 2014

Pearl Capital Partners invests KES 200 million in Eldoville Dairies Limited ('Eldoville')

Pearl Capital Partners is delighted to announce the acquisition of a substantial minority stake in the Kenyan dairy processing business, Eldoville Dairies Ltd. Eldoville, which was advised by Horizon Africa Capital in this transaction, will use Pearl's investment of KES 200 million to establish a new milk processing facility in Ol-Joro-Orok, Nyandarua County.

Eldoville is a well-established milk processing business currently operating from premises in Nairobi. Its major products include high-quality yoghurts, cheeses, butter and cream. Besides enabling the business to relocate its processing operations to one of the best milk-producing regions in Kenya, Eldoville will also be able to strengthen its brand and develop new value-added products for wholesale and retail in Kenya and the broader East African region.

Pearl's investment in Eldoville is its sixth investment through the African Agricultural Capital Fund. The Fund, which is now halfway through its investment period, has total capital commitments of US\$ 25 million together with a USAID-Uganda financed Technical Assistance Facility of US\$ 1.5 million. The Fund aims to invest in a further 5-10 East African businesses operating in the agriculture sector within the next two years.

At the ground breaking ceremony for the processing plant on February 27, 2014 in Ol-Joro-Orok, graced by Archbishop Eliud Wabulaka of the Anglican Church of Kenya and by the Governor of Nyandarua County, Daniel Macharia, Pearl Capital Partners Managing Partner, Tom Adlam remarked: *"Eldoville is a great business built on the solid foundations of 20 years' progressive growth and profitability. We are proud to have been selected by Eldoville as its financing partner as it embarks on its growth plan. Not only do we expect this investment to provide good financial returns, but we also expect the new processing facility to create jobs and significant increases in household income for the many thousands of smallholder farmers in Nyandarua County."*

Eldoville Chief Executive Lucy Karuga said *"The humble beginning of Eldoville is a story very close to my heart. Today we are a much bigger and stronger company, though still firmly rooted in the tradition of providing quality milk products. The confidence in us that has been shown by Pearl fulfills a long term ambition we as a company have had to deliver more of our products to existing and new customers. In Ol-Joro-Orok, we are committed to building strong relationships with the dairy farmers, a relationship that*

is very important to dear to us. We certainly feel more challenged and excited to make this partnership work.”

About Pearl Capital Partners (www.pearlcapital.net)

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\$ 25 million.

About African Agricultural Capital Fund (AACF)

AACF was established in 2011 with commitments of US\$ 17 million in equity from the Bill and Melinda Gates Foundation, the Rockefeller Foundation and the Gatsby Charitable Foundation. JP Morgan Social Finance has committed an addition US\$ 8 million in debt to the Fund with the support of a partial guarantee from USAID. USAID has also committed a further US\$ 1.5 million to the Fund in order to finance technical assistance to the Fund's investees.

For further information, please contact David I. Wangolo, Investment Manager,
email: david.wangolo@pearlcapital.net