

BERKSHIRE PARTNERS TO INVEST IN TERACO DATA ENVIRONMENTS

- **Transaction brings new partner for further expansion**
 - **Permira remains committed shareholder**

21 JANUARY 2019 – Teraco Data Environments, Africa’s leading provider of colocation datacentre infrastructure, today announced that Berkshire Partners LLC, a Boston-based investment firm, has entered into a definitive agreement to acquire a majority stake in the company. The Permira funds, an existing shareholder, will remain a significant investor.

Based in Johannesburg and established in 2008, Teraco is the largest provider of datacentre services in Africa. The company offers vendor-neutral colocation and other related services in secure and resilient datacentres. The Permira funds initially backed a Teraco management buyout in December 2014 and in that time the business has multiplied its capacity more than six times. The company operates five high-quality facilities with 30MW of critical power load serving more than 450 clients, including global internet companies, across five core ecosystems – telecoms, managed service providers, content, enterprise and financial services. With more than 13,500 interconnects, Teraco’s datacentres are the most interconnected facilities in Africa, allowing clients to connect directly to each other, to the onramps of all major cloud providers, as well as to the continent’s largest and fastest growing Internet Exchange Point, NAPAfrica.

The datacentre market in Africa is poised for continued strong growth with increasing demand for global applications, content, and the accelerating adoption of cloud services. Teraco has built a strategic position to capture this regional opportunity as a trusted and secure partner with resilient datacentre facilities built to international standards.

Jan Hnizdo, Managing Director of Teraco, said, “Berkshire Partners is a like-minded and committed long-term partner that shares our vision for the future: to continue to invest in world-class datacentre facilities, allowing us to support the digital interconnected enterprise, and meeting the high standards of service that are expected from us. Over the next few years, we aim to double our installed critical power load from 30MW to 60MW and we look forward to working closely with Berkshire Partners on this ambitious growth journey.”

Larry Hamelsky, a Managing Director at Berkshire Partners, said, “We believe that Teraco is exceptionally well-positioned to capitalize on the fast growth of the Sub-Saharan datacentre infrastructure market given its highly interconnected ecosystems, well-designed facilities, and ability to offer a wide array of deployments. We are thrilled to be partnering with Teraco’s talented management team to support the company’s continued success.”

Michail Zekkos, Partner at Permira, added, “The past four years have been a transformational journey for Teraco and we are very pleased to have played a role in growing the business, expanding its ecosystem, and delivering such strong results.

We remain very committed to Teraco and the management team – something that is underscored by our funds’ continuing investment – and we are excited about bringing in a new partner to support further expansion. Continued secular demand driven by Sub-Saharan Africa’s digital transformation, the early stages of outsourcing, and cloud penetration means that the future looks very positive for Teraco, and we look forward to supporting the team.”

Lex Van Wyk, Chief Executive Officer of Teraco said: “Berkshire Partners has prior experience investing in datacentres and appreciates the business that we have built. We are delighted to welcome them as our new majority shareholder. In addition, with the Permira funds staying on as a shareholder, there remains continuity in the shareholder base. It is business as usual for the employees and management team of Teraco, and more importantly, for our clients.”

The transaction is subject to regulatory approval and the customary closing conditions, and is expected to close in the first quarter of 2019.

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Notes to editors

About Teraco

Teraco is the only provider of resilient, vendor neutral data environments in South Africa. With more than 200 major network providers colocated at Teraco, we offer unique flexibility and scale by providing the greatest interconnectivity on the continent, in a secure, 99.999% guaranteed uptime environment.

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 or follow us on Twitter: @TeracoDC

About Permira

Permira is a global investment firm. Founded in 1985, the firm advises private equity funds with a total committed capital of over €33bn and makes long-term investments, including majority control investments as well as strategic minority investments, in companies with the objective of transforming their performance and driving sustainable growth. The Permira funds have made over 250 private equity investments in five key sectors: Consumer, Technology, Industrials, Healthcare and Financial Services. The Permira funds have a long track record of successfully investing in technology companies around the world including Exclusive Group, Genesys, Informatica, Klarna, P&I, LegalZoom and TeamViewer.

For more information visit: www.permira.com or follow us on Twitter: @PermiraNews

About Berkshire Partners

Berkshire Partners, a Boston-based investment firm, has raised nine private equity funds with more than \$16 billion in aggregate capital and has made over 125 investments in primarily middle market companies since its founding in 1986. The firm is currently investing Berkshire Fund IX, a \$5.5 billion fund raised in 2016. The firm seeks to invest \$50 million to \$500 million of capital in each portfolio company. Berkshire has developed specific industry experience in several areas including communications, consumer products and retail, business services, industrials and healthcare. Berkshire has a strong history of partnering with management teams to grow the companies in which it invests with the goal of consistently achieving superior investment returns. Previous investments in the communications sector have included Telx, Lighttower and Crown Castle International. For additional information, visit www.berkshirepartners.com.