

National News

NMG share gains 28% in two days after stake sale

Mr Azizi, through his company Taarifa Ltd, is acquiring a controlling 54.08 percent stake in the media company.

BY CHARLES MWANIKI

The Nation Media Group (NMG) share has gained 28.3 percent in two trading days following the Tuesday announcement that Tanzanian businessman Rostam Azizi is acquiring a majority stake in the company.

The stock added 7.6 percent yesterday to hit a two-year high of KSh17 (Shs466) per share, and a total valuation of KSh3.24 billion (about Shs89 billion), adding to the market-leading 19.2 percent gain recorded on Wednesday when it traded without the usual 10 percent regulatory cap due to the material announcement made after the close of market on Tuesday.

The NMG counter was trading at KSh13.25 (about Shs364) per share before the transaction was disclosed.

Investors have moved a total of 298,887 shares of the company over the past two days, valued at KSh4.84 million (about Shs132m). NMG has 190.295 million issued shares.

Mr Azizi, through his company Taarifa Ltd, is acquiring a controlling 54.08 percent stake in NMG from the Aga Khan Fund for Economic Development S.A. (AKFED) in a transaction that is expected to conclude within three to four months, subject to regulatory approvals. AKFED holds the NMG stake through an investment vehicle known as NPRT Holdings Africa Limited, which will now be transferred to Taarifa Ltd.

In a briefing on Wednesday, Mr Azizi promised to inject fresh investments in one of Africa's biggest media houses at a time when it is scaling up its digital platforms to reach more audiences in tandem with the global media consumption trends.

He also pledged to uphold the editorial standards that have defined the company since it was founded 66 years ago by His Highness The Aga

Khan IV.

"Our intention is to increase investment, so that we can be more profitable. There will be more jobs created as we go forward because we need to transform and cater for every Kenyan in order for this to be a successful partnership," said Mr Azizi.

He also affirmed that he is buying into the company as a long term strategic partner, giving investors at the stock market the assurance of continued presence of a stable anchor shareholder for one of the Nairobi bourse's oldest listed firms.

NMG listed on the Nairobi Securities Exchange (NSE) in 1973, fifteen years after it was founded by His Highness The Aga Khan IV with a vision of providing Kenya a free, independent press to help in promoting democratic governance at independence. The company began with a Swahili publication, *Taifa Leo*, before adding more products to its stable that has grown to more than 30 brands across East Africa. NMG shares are also listed on the Uganda Securities Exchange, the Dar es Salaam Stock Exchange and the Rwanda Securities Exchange.

Taarifa has undertaken to keep the

BACKGROUND

Mr Azizi was a co-founder and shareholder of Tanzanian company Mwananchi Communications Limited from 2000 to 2006, which established *The Citizen*, *Mwananchi*, and *Mwanaspoti* newspapers that were subsequently acquired by NMG in 2006.

He currently holds interests in Habari Corporation Limited, a media house in Tanzania, alongside other investments.

company listed on the NSE and other cross-listed exchanges once it completes the share purchase. The firm will not be making an offer for the remaining NMG shares held by minority shareholders.

The gains on the NMG share this week also shows that investors have taken a positive view of the company onboarding an anchor shareholder who has past experience of running a media organisation.

serving more than 100 million