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Ai
blue chip index

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Africa's new FTSE

Blue chip companies in Africa are undervalued. Ai's ABC Index takes a look at the top 100

The Africa Blue Chip (ABC) Index draws on enhanced index strategies from global indices. It consists of 100 or so companies selected from Africa's major exchanges and aims to provide exposure to domestic and foreign companies. It also offers diversification among large, medium and small cap stocks. This index includes major listed firms that are generally open to investors and have regular liquidity. The investable index is rules-based and aims to provide the same standards as well established traditional equity indices. Based on pro-forma and live performance, the index provides comparable risk/return characteristics of a broad section of stock exchanges. It therefore offers investors a realistic and representative platform by which to gain diversified fund exposure.

A realistic and representative platform by which to gain diversified fund exposure

We have selected from among the top 200 largest market capitalisation stocks from all exchanges.

The stocks are ranked by price momentum selected by making a comparison of current stock price versus historical stock prices. From this group we have selected the 100 stocks with the highest annual dollar sales as reported in the last 12 months. We have also included those companies with positive one- and three-year sales and earnings growth and three years of positive dividend growth. Also included are the top 100 stocks with the highest dividend yields.

Future gains

The ABC index methodology will continually gain wider acceptance as more large institutional investors use the Index to evaluate their managers' (research staff and analyst) performance.

The ABC Index will offer objectivity and realism through a methodology carefully developed with member firms in mind.

What makes the ABC Index effective is not solely its breadth of coverage and the methodology we use, but our understanding of the culture and risks in corporate Africa.

The ABC Index is compiled by Africa investor, Emerging Africa and Nex-Rubica

Enter the ABC Index

Determining the market's performance requires an accurate, objective assessment of the market's make-up. That's why savvy investors select a reliable index to serve as a benchmark for performance analysis. Africa Investor maintains this index, comprised of approximately the top 60 to 70% of investable Pan African listed equities based on market capitalisation, to get a broad representation of the African market. Africa Investor tracks market segments, broken down by capitalisation and value/growth characteristics. Contact abcindex@africa-investor.com.

ABOUT THE INDEX

When does the ABC Index begin?

The ABC Index commenced with a starting value of 100.00 as of September 1, 2005. Pro forma historical performance data for the period prior to September 1, 2005, relies on significant assumptions, and is provided for informational purposes only. As with all historical performance data, it may not be used to predict future characteristics or performance of the index or relied on in making any investment decisions. Past performance is no indication of future performance.

How does the ABC Index differ from other investable indices on the market?

The ABC index is the only index of its kind. The 100 member firms are subject to transparent, rules-based selection criteria and represent all seven major sectors. We believe this Index to be representative, asset-weighted and a fully investable index for the African continent. The rigorous rules-based construction methodology, by

which all member firms are selected, limits subjectivity in the selection process.

How do you know the performance figures reported by the funds are accurate?

In order to produce an index value in a reasonable period of time, the Investable Index may be calculated from estimated performance as reported by the managers. On each publication date, the most recent month's estimated rate of return and index value will be published along with a previous month's revised rate of return and confirmed index.

What is this Index going to offer?

Investors have a growing number of alternative investment options. We believe that this index, based on its generally higher risk adjusted returns compared to traditional asset classes, will continue to play an increasingly important role in institutional portfolios.

africa blue chip index

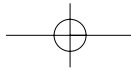
ABC INDEX performers:

COMPANY	INDUSTRY	COUNTRY	PRICE CHG (MONTHLY)	VOL.TRD (MONTHLY)	SHARES IN ISSUE -MIO (MONTHLY)	MAR.CAP USD\$ MIO (MONTHLY)
BARCLAYS BANK BOTSWANA	BANKING & FINANCE	BOTSWANA	0.3%	1,800	170	533.6
FNBB	BANKING & FINANCE	BOTSWANA	0.5%	-	256	459.2
STAN. CHART BOTSWANA	BANKING & FINANCE	BOTSWANA	1.1%	1,500	288	379.1
LETSHEGO	BANKING & FINANCE	BOTSWANA	-1.2%	1,600	150	111.4
BARCLAYS BANK KENYA	BANKING & FINANCE	KENYA	0.0%	68,236	185	681.9
STAN. CHART KENYA	BANKING & FINANCE	KENYA	7.7%	12,331	247	439.9
KENYA COMM. BANK LTD	BANKING & FINANCE	KENYA	12.1%	84,503	150	195.3
CFC BANK	BANKING & FINANCE	KENYA	-11.3%	19,024	120	100.2
MAURITIUS COMM. BANK	BANKING & FINANCE	MAURITIUS	9.0%	111,945	112	2,691.5
STATE BANK MAURITIUS	BANKING & FINANCE	MAURITIUS	2.2%	5,500	6	2,214.7
BMCE	BANKING & FINANCE	MOROCCO	4.0%	6,486,340	16	1,148.7
Wafa ASSUR	BANKING & FINANCE	MOROCCO	0.9%	776,820	4	213.2
BMCI	BANKING & FINANCE	MOROCCO	0.4%	8,299,410	8	683.9
UNION BANK	BANKING & FINANCE	NIGERIA	10.2%	1,324,787	4,474	848.5
FIRST BANK	BANKING & FINANCE	NIGERIA	3.3%	2,489,303	4,001	895.1
GUARANTEE TRUST BANK	BANKING & FINANCE	NIGERIA	-0.6%	3,108,002	6,000	441.5
UNITED BANK FOR AFRICA	BANKING & FINANCE	NIGERIA	0.0%	195,574	3,060	211.0
ZENITH BANK	BANKING & FINANCE	NIGERIA	-0.3%	2,556,420	6,000	659.2
CHARTRED BANK	BANKING & FINANCE	NIGERIA	-3.0%	234,622	1,165	138.9
STANDAR TRUST BANK	BANKING & FINANCE	NIGERIA	0.0%	-	8,000	423.2
ABSA GROUP LTD	BANKING & FINANCE	S-AFRICA	-4.4%	465,068	667	940.3
INVESTEC PLC	BANKING & FINANCE	S-AFRICA	10.5%	164,690	75	245.5
NEDCOR GROUP LTD	BANKING & FINANCE	S-AFRICA	6.0%	341,932	395	514.4
STANDARD BANK GROUP	BANKING & FINANCE	S-AFRICA	0.9%	3,205,422	1,354	1,529.2
BARCLAYS BANK ZIM	BANKING & FINANCE	ZIMBABWE	-8.8%	2,150	1,981	120.5
NIGERIAN BOTTLING CO.	BEVERAGES	NIGERIA	-2.1%	41,083	1,299	457.1
DELTA	BEVERAGES	ZIMBABWE	-2.0%	96,900	153,963	599.8
SECHABA	BREWERIES	BOTSWANA	5.4%	500	133	348.6
EAST AFRICAN BREWERIES	BREWERIES	KENYA	5.4%	76,911	109	1,319.2
BRASSERIES	BREWERIES	MOROCCO	3.1%	2,490,230	3	525.2
NIGERIAN BREWERIES	BREWERIES	NIGERIA	12.9%	780,965	7,558	1,623.4
GUINNESS NIGERIA	BREWERIES	NIGERIA	3.5%	366,614	1,180	757.5
SABMILLER PLC	BREWERIES	S-AFRICA	-2.4%	1,169,698	1,103	1,952.9
BAMBURI CEMENT LTD	BUILDING MATERIALS	KENYA	7.3%	208,143	363	614.7
CIMENT MAROC	BUILDING MATERIALS	MOROCCO	7.7%	-	7	1,114.7
LAFARGE	BUILDING MATERIALS	MOROCCO	2.0%	50,151,000	5	1,376.2
HOLCIM (Maroc)	BUILDING MATERIALS	MOROCCO	2.0%	10,393,600	4	600.8
ASHAKA CEMENT	BUILDING MATERIALS	NIGERIA	-1.1%	215,753	1,463	228.0
PRETORIA PORTLAND CEMENT	BUILDING MATERIALS	S-AFRICA	-18.1%	18,044	54	209.4
UNILEVER NIGERIA	CONGLOMERATE	NIGERIA	3.6%	759,406	3,027	341.4
PATERSON ZACHONIS	CONGLOMERATE	NIGERIA	9.8%	812,391	2,178	217.4
BIDVEST GROUP	FINANCIAL HOLDINGS	S-AFRICA	25.7%	272,092	320	412.4
FIRST RAND LTD	FINANCIAL HOLDINGS	S-AFRICA	1.5%	3,520,203	5,614	1,373.2
IMPERIAL HOLDINGS	FINANCIAL HOLDINGS	S-AFRICA	15.6%	200,015	205	363.9
INVESTEC LTD	FINANCIAL HOLDINGS	S-AFRICA	8.8%	36,502	44	144.0
EQDOM	FINANCING	MOROCCO	6.2%	1,005,620	2	236.4
MUMIAS SUGAR COMPANY	FOOD MANUFACTURING	KENYA	3.5%	1,266,123	510	196.6
COSUMAR	FOOD MANUFACTURING	MOROCCO	2.6%	123,200	4	416.6
LESIEUR CRISTAL	FOOD MANUFACTURING	MOROCCO	0.4%	5,152,660	3	400.7
CADBURY NIGERIA	FOOD MANUFACTURING	NIGERIA	2.3%	219,824	1,001	357.2
NESTLE FOODS NIG. PLC	FOOD MANUFACTURING	NIGERIA	7.9%	334,710	528	552.1
TIGER BRANDS LTD	FOOD MANUFACTURING	S-AFRICA	14.3%	143,720	169	314.5

africa blue chip index

Definitions: Price Chg (monthly) - Month to date price gain Vol.Trd (monthly) - Month to date volume traded
 Shares in Issue mio (Monthly) - Month to date free float Mar .Cap. USD \$ Mio (Monthly) - Month to date market capitalisation

COMPANY	INDUSTRY	COUNTRY	PRICE CHG (MONTHLY)	VOL.TRD (MONTHLY)	SHARES IN ISSUE -MIO (MONTHLY)	MAR.CAP USD\$ MIO (MONTHLY)
STEINHOFF INT. HOLDING	FURNITURE	S-AFRICA	5.4%	2,794,292	1,135	303.7
NETWORK HEALTHCARE	HEALTHCARE	S-AFRICA	9.9%	1,911,737	1,705	172.7
ONA	HOLDING COMPANY	MOROCCO	-2.0%	196,000	17	1,977.7
SNI	HOLDING COMPANY	MOROCCO	1.3%	570,000	11	1,104.2
REMGRO LTD	HOLDING COMPANY	S-AFRICA	-1.9%	1,207,716	486	867.9
RICHEMONT SECURITIES AG	HOLDING COMPANY	S-AFRICA	1.5%	16,147,406	5,220	1,880.4
INNSCOR	HOLDING COMPANY	ZIMBABWE	-3.2%	149,933	7,917	263.9
BARLOWORLD LTD	INDUSTRIALHOLDINGS	S-AFRICA	4.7%	207,940	228	361.6
BIHL	INSURANCE	BOTSWANA	0.0%	22,067	276	163.3
LIBERTY INT. PLC	INSURANCE	S-AFRICA	2.9%	337,005	322	567.6
NEW MAURITIUS HOTELS	LEISURE & TOURISM	MAURITIUS	8.2%	19,400	19	843.2
MEIKLES	LEISURE & TOURISM	ZIMBABWE	-4.8%	86,600	32,731	272.8
NATION MEDIA GROUP	MEDIA	KENYA	0.0%	1,975	36	186.6
NASPERS LTD	MEDIA	S-AFRICA	3.8%	777,716	315	452.6
ASHANTI GOLD MANAGEM	MINING	GHANA			0	8,710.0
ANGLOGOLD ASHANTI LTD	MINING	MOROCCO	8.1%	1,853,328	9	143.8
GOLDFIELDS LTD	MINING	S-AFRICA	18.4%	506,409	265	985.4
HARMONY GOLD MINN. CO	MINING	S-AFRICA	14.6%	659,906	492	559.2
IMPALA PLATINUM HOLDINGS	MINING	S-AFRICA	4.0%	486,622	393	340.4
KUMBA RESOURCES	MINING	S-AFRICA	1.6%	165,349	67	640.5
ANGLO AMERICAN PLC	MINING	S-AFRICA	-7.1%	296,013	304	331.0
ANGLO PLATINUM	MINING	S-AFRICA	1.0%	5,409,541	1,493	3,744.0
KENYA OIL LTD	OIL & GAS	S-AFRICA	21.9%	36,281	218	1,027.5
SAMIR	OIL & GAS	KENYA	-4.4%	6,060	10	148.1
TOTAL	OIL & GAS	MOROCCO	6.1%	5,268,886	12	617.4
CONOIL	OIL & GAS	NIGERIA	3.1%	24,796	340	402.3
OANDO	OIL & GAS	NIGERIA	-2.5%	31,988	412	357.9
MOBIL NIGERIA	OIL & GAS	NIGERIA	3.3%	235,033	572	348.0
SASOL LTD	OIL & GAS	NIGERIA	2.7%	20,574	240	269.8
NAMPAK LTD	OIL & GAS	S-AFRICA	1.0%	1,221,806	677	2,018.6
SAPPI LTD	PAPER MANUFACTURING	S-AFRICA	-7.1%	1,114,270	645	150.8
UACN PROPERT DEVPT.	PAPER MANUFACTURING	S-AFRICA	-3.7%	219,907	239	262.6
EDGARS	REAL ESTATE	NIGERIA	-1.3%	150,949	1,100	60.2
PICK N PAY STORES	RETAIL	S-AFRICA	3.3%	1,746,050	559	278.5
WOOLWORTHS HOLDINGS	RETAIL	S-AFRICA	-16.6%	339,818	486	199.2
EDGARS ZIM	RETAIL	S-AFRICA	-26.6%	766,621	874	157.3
JD GROUP LTD	RETAIL	ZIMBABWE	-2.2%	2,500	28,974	95.7
BHP BILLITON PLC	RETAIL (FURNITURE)	S-AFRICA	-19.2%	174,937	176	191.4
SONASID	SERVICES	S-AFRICA	1.8%	2,154,786	2,468	3,487.2
MITTAL STEEL S.A LTD	STEEL	MOROCCO	3.0%	7,301,130	4	373.7
ITISSALAT AL MAGHRIB	STEEL	S-AFRICA	8.8%	739,746	446	363.6
MTN GROUP LTD	TELECOMMS	MOROCCO		7,079,686	879	8,832.9
VENFIN LTD	TELECOMMS	S-AFRICA	-1.6%	3,283,773	1,663	1,295.2
TELKOM S.A LTD	TELECOMMS	S-AFRICA	-21.0%	341,240	448	209.5
ECONET	TELECOMMS	S-AFRICA	1.5%	952,847	557	1,058.9
BAT KENYA LTD	TELECOMMS	ZIMBABWE	-15.4%	15,080	46,598	273.7
KENYA AIRWAYS	TOBACCO	KENYA	-0.5%	7,677	20	290.6
KENYA POWER & LIGHT.	TRANSPORT	KENYA	2.9%	232,790	462	425.9
	UTILITIES	KENYA	18.2%	144,188	79	125.1



Ones to Watch

Ai selects six African blue chips companies and analyses their performance

Nation Media Group
www.nationmedia.com
 Listed exchange: Nairobi

The group maintained the regional consolidation strategy and commissioned printing presses both at Monitor Publications in Uganda and Mwananchi Communications in Tanzania. The group incorporated East African Magazines Limited as a joint venture company with Media 24 of South Africa.

Group turnover increased by KSh 397.1 million (9%) to KSh 4.9bn and operating profit increased by 2% to KSh 826m. Profit attributable to shareholders increased by 6% to KSh 641.4m. The group's flagship Nation Newspapers maintained its profitability, in spite of major increases in the cost of newsprint without corresponding increases in the cover prices of its main publications. Nation Broadcasting realised further improvement in performance, with an operating cash surplus and 35% increased turnover.

Following payment of an interim dividend of KSh 1.00 (20%) per share in September 2004, the Board now recommends a final dividend payment of KSh 5.00 (100%) per share. The proposed total ordinary dividend for 2004 at KSh 6.00 (120%) per share represents a 20% increase over last year's ordinary dividend payout of KSh 5.00 per share

MTN Group
www.mtn.co.za
 Listed exchange: Johannesburg

MTN Group Limited continued its strong growth trend during the 2005 financial year, achieving an increase of 45% in Adjusted Headline earnings per share (Adjusted Headline EPS) to 366.6 cents. The Group lifted consolidated revenues by 21% year-on-year to 29 billion rands on the strength of a 50% increase in its total mobile subscriber base to 14.3m at March 31, 2005. MTN Group also improved profitability levels, recording earnings before interest, tax, depreciation and amortisation (EBITDA) of R12bn and profit after tax (PAT) of R7.3bn, up 33% and 47%, respectively, compared with last year.

Tiger Brands Limited
www.tigerbrands.co.za
 Listed exchange: Johannesburg

Tiger Brands achieved an increase of 29% in headline earnings per share (up to 135 cents per share) for the six months ended March 31, 2005, compared with the corresponding period last year, with earnings per share increasing by 76%. These results have been achieved in an environment where selling prices for the company's products have, on average, shown no growth. However, the strength of the company's brands has enabled the group to generate good volume growth against a background of improved domestic demand.

Consumer demand over the period has shown sustained growth. The increase in revenue from continuing operations of 8% is largely volume driven and reflects the strength of Tiger's wide basket of leading food and health brands. The group has also continued to invest significant amounts in marketing and research and development. Operating margins improved to 14.1% compared with 13.2% in the same period last year. Particularly good results were achieved by the Groceries, Consumer Healthcare, Pharmaceuticals and Hospital Products businesses.

Edgars Consolidated Stores (Edcon)
www.edcon.co.za
 Listed exchange: Johannesburg

The Edgars chain achieved unprecedented success across every relevant key performance indicator for the fourth consecutive year. Chain performance compared favourably with industry performance, as well as with internal standards. Market share grew by 60 basis points. Edgars exceeded its sales and gross profit budgets for the year, with an increase of 26% for sales and 30% for gross profit over the previous year. The gross profit margin rate increased by 120 basis points over the previous year. This was achieved with 6% more average trading space and zero selling price inflation. The number of stores increased by 10% in 2005.

Kenya Airways
www.kenya-airways.com
 Listed exchange: Nairobi

The airline put into the marketplace a capacity of 1,951m measured in seat kilometres during the quarter. This represents a growth of 15% over prior year comparative period (1,697m). Capacity put into the European routes grew by 15% from the introduction of the B777 operations with 10 weekly flights to London and seven to Amsterdam.

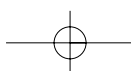
Northern Africa achieved a capacity growth of 17%, South Africa's capacity increased by 10% due to increased frequencies to Johannesburg and the introduction of the Johannesburg-Mombasa route, west Africa achieved a 22% growth due to increased frequency of flights on several routes and the replacement of B737s with the larger B767s. Capacity in the domestic market increased by 11%.

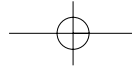
The number of shareholders on April 30, 2005 was 86,098 and the number of shares held was 461,615,483. The directors recommended the payment of a final dividend of KSh 1.25 per share, compared to KSh 0.75 in 2004.

AngloGold Ashanti
www.anglogoldashanti.com
 Listed exchange: NYSE (ADR) and Johannesburg

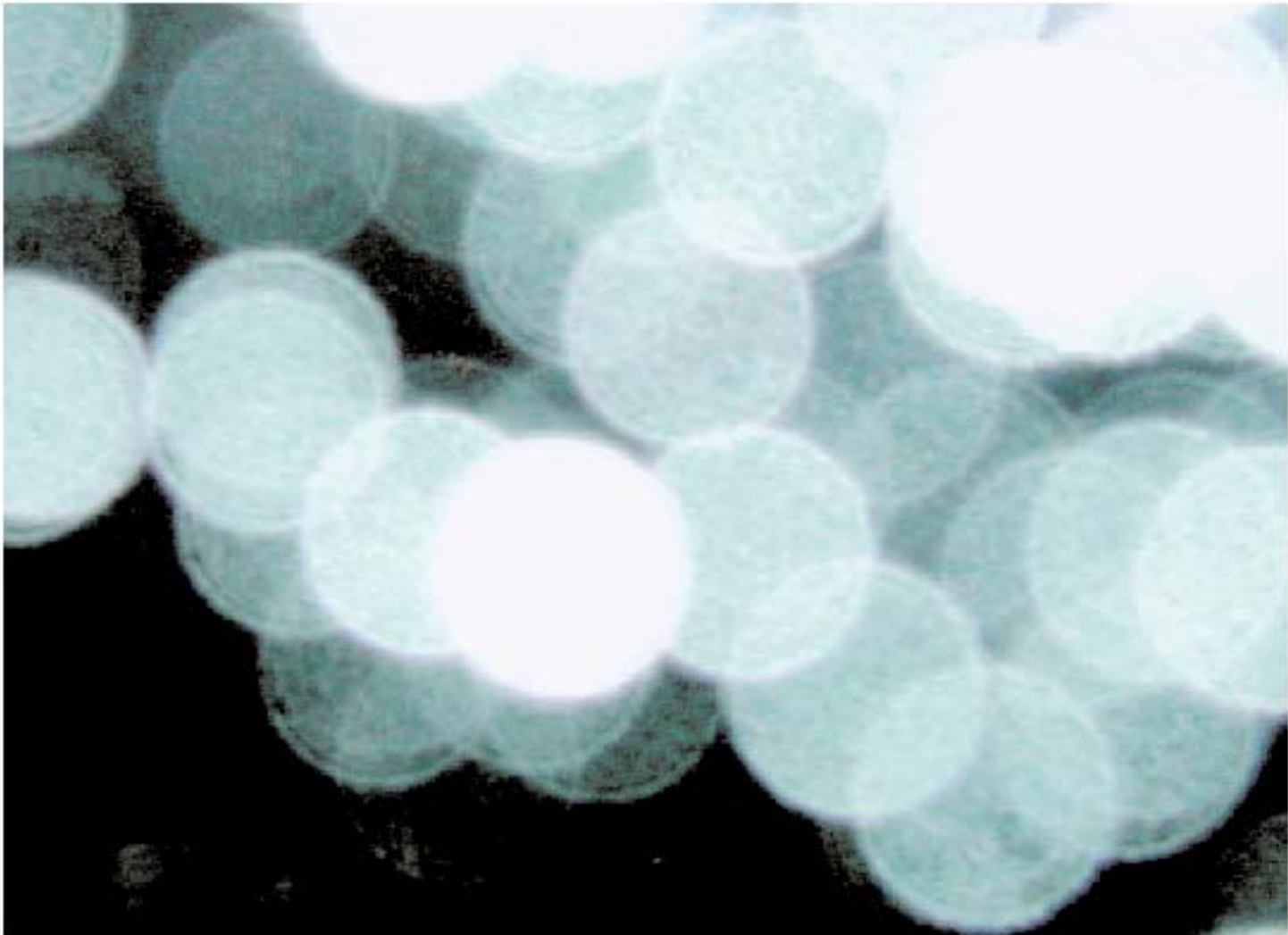
AngloGold reported a strong financial performance in 2004-2005, including \$74m increase in profit, attributable to equity shareholders to \$96m. Gold production remained steady at 1.569Moz.

Commenting on AngloGold Ashanti's performance, CEO Bobby Godsell said the June quarter had produced steady operational results and a good financial performance including a 19% increase in headline earnings adjusted for the effect of unrealised non-hedge derivatives to \$92m. The weakening of the rand contributed \$16m to profitability, while savings arising from improved efficiencies were partly offset by lower grades and inflationary increases, with the sustained strength of the oil price continuing to have a negative impact on open-pit operations. Interim dividend of R1.70 (\$0.25)/share was declared.





Uncovering Opportunities • Explaining Risk • Supporting Development



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