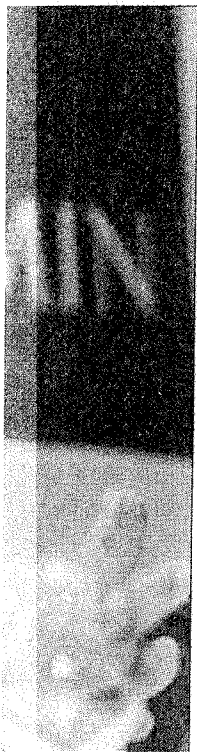


n \$150m



PACKAGE DEAL

Lonmin chief executive Brad Mills says the platinum producer will use part of the IFC debt and equity facility to introduce BEE partners at its South African projects and develop communities around its mines

PHOTO:
NONHLANHLA
KAMBULE-MAKGATI

Mills said the company had a "robust" prevention strategy in place to deal with HIV/Aids.

There are 350 000 people living in communities adjacent to Lonmin's platinum operations in South Africa, and Mills said the group's community programme was at an advanced stage of consultation.

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Zeder counts on bumper profit as farm firms flourish

TOM ROBBINS

Cape Town – Agriculture investment company Zeder expected headline earnings a share to exceed its previous forecasts by as much as 280 percent, it said yesterday.

Before financial services firm PSG spun off Zeder in a JSE issue late last year, it estimated that the firm would post a net profit of R37 million in the four months to February.

Zeder invests exclusively in unlisted groups, such as wine company KWV and Pioneer Food Group, and chief executive Antonie Jacobs ascribed the expected surge in profit to strong earnings reported by the underlying holdings.

But Godwill Chahwahwa, an analyst at Coronation Fund Managers, said that, for investment firms, the net asset value at holding level was a more important indicator of financial performance than profit, which tended to be volatile.

While the nine underlying firms, which also include Kaap Agri and grain company Senwes, are not listed on the JSE, the shares are still traded.

Chahwahwa believed there was value to be unlocked in the unlisted companies as Zeder engaged with their management teams and improved operational efficiencies.

Zeder's biggest challenge, Chahwahwa said, was to deploy its substantial cash pile in investments at good prices to lift its net asset value over time.

Zeder said it had R630 million in cash, almost as much as the R683 million market value of its investment in companies.

As Zeder increased the size of its stakes, Chahwahwa said, it could engage with managements about strategies at the companies, which used to be farmer-owned co-operatives.

Jacobs believed many of the companies in which Zeder took stakes had been undervalued, so the share prices had surged.

"There are definitely more people looking at them now."

Since listing, Zeder has lifted its stakes in KWV and Pioneer.

Zeder gained 1.53 percent to R2.65 yesterday. The food producers sector fell 0.33 percent.

NEWS BRIEFING

De Beers offers Namibia bigger slice

De Beers was in talks with Namibia to sell a bigger stake in a sea floor mining joint venture to the government, the world's biggest diamond company said this week.

The chairman of De Beers's marine mining unit, Rob Smart, did not give further details in a speech in Windhoek late on Monday.

De Beers owns 70 percent of a venture that mines diamonds off Namibia's coast, while the government owns the rest.

The diamonds produced by the venture are among the best

quality in the world.

While Namibia is the only place where the precious stones are mined from the sea floor, De Beers is planning a similar operation in South Africa. De Beers is 45 percent owned by Anglo American, 40 percent by the Oppenheimer family and 15 percent by Botswana's government.

More than 2 million carats of De Beers's record 51 million carat production last year was from Namibia. Botswana yielded 34.2 million carats. – *Bloomberg, Windhoek*

Petronet to seek 5.6% price hike

Petronet will seek permission from the National Energy Regulator to raise prices it charges fuel companies by 5.6 percent.

South Africa's largest fuel carrier operates a network of 3 000km of petroleum and gas pipelines. Its tariffs are used as a benchmark for transport costs in calculating the fuel price. Petronet, a unit of

Transnet, would give reasons for the price increase at a hearing in Pretoria today, said Themba Tsela, the regulator's executive manager of hydrocarbons.

The company plans to build a pipeline between Durban and Gauteng at a cost of more than R3 billion to match growth in demand. – *Bloomberg, Johannesburg*

Investors back Peermont-Newco deal

A majority of Peermont Global shareholders yesterday voted in favour of a plan where Newco, a consortium led by the Mineworkers' Investment Company, will buy out their entire issued share capital except the Marang shares in a R7 billion deal.

In addition to the R12.90 a share paid in cash by Newco, the shareholders will receive interest at the prime rate plus 200 basis points calculated from March 20 to the implementation date, and a final dividend of 10c a share. – *Audrey d'Angelo, Cape Town*

EOH expects earnings to rise 20%

Technology consulting and outsourcing group EOH Holdings expects its interim earnings to January to be 20 percent higher compared with those of the previous corresponding period, it announced yesterday.

Earnings a share and

headline earnings a share would be between 15 percent and 20 percent higher than the previous period.

EOH's results are expected to be published next week. It planned to extend its offerings. – *Thabang Mokopanele, Johannesburg*

Tribunal approves Consol buyout

The competition tribunal yesterday approved the takeover of packaging company Consol by Brait Private Equity. This is the final hurdle to taking Consol off the JSE, following approval by at least 75 percent of its shareholders.

Consol did not release financial results as scheduled after it obtained permission from the JSE not to do so in light of the private equity deal. Brait's bid of R19.50 a share trumped an earlier offer by Ethos Private Equity. – *Tom Robbins, Cape Town*

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positioned to exploit favourable trading conditions in both permanent placement and flexi-staffing services.

It said it was experiencing increased demand for skills outsourcing, human resource management and information technology and back-office specialisation, as a result of economic growth and the government's infrastructural spending programme.

It had embarked on an "aggressive campaign" to establish and sustain a strong presence in these sectors.

It was optimistic that strong cash flows generated in the year to September 2006 would continue for the next two years.

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