

RWANDA:

Ideal conditions for high value products

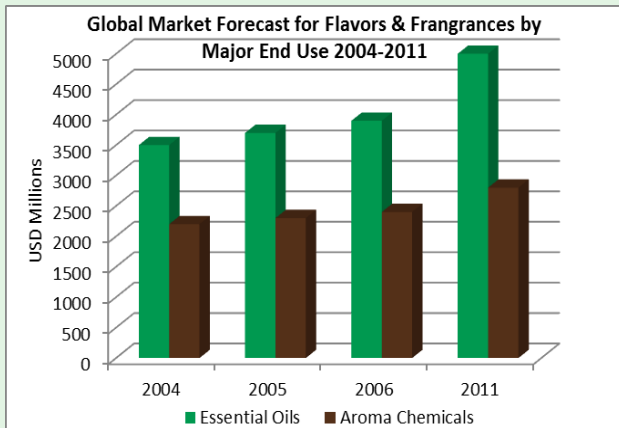
INVESTMENT OPPORTUNITY: ESSENTIAL OILS



Invest in geranium and patchouli cultivation and distillation facility, take advantage of Rwanda's excellent growing conditions and serve a global demand for essential oils

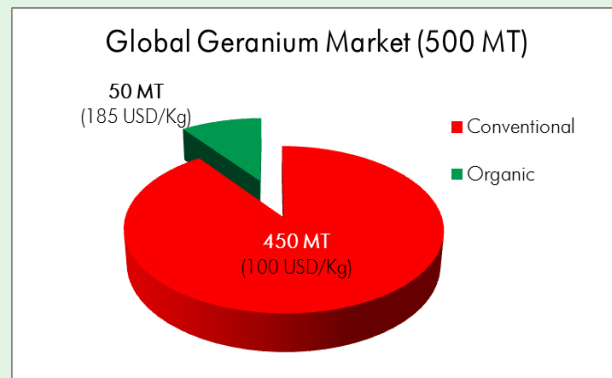
MARKET OPPORTUNITY

- The global essential oils import market represents 5 billion USD annually.
- Market demand for geranium and patchouli oil continues to increase 5% annually.
- Organic geranium commands a price premium over conventional oil.
- Regional competition is effectively non-existent given the overall demand for the products.
- All product is for export with only one small scale producer of organic geranium oil existing in Rwanda.
- Market leaders in Flavor & Fragrance industry have demonstrated interest and commitment to Rwandan essential oils.



RWANDA'S ADVANTAGES

- The growing conditions have demonstrated geranium oil rated among the best in the world.
- Initial pilots in patchouli and eucalyptus indicate similar quality standards.
- The low volume / high value nature of the essential oils are ideally suited for transport to Europe and NA clients.
- Rwanda ideally suited for growth of organic geranium commanding a price premium double that of conventional (2011 average of 185 USD vs. 100 USD / kg).
- Low labor costs , cooperative and outgrower model is ideal for rapid expansion of production.



INVESTMENT HIGHLIGHTS

- Opportunity to invest 1 million USD into the only existing operation (expected ROI of 30% by year five of business) or establish greenfield operation with Rwanda Development Board (RDB) support.
- Committed IFAD funding for essential oils development in Rwanda from 2012 (2 million USD over 7 years).
- Sales to ready market of identified fragrance houses - France, Switzerland, UK, South Africa, US and Kenya.
- RDB, in coordination with the Ministry of Agriculture, can facilitate access to land for crop cultivation and installation of distillation facilities.
- Opportunity to become the premier global provider of the highest quality organic geranium and other essential oils, positioned for further growth in the region.

We invite you to visit Rwanda to see this opportunity for yourself

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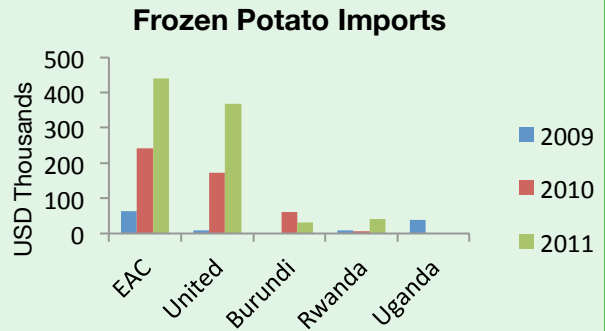
INVESTMENT OPPORTUNITY: POTATO PROCESSING



Invest in potato processing, specifically frozen chips, to take advantage of Rwanda's high production and a fast-growing regional market

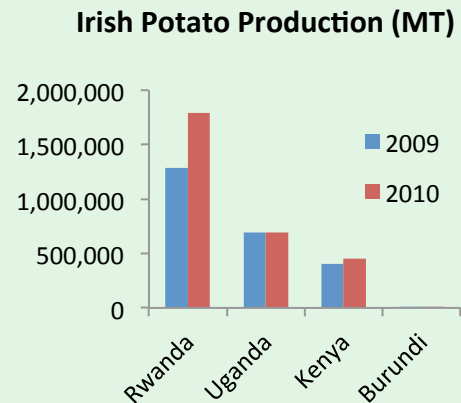
MARKET OPPORTUNITY

- Demand for processed potato chips has been growing at a rate 10-17% annually in central and east Africa.
- Growth is fuelled by a rapidly urbanising population and thriving tourism market.
- The majority of processed potato chips are imported from Europe and South Africa.
- Only two major factories produce frozen potato chips in the EAC – in Nairobi and Uganda.



RWANDA'S ADVANTAGES

- Rwanda is the largest producer of potatoes in the EAC – and 3rd largest in sub-Saharan Africa.
- Rwanda's potato yields, (10mt/ha) are higher than regional competitors, with further potential to increase these yields to 25 mt/ha.
- Rich volcanic soils, high altitude and widespread cultivation ensure continued growth.
- Opportunity – just 15% of Rwandan potato market is processed into chips or crisps.



INVESTMENT HIGHLIGHTS

- Rwanda's regional dominance in scale of production and central location offer potential for a distribution hub for east and central Africa.
- The ideal location for a processing plant is northern Rwanda, where production is concentrated and offers close access to the Ugandan market and Kigali.
- Potato is a priority crop under the Crop Intensification Programme, ensuring continuing supply of fertiliser and improved seed to smallholder farmers.
- Rwanda Development Board could facilitate access to land in or near Musanze for a processing facility and nucleus farm.

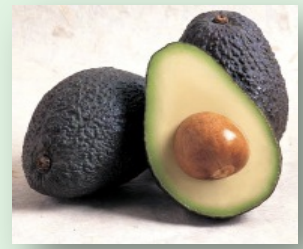
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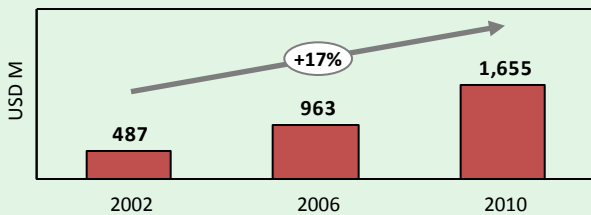
INVESTMENT OPPORTUNITY: AVOCADO EXPORT

Invest in avocado production, storage, and distribution to take advantage of Rwanda's excellent growing conditions to serve unmet, growing year round demand in key EU markets

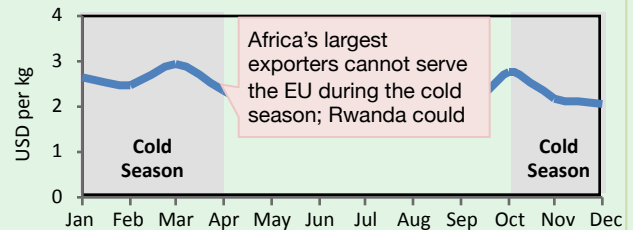
MARKET OPPORTUNITY

- Global avocado consumption has grown strongly over the last decade, with imports increasing by 17% per annum to total over \$1.6B in 2010. This dynamic creates a significant market for Rwanda's most cultivated fruit.
- The EU is a particularly attractive export market as it has struggled to find sources of increased supply .
- Rwanda's favorable climate would allow for year round cultivation, enabling Rwanda to take advantage of the higher prices offered in EU markets during the "cold season".

Global avocado imports grew by 17% over 8 years



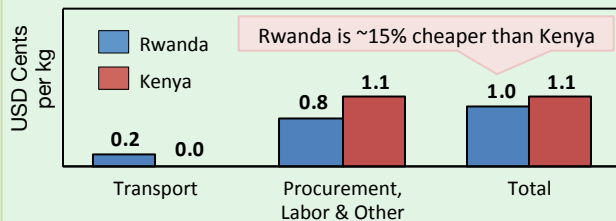
Seasonal EU price fluctuations provide higher prices in the "cold season"



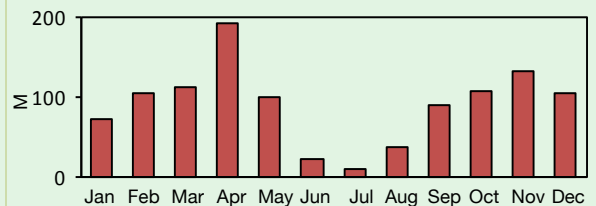
RWANDA'S ADVANTAGES

- Rwanda has distributed more than 280,000 Haas avocado seedlings to smallholders since 2009.
- The agro-climatic conditions in Rwanda are ideal for avocado cultivation, with year round harvest potential.
- Rwanda's cost structure for avocado packaging and export is lower than in other EAC countries.
- Proximity to Kenya makes Rwanda a natural extension of the regional avocado export network, with long-term potential to expand into avocado oil processing.
- The Government's aggressive export targets support and translate into substantial investments in horticulture.

Costs of avocado production are ~15% cheaper in Rwanda than in Kenya



Rwanda's high precipitation levels is well suited to avocado cultivation



INVESTMENT HIGHLIGHTS

- The opportunity to invest ~\$3M into an avocado packaging and export business has a projected IRR of 35%–40%, with net income of \$1M by year five.
- A single investor could expect to export between 2,000-8,000 MT of avocados and earn ~\$5M–\$10M in revenues by year five.
- Direct sales to 2–3 key EU wholesalers would be supported by sales to large EU retailers and supermarkets, such as Tesco, Carrefour and Sainsbury's.

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INVESTMENT OPPORTUNITY: BEANS PROCESSING



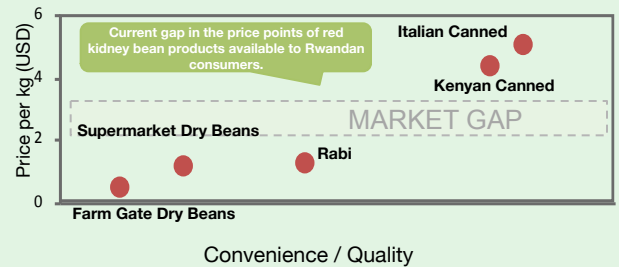
Invest in common beans processing and canning to take advantage of Rwanda's excellent growing conditions and serve a growing and under-served middle class in the EAC

MARKET OPPORTUNITY

- Rwanda's potential market for canned beans is large, with per capita consumption amongst the highest globally.
- Canned beans market in Rwanda could reach \$55M–\$85M by 2017; demand for canned beans in neighboring countries (Eastern DRC, Burundi) can further complement the local market.
- Limited competition, an attractive product and a pricing market gap offer an opportunity to secure first mover advantages.
- Rwandans consume 4 times more common dry beans than the average African consumer at 60 kg per capita compared to 17 kg per capita.

There is a large gap in the price points of red kidney bean products available to Rwandan consumers

Market Map: Retail Prices for Red Kidney Bean Products in Rwanda

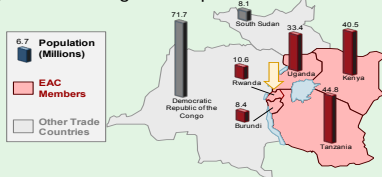


RWANDA'S ADVANTAGES

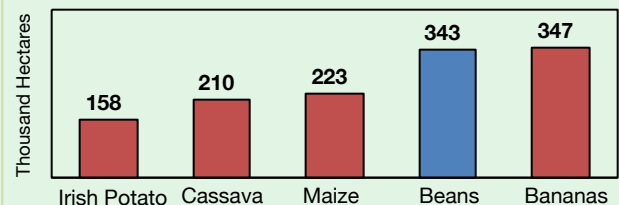
- Rwanda has strong GDP growth (7.5% CAGR 2005–2010), one of the best business environments in Africa.
- The location is ideal to access a large regional consumer base and to benefit from the development potential of the legume market, eventually targeting legumes with high export market potential.
- There is easy access to 1.5 M middle class consumers; 1.2M in Rwanda, 0.3M in adjacent countries.
- Existing informal exports to neighbouring countries (DRC, Uganda) is valued at \$1M each month.
- R&D investment has led to the development of high yielding common bean varieties, suited to local conditions.

Rwanda is a gateway for operations in East Africa, offering easy access to large regional bean markets

EAC Trading Block and Regional Map



Over 25% of arable land in Rwanda is used to cultivate beans; all inputs can be supplied locally



INVESTMENT HIGHLIGHTS

- The opportunity to invest \$8M–\$10M into a common beans processing and canning business will yield an expected IRR of 30%–35%, with net income of ~\$3M (by year five of business).
- Early mover advantages and premium positioning mean an investor can target market share of 40% with revenues of \$22M by year five.
- Sales to supermarkets and institutional buyers will be supported by sales to 2–3 key wholesalers/ distributors.
- Cost assumptions indicate that a 400 g can of red kidney beans can fetch a margin of 20%.
- Diversity of beans production and demand for legumes in Middle East and South Asia offer potential for long-term growth.

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INVESTMENT OPPORTUNITY: FERTILIZER DISTRIBUTION

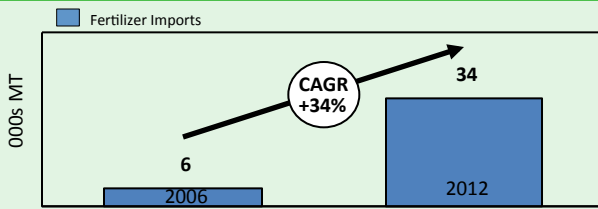


Invest in fertilizer import and distribution business as privatization and government's commitment to addressing market barriers is creating opportunity for players to secure first mover advantage

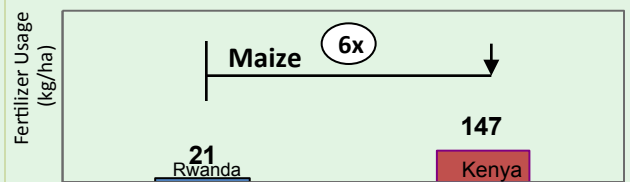
MARKET OPPORTUNITY

- The Government of Rwanda's strategy to increase agricultural productivity through increased fertilizer usage has grown the inorganic fertilizer market from 6,000 to 32,000 MT over the last 6 years.
- Government is currently implementing a 10 million USD privatization project to encourage the entrance of more private sector players to increase market efficiencies, fertilizer utilization and technical agro-capabilities.
- With privatization and the planned market building initiatives, Rwanda's fertilizer market has the potential to reach 48,000 MT in volume and over \$46M in revenue over the next 5–7 years.

The fertilizer market in Rwanda has grown by a 32% CAGR over the last 6 years, driven by imports



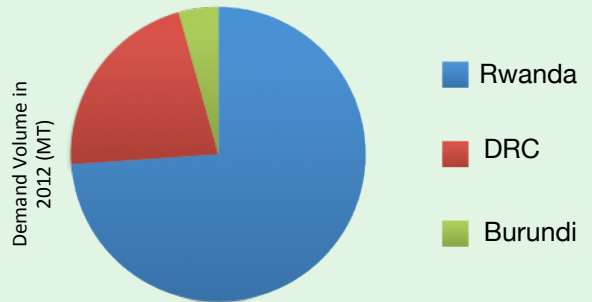
Fertilizer usage rates in Rwanda are smaller vs. regional countries, creating strong potential for growth



RWANDA'S ADVANTAGES

- Rwanda's agriculture sector has recorded strong growth of approx. 5% over the past 5 years.
- Ready to use distribution network of over 1,000 Agridealers.
- The Government is committed to the sector and has continually increased agriculture's share in the fiscal budget from 30 Million USD in 2007 to 125 Million USD in 2012 a 33% increase.
- Rwanda could also serve as a regional fertilizer hub for Eastern and Central Africa — supplying markets in DRC and Burundi that would increase potential fertilizer volumes by 60%, with longer-term opportunities for blending.

Rwanda could serve as a regional hub and supply to smaller markets in DRC & Burundi



INVESTMENT HIGHLIGHTS

- The opportunity to invest ~\$1.2M into a fertilizer import and distribution business has a projected IRR of 35%–40%, with net income of \$1M by year seven.
- A fertilizer firm could realize annual sales of 14,000 MT in the cash and staple crop markets in Rwanda, and potentially expand into adjacent countries (DRC and Burundi).
- Early entrants who serve the current tender market could secure first mover advantage and capture ~30% of market once privatized.
- Revenues for a single fertilizer firm are projected to be \$15M by year seven.

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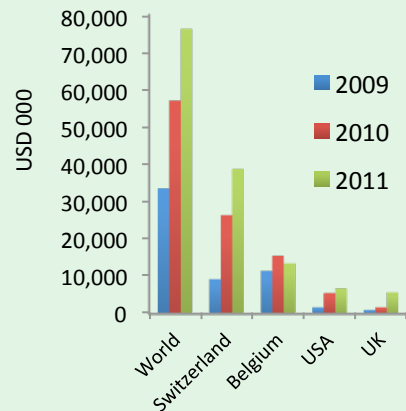
INVESTMENT OPPORTUNITY: COFFEE



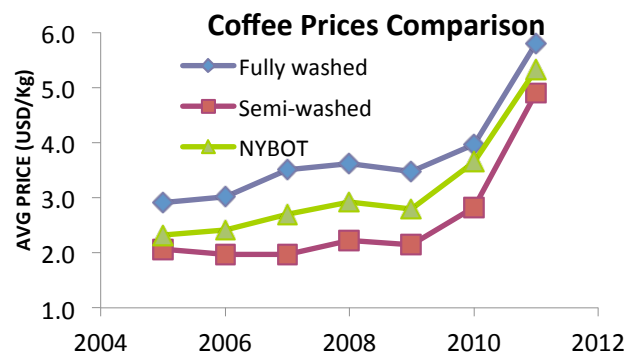
Invest in production, washing, roasting and packaging coffee to take advantage of Rwanda's premium quality and specialty coffee markets in Europe and America

MARKET OPPORTUNITY

- Area under coffee production will increase by 20,000 hectares between 2012 and 2017
- A network of 199 Coffee Washing Stations have been established. If expansion targets are realised, 80-100 additional stations will need to be established to ensure capacity
- Given that only 20-25% of Rwanda's coffee is fully washed there is huge untapped potential.
- The market destinations are in Europe with major buyers including Armajaro and Starbucks



RWANDA'S ADVANTAGES



- With high elevation, rich soil and an ideal climate, Rwanda has ideal conditions for growing premium Arabica coffee.
- The best Rwandan fully washed coffees command price premiums of more than 135 cents per pound over the global Arabica benchmark price.
- Cost of producing high quality specialty coffee beans in Rwanda is amongst the lowest in the region.

INVESTMENT HIGHLIGHTS

- \$7-8M in private investment is needed to establish 80-100 new Coffee Washing Centres over the next five years. Existing high-performing stations show potential for 25-30% rates of return.
- Government is investing \$17M to increase coffee yields over the next four years, and is establishing a \$15M fund available to growers and processors of cash crops
- To cater for a growing domestic and regional coffee market, a \$3M investment in a 2000MT roasting facility could generate a sales turnover of \$30M – an IRR of 28%.

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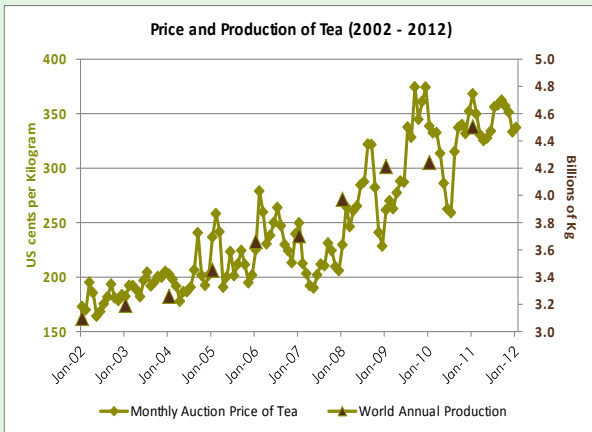
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INVESTMENT OPPORTUNITY: TEA



Invest in new green-fields sites for tea production and processing, focusing on specialty teas, to take advantage of Rwanda's excellent business climate

MARKET OPPORTUNITY

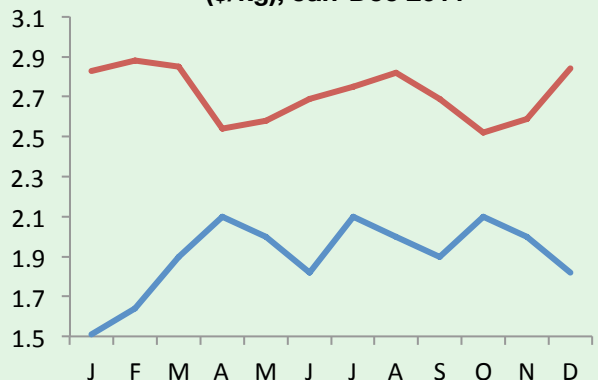


- Tea is Rwanda's second largest export earner generating close to \$40m in annual revenues.
- Demand for specialty teas is growing strongly.
- Global demand requires 60 million kg of tea be added each year to world supply.
- High potential for growth in yields by up to 30%.
- Over the last 2 years, the Rubayu tea plantation increased yields by more than 40% through improved agronomic practices demonstrating strong upside.

RWANDA'S ADVANTAGES

- Rwanda remains one of the last places where factor costs remain low.
- Rich volcanic soil, high altitude and rainfall make for ideal growing conditions.
- Carefully researched tea varieties are matched with soil conditions.
- In 2011, Rwandan tea achieved the highest price in Africa at the Mombasa tea auction and has been consistently higher than the international price.
- Rwandan tea was awarded 1st, 2nd & 4th prizes at the 2012 International Tea Convention.

Price of International and Rwandan tea (\$/kg), Jan-Dec 2011



INVESTMENT HIGHLIGHTS

- Existing production is mainly Black CTC (crush, tear, curl), though existing providers are expanding into orthodox loose leaf and green tea varieties.
- \$35m investment is required for five greenfields sites, including tea processing factories, at already identified sites in south-west of the country.
- Investors can expect \$1-3m annual net profits from tea factories and an IRR of approx 22%.
- Government is committing up to 130m in transport, electricity and water infrastructure around these sites, and is providing \$22m to improve yields and smallholder productivity.

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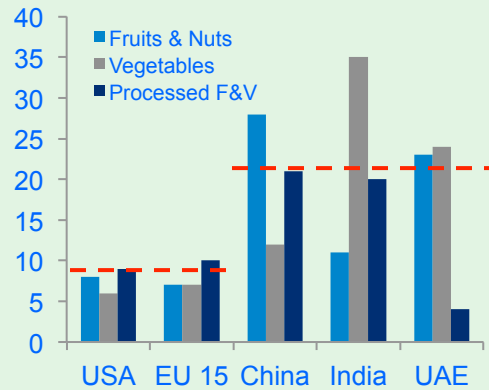
INVESTMENT OPPORTUNITY: HIGH VALUE HORTICULTURE PROCESSING



MARKET OPPORTUNITY

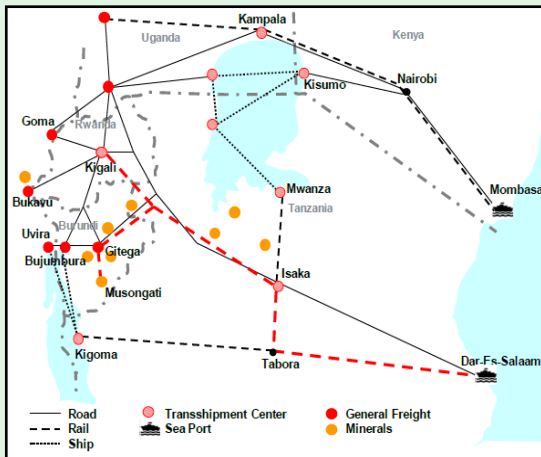
- East African producers are well positioned to supply growth markets in the Middle East and Asia.
- While demand in the EU and North America grows more slowly, declining domestic production and changing consumer preferences favours imports from equatorial regions.
- East African countries have demonstrated their ability to compete on horticulture export markets and exports are increasing.
- Regional demand for horticulture products is booming, driven by regional integration, urbanization, and tourism.

Fruits and Vegetables Imports (% annual growth 2005-2009)



RWANDA'S ADVANTAGES

Proposed Regional Road and Rail Links



- Abundant rainfall, temperate climate and rich volcanic soils offer ideal conditions for growing a wide range of fruit and vegetable products.
- Five airlines are offering regular cargo service from Kigali to major global and regional hubs including new routes to Amsterdam, Brussels, Dubai, Istanbul and Kinshasa.
- All horticultural production zones are within 100km of Kigali airport.
- New transport links are being upgraded to Mombasa and Dar es Salaam.
- Factor costs are competitive, with abundant rural labour, low land-lease rates, and ample water resources for irrigation.

INVESTMENT HIGHLIGHTS

- Rwanda's climate, soil and elevation is suitable for a number of crops including passion-fruit, pineapple, avocados, bananas, French beans, peas, cauliflower, mushrooms, tomatoes, citrus and strawberry.
- The Government has identified 15,000 ha as target horticulture sites for development by investors.
- Investors are sought for public-private partnerships in a 30ha Flower Park near Kigali, and 20ha in Kigali earmarked for construction of a wholesale market.
- A new initiative is certifying cooperatives with Global GAP, fair-trade and organic standards.

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