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## The good, the bad & the ugly

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### SURVIVAL OF THE FITTEST

IT'S BEEN A FAIRLY quiet time for Port Elizabeth-based financial services specialist Iquad Holdings since being listed out of the peripheries of the PSG Group.

Judging by Iquad's narrow service focus (specialising in investment incentives and treasury risk management) one would reasonably not expect the group to readily find suitable acquisitions.

It was quite a surprise then that the group announced the acquisition of a 60% interest in the rather quaintly named Entrepreneurs Survival Solutions (ESS).

Initially it's just a 13% nibble via a share subscription with another 47% sourced from vendors Dean Harding and Wayne van der Poil - subject to the achievement of profit warranties.

Durban-based ESS provides support services to small businesses (accounting services, market research, financial planning, training, BBBEE scorecards etc).

Broadly one can justify fitting ESS into Iquad, but it is clearly the opportunity for a subsidiary company to feed new business to the mother ship that must be most compelling. Not to mention that ESS captures a portion of government funding that is not already in the Iquad net.

With government (ignoring the Eskom predicament for just a moment) pushing the development of the SME market, Iquad might be a fairly exciting place to be in years to come.

### REEF(ER) MADNESS

THE SECURITIES REGULATION Panel ruling in the proposed buyout bid for Gold Reef Casinos & Resorts is rather intriguing. Naturally one would think that the SRP scuppered the buyout of GRCR by ethos Private Equity to protect minority shareholders - although full details regarding the deal have not yet emerged.

We find the SRP ruling rather puzzling because the vast majority of GRCR shareholders appeared to be in favour of the private equity buyout of their company. Right now we'd bet that 100% of GRCR shareholders would vote in favour of the buyout being reinstated with the general level of prices (gaming shares included) drifting downwards since mid-December last year. Market volatility no doubt will curb private equity funding opportunities.

The bottom line is that it could be a hell of a long time before GRCR shareholders see a price of 3400c for their shares again. At the time of going to press, GRCR was trundling along at 2350c.

Unless, of course, Tsogo was really serious in its suggestions that it wanted to buy GRCR at a price much higher than the Ethos consortium. Or were they just putting a spoke in the wheel of a competitor (perhaps with the full knowledge that they could turn their attentions to this asset at a much lower price in ensuing months)?

We hear some GRCR shareholders threatened to sue the company for losses sustained. Maybe they should be angling their legal tilts at the SRP...

### STEELING AN OPPORTUNITY?

THE REVOLVING DOOR at Arcelor Mittal has seen its latest CEO, like his predecessor, promoted within the global group, leaving a gap at the helm that will now be filled by two