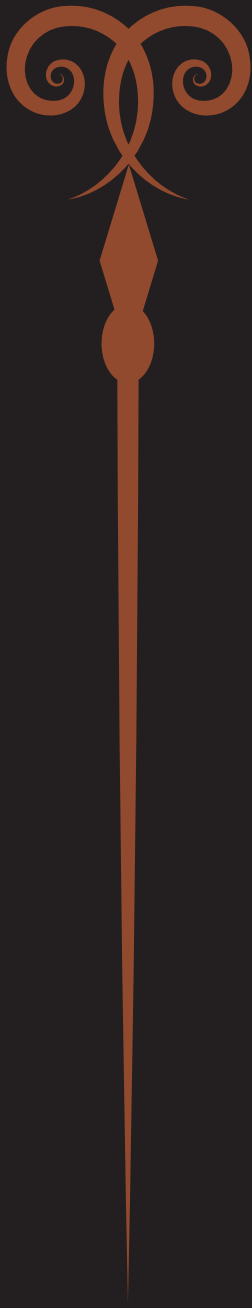




Aka Capital



C COMPANY PROFILE



STRATEGY

LEADERSHIP

GOVERNANCE

INVOLVEMENT

TRANSFORMATION

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VERVIEW

Aka Capital was founded in 2001 by three principals, Reuel Khoza, Sam Nematswerani and Gary Morolo. The private equity division of the then BoE Bank (subsequently acquired by the Nedcor Group, now Nedbank Group Limited) was brought on as an equity partner in Aka Capital (Pty) Ltd.

Aka Capital has been positioned as a private equity cum investment holding company, mostly leveraging third party funding. The majority of the initial portfolio of Aka Capital consists of BEE derived opportunities. These opportunities were driven largely by the vendor and corporate finance communities. Given the paucity of capital for most BEE players, “investment” in many of the sizable deals has meant more of an option opportunity than a real investment, with limited upside potential.

Aka Capital has built a sizable portfolio and has worked with management to substantially grow the value in investee companies.

The three principals, Reuel Khoza, Sam Nematswerani and Gary Morolo, control and run the company. The principals bring a long history of working together and complementarities of skills, networks and experience.



LEADERSHIP TEAM

Dr. Reuel Khoza (Chairman)

B.A Honours (UNIN), M.A in Marketing Management (University of Lancaster, UK) Eng.D (University of Warwick, UK), P.M.D (Harvard, USA), I.P.B.M (IMD, Lausanne, Switzerland), LLD Honoris Causa (Rhodes University)

Directorships (current and previous)

Corobrik (Non-Executive Chairman), Datacentrix, Eskom Holdings (Chairman for eight years), Glaxo Wellcome (Non-Executive Chairman), Gold Reef Resorts, IBM South Africa, IST, JCI, JSE Limited, Liberty Group Limited, Munich Reinsurance SA, Murray & Roberts Cementation (Non-Executive Chairman), Nampak, Nedbank Group Limited (Non-Executive Chairman), NEPAD Business Foundation (Chairman), Norwich Holdings, Old Mutual Plc, Sail Group Limited, Servgro International, Standard Bank Group Limited, Vodacom

Memberships

South African State President's Economic Advisory Panel, The Honorary International Investor Council of the President of Nigeria, Chancellor of the University of Limpopo, succeeding former President Mandela.

Sam Nematswerani (CEO)

B.Comm, B. Acc, M.Comm (University of the Witwatersrand), CA (SA)

Directorships (current and previous)

Avis Southern Africa, Ceramic Industries Limited, Corobrik, JSE Limited (Chairman of the Audit Committee), Datacentrix (Chairman of the Audit Committee), Murray & Roberts Cementation, Sail Group Limited, Savcio Holdings, Vametco Holdings

Gary Morolo (Executive Director)

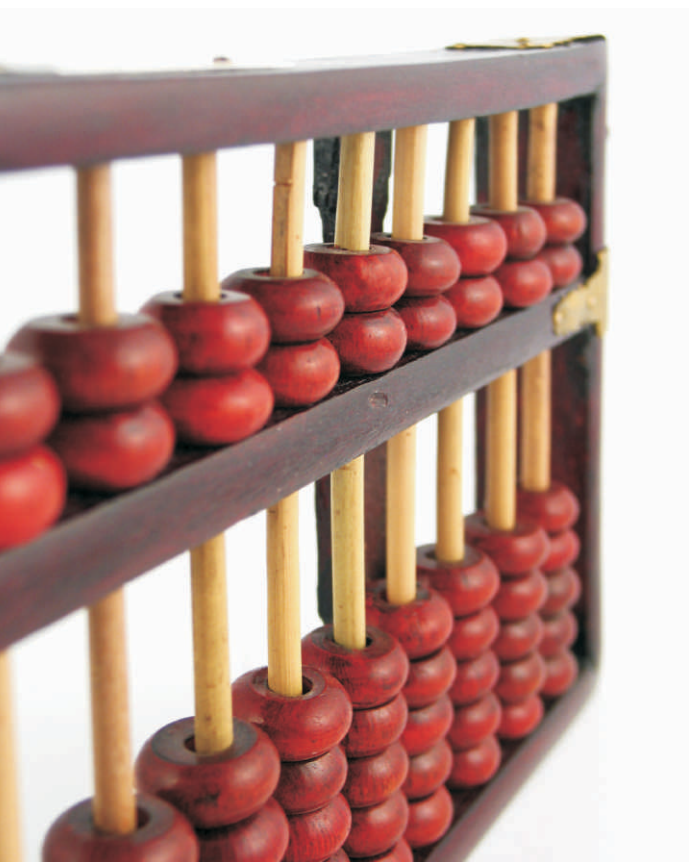
B.A (UBS, Botswana), MBA (Michigan State University, USA), Advanced Executive Programme (Northwestern University, Kellogg Graduate School of Management, USA), Corporate Governance and Leadership (IMD, Lausanne, Switzerland), Business Leadership Development Programme (Arthur D Little Management Education Institute, Boston, USA)

Directorships (current and previous)

Batlhako Mining Limited, Broadway Malyan Africa (Pty) Ltd, Datacentrix Holdings Limited (Non-Executive Chairman), Italtile, IST Group Limited (Chairman), Savcio Holdings, The Financial Services Board, Unihold Limited, Vametco Holdings



SHAREHOLDING



2001 Aka Capital was founded by the three principals, Reuel Khoza, Sam Nematswerani and Gary Morolo. The private equity division of BoE Bank (since acquired by the Nedcor Group, now Nedbank Group) was brought on board as an equity and funding partner, holding 25% in Aka Capital (Pty)Ltd.

2003/4 Following the conclusion of a transaction, Old Mutual acquired an option, which it exercised in two tranches, to acquire 20%, via an issue of new shares, with proportionate dilution for both the three principals and Nedbank, resulting in a 60% black shareholding and 20% shareholding each for Nedbank and Old Mutual.

2006 In line with its investment horizon, the private equity division of Nedbank harvested its investment in Aka Capital. The black shareholders and Old Mutual, proportionately bought Nedbank out, which led to an increase in the black shareholders' stake from 60% to 75% in Aka Capital.

GROUP STRUCTURE

Aka Capital Holdings (Pty) Ltd

100% Black Owned

Aka Capital (Pty) Ltd

75% Black Owned

Aka Resources Holdings (Pty) Ltd

80% Black Owned

Aka Liquid Fuels

A special purpose vehicle housing an interest in Sasol Oil (Pty) Ltd

100% Black Owned

Aka Gaming

A special purpose vehicle housing an interest in Gold Reef Resorts Ltd

100% Black Owned

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INVESTMENT APPROACH

Aka Capital prides itself in the expertise that it offers its investee companies, both through the knowledge of the industries in which it operates, and the wealth of investment experience that the principals have gained over the years.

The group's investment philosophy and modus operandi over the years has been to:

- ▲ focus on shareholder value creation instead of high-profile deals driven by turnover or asset control considerations;
- ▲ take an active interest in investee companies through board participation;
- ▲ maintain transparent shareholder and governance structures; and to
- ▲ leverage Aka Capital's resource base to the advantage of the companies in which it has invested, including professional experience, business intelligence networks, access to managerial talent, monitoring and interpreting shifts in the political economy, access to markets; and maintaining the highest standards of corporate governance through ethical norms and behaviour.

VALUE GROWTH OPPORTUNITIES FINANCE

SUCCESS KNOWLEDGE PRINCIPLES ETHICS

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INVESTMENT SUCCESS

While Aka Capital remains invested in the majority of the companies in its initial portfolio, it has managed to effect total, and in some instances partial, exits with spectacular returns. The group has realised some capital and has built a balance sheet, which enables it to invest own capital. The group currently manages just under R400 million of proprietary funds. The remaining portfolio is funded primarily on a non-recourse basis and consequently the group carries no debt at the centre.



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ORTFOLIO

The portfolio of Aka Capital is diverse, encompassing more than a dozen companies. The group holds equity in blue chip listed, and other favourably placed companies across several sectors.

Aka Capital is represented on each of the boards and committees of the boards of the companies it is invested in, and where practical, also on the management and other operational committees.

The management of Aka Capital takes an active approach in the investee companies and where necessary is able to offer full time executive involvement to strengthen the management of investee companies.

Aka Capital operates both as a private equity player and an investment holding company and is therefore flexible about the timing of exits from its investments.



FOCUS

ACTIVE

VISION

MARKETING

COMMITMENT

Aka Capital's portfolio includes the following industries:

- ▲ Banking
- ▲ Building materials
- ▲ Engineering
- ▲ Gaming
- ▲ Hotel and tourism
- ▲ ICT
- ▲ Liquid fuels
- ▲ Mining
- ▲ Packaging

NEW DIRECTION FOR AKA CAPITAL

Aka Capital is committed to the goals of BEE and to the general transformation of the economy. The group's mission remains "To create a model for sustainable Black Economic Empowerment in order to contribute towards the economic transformation of South Africa."

With the opportunity to invest own capital, the group will be changing its focus from being positioned primarily as a BEE player. The group's investment strategy is evolving to operate more like a private equity fund as opposed to a conventional BEE company.

Aka Capital will identify and focus on primarily: unlisted growth companies in growing or otherwise established companies in attractive sectors; with strong cash generation and dividend flows; and where the company can assist management in growing and unlocking value.

Whereas Aka Capital has previously focused exclusively on South Africa, the group will now also actively consider investments outside of the country, particularly on the continent outside South Africa.

Increasingly, new investments will be undertaken using the Aka Capital Holdings company, where the benefit of undiluted black shareholding will be offered to investee companies.



TALENT

BENEFIT

CHANGE

EVOLUTION

EMPOWERMENT



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Gary Morolo (Executive Director)

Email: gm@akacapital.co.za

Please visit www.akacapital.co.za
for a full profile of the company.