

PPC board keen to avoid delays

By [Mark Allix](#)

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PPC says the company's independent board is keen to avoid long-running negotiations with any bidders for the company. On Tuesday, 3 October, it extended the date for the posting of the partial offer circular by Fairfax Africa, which, along with AfriSam, made a conditional offer for SA's largest cement maker.



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"The independent board is mindful of avoiding any unduly protracted engagement with any of the bidders, and accordingly, aims to be in a position to make a decision on the best way to proceed within a sensible time period," the group said in a statement on Tuesday.

Dangote Cement, founded and chaired by Nigerian tycoon Aliko Dangote, has also made a bid for PPC.

PPC said Investec Bank was conducting a review and would prepare "fair and reasonable opinions" about aspects such as the partial offer and proposed merger with AfriSam. "It is anticipated that this review will require some time," PPC said.

The announcement comes after Prudential Investment Managers, one of the top three shareholders in PPC, said on Monday that it opposed a proposed merger between PPC and AfriSam, its unlisted South African rival.

The investment manager said AfriSam's recent revised offer, which had the backing of Canada's Fairfax Africa

Investments, undervalued the group. This meant that PPC shareholders had been asked to back a "short-term gain" ahead of a material improvement in the group's cash flow from its new rest-of-Africa operations.

Fairfax has undertaken to buy R2bn in ordinary shares in PPC at R5.75 a share. PPC said the company's independent board intended to provide each credible bidder with a reasonable period to conduct due diligence of the group, to finalise its proposal and submit a firm intention letter.

"This is on the basis that such due diligence will commence imminently and that, to the extent necessary, PPC is granted access to reciprocal due diligence," PPC said.

"Following receipt of any such firm intention letter/s, the independent board believes it will be in a better position to make an informed decision on the best way to proceed."

In an announcement in early September, PPC said the independent board had not had an opportunity to fully consider AfriSam's partial offer or the opinion of the independent expert.

"However, based on the prior extensive engagement in respect of a possible merger with AfriSam, the independent board found the offer fundamentally undervalued PPC."

Source: Business Day

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