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Image Credit: Kanu Equipment

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Torre Industries has reached agreement to sell its 55% stake in Kanu Equipment, an agricultural and construction equipment supplier to existing shareholder **Phatisa's** African Agriculture Fund and Kanthu Nkama Capital in a \$31 million deal.

The transaction allows Phatisa to increase its stake in the company to 88.8%, with Kanthu holding 4.5% and the company management retaining the balance of 6.7%. Torre Industries will receive almost \$27 million for its stake and shareholder loan claims against Kanu and another \$4.2 million in working capital balances due them by the equipment company.

Details of the deal were outlined [in a SENS report](#) filed by JSE-listed Torre last week.

The proceeds of the sale will be used by Torre, which counts Stellar Capital Partners as a significant minority shareholder, to both eliminate its external debt and bolster its cash position.

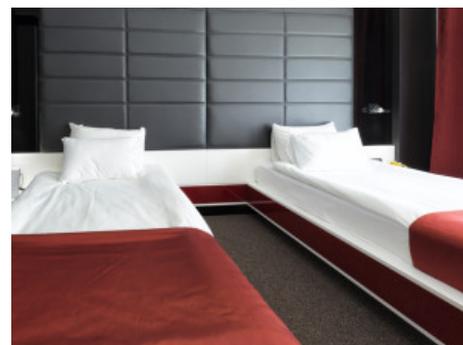
Phatisa's African Agriculture fund held its final close in mid-2013, raising \$246 million from a range of multinational investors. In June this year, in a deal led by Phatisa Partner Joseph Bergin, AAF first backed Kanu, spending approximately \$15 million **to acquire a 40% stake** in the pan-African equipment distributor which has operations in Côte d'Ivoire, Ghana, Liberia, Sierra Leone, Cameroon and Botswana. At the time, the 316-employee company had just won the mandate to be the official distributor of leading agricultural equipment supplier Case IH in Côte d'Ivoire, which it hoped to introduce to Cameroon and other West African countries.

The transaction, which is subject to customary closing conditions, is expected to close no later than April 30th, 2017.

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