



Media Statement

Harith General Partners expands telecom portfolio with US\$ 24.1 million investment into Malawi's Open Connect Limited

Johannesburg, 6 September 2018 - **Harith General Partners ("Harith" or "HGP")**, the Pan African infrastructure investment firm, is pleased to announce that it has expanded its telecoms portfolio with a US\$ 24.1 million investment in Open Connect Limited ("OCL"), Malawi's largest and only redundant fibre network provider to the domestic market.

Harith's investment will see it become OCL's biggest shareholder with a holding of 60%, held via its Pan African Infrastructure Development Fund 2 (PAIDF 2). The other major shareholder in OCL is Press Corporation Plc ("PCL"), the largest holding company in Malawi which is listed on both the Malawi Stock Exchange and the London Stock Exchange as a global depository receipt. Other shareholders include the Malawian Government, Old Mutual, NICO Holdings Plc and Investments Alliance Ltd.

OCL currently has the largest fibre optic coverage in Malawi. It provides carrier of carrier, redundant light and dark fibre services to leading Mobile Operators, Internet Service Providers (ISP's) and Terrestrial TV providers. As the largest and only fully redundant fibre network provider in the Malawian domestic market, with key international fibre links to Mozambique and Tanzania, OCL additionally has a direct connection to SEACOM's Indian Ocean Submarine Cable and to EASSY via Mozambique de Telecommunication (TDM).

Tshepo Mahloele, Harith CEO said: "As a leading investor in the telecoms sector on the continent, Harith believes partnering with a proven operator in Malawi and thus expanding our portfolio into East Africa, is a logical step in our company's investment strategy. With our investments in MainOne in Nigeria and Dark Fibre Africa in South Africa, we have proved that access to fast, affordable communication is a massive growth enabler for African economies, and we believe OCL will continue to grow its market leading position in this part of our Continent."

Harith made its OCL investment at a time when OCL was looking to upgrade its offering and thus continue to provide excellent connectivity to its customers. The major revamp the network will undergo will ensure OCL maintains its competitive advantage.

With a population of over 18 million people, Malawi's economy has historically relied on agriculture, but the service sector (of which telecommunications is a key sub-sector) has seen significant growth over the past couple of years, and now contributes the largest portion to the economy, which is expected to grow by between 3.9% and 4.9% this decade. The growth potential of the services sector is expected to remain strong as ISPs seek to grow their customer bases and mobile phone operators have huge potential to increase sales and internet subscriptions, as well as expand new services such as mobile banking.

OCL is focused exclusively on the operation of long-distance subterranean backbone, metro-ring and backhaul fibre to private sector, carrier to carrier operators, and has a fibre network in Malawi of over 2250km, more than triple that of its nearest competitor.

Dr George Partridge, Group Chief Executive of PCL said : "As a leading investor in Malawi, we are proud to partner with an investor of Harith's stature in the next development phase of OCL. The introduction of Harith presents an exciting opportunity for OCL to grow from its already market leading position into an even more powerful force in the telecoms space in east Africa."

Harith has two substantial investments in the telecommunication space on the African continent. In South Africa, Harith is a major shareholder in Dark Fibre Africa (www.dfafrica.co.za), the country's premier open access fibre optic company, providing clients with the infrastructure they need to run their businesses.

Harith is also invested in MainOne, (www.mainone.net) a communications services company providing open access wholesale, international connectivity and broadband capacity to countries in West Africa. Main One built and owns the first privately owned submarine cable over a distance of 7,000 kilometres along the West African coastline, with initial landing stations in Nigeria, Ghana and Portugal. MainOne provides open access, wholesale, international broadband capacity to countries along the western coast of Africa.

PCL is a highly diversified conglomerate with interests in different sectors of the Malawi economy including financial services, telecommunications, food and beverages, energy, tourism and consumer goods. In the telecoms sector, PCL is the majority shareholder in Telecom Networks Malawi Plc, a leading ICT and mobile telecommunications service provider in Malawi. Harith and PCL look forward to a mutually beneficial relationship for the better development of ICT in Malawi and beyond.

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About Harith:

Harith is one of the largest investors in African infrastructure, with a long track record of value creation across the continent in the five core infrastructure sectors of energy, transport, telecommunications, health, and water. Headquartered in Sandton, with representative offices in Cote' d'Ivoire, Harith has developed a pipeline of infrastructure projects designed to make a material difference to Africa's gaping infrastructure deficit, which the World Bank estimates costs the continent 2% of GDP a year in lost growth.

Since its establishment over a decade ago, Harith has become the first port of call for all major African infrastructure project sponsors and developers needing funding and expertise. This status is thanks to our track record of successfully executing complex mega infrastructure projects and a strong institutional culture, grounded in ethical conduct and excellent corporate governance. Our partners include some of the largest development finance institutions and banks investing in South Africa and the rest of Africa.

Harith is an authorised Financial Services Provider (43795)

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About PCL:

PCL has interests in different sectors of the Malawi economy including financial services, telecommunications, food and beverages, tourism, energy and consumer goods. PCL operates through eight subsidiaries, has two joint venture companies in the energy and consumer goods sectors, and four associate companies in the agro-industrial, tourism and food and beverages sectors.

PCL focuses on growth through diversification, and aims to continue its legacy of growth and maintaining significant presence in key sectors of the Malawian economy in pursuit of shareholder's wealth maximisation.

The Group is keen to maintain its leadership role in the private sector by nurturing profitable operations to ensure sustainable growth in market share and dominance in the respective sectors consistent with set strategy.

Since its founding, PCL has entered into and renewed a number of joint ventures with local and foreign partners such as Universal Leaf Corporation, the American tobacco conglomerate which has a 58% stake in Limbe Leaf Tobacco Company Limited; PUMA Energy which is part of the Trafigura Group owns 50% of Puma Malawi Limited (formerly BP Malawi Limited); Castel, the French wine and beer brewing company which has 80% stake in Castel Malawi Ltd (formerly Carlsberg Malawi). These strategic alliances provide the Group with technical, management and financial support while broadening the skills base in Malawi and fostering international connections.

PCL has continued to grow, and recently acquired 10% in Sunbird Tourism Plc, extending its investment interests into the tourism sector.

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