



Copenhagen 30 January 2018

A.P. Moller Capital and CDC make bid to acquire Copperbelt Energy Corporation

A.P. Moller Capital's Africa Infrastructure Fund has together with CDC Group plc ("CDC"), the UK's Development Finance Institution, made a bid to acquire a majority stake in the publicly listed Zambian company, Copperbelt Energy Corporation ("CEC").

CEC is a leading Zambian power transmission, distribution and generation company and a major developer of energy infrastructure in Zambia. CEC owns, operates and maintains power transmission as well as generation assets and supplies electricity to customers in Zambia.

A.P. Moller Capital's Managing Partner and CEO Kim Fejfer said: "The power sector in Africa is significantly underdeveloped, in terms of energy access, installed capacity and overall consumption. The sub-Saharan Africa's residential and industrial sectors suffer electricity shortages, which means that countries struggle to sustain GDP growth."

CEC transmits more than half of the electricity consumed in Zambia and is a large power exporter. The offer for the company is based on an explicit developmental strategy to expand renewable power generation in Zambia and increase regional power trading. While CEC has a strong track record in transmitting reliable power in Zambia, supplying over 700MW to industry and households in the Copperbelt region, CDC and A.P. Moller Capital see the company's potential to increase its power generation capacity in order to support the growing demand for electricity in Zambia.

CDC's Head of Infrastructure, Sameh Shenouda said: "Our bid will increase both renewable power generation in Zambia and the growth of regional power trading. Power outages cost African countries an estimated 1-2% of GDP annually and Zambia and its neighbouring countries require an increase in the supply of reliable power. CEC is one of Zambia's leading companies but we believe it has much more to offer. Under CDC and A.P. Moller Capital's ownership it is planned that CEC will bring an additional 150MW of renewable generation to the Zambian network and increase the amount of much-needed power available."

CDC and A.P. Moller Capital's Africa Infrastructure Fund will participate jointly in CEC.

Kim Fejfer: "At A.P. Moller Capital we are very pleased to enter into a partnership with CDC, which is an experienced and credible partner. They have for 70 years been focusing on making a lasting difference by helping businesses become profitable and economically sound over the long term. Like us, they focus on helping businesses and their stakeholders reduce risks and enhance their environmental, social and governance performance."

CDC and A.P. Moller Capital have made a general offer to the board of CEC. The Board is now following the process required by the Zambian Takeover Code and an offer document and circular will be circulated to shareholders in due course.

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A.P. Moller Capital is an affiliate of A.P. Moller Holding and was established to manage stand-alone funds to invest in infrastructure in emerging markets. The first fund is focusing on Africa. For further information please visit our website www.apmollercapital.com