

## THE PERMIRA FUNDS BACK MANAGEMENT IN TERACO BUYOUT

*Transaction marks the Permira funds' first investment in Africa and P5's ninth investment*

4 December 2014 – Teraco Data Environments, Sub-Saharan Africa's leading provider of carrier neutral datacentre services, and Permira, the international private equity firm, today announced that a company backed by the Permira funds has agreed to acquire 100% of the equity in Teraco in partnership with management.

Established in 2008 upon deregulation of the South African telecoms market, Teraco is the largest provider of carrier neutral datacentre services in Sub-Saharan Africa. The company offers colocation and related services in highly secure and reliable datacentre environments. The company operates three high quality facilities serving more than 170 clients, including many blue chip companies, across five key client hubs – telecoms, outsourcing, content, enterprise and financial. Teraco's datacentres are the most interconnected in Sub-Saharan Africa, with customers connecting directly with each other, as well as through the region's largest and fastest growing IXP - 'NAP Africa'.

In Teraco, the Permira funds are backing a leader in a market with strong fundamental growth drivers. The datacentre market is supported by the growth in the adoption of internet and smart devices in Africa as well as increased datacentre outsourcing. The market in South Africa is growing rapidly, with only one tenth of datacentre facilities outsourced compared with a third in the US and a quarter in Europe. Teraco has built an important strategic position to capture the regional opportunity as a trusted and secure partner with reliable power sources. The Permira funds' investment will support the company's growth plans, including the strengthening of its sales and marketing platform and its expansion into Sub-Saharan Africa.

**Lex Van Wyk, CEO, Teraco**, said: "The management team is excited to welcome the Permira funds as a shareholder and we are optimistic about the opportunities provided by this new partnership moving forward. Timing is key in these situations, Teraco is now a mature business with a proven strategy, and the Permira funds' experience in investing in technology markets globally will help Teraco deliver its ambitious growth goals."

**Michail Zekkos, Principal at Permira**, added: "As the leading carrier neutral datacentre provider with 5 growing customer ecosystems, Teraco is ideally positioned to continue supporting the critical IT infrastructure of its clients and their connectivity needs. We look forward to partnering with Lex Van Wyk and his experienced management team to support the next phase of growth of this high-quality, uniquely connected datacentre business."

**Richard Sanders, Partner and Co-head of the Technology team at Permira**, said: "We are pleased to be announcing our funds' first investment in Africa with this exciting opportunity, which is another example of our technology strategy of backing strong market leaders in fast growing markets."

The transaction is subject to regulatory approval and customary closing conditions, and is expected to complete in Q1 2015. Upon closing, Permira's Richard Sanders and Michail Zekkos will join Teraco's board. This investment represents the ninth investment from Permira V, which is now over 30% invested. The sellers are local VC funds as well as management and private investors.

Torch Partners served as the sole financial adviser to the Permira funds and Freshfields and ENS served as their legal advisers.

**ENDS**

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## Notes to editors

### About Teraco

Teraco is the first provider of resilient, [carrier neutral](#) data environments in South Africa. Clients benefit from the cost savings and improved resilience of securely housing their information systems and networking equipment in a [colocation](#) facility purpose-built and operated to global best practice by an expert organisation with an absolute focus on data centre technology and infrastructure.

Teraco manage [colocation data centres](#) in [Cape Town](#), [Durban](#) and [Johannesburg](#).

For more information visit: [www.teraco.co.za](http://www.teraco.co.za) or follow us on Twitter: @TeracoDC

### About Permira

Permira is an international private equity firm. The Permira funds, raised from pension funds and other institutions, make long-term investments in companies with the ambition of transforming their performance and driving sustainable growth. Founded in 1985, the firm advises funds with a total committed capital of approximately €25 billion and has made over 200 private equity investments.

Permira specializes in five key sectors: Consumer, Financial Services, Healthcare, Industrials and TMT (Technology, Media and Telecoms) and its portfolio currently comprises over 25 companies. Permira employs over 120 professionals based in Frankfurt, Guernsey, Hong Kong, London, Luxembourg, Madrid, Menlo Park, Milan, New York, Paris, Seoul, Stockholm and Tokyo.

The Permira funds have a long track record of successfully investing in technology companies around the world including TeamViewer, LegalZoom.com, Inc, Ancestry.com, NDS, Renaissance Learning, Metalogix and Genesys. Since 1997, over 33% of the Permira funds' investments have been in the core sector of Technology, Media & Telecom.

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