
Private Equity in Africa: Emerging Markets Partnership's Investment in Getma



Source: Cameron Maritime

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CASE A

Papa Ndiaye and Mike Jansa were preoccupied as they sat in their Washington DC office gazing at the skyline through their conference room window. It was February, 2004 and they had been working for the past six months on a potential investment for their African Infrastructure Fund. The proposal to the investment committee was scheduled for next week, but they were still deliberating on the investment terms. With a deadline hanging over their heads they were both a little anxious.

As directors in the international private equity firm, Emerging Markets Partnership (EMP), they were charged with finding attractive African investment opportunities in infrastructure related sectors. They actively sought entrepreneurs who had an attractive business model in a growth industry, had practical exit opportunities, and were operating in countries with a supportive regulatory and political environment. They had already invested over \$200 million in energy, agriculture, and telecommunications companies in Africa and were looking for more deals that met their investment criteria¹. Jansa explained:

“Our fund’s goal is to invest in attractive, infrastructure- related businesses in Africa. We look for managers with a demonstrated track record of accomplishments in their sector, and who are open to taking the financial and strategic advice of EMP. We want the most attractive opportunities to ensure a strong IRR for our fund investors.”

Choosing the right investment was crucial for the fund. Having recently returned from a trip to talk to potential limited partners for their second fund, Ndiaye knew how important each investment was in developing a track record for the firm and facilitating future fundraising efforts. Ndiaye was particularly eager to push this through. He felt it was a sound opportunity that would place EMP in a position to take advantage of the recent reforms and privatization in Africa’s transportation industry. But first they had to come to mutually agreeable terms.

The company that Ndiaye and Jansa were now considering was Getma, a port handling and sea freight operations company founded in West Africa. They had met Richard Talbot, Getma’s founder and CEO, at a meeting a few years ago in Washington DC. They were both impressed by the entrepreneur’s years of experience within the West African markets. He had first started operating freight forwarding businesses in France in the mid 1980s and soon used his expertise in this sector to expand into West Africa.

Besides the breadth of experience of its founder, Getma had a number of other attractive features. Its large and prestigious client base made it the second largest independent shipping network in the region.

¹ See Exhibit F: AIG African Infrastructure Fund Strategy

And its presence in over ten African countries was appealing to Jansa who knew a multi-country company would provide a necessary buffer against political and country specific risks.

There were some underlying concerns about the business when it was initially presented to the team. The key challenge with Getma related to the analysis of their financial records. As a privately owned enterprise, it had grown organically into a conglomerate with over thirty subsidiaries. The organizational structure and financial records of the firm were opaque, making it difficult to understand the business and identify its core competencies. In addition EMP had very little domain expertise in the transportation industry and knew they would need to seek outside help. They needed a stronger understanding not only of the company's financials and business model, but also of the region, sector and economic environment within which Getma operated.

Regional Analysis

West Africa

The Economic Community of West African States (ECOWAS) is a bloc of fifteen states from Nigeria in the east to Mauritania in the west. The countries of Mauritania, Mali and Niger are located in the southern stretch of the Sahara Desert while the remaining countries are located along the coast line². As a result of their respective colonial histories, these countries are divided into French, English and Portuguese-speaking states. The francophone countries include the republics of Benin, Burkina Faso, Togo, the Ivory Coast (Côte d'Ivoire), Guinea and Senegal. The Republic of Guinea Bissau is a Portuguese-speaking state to the south of Senegal, while the remaining states of Nigeria, Ghana, Liberia, Sierra Leone, and the Gambia have English as their official language.

The Economy

After natural resources, exports from the region consist largely of agricultural commodities. Agriculture continues to be the main source of livelihood for most of their population, employing roughly 68 percent of the work force. The informal sector accounts for over 50% of GDP in most nations and remains robust as a result of the high costs of formalization associated with taxes and regulatory compliance. With the government accounting for 26 percent of economic activity, less than one-quarter represents the formal private sector. Though the informal sector has served as a key driver for African economies, some argue these nations need the efficiencies and institutional capacity of formal sector firms to foster their participation in the global economy.

² See Exhibit C/D: Map of West Africa/Map of Africa

Sub-Saharan Africa realized positive real growth in GDP per capita over a sustained period in the late 90s and real GDP growth has exceeded population growth since 1995. This also extended into the late 90s in spite of a period of political instability in a few countries³.

In 2001, the combined Gross Domestic Product (GDP) for the ECOWAS region was estimated at \$75.1 billion⁴. Nigeria the region's largest economy has a GDP of \$39.5 billion - larger than the combined GDP of the other ECOWAS countries. While the region's economy grew at a rate of 3.4% in 2001, the substantial external debt of individual states remains one of its greatest challenges.

Total regional exports, including intra-regional exports, were \$26.1 billion and ECOWAS had a \$2.5 billion trade surplus for early 2000. Though Sub-Saharan Africa continues to strengthen trade relations with the US and Asia, Western Europe remains Africa's strongest trading partner, accounting for approximately 48% of total inter-regional trade in 2004⁵.

Private Equity in the Region

Data on private capital flows to the region remains poor. Recent studies have shown their growth and economic importance match those of other developing regions. Portfolio flows are rising the fastest, with the creation of new stock exchanges and international equity funds, which are diversifying throughout the continent⁶.

Historically, the bulk of African private equity activity has been concentrated on a few countries in Southern and Northern Africa, such as South Africa, Egypt and Morocco. The lack of private equity investments in the region stems from a number of factors. Many of the systems and institutions that typically facilitate the private equity investment process, from deal flow to exit, are absent in the region. The small size and fragmentation of most West African economies, their poorly developed financial markets, poor corporate governance practices, and political instability are a few of the challenges an investor might face. In West Africa in particular, nations such as Liberia, Ivory Coast, Togo and Sierra Leone have experienced recent unrest which negatively impacted their economic growth⁷.

More recently, following years of mismanagement by state-owned monopolies, countries are increasingly adopting sector reform policies that are driving the demand for investments in infrastructure related projects. The high returns in African equity markets over the last five years continue to attract foreign investments in the region. And private equity firms with regional familiarity can take advantage of the

³ See Exhibit A: Economic Data Profile of Sub Saharan Africa

⁴ Source: Africa Energy

⁵ See Exhibit B: Network of world merchandise trade by region 2001-03

⁶ Private Capital Flows to Africa: Perception and Reality, FONDAD

⁷ The climate for private sector development in Africa – International Finance Corporation

improved macroeconomic environment in certain countries, and the prevalence of undervalued companies in the region. These positive trends coupled with Africa's low correlation to world markets make investment in the region an attractive portfolio diversification play.

A final critical factor in the growth of private equity investment in the region is the fact that developed nations are becoming less attractive destinations for private equity. As the amount of available capital in the US and Western Europe continues to grow, the competition for good deals heightens, and fund managers are increasingly looking for alternative investment destinations.

Industry Analysis

Maritime and Shipping – The maritime and shipping industries are growing rapidly. Total world port traffic reached 5.064 billion tons, with port traffic consisting of 45% liquid bulks (mainly oil, petroleum products, and chemicals), 23% dry bulks (coal, iron ore, grain, and phosphate), and 32% of general cargo. Many global industries are highly reliant on the shipping and sea freight industries and average annual growth in traffic has stabilized at around 3% per year since the 1990s⁸.

As the industry becomes more mature, costs have also declined. Maritime freight costs, as a percentage of import values, have decreased from 6.64% on average for the whole world. The corresponding figures are 11.53% for Africa. Total logistics costs (packaging, storage, transport, inventories, administration and management) are estimated to reach up to 20% of total production costs in OECD countries, while freight costs alone (transport and insurance) can make up to 40% of values of exports for several African landlocked countries. Alongside these declines in cost and as a consequence of the liberalization of maritime transport and corporate restructuring in the shipping industry, international freight rates have significantly decreased in real terms over the last ten years, often by more than 40%⁸.

Freight Forwarding – Freight forwarders act on behalf of exporters in arranging transportation services. The freight forwarder facilitates the movement of goods by providing a wide range of advisory, administrative and physical services to the exporter⁹. International freight forwarders are transportation specialists who select the method of transportation best suited for the type of product and the final destination at the lowest cost.

The global freight forwarding industry is highly fragmented, characterized by low margins and seasonal fluctuations. Since there are many risks associated with the business, a strong track record is extremely important.

⁸ The World Bank- Ports and Logistics Overview

⁹ International Freight Forwarding, Gerhard Bruins

“Our clients want to deal with long-term players. They want a service provider with the necessary financial stability and integrity that is commensurate with the kind of money that is being handled on the client’s behalf,” - revealed Pete Williams, Managing Director of South African freight forwarding firm – Panalpina.¹⁰

Sea freight, port and logistics operations are carried out by a limited number of international operators, specializing in dedicated market segments, and by a few large shipping lines expanding their maritime networks into inland operations to offer integrated transport services.

Key Issues with the Industry

Private sector involvement in operations and investment in infrastructure has been growing significantly since 1990. It is estimated that at year end of 1998, 100 port concessions contracts were signed worldwide for a total estimated private investment amount of US\$ 6.3 billion. However, many companies in emerging markets still have difficulty in attracting private financing, and the geographical imbalances are significant¹¹. Many firms have invested directly in new port terminals, which have spurred more containerization in shipping and have expanded business opportunities for entrepreneurs in the sector.

Margins within the industries are however shrinking and the most successful companies are those with diversified businesses and strategic relationships with global manufacturers¹². The global logistics and shipping industry in developing nations is growing alongside increased private capital flows to both infrastructure within the countries and to the industries directly.

Port Privatization in Africa

Africa has about 90 main ports, of which 52 handle containers and 39 have direct access to the sea. About 6% of worldwide traffic and 3% of box traffic is handled at African ports. These ports constitute the hub of international trade in the sub-region and some landlocked countries of Sub-Saharan Africa¹³.

Internationally, roughly 70% of port traffic is handled by the private sector. In Africa that figure is less than 10%, which often leads expert to say that Africa is the final frontier for port privatization.

¹⁰ Freight Forwarding – Case Study, Carol Butcher, PMR.Africa Online

¹¹ Private Investment in Infrastructure—Opportunities and Challenges - Declan Duff, IFC Publications

¹² On the Ground, under the Ground, in the Water, in the Air, Anne Moline, IFC Publications

¹³ Scramble for Africa, Steve Cameron, Maritime Associates Publications

Trading patterns by region (in TEU volumes)¹⁴

Region	1980	1992	2002	%
N. Africa	217,067	956,355	2,782,582	34.40%
E. Africa	110,254	528,304	1,172,356	14.50%
S. Africa	599,531	923,404	2,251,206	27.90%
W. Africa	527,083	813,356	1,872,667	23.20%

As the continent develops, increased investments in sectors like oil and gas will impact regional GDP and stimulate trade growth. A very significant development for African ports is the huge investment by the oil industry taking place along the Gulf of Guinea that stretches throughout the West and Central African coast line. Equatorial Guinea has shown a massive growth rate of 65% recently and is now one of the fastest growing economies in the world. The Chad-Cameroon pipeline is one of the largest American investments ever made in a sub-Saharan country and in Nigeria, where oil and gas comprise more than 90% of the GDP, it is forecast that the current 33.7 billion barrels of recoverable oil will increase to 40 billion barrels by 2010. This coupled with Nigeria's expected Liquefied Natural Gas production of 28 billion /yr will make it the biggest supplier in the Atlantic Basin¹³.

Private sector investment in Africa's transport sector is still in its nascent stage. But progress has been made in the port privatization efforts of various countries including Angola, Tanzania, Nigeria, Ghana, Ivory Coast, Cameroon, Mozambique and South Africa, with the ports of Ghana recently managing to attract an investment of US\$109 million.

Emerging Markets Partnership

Emerging Markets Partnership (EMP), formed in 1992, is an international private equity firm headquartered in Washington D.C. Subsidiaries and affiliates of EMP have offices in Hong Kong, Singapore, London, Johannesburg, Abidjan, Bahrain and Brunei. EMP and its affiliates currently serve as the principal adviser or manager of the following private equity funds having \$5.7 billion in committed resources¹⁵:

- AIG Asian Infrastructure Fund (Asia I, \$1.08 billion);
- AIG Asian Infrastructure Fund II (Asia II, \$1.67 billion);
- AIG-GE Capital Latin American Infrastructure Fund (Latin America, \$1.01 billion);
- AIG Emerging Europe Infrastructure Fund (Emerging Europe, \$550 million);
- AIG African Infrastructure Fund (Africa, \$407.6 million); and

¹⁴ Source: Drewry Shipping

¹⁵ Source EMP

- IDB Infrastructure Fund (IDB Fund, at first closing: \$700.5 million in equity commitments, plus \$50 million for a Special Projects Pool and \$200 million for a Complimentary Finance Facility)

These six funds provide equity and equity-related capital to companies in infrastructure-related businesses, primarily in the telecommunications, power and transportation sectors. Each fund is managed by a different team¹⁶. Investors in these EMP-advised funds include a roster of blue-chip corporations, multilateral and private institutions and government entities.

The AIG African Infrastructure Fund

The AIG African Fund Infrastructure Fund is a \$400 million fund established in March 2000 to invest in infrastructure and related industries in Africa within a ten-year term. EMP is the Principal Adviser to the Fund with the American International Group ("AIG") as the principal sponsor of the fund. The fund invests for long-term capital appreciation through equity, quasi-equity and convertible debt instruments in infrastructure-related companies and projects in African countries.

Roughly 56% of the limited partners are development financial institutions (DFI's), 42% are from the private sector and 2% from pension funds. The other major investors in the Fund are the International Finance Corporation ("IFC"), the African Development Bank ("ADB"), and El Paso Energy Corporation. Significant investments have also been made by a group of European national and multinational development organizations, including the European Investment Bank.

Deal Process

Deal Sourcing and Identification - EMP, because of its size and reputation, is often approached by institutions, individuals and governments about potential deals. They employ a number of channels to build their deal pipeline including: direct contacts through professional networks; referrals from sponsors, portfolio companies, and other EMP funds. They also solicit direct business plan submissions from entrepreneurs, and other investors, and through their local field offices.

Due Diligence and Monitoring - Their due diligence process is similar to that of a typical PE firm. They do extensive research on the industry to assess the opportunity and risks of an investment, occasionally outsourcing this to research analysts or consultants. Due diligence is also done on the company by interviewing key stakeholders, and conducting extensive background checks on executive management.

EMP's preference for monitoring of their portfolio companies is to do so remotely from a board position. Due to their limited presence on the continent, EMP selects later-stage companies that require less

¹⁶ See Exhibit E: EMP Fund Management

hands-on management. They also leverage staff at their local offices, and use board seats appointments and quarterly reporting mechanisms to monitor their portfolio companies.

Getma

Richard Talbot founded Getma in 1989 after over seven years of experience in the transportation industry. He had served as a commercial manager, and director for transportation for Gondrand in France before deciding to set out on his own. With personal funds, he purchased a small shipping and logistics company in the Republic of Guinea, called Getma.

Mr. Talbot financed his expansion efforts over the years with profits from the business and investments from associates and family members. The initial operation has since grown into a network of agencies in Central and West Africa, including Gabon, Benin, Liberia, Togo, Angola, Ivory Coast and Senegal. Talbot recalled:

“My ambition was to create a network of shipping and forwarding agencies that would offer ship owners, ship operators and trading companies an alternative option to large French multinationals along the West African coast.”

Getma currently offers a range of integrated services to major companies controlling trades to and from West African territories. In 15 years, it has evolved into what is now the second largest independent shipping network in the West African Harbour with over 2 million Euros in annual profit¹⁷.

At 54, Talbot’s biggest concern for his business was succession planning. His daughter had no interest in taking over Getma’s operations and he wanted to start planning for his retirement in five to seven years. He knew he had a profitable enterprise in a high growth industry, but had very little knowledge about how to value his firm or transition from the business. He explains:

“I started looking for investment capital for strategic reasons. I wanted to create a firm that would be attractive for a trade sale or IPO in a few years. I felt that a partnership with a private equity firm would give me the needed resources to continue my expansion and restructuring efforts, and facilitate my personal exit from the business.”

He estimated he needed to raise 15 million Euros¹⁸ and had been in talks with a number of investors including 3i investments and CDC partners. There was a lot of interest from these firms, but very little progress had been made with their discussions and his patience was wearing thin.

¹⁷ See Exhibits G – O for Getma company info: key management, org structure, financials, clients, competitors

Though he had issues with EMP's investment terms, they were his preferred investment partner. He had developed a relationship with them after their initial meeting three years earlier, and EMP's experience in the region and the small size of their firm meant things could move fairly quickly. EMP's investor base and relationships in the region were also attractive. As he hoped to expand to larger markets such as Nigeria and Ghana, he knew his business could benefit from such relationships.

The Deal

Due Diligence

In assessing the attractiveness of the Getma deal, EMP hired a consultant with extensive shipping and logistics experience. They were able to produce a report on the transportation industry in the region, highlighting the growth prospects and potential. EMP also assembled a team to conduct extensive site visits to Getma's various locations. Their activities included talking with Getma's competitors, clients and partners, and monitoring their on-site operations.

At the recommendation of EMP, Getma hired the services of KPMG to assist with rationalizing their business, and extracting accurate financial data. The firm was tasked with restructuring Getma and producing a consolidated business plan for a potential investor.

Valuation

With the extracted financial records¹⁹, Talbot and his accountant computed their estimated valuation for Getma. They simply used the cash flows to calculate the terminal value for the firm, the present value of which was 60 million Euros. This would give EMP a 25% equity stake for the required investment.

However EMP was uncomfortable using the NPV valuation method. They felt it was less appropriate for this particular industry and region because of the inherent assumptions used in estimating a weighted average cost of capital (WACC)²⁰. They preferred the Venture Capital method. With this model, their calculated equity stake was driven by the projected exit or terminal value of the firm. This estimated terminal value was then discounted at the fund's target IRR. And the investment size was used to calculate their desired ownership interest in the company of 32%.

¹⁸ See Exhibit P: Proposed Use of Investment Funds

¹⁹ See Exhibit N: Getma Financial Projections 2001 - 2009

²⁰ A Note on Valuation in Private Equity Settings, Josh Lerner & John Willinge

Exit Considerations

As is the case for most emerging markets investments, deal harvesting is particularly important when making investment decisions, both from a timing standpoint, and from an exit execution choice. In the case of Getma, EMP's main expectations were to exit in seven years, with the following choices by order of preference:

- Trade sale to a international logistics firm with an interest in expanding to Africa.
- An IPO in the French or London stock market
- A break up and sale of the individual subsidiaries of the company.
- A put option at fair market value

Way Forward

Ndiaye's thoughts drifted back to the issue at hand. Both sides were eager to close the deal, but after lengthy discussions they were still unable to agree on acceptable terms for the fund's investment. With less than a week left, Jansa and Ndiaye had to come up with a contingency plan if negotiations continued to be difficult, and possibly look at alternative valuation techniques that might help their case. Ndiaye also wanted to review the details of the reports and documents. There was no doubt that the well-informed Investment Committee would grill them exhaustively and they had to be prepared.

Case Study Questions

1. As an investor seeking opportunities to participate in risk capital financing in developing countries, would you consider an investment in EMP's Africa fund? Why or Why not? What are the features that distinguish EMP from more conventional private equity funds?
2. Briefly analyze the valuation method employed by EMP. What different approaches to valuation might they have used and which do you think is better?
3. How do you propose EMP addresses the stalemate in the negotiation terms? And what additional measures might you include in the terms to mitigate risks?
4. Briefly analyze EMP's exit opportunities from its investment in Getma. What do you think the most likely exit will be and why?
5. As EMP prepares to raise money for their next Africa fund, what recommendations do you have for them? How would you market this new fund to investors seeking to participate in risk capital financing in developing markets?

Exhibits

Exhibit (A) - Economic Data Profile of Sub-Saharan Africa

Sub-Saharan Africa Data Profile			
	1999	2002	2003
Economy			
GDP (current \$)	322.8 billion	322.0 billion	417.3 billion
GDP growth (annual %)	2.5	3.3	3.4
Value added in agriculture (% of GDP)	18.3	18	14.1
Exports of goods & services (% of GDP)	28.4	33	30.4
Imports of goods & services (% of GDP)	30.5	33.8	30.9
Trade and finance			
Trade in goods as a share of GDP (%)	49.8	55.3	..
Foreign direct investment, net inflows in reporting country (current US\$)	9.3 billion	7.8 billion	8.5 billion
Total debt service (% of exports of goods and services)	13.5	10.5	9.8

Source: World Development Indicators Database, August 2004

Exhibit (B) - Network of world merchandise trade by region, 2001-03

Network of world merchandise trade by region, 2001-03 (Billion dollars)					
Destination		World	West. Europe	Africa	Asia
Origin	Year				
World	2001	6026.05	2451.23	130.43	1317.20
	2002	6297.71	2562.71	135.03	1395.95
	2003	7293.87	3040.80	161.19	1651.45
Western Europe	2001	2515.33	1700.25	63.17	196.22
	2002	2675.78	1803.86	66.43	208.94
	2003	3145.16	2130.27	79.86	248.36
Africa	2001	137.73	72.31	12.74	20.65
	2002	141.06	71.25	14.86	25.13
	2003	173.16	83.74	17.67	30.63
Asia	2001	1501.78	251.30	24.23	726.27
	2002	1621.42	257.56	25.43	790.99
	2003	1901.41	319.44	31.47	949.19

Source WTO: International Trade Statistics 2004

Exhibit (C) - Map of West Africa (ECOWAS)

Exhibit (D) - Map of African States



Source : Guggenheim



Source: CIA World Factbook 2004

Exhibit (E) - EMP Fund Management

His Excellency Nelson R. Mandela is the Chairman of the Fund's Advisory Board.

Edward V.K. Jaycox

Mr. Kim Jaycox is a Managing Director of EMP and the CEO of the African Fund. Mr. Jaycox served as Vice President of the World Bank in charge of the Bank's operations in Sub-Saharan Africa from 1984 to 1996. During this period he managed the design and negotiation of structural adjustment programs in over thirty African countries and approved over US\$30 billion in loans and credits to support economic policy reform and projects in all of the major sectors. In the course of this work, he developed close relationships with African Heads of State, Ministers and Central Bank Governors. Mr. Jaycox is familiar with the economic and political environment of this region of the world and the personalities involved. Earlier, Mr. Jaycox directed the World Bank's programs in East Asia and led the team that brought the Peoples Republic of China into the Bank. He managed the first structural adjustment programs supported by the Bank in Thailand and South Korea. For over 15 years of his more than 30 years with the Bank, he appraised projects and managed technical teams, divisions and departments working in the infrastructure sectors including roads, ports, airports, pipelines, railways, waterways, and urban infrastructure, such as water, electricity, expressways, rapid transit and housing.

Thomas R. Gibian

Mr. Gibian is a Managing Director of EMP and the COO of the African Fund. Mr. Gibian joined EMP in 1995 as a Managing Director for EMP's Asian Funds. Prior to joining EMP, Mr. Gibian was Executive Director and Co-Head of Structured Finance for the Asia-Pacific Region for Goldman Sachs (Asia) Limited from 1992-1995. Residing in Hong Kong, he had senior responsibility for all of the firm's investment banking activities in Asia relating to infrastructure including financial advisory, debt and equity transactions. Mr. Gibian joined Goldman Sachs in 1987 as a Vice President in Public Finance. Prior to 1987 he was with Salomon Brothers (1983-1987). Throughout his career on Wall Street, he focused on private investment in regulated businesses including power, utilities and transportation and especially the independent power sector where he was responsible for structuring innovative transactions. Mr. Gibian received his M.B.A. from the Wharton School of the University of Pennsylvania.

Papa Madiaw Ndiaye

Mr. Ndiaye is a Director with the African Fund. Prior to this, Mr. Ndiaye had senior responsibilities for IFC's equity and debt investment activities in capital markets in West and Central Africa between 1996 and 2000. Immediately, before joining the IFC, Mr. Ndiaye returned to his home country of Senegal where

he worked pro-bono as a special advisor to the Ministers of Commerce and Foreign Affairs. Mr. Ndiaye spent most of his career on Wall Street at Salomon Brothers in Corporate Finance and joined JP Morgan's Emerging Markets Group in 1992, focusing on Latin America. In 1994, he launched the firm's trading activities in African and Middle Eastern securities. Mr. Ndiaye currently serves as Special Advisor for Economic and Financial Affairs to the President of the Republic of Senegal and as Chairman of the Senegalese Presidential Economic & Financial Advisory Council. Mr. Ndiaye earned a joint M.B.A. from the Wharton School of Business and M.A. in International Affairs from the Lauder Institute at the University of Pennsylvania.

Michael Jansa

Mr. Jansa is a Director with the Africa Fund. Prior to joining EMP in April 2000, Mr. Jansa was a Vice President in the Global Energy group at GE Capital Structured Finance Group where he worked from 1995 to March 2000. He had a major role in the management of the Global Power Investment Fund, which was an emerging markets power fund sponsored by GE Capital, Soros Fund Management, and the IFC. The Fund invested over \$300MM in IPP projects. Prior to that, he was with Union Pacific Corporation for approximately nine years and its former subsidiary Union Pacific Resources, an independent oil and gas exploration and production company, where he held a variety of financial analysis and corporate treasury functions, finishing as Manager Corporate Finance. He received a B.A. from Iowa State University and an M.B.A. from London Business School in 1993.

Source: EMP

Exhibit (F) AIG African Infrastructure Fund Strategy

Investment Policy

The Fund intends to undertake investments under the following investment guidelines:

- The climate for infrastructure investments in the country must be attractive, particularly the country's legal framework, foreign exchange regime, trade and tax policies and tariff regulation.
- Project sponsors and managers will make meaningful cash investments alongside the Fund, and must have a demonstrated track record of accomplishment in the sector, a superb business reputation, and financial and technical success.
- The Fund will seek a clear exit strategy, usually negotiated before investment closing. Generally, the preferred exit will be through an initial public offering, though in certain situations private sales may be more appropriate.
- The Fund's investments will typically range in size from US\$10 million to US\$50 million, in projects or companies having total valuations of US\$25 million to over US\$500 million. Thus, the Fund will have significant minority positions, generally 10% to 50% of the company's equity.
- The Fund will have Board representation commensurate with the amount of its investment. The Fund will have appropriate minority shareholder rights, typically including the right to approve significant corporate actions
- Investments will generally be made through private placements, including negotiated joint ventures with partners.
- They focused on mid-to-late stage companies with an IRR target of 20 to 25%.
- Additional stipulations include: i) a 35% fund allocation to South Africa, ii) restrictions from investing in financial services and healthcare industries, iii) no more than 10% of the fund could be invested in a specific country.

Sector and Industry Focus

- Agro-Industry
- Telecommunications
- Transportation
- Distribution
- Natural Resource Development
- Basic Materials
- Energy
- Water, Sanitation and Environmental Services

Source: EMP

Exhibit (G) - Getma Company Timeline

- **1985:** NCT Necotrans first corporate entity set up in 1985, initially devoted to freight forwarding.
- **1989:** Expanded the range of its activities to include shipping and harbour activities.
- **1989:** Getma was founded to expand to offer stevedoring/freight forwarding services in Africa.
- **1993 :** Expanded to Cameroon, Gabon and Democratic Republic of Congo
- **1994 :** Expanded to Benin, Liberia and Togo
- **1995 :** Expanded to Angola and Ivory Coast
- **1997** marked a turnaround in the development of Getma: Four new shipping lines, were introduced in the port of Conakry, which was instrumental in the increase of container traffic to and from Guinea.
- **1998:** Senegal and Congo Brazzaville. 8495 Full centers, with 30% of the market share.
- **1999:** 10673 Full centers with 33.04% of the market share.
- **2000:** 9305 Full centers with 29% of the market share. The company settled down to a new port strategy: worldwide maritime lines, setting up of an updated logistic department, which meets international standards, in partnership with the port of Conakry; received ISO 9002 certification.
- **Today** Getma is the first independent network in West African harbor activities employing over 1200 people with activities detailed as follows.
 - Shipping Agency: Getma acts as shipping agent for liner vessels, tramps and tankers for traffic to and from Africa.
 - Cargo Handling: All Getma agencies handle the loading and discharging of vessels as well as, the warehousing, custody and packing of import/export cargoes.
 - Transport: Agent for Africa, offering forwarding services including (customs, warehousing, containers stuffing, or forwarding to inland countries) for all types of cargo (bagged cargoes, containers, rolling materials).

Source: Getma

Exhibit (H) - Historic Shipping Handled By Getma

Year	Ship agencies	Tankers	General Cargo vessels	Container Vessels
1997	97	41	-	49
1998	147	43	13	91
1999	184	38	40	106
2000	220	35	64	121

Source: Getma

Exhibit (I) - Getma's Locations in Africa



Source: Getma

Exhibit (J) - Getma Management

Richard Talbot (54)

Mr. Talbot is the founder of Necotrans, which was established in 1985 and its subsidiary – Getma – established in 1989. He currently serves as the Chairman of the Board of Directors of the Company. Over the period from 1976 to 1984, Mr. Talbot served as commercial manager and later as a director for Transports Gondrand in France. Prior to that, he was a trade area manager for Cables de Lyon.

He received his Bachelor of Arts degree in Economics in 1971 and also attended Ecole Supérieure de Commerce de Paris and graduated in 1972.

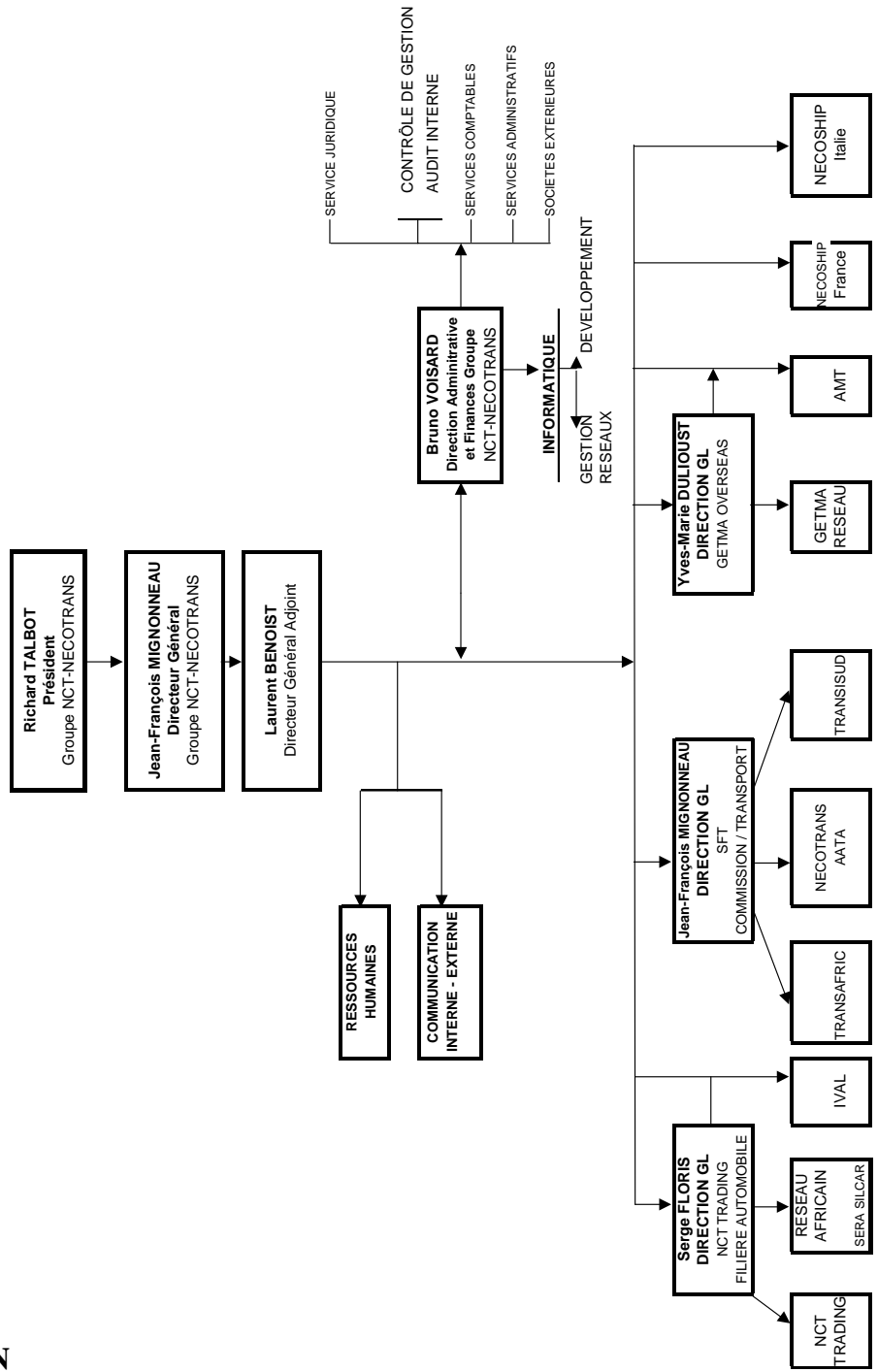
Jean-François Mignonneau (52)

Mr. Mignonneau has been with the NCT Necotrans Group since 2000. He is currently the general manager primarily responsible for international transportation of goods, shipping, harbour activities and car distribution. Prior to joining Shark, Mr. Mignonneau was the general manager at MAN FAI International Industrial Group where he specialized in the production/processing of timber products from Central Africa as well as distribution/trading of cement cargoes. From 1994 to 2000, Mr. Mignonneau worked for the Bollore Group in France. Mr. Mignonneau also had a very long career in Cote d'Ivoire. There he worked with SCAC Group from 1973 to 1987 and later with the Bollore Group from 1987 to 1994.

He received his Bachelor of Arts degree in Economics from the University of Abidjan in Cote d'Ivoire.

Source: Getma

Exhibit (K) - Getma Organization Structure



N

Source: Getma

Exhibit (L)- NCT Necotrans Holding Company

Source: Getma

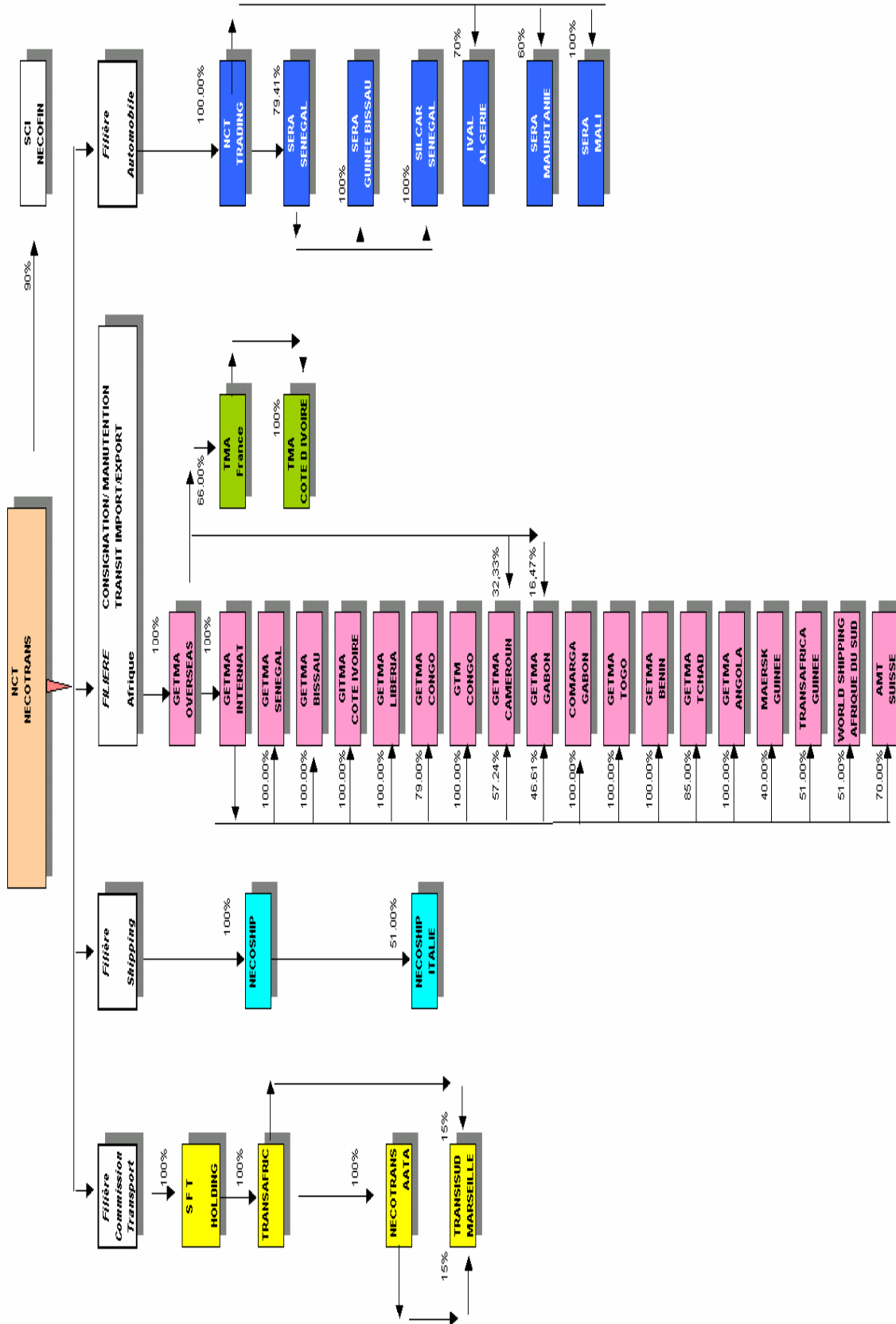


Exhibit (M) - Getma's Key Competitors & Clients

Competitors

*Maersk Inc.*²¹The Maersk Group was formed in Denmark in 1914 and is an international enterprise with activities covering shipping, oil drilling, shipbuilding, aviation, industry and retail. Maersk Sealand is one of the largest liner shipping companies in the world, serving customers all over the globe. With a fleet numbering more than 300 container vessels and 950,000 containers, The Maersk Group employs more than 60,000 people in over 125 countries. Maersk Sealand has offices and services throughout West Africa with office locations in Ghana, Nigeria, Ivory Coast, Guinea and Mali.

Panalpina,²²another of Getma's competitors is a multinational freight forwarding and transportation organization. The company provides clients with services including storage, wharfage, warehousing, customs brokerage, forwarding and other services related to the business of transporting property. It has operations in over 80 countries with 268 company-owned branches and a staff of more than 12,000.

*The Bolloré Group*²³operates the largest shipping network in the region. With 115 agencies, 5600 machines, and 3.5 million square meters of warehouse space, the Bolloré Group is a leading player in the shipping and stevedoring industry in Africa. The Bolloré Group's shipping subsidiaries (Delmas, Otal and Setramar) offers services to all African ports. The Group operates 55 ships on seven regular lines between Europe and West Africa, Asia and Africa, Europe and the Indian Ocean, and the Middle East and East Africa. It is also active in the railway privatization efforts in Cameroon, Ivory Coast & Burkina Faso.

Clients

- Renault
- Aventis
- Schlumberger
- Saint-Gobin
- PIL Total Transport
- OPEL
- Maersk

Source: Getma

²¹ <http://www.maersksealand.com/>

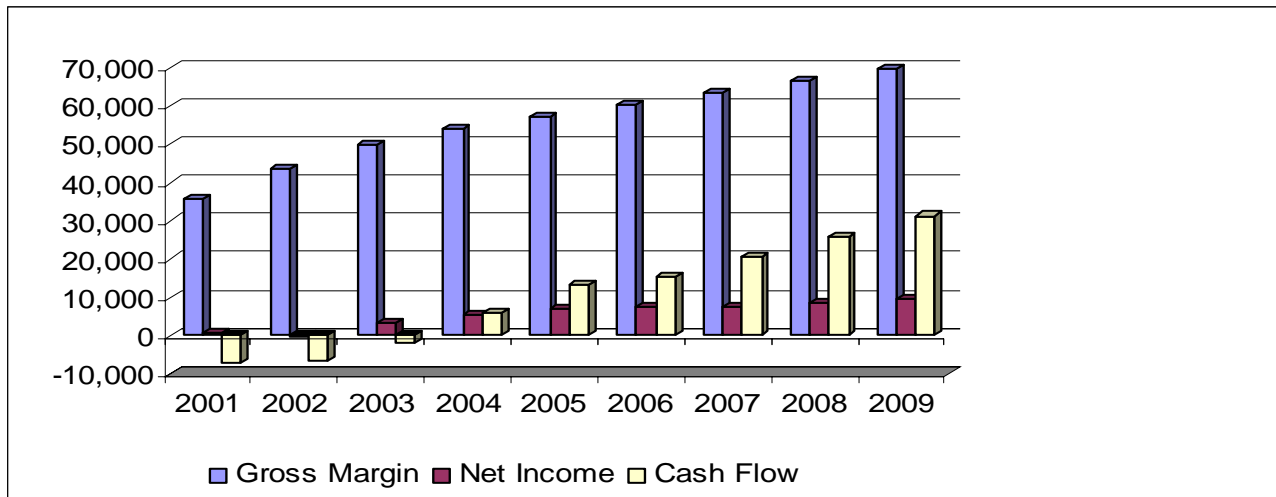
²² <http://www.panalpina.com/>

²³ <http://www.bolloré.com/>

Exhibit (N) - Getma Financial Projections 2001 - 2009

Getma Financials (Translated) - In 000's Euros

	2001	2002	2003	2004	2005	2006	2007	2008	2009
	<i>actual</i>	<i>estimated</i>	<i>projected</i>	<i>projected</i>	<i>projected</i>	<i>projected</i>	<i>projected</i>	<i>projected</i>	<i>projected</i>
Turnover	176,302	184,951	220,077	231,096	244,921	257,167	270,025	283,527	297,703
Growth Rate		5.0%	20.0%	4.9%	4.8%	5.0%	5.0%	5.0%	5.0%
Gross Margin	35,613	43,801	49,903	53,895	57,439	60,311	63,327	66,493	69,818
EBITDA	3,943	6,105	12,570	15,633	17,502	18,377	19,296	20,260	21,273
Operating Income	776	3,343	8,260	11,127	13,443	14,944	14,863	16,380	18,185
Net Income	500	-364	3,258	5,151	7,154	7,338	7,416	8,533	9,637
Working Capital	6,294	5,556	4,891	3,210	3,402	3,572	3,750	3,938	4,135
Cash Flow	-7,413	-6,453	-1,731	5,870	13,393	15,352	20,364	25,708	31,295



Source: Getma

Exhibit (O) - Shareholder Breakdown

SHAREHOLDERS

NCT - Necotrans

Capital: 7.937.960 Euros (K)

Total Shares: 20.780

With the following breakdown

Owner	Number of shares	%
Societe Finanatal	20,720	99.70%
Mrs Catherine Lavaud	20	0.10%
Mr Jacques Cable	20	0.10%
Mr Christian Thiery	20	0.10%

- Societe Finanatal is wholly owned by Mr. Richard Talbot
- Mrs. Catherine Lavaud (married to Mr. Talbot)

Source: Getma

Exhibit (P) - Proposed Use of Investment Funds

	Keuros	in %
1) Human resources investments: <ul style="list-style-type: none"> · improvement of the human capital management · internal communication development 	1,500	11.54%
2) External growth and partnerships development <p style="text-align: center;">Transport activities</p> <ul style="list-style-type: none"> · Acquisition of complementary businesses with activities in Asia, France and Maghreb (North Africa) <ul style="list-style-type: none"> · Capital expenditures · improvement of the management processes <p style="text-align: center;">Getma</p> <ul style="list-style-type: none"> · Acquisition of the concession rights for the management of the Dakar/ Bamako railroad · Development of a partnership with SIVOM, a Ivorian company with activities similar to Getma's · Participation in the African ports terminals privatization (Cameroun, Cote d'Ivoire, Togo, Congo) <p style="text-align: center;">AMT</p> <ul style="list-style-type: none"> · Development of the AMT (oil pipeline management company) network 	3,000	23.07%
	4,800	36.93%
	1,000	7.69%
3) Cash reserves for future projects	2,700	20.77%
Total	13,000	100%

Source: Getma

Exhibit (Q) - Glossary of Terms

Containerization: Refers to the increasing and generalized use of the container as a means of freight transport.

Freight Forwarding: Moving freight around the world. A freight forwarder is the party who ensures that internationally traded goods move from point of origin to point of destination.

Maritime: Of or relating to marine shipping or navigation.

Stevedoring: To load or unload the cargo of (a ship) or to engage in the process of loading or unloading such a vessel.

Sub Saharan Africa: The region of Africa south of the Sahara desert.

TEU: Twenty-foot equivalent unit – used to measure container capacity on ships and ports.

Wharfage: A fee charged for the use of a wharf – a platform built out from the shore into the water which provides access to ships and boats

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