

National Empowerment Fund ASONGE Share Scheme

Media Briefing on ALLOCATION RESULTS

27 September 2007, Johannesburg

Contents

- ❑ “What did we intend to achieve through Asonge?”
Chairman of the NEF – Mr Ronnie Ntuli
- ❑ Subscription and Allocation Results of Asonge
CEO of the NEF – Ms Philisiwe Buthelezi
- ❑ Conclusion

WHAT DID WE INTEND TO ACHIEVE THROUGH ASONGE?

Presented by Mr Ronnie Ntuli,
Chairman of the Board of Trustees

Key Objectives of the NEF

The NEF was established to address two key themes as contained in its objectives:

- ❑ Through its Fund Management Division:
 - To promote and support business ventures pioneered and run by black people
- ❑ Through its Asset Management Division:
 - To promote the understanding of equity ownership among black people
 - Provide black people with direct and indirect opportunities to acquire shares in State Owned and private business enterprises
 - Encourage and promote investments, savings and meaningful economic participation amongst black people

It is specifically to address the latter objectives that the NEF Asonge Share Scheme was conceived, designed, launched, implemented, subscribed for and now allocated to its beneficiaries.

To promote the understanding of equity ownership among black people

Rollout, Education and Mobilisation

- ❑ 64 mobilisers were educated around the country
- ❑ Mobilisers touched 10 000 groups and 150 000 individuals by one-on-one education efforts
- ❑ Collaboration with Stokvel associations
- ❑ Ongoing monitoring of education process by NEF before closure on 16 August
- ❑ Further education around investing and financial markets was done through TV and radio, features and drama
- ❑ A dedicated Call Centre assisted with all queries in all languages
- ❑ Mass groups were reached by 9 regional road-shows; TV, local radio and print advertising; commuter activity, and activity at Post Offices nationally

Provide black people with direct and indirect opportunities to acquire shares in State Owned and private business enterprises

State Allocated Investments: Recap

- ❑ In November 2000, the Government provided for State Allocated Investments to be housed under custody of the NEF
- ❑ The intention was for these to be eventually transferred to Black people
- ❑ As a result the NEF since held 1,5% of the MTN Group's shareholding
- ❑ Asset Management Division developed a retail product known as the Asonge Share Scheme
- ❑ Asonge was the NEF's vehicle of fulfilling Government's original intention of transferring State investments to Black people

Encourage and promote investments, savings and meaningful economic participation amongst black people

“The NEF ASONGE Share Scheme”

- ❑ 50% of the offer was aimed at black individuals (half had to be women)
- ❑ 50% of the offer was aimed at black savings and investment groups
- ❑ Predetermined allocation to the target audiences across all provinces
- ❑ Applications were facilitated by the SA Post Office, ensuring wide distribution through their infrastructure
- ❑ Offer opened on 23rd July and closed on 16th August
- ❑ The Offer Price was set at R73,84 based on the market closing price
 - ... **and as at today, this translated into a 47% appreciation on investment for subscribers at current market value based on:**
 - **the upfront 20% discount offered *plus***
 - **current market price of R107 per share**

Encourage and promote investments, savings and meaningful economic participation among black people

“The NEF ASONGE Share Scheme”

- Includes the transfer of rights, title and full economic benefits including dividends and voting
- Minimal trading costs e.g. broker fees
- Investors have a 12 month lock-in period
- Investors that hold shares for 24 months will get bonus shares, 1 for every 10 held
- Asonge encourages long term investment and savings through the equity markets

Assessment

Based on the statistics to follow, the board was of the view that Asonge met the objectives established for the NEF and exceeded the expectations of the share scheme.

The board and our stakeholders are in full support of the allocations about to be announced.

SUBSCRIPTION AND ALLOCATION RESULTS

Presented by Ms Philisiwe Buthelezi,
Chief Executive Officer

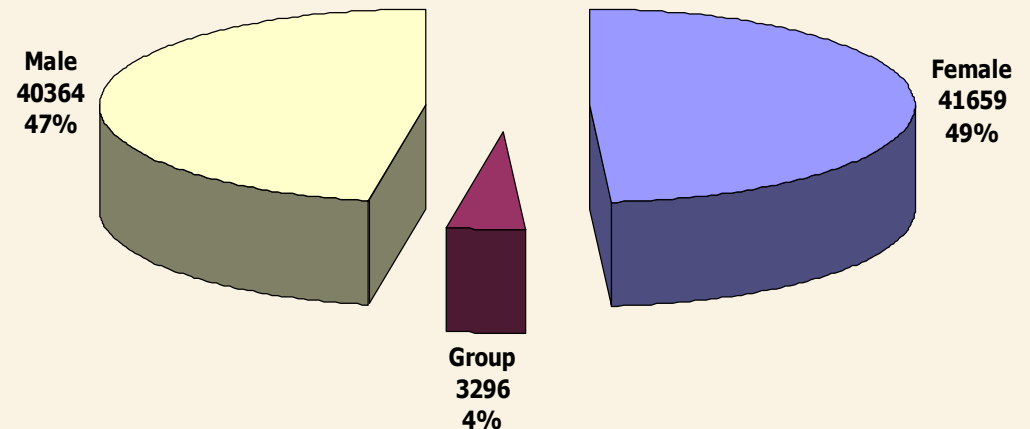
Who was Eligible

- Allocation planned to be 50% for individuals and 50% for savings and investment groupings across South Africa
- Black individuals:
 - At least 18 years of age
 - With a valid South African ID
 - Bank account
 - Half had to be women
 - Minimum subscription was R2 000, maximum R50 000
- Black savings and investment groups
 - E.g. Stokvels, burial services, trusts, co-ops, church savings groups
 - Minimum subscription was R2 000, max R100 000

“The NEF Asonge Share Scheme” Subscriptions received

- ❑ Allocation planned to be 50% for individuals and 50% for investment groupings across South Africa
- ❑ Of black individuals, 50% thereof was allocated to women

Applications By Number



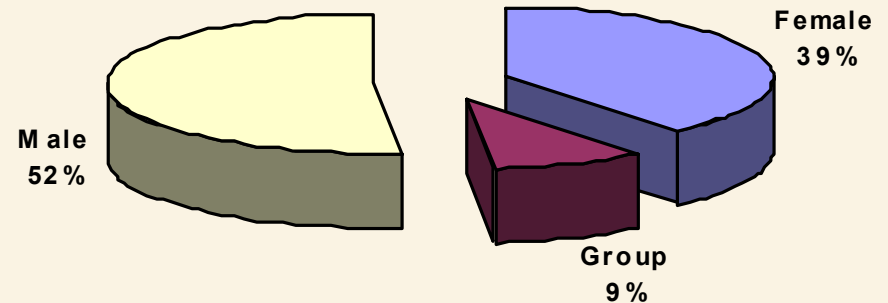
“The NEF Asonge Share Scheme”

Subscriptions received: interpretations

- ❑ By number, more women than men subscribed, nearly meeting the 50% allocation
- ❑ By value, women subscribed for 39% of the 50% allocation

What does this indicate regarding the relative wealth and investment appetite of women?

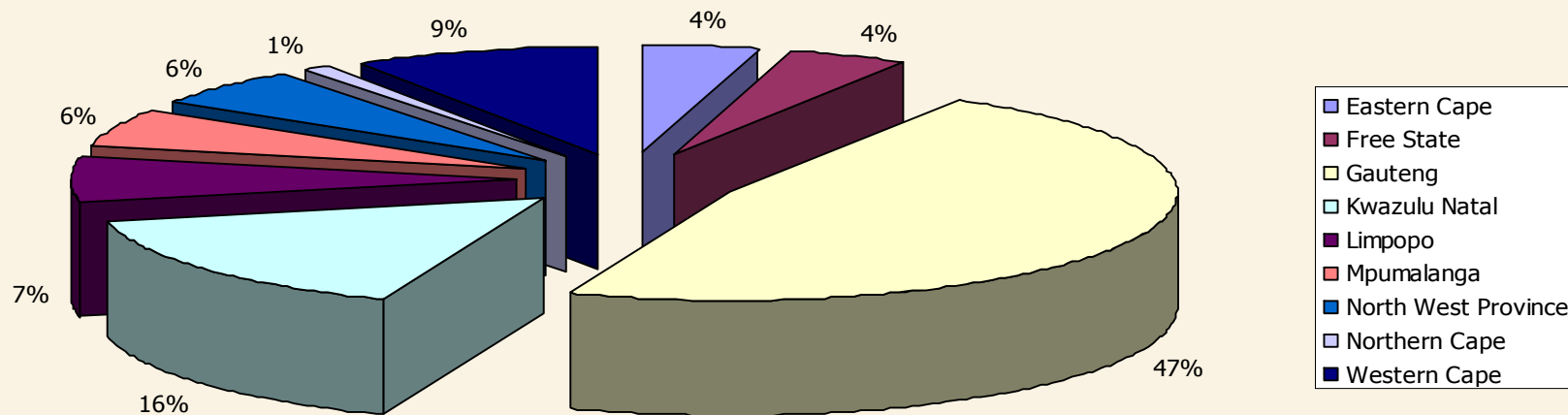
Shares Allocated by value
(12m shares)



“The NEF Asonge Share Scheme” Subscriptions by Province

- ❑ Allocations by province were planned in accordance with population statistics
- ❑ Actual subscriptions indicate significantly more personal investment capacity in Gauteng

Number of Applications by Province



“The NEF Asonge Share Scheme” Subscriptions by Province

Province	Allocation %	Subscriptions	Subscriptions %	Over / Under Subs (-)
Eastern Cape	13.5%	R 35,283,118	4.0%	-71%
Free State	6.3%	R 22,073,204	2.5%	-60%
Gauteng	21.5%	R 434,221,613	48.8%	127%
KwaZulu-Natal	21.4%	R 191,039,774	21.5%	1%
Limpopo	10.5%	R 44,372,407	5.0%	-52%
Mpumalanga	7.3%	R 33,205,804	3.7%	-49%
Northern Cape	2.2%	R 7,495,183	0.8%	-62%
North West	7.5%	R 29,947,841	3.4%	-55%
Western Cape	9.8%	R 91,594,913	10.3%	5%
	100.0%	R 889,233,857	100.0%	

- Allocations from undersubscribed provinces were transferred to oversubscribed provinces
- **Due to overwhelming interest shown in Asonge, the NEF has approved a *further* 1 376 058 shares for the share scheme worth R103 million to match the 13% oversubscription level.**

Consolidated Allocation Results

- 10 640 000 MTN shares, currently worth R1.14 bn, were offered to qualifying investors plus one bonus share for every 10 held after 24 months
- A further 1 376 058 shares, currently worth R147 m, were allocated to accommodate oversubscriptions plus one bonus share for every 10 held after 24 months
- Over 87 000 applications were received in total
- Value of allocations = R890 m vs R1.3 bn current market value

All valid applications within the allocation value thresholds will receive the full allocation.

Consolidated Allocation Results

- Groups allocated 9% of total value vs 50% target

It appears that investors preferred to invest as individuals as opposed to within groups who may have a limited investment horizon.

- Of individual subscription by value, **Female = 43%** and **Male = 57%**

- Geographical spread

- 6 Under-subscribing provinces at between 49% - 71% of initial allocation
- KZN and WC allocated 101% and 105% of initial allocation respectively

Exceptions

- As with all subscription processes, certain applications were not valid or were rejected
- The subscription value of such rejections was R 2,508,463
- We also have many potential duplicate applications, potentially to the value of R 7,216,166
- Each will have to be further analyzed on merit and a decision made to include or exclude them from the offer
- These have been EXCLUDED from the share allocation model together with the SAPO rejections of R 11,7 million

An Overall Success!

- Asonge oversubscribed by 13% – meets existing public demand and sets an historic landmark for future share offers
- Over 85 000 Black investors now own shares in blue-chip company
- Contributed to a growing culture of Savings and Investment amongst Black people
- Women shareholders = 49% by number, 39% by value (overall).51% by number and 43% by value (within individuals)
In excess of targets set by BB BEE Codes of Good Practice
- All provinces were allocated shares and involved in the marketing campaign to enable participation to their full capacity
- Unencumbered economic benefit is fully vested in Black hands
- Government fulfilling a critical national imperative through NEF

Vote of Thanks

Our appreciation must be expressed to the following key stakeholders for their support in the implementation of the Asonge Share Scheme:

- The Hon. Deputy President of South Africa – Hon. Phumzile Mlambo-Ngcuka
- The Minister of Trade and Industry – Hon. Mandisi Mpahlwa
- The Director General of the dti – Mr Tshediso Matona
- The Director General of National Treasury – Mr Lesetja Kganyago
- The Chairman of the NEF – Mr Ronnie Ntuli
- The Trustees of the NEF

WE THANK YOU FOR YOUR ATTENTION

QUESTIONS AND ANSWERS

www.nefcorp.co.za