

FOR IMMEDIATE RELEASE

Farmers House Bond Issue a Success Pangaea Advising on the Issue

Madison, Wisconsin, December 8, 2000 -- Pangaea/EMI Securities, the largest stockbroker in Zambia and an affiliate of Pangaea Partners, Ltd. ("Pangaea") announced that in the first ever corporate debt issue by a company listed on the Lusaka Stock Exchange, Farmers House PLC, a property investment, management and development company raised US\$ 1.0 million for the second phase of the company's plans to develop its flagship property at the corner of Church and Cairo Roads in central Lusaka.

Pangaea/EMI Securities, the financial advisor and sponsoring broker on the offer, indicated that the offer was fully subscribed and participation by the Zambian institutional investor community was very high, taking up 85% of the bonds on offer. The issue was partly underwritten by the National Pension Scheme Authority (NAPSA), the country's largest pension fund. It was the first time they had participated in an underwriting.

From several different perspectives, the Convertible Bond Issue is an attractive investment for the local investor community. Denominated in US Dollars and priced at an attractive 200 basis points above the yield on one year US Treasury Certificates, it represents one of the very few US Dollar-denominated instruments available to investors in the market. (Banks in Zambia are currently offering in the 2-3% range on US Dollar deposits.) In addition, given the devaluation of the local currency (the Kwacha) thus far this year (approximately 35% annualized), the investment represents an excellent currency hedge. Finally, with the high quality, US Dollar-denominated income earning property portfolio of the company, it is a very low risk investment. The bonds have three and four year maturities and interest is paid quarterly in arrears.

Making them potentially even more attractive, on the third and fourth anniversary dates of their issue, the bonds may be converted into equity of the company at the higher of a 10% discount to the then market price of the shares, or 60% of the net asset value of the company per share. Should the economy continue to improve and property values continue their recent (albeit rather modest to date) rise, Farmers House, as the country's only listed property development, management and investment company, could become an interesting stock to have in an investor's portfolio.

In discussing the outcome of the bond issue, Mr. Bruce E. Bouchard, Managing Director of Pangaea/EMI Securities, stated "...what we find to be most encouraging about the Farmers House bond issue is that, to us, it demonstrates beyond question, there is a market for attractively priced new investment products in Zambia. We are hopeful and, in fact, confident that it heralds the dawn of a new era in the development of Zambia's capital market; an era in which we look internally to provide finance for good investment opportunities; using local capital, to invest in projects that will contribute to the longer term growth and development of the economy."

Pangaea/EMI Securities is the leading provider of investment banking, brokerage, and corporate finance services in Zambia. Pangaea is an eleven-year-old investment banking and consulting firm with offices in the United Kingdom, Turkey, Zambia, South Africa, Bangladesh and the United States as well as several overseas affiliates in other countries.

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