

# press release

## STANDARD CHARTERED PRIVATE EQUITY INITIATES 'POWER AFRICA' PARTNERSHIP WITH USD57 MILLION INVESTMENT IN COPPERBELT ENERGY CORPORATION

**Nairobi, Kenya – Tuesday 11 March 2014:** Standard Chartered's Private Equity Africa division ("SCPE") announced its first investment in Africa's developing power sector. SCPE has invested USD57 million into Zambia Energy Corporation ("ZamEn"), the controlling shareholder of Copperbelt Energy Corporation Plc ("CEC Plc" or the "Company"). This structured equity investment equates to an effective 25.8% equity stake in CEC Plc.

CEC Plc is an independent power transmission and distribution company in Zambia, and is listed on the Lusaka Stock Exchange. The Company's core business consists of distributing power to the mines operating in Zambia's Copperbelt, and transmitting power for ZESCO Limited, the Zambian national utility. CEC Plc recently established CEC Africa ("CECA"), a Mauritius-domiciled platform company as its vehicle for power infrastructure investments in Africa, outside of Zambia. CECA has acquired two operating assets in Nigeria through the recently concluded power sector privatisation programme, and has a rich pipeline of development power assets in Zambia, Namibia and Sierra Leone.

Standard Chartered's investment supports CECA's pan-African expansion strategy, and is the first investment within the Bank's USD2billion commitment to 'Power Africa', a public-private sector partnership launched by US President Obama on his trip to Africa last year. In Nigeria, CECA has already acquired a controlling interest in the Abuja Electricity Distribution Company and a 20% stake in the 600MW Shiroro hydro plant. Nigeria's power privatisation initiative is expected to increase system-wide generation capacity and connectivity, while reducing costs and technical losses, thereby facilitating a self-sustaining power sector which supports Nigeria's economic growth.

**Michael Tarney, Managing Director for Corporate Development at CEC Plc** commented, "*Our success in Zambia has given us the experience and capability to generate, transmit and distribute power in other African markets. We are excited about our two strategic acquisitions in Nigeria. Over time, we expect that the Abuja Disco will deliver consistent and reliable power to more than 750,000 customers in Nigeria. Capital investment of more than USD180 million is anticipated in the business plan covering our distribution operations in Abuja, Niger, Kogi and Nasarawa States. With Standard Chartered's valuable support, we look forward to building significant business scale and delivering sustainable benefits to Nigeria's economy.*"

**Diana Layfield, CEO Africa for Standard Chartered reiterated,** "*This is our first contribution towards the Bank's USD2 billion commitment to 'Power Africa' – a public-private partnership which is set to double Sub Saharan Africa's access to electricity over the next 5 years. 'Power Africa' enables us to live our brand promise and be Here for good, making a tangible difference in the lives of individuals. By financing the real economy, investing in the continent's infrastructure and supporting trade and its people, banks can really help transform Africa's prospects.*"

**Ronald Tamale, Director within Standard Chartered's Africa Private Equity Division,** added, "*CEC is another African success story, and is emerging as an important Standard Chartered client. CEC has a strong management team and inspiring growth potential, extending commercial and economic benefit to multiple countries across the continent. Private Equity is an increasingly useful tool in supporting the growth of African companies who have achieved local success, but now need structured capital and specialist expertise to develop a profitable, pan-African presence.*" Mr. Tamale

and Mr. Kanad Virk, Managing Director for SCPE's Energy, Resources & Infrastructure investment team, will be joining CEC Plc's and CECA's boards of directors.

According to the World Bank, Africa's total infrastructure spending need is USD93 billion per annum. Of that, Africa should be spending USD41 billion on power, installing 7,000 MW per annum of generation capacity, just to keep up with electricity demand. The 'Power Africa' partnership will provide USD7 billion of US financing support and an initial USD9 billion of private sector commitments for power generation projects – ultimately delivering 10,000 megawatts of new electricity generation across 6 countries, reaching 20 million individuals in 5 years. Standard Chartered has made the largest private sector contribution to the partnership thus far.

## **ENDS**

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## **NOTES FOR EDITORS:**

### **About CEC**

*The Copperbelt Energy Corporation PLC (CEC) is an independent power generation, transmission and distribution company, with interests in closely linked businesses in Zambia and the African region, including optic fibre based telecommunications. A member of the Southern African Power Pool and listed on the Lusaka Stock Exchange, CEC has a deep insight into the mining industry, enabling it to provide quality electricity and other power products and services to the majority of the mines in Zambia for over 50 years. CEC is well positioned as a developer of energy infrastructure in Africa and is respected in the region for its skills in designing and operating transmission systems.*

*The Company owns and operates over 1,000 kilometres of high voltage transmission lines and 41 substations covering all towns in Zambia's mineral-rich region of the Copperbelt, and owns the Zambian portion of the electricity interconnector with the Democratic Republic of Congo, which enables transportation of power within the Southern African region. CEC accounts for over 50% of Zambia's power consumption.*

### **CEC Africa Investments Limited – a pan-African Power Developer**

*A subsidiary of CEC Plc, CEC Africa is an investments holding company established to develop, finance and operate power infrastructure projects across sub-Saharan Africa. A pan-African power assets developer, CEC Africa provides access to an African power platform with attractive assets across sub-Saharan Africa and has a strong pipeline of both green field and brown field power projects in development across Africa. Riding on the opportunity presented by Africa's significant infrastructure deficit and growing investment interest for infrastructure in Africa, CEC Africa offers an attractive investment vehicle in Africa's energy infrastructure sector.*

*Please visit [www.cecinvestor.com](http://www.cecinvestor.com) for more information. You can follow us on Facebook at [www.facebook.com/cecinvestor](http://www.facebook.com/cecinvestor) and on Twitter @cecinvestor.*

**Standard Chartered's Power Africa Partnership** – See release here [www.sc.com/za/news-media/2013-commits-2-billion-to-power-africa.html](http://www.sc.com/za/news-media/2013-commits-2-billion-to-power-africa.html)

### **About Standard Chartered Private Equity**

*SCPE is the private equity arm of Standard Chartered. SCPE invests in companies in need of expansion capital or acquisition finance, and in management buy-outs. SCPE focuses on companies whose principal operations and management are located in Asia, Africa or the Middle East. It is an active partner that provides board-level strategic advice and access to the international network of Standard Chartered. Operating out of Johannesburg and Lagos, SCPE Africa has investments of about \$650m in Nigeria, Tanzania, South Africa, and Botswana.*

### **Standard Chartered**

*We are a leading international banking group, with more than 86,000 employees and a 150-year history in some of the world's most dynamic markets. We bank the people and companies driving investment, trade and the creation of wealth across Asia,*

*Africa and the Middle East, where we earn around 90 per cent of our income and profits. Our heritage and values are expressed in our brand promise, Here for good.*

*Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.*

*In Africa the Bank has operated for over 150 years and currently covers 37 markets on the continent – 15 on a full presence basis, and an additional 22 on a transaction basis following its clients. Given its unique footprint, Standard Chartered is ideally positioned to facilitate and support valuable trade and investment corridors intra-Africa, and between Africa and the rest of the world. In October 2012, Standard Chartered reiterated its commitment to Africa by confirming the Group will be investing another USD100 million on 110 new branches over the next 3 years, as well as making substantial hires in both their Wholesale and Consumer Banking businesses – 900 sales staff will be added to Consumer Banking by 2015. The Group aims to maintain the 16% Compounded Average Growth Rate it has delivered over the last 5 years.*

*For more information please visit [www.sc.com](http://www.sc.com). Hear from Standard Chartered's experts and comment on our blog at [ourviews.sc.com](http://ourviews.sc.com). Follow Standard Chartered on Twitter, LinkedIn and Facebook.*