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# Maris Africa Fund

Fund Summary  
September 2009

First Closing	8th June 2009
Final Closing	Q4 2009 - Q1 2010
First Close Commitments	\$11 million
Target Final Commitments	\$20 million
Fund's domicile	Cayman Islands
Legal Form	Limited Partnership
Structure	One General Partner 31 Limited Partners
Management Company	Maris Capital
Investment focus	Development capital Start-up venture capital Buy-out
Investment focus by geography	Sub Saharan Africa  The fund has developed a pipeline of investments in South Sudan and Kenya; Angola, Mozambique, Zimbabwe; Sierra Leone and Liberia.

## FUND UPDATE AND OVERVIEW

The Maris Africa Fund ("the fund") has first close commitments of \$11 million\*. The first draw down of 30% of committed capital occurred on 8th June 2009. The fund will seek a second close in Q4 2009 - Q1 2010.

The fund invests in high cash generation venture capital start-up, development capital and buy-out investments. The fund is a Cayman limited partnership with a geographic investment focus in sub Saharan Africa, predominantly in South Sudan and Kenya, Mozambique, Zimbabwe, Sierra Leone and Liberia.

The management team includes Charlie Tryon, Andrew Fimister and Coco Ferguson, who divide their time between the fund's offices in Maputo (Mozambique), Nairobi (Kenya), Juba (South Sudan) and London (UK). The team has recruited Keith Gardner as South Sudan Country Manager and is looking to recruit a CFO for the fund.

\* Subject to conclusion of fund Administrator's compliance procedures.

## PORTFOLIO SUMMARY

The fund has invested in or acquired interests in four companies for a total value of \$3,762,000:

i) the fund has made an investment of \$1.2 million in Karebe Gold Mining Limited in western Kenya. Production commenced in September 2009.

ii) The fund has acquired interests in three profitable companies in South Sudan: Network Support Services (cell phone infrastructure services), Operational Support Services (hotel and business services) and Afritise (outdoor advertising). Interests in these companies held previously by Maris Africa Fund Limited Partners are being transferred to the fund in a non-cash transaction. In view of the conflict of interest the fund's Advisory Board made the investment decision and reviewed the valuation.

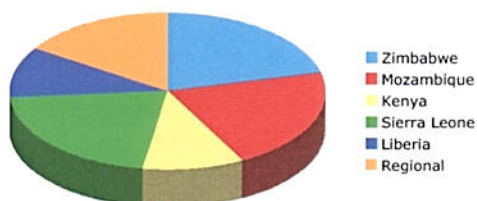
Investments are performing according to plan.

## INVESTMENT PIPELINE

The fund is considering 13 investments for a total investment cost of approximately \$10 million in a number of sectors including:

outdoor advertising, artisanal mining services, machinery distribution and leasing, logistics, hotels and serviced offices, food processing.

Investment pipeline country spread:



In line with the fund's investment guidelines no single country or sector should represent more than 20 - 25% of the fund. The fund is not planning significant further investments in South Sudan.

## OUTLOOK

Over the next few months we will grow existing companies and will build on opportunities in our investment pipeline while continuing to fundraise in Africa, Europe and the US.

We would like to thank you for your continued support and look forward to seeing you at our launch event in London on Tuesday, 12th January 2010.

Charlie Tryon, Andrew Fimister and Coco Ferguson.

PORTFOLIO COMPANIES

Company	Sector	Stage	Investment/ transfer date	% Equity Holding	Transfer cost	Funded commit- ment as of 25/09/09	Unfunded commit- ment as of 25/09/09
Karebe Gold Mining Ltd, Kenya	Small scale gold mining	Start-up	Jan 2009	80%	-	\$1,200,000	\$600,000 optional loan facility
Network Support Services, South Sudan	GSM infrastructure construction and maintenance	Expansion	Oct 2009	60%	\$1,460,891*	-	-
Operational Support Services, South Sudan	Hotel services and logistics	Expansion	Sept 2009	47%	\$1,021,185**	-	-
Afritise, South Sudan	Outdoor advertising	Early stage	Sept 2009	30%	\$80,143*	-	-
<b>Total</b>					<b>\$2,562,219</b>	<b>\$1,200,000</b>	<b>\$600,000</b>

\*Valuation at 2x EBITDA, \*\*Valuation at 3x EBITDA

Valuations are in line with comparable valuations of regional companies, discounted by the World Bank Multilateral Investment Guarantee Agency's country risk premium for South Sudan.

## PORTFOLIO COMPANY: KAREBE GOLD MINING LIMITED

Karebe Gold Mining Limited, Kenya ("KGML") is a newly formed Kenyan gold mining company. KGML's license includes tailings resources and two existing disused mines, Equatorial Mine and Rock Corry Mine, last worked in the 1950's. Production on the tailings resource has commenced and production from the mines will commence in January 2010. KGML is headquartered in Kisumu, Kenya. It employs 60 people.

### MARIS AFRICA FUND COMMITMENT

Investment Details		
Investment Date		January 2009
Development Stage		Start-up
Fund Commitment	Total Cost	Current Cost
	\$1.2 million	\$1.2 million
Commitment Structure		
Equity		\$1,200,000
Option debt facility		\$600,000*
Valuation at time of investment		\$1,440,000
Basis - cost		
Equity Investors		
Maris Africa Fund		Equity stake (%)
Management (David May)		80
		20
		100
Fund's role in the investment		Lead
Fund Board Membership		2 board seats
<u>Financial Year Summary (Y/E 31 Dec)</u>	<u>2009 Forecast</u>	<u>2010 Forecast</u>
Revenues	\$313,530	\$5,213,561
EBITDA	(\$643,748)	\$4,446,190
EBIT	(\$755,848)	\$4,221,990
Net Income	(\$755,848)	\$3,310,008

\* Maris Africa Fund has agreed an optional debt facility to KGML at 10% APR

#### BACKGROUND

KGML was established in 2008 by Manager David May and the Maris Africa Fund. Its license includes a tailings resource of 40,000 tonnes with an average grade of 4g/ton. The estimated underground resource is 30,000 tonnes; latest samples from Equatorial Mine indicate an average grade of 46.0g/ton; latest samples from Rock Corry Mine indicate an average grade of 15.8g/ton.

#### BUSINESS

Assuming a gold price of \$800/oz and based on management's projections KGML will produce a return of \$12.8 million from an investment of \$1.2 million from the resource indicated within 5 years, a return on investment of 10x pre exit.

**OPERATIONS**

All necessary permits and environmental surveys have been concluded in accordance with Kenya's National Environmental Management Agency (NEMA) standards and the international environmental and social project finance benchmarks the IFC Performance Standards and the World Bank EHS Guidelines. The Mines and Geological department at the Ministry of Mines has been briefed on activities and receives regular reports. The company has hired 60 staff, including welders, drivers, machine operators, mechanics and casual laborers, who have been hired where possible from the local community. 40 - 50 additional staff will be hired shortly.

**FUTURE PLANS**

KGML is in the process of establishing the Karebe Community Trust to support local infrastructure. An additional MOU has been signed with an option to process an estimated 600,000 tonnes of tailings on a license held by Canadian exploration company; gross gold value of \$13.4 million (valued @ \$800/oz). A feasibility study has commenced. KGML will seek to acquire additional tailings resources and mines in Kenya that can reach production in under 12 months. Exit strategy is either a listing on the Kenyan Stock Exchange or a private sale.

**MANAGEMENT**

The company is managed by Zimbabwean David May, who has 37 years' mining experience and built Kenya's only other operating mine. He is supported by an experienced senior management team of Kenyan and Zimbabwean miners.



Tailings retreatment tanks, agitators and necessary retreatment equipment are in production.



The KGML license area lies within the Archaen Nyanzan rocks, in close proximity to the Tanzanian gold fields and includes two mines, Equatorial and Rock Corry.

## PORTFOLIO COMPANY: OPERATIONAL SUPPORT SERVICES

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Operational Support Services Limited, South Sudan, ("OSS") is a camp services and logistics provider. OSS owns 100% of Acacia Village, a 34-room apart-hotel, and 75% of OSS Trucking. Acacia Village offers long-term accommodation, office and storage facilities to the private sector and NGO community in Juba, South Sudan. OSS Trucking is a machinery leasing and servicing business. Exit will be a sale to a local South Sudanese or Kenyan investor. Headquartered in Juba, South Sudan, OSS has 21 employees, predominantly drawn from the local community.

## MARIS AFRICA FUND COMMITMENT

<b>Transfer Details*</b>	
Transfer Date	September 2009
Transaction Type	Non-cash share transfer
Development Stage	Expansion
Fund Ownership	47%
Transfer cost	\$1,021,185
Unfunded commitment	0
Valuation at time of transfer	\$2,172,735
Basis - 3x forecast EBITDA 2009/2010**	
<b>Equity Investors</b>	<b>Equity stake (%)</b>
Maris Africa Fund	47
Long Range Limited	53
	100
<b>Fund Board Membership</b>	<b>1 board seat - C Tryon</b>

<u>Financial Year Summary (Y/E 31 Dec)***</u>	<u>2009 Forecast</u>	<u>2010 Forecast</u>
Sales	\$1,238,254	\$1,428,500
EBITDA	\$682,475	\$757,540
EBIT	\$497,612	\$572,677
Net Income	\$447,851	\$515,409

\*Interests in OSS previously held by Maris Capital partners Charlie Tryon and Andrew Fimister are being transferred in a non-cash transaction in return for an equivalent interest in the fund. In light of the conflict of interest, the Advisory Board made the investment decision.

\*\*OSS was valued on forecast EBITDA 31st July 2009 - 31st July 2010

\*\*\*Unaudited. Audit to be completed October 2009.

### BACKGROUND

OSS Ltd was founded in 2008 by an international consortium of investors including Maris Capital partners Charlie Tryon and Andrew Fimister. Acacia Village was completed in October 2008 with 80% pre bookings. OSS Trucking began operations in December 2008 to serve Acacia Village clients and international development agencies and construction companies.

#### BUSINESS

Acacia caters for long-stay guests and is running at 95% occupancy. It paid out a \$200,000 dividend to investors in its second quarter of operations and is forecast to pay out a dividend of \$200,000 in Q4 2009. OSS Trucking and Workshop operates 4 trucks providing distribution capacity across South Sudan. The workshop provides vehicle servicing for NGO's and private sector clients.

#### FUTURE OPERATIONS

The company anticipates strong growth in revenues from vehicle servicing. No expansion work is planned for the hotel, though land is available for expansion. Acacia Village anticipates that room and storage rental rates will increase as the hotel's reputation develops. The proposed exit is a sale to a local South Sudanese or Kenyan investor. In 2009 an offer of US\$3 million was made by a local consortium for Acacia Village, which was rejected by the board of OSS.

#### MANAGEMENT

Oversight of operations is conducted by Managing Director Keith Gardner, who has two years' business experience in South Sudan in the hospitality and advertising sectors. Prior to South Sudan he served as a commissioned officer in the Royal Air Force as a combat pilot. Acacia Village's day-to-day management is handled by Tana Pike. OSS Trucking and workshop are managed by Justin McCarthy. OSS has 21 employees drawn from South Sudan.



Acacia Village, Juba, South Sudan

## PORTFOLIO COMPANY: NETWORK SUPPORT SERVICES

Network Support Services Limited, South Sudan, ("NSS") is the dominant GSM infrastructure construction and maintenance business in South Sudan. The company has a 30% share of the GSM site construction market and a 50% share of the site support and maintenance market. NSS's main customer is Zain (formerly Celtel), the largest GSM operator in Sudan and South Sudan. NSS also holds contracts with Nokia Siemens Networks ("NSN") providing installation and technical support to NSN's equipment in the region. NSS is headquartered in Juba, has regional offices in Wau and Rumbek and a support office in Nairobi, Kenya. NSS has 55 employees.

## MARIS AFRICA FUND COMMITMENT

<b>Transfer Details*</b>		
Transfer Date	September 2009	
Transaction Type	Non-cash share transfer	
Development Stage	Expansion	
Fund Ownership	60%	
Transfer cost	\$1,460,891	
Unfunded commitment	0	
Valuation at time of transfer	\$2,434,819	
Basis - 2x forecast EBITDA 2009/2010**		
<b>Equity Investors</b>		
	Equity stake (%)	
Maris Africa Fund	60	
Aspen Wind Corporation	25	
Management	15	
	100	
Fund Board Membership	1 board seat - C Tryon	
<b>Financial Year Summary (Y/E 31 Dec)***</b>	<b>2009 Forecast</b>	<b>2010 Forecast****</b>
Sales	\$5,583,590	\$5,733,595
EBITDA	\$1,277,829	\$808,053
EBIT	\$1,178,262	\$708,486
Net Income	\$1,060,436	\$637,638

\*Interests in NSS previously held by Maris Africa Fund Limited Partners are being transferred in a non-cash transaction to the fund in return for equivalent interests in the fund. In light of the conflict of interest, the Advisory Board made the investment decision.

\*\*NSS was valued on forecast EBITDA 31st July 2009 - 31st July 2010

\*\*\*Unaudited. Audit to be completed October 2009.

\*\*\*\*Forecast Zain receivables have been discounted by 30% in light of market conditions.

### BACKGROUND

NSS was established in 2007 to service the nascent telecommunications industry in South Sudan. NSS has built 12 sites and maintains 37 sites for Zain. NSS also holds contracts with Nokia Siemens Networks (NSN) and installs radio masts on an ad-hoc basis for Internews.

**BUSINESS**

NSS holds contracts worth \$5.5 million over three years with Zain (\$1.5 million - site construction/\$4 million - service and maintenance).

Services include telecommunications network planning; site survey and acquisition; soil testing; network roll-out site construction; civil works and rigging; V-sat, MW & GSM installation and commissioning; maintenance of telecommunication network and power supply; SIM sales and distribution.

NSS's current customers are Zain, Nokia Siemens and Internews. Zain plans a network expansion of 250 sites over 5 years.

**FUTURE PLANS**

Over the next 12 months NSS's revenue stream will shift away from construction-based work towards support and maintenance work. Within 12 months NSS expects to manage over 100 base station and trunk network sites and to build 20-30 additional sites. NSS will seek to offer services to new network operators entering South Sudan including MTN, Vivacell, Sudani and Gemtel. The proposed exit is a sale to a regional telecoms services operator or to a local investor.

**MARKET**

South Sudan is highly underdeveloped in comparison with other African markets: mobiles per 1,000 people are estimated at around 40 (Uganda: 67.2 mobiles per 1,000 people; Kenya 177.4 mobiles per 1,000 people).

**MANAGEMENT**

Christian Cloutier, Managing Director (5 years' operating experience in South Sudan and over 20 years' telecoms experience in Africa) has been with NSS since its inception in 2007.

Gary Ensor, General Manager, was recently recruited from Vegpro, one of Kenya's largest vegetable export businesses.

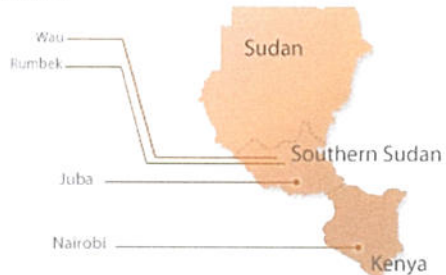
Francis Kihiko, Regional Manager – Northern Operations, is a regionally experienced engineer.

Moses Simiyu Nakitare, Regional Manager – Southern Operations, is a telecoms engineer with 11 years experience, who worked for Safaricom in Kenya before joining NSS.



NSS-built GSM lattice mast, South Sudan

**NSS Offices**



## PORTFOLIO COMPANY: AFRITISE

Afritise Limited, South Sudan ("Afritise") is the dominant outdoor advertising company in South Sudan. Afritise offers a turnkey media solution to local and international clients: services include graphic design, high quality printing and billboard displays from small street finder signs to the construction and installation of large scale billboards. The proposed exit is to a regional advertising company that is looking to enter new domestic markets. Afritise is headquartered in Juba, South Sudan and has 10 full time employees.

## MARIS AFRICA FUND COMMITMENT

<b>Transfer Details*</b>	
Transfer Date	September 2009
Transaction Type	Non-cash share transfer
Development Stage	Early stage
Fund Ownership	30%
Transfer cost	\$80,143
Unfunded commitment	0
Valuation at time of transfer	\$320,000
<b>Basis - 2x forecast EBITDA 2009/2010**</b>	
<b>Equity Investors</b>	
	<b>Equity Stake (%)</b>
Mina Corp	70***
Maris Africa Fund	30
	100
<b>Fund Board Membership</b>	1 board seat - C Tryon

<u>Financial Year Summary (Y/E 31 Dec)****</u>	<u>2009 Forecast</u>	<u>2010 Forecast</u>
Revenues	\$196,582	\$419,610
EBITDA	\$49,846	\$202,260
EBIT	\$21,585	\$173,999
Net Income	\$16,468	\$153,773

\*Interests in Afritise previously held by Afritise management are being transferred in a non-cash transaction to the fund in return for equivalent interests in the fund. In light of the conflict of interest, the fund's Advisory Board agreed the investment decision.

\*\*Afritise was valued on forecast EBITDA 31st July 2009 - 31st July 2010

\*\*\*Maris Africa Fund manages Mina Corp's 70% stake in Afritise for an annual management fee

\*\*\*\*Unaudited. Audit to be completed October 2009.

## BACKGROUND

Afritise was established in 2008 by Maris Capital Managing Partner Charlie Tryon on behalf of venture capital investor Mina Corp to meet rising demand for advertising from local and international companies and the NGO and government sector. Afritise seeks to replicate the management team's success with Afghan American Advertising, Afghanistan's dominant outdoor advertising company.

### BUSINESS

Afritise' main rolling contract is with telecoms operator Vivacell, worth \$15,000 a month, which includes the rapid expansion of its billboard network across the country. Afritise has secured a 12 month renewable contract with international NGO Population Services International for outdoor advertising worth \$14,000 per month. The company is seeking to broaden its client base and has proposals under review with five additional companies and government agencies. Afritise owns 94 billboards in Juba, Yei, Bor, Tori, Wau and Malakal. It has 50 under construction in Rumbek, Bentiu, Yambio, Kaya and Aweil.

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### MARKET

The media in South Sudan is severely underdeveloped, which allows outdoor advertising to capture a large share of the overall advertising market. Afritise is seeking to replicate its model in other fast growing frontier markets such as Sierra Leone, Liberia, Somaliland and Puntland. Barriers to enter these markets remain high and there is a significant opportunity for an experienced team to build a high cash generation, hub and spoke advertising organization that creates an attractive acquisition opportunity for a regional company.

### MANAGEMENT

Afritise Managing Director is Keith Gardner, who has two years business experience in South Sudan in the hospitality and advertising sectors. Prior to South Sudan Keith served as a commissioned officer in the Royal Air Force as a combat pilot. Sales Manager is Chris Mubiru, Operating Manager is Rajab Mohammed, and Deputy Operations Manager is Hakim Majan. Afritise has 10 full time employees and 20 - 25 part time contractors for sign construction and maintenance.

