

## WEEKLY REVIEW – 1 April 2011

### FIRST QUARTER EQUITY MARKET REVIEW

The local bourse opened the year firm buoyed by positive sentiment emanating from strong economic growth forecast. The economy had grown by 8.1% in 2010 and a further 9.3% was expected in 2011. Some sections of the government touted double digit growth rates. The possibility of elections being deferred to 2012 also improved foreign investor participation. Furthermore foreigners had become indifferent to the indigenisation and economic empowerment policies. There were some good results published by companies reaffirming the recovery of the economy. Foreigners were mainly targeting big caps; Delta, Econet, Innscor and Seedco.

#### *First quarter performance for big cap counters*

	31-Dec-10	31-Mar-11	Change
	Usc	Usc	%
Seedco	97.00	136.00	40.21%
Innskor	50.00	63.00	26.00%
Delta	65.00	70.00	7.69%
Old Mutual	155.00	161.00	3.87%
Econet	477.00	489.00	2.52%

The performance of the market compares favourably with the same period last year as the market was weak, with only January trading positively. Activity in the first quarter of 2010 was hampered by the gazetting of the Indigenisation regulations which resulted in foreign buyers taking a back seat. Quarter 1 of 2010 had only 18 gainers compared with 29 gainers in quarter 1 2011. A loss of 6.3% was registered for the industrial index whilst the mining index gained 16.9%. This is in comparison with quarter 1 2011 where the industrial and mining indices went up 6.2% and 18.4% respectively. Market capitalisation managed to surpass the US\$4 billion mark after gaining 7.1% for quarter 1 2011 to close at US\$4.1billion compared with a loss of 4.2% for quarter 1 2010 to close at US\$3.8 billion.. The tables below show the performances;

	31-Dec-2009	31-Mar-2010	Change (%)
Industrial Index	151.99	142.37	(6.3%)
Mining Index	185.5	216.85	16.9%
Market capitalisation (millions)	3803.30	3645.60	(4.1%)

	31-Dec-2010	31-Mar-2011	Change (%)
Industrial Index	151.27	160.65	6.2%
Mining Index	200.40	237.18	18.4%
Market capitalisation (millions)	3,868.14	4,142.54	7.1%

Quarter 1 Movers 2010

COUNTER	31-Dec-2009	31-Mar-2010	Change
	USc	USc	(%)
ZIMLOW	2.50	4.50	80.0%
TSL	6.10	9.50	55.7%
PPC	275.00	415.00	50.9%
RIOZIM	260.00	380.00	46.2%
ZPI	0.40	0.55	37.5%

Quarter 1 Movers 2011

COUNTER	31-Dec-2010	31-Mar-2011	Change
	USc	USc	(%)
CAFCA	16	45	181.3%
RADAR	20	40	100.0%
TRUWORTHS	3.5	6.8	94.3%
TRUST	1.3	2.27	74.6%
POWERSPEED	1.5	2.4	60.0%

Quarter 1 Shakers 2010

COUNTER	31-Dec-2009	31-Mar-2010	Change
	USc	USc	(%)
AFRISUN	12.00	4.50	(62.5%)
STEELNET	0.35	0.15	(57.1%)
PELHAMS	0.20	0.10	(50.0%)
CAPS	2.00	1.00	(50.0%)
TA HLDS	58.00	32.00	(44.8%)

Quarter 1 Shakers 2011

COUNTER	31-Dec-2010	31-Mar-2011	Change
	USc	USc	(%)
STAR AFRICA	7.00	3.00	(57.1%)
TA HOLDINGS	20.50	10.99	(46.4%)
NICOZ DIAMOND	2.50	1.35	(46.0%)
BORDER	90.00	55.00	(38.9%)
GBH	0.15	0.10	(33.3%)

However there was a slowdown in activity during the middle of the period as political sentiment weighed down on the market. Lately, there has been a reduction in foreign participation. Foreigners tend to be risk averse, especially when it comes to political risk. Legislation concerning foreign investments in the country still remains vague. Various political announcements on indigenisation have raised skepticism among foreigners, leading to reduced participation.

The just ended earnings season also helped boost sentiment on the market. Several companies released impressive results and this resulted in positive response among investors. Companies like Turnall, Dairibord, Zimplow, Truworths, ABCH, CBZ and Fidelity just to mention a few, displayed good results with some paying dividends. Edgars showed strong recovery and managed to reverse losses for the previous period.

Market response to impressive results

	31-Dec-10	31-Mar-11	Change
	USc	USc	%
Truworths	3.50	6.80	94.29%
Fidelity	2.20	3.50	59.09%
Edgars	6.00	9.50	58.33%

Turnall	6.70	8.80	31.34%
Dairibord	17.00	22.00	29.41%

Despite strong performances from manufacturing firms like Turnall and Zimplow, the manufacturing sector has been suffering due to lack of liquidity. Companies like Steelnet and Cairns have been facing viability problems due to lack of funding. Capacity levels have remained low, depressing both revenue and profitability. The quarterly performance of these counters has been negative..

*Poor performing companies traded weak*

	31-Dec-10	31-Mar-11	Change
	Usc	Usc	%
Star Africa	7.00	3.00	(57.14%)
TA Holdings	20.50	10.99	(46.39%)
PGI	2.60	2.50	(3.85%)
Cairns	2.00	1.80	(10.00%)
African Sun	2.20	2.02	(8.18%)
Steelnet	0.20	0.20	0.00%

On the global front, markets experienced a rocky path during the first quarter. Political unrests which started in Egypt spread through to Tunisia, Libya and some parts of the Middle East. Markets were shaky, and the oil price rocketed in response to the disturbances in these oil producing nations. To worsen the situation was an earthquake which hit Japan negatively impacting Asian markets. With the Eurozone debt remaining a cause of concern and the US economy still to fully recover, the local market has performed competitively compared with global markets during the first quarter.

*Local market in comparison with global market*

	31-Dec-10	31-Mar-11	Change
FTSE 100	5,899.90	5 908.80	0.15%
Dow Jones	11,577.51	12,319.73	6.41%
Nikkei	10,228.92	9,755.10	(4.63%)
ZSE Industrial Index	151.27	160.25	6.20%
ZSE Mining Index	200.40	237.18	18.35%

Activity in the second quarter is expected to be driven by the same factors as the first quarter, although much is dependent on the return of foreign capital. Political sentiment will continue to play a crucial role as moves to indigenize foreign firms are expected to intensify. Positive direction going forward hinges on favourable economic policies.

## CORPORATE NEWS

### *Strong numbers from Kingdom*

	USD	USD	USD	USD
	FY 31 Dec 2009	H1 30 June 2010	H2 31 Dec 2010	FY 31 Dec 2010
Interest income	6,923,157.00	6,092,205.00	10,139,157.00	16,231,362.00
Interest expense	(854,049.00)	(3,108,350.00)	(4,545,916.00)	(7,654,266.00)
Net interest income	6,069,108.00	2,983,855.00	5,593,241.00	8,577,096.00
Impairment loss on loans and advances	(1,066,352.00)	(1,357,902.00)	229,316.00	(1,128,586.00)
Net interest income after impairment loss	5,002,756.00	1,625,953.00	5,822,557.00	7,448,510.00
Dealing income	3,604,096.00	1,810,261.00	1,643,883.00	3,454,144.00
Fees and commission	6,726,503.00	10,782,987.00	12,068,456.00	22,851,443.00
Other operating income	(631,457.00)	641,273.00	(430,028.00)	211,245.00
Operating expenses	(17,987,865.00)	(13,343,927.00)	(14,599,073.00)	(27,943,000.00)
Operating profit	(3,285,967.00)	1,516,547.00	4,505,795.00	6,022,342.00
Share of profit of associates	1,321,167.00	486,800.00	658,636.00	1,145,436.00
Profit/(loss) before tax	(1,964,800.00)	2,003,347.00	5,164,431.00	7,167,778.00
Income tax expense/(credit)	958,714.00	(449,435.00)	(1,453,518.00)	(1,902,953.00)
Profit/(loss) from continuing operations	(1,006,086.00)	1,553,912.00	3,710,913.00	5,264,825.00
Profit/(loss) from discontinued operations	(100,810.00)	-	43,285.00	43,285.00
Profit/(loss) for the year	(1,106,896.00)	1,553,912.00	3,754,198.00	5,308,110.00
Minority interest	(2,743.00)	(5,952.00)	(491.00)	(6,443.00)
Attributable to owners of the parent	(1,109,639.00)	1,547,960.00	3,753,707.00	5,301,667.00
Shares in issue	499,421,412	499,421,412	499,421,412	499,421,412
EPS(cents)	(0.22)	0.31	0.75	1.06

Performance of Kingdom Financial Holdings limited improved significantly over the past year with the group posting an operating profit after tax of US\$5.3 million. In comparison, a loss of US\$1.1 million was recorded over the same period in 2009. Total Income for the period improved by 131% to US\$33.9 million. Of this US\$22.8 million came from fee and commission income while an additional US\$3.5 million came from dealing income. Associate companies brought in a share of US\$1.1 million. Contribution of interest income declined to 12% from 47% as net interest margins shrank from 88% to 53% owing to the use wholesale deposits. Operating expenses grew by 55.3% to US\$27.9 million main components of which include administrative costs of US\$15 million and staff expenses amounting to US\$11.9 million. The balance sheet size grew by 60.6% to US\$169.8 million as at 31 December 2010. Customer deposits amounted to US\$52.5 million while loans and advances totaled US\$85.8 million.

On the operating subsidiaries, Kingdom bank which is the largest subsidiary contributed a profit after tax of US\$4 million. The asset management company nonetheless made a loss of US\$75 596 with the other companies amongst them Kingdom Stock brokers, Micro King and Meikles Financial services contributed a profit of US\$1.3 million.

*Asset write back moves Trust into the black*

	FY to 31.12.2010	H1 to 30.06.10	H2 to 31 Dec 2010	FY to 31 Dec 2010
	USD	USD	USD	USD
Interest Income	19,726	49,667	68,064	117,731
Interest Expense	(1,735)	-	(83,862)	(83,862)
Net Interest Income	17,991	49,667	(15,798)	33,869
Fee & Commission Income	352,085	249,435	1,527,541	1,776,976
Premium payments to Insurers	-	-	(1,208,517)	(1,208,517)
Dividend Income	86,564	51,019	154,307	205,326
Acquisition for nil consideration	-	-	11,469,642	11,469,642
Other Income	94,978	3,428	36,444	39,872
Transfer from available for sale reserve on disposal of financial assets available for sale	266,626	369,716	787,716	1,157,432
Net gains from disposal in Associates	433,082	-	-	-
Total Income	1,251,326	723,265	12,751,335	13,474,600
General & Administrative expenses	(960,550)	(574,964)	(1,787,548)	(2,362,512)
Other Operating Expenses	(480,523)	-	(155,913)	(155,913)
Operating Profit/loss	(189,747)	148,301	10,807,874	10,956,175
Profit from Associates	774,150	26,420	408,214	434,634
Profit before Tax	584,403	174,721	11,216,088	11,390,809
Income Tax credit	86,089	(4,139)	176,300	172,161
Profit after Tax	670,492	170,582	11,392,388	11,562,970
Shares in Issue	353,710,927	359,787,656	359,787,656	359,787,656
EPS (us cents)	0.19	0.05	3.17	3.21

Results from Trust Holdings for the period ended 31 December 2010 were beefed by US\$11.5 million arising from the write back of assets the group realized from the unbundling of ZABG. This resulted in total

income for the period coming at US\$13.5 million. Profit after tax for the period of US\$11.5 million again includes a tax credit of US\$172 161 and profits of US\$434 634 coming from associate companies. Total assets jumped by 148% to US\$22.7 million.

At subsidiary level, Trust banking Corporation made a loss of US\$586 572 largely due to start up costs associated with reopening the bank which saw 11 branches being opened. Income was also low over the period as the bank was only in operation for two weeks. Bank deposits currently stand at approximately US\$13 million from the US\$614 837 as at 31 December 2010. Customer accounts currently stand at 7 000 with a third of these being corporates. Trust bank is now fully capitalized with shareholders equity sitting at US\$16.5 million. This was achieved through selling half of the equity portfolio as well inclusion of assets from the holding company.

Trust Agriculture and Trust Properties resumed operations on the 1<sup>st</sup> of September. The latter had a portfolio with a market value of US\$10.9 million. Market value of quoted investments is estimated at US\$3 million.

#### *Interesting results from CBZH*

	USD	USD	USD	USD
	FY Dec 2009	H1 June 2010	H2 Dec 2010	FY Dec 2010
Interest income	20,596,842.00	18,419,977.00	29,623,439.00	48,043,416.00
Interest expense	(4,071,346.00)	(9,011,051.00)	(12,654,487.00)	(21,665,538.00)
Net interest income	16,525,496.00	9,408,926.00	16,968,952.00	26,377,878.00
Non- interest income	25,004,590.00	24,759,710.00	29,355,842.00	54,115,552.00
Net underwriting income	211,827.00	383,461.00	691,053.00	1,074,514.00
Total income	41,741,913.00	34,552,097.00	47,015,847.00	81,567,944.00
Operating expenditure	(26,178,855.00)	(24,440,710.00)	(29,948,951.00)	(54,389,661.00)
Operating income	15,563,058.00	10,111,387.00	17,066,896.00	27,178,283.00
Charge for impairment	(3,389,341.00)	(1,028,836.00)	(567,477.00)	(1,596,313.00)
Share of associate loss	(34,609.00)	(38,548.00)	(100.00)	(38,648.00)
Profit before taxation	12,139,108.00	9,044,003.00	16,499,319.00	25,543,322.00
Taxation	(4,008,857.00)	(2,684,636.00)	(5,242,129.00)	(7,926,765.00)
Profit for the year	8,130,251.00	6,359,367.00	11,257,190.00	17,616,557.00
Minority interest	54,254.00	(19,734.00)	(38,212.00)	(57,946.00)

Attributable to holders of the parent	8,184,505.00	6,339,633.00	11,218,978.00	17,558,611.00
Shares in issue	624,675,446.00	624,675,446.00	625,571,851.00	625,571,851.00
EPS (cents)	1.31	1.01	1.79	2.81

CBZ Holdings limited maintained its position as the leading bank in 2010 when assessed by customer deposits, market share and profitability. Its performance in 2010 remained solid with the group posting a profit attributable to shareholders of US\$17.5 million. Deposits for the period grew by 60% to US\$578 million with its market share for deposits standing at 27.7%. The balance sheet was also solid at US\$686.9 million after expanding by 52%. Loans and advances at US\$444.6 million accounted for 65% of the total assets while cash and cash equivalents share stood at 22%. The loans to deposits ratio was 77%.

Total income for the period came in at US\$81.6 million with interest income of US\$26.3 million accounting for only 32%. Fees and commissions brought in most of the non interest income with a contribution of US\$35.3 million. Operating expenses were US\$54.3 million translating to a cost to income ratio of 67%. Staff costs of US\$26.9 million made up 50% of the operating costs.

Going forward the group plans to venture into agriculture and mining through CBZ Agriculture and CBZ resources. The company also plans to roll out a property development project in the Newlands area to the tune of US\$300 million.

***Retrenchment costs weigh down on NMB***

	USD	USD	USD	USD
	FY Dec 2009	H1 June 2010	H2 Dec 2010	FY Dec 2010
Interest income	1,526,722.00	3,671,727.00	6,342,909.00	10,014,636.00
Interest expense	(723,626.00)	(1,359,325.00)	(1,783,843.00)	(3,143,168.00)
Net interest income	803,096.00	2,312,402.00	4,559,066.00	6,871,468.00
Net foreign exchange gains	379,236.00	357,732.00	697,575.00	1,055,307.00
Share of loss from associate	-	-	(21,444.00)	(21,444.00)
Non-interest income	7,236,949.00	3,725,296.00	5,649,500.00	9,374,796.00
Net operating income	8,419,281.00	6,395,430.00	10,884,697.00	17,280,127.00
Operating expenditure	(7,385,212.00)	(8,425,514.00)	(6,940,254.00)	(15,365,768.00)
Impairment losses on loans and advances	(92,887.00)	(345,509.00)	(626,294.00)	(971,803.00)
Profit before taxation				

	941,182.00	(2,375,593.00)	3,318,149.00	942,556.00
Taxation	1,381,766.00	494,510.00	(744,832.00)	(250,322.00)
Financial institutions key	(44,661.00)	-	-	-
Profit for the year	2,278,287.00	(1,881,083.00)	2,573,317.00	692,234.00
Shares in issue	1,642,175,299	1,648,156,224	2,228,151,974	2,228,151,974
EPS (cents)	0.14	(0.11)	0.15	0.03

Total income for the period amounted to US\$17.2 million with net interest income only accounting for US\$6.9 million. Non- interest income contributed US\$10.4 million with fee and commission income raking in US\$9.7 million. Operating expenses for the period amounted to US\$15.4 million. These included retrenchment costs of US\$3.1 million. The company trimmed its workforce by 30% during the year. Staff costs at US\$5.6 million also doubled from US\$2.6 million over the corresponding period in 2009. Resultantly, the cost to income ratio worsened to 95% from 89%. Excluding retrenchment expenses, the ratio would have been 77%. Profit after tax for the year amounted to US\$692 234 declining from the US\$2.3 million recorded in 2009.

On the operations, the company disclosed that it had started a leasing business late in December in which it owns a 25% stake with the remainder held by African Century Resources. The associate company however made a loss with the share of NMB coming in at US\$21 444. NMB expects the leasing company to be profitable in the current year. Post year end, the company had written business worth US\$3 million. Focus on the bank will be on high net worth clients together with corporates. Management also highlighted that they are continuously looking for external lines

***Sable & PG drag down TA performance***

	USD	USD	USD	USD
	FY 31 Dec 2009	H1 30 June 2010	H2 31 Dec 2010	FY 31 Dec 2010
Net earned premium	24,100,916.00	15,532,820.00	14,749,751.00	30,282,571.00
Investment income	2,530,230.00	1,049,277.00	822,717.00	1,871,994.00
Hotel revenues	7,140,806.00	4,754,464.00	6,288,160.00	11,042,624.00
Fees, commission and other income	8,019,548.00	2,285,646.00	6,667,239.00	8,952,885.00
Total Revenues	41,791,500.00	23,622,207.00	28,527,867.00	52,150,074.00
Net claims	(10,727,942.00)	(7,533,308.00)	(7,603,082.00)	(15,136,390.00)
Hotel cost of sales	(4,285,071.00)	(2,117,812.00)	(2,723,033.00)	(4,840,845.00)

Operating and administrative expenses	(24,929,228.00)	(12,791,687.00)	(19,130,891.00)	(31,922,578.00)
Profit before interest and tax	1,849,259.00	1,179,400.00	(929,139.00)	250,261.00
Interest paid	(275,393.00)	(235,131.00)	(216,319.00)	(451,450.00)
Share of associate companies	(2,083,032.00)	(578,022.00)	(3,854,039.00)	(4,432,061.00)
Loss before tax	(509,166.00)	366,247.00	(4,999,497.00)	(4,633,250.00)
Taxation	(898,828.00)	(195,544.00)	(290,981.00)	(486,525.00)
Loss for the financial year	(1,407,994.00)	170,703.00	(5,290,478.00)	(5,119,775.00)
Minority interest	(1,117,491.00)	(1,277,779.00)	31,438.00	(1,246,341.00)
Attributable to owners of the parent	(2,525,485.00)	(1,107,076.00)	(5,259,040.00)	(6,366,116.00)
Shares in issue	164,845,910.00	164,845,910.00	164,845,910.00	164,845,910.00
EPS (cents)	(1.53)	(0.67)	(3.19)	(3.86)

The loss position for TA holdings further worsened to US\$5.1 million from the US\$1.4 million recorded in 2009. This was largely due to US\$4.4 million share of loss from associates. The share from PG Industries was US\$2.5 million while the share of loss from Sable Chemicals was US\$4.1 million. The loss at Sable was due to the impairment cost of US\$12 million on the electrolysis plant. Geographically, Zimbabwe operations made a loss of US\$5.1 million while regional operations managed to break even with a small profit of US\$11 537.

On a segmental basis, the insurance sector made a profit of US\$3.1 million, and hotels contributed a profit of US\$1 million. Losses came from investments in associates with the agrochemicals division raking in US\$4.3 million and US\$2.5 million coming in from PG Industries.

TA going forward will focus on ensuring that Zimbabwe operations return to profitability. To this end, US\$3.5 million will be injected to the insurance companies to enable them to underwrite more business. Refurbishment works will also be carried out at the Cresta hotels. PG is expected to breakeven due to the new capital raised late last year. As for Sable Chemicals, plans are underway to transform it to the use of coal gasification technology as electricity is expensive. Feasibility studies are currently being done by a Canadian firm. However this will come at an estimated cost of US\$200 million.

***Strong growth in production bouy Hwange profits***

	FY Dec 2009	H1 June 2010	H2 Dec 2010	FY Dec 2010
Revenue	66,363,128.00	45,179,706.00	53,747,288.00	98,926,994.00
Operating profit	5,780,288.00	3,986,541.00	5,415,345.00	9,401,886.00
Finance costs	(383,975.00)	(650,256.00)	(902,673.00)	(1,552,929.00)
Share of profit/(loss) from equity accounted investments	(425,830.00)	-	2,830,455.00	2,830,455.00
Profit before income tax	4,970,483.00	3,336,285.00	7,343,127.00	10,679,412.00
Income tax expense	(2,380,962.00)	1,170,241.00	(5,617,930.00)	(4,447,689.00)
Profit for the year	2,589,521.00	4,506,526.00	1,725,197.00	6,231,723.00
Number of shares in issue	182,069,395.00	182,069,395.00	166,199,894.00	166,199,894.00
EPS(cents)	1.42	2.48	1.27	3.75

The short term funding secured by Hwange during the year helped improve its performance evidenced by 242% jump in profit after tax at US\$6.2 million. Hwange over the year accessed short term funding which helped improve production at JKL, Chaba and 3 Main underground mines. Total coal and coke sales for the year grew by 57% to 2 510 943 tonnes. In turn turnover increased by 49% to US\$98.9 million with contribution of exports standing at 12%.

The profit before tax of US\$10.7 million includes US\$2.8 million coming in as share of profits from equity accounted investments and a finance charge of US\$1.6 million and administrative expenses of US\$26 million. The latter grew by 50% from 2009 levels.

The balance sheet grew by 33% to US\$103.8 million largely due additions on the property plant and equipment. Property plant and equipment registered a growth of 23% to US\$88.2 million.

***Improvements on rental rates benefits Pearl***

	USD	USD	USD	USD
	FY 31 Dec 2009	H1 31 June 2010	H2 31 Dec 2010	FY 31 Dec 2010
Rental income	4,228,632.00	3,334,002.00	3,714,898.00	7,048,900.00
Dividend income	19,848.00	-	59,551.00	59,551.00
Realised profit from the sale of equity investments	1,044,571.00	878,630.00	902,047.00	1,780,677.00
Total Income				

	5,293,051.00	4,212,632.00	4,676,496.00	8,889,128.00
Administrative expenses	(2,167,392.00)	(1,373,712.00)	(1,816,423.00)	(3,190,135.00)
Operating Profit	3,125,659.00	2,838,920.00	2,860,073.00	5,698,993.00
Asset write offs	(23,750.00)	-	(20,157.00)	(20,157.00)
Tenant restructuring costs	-	(121,472.00)	(27,090.00)	(148,562.00)
Maintenance	(91,202.00)	(94,653.00)	(309,021.00)	(403,674.00)
Finance income	91,334.00	97,790.00	193,026.00	290,816.00
Operating profit before taxation	3,102,041.00	2,720,585.00	2,696,831.00	5,417,416.00
<b>Fair value adjustments</b>				
investment properties	(18,169,787.00)	-	11,791,954.00	11,791,954.00
fair value through profit and loss	863,573.00	(221,775.00)	76,555.00	(145,220.00)
Total fair value adjustments	(17,306,214.00)	(221,775.00)	11,868,509.00	11,646,734.00
Profit/ (Loss) before taxation	(14,204,173.00)	2,498,810.00	14,565,340.00	17,064,150.00
Tax credit/(charge)	16,664,192.00	(451,076.00)	(376,508.00)	(827,584.00)
Profit for the year	2,460,019.00	2,047,734.00	14,188,832.00	16,236,566.00
Minority interest	(79,407.00)	(10,252.00)	(121,008.00)	(131,260.00)
Attributable to owners of the parent	2,380,612.00	2,037,482.00	14,067,824.00	16,105,306.00
Shares in issue	1,238,157,310.00	1,238,157,310.00	1,238,157,310.00	1,238,157,310.00
EPS (cents)	0.19	0.16	1.14	1.30

Pearl Properties produced a good set of results for the twelve months ended 31 December 2010. Rental income grew by 67% to US\$7 million due to the improvement in rates. Average rent per square metre grew by 84% to US\$5.59 owing to the improvement in tenant mix. Operating profit before taxation stood at US\$5.4 million. Pearl properties incurred a fair value loss on financial assets of US\$145 220 which was however offset by a fair value gain on investment properties of US\$11.8 million. Profit for the period attributable to shareholders stood at US\$16.1 million.

Investment properties closed the period with a market value of US\$86.9 million. Rental yields jumped to 10.13% from the 4.85% in 2009. Vacancy levels nonetheless improved to 12.62% from 10.20 in the previous year. The group declared a dividend of US0.06 cents per share.

## TRADING STATISTICS

*Table 1: ZSE trading statistics*

	<u>Current week</u>	<u>Previous week</u>	<u>Change</u>
Total Market Capitalization	US\$4 128.00 million	US\$4 227.00 million	(2.33%)
Total Value of trades	US\$6 141 310.41	US\$6 480 205	(5.23%)

*Table 2: Old Mutual prices on different exchanges*

	<u>Current week</u>	<u>Previous week</u>	<u>Change</u>	<u>Premium/(Discount)</u>
ZSE price	USD1.59	US\$1.61	(1.24%)	-
JSE price	R15.17	R14.66	3.48%	(28.83%)
LSE price	£1.4010	£1.3290	5.42%	(29.43%)

*Table 3: PPC ZIM vs. PPC SA*

	<u>Current week</u>	<u>Previous week</u>	<u>Change</u>	<u>Premium/(Discount)</u>
ZSE price	US\$3.18	US\$3.26	(2.45%)	-
JSE price	R24.18	R24.55	(1.51%)	(10.70%)

NB: International cross rates in table 4 were used to compute the premium/discount on PPC

*Table 4: International Cross rates*

	<u>Current week</u>	<u>Previous week</u>	<u>Change</u>
£ : US\$	1.6082	1.6195	(0.70%)
US\$ : ZAR	6.7901	6.9039	(1.65%)
£ : ZAR	10.9198	11.1807	(2.33%)

*Table 5: The comparison of the ZSE to other major indices*

	<u>Current week</u>	<u>Previous week</u>	<u>Change</u>
Industrial index	159.96	164.12	(2.53%)
Mining index	236.47	232.17	1.85%
FTSE 100	6 009.90	5 900.80	1.85%
DOW JONES	12 376.72	12 220.59	1.28%
JSE	32 385.32	31 595.89	2.50%
NIKKEI	9 708.39	9 536.13	1.81%

Table 6: Commodities

	Current Week	Previous Week	Change
Gold (US\$/oz)	1 428.90	1 430.20	(0.09%)
Platinum (US\$/oz)	1 773.00	1 748.00	1.43%
Nickel (US\$/ton)	25 577.50	27 077.50	(5.54%)
Oil (US\$/barrel)	107.49	105.40	2.41%

Table 7: Movers

COUNTER	Current week-USc	Previous week-USc	PERCENTAGE GAIN
GULLIVER	0.20	0.10	100.00%
RADAR	40.00	26.00	53.85%
MEDTECH	0.15	0.10	50.00%
ZPI	1.05	0.85	23.53%
ART	1.50	1.26	19.05%

Table 8: Shakers

COUNTER	Current week-USc	Previous week-USc	PERCENTAGE LOSS
STEELNET	0.10	0.20	(50.00%)
TA HLDS	11.00	16.00	(31.25%)
PIONEER	0.60	0.70	(14.29%)
CFI	10.00	11.50	(13.04%)
HIPPO	115.00	130.00	(11.54%)

#### UNIT TRUSTS

	Current week	Previous week	Percentage Change
JUPITER FUND (USc/Unit)	5.83	5.76	1.21%
VENUS FUND (USc/Unit)	4.69	4.57	2.63%
CAPRICORN FUND (USc/Unit)	6.94	6.89	0.73%
GOLD FUND( USc/Unit)	111.67	110.74	0.84%