Madhvani Group of Companies

75 years of quality products

in Uganda
The Madhvani Group is at the forefront of industrial development in several countries and is one of the largest diversified private-sector groups in East Africa, employing over 10,000 people. Starting in Uganda at the turn of the century, the Group’s activities have achieved a geographical spread into various African countries, the Middle East, India and North America.

MADHVANI GROUP IN UGANDA

From humble beginnings in 1914, the Group has steadily grown into a widely diversified conglomerate. The Group’s current turnover in Uganda exceeds USD 100 million. The Group’s assets in Uganda are valued in excess of USD 200 million, with several units undergoing major rehabilitation / renovation / expansion programmes.

The Group is the largest private-sector investor in industry in Uganda; with a substantial presence in the following:

- hotels & tourism
- insurance
- media & communications
- information technology
- construction
- trading (various industrial products and consumer durables)

In the growing services sector of Uganda, the Madhvani Group has a presence in:

- agriculture and agro-processing - including sugar-cane, tea & floriculture
- sugar
- sweets & confectioneries
- packaged tea
- soap
- packaging (glass, corrugated cartons, crown corks, etc.)
- matches
- steel (rolling, wire-drawing, chain-link fencing, etc.)
- commercial property development

The Group has established for itself an outstanding track record in turn-around of dormant companies, and has achieved a market leadership position in most of the sectors in which it operates.
The Kakira rehabilitation is considered by the World Bank and the African Development Bank to be one of their most successful projects on the continent. It is an outstanding example of industry turn-around under private sector management. Its success is the best example of the Madhvani Group’s track record in the sugar industry.

The Group is now completing an extensive phased programme for further expansion to enhance Kakira’s crushing capacity to over 6,000 TCD to produce more than 150,000 tons of sugar each year. The expansion plan includes increasing the Outgrowers area under cane to over 16,000 Ha, as well as expanding its co-generation plant to produce steam as well as 22 MW of electric power (incl. 12 MW for sale to the national grid). The sugar expansion was partly financed by a loan of US$ 10.7 million from FMO. Since the cogeneration expansion is based on a renewable bio-mass fuel, it is being supported by a US$ 3.3 million grant from the Global Environment Fund as well as loans of US$ 8.6 million from the East African Development Bank. The project will also earn Carbon Emission Reduction credits from the World Bank. The balance funding of the total project cost of US$ 50 million is from own resources as well as medium-term loans from local commercial banks.

Following the expansion and cogeneration project at KSW, further plans are being formulated by the Madhvani Group. These include the production of anhydrous ethanol – from molasses – to blend with petrol (to reduce fuel imports), setting up of a new 2,500 Tons Cane per Day sister sugar complex in Amuru District, Northern Uganda, and ‘Jatropha’ cultivation to produce bio-diesel (another renewable bio-fuel option).

Sugar-cane is cultivated on the company’s own nucleus estate of over 24,000 acres (9,700 Ha) supplemented by cane from over 4,000 outgrower farmers (with more than 11,000 Ha under cane), for production of over 100,000 tons of sugar per year - making this Uganda’s largest sugar producer. To cater to the needs of the agricultural development of Kakira, the Company established a sugarcane nursery for treated seed cane, a full-fledged Agronomy Section with an Applied Research Centre.

The Company employs over 7,000 people and has been responsible for the socio-economic development of this rural area. In addition to direct employment, Kakira’s activities support the local community – outgrower farmers, cane transporters, ancillary and support industries, etc. This has contributed significantly to the Ugandan Government’s poverty alleviation programme. Including dependent families, Kakira Sugar Works provides the means of livelihood to over 75,000 people in the South Busoga region of Uganda.

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A modern floriculture project was established in 1998 at Kajjansi (off the Kampala-Entebbe road, adjacent to the Nakigalala tea estate) with state-of-the-art fertigation/drip-irrigation systems, cold storage and post-harvesting facilities for cultivation of high quality varieties of roses in steel greenhouses for cut-flower export to Europe. Starting with 2.6 hectares, this unit has expanded to 8.75 hectares.

The rose farm currently employs around 200 people for growing the following varieties:

- Red calypso (red) 2.00 Ha
- Poem (pink) 1.05 Ha
- Sunbeam (yellow) 1.05 Ha
- Viva (yellow) 1.82 Ha
- Chelsea (orange) 1.25 Ha
- Akito (white) 0.52 Ha
- Samoa (orange) 1.04 Ha

This Company exports cut-flowers to the Flora Holland auction at Westlands in the Netherlands as well as to direct buyers in European countries. In 2006, Kajjansi Roses exported a total volume of over 19 million rose stems. The unit is considering further expansion possibilities in the near future.

The Group is now diversifying into the field of chrysanthemum cut-flowers – the second most popular flower in the world after roses. This diversification project has been set up as a 50:50 joint venture with a reputed flower marketing company in Holland - Flower Direct B.V.

The company has acquired 50 acres of land off the Mityana Road (20 km from Kampala) out of which 12.5 acres have been developed in the first stage. After completing land development and internal roads, buildings were constructed for the cold store, grading area, irrigation equipment, spraying plant, stores and staff facilities. The project includes cold store equipment from Holland, steel greenhouses from Spain and India, and irrigation, spraying and lighting systems from Israel. The total phase 1 project cost is over US $ 3.0 million.

It is planned that project implementation will be completed with export of chrysanthemums commencing in October 2008. This unit will employ 130 persons in the first phase. The envisaged initial volume is 12 million chrysanthemum stems in 2009, which would grow in subsequent phases.

Madhvani Tea is a division of Kakira Sugar Works and comprises two estates, Mwera Tea Estate and Nakigalala Tea Estate.

Madhvani Tea produces in excess of one million kilograms of made tea per year, all of which is currently exported. The Group is undertaking an expansion programme to double this annual output volume in the next five years.

Mwera Tea Estate is situated 70km from Kampala. 12km off the Kampala-Mityana Road. It has a total land area of 403 hectares of which 313 hectares is presently under production after extensive rehabilitation. The estate employs 540 people.

A modernisation and extension programme for the tea factory has recently been implemented thereby increasing production capacity by more than 70% - enabling an intake of upto 40,000 kgs of green leaf per day. New machinery includes Jumbo Withering Troughs, a state-of-the-art CTC (Crush-Tear-Curl) line, a Continuous Fermenting Machine, a new dryer, a winnower, a wood fired air heater and various sorting and grading machines to name a few. To accommodate all the new machinery the factory building has also been extended.

Future plans include not only increasing the productive area under tea but also encouraging local outgrowers to increase their supply to the factory.

The estate also boasts a new primary school which provides education to students from nearby villages as well as the children of estate employees.

The Group’s second tea estate is situated 15 kms from Kampala on the road to Entebbe. The total area available for tea cultivation is 508 hectares out of which 190 hectares is presently under tea. A substantial part of this has been rehabilitated and brought under production in recent years. A tea nursery has recently been started in Nakigalala Estate to cater for the planting needs of both Mwera and Nakigalala. The estate employs 360 people and supplies green leaf to the Group’s processing plant at Mwera Tea Estate.

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KAKIRA SWEETS & CONFECTIONERY

A small specialised unit (with a production capacity of 2,400 tons pa) attached to the Kakira complex to produce mainly hard boiled sweets. The unit is currently in the middle of a major investment programme with the installation of new production lines and refurbishment of the factory.

The unit is re-launching all current brands and introducing 5 new brands with high quality design/packaging to international standards. The product range includes hard-boiled sweets and lollipops (Jolli Lolli, Ice Green, Honey’n’Butter Drops and Fun Pops to name a few of the brands), fruit drops and compressed sugar tablets.

The company is also looking to introduce new products over the medium-term which will result in further investment in Uganda.

KAKIRA SOAP DIVISION

This is an integrated complex comprising a Laundry Soap plant, a Toilet Soap plant and a Maize Milling facility. The Laundry Soap Plant and the Maize Mill have been rehabilitated and are operating successfully. A modern production line for laundry soap was commissioned in April 1996, which substantially increased the capacity of the soap plant to 1,250 tons per month.

Under a strategic alliance with Unilever, the unit has also been producing laundry soap on their behalf since 2001, which is then marketed under the Unilever brand. The total combined production of laundry soap (both Madhvani & Unilever brands) now exceeds 1,000 tons per month. This caters largely to the local demand of laundry soap.

MAKEPASI MATCH LTD.

The Madhvani Group started production of safety matches in Uganda in 1963 in Jinja. The matches which were produced prior to 1972 were made of wood – not only the matchsticks but the entire matchbox itself.

Environmental concerns and a shortage of local timber necessitated a major evolution in the matchbox industry. In 2007 a new joint venture company was formed named Makepasi Match Ltd. Makepasi is the largest producer of wax coated paper matches in East Africa and will eventually employ over 400 people. It is very rare in the global wax match sector to have large scale operations under one roof, this has now been successfully achieved at Makepasi. The present installed capacity of the unit is enough to cater for the Ugandan market which is estimated to be over 300 million matchboxes per annum and expansion plans are already underway.

In the new venture the joint strengths of each of the respective shareholders are utilized: the Madhvani Group is responsible for management of the unit, the Keshwala group is the leading distributor of wax matches in the East African region and the Paulsamyi group is a leading supplier of machinery and raw materials within the industry.

The unit is committed to producing the best quality and most cost effective matches that it can.

For a Quality Flame – Makepasi is the name!
This unit, located at Kakira near Jinja, has the only plant in Uganda for producing metal crowns for the beverage industry. The current installed capacity is 540 million crowns per annum. Coleus Crowns aims to procure additional equipment in the near future that will increase its capacity to 1.6 billion crowns per annum. The plant is equipped to produce both PVC- and PVC Free-lined crowns. As part of its modernisation programme, this unit installed world-class crown manufacturing equipment from Italy along with state-of-the-art vision inspection equipment to ensure the production of excellent quality crowns. Presently, this company caters largely to the domestic demand for such metal closures. The products are used by breweries, soft-drink manufacturers, local wineries and other bottlers.

The Group has undertaken a joint-venture with Graphics Systems Uganda Ltd. (Uganda’s leading producer of labels, display materials, etc. for large companies and multinationals) under which it is undertaking a US$ 6 million modernisation programme to expand capacity to 550 tons/month and to widen the product range and to meet increasing customer demand.

EAST AFRICAN GLASS WORKS (1995) LTD

The Group’s long-term plan is to rehabilitate this glass bottle plant in Kampala to a capacity of 18,000 tons of blown glassware per year (i.e. glass bottles for beer, soft drinks, processed foods, juices, pharmaceuticals, cosmetics, etc.) and tableware. This facility will complement the Group’s glass plant in Dar-es-Salaam in Tanzania – Kioo Ltd. At present, this Company is engaged in marketing and distribution of glass containers produced by Kioo Ltd. in Tanzania. This is helping the company develop and establish a sizable local market for the Group’s products. The company is also engaged in distribution of glass containers to neighbouring countries e.g. Rwanda, Burundi etc.

On recommencement of its own production in Kampala, the Company will be able to cater to almost the entire demand for glass containers in Uganda and the neighbouring regions.
Originally established in the 1950s, Paraa Lodge is uniquely located overlooking the River Nile and close to the spectacular Murchison Falls, in Murchison Falls National Park, North Uganda (305 km from Kampala). This property was added to the tourism portfolio of the Group in 2000, when the Group took over its operations from a company under receivership. In terms of positioning in Uganda, this leading game park lodge is ranked second only to Mweya.

The Lodge employs around 80 people and has 53 guest rooms (including 2 suites), the exclusive Queen’s Cottage, a swimming pool with a sunken bar, a modernised dining room and main bar, conference facilities, a refitted kitchen and upgraded infrastructure. After taking-over management, the Madhvani Group has undertaken a phase-wise programme for enhancement of the facilities at Paraa Safari Lodge.

Additional guest facilities recently added to Paraa Safari Lodge include:
- a fully-equipped Business Centre (with internet access)
- a well-stocked Gift Shop.

Boat & Launch Operations
The Group has recently been awarded concessions by the Uganda Wildlife Authority to operate launches and motor-boats on the River Nile in Murchison Falls National Park – for game-viewing as well as fishing – as well as on the Kazinga Channel in Queen Elizabeth National Park. The Group’s boats will augment the excellent facilities of Paraa and Mweya Safari Lodges.

In 1995, the Group took over the operations of Mweya Safari Lodge in Queen Elizabeth National Park, Western Uganda (450 km West from Kampala), under a 30-year concession from Uganda National Parks / Uganda Wildlife Authority under the Government of Uganda’s privatisation programme. This leading game park lodge of Uganda is uniquely located on a peninsula overlooking Lake Edward and the Kazinga Channel with a spectacular view of the African landscape and its flora and fauna.

The Lodge currently employs around 100 people and has 46 guest rooms (including 6 single rooms and 2 suites), the Royal Cottage (where the Queen Mother stayed in 1954), the Rwenzori Cottage and two even more luxurious VVIP Cottages.

The Duke of Edinburgh inaugurated the second VVIP Cottage in November 2007 during the Royal visit to Uganda.

After taking-over management, the Madhvani Group implemented a comprehensive phase-wise programme for rehabilitation and renovation of Mweya Safari Lodge. After immediate steps to rehabilitate existing facilities and improve staff housing, all guest rooms were refurbished. The rehabilitation of the Lodge included a new reception and a larger lounge, a modernised dining room and bar, conference facilities, a new swimming pool, an observation deck, a refitted kitchen and upgraded infrastructure. The Royal Cottage was renovated and two VVIP cottages were constructed.

Additional guest facilities recently added to Mweya Safari Lodge include:
- a fully-equipped Business Centre (including internet access)
- a modern Health Club (with a gymnasium, sauna, steam bath, massage and reflexology, beauty salon, etc.)

Mweya Lodge is undoubtedly the finest lodge in Uganda – comparable to the best on the African continent.
TPSC is a fully-equipped service facility for all turbo-prop aircraft including helicopters. The unit was established in 1999 to convert its own aircraft maintenance unit into a profit centre by offering 3rd-party services. TPSC holds five certified AMO approvals and has a qualified team of 8 technical experts and staff. TPSC’s clients include Solenta Aviation (UN/WFP), Fugro Airborne Surveys (Ministry of Energy), Baranza Air Service (Uramin), Lake Albert Safaris, etc.

This unit was established in 1995, with a base at Kakira. The Company has a Beechcraft King Air B200, with twin turbo-engines. This is a well-equipped small aircraft which can fly at 400 kph and is pressurized to fly at an altitude of up to 30,000 ft. The King Air has a flight range of 1,700 km – which covers Nairobi, Mombasa, Dar-es-salam, Zanzibar, Kigali, Khartoum, Lusaka, Ndola, etc. It can fly to Johannesburg, South Africa, in 6 hrs with one stop. The Company has two full-time experienced pilots.

The Madhvani Group was awarded the concession for Chobe Lodge in 1996. Unfortunately with the insecurity in the Region, it was felt that the development of the Project could not move forward. However, with the recent positive developments in the Region, the Group is now embarking on restoring Chobe Safari Lodge to its former glory.

Plans for the development of the Lodge were prepared by leading architects and progress is being made to rebuild the structures and create a 5 Star Resort that will undoubtedly be in the top tier of destinations for the discerning visitor. The site on the banks of the river is ideal for fishing as well as other water-based tourism activities.

The rehabilitation of Chobe is being programmed for implementation in phases. Construction commenced in March 2008 and the first phase of the Project will be completed by April 2009. This will include renovated guest areas and rooms in the main lodge building, a meeting room, new luxury tents on the upper banks, a new swimming pool with bar and a viewing point on the banks of the River Nile. Future developments will include a Presidential cottage, a gym and health club, and a conference centre. Located just three and half hours from Kampala by road, Chobe Safari Lodge is sure to become a popular yet unique getaway at a spectacular site.

PREMIER SAFARIS LTD.

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EAST AFRICAN UNDERWRITERS LTD.

East African Underwriters Ltd (EAUL) has been serving the insurance needs of many of Uganda's leading industries, manufacturers, professionals and organizations for over 12 years. Ranked in the top quartile of the market in terms of premium income, it is highly regarded and trusted by the professional insurance brokers, from whom the bulk of EAUL's business flows. Much of this trust and respect is down to the consistent prudent underwriting and profitable results, along with the triple A security of its re insurers, Munich Re, who are the largest re insurer in the world. EAUL is one of only two Ugandan companies to have gained the support of Munich Re.

EAUL's mission statement is: “Quite simply to provide innovative insurance products and solutions to brokers and our clients backed by a first class service and reliable claims settlement.”

EAUL has an extensive product list encompassing property, crime, personal lines (motor, home owners etc), liability, cargo and transit, employee benefits, bonds and guarantees, professional risks, and the latest additions to the range, medical and travel insurance marketed under the brand names “Ugamed” and “Travel Assist”. It also partners OracleMed Health of South Africa in providing International Health Care Solutions to expatriates and Uganda citizens, and is a market resource in innovations to protect the poor through micro-insurance.

LlBERTY LIFE ASSURANCE (UGANDA) LTD.

In 2007 East African Underwriters Limited concluded a joint venture agreement with the Liberty Life Group of South Africa to form a new Ugandan life assurance and pensions company named Liberty Life Assurance Uganda Limited (LLAU), in which EAUL has a 49% stake.

Liberty Life is a progressive South African financial services group, offering a comprehensive range of long-term insurance products and services to both the individual and corporate markets. Liberty Life is the third largest life office in South Africa. It is also among the Top 40 groups listed on the JSE Securities Exchange in Johannesburg, with market capitalisation of ZAR20 billion (July 2006). The Liberty Life group now handles more than 3 million individual life policies, over 1 million group scheme members, and has an asset base of ZAR140 billion (June 2006).

Liberty Life is owned by the Standard Bank Group, who operate outside South Africa as Stanbic Bank. Stanbic is Uganda’s largest bank with some 66 branches throughout the country.

EAUL has transferred its Life and Pensions business to LLAU, and that business along with the potential for Bank Assurance products through the LLAU/Stanbic relationship form the basis of this new company.

In a very short time these synergies will result in LLAU being the largest, most secure and financially sound, best recognized, market leading life assurance brand in Uganda. Liberty Life’s vision is to make a real difference to all its stakeholders, so that all can win. This it achieves by adhering to its cornerstone values:

- Customers are our lifeblood
- Integrity in everything we do
- Our people are our competitive advantage
- Innovation creates our long-term viability.

SOFTWARE APPLICATIONS (UGANDA) LTD.

SOFTWARE APPLICATIONS (UGANDA) LTD. (SAL(U)) was formed as a joint venture between the Madhvani Group and Software Applications (Kenya) Ltd and was incorporated in Uganda in 1996. Since its formation, it has been providing quality information systems solutions to businesses and organisations.

Software Applications (K) Ltd, a company incorporated in Kenya, with its offices in Nairobi, has a domain expertise in Financial, HR and Manufacturing Software, gained over a period of two decades of implementing and support consultancy. This expertise was brought in to the Ugandan joint-venture company.

SAL(U) installs and maintains SunSystems and InspiroPeople software, which are deemed to be among the most powerful software in the industry, with functionality that can make a difference in a way information is handled in companies.

With over 50 successful implementations in financial software and over 20 in payroll & human resources software, SAL (U) provides the expertise and quality required for successful information solutions. Installations and support are provided for a variety of companies and projects in both the public and the private sector.

Plans are afoot to bring in new products in the segments of ICT Security, Education and Enterprise Resource Planning.
**SERVICES**

**EXCEL CONSTRUCTION LTD.**

Excel Construction was formed as a joint venture between the Madhvani Group and Gomba Construction Ltd. in 1992. Since then the company has undertaken various construction and renovation projects: industrial, commercial, residential, civil, and road works. These projects have been carried out all over the country for both private sector and Government clients.

The company’s Head Office is based in Jinja and is fully equipped with a carpentry workshop, a fabrication workshop, a blockyard (manufacturing blocks, fencing poles, paving slabs etc.) and an automobile workshop. The Head office is also where the Planning, Tendering and Accounts Department are based. In addition, Excel also has a new office in Kampala, where the Director of Operations, Project Manager and Procurement Officer are based.

The unit employs around 500 people. Excel business turnover in 2007 was US$10 million. The projects executed by Excel include:

- Various schools and university buildings
  - (Makerere University, Mbarara University of Science and Technology etc.)
- Hospitals, health centers,
- Industrial projects: expansion of the cellar tank farm at Nile Breweries – Jinja that included:
  - Erection of new Uni tanks and the Construction of a New Yeast and Control room, foundations and yard works for Kakira Sugar, etc.
- Service Industries: base station buildings and communication towers for MTN Uganda, construction of oil drill platforms for Tullow Oil, etc.
- Roads, (in some very remote areas of Uganda - e.g. Karamoja, as well as construction and widening of escarpment roads at the Tullow Oil site in Hoima)
- Water supply projects (e.g. Bombo town).

Moreover, the company has also started a new housing project concept that targets Ugandans in the diaspora. Moving away from the typical housing estate which has all identical houses, Excel offers a range of developed designs for a client to select from after which Excel can quickly and economically construct the chosen house on his land anywhere in Uganda.

The company delivers quality and value on time using comprehensive construction management systems throughout the life cycle of each project.

Excel Construction has also started operations in Juba, Southern Sudan and has been awarded a World Bank funded contract for the construction of two County Education Centers in Juba with a project value US $0.9 million.

Recently, Excel has signed a number of large contracts commencing in 2008 that will propel the company’s growth and turnover to new heights making it one of the leading players in the Ugandan Construction Industry. These include the construction of 11 schools and educational facilities in the Karamoja Region of Uganda funded by Irish Aid (Uganda Shillings 17.9 billion) and construction of the Regional Headquarters of Lake Victoria Fisheries Organization in Jinja (Uganda Shillings 1.85 billion).

**MADHVANI GROUP PROPERTIES DIVISION**

The Madhvani Group Property Division currently manages in excess of 100,000 sq meters of property at various locations throughout Uganda.

The Division handles a large Industrial park in the industrial heart of Kampala where warehousing and industrial space has been availed to a range of blue chip companies. A large residential and commercial complex is managed on behalf of the Madhvani Foundation in the CBD of the capital. A shopping mall is being developed at the city centre for some 70 retail units and other properties in Kampala are also being developed as residential and commercial projects.

Other properties are located in Jinja and upcountry and the Department manages in excess of 250 external tenants in totality.

**INDUSTRIAL SECURITY SERVICES LTD.**

Based in Jinja, this company was established in 1996 to provide reliable security services to the Group companies as well as third-party industries and commercial enterprises in the country. It presently deploys a guarding force of about 800 persons equipped with modern wireless communication systems and an armed mobile response force for emergencies. Though the major part of its operations is in Jinja and the surrounding areas, it has also extended its activities to Kampala since 2002.
STEEL CORPORATION OF EAST AFRICA LTD.

This Company, which was established in 1964 in Jinja, has been rehabilitated with the installation of a modern automated steel rolling mill and a continuous billet casting facility. This plant has a rolling capacity of 30,000 tons per year and a billet casting capacity of 50,000 tons per year. The plant modernisation/rehabilitation programme was completed in end-2005, after which the plant was commissioned successfully. The quality of the hot steel products (e.g. steel bars, flats, angles and wire-rods) was widely appreciated by the market.

The plant is also equipped for production of chain link fencing, binding wires, barbed wire fencing.

The wire-drawing section and the fencing materials division has a capacity of 1,200 tons per annum and 1,000 tons per annum respectively.

Moreover, the Company also has an oxygen plant (both for industrial and medical purposes) with a capacity of 90 cub.m. per hour.

METAL PROCESSING

EAST AFRICAN DISTRIBUTORS LTD.

East African Distributors is involved in consultation, distribution, retailing and professional after sales service for several leading world class brands for the Construction Industry in Uganda.

Amongst the brands the Company represents in Uganda is the Union and Yale brand of locks and iron mongery supplied by Assa Abloy, the world’s most preferred locks and iron mongery manufacturer.

The international brands of Hitachi and Panasonic Air conditioners currently supplied and serviced by this Company have strong inroads into the government, corporate and retail segments through East African Distributor’s distribution network.

The Company has agreements with Ideal Standards (Egypt) and Armitage (United Kingdom) for the sale of their ranges of sanitary ware in the Ugandan market and also represents a range of other leading branded items for the Construction Industry.

SERVICES

CORPORATE SOCIAL RESPONSIBILITY

The Muljibhai Madhvani Foundation is a Charitable Trust established in 1965, which believes that for the future prosperity of Uganda, we must pull together to unleash the latent potential that lies in our people through empowering Ugandans by providing scholarships to students pursuing Scientific and Technical Education.

Annual scholarship funds of over Ush.400 Million each year are allocated 75% for undergraduate courses and 25% for postgraduate courses. The subjects eligible under the terms of the Foundation include Agriculture, Biology, Business Administration, Chemistry, Commerce, Engineering, Food Science & Technology, Information Technology, Law, Hotel Management, Pharmacy, Nursing, Architecture, Veterinary Medicine, Actuarial Science, Environment and Medicine.

The selection of Candidates is based on criteria that includes: merit/competence/ability of candidate, the financial status of parents. The assistance is restricted to official tuition fees only.

The selected candidates come from throughout Uganda. In 2007, the Foundation awarded 151 scholarships to Ugandan students for a total of Ush 410 million.

The objective of this programme is to provide educational qualifications that will enable the recipients to obtain productive employment that will contribute to economic development. A number of the beneficiaries of the Foundation’s scholarships have elected to work for Madhvani Group companies.

www.madhvanifoundation.com
In line with its long term expansion and diversification strategy, the Group is examining the possibilities of investing in industries and tourism in East Africa as well as Angola, Zambia, Botswana, and other African countries – by further utilizing the expertise and knowledge-base developed over the years.

In keeping with its diversification strategy, the Madhvani Group is now assessing options for joint-ventures in the high-growth high-tech sectors of telecommunications and related services.

This is in addition to other project proposals such as a new sugar factory in North Uganda and bio-fuels. Attention is always given to safeguarding the environment.

Considering the Madhvani Group's long-established presence in Uganda with over 75 years' experience of business in diverse fields in East Africa and core values of integrity and long-term commitment, the Group has a vision of continuing growth and contributing to prosperity in Africa.

**MADHVANI GROUP OWNERSHIP & MANAGEMENT**

The Madhvani Group is comprised of a set of wholly-owned, affiliated and associated companies owned through various holding companies. These holding companies are ultimately controlled by the Madhvani family.

The Madhvani Group has entered into joint-ventures with various leading companies – adding value to these partnership through its significant presence in the region and its experienced management team.

Each Company is under the overall direction set by a Board with independent directors as well as family members. Operational management is delegated to a professional multi-cultural team, based at the Group’s corporate offices in Uganda, London and India.

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**KABUYE SUGAR WORKS**

In 1997, the Madhvani Group acquired Rwanda’s only sugar complex - under the Government’s privatisation programme. This provides the opportunity to expand in one of the Group’s core areas as well as a window of future entry into the lucrative markets of the eastern region of the Democratic Republic of Congo / Zaire.

The Kabuye sugar factory was rehabilitated to a capacity of 200 TCD in Phase I, and thereafter expanded to 425 TCD in phases. The unit employs 400 persons in the factory and about 5,000 agricultural workers. It currently produces around 12,000 tons of sugar per year.

The old nucleus sugarcane estate of 600 Ha at Kabuye has been fully redeveloped and replanted, after which the Company developed and planted a further area of 1,600 Ha. The Government also allocated an additional area of almost 1,000 hectares to augment the nucleus estate. Unfortunately, as there is inadequate river bank protection in Rwanda, much of this area is prone to flooding and the Company’s Nucleus Estate can use only 1,700 Ha for cane cultivation.

At present the Company accepts cane supplied by 850 outgrowers, who have more than 2,400 Ha under cane cultivation. In the long term, it is envisaged that over 1,500 outgrower farmers with more than 3,000 Ha under cultivation will supply cane to the factory.

A 15 TPH boiler was installed in 2006 together with an 835 kW steam turbo-alternator. Consequently, the factory now generates over 70% of its electricity requirements, significantly reducing the need to purchase expensive power from the national utility – Electrogaz. The Kabuye plant has been expanded further to 600 TCD in 2007 by installing additional equipment in the boiling house: a clarifier, an evaporator, 2 juice heaters, 2 vacuum pans, 2 crystallizers, 2 centrifugals, etc. The increased production will reduce Rwanda’s need for imports.

**Rwanda’s Sweetest Sugar**
The Madhvani Group acquired the Hotel InterContinental Lusaka (a 5-star city hotel with 400 rooms) in March 1998 under the ZPA privatisation process.

With day-to-day management by the InterContinental Hotel Corporation, the Group implemented complete modernisation and refurbishing of the Hotel at a project cost of over US$ 10 million (with funding from the International Finance Corporation and the African Development Bank). Besides an overall upgrade of the hotel and all the rooms, the renovation programme for the leading hotel in Lusaka included:

- Extension of the Reception Lobby, with a new Lounge and a Piano Bar
- Complete redevelopment of the Hotel's dining facilities - including All-Day Dining, a Barbecue, and a large Bar as well as an exclusive Fine Dining Restaurant
- Upgrading the Conference / Seminar / Banqueting Facilities
- A modern Business Centre, with private meeting rooms
- A new Club Floor, with a separate check-in, exclusive Club Lounge and Club Board Room
- Development of a new Health Club, near the renovated Swimming Pool and Tennis Courts
- Development of a modern Shopping Mall / Arcade.

In late 2006, the Group decided to concentrate its tourism business, including potential new investments in East / Central Africa. The Group therefore sold its interest in this hotel to Kingdom Hotel Investments, as represented by HRH Prince Alwaleed bin Talal Bin Abdulaziz Alsaud, who were keen to acquire the hotel to consolidate their recent city hotel acquisitions in Kenya and Tanzania.

The Tourism Sector in India has witnessed dramatic growth in the last few years in terms of the demand supply gap in the hotel sector for both international and domestic tourism, aided by the reforms and liberalization of the Indian Economy.

Against this background the Madhvani Group decided to venture into the Indian Tourism Sector with the objective of setting up 3-4 star accommodation to cater to both Hindu and Buddhist religious tourism circuits.

Substantial progress has been achieved to date with the acquisition of an existing hotel in Rajkot, Gujarat, and green field sites in Rishikesh and Tirupati. Other project developments are in the pipeline.

These 100 room branded units will be developed in the next 24 months and will provide accommodation to a segment where substantial opportunities exist in terms of limited available occupancy at the selected locations, against a background of an annual inflow of over 6 million international tourists and over 100 million domestic tourists with a strong religious following.