

PRESS RELEASE

FTL inks multi-billion shillings business alliance with European Company

24th June 2017: Fountain Technologies Ltd (FTL) has entered into a strategic business alliance with Ferri Group, a Luxembourg based company, which will see the two companies jointly bid and tender for industrial and electrical projects.

The strategic alliance will enable the two businesses to jointly pursue and develop energy infrastructure projects in the region. This will be done under a profit share agreement on a project by project basis for any amounts up to US\$ 100 million per transaction, with an option for Ferri Group to acquire minority equity stake in FTL within two years' time.

The deal was signed a few months after FTL, a subsidiary of FEP Holdings, announced that it was seeking a strategic and financially endowed investor to help the firm bid for multi-billion shilling energy and telecoms infrastructure projects in the region.

"Through this alliance, we intend to capitalize on existing sales networks and marketing for the distribution of Ferri Group and FTL product lines, as well as increase access to International lines of credit with reputable, global financial services providers," said Maurice Korir, the FEP Holdings Chief Executive Officer.

He said the strategic alliance would help improve FTL's absorption of costs, through leveraging on Ferri Group's global and trusted network of affordable and quality supply chain. "Big-ticket energy and infrastructure projects have high margins but are capital intensive", he noted.

With the financial muscle and efficiency that Ferri Group brings on board, we are projecting additional yearly revenues for Fountain Technologies of up to US\$ 10 million by 2020," says Mr. Korir.

FTL is currently implementing energy and telecoms infrastructure projects across the region worth over Ksh2 billion. In Kenya FTL was among one of only two Kenyan firms who were awarded Rural Electrification Authority (REA) contracts to extend electricity supply to 591 public facilities and 35,460 households in 16 counties under the BADEA project. The remaining 80% of the project was awarded to international companies. For the most recent KPLC last mile project more than half of the tender amount awarded went to international companies with the remaining amount being distributed across nine local companies.

The BADEA project, with funding of Ksh 6.3 billion, is financed by the Arab Bank for Economic Development in Africa (BADEA), Saudi Fund for Development, OPEC fund for Development and the Government of Kenya. FTL was allocated lot three covering south Rift Region mainly Kajiado , Narok counties.

The company has also secured tower strengthening projects in Tanzania worth Ksh70 million and a Ksh92 million project for construction of a diesel power station in Kakuma town.

The strategic alliance allows both companies to better serve the East African market by creating synergies that leverage both parties' strength and competitive advantages. The CEO of Ferri Group, Roberto Ferri noted that, "The agreement with Fountain Technologies was designed to delight clients through support in improved product and service offering, financing and building human capital in various industrial and energy solutions. Fountain Technologies would help to

reinforce Ferri Group's brand reliability through consistent, innovative and differentiated services in all African countries where it exists".

Some of other services offered by FTL include the Base Transceiver Station installation, onsite configuration, commissioning and integration of the site onto the network. With the new partnership there will be broadened service offering to include underground power cabling and industrial solar solutions.

It has also played a critical role in switching BTS of the various telecommunications companies in the region from 2G to 4G. The company also specializes in civil works and tower erection and all other associated civil works such as access roads.

"FTL is also involved in laying fibre optic networks, erection of transmission towers, conductor stringing for both Hv and Lv power lines and substation rehabilitation," said Mr. Korir.

He revealed that FTL's next big frontier is renewable energy in off grid areas having ventured into solar installation, design and dimension solutions for corporate and personal deployment, installation of customized solar solutions and energy audit consultancy services.

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NOTES TO THE EDITOR

FEP Holdings is a diversified investment company with over 10 companies in different sectors of the economy such as financial services (Fountain Credit Services, FEP Insurance Agency Ltd, Real Estate (Kisima Real Estate Limited); Education (Fountain Group of Schools Ltd); Retail (Suntec Supermarkets); Hospitality/Tourism (Fountain Safaris, Fountain Group of Hotels); ICT & Energy (Fountain Technologies Limited); Security (Citadelle Security Limited); Charity (FEP Foundation).

FERRI GROUP is a reputable European based manufacturer and installer of industrial electrical systems established in 1980. It has experienced sustained growth, supported by constant and significant structural and business investment. Founded in Italy, it now has a broad network in several European countries in the field of electrical and mechanical industrial plants. The company has expertise in all aspects of industrial, commercial and electrical building systems including power distribution, UPS and emergency power, communications systems and special control systems in both the public and private sector. Their expertise extends to all aspects of commercial, residential, and institutional construction design in both private and the public sector.

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