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Net1 listing: Serge Belamant – CEO, Net1

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ALEC HOGG: Net1 listed today. Chief executive Serge Belamant is in the studio. Well, when he left here four years ago, Net1 was a billion-rand company. Even after this disappointing performance of the stock markets you're a R10bn company. Welcome back!

SERGE BELAMANT: Thank you very much.

ALEC HOGG: Not too much trade in the stock, though, today.

SERGE BELAMANT: No, but I think it will take a little while for the existing shareholders to actually realise that they can now trade, which I think will filter down over the next couple of weeks. They'll start learning that in fact they can now buy stock, not only sell it. We have already been approached by a number of people that seemed to be very, very interested in the stock, specifically at this price. One can argue that yes, it's a very, very good buy - and in this market who knows what people are going to do or not do, or what they should do, to be quite honest.

ALEC HOGG: Serge, when you left the JSE four years ago to go and list on Nasdaq, you became exposed to a whole different type of investor. How big is the South African shareholding? Over half your shares were held here at that stage.

SERGE BELAMANT: It's less than 10% now, and that's one of the reasons why we came back, because we put in a lot of effort, as you know, to keep them in, in the first place, when we actually moved across to the US - in terms of getting exchange-control approval and all that. It took us a year and a half to achieve it. We could have simply signed the cheque and, candidly, everybody would have been gone. But we wanted them in. I personally wanted them to stay in. Now that we realise that they are really basically getting out of it because they can only sell, we felt that maybe coming back would give us some exposure. But at the same time it would give them the opportunity to actually start trading again, and to increase the liquidity within South Africa.

ALEC HOGG: I am sure you must have good shareholder meetings, because the value of their shares has gone up tenfold in the last four years. Not many companies can have that kind of record. What about dividends, though? You haven't paid one since 2004.

SERGE BELAMANT: Once again, if you have a look at the structure we had to put together, which included the trust in South Africa, to pay dividends we would have landed up by having a leakage, and suddenly the South African shareholders would have landed up picking up more money than the US investors. It made it very, very difficult to try to explain to the US investors why somehow they were going to get less than the South African investors. It wasn't even worth going there. But, as I've always told you over many, many years I'm a firm believer in dividends rather than share buybacks, to be quite honest. I would rather give money back to the people that have invested, and let them decide what to do with it, rather than me decide on their behalf. I'm quite a sizeable shareholder myself, and every now and then I wouldn't mind a small little dividend as well.

ALEC HOGG: Serge, being a chief executive of a Nasdaq-listed company, an American listed company, what kind of feedback are you getting from US investors?

SERGE BELAMANT: One thing that I can say is that the US investors are very, very demanding in terms of your time. They want to understand what you do in great, great detail. And if there is anything not likely understood by them, they will make sure that they email you, that they phone you, and harass you until you give them what it is they want to know.

ALEC HOGG: Have they not been harassing you in the last two weeks?

SERGE BELAMANT: Funnily enough, in the last two weeks not as much as they used to do in the past, because at the moment they are trying to work out what the hell is going on like the rest of us; and candidly I don't think our share price has suffered as much as many other shares, to be quite honest, on the Nasdaq. So from that point of view, I think they are obviously concerned about the fact that the share is becoming weaker and weaker as we go along, but I think they realise that this has got nothing to do with either our results or the potential of the company.

ALEC HOGG: Well, hopefully our next guest will be able to explain to all of us what exactly is going on. His name's Jeff Gable, head of research at Absa Capital.