

UMEME SHARES NOW TRADING

“Retail option available to the public”

Kampala, 16th November 2016: The Uganda Securities Exchange (USE) has resumed the trading of Umeme Limited (Umeme) shares after Umeme Holdings Limited (UHL), Actis’ holding company for Umeme, divested its remaining 14.3% in the company to institutional and retail investors.

The National Social Security Fund (NSSF), acquired 7.5% of the 14.3% stake on offer at Ushs 59.4 billion, effectively increasing the Fund’s total stake in Umeme from 15.5% (251,951,071 shares) to 23% (373,771,921 shares), making it Umeme’s majority shareholder.

Selestino Babungi, Umeme Managing Director, described NSSF’s investment as a strong statement of the confidence it has in Umeme and its management.

“We are proud of the Umeme brand and its ability to attract credible investors due to our high standards of corporate governance, our highly talented team and our immense contribution to the growth of the energy sector,” said Mr Babungi.

“Our growth is indicative of Uganda’s powerful macroeconomic story, which is why credible investors are looking for an opportunity like this to invest in the company. We would like to reassure our customers, employees, shareholders and the general public that the transaction will not impact in any way on the operations of Umeme or its commitments under its respective licenses and agreements,” he added.

Babungi explained that since 2005, Umeme has significantly contributed to the electricity supply industry through investments of up to USD440 million in distribution infrastructure, reduced energy losses to 19% from 38%, improved sector cash flows through reduced government subsidies, improved safety and environmental practices and is currently connecting over 140,000 customers per annum.

Richard Byarugaba, the NSSF Managing Director, said their investment in Umeme was in line with their commitment to invest in the Ugandan economy. He disclosed that Umeme is one of the Fund’s best performing equity investments, and one of the best performing listed companies in East Africa.

“Umeme enjoys attractive future prospects, making it a key holding in our equity investments portfolio. The company plays a critical role in enabling economic growth and the development of Uganda through facilitating access to electricity. The ever increasing demand for electricity should lead to higher earnings for the company, and in turn a good yield on the Fund’s investment,” Byarugaba said.

David Grylls, a partner at Actis, said: “We are enormously proud of what Umeme has become. Eleven years ago we saw an opportunity for Uganda’s electricity distribution sector to be transformed into a world class enterprise. Through capital investment, operational improvements specifically focusing on loss reduction and increasing access to electricity, together with a deep commitment to safety, environmental, social and governance principles, Umeme built what is today a financially sound distribution business with world class management and a clear vision and trajectory for continued success. I am also particularly appreciative of the support that Umeme has received from the Government of Uganda, whose ongoing commitment to Umeme, and the electricity sector as a whole, has been essential.”

As a key utility of the country, the transaction has received support from various government departments, including the Ministry of Finance and Economic Development.

Keith Muhakanizi, Secretary to the Treasury, Ministry of Finance, Planning and Economic Development, said the role Actis has played in Uganda's electricity sector over the last eleven years is commendable. It also demonstrates the progress in Uganda's investment climate, with Actis' participation and subsequent exit.

'Umeme is without doubt one of Uganda's leading corporates having successfully mobilized significant investment in the electricity sector, and also contributed to Uganda's revenue effort by being one of Uganda's ten largest tax payers,' said Mr Muhakanizi

Patrick Mweheire, the Stanbic Bank Chief Executive, the transaction advisors, said the transaction represents a milestone in the evolution of Umeme's capital structure, a journey which involved an Initial Public Offer (IPO) in 2012 (39% stake for USD67 million), secondary block trade and retail offer in 2014 (46% stake for USD99 million) and a final block trade through an accelerated book build (ABB) and retail offer in 2016.

'Stanbic Bank, in the capacity of transaction advisor and bookrunner, has played a critical role in attaining each of these milestones. We are proud to be associated with the progression of Umeme and the responsible exit of a majority shareholder through the capital markets,' said Mr Mweheire.

The Umeme share sale offers both institutional and retail investors an opportunity to invest in the business.

According to Paul Bwiso, the Chief Executive of USE, the listing of Umeme Limited in 2012 was an important milestone for the exchange as it represented the largest IPO, the 1st cross listing from Ugandan Securities Exchange (USE) to Nairobi Securities Exchange (NSE) and subsequent considerable activity on the secondary market.

'UHL's sequential and responsible divestment of Umeme's shares has presented a tangible opportunity to create value for all stakeholders and broader participation on the exchange. This transaction represents a culmination of positive market events that have been beneficial to both the issuer and investors,' Mr Bwiso noted.

A total of USD5.2 million worth of Umeme shares are available for public participation in this divesture. The retail tranche of this transaction also means that customers can purchase the 37,349,155 available retail shares at a discounted value of Ushs 488 per share. Interested retail investors can contact their brokers for more information on the share purchase.

ENDS

About Umeme Ltd

Umeme is the largest electricity distribution company in Uganda. Umeme is mandated to operate, maintain, upgrade and expand the distribution network, retail electricity to its customers and improve efficiency within the electricity distribution system.

For further information contact;

Sandor Lyle Walusimbi

Head of Communication Tel: +256 772700845/ Email: sandorlyle.walusimbi@umeme.co.ug

Stephen Ilungole

Media Relations Manager Tel: +256772645786/ Email: Stephen.ilungole@umeme.co.ug

Website: www.umeme.co.ug