SECURITIES AFRICA
RESEARCH & CAPITAL MARKETS

PAN-AFRICA

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

TRADING

We have included summaries for the countries listed below, please click on the country name should you wish to navigate to it directly:

- **Botswana**
- **Egypt**
- **Ghana**
- **Kenya**
- **Malawi**
- **Mauritius**
- **Nigeria**
- **Tanzania**
- **Zambia**
- **Zimbabwe**

AFRICA STOCK EXCHANGE PERFORMANCE

				WTD % Change		31-Dec-14	YTD % Change	
Country	Index	24-Jul-15	31-Jul-15	Local	USD	31-Dec-14	Local	USD
Botswana	DCI	10834.65	10936.44	0.94%	-0.32%	9,501.60	15.10%	8.59%
Egypt	CASE 30	8087.24	8191.53	1.29%	1.30%	8,942.65	-8.40%	-16.34%
Ghana	GSE Comp Index	2275.34	2198.33	-3.38%	-13.31%	2,287.32	-3.89%	-16.93%
Ivory Coast	BRVM Composite	298.49	301.22	0.91%	1.05%	258.08	16.72%	5.36%
Kenya	NSE 20	4500.43	4404.72	-2.13%	-3.40%	5,112.65	-13.85%	-23.41%
Malawi	Malawi All Share	16068.63	16056.99	-0.07%	1.13%	14,886.12	7.87%	11.90%
Mauritius	SEMDEX	1953.78	1974.50	1.06%	1.43%	2,073.72	-4.78%	-15.34%
	SEM 10	373.49	378.53	1.35%	1.72%	385.80	-1.88%	-12.76%
Namibia	Overall Index	1083.27	1086.95	0.34%	-1.40%	1,098.03	-1.01%	-9.11%
Nigeria	Nigeria All Share	31091.69	30180.27	-2.93%	-3.52%	34,657.15	-12.92%	-20.56%
Swaziland	All Share	305.80	305.80	0.00%	-1.73%	298.10	2.58%	-5.81%
Tanzania	TSI	4540.77	4589.28	1.07%	0.06%	4,527.61	1.36%	-16.69%
Tunisia	TunIndex	5646.90	5634.33	-0.22%	-0.39%	5,089.77	10.70%	4.53%
Zambia	LUSE All Share	5821.18	5847.31	0.45%	-0.32%	6,160.66	-5.09%	-21.08%
Zimbabwe	Industrial Index	145.90	145.35	-0.38%	-0.38%	162.79	-10.71%	-10.71%
	Mining Index	40.94	39.36	-3.86%	-3.86%	71.71	-45.11%	-45.11%

CURRENCIES

Cur-rency	24-Jul-15 Close	31-Jul-15 Close	WTD % Change	YTD % Change
BWP	9.86	9.98	1.27	4.67
EGP	7.81	7.81	-0.01	9.51
GHS	3.30	3.68	0.38	3.81
CFA	598.58	597.78	-0.13	10.92
KES	98.86	100.16	1.32	11.02
MWK	451.71	446.36	-1.18	-2.45
MUR	34.35	34.22	-0.36	12.88
NAD	12.42	12.64	1.76	7.02
NGN	197.20	198.40	0.61	8.96
SZL	12.42	12.64	1.76	7.02
TZS	2,049.06	2,069.67	1.01	20.46
TND	1.96	1.97	0.16	5.72
ZMW	7.58	7.63	0.77	19.34

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Botswana

Corporate News

No Corporate News This Week

Economic News

No Economic News This Week

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

TRADING

Egypt

Corporate News

Egypt's Pioneers Holding said on Sunday its board had approved an offer to purchase remaining shares of Cairo for Housing and Development at a price of 11.80 Egyptian pounds ($1.51) per share for a full acquisition. The firm said in a bourse disclosure that a subsidiary of Pioneers had purchased a 9.07 percent stake in Cairo for Housing and Development, bringing Pioneers Holding's total ownership to 45.73 percent. Pioneers has real estate, industrial and financial services operations. *(Reuters)*

Egypt's Pioneers Holding is seeking an initial share offering of real estate developer Rooya worth at least one billion Egyptian pounds ($128 million), Pioneers' chief executive said Monday. Pioneers, which specialises in market research and brokerage services but also has investment arms in real estate, industry and financial services, acquired 60 percent of Rooya's shares in March for 1.226 billion pounds. "The listing on the bourse should be complete by this quarter (Q3 2015), God willing, and the shares should be issued during the first quarter of 2016," Pioneers Chief Executive Waleed Zaki told Reuters in a telephone interview. "We cannot specify the size right now, but it will be a large public offering and will certainly exceed one billion (Egyptian) pounds," Zaki said. Rooya has a real estate portfolio of about 9 million square metres, with 6 million of that currently under development. The board of Pioneers on Sunday approved the company's offer to buy another real estate company, Cairo for Housing and Development, at a price of 11.80 Egyptian pounds per share. *(Reuters)*

Work on Egypt's New Suez Canal is complete, Suez Canal Authority Chairman Mohab Mameesh said in a news conference on Wednesday. He was speaking before the project's formal inauguration, scheduled for Aug. 6. "We have finished work on time and even before the specified time," Mameesh said. *(Reuters)*

Commercial International Bank , Egypt's largest listed lender, on Wednesday reported a 23 percent rise in second quarter net profit after minority interest compared to the same period last year, it said in a statement. Second quarter net profit after minority interest was 1.15 billion Egyptian pounds ($146.87 million), CIB said. The bank reported revenues of 2.38 billion Egyptian pounds, up 17 percent from the same period last year. *(Reuters)*

Economic News

Egyptian Committee for stock indexes recognized at its last meeting the introduction of equal weights index «EGX 50 EWI», an indicator measures the performance of the best fifty companies in Egyptian stock exchange in terms of turnover. The index methodology was built and developed, in accordance with international experiences and best practices in the field of stock market indexes, the index has also been tested on electronic trading in Egyptian stock exchange system. According to a statement from the stock market, the index will start with a value of 1000 points in the beginning date of July 2, 2013, the index will be launched on Sunday, August 2, 2015. Meanwhile, the Egyptian stock indexes witnessed during the periodic review period a number of changes, 8 companies came out from main stock index EGX30 in return for the entry of 8 new companies. While 18 companies have exited from the index EGX70, including two companies joined the index EGX30, and 16 companies have exited the index EGX100. *(Egypt.com)*

Egypt's central bank is expected to keep interest rates on hold on Thursday with inflation still in double digits, despite lower global commodity prices. Four of five economists surveyed by Reuters said they expected the bank's monetary policy committee (MPC) would keep its overnight rates unchanged at 9.75 percent for lending and 8.75 percent for deposits at its meeting. "We expect the (Central Bank of Egypt) to maintain rates, even though we would recommend a cut to stimulate investment, since inflation remains high," said Angus Blair, chairman of business and economic forecasting think-tank Signet. Higher food prices helped push urban consumer inflation to 13.1 percent in May. It dropped back to 11.4 percent in June. Inflation has remained a key concern since the government slashed energy subsidies in July of last year, raising energy costs by up to 78 percent. The central bank raised its benchmark rates 100 basis points following July 2014's subsidy cuts. Then it unexpectedly cut them by 50 basis points in January, saying plummeting oil prices had eased inflation risks while economic growth was rebounding. Rates have been left unchanged since then. Allen Sandeep, director of research at Naeem brokerage in Cairo, predicted a 25-basis-point cut: "The outlook on inflation is quite tame so I don't see a reason why they should not cut rates." Egypt's economy grew 3 percent in the third quarter of the 2014/2015 fiscal year, which ended in March. That was slower than the 5.6 percent recorded in the first half of the fiscal year. Egypt's 2015/2016 budget projects growth of 5 percent. *(Reuters)*

Egypt's central bank kept its benchmark interest rates unchanged at a monetary policy committee meeting on Thursday. The overnight deposit rate remained 8.75 percent and the overnight lending rate was steady at 9.75, the bank said in a statement. The key CBE rates "are currently appropriate" considering the balance of risks that include both inflation and "downside risks to the global economy," particularly Euro zone challenges and softening growth in emerging markets, the central bank sub governor said in a statement on Thursday. Four out of five economists surveyed by Reuters had forecast that the bank would keep interest rates on hold. The bank has now held rates steady in four consecutive meetings after surprising analysts with a 50-basis-point cut in January. "Upside risks to the inflation outlook from domestic supply shocks are largely mitigated by contained imported inflation, against the background of broad-based declines in international commodity prices," the central bank statement said. Higher food prices helped push urban consumer inflation to 13.1 percent in May. It dropped back to 11.4 percent in June. Egypt's economy grew 3 percent in the third quarter of the 2014/2015 fiscal year, which ended in March. That was slower than the 5.6 percent recorded in the first half of the fiscal year. Egypt's 2015/2016 budget projects growth of 5 percent. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

TRADING

Ghana

Corporate News

Leading mobile telecommunication operator, MTN Ghana, says it lost over US$4 million to battery theft in 2014. The company said the power situation had compelled people to set up their own redundancies which had led to unscrupulous people stealing its batteries to sell to the public. Redundancy in the telecom industry refers to the company having a back-up equipment to replace faulty ones over time. The Corporate Services Executive of MTN, Ms Cynthia Lumor, said the situation, coupled with fibre cuts, had required the company to put in enough redundancies so that the traffic impacting fibre cuts would reduced. "The sad part is that putting those redundancies means that we are diverting our capital expenditure investment to areas where we really shouldn't because we have already invested in, and that's money we could have invested elsewhere," she said. Speaking at a meeting with some members of the Journalists for Business Advocacy (JBA) in Accra, Ms Lumor said, the company's cell sites could not operate without power so when electricity went off it had batteries that took up the supply of power and then had double redundancy in terms of generators. However, she said when the power went down, and the battery was supposed to take over automatically before the generators took over, a lot of the time the automatic backup did not happen. She said in recent times some arrests had been made and that MTN had taken steps to increase security at most of its sites.

She said that MTN, in collaboration with the Association of Road Contractors, was working to resolve the issue of fibre cuts, though progress was slow. Ms Lumor spoke on the theme "Telecoms: A critical driver of Ghana's Economy." She said telecommunications had transformed everything in the world and also played an important role in the world economy, such that service revenue of the global telecommunications industry was estimated to be US$1.5 trillion in 2010, corresponding to 2.4 percent of the world's gross domestic product (GDP). According to Ms Lumor, operators were constrained in respect of investments in new technologies and services; declining revenues may translate to poor service quality; and government tax income is significantly reduced as industry revenues decline. Also, she said due to multi-simming, actual penetration was lower than current estimates and that a regime that encouraged and promoted investment was required to achieve full benefits of technology. *(Ghana Web)*

Economic News

The Ghana Alternative Exchange (GAX), a capital market targetting small and medium enterprises, is billed to see more corporate bond listings later this year as two other indigenous firms await the go-ahead to list more than GH¢350million bonds, which will add to the two listed local-currency-denominated debt issues. Director General of the Securities and Exchange Commission (SEC), Dr. Adu Anane Antwi, disclosed that that home financier, Ghana Home Loans and Edendale Properties, a real estate developer, are both waiting approval from SEC to raise GH¢300million and GH¢50million respectively. The GAX has so far seen a mixture of two trading equities -- Samba Foods and Meridian Marshalls Holding -- and two corporate bonds, Izwe Loans and AFB Ghana, at a time when the main bourse, Ghana Stock Exchange, is finding it difficult to issue corporate bonds and get companies to list. Also, HORDS Limited is undertaking its initial public offering while Intravenous Infusions is working to launch its IPO. The first activity was by Izwe Loans Limited, a financial institution that listed a GH¢ 80million medium-term note programme last year. Currently, four notes totalling GH¢38.6million that offer an alternative premium over Government of Ghana securities have been listed. The second was by AFB Ghana, a pay-day lender that plans to raise GH¢100million but has already raised GH¢38million. The issue received a long-term 'investment grade' rating of 'BBB' from Global Credit Rating. (GCR) and was over-subscribed by 30 percent. Speaking at the official listing of the AFB bonds, Dr. Antwi stressed the importance of SMEs to the economy as they constitute more than one-third of economic activities in the country. "SMEs are key in the production of goods and services, and employment-creation in the country. The sector contributes significantly to the GDP and provides about 85 percent of manufacturing employment," he said.

But he added that despite their crucial importance, the SMEs continue to receive limited short-term financing at high cost from banks to sustain their long-term growth; hence, the creation of the GAX to provide a platform for SMEs to access long-term capital at a relatively lower cost. "Companies that list on the GAX enjoy other benefits -- like mandatory underwriting of the minimum offer by the sponsor and access to the GAX-SME Listing Support Funds, which is a revolving fund to support the cost of raising capital and deferment of up-front fees. They also do not pay fees for approval of their offer documents by the SEC," he added. He advised AFB and all corporations in the country to ensure the practice of good corporate governance in their organisations. "It has been observed that the fight for global capital starts with good corporate governance. Providers of capital to corporations increasingly rely on the corporate governance of the corporations they invest in, or lend to, to provide them with actual accountability and responsibility. It is therefore critical that corporations practice sound corporate governance." Arnold Parker, Managing Director of AFB Ghana, stated that about a year ago AFB set for itself the goal of stabilising its balance sheet and eliminating foreign exchange risks. "We were bleeding heavily from depreciation of the Ghana cedi and our prospects for survival seemed bleak as foreign exchange losses eroded significant portions of our net worth," he said. He added that he is confident, nonetheless, that the GSE offers an avenue for AFB Ghana to expand and list corporate bonds in order to salvage the company's fortunes.

Mr. Parker stated that the first tranche of the bond, which will predominantly be used to pay off US$ debt owed to offshore counterparties, also celebrates the momentous success in achieving the company's aims and efforts to remain a sustainable business. "It also humbles us in a way that makes us realise that our journey to greatness as a company has only just begun. AFB's aspiration to be a trailblazer for financial inclusion in Africa inspires us to constantly seek new, innovative ways of reaching our customers. This is a great company to invest in," he added. Deputy Finance Minister Mona Helen K. Quartey, in a speech read on her behalf, said the success of this bond issue and its oversubscription indeed confirms the high level of investors' appetite for participating in Ghana's capital market. "This is an indication of a resounding vote of confidence for AFB Ghana and portends prospects for the financial sector and the economy as a whole," she said. Mrs. Quartey noted that listing AFB's bonds on the GAX is another significant step toward transformation of the country's financial sector, and another landmark event in corporate bond development. "I am confident that this platform will become the benchmark for SMEs in Ghana and the sub-region." She added that the success of AFB Ghana in raising capital from the bond market demonstrates SMEs have capacity that can be harnessed to deepen and broaden the capital market. She urged all SMEs to follow the steps of AFB in raising capital from the market. *(Ghana Web)*

Ghana's annual producer price inflation rose sharply to 23.1 percent in June from a revised figure of 18.8 percent the previous month, driven by currency depreciation and higher cement prices, the national statistics office said on Wednesday. Ghana's stubbornly high inflation rate, outstripping the average in the region, is just one of the challenges facing the West African nation, whose exports of oil and gold have been hit by a slump in prices. Ghana began a three-year International Monetary Fund (IMF) programme in April designed to restore fiscal stability and curb a sharp increase in its debt levels. Government statistician Philomena Nyarko said the significant rise in the price index was influenced by changes in the extractive and manufacturing sectors. "The depreciation of the cedi in June was a key factor in relation to the price of gold which is a key component of the mining and quarrying subsector," she told a news conference. "There were also increases in the price of cement and textiles." She said producer inflation for manufacturing, which comprises petroleum refining, rose most by 5.2 percentage points to 21.9 percent. The mining and quarrying sub-sector rose by 4.6 percentage points to 30.0 percent, driven by gold prices. Producer inflation for utilities edged up 0.2 percentage points to 20.8 percent. The month-on-month change in PPI between May and June was 4.4 percent, Nyarko said. Producer price inflation is an advance indicator of consumer price inflation which rose to 17.1 percent in June, from 16.9 percent the month before. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Kenya

Corporate News

National Bank of Kenya doubled its first-half pretax profit to 2.5 billion shillings ($24 million) after its non-interest income jumped, the lender said on Tuesday. NBK, Kenya's eleventh-largest lender by assets at the end of last year, said earlier this month its growth plan could be delayed by at least three years due to failure to secure approvals for a cash call. The bank said its total income jumped to 6.15 billion shillings during the period from 4.78 billion in the same period last year. Non-interest income rose to 2.36 billion shillings from 1.58 billion shillings, it said. Earnings per share soared to 5.62 shillings from 2.77 shillings in the prior year period. *(Reuters)*

Tullow Oil has announced it expects to produce oil for the first time in Kenya by 2020. The announcement, made through its 2015 half-year report, puts to rest speculation that had earlier suggested Kenya would start producing oil by 2017. In the report released on Wednesday (today), the multinational oil exploration company says a sanction decision for oil production is expected by the end of 2016, and the first production will happen "approximately three and a half years post project sanction". The company has also allocated $100 million (Sh10.2 billion) for exploration and appraisal drilling in Kenya. For its pre-development activities, Tullow has set aside 225 million dollars (Sh23 billion) to be used in Kenya and Uganda. The two countries are working together towards sharing an oil exportation pipeline. *(Nation)*

Kenya Airways Ltd., sub-Saharan Africa's third-largest carrier, said it will seek a $200-million loan and sell some of its aircraft after posting a record full-year loss as tourist numbers decline. The stock slumped. The airline appointed African Export-Import Bank as its financial adviser to raise long-term capital and refinance the business, Chief Executive Officer Mbuvi Ngunze told reporters Thursday in the capital, Nairobi. The company reported a loss of 25.7 billion shillings ($252 million), compared with 3.38 billion shillings a year earlier, as it also faced increased competition and booked an impairment following the sale of some of its Boeing Co. planes, he said. "Those results are clearly a watershed for KQ and for this country," Ngunze said, referring to the airline's marketing code.
Tourism to Kenya has plunged in the past year after attacks by Islamist militants, including a raid in the coastal town of Mpeketoni in June 2014 that left at least 60 people dead. The number of visitors dropped 25 percent to 284,313 in the first five months of the year, according to the Kenya Tourism Board. The shares dropped 7.4 percent by 9:41 a.m. in Nairobi, bringing its loss this year to 28 percent. That compares with a 6.6 percent decline in the Nairobi Securities Exchange All Share Index over the same period. *(Bloomberg)*

Kenya Commercial Bank Ltd., the East African nation's biggest lender by market value, said first-half profit increased 13 percent as earnings from loans grew. Net income climbed to 9.24 billion shillings ($91 million) in the six months through June from 8.17 billion shillings a year earlier, Chief Financial Officer Lawrence Kimathi told reporters Thursday in the capital, Nairobi. Net interest income, the money lenders earn from issuing loans, climbed 13 percent to 19.4 billion shillings, he said. KCB is Kenya's largest bank by outlets. It has the biggest presence in neighboring countries including South Sudan, Tanzania, Uganda, Rwanda and Burundi. Kenya's share of profit before tax increased to 93 percent in the period from 90 percent a year earlier. KCB's shares dropped 3.7 percent to 51.50 shillings by the close of trading on Wednesday, increasing its loss this year to 12 percent, according to data compiled by Bloomberg. *(Bloomberg)*

ARM Cement Ltd., East Africa's second-biggest producer of the building material, posted a first-half loss after the depreciation of the Kenyan and Tanzanian shillings raised the cost of foreign loans. The loss was 355.8 million Kenya shillings ($3.5 million) in the six months through June, compared with a profit of 847.2 million shillings a year earlier, the Nairobi-based company said in a statement published in the Daily Nation newspaper on Thursday. The unrealized foreign-exchange loss was 1.4 billion shillings. The Kenyan shilling has depreciated 11 percent this year as foreign exchange inflows declined on falling earnings from tourism, the country's second-biggest earner. The Tanzanian shilling has fallen 18 percent, the third-worst performing African currency after the Ugandan shilling and Angolan kwanza. ARM dropped 0.7 percent to 70 shillings as of 11:43 a.m. in Nairobi trading, extending this year's drop to 19 percent. *(Bloomberg)*

Kenya hotelier TPS Eastern Africa swung to a loss in the six months through June, hurt by adverse publicity in the region following a spate of Islamist attacks which scared off tourists. Militant group al Shabaab has staged a series of attacks in Kenya over the past two years, including the raid on a university this month when it massacred 148 people. The group also killed 67 during a 2013 attack on the Westgate shopping mall in the capital Nairobi. TPS, which operates a chain of luxury hotels, lodges and tented camps across east Africa under its Serena brand, reported a loss of 139 million shillings ($1.4 million) compared with a 58 million shillings profit in the same period in 2014. The company said negative publicity in relation to "insecurity, terrorism threats, the Ebola epidemic and the poaching menace cumulatively led to (a) slowdown in international leisure booking to Kenya and Tanzania". The outlook for this year's peak season, running from July to October, was at "satisfactory levels", it said. TPS did not break down the contribution of each country to its sales, which fell 1.5 percent to 2.67 billion shillings. *(Reuters)*

Kenya's East African Breweries reported on Friday a 36 percent rise in pre-tax profit to 14.15 billion shillings ($138.52 million) in the year ended June, helped by rising sales volumes in its key markets. The company, which is controlled by Britain's Diageo, attributed the gains to higher revenue, which rose to 64.42 billion shillings from 60.75 billion shillings. Sales increased by 2-7 percent in its main markets Uganda, Kenya and Tanzania with exports to other markets going up by 48 percent, the firm said. It also restated its prior year pretax profit to 10.39 billion shillings without immediately offering an explanation. Earnings per share at the brewer rose to 11.32 shillings from 8.22 shillings a year before. EABL, which also operates in South Sudan, said it will pay 6 shillings per share in dividend, up from 5.50 shillings the previous year. *(Reuters)*

Economic News

Kenya's shilling weakened on Monday due to demand for dollars from the energy sector, traders said. At 0705 GMT, commercial banks quoted the shilling at 101.45/55 to the dollar, compared with Friday's close of 101.15/25. "This (weakening) I would attribute to end of month demand. (It is from) energy sector as usual, which comes in at the end of the month," a senior trader at one Nairobi-based commercial bank said. The trader said the shilling was weakening despite rising interbank lending rates - a sign of tight liquidity which typically helps the shilling strengthen by making it expensive to hold dollars. The weighted average interbank lending rate rose to 16.9627 percent on Friday from 16.3769 percent a day earlier. The lending rate hit a high of 17.50 percent. "My take is if we are at 17 percent and the shilling hasn't strengthened, it's being driven by real (dollar) demand," the senior trader said. A second trader at another commercial bank said the shilling was expected to remain under pressure in the next few days to due increased importer demand and a dearth of dollar inflows. For most of this year the shilling - which has lost 10.8 percent so far in 2015 - has been under pressure a globally stronger dollar, slowing export earnings especially from tourism, and a widening current account deficit. *(Reuters)*

Kenya's central bank is focused on taming volatility in the exchange rate and has no optimal level for the shilling, its governor Patrick Njoroge told a local television station. The shilling is off a 3-1/2-year low of 103.85/95 hit in mid-July, but is still down 11 percent against the dollar in the year to date. The central bank's Monetary Policy Committee -- due to meet next on Aug. 5 -- has raised its benchmark lending rate by 3 percentage points since June, to 11.5 percent, to offset the weakening shilling. "The real concern for us is the volatility of the exchange rate, how much they move. We don't have an optimal level of the exchange rate," Njoroge said in comments broadcast on NTV Kenya late on Monday. The bank has raised its Kenya Banks Reference Rate (KBRR), against which banks price their commercial loans, to 9.87 percent from 8.54 percent and increased its mopping up of excess shilling liquidity from the money markets, a move that makes it expensive to hold dollars. Earlier on Monday, Njoroge told the Senate's Finance Committee the measures taken would have an effect in time. "We are cautiously optimistic and we need to take further measures to support fiscal order in order to provide confidence for the private sector," Njoroge was quoted saying in the Daily Nation newspaper, without giving more details. For most of this year the shilling has been under pressure from a globally stronger dollar, falling export proceeds, especially from tourism, and a widening current account deficit. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

The maximum price of the top-grade Kenyan tea, Best Broken Pekoe Ones (BP1s), fell at auction this week, Africa Tea Brokers said on Tuesday. Kenya is the largest exporter of black tea and the crop is a leading foreign exchange earner for the country. *(Reuters)*

Kenya needs to rein in its debt and current account deficit in order to stabilise economic fundamentals, including the exchange rate, central bank governor Patrick Njoroge said in a presentation to the senate's finance committee. The shilling is trading at close to 3-1/2 year lows and down 11.5 percent against the dollar this year, although the central bank has hiked rates 3 percentage points since June. "The most important measure that is before you is to underscore fiscal prudence in order to restore macro stability. The central bank cannot deal with the entire problem by itself," Njoroge told the senators on Monday. A recording of the presentation was obtained by Reuters on Tuesday. *(Reuters)*

About a quarter of Kenya's 1.6 trillion shilling ($16 billion) budget cannot be adequately accounted for, the country's auditor general said, days after U.S. President Barack Obama urged the country to do more to stop graft. Commentators said the report by Auditor General Edward Ouko's office exposed the scale of official corruption in Kenya, east Africa's biggest economy, which investors often cite as a hurdle to doing business there. In the report released late on Tuesday, the auditor general said 2014/15 spending worth 450 billion shillings was not properly accounted for, demonstrating "persistent and disturbing problems in collection and accounting for revenue". "Corruption thrives in a big way in government offices, yet little is being done to arrest the situation," an editorial in the Daily Nation newspaper said. "We must end the culture of misuse of state resources. Those implicated must be seized and punished." The report was released shortly after U.S. President Barack Obama called on Kenyans at the weekend to do more to end graft to help the economy grow faster. "Here in Kenya, it's time to change habits, and decisively break that cycle, because corruption holds back every aspect of economic and civil life," said Obama, whose father was Kenyan. Obama said the government had to show it was tackling corruption with prominent prosecutions, adding that it was an issue that also needed to be addressed elsewhere in Africa.

President Uhuru Kenyatta said the fight against graft was a priority when he took office in 2013, but critics complain that too little has been done. Kenyatta promised in March to take personal charge of the battle against corruption and said that any official being investigated for graft must step aside. One minister has been charged for abuse of office when he held a senior ministry post before joining the cabinet, while a second has been charged with obstructing an investigation. Spending cited in the auditor's report included 113 billion shillings in "unconfirmed subscriptions" to international bodies, and an unexplained overpayment of 38 billion shillings by the Transport Ministry. The figure did not include an audit of county spending, which was done separately. "As reported under the respective revenue statements, the discrepancies are mainly due to unexplained and unreconciled differences between revenue statement balances and the exchequer records maintained by the National Treasury," the report said. A spokesman for Kenyatta and the Transport ministry did not immediately respond to a request for comment. Past Kenyan governments have made similar commitments to fight corruption, only to have the campaigns fizzle away. *(Reuters)*

Malawi

Corporate News

No Corporate News this week

Economic News

Malawi's central bank left its benchmark lending rate unchanged at 25 percent on Tuesday, saying inflation was expected to continue to trend upwards largely due to rising food prices. In a statement, the Reserve Bank of Malawi said the domestic economic growth forecast for 2015 remained unchanged at 5.4 percent. *(Reuters)*

Mauritius

Corporate News

No Corporate News this week

Economic News

The weighted yield on a four-year Bank of Mauritius bond was unchanged at 4.24 percent at an auction on Tuesday from a previous sale on July 22, the central bank said. The bank sold all the 1 billion Mauritius rupees ($28 million) worth of the debt it had offered. Bids received totalled 1.210 billion rupees at yields ranging from 4.10 percent to 4.49 percent. The bond will mature on July 29, 2019, and has a coupon rate of 4.10 percent. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Nigeria

Corporate News

Flour Mills of Nigeria Plc, the country's biggest miller by market value, will seek expansion opportunities in Africa after streamlining its domestic business to focus on food in the continent's biggest economy. "That will be the next phase of growth," Chief Executive Officer Paul Gbededo said in an interview on July 24 in Lagos, Nigeria's commercial capital. The company will target joint ventures and acquisitions in other countries, he said, declining to name them or give a time frame. Flour Mills, which sold its stake in United Cement Co. of Nigeria Ltd. to Lafarge Africa last year to focus on food and agriculture-related activities, has invested over $1 billion in areas including feed-mill expansion, sugar refining and vegetable oil production in the last five years, Gbededo said. The company plans to invest in sorghum mills at its Northern Nigeria Flour Mills unit with a target of 20,000 to 30,000 metric tons of the foodstuff annually in the next three to five years, he said. Nigeria is attempting to revitalize its agriculture industry to diversify the economy away from crude oil, which accounts for about two-thirds of government revenue. The Central Bank of Nigeria last month restricted the sale of dollars to importers of some goods, including food, in an effort to conserve foreign exchange and boost local production. The opportunities that exist in food in Nigeria are present in many African countries, according to Gbededo.

"Food that we can grow here -- where we have comparative advantage, we have to be investing in that and grow our capacity in feeding ourselves," he said. The company plans to raise as much as 40 billion naira ($202 million) in equity this year or in early 2016 to as it seeks to reduce debt and increase working capital, he said. "We will continue to invest in key growth areas of our portfolio." Flour Mills Nigeria shares fell 0.1 percent to 28.99 naira at the close of Lagos trading, extending its decline to 26 percent this year, valuing the company at 76 billion naira.*(Bloomberg)*

Nigeria's Fidelity Bank expects to grow loans by 10 percent this year, short of 27.1 percent growth last year, the mid-tier lender said on Monday. Loans grew by 5.8 percent in the first half, with a currency devaluation contributing to a growth of 2.6 percent in its loan book, Fidelity Bank said presenting its half-year results. *(Reuters)*

GSK's Nigerian unit said on Tuesday its first-half pretax profit fell to 424.8 million naira ($2.14 million), down 66.05 percent from a year ago. Revenue also fell to 15.44 billion naira in the period to end-June from 15.66 billion naira last year, the unit of British drugmaker GlaxoSmithKline, said in a statement without giving any reason for the drop in earnings. *(Reuters)*

Nigeria's Honeywell Flourmills said on Tuesday its 2015 pretax profit fell to 1.43 billion naira ($7.19 million), down 66 percent from a year earlier. Revenue declined by 10.9 percent to 49.06 billion naira, the pasta and confectionery maker said in a filing with the Nigerian Stock Exchange. *(Reuters)*

The federal government on Tuesday commended Julius Berger, Nestel Plc, Airtel, Dufil Foods and Wamco Plc for committing over N20 million as scholarship grants to five Nigerians who made distinctions in their Masters programme to undertake further research under the NOTAP-Industry Technology Transfer Fellowship (NITTF), in technology innovation and competencies tenable in Nigerian universities. Speaking at the launch of the programme in Abuja, the Permanent Secretary, Ministry of Science, Technology and Innovation (STI), Mrs. Winifred Oyo-Ita, commended the companies for making good their pledge. She appealed to those who are yet to redeem to theirs to do so. According to her, NITTF is one of the schemes that is aimed at providing an efficient process for the acquisition and domestication of foreign technologies as enshrined in NOTAP Act. She said the collaboration between the National Office for Technology Acquisition and Promotion (NOTAP), and industries is for the purpose of strengthening technology transfer process, adding that NOTAP in its 35 years of existence has been a regulator of technology transfer from foreign countries into Nigeria.

She said: "Over the years, NOTAP has been registering and monitoring the implementation of the technology transfer agreements between the transferors and the transferees which are the Nigerian companies." Oyo-Ita noted that in the course of NOTAP carrying out their statutory obligations there have been observed inadequacies and disconnect between industries and the national innovation system, which has resulted in the absence of value creation and inability to acquire imported technologies beneficial to the economy. In a remark, NOTAP's Acting Director General, Mr. Dan Azumi Mohammed, said the collaboration between the agency, academia and industries has been one of the missing gaps in technological acquisition. "This is a very critical event which intends to kick start the much needed practical collaborations between the industry, academia and government toward achieving sustainable national development," he said. He said the entire scheme is a Public Private Partnership designed to create indigenous critical technological competencies of the elite applied knowledge workers in Nigeria through Ph.D programmes tenable in Nigerian universities. *(This Day)*

Lafarge Africa, the Nigerian arm of world biggest cement firm, Lafarge, said on Wednesday its first half pretax profit rose 13 percent to 29.72 billion naira from a year ago. Lafarge Africa said in a statement that turnover to end-June also increased to 116.7 billion naira from 104.15 billion naira from last year. The firm said its finance and investment income rose to 3.5 billion naira from 1.71 billion naira in the previous year. *(Reuters)*

Mobil Nigeria, a local unit of ExxonMobil, reported a 33 percent drop in first-half profit to 4.11 billion naira ($21 million) versus a year ago, the fuel marketer said on Wednesday. The local fuel retailer's revenue also declined to 31.82 billion naira against 42.16 billion naira last year, the company said in a statement without giving reason for the fall in earnings. *(Reuters)*

Nigerian lender First City Monument Bank posted a 14 percent decline in first-half pretax profit to 9.56 billion naira ($48 million) versus a year ago, it said on Wednesday. Gross earnings however rose to 77.35 billion naira in the six months to end-June against 69.82 billion naira in the same period of last year, the mid-tier lender said in a statement. The bank said its loan loss expenses rose to 3.74 billion naira from 2.53 billion naira the previous year. *(Reuters)*

Ecobank posted a 47.4 percent jump in half year pretax profit to 61.41 billion naira ($309 million) versus the same period a year ago, the Pan-African banking group said on Thursday. Ecobank said gross earnings climbed to 211.32 billion naira in the period to end-June from 175.05 billion naira a year ago. "We continued to drive cost efficiencies in our businesses and our cost-income ratio improved to 62.5 percent compared to 68.1 percent in the previous year," Albert Essien, Ecobank's chief executive officer said in a statement. *(Reuters)* .

The United States Trade and Development Agency (USTDA) yesterday in Lagos announced a grant of $997.4 million dollars as training support for the proposed refinery by the Dangote Group. The grant was announced at the signing of a Memorandum of Understanding (MoU) between Dangote Group and the USTDA. Dangote Group had in May declared that the proposed refinery would begin operation in the first quarter of 2018 with an investment of about $9 billion. Enoh Ebong, USTDA's deputy director, said the agency was pleased to support the Dangote Oil Refining Company's efforts to increase Nigeria's oil refining capacity. She said it was a "sign of deepening the United States' long history of support for vital infrastructure in Nigeria. "Since 1981, the USTDA has been operating in Nigeria with primary concerns in the area of oil and energy, and we are glad to continue in that line with what we are doing today," she said. Aliko Dangote, the Chairman, Dangote Group, lauded USTDA for its assistance toward the takeoff of the refinery. He said the aspect of training and capacity development was vital to the success of the project. Dehab Ghebreab, the Acting Consul-General, US Consulate, in her remarks, said the success of the refinery could make Nigeria a haven of 'miraculous' economic growth within the next five years. She urged the Nigerian Government to keep partnering with the private sector for better economic growth. The grant is expected to fund the training of more than 100 staff on the use of UOP technology licensing and engineering services. *(Business Day)*

Dangote Cement Plc achieved a profit after tax of N121.808 in the six-month period ended June 30,2015, the company's condensed consolidated statement of profit or loss and other comprehensive income for the period showed. The figure was 21.65 per cent higher than the N95.440bn PAT the cement giant announced for the same period of 2014. The statements, which were filed with the Nigerian Stock Exchange on Thursday, showed that Dangote Cement also achieved a 20.23 per cent growth in profit before tax. Its PBT grew from

N107.070bn to N128.726bn in the period under review. This followed a 15.94 per cent rise in revenue, with the company realising N242.215bn revenue as against N208.909bn in the first half of 2014. The growth in profit was achieved despite increases in administrative expenses, selling and distribution expenses and finance costs. The results showed that administrative expenses rose to N13.618bn in the six months to June 30, 2015 from N7.295bn in the corresponding period a year ago, while selling and distribution expenses jumped to N23.385bn from N18.030bn. Finance costs soared from N8.146bn to N24.381bn, while cost of sales rose to N84.501bn from N73.537bn.

Dangote Cement had grown its revenue to N114.7bn from N103bn in the first quarter of 2015 on the back of its expansion programme, which saw it commence operations in some African countries. Its net profit for the quarter had also risen by 44.1 per cent to N68.6bn from N47.62bn in the first quarter of 2014. The company had at its Annual General Meeting in April received the approval of its shareholders to pay N102bn as dividend for the 2014 financial year. The Board of Directors had proposed the dividend, which translated into N6 per share after the company grew its revenue from N386bn in 2013 to N392bn in 2014. The Chairman, Dangote Cement, Alhaji Aliko Dangote, had explained that, "As a result of the sizeable investment that we have made over the past few years, Dangote Cement ended the year (2014) with new lines in Nigeria, factories becoming operational in Senegal and South Africa." Earlier in the year, the company had said that its new plants in Senegal and Cameroun had commenced operations with plants in Ethiopia and Zambia following. *(Punch)*

Nigeria's Dangote Sugar Refinery's first-half pretax profit fell 4.5 percent to 9.80 billion naira ($49 million) versus a year earlier, the firm said on Friday. The company, owned by Africa's richest man Aliko Dangote, said revenue however rose 51.12 billion naira in the six-months to end-June, from 49.60 billion in the same period of last year. *(Reuters)*

Shell Petroleum Development Company of Nigeria has seen its total oil and gas production plunge by 28.2 per cent year-on-year, the company disclosed on Thursday. Royal Dutch Shell Plc, the parent company of the SPDC, in its unaudited financial statement and operating information for the second quarter of 2015, put its total production in Nigeria at 163,000 barrels of oil equivalent per day for the period, down from 227,000 boepd in the same period last year. The global oil giant highlighted security impacts in Nigeria as one of the factors responsible for the decline in its production. The SPDC had in the first quarter of this year recorded total production of 177,000 boepd, down from 209,000 boepd in the fourth quarter of 2014. Its liquids production available for sale dropped by 40 per cent to 63,000 barrels per day in the second quarter of 2015, compared to 105,000 bpd in the same period last year. It stood at 90,000 bpd in the first quarter of 2015, down from 93,000 bpd in the fourth quarter of last year. The SPDC also saw its natural gas production available for sale fall to 580 million standard cubic feet per day, 18.2 per cent lower than the 709 million scfpd recorded in the second quarter of 2014. Shell said its global oil and gas production for the second quarter of this year was 2.731 million boepd, 11 per cent lower than the figure for the second quarter 2014. Natural gas converted to oil equivalent at 5.8 million scfpd equal 1,000 boepd. "Excluding the impact of divestments, curtailment and underground storage reinjection at NAM in the Netherlands, PSC price effects, and security impacts in Nigeria, second quarter 2015 production was three per cent lower than for the same period last year," it stated. Shell said it was planning for a "prolonged downturn" in the oil industry. It reported second-quarter earnings, on a current cost of supplies basis, of $3.1bn (£2bn), down from $5.1bn last year. Its earnings, excluding identified items, fell from $6.1bn to $3.8bn.

In response, Shell said it would further reduce 2015 capital investment to $30bn, down by 20 per cent from a year ago, as it expects the downturn in oil prices to "last for several years." It will cut 6,500 jobs and slash its capital spending this year as it seeks to cope with low oil prices. The Chief Executive Officer, Shell, Ben van Beurden, said the company was competing well in a difficult market. He said, "Shell's integrated business and our performance drive are helping to mitigate the impact of low oil prices on our bottom line. As our results today show, we are successfully reducing our capital spending and operating costs, and delivering a competitive performance in today's oil market downturn. "We have to be resilient in a world where oil prices remain low for some time, whilst keeping an eye on recovery. We're taking a prudent approach, pulling on powerful financial levers to manage through this downturn, always making sure we have the capacity to pay attractive dividends for shareholders." Shell said that in the medium term it saw potential for oil to return to $70 to $90 per barrel, it would continue to cut costs through the rest of 2015. Some 6,500 staff and direct contractor jobs will go and the company will review its ongoing projects for affordability and growth potential.*(Punch)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

FCMB Group Plc has recorded a growth of 11 per cent in revenue for the half year ended June 30, 2015 and ended with a profit before tax (PBT) of N9.6 billion. FCMB recorded a revenue of N77.4 billion in 2015, while its total assets growing 15 per cent to N1.22 trillion. Customer's confidence in FCMB remained strong, as deposits grew four per cent during the period to N785.8 billion. The diversification of FCMB across commercial banking, investment banking and wealth management, provided some cushion as earnings from non-banking activities proved more resilient. The commercial and retail banking subsidiary of FCMB Group, First City Monument Bank Limited, continued to validate its increased drive into retail. Its retail group contributed 21 per cent (N1.2 billion) of FCMB Ltd's PBT. The retail group also grew deposits 21 per cent to N431.2 billion, or 54 per cent of total deposits. The bank acquired 260,000 customers in the first half of this year. The bank continued its drive of inclusive lending, granting just over 9,100 new loans to micro-enterprises. FCMB's credit card offering saw increased patronage, with over 17,000 cards issued in the first half of this year. Corporate banking activities were constrained by scarcity of foreign exchange and tight monetary policy, which affected trade finance, foreign exchange trading and lending activities. In the first half of 2015, the bank's United Kingdom's wholesale banking subsidiary, FCMB Bank (UK) Ltd, broke even after 14 months of operations as a deposit-taking institution. FCMB Bank (UK) Ltd's profit contribution is expected to continue improving.

The investment banking group of FCMB Group Plc - comprising of financial advisory (FCMB Capital Markets Ltd (FCMB-CM)) and stockbroking (CSL Stockbrokers Ltd (CSLS)) – delivered a per cent increase in Profit After Tax (PAT) of N414 million driven by financial advisory, equity capital raising and asset management fees. On the operating side, FCMB-CM had notable accomplishments, including winning lead adviser and structure mandate to a $445 million term facility for a key gas provider. Also, FCMB-CM was mandated as adviser and arranger of debt facilities, with an aggregate value of over $520 million for clients, in the oil & gas and power sectors. Additionally, FCMB-CM was mandated as financial adviser to raise an aggregate value of $30 million equity finance on behalf of clients in the health and agro- allied sectors and, on a scheme of merger by a client in the fast-moving consumer goods sector. Managing Director of FCMB Group Plc, Mr. Peter Obaseki said "The economy has entered a higher risk level with inflation climbing to 9.2 per cent , fiscal and trade deficits, as well as, declining GDP growth rate below four per cent as at Q1 2015 from 5.94 per cent as at Q4 2014; broad money supply (MM2) contracted by N380 billion in June, from N19.19 trillion in May, to N18.81 trillion. The group results for H1 2015 reflects a deliberate conservative stance aimed at maintaining robust capital buffers in the face of a tough macro-economic and regulatory environment. Capital adequacy ratio remains strong at 19.8 per cent despite proactive jump in non-performing loan ratio from 3.6 per cent as at FY14 to 5.2 per cent at the end of H1; gross revenue went up 11 per cent on H1 2014 and return on average equity slowed down to 10.3 per cent. The underlying retail franchise is getting stronger, while capacity exists to take on sizeable pipe-line transactions in H2."

Speaking in the same vein, Group Managing Director/ CEO of FCMB Ltd, Mr. Ladi Balogun, saidM"H1 2015 was characterised by significant macro-economic and policy headwinds. Limited supply of foreign exchange had a major impact on the commercial & retail banking group's (CRBG) trade finance and foreign exchange trading income. The harmonisation of the cash reserve requirement to 31 per cent led to a significant rise in our restricted reserves and consequently constrained lending and put pressure on net interest margins. Asset quality was adversely affected by the effect of declining government revenue on contractors and employees, which saw our NPL ratio climb to 5.2 per cent compared to 3.6 per cent at the end of FY14. In spite of the inflationary pressures , operating expenses saw a modest rise of five per cent in the CRBG, thanks to our ongoing channel optimisation programme. Also encouraging is the steady migration of customers towards card-based and digital channel transactions. The business is on a sound footing and is increasingly diversified. The foundations for a strong rebound are in place as the country adapts to a lower oil price environment and we look forward to a more sustainable macro-economic and monetary policy environment." *(This Day)*

Nigerian conglomerate UACN reported a 58 percent decline in its half year pretax profit to 2.14 billion naira ($11 million), compared with the same period of last year. Gross earnings fell to 37.37 billion naira in the period to end-June from 40.25 billion naira, the company said in a statement. Distribution and administrative expenses rose to 7.25 billion from 5.37 billion naira in the previous year. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Economic News

Nigerian President Muhammadu Buhari plans to split the state-owned Nigerian National Petroleum Corporation (NNPC) into two entities, his spokesman said on Saturday. Buhari, elected in March on promises to combat corruption, has made clear he wants to overhaul the oil sector in Africa's biggest economy, which provides the government with around 70 percent of its revenue. He has said his government will trace and recover what he called "mind-boggling" sums of money stolen from the oil sector. "Mr President will soon split the NNPC into two entities. One will be an independent regulator and the other one an investor vehicle," said spokesman Femi Adesina, who did not a provide a timeframe for the restructuring. The NNPC currently represents national interests in oil and gas exploration, manages the energy sector and is the industry regulator in Africa's top crude producer. It has been accused of failing to account for billions of dollars in the last few years although it has said that the money was not lost. An NNPC source, who wished to remain unnamed, said the planned changes were long overdue. "We can't continue to be a regulator, a revenue collector and a business, all rolled into one. That gives room for a lot of confusion, obfuscation and misrepresentation," he said. Last month Buhari dissolved the NNPC board and more sackings are expected.

The president, who has said he will not appoint a cabinet until September, is widely expected to keep the petroleum portfolio for himself. Under the constitution, the NNPC is supposed to hand over its oil revenue to the federal government, which then pays back what the firm needs based on a budget approved by parliament. But the act establishing the state oil company allows it to cover costs before remitting funds to the government. Last month, the National Economic Council said the NNPC had earned 8.1 trillion naira ($41 billion) between 2012 and the end of May 2015, but paid only 4.3 trillion naira ($21.6 billion) to the federal government. A 2013 investigation by former central bank governor Lamido Sanusi found the state oil company had failed to pay $20 billion in revenues to government accounts between January 2012 and July 2013. The NNPC argued that the money could be accounted for. A subsequent inspection of NNPC accounts by PwC found that some funds were unaccounted for, but bemoaned a lack of cooperation and led to the issuing of an audit with extensive caveats. *(Reuters)*

Share dealing on Nigeria's bourse fell to 203.45 billion naira ($1.04 billion) in June, down 9.8 percent from year ago, the stock exchange said on Friday, as foreign investors unnerved by a weaker naira currency cut exposure to equities. The stock exchange said the value of shares traded by foreign investors in June stood at 69.65 billion naira, down from 118 billion naira during the same period last year, as domestic investors picked up the slack. *(Reuters)*

Nigeria has begun the process of sharing $2.1 billion with federal, state and local governments to reduce a growing backlog of debts and restructure short-term loans, a spokesman for the vice president said on Monday. The sharing of revenues from the state-owned Nigeria Liquefied Natural Gas Company was announced earlier this month after governors of the 36 states requested federal government support from President Muhammadu Buhari. Several states have been unable to pay the salaries of government workers due to the size of their debts. "The implementation of a three-pronged financial intervention of President Muhammadu Buhari to assuage workers plight and support the states is now in progress," said Laolu Akande, a spokesman for Vice President Yemi Osinbajo. Under the measures, the central bank will offer interventions of between 250 and 300 billion naira (($1.26 billion and $1.51 billion) to help the states clear backlog debts. "State governments will start benefiting from the special intervention fund... in a matter of weeks," said Akande. With funds dwindling due to plummeting oil prices, several states have been borrowing in the domestic bond market and from banks to fund infrastructure projects. Oil sales account for about 70 percent of government revenues in Nigeria, Africa's top crude producer and the continent's biggest economy.*(Reuters)*

Nigeria's foreign debt stood at $10.32 billion in the first six months of the year, up 10 percent from $9.38 billion in the same period of last year, the Debt Management Office (DMO) said on Monday. Offshore debt in naira terms showed a 39.1 percent rise to 2.03 trillion naira, due to a weaker currency which lost 20.9 percent during the period, the government agency said. The DMO said domestic debt stood at 8.39 trillion naira ($43 billion) by end-June against 7.42 trillion naira a year earlier. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Nigeria's gross government revenues rose for the second consecutive month in June to 485.95 billion naira ($2.44 billion), up 33 percent from May, the finance ministry said. The total for distribution to the three tiers of government was 518.542 billion naira including a 6.33 billion refund by the state oil company, value-added tax of 64.99 billion naira and an exchange rate gain of 6.69 billion naira. In May, Nigeria received 324.06 billion naira in revenues and distributed 409.35 billion naira between the federal, state and local governments. The balance of the Excess Crude Account stood at $2.207 billion, up from $2.078 billion on June 23. International oil prices rose at the end of April and benchmark Brent futures were sustained in the $60s a barrel before falling again into the $50s a barrel at the start of July. Africa's biggest oil producer depends on oil sales for about 70 percent of its government revenues. Anastasia Daniel-Nwoabia, permanent secretary of the finance ministry, said revenues were negatively impacted by a shutdown of pipelines feeding the Nembe and Forcados crude export terminals. Shell declared force majeure on exports of the Forcados crude stream in early May due to leaks on the main pipeline. The force majeure was lifted in mid-July. *(Reuters)*

Nigeria's customs office is shutting down the warehouses and offices of four rice importers, including Singapore-based Olam International Ltd., over unpaid fees. Customs are demanding 23.6 billion naira ($119 million) in fees owed for more than 750,000 metric tons of rice imported in excess of an allocated quota, Nigerian customs spokesman Wale Adeniyi said by phone on Wednesday from Lagos, the commercial capital. Olam owes 5 billion naira in duties and levies, while Dubai-based Stallion Group owes 17 billion naira, Adeniyi said.
"We have sealed off a total of 21 warehouses and business premises in Lagos," Adeniyi said. Further closures will probably happen outside of the southwestern state, he said. "Olam can confirm that we have initiated legal recourse," the company said in an e-mailed statement, declining to comment further. Stallion didn't immediately respond to an e-mailed request for comment. Africa's largest economy and most populous nation is dependent on imports to satisfy staple rice demand. Nigeria produces less than half of the 6 million tons a year it consumes, according to the U.S. Agriculture Department. That gap has meant the government grants a concession rate of 30 percent of customs fees for rice brought into the country within a set quota and 70 percent for imports outside of the limit, Adeniyi said. *(Bloomberg)*

Nigeria's foreign exchange reserves rose to $31.27 billion by July 29, up 7.83 percent from $29.00 billion a month earlier, latest data from the central bank showed. The central bank restricted access to foreign exchange last month and introduced tight control of the foreign exchange market to curb speculation and conserve forex reserves. July reserves were down 33.4 percent from $46.96 billion a year ago. *(Reuters)*

Despite the outcry of persistent downturn trend in the nation's stock market, the Securities and Exchange Commission, SEC said that the deadline for recapitalisation of capital market operators remains September 30, 2015. Director General of the commission, Mr. Mounir Gwarzo, who confided in Vanguard after the second quarter Capital Market Committee, CMC meeting in Laos said "September 30, 2015 is sacrosanct and every operator is expected to meet the minimum capital requirement. According to him "Already, a committee from the NSE and Central Securities Clearing System, CSCS is already working toward that deadline and in the next two to three weeks, we will know those that will meet the target. The committee is up and doing, having only two weeks to conclude the process. Meanwhile, the Association of Stock broking Houses of Nigeria (ASHON) had expressed fears that the persistent downward trend at the nation's stock market would affect stockbrokers' recapitalisation plans. Mr. .Emeka Madubuike, ASHON President, said in Lagos that continuous dilution in the value of equities was a big threat to the exercise. "The major issue we have in this recapitalisation programme is the dilution in value because the market has lost over 33 per cent since October," he said. Madubuike said that some members who had shored up their capital using equities were in danger of going below the new capital base announced by the Securities and Exchange Commission (SEC) in 2013. He said that most stockbrokers' assets were in equities, noting that the lull in the Nigerian Stock Exchange (NSE) would affect their capitalisation exercise.

Madubuike said that "there are people who, as of December, had met the requirement and are in danger of going below the required level due to the slide in the market. "This is something we need to talk about if the trend continues in the next few weeks, whether to use a prior date as the valuation date," Madubuike said. He said that the association had drawn the attention of the commission to the development, noting that it would engage SEC if the trend continued. The ASHON president said that the association's major objective was to ensure that all members remained in the market, operating at one level or the other. Madubuike, however, warned that people should not be frustrated out of the market in the name of capitalisation. He said that the classification of the new capital base for stockbrokers would help the market because people would be accommodated. Madubuike said that people would make business decisions to determine at what level they wanted to operate, whether as a broker/dealer, broker or dealer or stockbroker. SEC on Dec. 19, 2013 issued a new capital requirement for capital market operators with Dec. 31, 2014 as deadline but the deadline was extended to Sept. 30, 2015. *(Vanguard)*

Tanzania

Corporate News

COMPILATION of banking information of investors in the Mwalimu Commercial Bank (MCB) is expected to be completed this week ahead of the official listing of the bank on the Dar es Salaam Stock Exchange (DSE). The bank, according to its prospectus, was to enter the stock market on June 8, 2015 but the listing has so far been postponed for at least two times due to what has been described as changing listing requirements by DSE. The listing sponsoring broker, Mr. George Fumbuka, told the Daily News in Dar es Salaam that compiling the banking information of over 230,000 prospective investors who bought MCB shares has been difficult, delaying the listing as a result. "The listing has been delayed due to a record high number of share buyers...the 235,000 people who bought shares in MCB is ten times bigger than all past IPOs (Initial Public Offers) put together," Mr. Fumbuka said, adding that the new listing regulations demand that the information of all bank accounts or simu-banking accounts of investors be obtained. "We are right now communicating with about 5,000 investors whose applications do not have this information or founder teachers who paid prior to the IPO," he said, noting that the exercise is set for completion this week. DSE Chief Executive Officer Moremi Marwa was recently quoted as saying that MCB had asked for more time to finalise the allotment before listing.

MCB's IPO, which was oversubscribed by 24 per cent to receive 31bn/- against the envisaged 25bn/-, is the first to use mobile platform, posing new challenges of compiling all data ahead of allotment. Tanzania Teacher's Union (TTU), a Trade Union established under the Employment and Labour Relations Act 2004, has sponsored and promoted the bank. With over 200,000 members across the country, TTU is expected to own 16 per cent of the bank's issued and fully paid up capital while its economic wing, the Teacher's Development Company Limited (TDCL) will take four percent, with the remaining 80 per cent floated for the general public. MCB PLC will be established as a commercial bank, supervised and regulated by the Bank of Tanzania under its prudential regulatory regime. It will supply the normal banking products, with provision that it will spread its footprints as quickly as possible to reach TTU members. Given the current financial market in the country, in which some institutions offer costly products, teachers are aspiring to establish a financial institution that enables them to access affordable bank products or service. Analysts foresee establishment of the bank as a good move towards enabling teachers to overcome economic hardships, improve standard of living and contribute to national development. *(Daily News)*

WILLIAMSON Diamonds, a largest diamond mine in the country, has registered a full-year production increase of 7.0 per cent to 202,265 carats for the year ending June. The mine, partly owned by South Africa's Petra Diamonds, attributed the good results for 2015 to "mainly due to the increase in run-of-mine (ROM) tonnes treated". The statement issued yesterday shows that the ROM, related to production from primary ore-body, throughput is planned at 3.8 metric tonnes (Mt) in 2016, lower than previous guidance of 4.5 Mt. The low ROM throughput is "due to downtime associated with plant modifications," following a decision taken to carry out plant modifications to improve production and diamond liberation. Petra Diamonds said further that this was a particularly relevant strategy at this lower grade operation and the modifications are planned to enable the mine to reach throughput of 5 million tonnes per annum (Mtpa) by 2018 at a grade of ca. 7 carats per hundred tonnes (cpht), previously guided ca. 6 cpht. "Such an increase in ROM grade, partially offset by a finer diamond size population, is expected to yield a 7 - 10 per cent increase in revenue per tonne," the statement said.

The plant enhancements will include the introduction of an additional crusher circuit and two autogenous mills, with construction commencing in next year. Also the commissioning of the crusher planned for next year as well while installation and commissioning of the two autogenous mills planned for first half of 2017. The total capital expenditure (Capex) is guided at 20 million US dollars (some 40bn/-) for 2016. Meanwhile, Petra Diamonds said in total 2015 production went up 2.0 per cent to 3.2 million of carats (Mcts) compared to 3.1 Mcts in 2014, which are in line with company guidance. The expectation for 2016 is to produce between 3.3 and 3.4 Mcts, an increase of 3.0 to 6.0 per cent on 2015 production. Petra Diamonds CEO Johan Dippenaar said the group remains firmly on track to meet its target of ca. 5 Mcts by 2019 as various expansion programmes are on track. "Despite the challenging operating conditions being experienced by Petra in this transition period, we have recorded further growth in production to 3.2 million carats in 2015, which represents record production for the

Group," Mr. Dippenaar said.*(Daly News)*

Economic News

THE increased inflows of agricultural export proceeds continued to contribute significantly to the strengthening of the shilling. Also the increased tourism earnings during this season is playing vital role to the stability of the local currency against the world major currencies. According to the Ministry of Natural Resources and Tourism which directly employs 500,000 people, accounts for 25 per cent of Tanzania's total foreign exchange earnings. The Bank of Tanzania (BoT) figures for May this year shows that earnings from tourism which is the major sources of foreign earnings rose by 10.6 per cent to 2.16 billion US dollars in the year to May 2015, from 1.95 billion US dollars as visitor arrivals increased. Similarly exports earnings from goods and services increased by 9.8 percent to 9,454.5 million US dollars in the year ending May 2015 from the corresponding period last year. The improvement was driven by an increase in export value of coffee and cashew nut. Export value of cashew nut improved significantly owing to an increase in export volume and price. Another government boost received that strengthened the shilling is the 200 million US dollars from China Development Bank, in addition to 100 million US dollars from the World Bank and 77 million US dollars from African Development Bank. According to the NMB Bank e-market report the shilling strengthened further on the back of strengthening dollar inflows from agriculture, institutions and reduced demand as tight liquidity stance continues. The market traded with high volatility to close at 1990/2090 levels. Towards the end of last week, the local currency traded flat against the dollar on a thin trading session as traders squared their positions ahead of the weekend. Market closed at 1993/2093 levels. During this period, dry money markets continued as overnight rates trades at highs of 30 per cent and lows of 22 per cent with expectations to ease in the near future as maturities from government securities and month end flows enters the market.*(Daily News)*

DESPITE the fall of coffee prices in the world market, local farmers' earnings are set to increase following Tanzania Coffee Board (TCB) interventions in cutting down costs. The move to boost farmers' earnings comes amid bumper harvest this season seeing output jumping to 60,000 tonnes compared to 40,000 tonnes last year. It shows how much producers have actively invested in better crop management activities and technologies. The TCB Director General, Mr Adolf Kumburu, said in an interview yesterday that after a meeting with coffee stakeholders including the district councils, various duties and levies on coffee were slashed to 3.0 per cent, from 5 per cent; an initiative will cut down costs and boost farmers' earnings. "The initiative is an incentive to coffee farmers to increase production particularly at times when world prices are seen falling," he said, adding that the move will lessen the magnitude of income fall. He said in May and June, this year, world coffee prices declined to 3 US dollars from 5 US dollars per kilogramme in the recent months, thus impacting heavily on coffee farmers earnings. As part of the interventions after reading the market trend, he said the board has been advising coffee farmers when to sell their coffee in order to fetch premium prices. Tanzania is Africa's fourth largest coffee producer after Ethiopia, Uganda and Ivory Coast. According to the Bank of Tanzania (BoT) monthly economic review, coffee prices in the world market declined largely due to weakening of the Brazilian currency against the US dollar, thus increasing coffee exports from Brazil, which is the world's largest coffee producer. Coffee production in the world's biggest grower Brazil could fall to 44 million to 45.5 million 60-kg bags in 2015, in part due to the drop in robusta output. The statistics show that output is down from the estimate of 48 million to 49 million bags and below most estimates gathered so far by other trade houses that range from 45.3 million bags to 49.75 million bags for the upcoming 2015/16 crop. *(Daily News)*

THE easing liquidity squeeze in the market has seen short term government notes starting to pick up and register more subscriptions compared to the previous period. Poor performance of the short and long term government securities since June this year has been attributed to dry liquidity market that haunted most investors. During this period, key investors on the treasury bills and bonds were fulfilling tax obligations, thus reducing the amount planned for investments. Commercial banks are the leading investors in the short- term government paper. Others are pension funds, insurance firms and few microfinance institutions. In the treasury bills auctioned by the Bank of Tanzania (BoT) in Dar es Salaam yesterday received bids were worth 165bn/- against 135bn/-. It shows further improvements compared to only 8.57bn/- fetched in the previous auction. The weighted average yield to maturity across all tenures increased significantly compared to the previous treasury bills auction conducted two weeks ago. The BoT summary shows further that a total of 80bn/- was sold in 364 days period, 622bn/- for 182 days, 18bn/- for 91 days tenure and 5bn/- for 35 days offer. With the exception of 364-day bid that registered oversubscription while the remaining offers were undersubscribed, the weak performance was reported in the previous session. The 364 days attracted bids worth 88.22bn/- but at the end only 53.77bn/- emerged as successful amount; for the 182-tenor, a total of 26.40bn/- was total amount tendered and 16.29bn/-was retained as successful bids. For the 91-day attracted bids worth 10.93bn/- at the end only 930m/- emerged as successful amount while the 35 days offer attracted bids worth 1.5bn/- and was retained as successful bids. The weighted average interest rates on the 364 days increased to 14.66 per cent compared to 13.61 per cent of the preceding session. On 182 days, interest rate rose to 13.85 per cent from 12.69 per cent while the 91 days offer, it changed slightly to 8.19 per cent from 7.82 per cent. *(Daly News)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Zambia

Corporate News

Canadian-based copper miner, First Quantum Minerals, said that power cuts imposed by Zambia's state-run electricity company have hit its mining operations in the north western province of the country. "Facilities at the Kansanshi mine, smelter and the Sentinel project are currently operating at reduced capacities while various options to alleviate the effect on production are being evaluated," it said in a statement released on Monday. First Quantum said it was unable to provide estimates on how long the power supply reduction would last or its impact on production. Zambia, Africa's No.2 copper producer, said earlier in July that it planned to cut power supplies to mines by up to 30 percent after water levels at its hydro-electric projects dropped due to drought, sources told Reuters. The country's power provider ZESCO has contracted independent power producers to procure more electricity by the end of 2015, First Quantum said. First Quantum's Zambian smelter, which ramped up in February, is expected to produce over 300,000 tonnes of copper metal from around 1.2 million tonnes of concentrate a year, when it reaches full operation. Other foreign companies running mines in the southern African nation include Glencore, Barrick Gold Corp and Vedanta Resources. *(Reuters)*

Canada's First Quantum Minerals has shut its Sentinel copper processing plant after Zambia reduced electricity supply to its operations by 24 percent, the company said. Zambian power utility Zesco Ltd is limiting supplies, including to mining companies, after water levels at its hydro-electric plants dropped due to drought. "Sentinel process plant has been closed since July 27, 2015. Various options to alleviate the effect on production are being evaluated," First Quantum said in second quarter results late on Wednesday. "Agreement has been reached to redirect the majority of Sentinel's power allocation to enable Kansanshi to operate close to full capacity, while delaying the ramp-up at Sentinel." Kansanshi mine was earlier projected to produce 250 to 265 tonnes of finished copper while the Sentinel was expected to produce up to 100,000 tonnes of copper in concentrate in 2015. *(Reuters)*

Mining and energy group Vedanta Resources Plc said power supply at its copper mines in Zambia would be cut by up to 30 percent. Vedanta said it was in talks with power supplier Copper Belt Energy Corp Plc and the Zambian government over the timing and magnitude of the power cut. The company also said core profit at its Zambian copper mines fell 78 percent. Power cuts in north-western Zambia, Africa's second-biggest copper producer, have affected production at mines run by Canada's First Quantum Minerals and Barrick Gold , an industry body said on Tuesday. *(Reuters)*

Zambia's power supplier Copperbelt Energy Corp. (CEC) has delayed a plan to reduce electricity to mines after mining firms warned they would have to close processing plants and shed jobs, industry sources said on Friday. Zesco Ltd., the main power generating firm in Africa's No. 2 copper producer, is limiting supplies after water levels at its hydro-electric plants fell due to drought. CEC buys electricity from Zesco in bulk and sells it to mining companies including the local units of Vedanta Resources, Glencore and Vale. On Thursday, CEC told mining firms it would reduce power supply by 30 percent to mines from Friday. "Power supply has not been reduced," an industry source said. "Mining companies yesterday made a very serious presentation to the government, Zesco and CEC that reducing supply as planned would lead to closures of processing plant and job cuts." CEC officials were not immediately available to comment. Canada's First Quantum Minerals on Monday shut its Sentinel copper processing plant after Zesco reduced electricity supply to its operations by 24 percent. Chief executives of mining companies were due to meet on Friday to plan how their firms would reduce their own electricity demand, another industry source said. "The idea is to put in place a power rationing plan that will not seriously disrupt operations and undermine safety," the source said. *(Reuters)*

Base-metals miner First Quantum Minerals will consider delaying some work at major development projects to preserve cash as it grapples with slumping commodity prices and power supply cuts at facilities in Zambia. The Canadian company, which recently raised C$1.4 billion ($1.01 billion) in an equity offering designed to cut debt and fund projects, said on Thursday that cash conservation and cost reductions remain its top priority. "In the event of a continued and protracted weakened price environment, we do have options available to us to protect the balance sheet further," Chairman Clive Newall said on a conference call with analysts. Vancouver-based First Quantum maintained its C$1.4 billion budget for 2015 capital expenditures, including C$600 million for its Cobre Panama copper mine in Panama, but said 2016 spending could drop dramatically. "Already, we have identified how we can defer a significant amount out of our next year's Cobre Panama budget without affecting its construction schedule," Newall said. The company said it is studying how it can save money by adjusting the timing of capital expenditures. At Cobre Panama, for example, it is buying less power equipment and deferring its use, while still keeping the project on track. "The capital expenditure for next year, we think, will be less than C$1 billion and probably more in the region of C$800-C$900 million," said Chief Executive Philip Pascall.

Newell said the company could also defer expansion of a sulphide circuit at its Kansanshi copper mine in Zambia, by "a year or so", without affecting long-term production. First Quantum, which primarily mines copper, but also nickel and gold, is trying to alleviate the impact of a 24 percent reduction in power supply in Zambia. It shut its Sentinel copper processing development this week, after Zambian power utility Zesco Ltd reduced power supplies, a result of low water levels at hydro-electric plants due to a drought. Rainfall doesn't typically resume until December, Pascall said, and supply problems will likely continue through to January February. First Quantum, which has begun lobbying to import power, said it was unable to update its output forecast for Sentinel, which had been expected to produce up to 100,000 tonnes of copper in concentrate in 2015. Most of Sentinel's electrical supply, cut to 42 megawatts from 55 megawatts, will be redirected to Kansashi, reduced to 117 megawatts from 153 megawatts, allowing Kansashi to operate near full capacity, the company said. *(Reuters)*

Economic News

Zambia has increased imports of finished petroleum products to prevent a fuel shortage as its only oil refinery is expected to persistently break down, its energy minister said on Tuesday. Zambia's 24,000 barrel-per-day Indeni refinery was shut on July 14 after it was fed highly acidic crude which caused damage to some parts of the plant. Energy minister Christopher Yaluma told parliament that shut downs of the refinery would make it difficult for it to produce the required amounts of fuel to meet Zambia's requirements. "We will have continued shut downs arising from this feedstock," Yaluma said referring to the corrosive crude. "In order to prevent possible fuel shortages we have increased on importation of finished products so as to meet the national demand." Indeni would continue processing the acidic crude while using chemicals to shield the pipes and processing equipment from further corrosion, he said. *(Reuters)*

Zambia's copper production increased by 2.1 percent in the first half of 2015 versus the same period last year as mining companies in Africa's No.2 producer of the metal ramped up output in May and June, the statistics office said on Thursday. "Increase in copper production in May and June of 2015 was the main reason for the increased output," the Central Statistical Office (CSO) said in a statement. "Actual copper output increased from 324,654 tonnes over the period January to June 2014 to 331,511 tonnes in the same period of 2015," it said. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Zimbabwe

Corporate News

ZB Financial Holdings says it has secured $20 million in interest free loan from one of its major shareholders its subsidiary, ZB Bank Limited, to boost its capital base and that its performance in the first four months of the year were above budget. Chief executive Ronald Mutandagayi said at the AGM in May that operating costs for the period were 15 percent lower after aggressive cost-cutting measures designed to respond to the poor economic performance. On Thursday, the group, which has banking and insurance subsidiaries, said it expects to maintain the growth trend for the rest of the year. "…the performance of the ZBFH Group for the four months ended 30 April 2015 reflected an improvement driven by a notable decrease in the Group's operating costs. The performance was above the budget set for the period," it said in a trading update to the Zimbabwe Stock Exchange. "Indications are that this trend is likely to be maintained for the rest of the year." Mutandagayi said at the AGM that as a result of the good performance, the cost to income ratio has improved to 82 percent from levels above 100 percent during 2014. The loan from the shareholder had a 10-year tenor, it said. In addition the group was pursuing other unmentioned measures to boost the bank's capital. *(New Zimbabwe)*

Cigarette manufacturer British American Tobacco (BAT) says net profit for the first half year to June grew 43 percent to $7,6 million compared with the same period last year on better production and distribution efficiencies despite weaker demand for its products. Total sales volumes fell by five percent versus the same period last year, dragged by poor demand for local brands while its global brand Dunhill saw an increase in sales of four percent. Revenue increased by eight percent or $1,5 million on the comparative period driven by marginal gains in pricing net of the impact of the excise duty increase in December last year. In a bid to shore up dwindling revenue streams, government last year increased excise duty on cigarettes from $15 per 1,000 sticks to $20 per 1,000 sticks, which resulted in a 15 percent price hike. "The company has worked hard to deliver efficiencies in its operating costs while continuously investing in our brands and distribution capabilities," the company said in a statement to announce the results. It said despite the reduction in volumes, independent research showed the company's market share has increased in the first half of the year to over 82 percent. Earnings per share for the period rose to 37 cents, up from 26 cents in that prior period. The company declared a dividend of 47 cents per share, with the total dividend at $8,3 million. *(Source)*

TELONE has raked in $72 million in revenue in the first half of the year and is targeting to collect $80 million in the second half of 2015, an official has said. In an emailed response to NewsDay, TelOne corporate communications manager Melody Harry said for the first half of the year, TelOne has been able to commence most of its projects planned for the year. Key over the period, she said, has been the rebranding exercise, which has been a huge success in helping to reposition the company as a telecommunications giant. "The company also launched the Public Wi-fi service which has revolutionised the broadband space," she said. "To date, the service is up in 70 sites in Harare, Bulawayo, Masvingo, Mutare, Bindura, Victoria Falls and Hwange. At least 100 other sites are currently being worked on and are expected to be live soon." Harry said the fibre deployment also gained momentum with the launch of the Fibre to the Home service. She said since the unveiling of the Fibre to the Home, TelOne has completed deployments in Zimre Park, Mainway Meadows, Mt Pleasant Heights, Westgate Area D, Tynwald North, Knowe (Norton), Turf Village in Ngezi and Mimosa Park in Zvishavane. "These areas have a combined capacity to connect 15 000 homes. Fibre to the Home (FTTH) footprint is being expanded to cover more suburbs in Harare and spreading the service to Bulawayo, Gweru, Mutare and Masvingo".

"Beyond the current coverage, we intend to have FTTH footprint to be spread to other cities like Bulawayo, Gweru, Mutare and Masvingo. Backbone coverage is being expanded to cover Bulawayo-Beitbridge, Mutare-Nyanga, Harare-Nyamapanda and the Lowveld," she said. Harry said TelOne was going into Value Added Services in a big way. She said a lot of work had already started and "we will be unpacking this soon""This is expected to complement the work that we are doing of digitalising some of our exchanges, upgrading them from analogue to digital exchanges in order to offer our clients world-class value added services such as conference calling, call diversion, interactive video response and ADSL Broadband," she said. To date, Harry said, TelOne has upgraded Mazowe, Rusape, Plumtree, Nyanga, Karoi, Kariba and

Chipinge on top of the major towns and cities, which were already running on digital exchanges. Prepaid voice service for households was now also available in these areas, she said. Harry said the company has engaged National University of Science and Technology (NUST) with a view to forging a partnership for innovation. Through this collaborative arrangement, TelOne was hoping to benefit from the numerous research papers produced by university students and academic staff. TelOne and NUST recently signed a Memorandum of Understanding (MoU) to establish a framework for research collaboration activities aimed at increasing growth in the information communication technology sector. The two also signed an MoU for the establishment of a BSc Honours degree in Telecommunications Engineering at its Centre for Learning. The addition of a degree programme, according to Harry, would give credibility to the centre as well as bolster the curriculum at the centre thereby turning it into a premier ICT and telecommunications training institution. *(News Day)*

Hwange Colliery Company Limited (HCCL) says commissioning of the $31,2 million mining equipment was on course and the company was fixing oil leaks on two machines. In June HCCL commissioned the equipment that was acquired from BELAZ and BEML under vendor-financed facilities. PTA funded the $18,2m purchase of equipment from BELAZ. India Exim Bank financed the purchase of equipment from BEML. However, some of the machines developed oil leaks. In an update yesterday, HCCL said all of the 17 machines acquired from BELAZ of Belarus had been successfully commissioned and deployed adding that they were performing to expectations. "Eleven of the 17 machines acquired from BEML of India have been successfully commissioned and deployed. The company will continue to monitor their performance. "The remaining six machines experienced hydraulic oil leaks which is not unusual in the commissioning of such mining equipment," it said. HCCL said after reporting the problem to the supplier, a highly-specialised team was dispatched to Zimbabwe to investigate and supervise the fixing of the oil leaks. "As such, four of the machines are now working as expected and repairs of the remaining two are expected to be completed this week. Thereafter the machines will be deployed and run into operations," HCCL said. It said the problem of hydraulic leaks had been "speedily addressed by the supplier since the equipment is under warranty". "Going forward, technical support for the BEML machines will be provided by a local BEML accredited agent," it said. The $31,2 million recapitalisation will result in HCCL's output rising to 500 000 tonnes per month. Currently, its total output —which is made up of open cast mining, contractor in the form of Mota Engil and underground mining — is at 350 000 tonnes per month. *(News Day)*

Zimbabwe's largest mobile phone operator Econet Wireless says failure to pay interconnection fees by its state-owned rivals — NetOne and fixed line phone operator TelOne amounting to over $26 million in the last five years — could paralyse the telecoms sector. Econet said in its annual report that it has strong reservations on proposed infrastructure sharing after investing $125 million in network rollout in the full year to February 2015 — bringing its total expenditure on core infrastructure to over $1,2 billion over the five years. Government wants local telcos to share infrastructure to reduce operational costs and pass the benefits to subscribers in the form of cheaper voice calls and data, and expects to finalise mandatory sharing regulations next month. It says infrastructure sharing could save the industry up to 60 percent in capital expenditure. But Econet feels it is not fair to have infrastructure sharing given the huge disparity in the level of investment and also the quality of the equipment. The company has in the past threatened to disconnect its rivals due to the growing debt, forcing government to intervene. "A disturbing trend has emerged over the last five years in which NetOne and TelOne have been increasingly unable or unwilling to settle their debts. During the period under review the two operators accumulated new debts amounting to about $26,3 million," said the company.

"If unchecked, the rate at which NetOne and TelOne have continued to default on their contractual obligations will threaten the viability of the entire telecommunications sector." The company said its network investment sustains the jobs of over 2,000 direct employees, and over 35,000 indirect jobs. More than 20,000 small businesses across the country, particularly in rural areas, receive regular income from selling airtime, and also transacting for EcoCash. Econet's earnings have been falling in recent years as the economy slid into recession. Its after tax profit, which peaked at $165 million in 2012, has been on a downward trend, falling to $139 million in 2013 before almost halving to $70 million this year. The company says it has surpassed $1 billion in its contribution to the fiscus through taxes, fees, and other levies since the dollarisation of the economy in 2009. *(Source)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

TRADING

Metallon Corp, the biggest gold producer in Zimbabwe, said it missed its first-half output target by 19 percent due to equipment breakdowns, in another setback for the country's mining sector, which has been hit by slumping commodities prices. The tax agency said on Wednesday that royalties from mining, which contributes around 17 percent of Zimbabwe's gross domestic product, fell 65 percent in the first half of 2015 from a year earlier, and analysts say the southern African country could tip into recession later this year. London-based Metallon, which is not listed, owns fives mines in Zimbabwe, three operational and two which are being revived, through its Metallon Gold unit. It said on Wednesday that it had experienced equipment breakdowns at the three operational mines, and that its output for January-June totalled 48,143 ounces. That was below a target of 59,621 ounces but up from 45,524 ounces in the same period last year. It said it would spend $20 million to get production back to normal but did not say when that would be achieved. Zimbabwe rakes in 52 percent of its export earnings from mining, including gold. Gold is its third-biggest export after tobacco and platinum and the country is reeling as the gold price has fallen 8 percent this year to its lowest levels in more than five years, while the price of platinum has plunged 18 percent.

Metallon said early this year that it planned to expand production to 150,000 ounces of gold in 2015, from 98,864 ounces last year, but it was unclear after Wednesday's statement whether that target was still achievable. Zimbabwe's chamber of mines, which represents Zimbabwean mining companies, said on Wednesday that falling global prices of platinum and gold would hit the sector's production and revenue. Metallon, however, also said that it planned to re-open its Redwing mine in eastern Zimbabwe in October. The mine will add 3,400 ounces of gold by December and produce 16,000 ounces next year. he company said it would focus on reducing its debt, currently at $20 million, and renegotiate the cost of interest payments. Metallon continues to engage with financial institutions for CAPEX funding and is confident that funding at significantly lower cost will be available in the next few weeks," it said in a statement. Zimbabwe's tax collections were 6 percent below target in the first half of this year, the tax agency said on Wednesday, due in part of the drop in revenues from mining. *(Reuters)*

AIM-listed Resources group Mwana Africa says its full-year profit plunged 86 percent to $7 million compared to the previous year on higher operating costs and falling gold and nickel prices, despite revenue growing by seven percent. The group, which parted ways with founding chief executive Kalaa Mpinga and four non-executive directors in June, said net profit for the full-year to March 31 fell to $7 million from $50,6 million in the prior year — aided by a $28 million impairment reversal in the prior year — after a number of operational set-backs that contributed to higher unit costs. Revenue increased by seven percent to $152,3 million from $142,5 million the year before while earnings before interest, taxes, depreciation, and amortization (EBITDA) fell to $18,8m compared to $25 million previously. Gold sales at Freda Rebecca of 57,799 ounces were lower than the 58,704oz from last year and below the management's expectations. Cash costs were higher at $1,067 per ounce from $959 per ounce last year as lower grades led to greater mill tonnages. Gold recoveries declined to 79 percent from 82 percent last year. At Bindura Nickel Corporation, nickel in concentrate sales were higher at 7,352 tonnes from 7,129 tonnes last year. All-in sustaining costs were higher at $14,428 per tonne from $12,462 per tonne last year as equipment refurbishment added to costs and restricted mine tonnages.

"At the Freda Rebecca gold mine production stagnated as a result of equipment failures that needed to be addressed and improvements that were effected on an ad hoc basis," the company said in a statement to announce the results. "These technical problems were paralleled at Bindura Nickel's Trojan mine where a large part of the mine's equipment had been allowed to deteriorate during the period of care and maintenance, and needed to be progressively refurbished and replaced throughout the year." Mwana Africa executive chairman Yat Hoi Ning said the group expects to receive the remaining $2,1 million from the $20 million bond raised last year to restart the BNC smelter by end of September this year. He said $16,4 million was received by end of last year while BNC received a further $1,5 million early this month. The smelter, which is expected to come online in the first quarter of next year, will have enough capacity to process BNC's output with excess capacity being made available for regional producers. Going forward, Ning said in view of current trading volumes and lower commodity price, profits for the first half next year will be lower than the second half of 2015. At Trojan Mine, the company has completed refurbishing and replacing the equipment that had deteriorated while the mine was on care-and-maintenance. "Mining will now be positioned to extract ore from the "massives" ore bodies where grades are higher than in those bodies that provided the bulk of the mine's ore until recently," said Ning.*(The Source)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

THE troubled Cotton Company of Zimbabwe (Cottco), sub-Saharan Africa's largest ginner and marketer reported a $30,2 million loss for the full-year to March from a profit of $14,9 million last year citing poor lint prices and low margins. Despite increasing its cotton intake by 24 percent to 43,697 tonnes in the year, Cottco said lint prices averaged 72 cents per pound (454 grams), lower than the 89 cents per pound in the prior year. Nationally, cotton output fell to 135,000 tonnes from 145,000 tonnes in the previous year. Once an undisputed dominant force in Zimbabwe's agro-industrial sector and a major employer, Cottco has hit turbulent times recently. Last November the company applied for its sole cotton ginning subsidiary to be placed under judicial management to avert foreclosure over debts running up to $50 million. It subsequently withdrew the application, apparently after reaching some agreement with its creditors. Cottco's loss includes impairments of $11,2 million in respect of trade and other receivables. Cottco noted that the 2014 profit was boosted by the $37,2 million arising from profit on the disposal of discontinued operations. Revenue for the year fell nine percent to $38,3 million as lint prices continued to weaken. Operating margins were squeezed by high producer prices which the company was paying to maintain its market share.

"Group operating margins have remained low and were compounded by high producer price paid as a market defence mechanism, a strategy implemented in order to protect market share and to set the tone for discipline in the industry for seasons to come," said the company in a statement accompanying the unaudited financial results. The group, which was suspended from trading on the Zimbabwe Stock Exchange on November 6 last year, was granted permission by the bourse to delay publishing the results. Finance costs fell 40 percent to $8 million and the company said it was discussing with lenders to restructure its debt. Going forward, Cottco said it will pursue cost containment strategies, with lint prices likely to continue falling. In January this year, executive chairman Douglas Ncube told The Source that the company was looking to diversify into cooking oil production to anchor its turnaround. The company has five ginneries in Zimbabwe's major cotton-growing regions, with capacity to produce 150,000 tonnes of seed cotton. *(New Zimbabwe)*

Atlas Mara, the London-listed financial services group founded by former Barclays Plc chief executive Bob Diamond and Ugandan billionaire Ashish Thakkar, has completed the sale of its 10 percent stake in Brainworks Capital Management for nearly $9 million, the company said on Thursday. Brainworks is a Zimbabwe-focused private equity and advisory firm. Last month, Atlas Mara's wholly-owned subsidiary ADC Financial Services & Corporate Development agreed to sell its Brainworks stake in exchange for approximately $3,1 million in cash and 665,195 Atlas Mara ordinary shares. The cash and scrip deal values Brainworks, which has emerged as a key deal maker and broker in Zimbabwe, at $87,2 million. Separately, on July 14, 2015, the company repurchased 298 shares at a high price of $6 and a low price of $5,95, all of which were to be held as treasury shares, the company said. Atlas Mara last year acquired pan-African banking group ABC Holdings — which owns BancABC — along with its ADC purchase. Brainworks has investments in Zimbabwe's financial services industry through its 29 percent stake in Ecobank Zimbabwe, hospitality through its takeover of Zimbabwe's biggest hotel group African Sun and real estate through Dawn Properties. The firm is also invested in fuel retail and distribution. In March, Brainworks tabled a $20 million bid for a 40 percent locally-owned stake in Zimbabwe's third largest mobile network operator Telecel. Brainworks has since withdrawn the bid amid a public wrangle within Telecel's local shareholding consortium. Dutch headquartered Vimpelcom is Telecel's controlling shareholder with 60 percent. On the advisory side, Brainworks has been involved in the indigenization transactions by major mining companies Impala Platinum, Aquarius and Anglo American Platinum with the government of Zimbabwe. *(The Source)*

Economic News

The Zimbabwe Revenue Authority (Zimra) missed the target revenue collection by 6% after collecting US $1,66 billion for the first half of the year due to the shrinking formal economy. The target was $1,76 billion. Net collections declined by 3% from the same period last year when $1,72 billion was collected. In a statement accompanying the revenue performance report for the first half of 2015, Zimra chairperson Willia Bonyongwe said the first half of the year was characterised by challenges such as liquidity constraints, limited lines of credit from financial institutions, power shortages, retrenchments and company closures which affected economic performance. "The shrinking of the formal economy has led to the growth of the informal sector whose contribution to revenue is not significant. Such challenges have seen some clients failing to honour their tax obligations, resulting in the authority failing to meet the set target for the first half of the year," Bonyongwe said. In the period under review, value-added tax (VAT) on imports, excise duty and carbon tax were the only revenue heads that surpassed their set targets. Individual tax made up the bulk of the revenue collected in the first half of 2015, contributing 23%, followed by excise duty (21%). Both VAT on imports and VAT on local sales contributed 13% each. Individual tax revenue collections amounted to $379,5 million against a target of $390 million, resulting in a negative variance of 3%. During the same period last year, $429,5 million was collected, which translates to a decline of 12% in revenue due to retrenchments and company closures that negatively impacted on the performance of the revenue head. Corporate income tax declined by 15% to $167,5 million against a target of $185 million from the same period last year.

VAT on local sales gross collections was $366,5 million against a target of $316,3 million, while net VAT collections amounted to $212,8 million against a target of $316,3 million, resulting in a negative variance of 33%. Net VAT on local sales contributed 13% to total revenue and 49,7% to total VAT revenue. During the period under review, VAT on imports collections amounted to $215,2 million against a target of $195,7 million. Customs duty collections amounted to $160,4 million against a target of $183 million. As for excise duty, a total of $346,2 million was collected against a target of $285 million,Bonyongwe said an upward review of excise duty rates for petrol and diesel has resulted in higher excise duty revenue collections as compared to last year and also revenue collections were also boosted by excise on airtime. During the first half of the year, carbon tax recorded $14 million against a target of $15,1 million, resulting in a positive variance of 15% while mining royalties declined 65% to $39,8 million as compared to $112,6 million collected last year due to depressed international mineral prices and lower sales. Mining royalties' contribution declined by 39% to $39,8 million against a target of $64,9 million, while other taxes recorded $46,1 million against a target of $65,0 million, resulting in a negative variance of 29%. *(News Day)*

The Reserve Bank of Zimbabwe (RBZ) says mobile financial activities totalled $6,1 billion as at December 31, 2014 as the sector expands its reach to areas unreached by normal banking activities. Norman Mataruka, RBZ director for supervision, on Monday told a Mobile Money Digital Payments and Awards Conference that the mobile money industry was growing in leaps and bounds since 2009. He said the total volume of transactions stood at 299 million as at December 31. He said the total electronic money balance stood at $60 million as at July 24. "The mobile money industry has provided the possibility of outreach, vastly beyond traditional banking networks and at significantly lower costs due to the mobile phone characteristics of ubiquity, convenience, speed, security and lower cost," he said. Mataruka said mobile financial services have created the building blocks for a digitally-inclusive financial system. "This has facilitated provision of affordable financial products to low income households and microenterprises that do not have easy access to finance," he said. But Mataruka the mobile money payment systems have been accompanied by some challenges, including "operational risks, money-laundering, fraud, and financing of terrorism. "The fact that access to mobile financial services cuts across the generality of the population calls for the need to ensure adequate laws and regulation as well as the protection of consumers of digital financial services," he said. He said the payment systems must function within a "well-defined and regulated framework that provides for a safe and sound environment".

ICT, Postal and Courier Services minister Supa Mandiwanzira told the conference that mobile money has helped promote financial inclusion in the country. "We have witnessed the pre-eminence of mobile money which has greatly revolutionised the financial services sector by promoting financial inclusion of the previously unbanked population in Zimbabwe and Africa at large," Mandiwanzira said. "Money transfers, which for a long time have been the preserve of banking institutions and multinational money transfer firms, have since been transformed by the emergence of mobile money and digital banking." Types of mobile financial services in Zimbabwe include bank-based mobile phone financial service models and non-bank based. Bank-based are those where customers have a direct contractual relationship with a bank and non-bank based is designed to reach out to markets beyond the existing banked groups. Banks and mobile network operators have also formed strategic partnerships. Mandiwanzira said that as a ministry he remained committed to promoting a flexible and conducive regulatory environment to continuously promote e-commerce. However, he said it could only be achieved by addressing some of the challenges that are currently creating cost overburdens in the ICT industry. As the industry is growing, Mandiwanzira said that efforts would be made to strengthen the regulatory framework over mobile money and digital payments. *(News Day)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Government will recapitalise the Reserve Bank of Zimbabwe (RBZ) to the tune of $150 million to be able to resume its lender of resort function, Finance minister Patrick Chinamasa said yesterday. The recapitalisation follows a $100 million injection into the bank early this year through the issuance of long-dated debt instruments. "We have already recapitalised RBZ to the tune of $100 million, but that is not adequate. We hope to do more to give another shot in the arm of $150 million that fully capitalises it to resume the lender of last resort role," Chinamasa said while unveiling the new RBZ board. RBZ last performed its lender of last resort role in the Zimbabwean dollar era. The local unit, which is being decommissioned, was replaced by a multi-currency regime in 2009. Chinamasa said the resumption of the lender of last resort function was part of a roadmap to restore confidence in the banking sector and the economy. Measures to restore confidence include the assumption of RBZ's $1,35 billion debt by government. The RBZ (Debt Assumption) Bill sailed through Parliament and was waiting President Robert Mugabe's assent to become law. RBZ has resumed its role as banker to government while a special purpose vehicle to buy non-performing loans in the banking sector was set up last year. The new board unveiled yesterday would be chaired by RBZ governor John Mangudya. He will be deputised by Rita Likukuma. Other members of the board include the two deputy governors Kupukile Mlambo and Charity Dhliwayo (ex-officio members), farmer and diplomat Aaron Maboyi Ncube, industrialist and engineer Michael Nyabadza, former Delta CEO Joe Mutizwa and banker Onesimo Jacob Mukumba. Chartered accountant Cornelius Maradza, former banker Lazarus Murahwa and accountant Pauline Chapendama are also on the board. Chinamasa said the ministry would soon appoint its representative on the board. The tenure of the previous board expired on April 30, 2014 and Chinamasa admitted that it had taken the ministry a long time to constitute the board as they wanted to identify people with the necessary skills and integrity. "It's poor corporate governance to allow an institution to have run for that long without a board. If it [RBZ] is ill, the whole economy will catch pneumonia," he said. The multicurrency regime has limited RBZ's influence. However, the institution has come up with measures such as the introduction of the bond coins to complement fiscal authorities.*(News Day)*

Zimbabwe's government halved its economic growth forecast to 1.5 percent this year from 3.2 percent, blaming a drought that has hit agriculture, and announced plans to halve its wage bill as government revenues are squeezed. Finance Minister Patrick Chinamasa said in a half-year budget statement that contributions from mining, tourism, construction, manufacturing and finance would be offset by the slump in agriculture, Zimbabwe's biggest contributor to GDP. The drought has cut output from agriculture by 8.2 percent while weak mineral prices have hit platinum output. "Deceleration in overall economic growth signifies the contribution of agriculture, and the need for drought -proofing the economy given adverse effects of climate changes," he told parliament. The southern African country's economy is suffering from power shortages and lack of foreign investment, while companies are cutting jobs as they struggle to pay salaries. Staff costs are hitting the public sector too. Chinamasa said 83 percent of government revenue was being used to pay civil servants' wages. "Cabinet has realised that this is clearly unsustainable and has started a process to gradually bring down the share of the wage bill in the budget from over 80 percent to under 40 percent," he said. The World Bank says the economy will post 1 percent growth but economic analysts are less optimistic, with some predicting Zimbabwe could tip into recession later this year.

Highlighting the effects of the slowdown, Chinamasa cut revenue estimates to $3.6 billion from $3.99 billion this year. The government would have to borrow $400 million from domestic and foreign sources to cover for the budget deficit, he said. The state had initially planned to borrow $125 million. Zimbabwe, which holds the second largest reserves of platinum, recorded a 6.4 percent decline in production to 5.9 tonnes during the first half of this year, Chinamasa said. He said gold output rose 29 percent to 6.8 tonnes thanks to higher deliveries by small-scale mines. Despite weak global metal prices, mining was expected to grow by 3.5 percent this year, boosted by higher nickel, gold and coal output. To boost mining and manufacturing, Chinamasa said he would reduce electricity tariffs to the sectors. He also cut royalties levied on small-scale gold producers to 1 percent from 3 percent from September after small-scale miners tripled production. Mining contributes around 17 percent to gross domestic product and 53 percent of export earnings. To make up the shortfall in maize caused by the drought, private firms imported 101,716 tonnes of maize, Chinamasa said, adding that the government would import 80,000 tonnes. Zimbabwe plans to import 700,000 tonnes of maize in total this year. *(Reuters)*

Zimbabwe will reduce royalties levied on small-scale gold producers to 1 percent from 3 percent from September to boost output from the sector, Finance Minister Patrick Chinamasa said on Thursday. In a half-year budget presentation to parliament, Chinamasa said deliveries of gold from small scale producers had increased to 3,117 kg between January and June, compared with 993 kg over the same period last year. "In order to consolidate the gains realised to date and taking into account the international commodity prices, I propose to further review the royalty rate on small scale gold producers," he said. *(Reuters)*

Disclosures Appendix

This Publication is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of any jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject Securities Africa Limited, or its subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction. Neither this Publication nor any copy of it may be distributed in any jurisdiction where its distribution may be restricted by law and any persons into whose possession this Publication comes should inform themselves about, and observe, any such restrictions.

The information contained in this Publication or on which this Publication is based has been derived from sources believed to be reliable and accurate however no representation or warranty, express or implied, is made as to the fairness, completeness, accuracy, timeliness or otherwise of the information or opinions contained in this Publication and no reliance should be placed on such information or opinions. The information contained in this Publication has not been independently verified by Securities Africa Limited. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted as to or in relation to the fairness, completeness, accuracy or timeliness or otherwise of this Publication or as to the reasonableness of any assumption contained, nor for errors of fact or omission or for any opinion expressed in this Publication.

Past performance should not be taken as an indication of future performance, and no representation of any kind is made as to future performance. The information, opinions and estimates contained in this Publication are provided as at the date of this Publication and are subject to change without notice. Distribution of this Publication does not constitute a representation, express or implied, by Securities Africa Limited, or its advisers, affiliates, officials, directors, employees or representatives (the "Parties") that the information contained in the Publication will be updated at any time after the date of the Publication. The Parties expressly do not undertake to advise you of any information coming to any or all of their attention.

Any opinions expressed in this Publication may differ or be contrary to opinions expressed by other business areas or groups of Securities Africa Limited as a result of using different assumptions and criteria. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results.

All projections and forecasts in this Publication are illustrative only. The actual results may be materially affected by changes in economic or other circumstances, which cannot be foreseen. No representation or warranty is made by any of the Parties as to the achievability or reasonableness of any projection or forecast contained in this Publication.

This publication is provided to you for information purposes only on the understanding that Securities Africa Limited is not acting in a fiduciary capacity. It does not address specific investment objectives or financial situations, and any investments discussed may not be suitable for all investors. Prospective investors must make their own examination and evaluation of the merits and risks involved in the securities set out in this Publication including any legal, taxation, financial and other consequences of investment and should not treat the contents as advice relating to legal, taxation or other matters. This report is not to be relied upon in the substitution of independent judgment with respect to any investment decision. Investors should consider this Publication as only a single factor in making their investment decision, and as such, the Publication should not be viewed as identifying all risks, direct or indirect, that may be associated with any investment decision.

Foreign currency-denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk.

Securities Africa Limited conducts designated investment business only with eligible counterparties and professional clients. To the extent permitted by law and regulation, Securities Africa Limited accepts no liability whatsoever for any loss howsoever arising, directly or indirectly, from any use of this Publication or its contents or otherwise arising in connection with that. This Publication is not intended for distribution to retail clients.

By receiving this Publication, the recipient agrees to keep confidential the information contained in this Publication together with any additional information made available following further inquiries. None of the material, nor its content, nor any copy of it, may be altered in any way, disclosed, published, reproduced or distributed to any other party, in whole or in part, at any time, without the prior written permission of Securities Africa Limited.

Nothing in this Publication constitutes or forms part of, and should not be construed as, an offer for sale or subscription of, or solicitation of any offer to buy, sell or subscribe for, the securities of the Company, nor should it or any part of, form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

Securities Africa Limited and/or its associates and/or any of their respective clients may have acted upon the information or opinions in this Publication prior to your receipt of it. Securities Africa Limited and/or its associates may provide investment banking services to the Company and in that capacity may have received confidential information relevant to the securities mentioned in this Publication which is not known to the researchers who have compiled this Publication.

Securities Africa Limited and/or its associates and/or their officers, directors, employees or representatives may from time to time purchase, subscribe for, add to, dispose of or have positions or options in or warrants in or rights to or interests in the securities of the Company or any of its associated companies mentioned in this Publication (or may have done so before publication of this Publication) or may make a market or act as principal or agent in any transactions in such securities.

This report may not have been distributed to all recipients at the same time. This report is issued only for the information of and may only be distributed to professional investors (or, in the case of the United States, major US institutional investors as defined in Rule 15a-6 of the US Securities Exchange Act of 1934) and dealers in securities and must not be copied, published or reproduced or redistributed (in whole or in part) by any recipient for any purpose.

English law governs the issue, publication and terms of this Publication and any disputes arising in relation to any of them will be subject to the exclusive jurisdiction of the English courts.

By accepting this Publication, you agree to be bound by the foregoing limitations. No part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed without the prior written consent of Securities Africa Limited.

SECURITIES AFRICA®