



Joint Press Release

April 01, 2014

TransCentury Limited Sells Stake in Rift Valley Railways to Citadel Capital Subsidiary Africa Railways

Lead investors in the Kenya and Uganda railways agree a transaction that includes the sale of a 34% equity stake from Safari Rail Company Limited, a wholly owned subsidiary of Nairobi-listed infrastructure company TransCentury Limited, to Africa Railways, a core subsidiary of Citadel Capital

Africa Railways, a core subsidiary of leading regional investment company Citadel Capital, has acquired an additional 34% stake in the national rail operator of Kenya and Uganda. The transaction, which was executed yesterday, brings Africa Railways' total ownership of RVR to 85%, up from 51%, following the acquisition of the entire equity stake held by TransCentury Limited ("TransCentury") a Nairobi-listed infrastructure company.

Since 2010, Citadel Capital and TransCentury have led the replacement of hundreds of kilometers of decrepit track and completed the first phase of the rehabilitation of 500 kilometers of rail that links Kenya with Tororo in Eastern Uganda and Gulu in the north, ending two decades of disuse and inefficiency. The more efficient and dynamic railway is now backed by world-class technology and rehabilitated rolling stock as part of an ongoing reconditioning program. For the first time, the entire network is managed through a state-of-the-art GPS-based control room from the company's headquarters in Nairobi; moreover, RVR is now moving into a phase that will see it purchase new locomotives, doubling its fleet size in the coming 12 months.

In January 2014, TransCentury, the leading infrastructure company in the region, announced that its wholly owned subsidiary, Safari Rail Company Limited ("Safari Rail"), had exercised an option that would result in a change of its shareholding in KU Railways Holdings Limited ("KURH"), the lead investor in RVR. The transaction was in line with TransCentury's overall strategy to maximize the value of its investments for its shareholders.

"We have been part of the RVR story for the past seven years and helped steer the company through some very challenging times. RVR is vital to the economies of Kenya and Uganda and TransCentury remains fully in support of the Company. We wish Citadel Capital and the team at RVR all the best as they continue to see through the turnaround of the railway," said Zephaniah Gitau Mbugua, the Chairperson of TransCentury Limited.

"Citadel Capital believes the citizens and business communities of Kenya and Uganda have a right to a world-class national railway that serves as an engine of national development and regional integration, We are honored to continue working with our partners in Africa Railways on RVR's turnaround story," said Ahmed Heikal, Chairman and Founder of Citadel Capital, the leading investment company in Africa and the Middle East. "RVR is one of the



most exciting investments in our portfolio and our most significant investment in East Africa.”

“The Board of TransCentury made this decision to maximise shareholder value, but still remains very positive about the fundamentals of RVR despite the historic challenges the business has faced. We are actively exploring other possible ways to work together with our colleagues at Citadel Capital to support RVR and maximize value for all stakeholders,” said Gachao Kiuna, the Chief Executive Officer of TransCentury Limited.

Ngugi Kiuna, the outgoing Chairperson of Rift Valley Railways, highlighted: “Trans-Century has been fully committed to ensuring that the railway service that is such a crucial part of our region’s infrastructure is able to deliver on its promise. I would like to extend our gratitude to the Governments of Kenya and Uganda for both their patience and for their foresight in providing the necessary time and circumstances to allow RVR to finally start to deliver on this promise.”

“From a slow start under the previous concession owners, Citadel Capital, TransCentury and Bomi have worked closely with RVR management to help the company make good on its promise to both the governments and people of Kenya and Uganda,” said Karim Sadek, Citadel Capital’s Managing Director for Transportation Investments. “Our partnership with TransCentury has been an important part of the progress RVR has made with its turnaround to date; we are open to working closely with the team at TransCentury going forward.”

Africa Railways shareholders include leading global institutions including the IFC, African Latin American and Caribbean Fund, LP (ALAC), a private equity fund managed by the IFC Asset Management Company, LLC; Dutch development bank FMO; German development finance institution DEG; FISEA, a vehicle dedicated to investment in Sub-Saharan Africa owned by France’s Agence Française de Développement and managed by its subsidiary PROPARCO; and the International Finance Corporation (IFC).

Heikal concluded: “RVR will continue to provide reliable, cost-effective transportation solutions to East Africa’s emerging oil, gas and manufacturing industries, among the many other sectors driving growth in this dynamic region. We have so far only scraped the surface of what is possible.”

TransCentury first invested in RVR in December 2006, acquiring a 20% stake in the company and later increased its shareholding to 34% in May 2010. Citadel Capital first acquired a minority stake in RVR in 2010, eventually becoming lead shareholder via Africa Railways.

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About Citadel Capital

Citadel Capital (CCAP.CA on the Egyptian Stock Exchange) is the leading investment company in Africa and Middle East. Citadel Capital controls investments of US\$ 9.5 billion and focuses on 5 core industries: Energy, Transportation, Agrifoods, Mining, and Cement. For more information, please visit citadelcapital.com.

About Trans-Century Limited

Trans-Century Limited (Kenyan head-quartered Infrastructure Company listed on the Nairobi Securities Exchange). Fifteen years ago, Trans-Century was founded on a very basic but compelling principle of pooling financial and entrepreneurial resources among a group of like-minded investors. Starting from an initial investment base of Kshs 29 million (US\$365K), the company's investment portfolio has grown to a fair value of over Kshs 22 billion (US\$250 million) as at 31 December 2012. TCL shareholder funds multiple of invested funds were 35 times making it one of the most successful Investment Companies in Africa. Trans-Century focuses on turning around high value under-performing businesses across Sub-Saharan Africa predominantly in infrastructure related sectors. Trans-Century's portfolio of companies span over 12 countries with key operating assets in Kenya, Uganda, Tanzania, Zambia, Democratic Republic of Congo, and South Africa. For more information, please visit www.transcentury.co.ke

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