

**CAR & GENERAL (K) LIMITED**

**CAUTIONARY NOTICE**

**THE CAPITAL MARKETS ACT  
(Chapter 485A, Laws of Kenya)**

**The Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2002  
(as amended)**

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**Proposed joint venture by Car and General Trading Limited and CMI Africa Holdings BV through  
the establishment of Cummins C&G Holdings Limited**  
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Car & General Trading Limited (C&G) a wholly owned subsidiary of Car & General (K) Limited has, on 15 September 2016, entered into a joint venture agreement with CMI Africa Holdings BV (**Cummins BV**) for the formation of a 50:50 joint venture partnership to consolidate the sales, service and support of Cummins products in East Africa. The 50:50 joint venture company will operate under the name of Cummins C&G Holdings Limited.

Cummins BV is a private limited company duly incorporated in the Netherlands on 4th March 1978 and is a wholly owned subsidiary of Cummins EMEA Holdings Limited. Cummins BV operates as a holding company which, through its subsidiaries, manufactures and sells diesel engines, turbochargers, alternators, generators, and other products.

The joint venture will take over the full-line distributor business from C&G, Cummins' current distributor in East Africa. The territory comprises 11 countries namely Kenya, Tanzania, Uganda, Ethiopia, Djibouti, Seychelles, South Sudan, Rwanda, Somalia, Eritrea and Burundi.

The joint venture will be completed after various conditions precedent, including approvals from regulatory authorities, are satisfied. The new joint venture will begin operating in the first half of 2017, with the majority of its employees based in Nairobi, Kenya. Further announcements will follow as the leadership structures are formalized.

The shareholders of the Car & General (K) Limited and the public are advised to exercise caution when dealing in the shares of the company.

By order of the Board

  
Car & General (K) Limited

Dated: 15 September 2016

**DISCLAIMER:**

This announcement is for informational purposes only and is not intended to constitute, and may not be construed as, a public offering. It has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations 2002 as amended. As a matter of policy, the Capital Markets Authority assumes no responsibility for the correctness of the statements appearing in this announcement.

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## Cummins and Car & General announce East Africa joint venture

Release Date: 15<sup>th</sup> September 2016

Channel/s: Email (Africa staff); Email (CLT); Blog (ABO Connect Sites); Social Media (Africa Sites)

On September 15<sup>th</sup>, Cummins and Car and General (C&G) signed the final agreements for the formation of a 50:50, joint venture partnership to consolidate the sales, service and support of Cummins products in East Africa. The 50:50 joint venture company will operate under the name of Cummins C&G Holdings Limited. Subject to certain regulatory and procedural approvals, the new joint venture will begin operations in early 2017.

The joint venture will take over the full-line distributor business from C&G, Cummins' current distributor in East Africa. The territory comprises 11 countries namely Kenya, Tanzania, Uganda, Ethiopia, Djibouti, Seychelles, South Sudan, Rwanda, Somalia, Eritrea and Burundi.

Car & General secured its first Cummins distribution agreement in 2006 and reached ~\$30M in regional revenues in 2015. Commenting on the partnership, Gino Butera, MD and VP Cummins Africa said, *"We are excited to partner with C&G. Over the past 10 years, they have grown the Cummins distribution business in East Africa, gaining over 15% market share in the genset market in Kenya, Tanzania and Uganda. We see untapped growth opportunities in East Africa and are looking forward to expanding Cummins' customer support in the region"*, said Butera.

East Africa, one of the fastest growing regions in the world with an expected aggregate GDP growth rate of ~6% over the next five years, represents a strategic region for Cummins in Africa. *"We strongly believe that with our brand strength and C&G's market knowledge and relationships, we can grow our business by improving our service and support and pushing resources closer to our local and global customers in East Africa"*, said Butera.

*"We view this joint venture partnership as a critical milestone in the close business relationship we have developed with Cummins over the years. We believe our core business and community values are aligned, and see this partnership as a unique opportunity to solidify market leadership in our existing territories and capture market share where we are still building our presence. This new partnership is truly a win-win proposition – for Cummins, for us and for our customers"* said Vijay Gidoomal, MD of Car and General.



**Gino Butera**  
VP & MD, Cummins Africa

**Vijay Gidoomal**  
MD, Car & General