

MEDIA RELEASE

PIC acquires majority stake in Karan Beef

PRETORIA – 23 October 2018: The Public Investment Corporation (PIC) together with Pelo Agricultural Ventures are proud to announce that they have successfully concluded the acquisition of a majority shareholding in Karan Beef for a maximum consideration of up to R5.2 billion. The acquisition is subject to final approval by the Competition Commission.

Karan Beef operates the largest cattle feedlot and abattoir on the continent. The company was founded in 1974 by the Karan family and is based in Heidelberg, Balfour and City Deep. The feedlot accommodates 150 000 head of cattle at any given time. The Balfour based abattoir has the capacity of processing 2 000 head of cattle every day. South Africa is Karan Beef's biggest market, but it also has a substantial export market.

"This is a historic deal concluded in terms of our clients' developmental investment mandate, which will support the much needed transformation in the agricultural sector. It will bring new entrants into the sector at ownership level and will be instrumental in bringing emerging farmers into the value chain of beef production in South Africa. We are, particularly, happy that the Karan family has decided to sell part of this important asset to South Africans, ensuring that ownership remains local and in black control. This is a significant transaction and must be celebrated," says the PIC CEO, Dr Daniel Matjila.

Pelo Agricultural Ventures is a black-owned, managed and controlled investment holding company that operates in the agricultural sector in South Africa and the rest of the continent. "We are extremely proud to be part of this ground-breaking transaction and looking forward to working closely with the existing management team to grow the company", says Pelo Agricultural Ventures CEO, Mr Aobakwe Kukama.

"This is a ground-breaking deal for agriculture in South Africa and we must celebrate the fact that the company will remain South African. We look forward to taking our new partners under our wings and sharing 45 years of knowledge and expertise with them", says Ivor Karan.

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Issued by

Sekgoela Sekgoela

Public Investment Corporation

Email: Sekgoela.sekgoela@pic.gov.za