

FOR IMMEDIATE RELEASE

**Zambian Market up 6% in 2000
While U.S. DJIA Falls 6% and Nasdaq Falls 39%**

Madison, Wisconsin, January 5, 2001 -- Pangaea/EMI Securities, the largest stockbroker in Zambia and an affiliate of Pangaea Partners, Ltd. ("Pangaea"), announced that the Lusaka Stock Exchange rose 6.08% in US Dollar terms in 2000. In local currency terms, the rise was 56.3%.

The year's gains illustrate the benefits of diversification: the small Zambian market outperformed the U.S. markets in 2000. The gains also illustrates the improvement underway in Zambia since the Government's sale earlier in the year of the largest company in the country, Zambia Consolidated Copper Mines (ZCCM).

One of the year's most noteworthy transactions was the Farmers House Plc bond issue that took place in October 2000. Farmers House Plc, the only property development, management and investment company listed on the LuSE raised US\$ 1 million via a corporate convertible bond issue, the first ever of its kind in Zambia. The bonds had two series; the first with a three year maturity and the second, a three / four year maturity. Both types had a conversion option under which bondholders have the option of converting their investment into equity of the company at the time of maturity. The bonds carry a coupon rate of the US Treasury certificate rate plus 200 basis points. The issue was extremely successful and the company raised the full amount it sought to raise.

Another major events was CDC Capital Partners exit from its investment in Chilanga Cement Plc. As part of CDC's new global strategy, the company is divesting of its interests in the cement industry in Africa. The 50.1% shareholding will be sold along with CDC's cement interests in Tanzania and Malawi. This is a welcomed development since the buyers are renowned cement manufacturers.

Rothmans of Pall Mall, Zambia is also currently undertaking a re-structuring exercise. As a result of the global merger between British American Tobacco (BAT) and Rothmans of Pall Mall International, the local Rothmans is in the process of incorporating BAT, Zambia's interests in the cigarette industry in Zambia. Once completed, Rothmans of Pall Mall, Zambia, will enjoy a virtual monopoly in the Zambian cigarette industry.

In discussing these developments, Eric G. Postel, a Director of Pangaea/EMI Securities, stated that "all of these developments in 2000 show what the true potential of Zambia's market is now that the mines have been finally sold. Pangaea's lead role in the LuSE transactions demonstrates the considerable abilities of Pangaea/EMI's Lusaka-based staff." Bruce E. Bouchard, Managing Director of Pangaea/EMI Securities, added " We look forward to an even better year for the market in 2001."

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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