



**ZAMBIA SUGAR Plc**



**25 February 2008 – Immediate Release**

**US\$160 MILLION LOCAL CURRENCY TERM DEBT FACILITY**

Illovo Sugar has announced the successful closure of the US\$160million (in Kwacha equivalent) debt facility for its Zambia Sugar subsidiary. This landmark transaction is the largest Kwacha denominated facility raised for a Zambian corporate borrower.

The transaction was arranged by Citi and Standard Bank.

Zambia Sugar is the largest sugar growing and producing company in Zambia. The financing is being undertaken by the company in support of its expansion programme, at a total cost of US\$205million (with the debt component amounting to US\$160million). The expansion will increase the factory crush rate as well as the land planted under cane by an additional 10 000 hectares. As a result, sugar production is expected to nearly double from 245 000 produced last year to 440 000 tons anticipated in the 2012/3 season. Zambia Sugar is a 90% owned subsidiary of Illovo Sugar, the largest sugar producer in Africa.

The 2-tranche transaction comprised both an onshore-placed syndicated portion with local banks and pension funds, as well as an offshore placement. The Facility is the largest local currency financing raised to date in Zambia, leveraging off both domestic and off-shore appetite for Zambian Kwacha.

The transaction was arranged by Citi and Standard Bank acting as Mandated Lead Arrangers, with a total of 5 domestic financial institutions and 2 fund managers participating in the local syndication. The participant institutions include Citibank Zambia Limited, Stanbic Bank Zambia Ltd, Standard Chartered Bank Zambia Plc, Barclays Bank Zambia Plc, Zambia and National Commercial Bank Plc. The fund managers were Africa Life Financial Services (Z) Ltd and the Kwacha Pension Trust.

**ENDS**





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