

The Impact of the Global Financial Crisis on Africa

Speech by:
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Gallagher Estate

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Overview of Key Sub Saharan Countries

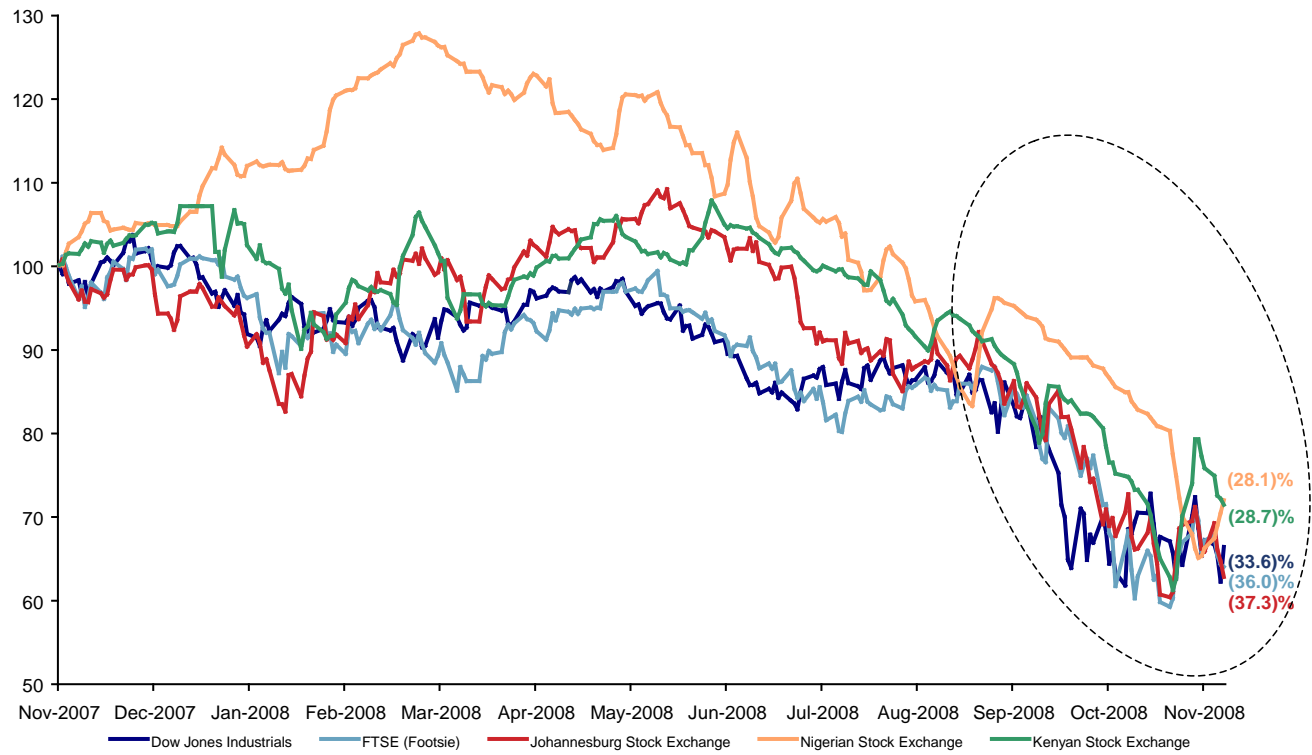
	2007 GDP (\$bn)	Population (m)	2007 GDP growth	Size of Capital Markets (\$bn)
South Africa	255.4	47.9	5.1%	401.3
Nigeria	142.2	146.2	8.9%	62.9
Angola	47.0	16.3	23.1%	NA
Kenya	29.3	34.7	7.0%	10.6
Botswana	12.3	1.6	5.7%	3.8
Total	486.2	246.7	8.1% ¹	478.6
Comparable Developing Nations				
Russia	1,289.6	142.1	25.7%	278.2
India	1,098.9	1,123.9	13.2%	583.5

Source: IMF reports, EIU country forecasts. Bloomberg as at 14-Nov-2008
¹Represents weighted average GDP growth rate weighted by GDP contribution



Relative Share Price Performance

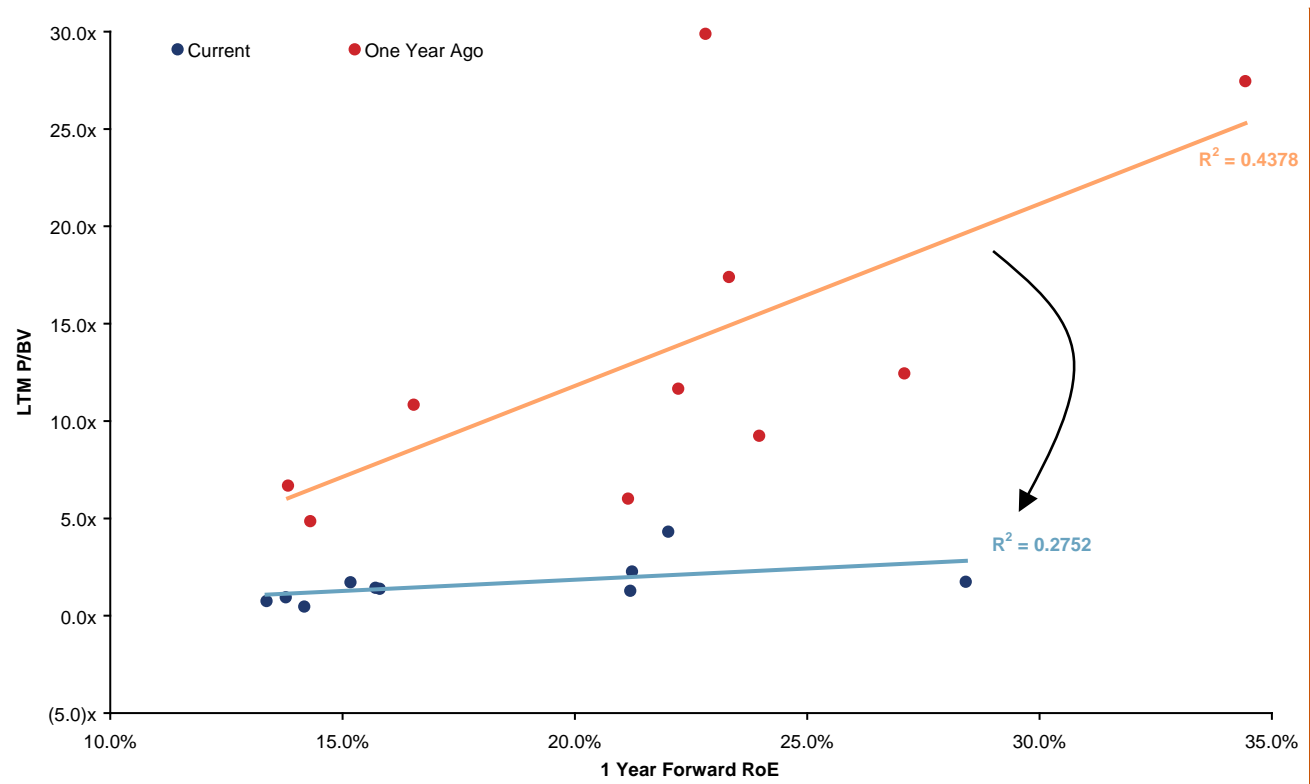
Last 12 Months





Nigerian Financial Institutions

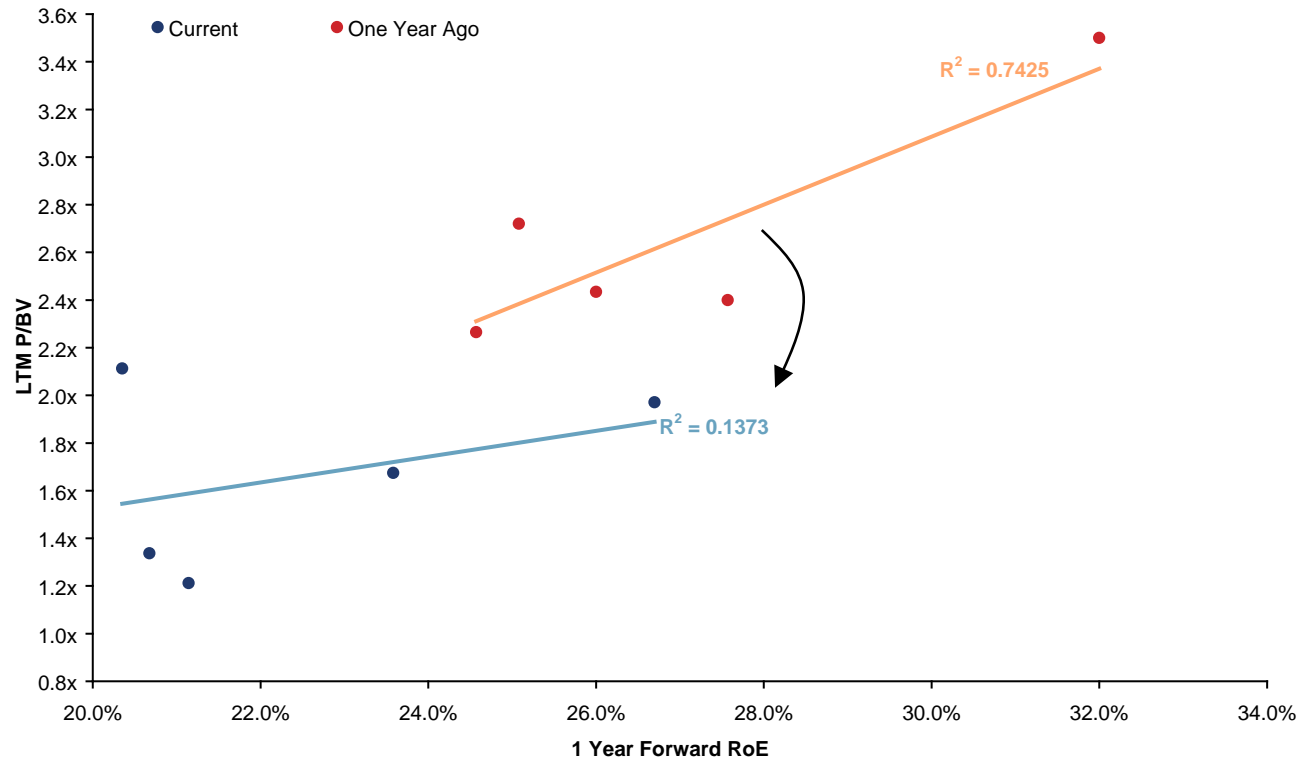
Current Valuation vs. Valuation One Year Ago





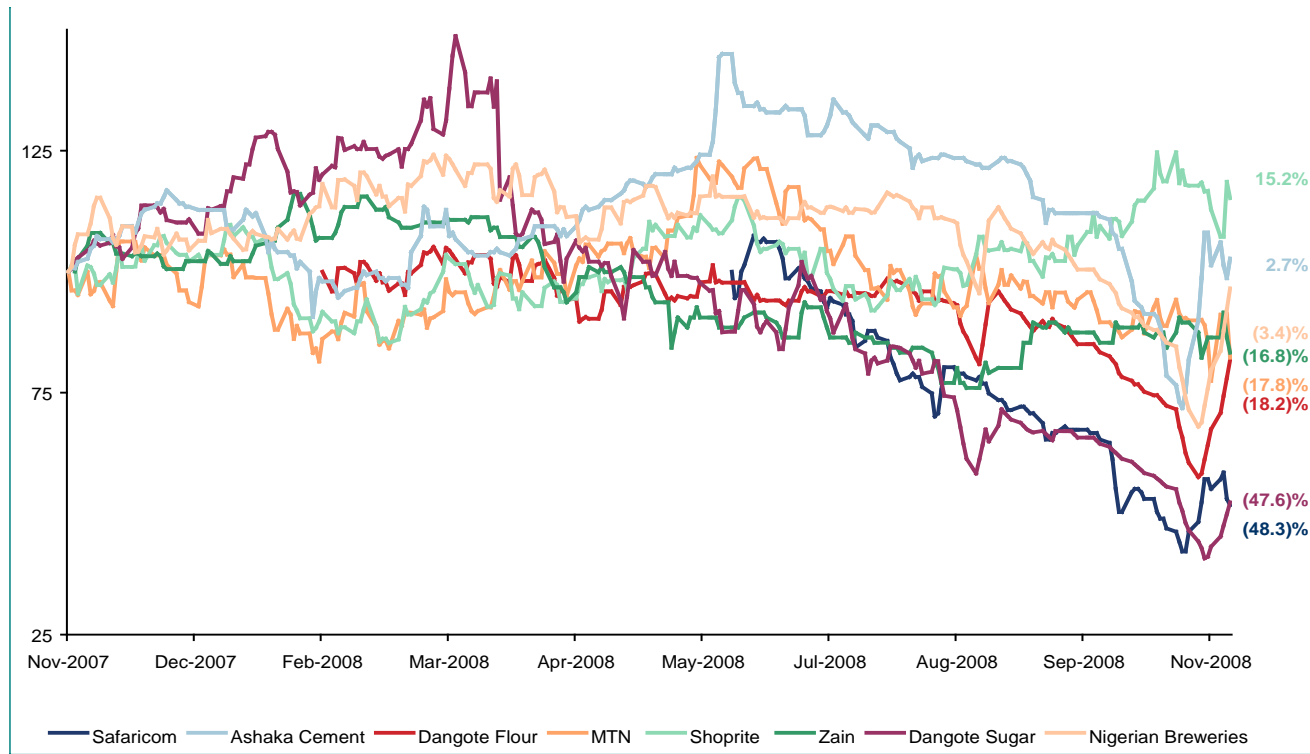
South African Financial Institutions

Current Valuation vs. Valuation One Year Ago



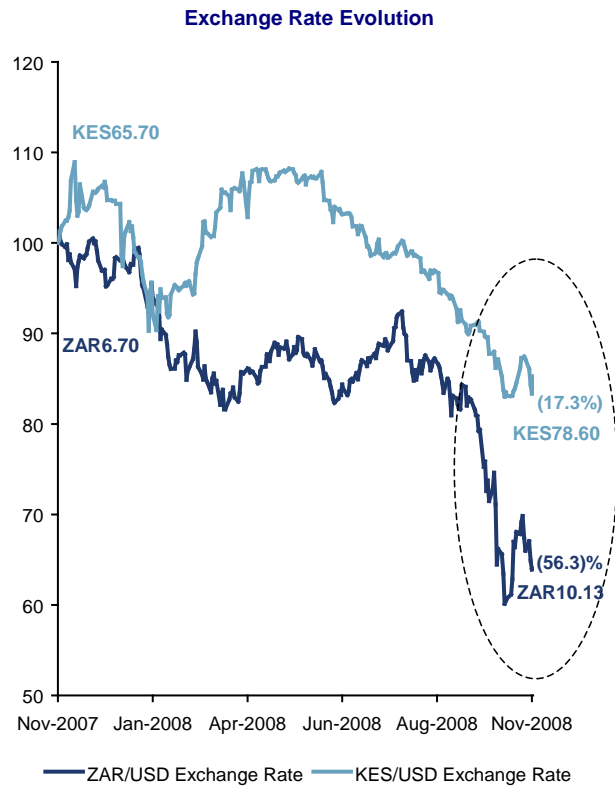


Equity Performance: Largest Non-Financial Sub Saharan African Stocks



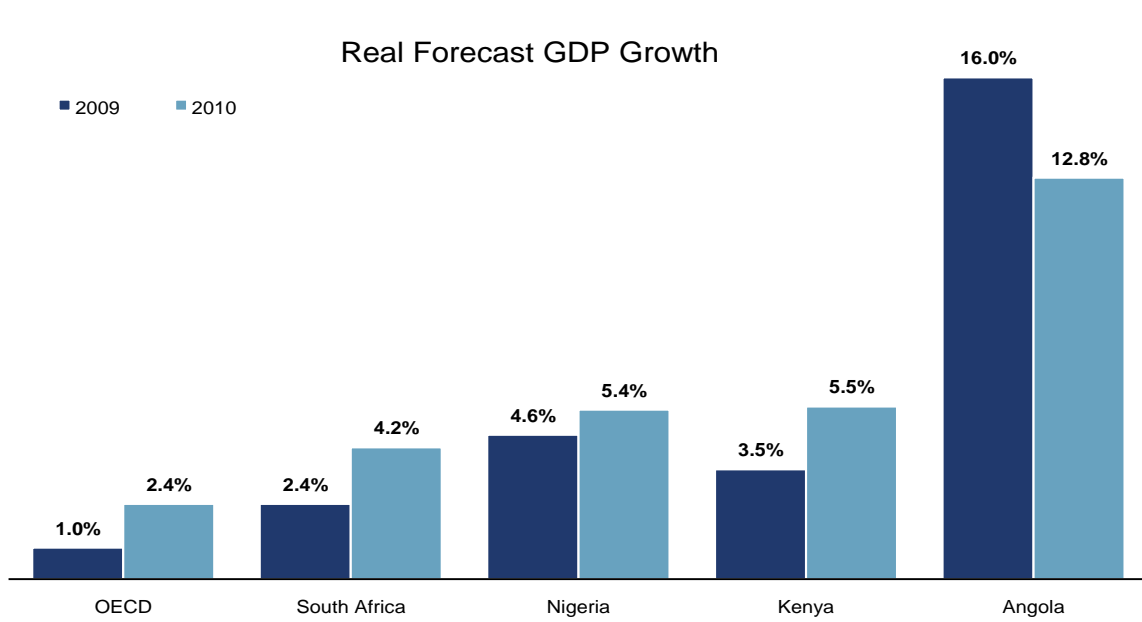


Exchange Rate and Risk Measurement Evolution



South Africa CDS Spreads

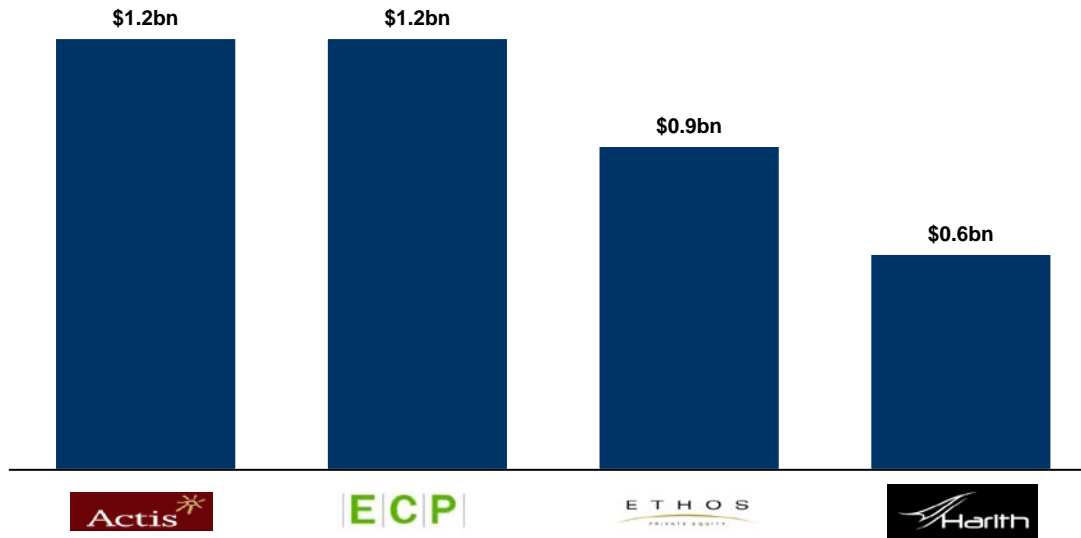
African Countries Have Reasonable Growth Outlook





African Wide Private Equity

Committed Funds For Investment In Africa





Key Takeaways

Africa has been significantly impacted by the financial crisis, but there remain attractive valuation opportunities for investors

- ✗ Sub Saharan African capital markets have fallen by 30-40% in the last 12 months
- ✗ 2009 GDP growth forecasts for Sub Saharan Africa have been revised downwards from 5.6% to 4.6%
- ✗ Sub Saharan African economies remain highly exposed to a decline in OECD countries' growth, arising from around 33% of their GDP relating to exports
- ✗ Cost of capital has increased, due to worsening credit conditions worldwide and global risk aversion

But

- ✓ Value opportunities remain
- ✓ Private equity investors remain committed to Africa
- ✓ Fewer players are following investment opportunities in Africa