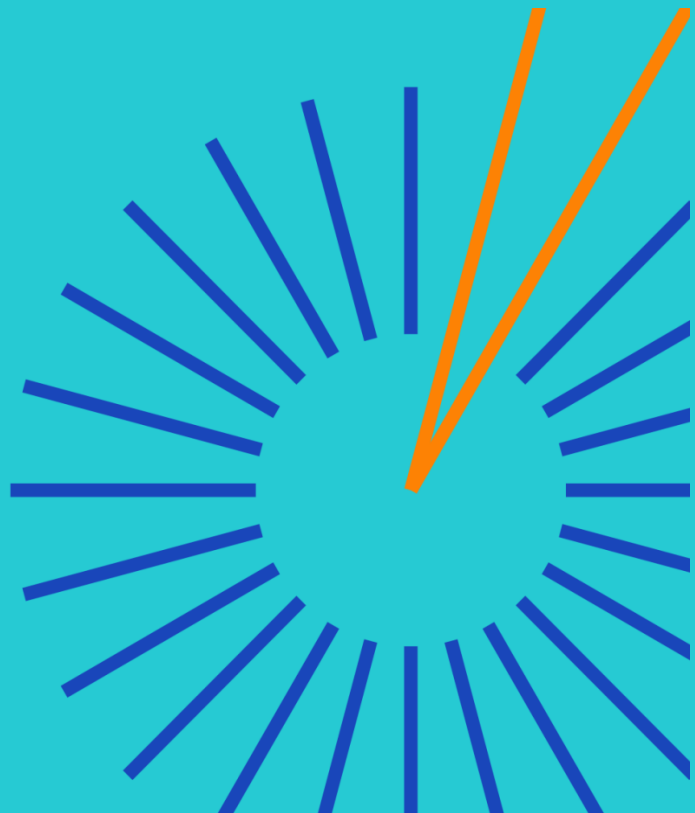


i&M Burbidge **Capital**

EAST AFRICA FINANCIAL REVIEW



MAY 2017



May in Numbers



IMBC Deal of the Month



Catalyst Principal Partners makes its first acquisition under its second fund.

6

The number of disclosed deals in EA

The total value of all disclosed corporate deals in EA in USDm



107



There are three kinds of investment risk. Two can be virtually eliminated. The third, market risk, must be managed.
-Charles Ellis



In this Issue

- Key Market Indicators
- Deal statistics
- Selected Deals Summary
- Interview with Geoffrey Odundo, CEO, Nairobi Securities Exchange
- Key Press - East Africa
- Upcoming Events



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MONTHLY COMMENTARY



It was another slightly slow month of deal making in East Africa, and again the action was primarily in M&A and PE, although M&A has been outstripping PE in both value and number of announced deals so far this year. We expect the number of deals to even out though heading into H2, and we also expect a pick-up in capital markets transactions.

IMBC's deal of the month was a PE investment by Catalyst Principal Partners into Jambo Biscuits Ltd, makers of the widely popular Britannia brand of biscuits. The company has been renamed Britannia Foods Limited. The acquisition is the first investment under Catalyst's second fund that recently achieved its first close at USD103m.

In the oil and gas sector, the African Development Bank (AfDB) approved a USD 29.8 million loan to Tanzania to help the country mobilize domestic resources and unlock the potential of its natural gas resources through leveraging domestic markets and local content initiatives. In other reports, Tullow and Africa Oil Corp. announced that the Emekuya-1 well in Block 13T in Northern Kenya had encountered approximately 75 metres of net oil pay in two zones.

In the mining sector, Tanzania's government plans to enforce a new rule requiring mining firms to list on its bourse by August as part of measures aimed at increasing transparency and spreading wealth from the country's natural resources.

In the month of April, the bourse sustained gains, albeit at a slower pace, with the benchmark NSE 20 up 1.4% (-1.5% YTD) compared with a 3.9% month on month gain in March. Trading activity remained robust but also declined from the previous month with turnover at USD 110.41m (previous month USD 121.1m). Foreign investors were net buyers with net foreign inflows registering a sharp increase to USD 4.19m from USD -2.98m in March (1Q17 USD 16.7m). TransCentury and Uchumi led the top gainers list closing at KES 7.65 (33% m/m) and KES 2.95 (25.5% m/m) respectively. Uchumi's rise follows a USD 17.4m tax-payer funded bailout of which the company received USD 4.8m (first tranche) in January and expected the next tranche of USD 6.8m in Q2 2017. Home Afrika was the month's top loser down 20% despite cutting its full year net loss by 56.8% to USD 1.7m from USD 4.0m in 2015.

Edward Burbidge CFA & IMBC EA Review Team

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Government Securities

	91- Day T-bill 2- Year Bond			5- year Bond		10- year bond	
	Yield	Yield	Coupon Rate	Yield	Coupon Rate	Yield	Coupon Rate
Kenya	8.677%	12.05%	14.04%	12.67%	13.33%	13.443%	13.45%
Tanzania	6.98%	17.61%	7.82%	12.66%	9.18%	18.55%	13.50%
Uganda	10.47%	15.08%	17%	15.58%	16.75%	16.26%	16.63%

PART I: KEY MARKET INDICATORS

Key Africa & Global Equity Indices Performance

Equity index	1-Jan-17	31-Mar-17	28-Apr-17	% Ch. m/m	% Ch. YTD
NSE 20	3206.24	3112.52	3157.58	1.4%	-1.52%
FTSE NSE Kenya 25	165.49	165.0	166.94	1.18%	0.88%
DSEI (TZ)	2139.81	2315	2315	0.0%	8.19%
ALSIUG	1527.00	1558.0	1578	1.28%	3.34%
NGSEINDEX	26616.89	25516.34	25767.26	0.98%	-3.19%
EGX 30	12425.17	12994.8	12525.69	-3.30%	1.13%
JALSH (SA)	51020.66	52056.06	53817.31	3.38%	5.48%
FTSE 100	7177.89	7322.92	7203.94	-1.62%	0.36%
S&P 500	2257.83	2362.72	2384.20	0.91%	5.60%
NSE all index (NASI)	132.61	130.52	133.28	2.1%	0.51%

Key Events & Press – East Africa

- Tanzania's Magfuli pushes for listing of mining firms
- Tullow and Africa Oil Corp make discovery in Emukuya-1 well in Block 13T in Northern Kenya
- KCB to close South Sudan branches due to war shocks
- Ethiopia tipped to be top recipient of private equity
- AfDB approves USD 29.8 million loan to boost Tanzania's natural gas sector

Key Africa & Global Currency Performance

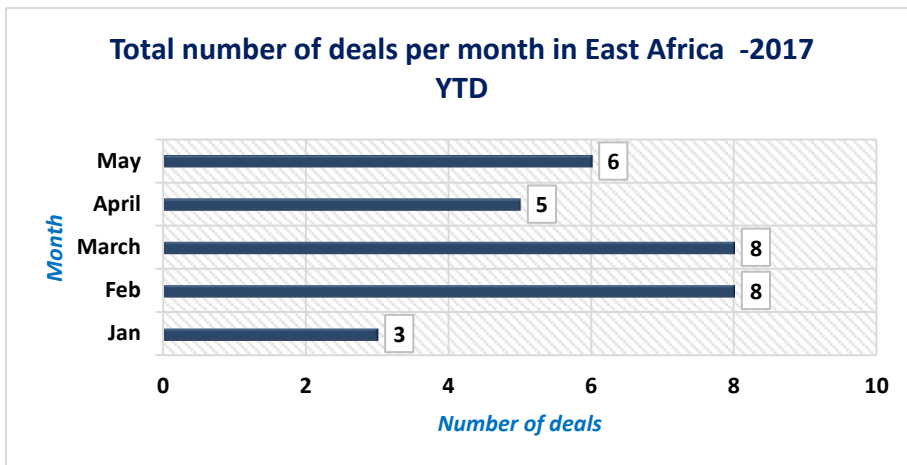
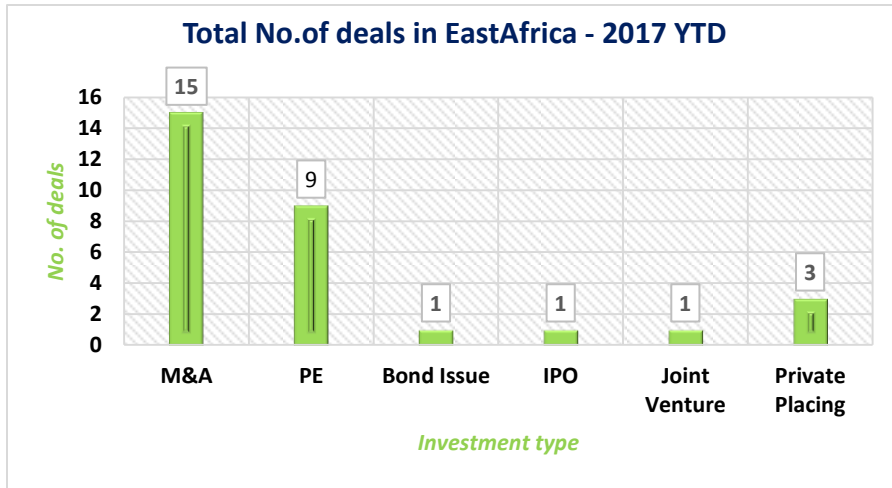
Currency	2-Jan-17	31-Mar-17	28-Apr-17	% Ch. m/m	% Ch. YTD
KES / USD	102.56	103.06	103.2	-0.14%	-0.62%
TZS/USD	2176.87	2,233.99	2,230.00	0.18%	-2.44%
UGX/USD	3611.22	3,605.20	3,643.85	-1.07%	-0.90%
RWF/USD	811.8900	825.5000	815.22	1.25%	-0.41%
ETB/USD	22.5425	22.8544	22.7871	0.34%	-1.09%
ZAR/USD	13.8313	13.4270	13.3618	0.49%	3.39%
NGN/USD	314.9800	316.5000	304.74	3.72%	3.25%
EGP/USD	18.2250	18.0507	18.09	-0.22%	0.74%
GBP/USD	0.8171	0.7978	0.7724	3.19%	5.47%
EUR/USD	0.9610	0.9348	0.9179	1.81%	4.49%

Interest Rates

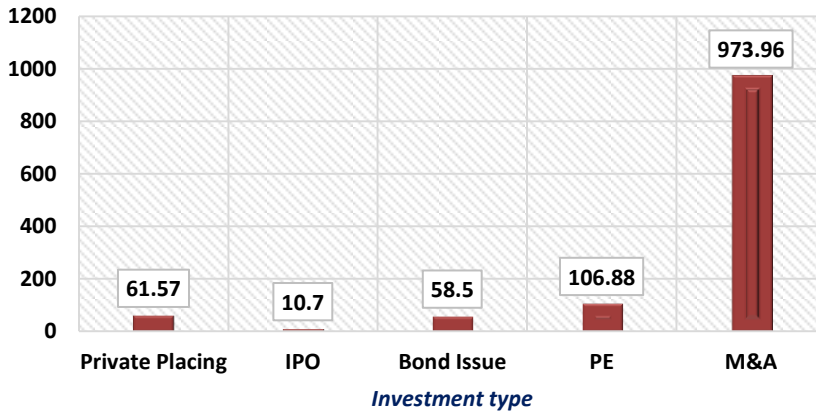
Country/Region	Current Base Rate	Previous Base Rate
Central Bank of Kenya (Kenya)	10%	10%
Bank of Uganda (Uganda)	11.00%	11.5%
Bank of Tanzania (Tanzania)	12%	16%
South African Reserve Bank (RSA)	7.00%	7.00%
Central Bank of Nigeria (Nigeria)	14.00%	14.00%
Central Bank of Egypt (Egypt)	16.75%	14.75%
Bank of England (UK)	0.25%	0.25%
Federal Reserve Bank (USA)	0.75%-1.00%	0.50%-0.75%
European Central Bank (EU)	0.00%	0.00%

Inflation and GDP growth

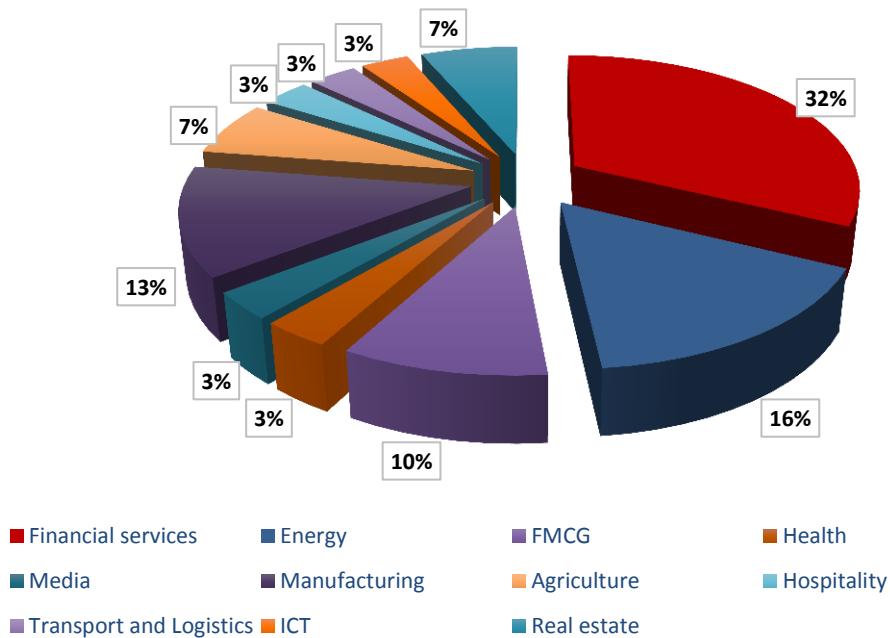
Country / Region	Projected GDP Growth		Projected Inflation (%)	
	2017	2018	2017	2018
Kenya	5.50%	6.47%	5.51%	5.02%
Uganda	5.53%	5.87%	5.05%	5.00%
Tanzania	7.24%	6.79%	5.00%	5.00%
Nigeria	0.65%	1.57%	17.00%	16.00%
South Africa	0.80%	1.60%	5.50%	5.50%
Sub-Saharan Africa	2.85%	3.58%	10.00%	9.18%
UK	1.05%	1.65%	2.50%	2.60%
USA	2.20%	2.08%	2.56%	2.66%
Euro Area	1.51%	1.59%	0.96%	1.23%



Deal values (USD mn) in East Africa - 2017 YTD¹



No. of deals per sector - 2017 YTD



¹Based on deal values disclosed to the public or as estimated by I&M Burbidge Capital

²The top sectors which recorded the highest number of deals

Source: I&M Burbidge Capital Research

PART IV: SELECTED DEALS

Date	Buyer	Seller	Investment size in USD 'millions	Sector	Investment type	Country	Synopsis
09 May 2017	Catalyst Partners	Jambo Biscuits		FMCG	PE	Kenya	Nairobi based private equity firm, Catalyst Principal partners has acquired Jambo Biscuits, the maker of confectioneries under the Britania brand. Catalyst on Monday announced it had completed buying out Jambo Biscuits for an undisclosed amount, seeking to ride on a projected growth in uptake of confectioneries and pastries by Kenya's middleclass. The entity, which now employs about 300 workers, started off with biscuits but later diversified into snacks and confectionery. It also exports to the COMESA trading bloc, provides the Kenya Defence Forces with high energy biscuits and supplies special food for relief agencies such as World Food Programme, UNICEF, and non-governmental organisations. Mr Robert Kagundah, a former Coca Cola executive, has been appointed to take charge of the business now renamed Britania Foods Ltd. Manji Foods, previously House of Manji, is Kenya's market leader in the biscuits category with a market share of 27% in 2016, according to data from research firm Euromonitor. Jambo's other competitors are Mjengo Ltd, makers of Nuvita brand, Mibisco, United Biscuits' McVitie's, Golden Biscuits, Sunveat Foods Ltd, Premier Cookies Ltd, and Nyanza Biscuits Ltd, among others.
09 May 2017	Thomas Cook India	Kuoni Group		Hospitality	M&A	Kenya	Travel giant Thomas Cook India Group has acquired Nairobi-based safari operator Private Safaris in a deal that gives the Mumbai-based firm a foothold in the eastern and southern Africa markets. The travel company listed on the Bombay Stock Exchange has bought out Kuoni Group, which owns a chain of tour firms across 17 countries, trading as Private Safaris in African markets. Thomas Cook India declined to disclose the value of the deal, which is subject to regulatory approvals. Private Safaris was founded in Nairobi in 1976 and has grown over the years with offices in Arusha, Cape Town and Windhoek. Its key tourist source market are Switzerland, other European countries, Asia, and North America. Thomas Cook India group chairman and managing director Madhavan Menon, said the deal will help expand the firm's footprint and tap into the growing number of business and leisure travellers to new markets beyond India.
12 May 2017	SBM Africa Holdings Limited	Fidelity Commercial Bank Limited		Financial Services	M&A	Kenya	The Central Bank of Kenya (CBK) has announced the completion of the acquisition of a majority stake in Fidelity Commercial Bank Limited (FCB) by SBM Africa Holdings Limited (SBM Africa), following the requisite regulatory approvals. SBM Africa is a fully-owned subsidiary of SBM Holdings Limited of Mauritius and has been approved by CBK as a Non-Operating Holding Company under Section 13 of the Banking Act. CBK has also approved the change of name from Fidelity Commercial Bank Limited to SBM Bank (Kenya) Limited, under Section 3 of the Banking Act. The entry of SBM Group into Kenya provides a welcome motivation to our banking sector. SBM will bring its experience and expertise from Mauritius and other markets, to enhance the competitiveness and resilience of Kenya's banking sector. Going forward, SBM is well poised to play a significant role in financing intra-Africa trade and investments, using Kenya as a launching pad into other African markets
12 May 2017	DOB Equity	Africa Logistics Properties Holding	3.88	Transport and Logistics	PE	Kenya	Dutch-owned DOB Equity is among a group of international investors that bought stakes in Nairobi-based warehouse developer Africa Logistics Properties Holding (ALP). DOB Equity's chief executive Brigit van Dijk- van de Reijt confirmed it had paid KES 400m for an undisclosed stake during a fundraising drive. The fundraising also attracted UK government investment arm International Finance Corporation and diversified investment firms such as Maris, and Mbuyu Capital. The Dutch firm said this would enable ALP to enhance its capacity to offer one-stop warehousing-cum-distribution solutions to multinationals keen on expanding operations across East Africa. ALP chief executive welcomed the DOB entry saying its involvement in the small and medium enterprise segment in Kenya had provided them with the much-needed clientele and local knowledge to power a logistics business. DOB equity investment manager Saskia van der Mast said Kenya was an ideal location for any multinational seeking a foothold in Eastern and Central Africa. DOB believes the ALP model of a large multinational logistics hub with a regional network of warehouses would help ease distribution costs as well as shorten the distribution chain thereby creating an efficient manufacturer-retailer link.
14 May 2017	Vodafone	Vodacom	2,600.00	Telecommunications	M&A	Kenya	Vodafone Group Plc is simplifying its holdings in sub-Saharan Africa, selling a \$2.6 billion stake in Kenya's Safaricom Ltd. to its majority-owned Vodacom Group Ltd. In the all-share deal, Vodafone will transfer a 35 percent stake in Safaricom to its Johannesburg-based unit, getting stock in return that raises its Vodacom holding to about 70 percent. The U.K. company will retain a 5 percent holding in Safaricom, while Kenya's government will keep 35 percent. Bloomberg News reported the deal on Sunday (May 13 th). Vodacom will issue 226.8 million new shares to its parent, according to a statement on Monday. The transaction gives Vodacom greater access to M-Pesa, Safaricom's fast-growing mobile-banking service, and furthers Newbury, England-based Vodafone's effort to tidy up its developing-market investments. Vodacom also adds to its holdings outside of South Africa, which include Tanzania and Mozambique.
16 May 2017	Moringa Fund	Asante Capital EPZ	3.00	Agroforestry	PE	Kenya	Edmond de Rothschild Group through Moringa, a Paris based impact investment fund, has acquired an undisclosed stake valued at USD 3.0 mn in Asante Capital EPZ, a Kenyan Agroforestry company. This is the second investment from the USD 84.0 mn fund that closed in late 2015. The investment will be utilised in the establishment of a plywood industry, production of essential oils and foodstuffs in Kenya. The partnership with Moringa will assist Asante to (i) scale up its operations, and (ii) take advantage of the growing wood market in the Middle East and Asia as well as Kenya's vibrant construction market.
19 May 2017	Convergence Partners, Google, IFC and Mitsui & Co.	Csquared	100.00	ICT	PE	Kenya	Convergence Partners, Google, IFC and Mitsui & Co. have agreed to invest up to \$100m in CSquared, a broadband infrastructure company focused on building wholesale metro fibre optic networks and enabling internet access in Africa. The investment will help improve broadband connectivity in a region where the lack of dependable internet access impairs economic growth, competitiveness, and the development of basic services. CSquared will operate as an independent company headquartered in Nairobi, Kenya with cumulative capital commitments up to \$100m. CSquared has operational networks in Uganda and Ghana and plans to deploy networks in further countries. The transaction is subject to customary closing conditions.



Mr. Geoffrey Otieno Odundo is the Chief Executive of the Nairobi Securities Exchange Limited. Mr. Odundo, an accomplished Investment Banker has been in the financial services sector for the last 24 years, 18 of which have been in the Capital Markets in various senior roles in asset management, corporate finance and securities trading. Prior to his appointment, Mr. Odundo was the Managing Director and Chief Executive Officer of Kingdom Securities Limited.

He was instrumental in the setting up of Co-op Trust Investment Services, Co-op Consultancy Services Limited and Kingdom Securities Limited.

Mr. Odundo has advised on a number of corporate finance mandates in both the public and private sectors; he has also managed key mandates in the asset management industry. He has contributed to the growth of the Capital Markets in his previous roles as a Director/Board Secretary of the Kenya Association of Stockbrokers and Investment Banks, Chairman of the Financial Standards Committee of the Kenya Bureau of Standards as well as the Board Member of the Nairobi Securities Exchange Limited.

He is currently a Director of the Central Depository and Settlement Corporation Limited, Director of the NSE Clear Limited as well as a trustee of the NSE Fidelity Funds. He is also a Council Member of the Institute of Certified Investment and Financial Analysts (ICIFA).

He holds a Master's degree in Strategic Management and an undergraduate degree in Mathematics and Economics.

Congratulations on another new product at the exchange. Could you talk us briefly through how the Gold ETF works in practice?

I will speak about Exchange Traded Funds (ETFs) in general. ETFs are listed investment products that track the performance of a basket of Shares, Bonds or Commodities. An ETF can also track a single commodity such as oil or a precious metal like gold. ETFs give investors the chance to buy units that track whole indices as easily as buying shares listed on the Nairobi Securities Exchange (NSE). ETFs are traded just like an ordinary share on the Exchange and the price of a particular ETF is determined by the market forces of demand and supply.

What level of uptake has the product had so far?

ETFs are very attractive products. The investors in the Kenyan market are becoming more sophisticated and are eager to diversify their investment portfolios; however it is a new product segment. We currently only have one listed ETF, the NewGold ETF whose uptake continues to grow.

The Exchange has a dedicated business development and training team whose focus is to educate market players and investors on our new and existing products. We have already held a number of forums specifically on ETFs and will continue empower the public on the opportunities the Exchange has to offer them.

Giving easy exposure to the global gold price gives investors another way to diversify their portfolios. Are there more ETFs planned on other investment products?

Yes. The Capital Markets Authority (CMA) Policy Guidance Note (PGN) and NSE Rules allow for 4 different types of ETFs in our market i.e. Index, Equity, Debt and Commodities & Physical Assets ETFs. We have received interest from potential issuers and are confident we will see more listings in the near future.

What is the Exchange doing to attract investors?

The Exchange is working on a number of initiatives to attract investors. This includes diversifying our product offering, enhancing our trading platform and introducing liquidity enhancers to our market.

The Exchange is increasing its product offering which will attract new listings and investors. We launched the Real Estate Investment Trusts (REITS) market in 2015 which accommodates both Development and Income REITs. In Q1 of 2017 we launched the Exchange Traded Fund (ETF) segment and launched the innovative M-Akiba Retail Bond. We are also working on the go – live for the Derivatives Market.

The Exchange is currently upgrading its Automated Trading System (ATS) to manage the evolving and ever increasing market demands with a new state of the art system which will support the trading of all the new products and enhance our surveillance capabilities.

The Exchange is working closely with key stakeholders on the introduction of a market making framework and regulations around securities lending and borrowing in an effort to enhance liquidity and attract more investors.

In your tenure so far you have proven your intention to evolve the NSE's product offering. What other new products does NSE have in the pipeline?

I have mentioned the new products above. Additionally, The Exchange is aggressively promoting all its market segments to bring new issuers to market and boost vibrancy of the bourse. We continue to work with the government on the privatization and listing of government institutions which will deepen investor participation in our market.

Do you prefer running the exchange to running a broking firm?

I enjoyed my time running a brokerage firm and I am also enjoying my time at the helm of the Exchange. Each has its own opportunities and challenges and I appreciate the learnings I got in the past which are helping me be a better leader today.

What's your favourite thing about living in Nairobi?

Firstly Nairobi is beautiful. I enjoy the blend of the concrete jungle and vast nature and wildlife. We are the only city in the world that has a National Park which is just a 30 minute drive from my office!

Nairobi is also a business hub, so I do not have to travel far and wide to meet local, regional and international business leaders and can also have a number of productive meetings in a day. Topple it all off with the lovely weather and amiable people, there really is no better place to live and work!



Tanzania's Magufuli pushes for listing of mining firms

Tanzania's President, John Magufuli, said his government will enforce a new rule requiring mining firms to list on its bourse by August as part of measures aimed at increasing transparency and spreading wealth from the country's natural resources. The government issued regulations last year requiring holders of special mining licences to sell a 30% stake in their companies via an initial public offering within two years. The mining ministry amended the rules in February and set a new listing deadline to August 23. Major mining companies confirmed they were in talks with the Tanzanian government on the new mandatory listing rule.

I&MBC Analysis

Although the regulation to list on the Dar es Salaam Stock Exchange (DSE) is expected to affect major foreign-owned mining companies in Tanzania, the government of Tanzania hopes the IPOs will bring more transparency and offer the public a share of the mining industry's profits. The two foreign-owned firms listed on the DSE include Acacia Mining and Swala Oil and Gas (Tanzania) plc, a Tanzanian oil and gas exploration company that is actively exploring the East African Rift System. The planned mandatory listing of mining companies comes after implementation of separate regulations requiring telecoms firms to list on the local stock exchange. The DSE has 25 listed companies a majority of which are firms in the financial services sector.

(Source: Mining Weekly , IMBC Research)

Chandaria Industries enters Malawi in expansion drive

Chandaria Industries has expanded its tissue and hygiene operations to the Malawian market raising its African presence to 11 countries. The expansion is said to provide the company's Kenya and Tanzania factories a new push to meeting demand for their products, mainly processed from recycled waste papers. Chandaria Industries also received the 'Superbrands' status thereby confirming recognition of their products across various markets in East and Southern Africa.

I&MBC Analysis

Companies are looking to tap into growth prospects and potential of African countries. With favorable demographics, high estimated economic growth, improved political stability and a rising middle-class population, Africa countries continues to offer favourable destination for businesses to venture into. Malawi now offers the Chandaria's a platform to venture further into central and southern Africa.

(Source: Business Daily , IMBC Research)

Tullow and Africa Oil Corp make oil discovery in Emekuya-1 well in Block 13T in Northern Kenya

Tullow and Africa Oil Corp. announced that the Emekuya-1 well in Block 13T, Northern Kenya had encountered approximately 75 metres of net oil pay in two zones. Emekuya-1 is located 2.5 km north of Etom-2 and had the objective of drilling a fault block on the flank of the Greater Etom structure. The well was drilled to a total measured depth of 1,356 metres and penetrated reservoir quality Miocene sandstones which correlate to those seen in the successful Etom-2 well. Downhole pressure measurements and fluid samples suggest that the main oil reservoir is on the same static pressure gradient as the Etom-2 well which demonstrates that a major part of the Greater Etom structure is oil-filled. The reservoir sands encountered also appear to be extensive which further de-risks the northern play area and bodes well for future exploration in the region.

I&MBC Analysis

This discovery follows Tullow's announcement in January 2017 that its Erut-1 well in Block 13T, Northern Kenya, had discovered a gross oil interval of 55 metres with 25 metres of net oil pay at a depth of 700 metres as fluid samples taken and wireline logging all indicated the presence of recoverable oil. This additional discovery is a boost to Kenya's ongoing oil development program and its Early Oil Pilot scheme which it aims at producing 2,000 barrels per day. The oil will be transported from Turkana to Mombasa by road in insulated tankers. The Early Oil Pilot Scheme is an enabler of the Full Field Development (FFD), which will include the Lamu Port-South Sudan-Ethiopian Transport (Lapsset) corridor projects, a crude oil pipeline from Turkana to Lamu carrying between 80,000-150,000 barrels of oil per day.

(Source: Business Daily, I&MBC Research)

KCB to close South Sudan branches due to war shocks

The KCB Group plans to temporarily shut down some of its 19 branches in South Sudan citing civil strife, devaluation of the country's currency and hyperinflation as having negatively impacted the Bank's earnings. KCB ventured into South Sudan in 2006 and the subsidiary quickly rose to become the most profitable unit. However, the macroeconomic troubles currently affecting the country saw the Juba-based unit plunge into the red, with a loss of USD 7.59 million last year from a net profit of USD 17.8 million in 2015.

I&MBC Analysis

The civil war, the sharp fall in oil production, and the collapse of global oil prices continues to inhibit economic recovery in South Sudan. At a time when the central bank of South Sudan is proposing reforms in a bid to combat the economic crisis that has been marred by hyperinflation and currency devaluation, foreign banks are shutting down operations in the war-torn nation citing an inability to cope with the current conditions. Some of the Kenyan banks with subsidiaries in South Sudan include Cooperative bank, Equity bank, Kenya Commercial Bank and CFC Stanbic; all of which have posted net losses from their South Sudan subsidiaries. This comes at a time when the banking sector in Kenya is also facing pressure from interest rate caps, with banks posting a decline in earnings in Q1 2017.

(Source: Business Daily, I&MBC Research)

Deacons EA to shut down undisclosed number of stores

Following a decision to shut down its Angelo store in Sarit Centre, fashion retailer Deacons East Africa PLC announced plans to shut down an undisclosed number of "unprofitable stores". The closure is attributed to gloomy sales which have forced the company to restructure its business. The company posted an operating loss of USD 3.85 million in the financial year ending 31 December 2016 compared to an operating profit of USD 1.41 million in 2015.

I&MBC Analysis

Despite a growing middle class and significant economic growth, the retail sector has been largely underperforming. This can be attributed to a number of issues currently plaguing the Kenyan economy, including high inflation (11.8% in April) coupled with the interest rate cap prompting a significant decline in consumer spending. Deacons EA was not exempted from the sector's woes, as they recorded a total comprehensive loss for the year ended 31 December 2016 of USD 2.76 million.

(Source: Business Daily, I&MBC Research)

Ethiopia tipped to be top recipient of private equity

The 16th edition of the African Economic Outlook reported the development blueprint has made Ethiopia a magnet for manufacturing and service industries. Ethiopia has promoted the development of industrial parks focusing on textiles, leather, agro-processing and pharmaceuticals, as part of its Vision 2025 that seeks to make the country a light manufacturing hub in Africa. The report sets the projected private equity inflows into Ethiopia this year at USD 4.4 billion compared to Kenya's USD 1.3 billion.

I&MBC Analysis

Ethiopia's higher GDP growth rates in the last decade largely fueled by public-led spending on infrastructure and a robust domestic demand, has created attractive investment opportunities for global investors seeking better returns than what the developed markets have to offer. The country continues priming itself as an emerging industrial hub, offering manufacturers, mostly Chinese firms, cheaper electricity at USD 6.7 cents per kilowatt hour (kWh), half of Kenya's industrial tariff of USD 13.8 cents.

(Source: Business Daily, I&MBC Research)

AfDB approves USD 29.8 Million loan to boost Tanzania's natural gas sector

The African Development Bank (AfDB) approved a USD 29.8 million loan to Tanzania to help the country mobilize domestic resources and unlock the potential of its natural gas resources through leveraging domestic markets and local content initiatives. The approval will help Tanzania capture the best value from their natural gas resources through a sound regulatory framework to manage natural gas reserves and to attract investment, as well as support for government negotiations teams to ensure the country gets the best deals and local content policies formulation to create jobs in the gas sector. The project will also contribute to designing strategies for domestication of natural gas, so that the gas resources can be utilized nationally and regionally to develop the energy and industry sectors.

I&MBC Analysis

The discovery of an additional 2.17 Trillion Cubic Feet (TCF) of possible natural gas deposits by the Dodsal Group in March last year, raised Tanzania's total estimated recoverable natural gas reserves to more than 57 TCF. The onshore reserves were found at a field licensed to the United Arab Emirates' Dodsal Group located at Ruvu basin in the coast region, near the country's capital, Dar es Salaam. Most of the gas discoveries in Tanzania have been made in deep-sea offshore blocks south of the country near the site of a planned liquefied natural gas (LNG) plant. Tanzania hopes to reach an agreement with international oil companies in 2018 paving the way for the construction of the onshore LNG export terminal in the southern Tanzanian town of Lindi. BG Group together with Statoil, Exxon Mobil and Ophir Energy, plan to build the USD 30 billion export terminal in partnership with the state-run Tanzania Petroleum Development Corporation (TPDC).

(Source: AfDB, I&MBC Research)

Crown Paints Kisumu plant's profits rise seven times

Crown Paints' investment in a USD 3.91 million factory in Kisumu has paid off with the manufacturer crediting the plant, which opened in January 2016, with the near seven-fold growth in its full-year net profit. The firm reported a USD 2.3 million net profit from the previous year's USD 342k. Turnover increased by USD 6.01 million to close the period at USD 72 million.

I&MBC Analysis

Western Kenya has been experiencing high development growth in the real estate sector that has seen an increase in investments in the region. This has in part been aided by the enactment of the new constitution that supports devolution of resources from the capital, Nairobi. Crown Paints' investment in Kisumu has not only lowered its operation costs, but also opened it up to new markets in Western Kenya, going as far as neighbouring Uganda.

(Source: Business Daily, I&MBC Research)

PART VI: UPCOMING EVENTS/CONFERENCES

Events	Date	Venue	Theme
Africa Oil and Power	5th - 7th June 2017	Capetown, South Africa	The next Africa Oil & Power conference will examine sparks that will ignite a recovery and the strategies that oil and gas companies and governments are employing to succeed at a sustained low price point. The Africa Oil & Power format is engineered to enable partnerships and investment. Deal-making facilities and opportunities will be extended to all participants in a personal and familiar environment.
Sustainable Properties Africa Conference & Exhibition	13-14 June 2017	Radisson Blu Hotel, Nairobi Upper Hill, Nairobi, Kenya	The Sustainable Properties Africa Conference & Exhibition, organized by the Bench Events will take place from 13th June to 14th June 2017 at the Radisson Blu Hotel, Nairobi Upper Hill in Nairobi, Kenya. The
Africa Insurance & Reinsurance Conference	21-22 June 2017	Crowne Plaza Nairobi, Kenya	The Africa Insurance & Reinsurance Conference, organized by the Aidem Business Solutions will take place from 21-22 June 2017 at the Crowne Plaza Nairobi in Nairobi, Kenya. The conference will cover areas like competitive advantage, benchmark your strategies, deliver a better customer experience, and so much more.
Sub-Saharan Africa M&A Forum	20 June 2017	Johannesburg	The Sub-Saharan Africa M&A Forum will take place on 20th June 2017 in Johannesburg, South Africa. The event helps the corporate finance and investment banking communities to forge new relationships to get deals done. It will provide insight into some of the frontier markets which are expected to attract attention from M&A players in the years to come.
3rd Annual Africa Bancassurance & Alternative Distribution Conference 2017	22nd - 23rd June 2017	Radisson Blu Hotel Nairobi Upper Hill, Nairobi, Kenya	The 3rd Annual Africa Bancassurance & Alternative Distribution Conference 2017 will focus on ideas and insights into the latest trends and developments in Bancassurance, the myriad of alternative distribution channels, encourage innovation, discuss regulation and take lessons from around the world to progress Bancassurance, Micro Insurance, Alternative Distribution and Wealth Management.
4th Africa LPG Summit 2017	11-12 July 2017	Emperor's Palace, Johannesburg, South Africa	The 4th Africa LPG Summit will take place on 11th and 12th of July 2017 at the Emperor's Palace, Johannesburg, South Africa. This annual gathering of the top LPG executives in Africa aims to build a sustainable platform on which to promote LPG.



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