

FOR IMMEDIATE RELEASE

Lusaka Stock Exchange Gains 83% in 1997 With Pangaea Leading the Way

Lusaka, Zambia and Madison, Wisconsin January 5, 1998 -- Pangaea Partners (Zambia) Limited pointed out that the Lusaka Stock Exchange has gained 104.4% in local currency (Kwacha) terms between January 2, 1997 and December 31, 1997. At the same time, the currency weakened 11.6% from Kw 1,320 to Kw 1,453 during the year. Thus, in U.S. dollar terms, the market was up 83.2% — one of the best gains in the world. Although a minuscule market, with total market capitalisation of US\$980 million, **the gains make the Lusaka Exchange one of the world's top gaining markets in 1997.**

Bhomik Harmani, of Pangaea Zambia, stated that "the gain reflects the new recognition by investors that Zambia really has made substantive changes in the Zambian economy over the last five years. While the efforts could be seen before 1997, they are now translating into increasing corporate earnings. We expect further interest in the market from both domestic and international investors. Zambia offers centralised depository, T+ 3 settlement and most other modern market elements demanded by investors." Indeed, the main factor holding the market back from further gains is the lack of supply of shares: buyers far outnumber sellers. As a result, trading volumes some weeks are a mere \$10-20,000. That is why it is critical for the Government to speed up privatisations, before investors loose interest in the small market.

Pangaea has led the way during this market rally: handling more than 75% of the value of all the trades conducted this year. Eric G. Postel, a Director of the Zambian firm, stated, "We at Pangaea are pleased to use our international and domestic Zambian network to help attract new participants to the Zambian market. This year's results validates our commitment to and belief in the revitalization of Zambia's financial markets."

Pangaea Partners, Ltd, is an eight year-old investment banking and consulting firm with offices in the United States, Turkey, Zambia, South Africa, Bangladesh and the United Kingdom. The firm specializes in fund raising, mergers and acquisitions, capital markets, trade transactions and financial consulting for a variety of corporations, banks, governments and multilateral agencies around the world.

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