

Financiers of coal in South Africa

A research paper prepared for 350.org

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Summary

Since COP21 in Paris, and the agreements made by the governments of the world, climate change and its causes are high on the agendas of many organizations and governments. The first target of the efforts in the energy transition needed to attain the goals laid out in the COP21 agreement is coal. Coal is increasingly seen as the dirtiest and least sustainable source of energy, where other sources such as wind, solar, and the cleaner fossil fuel natural gas are increasingly being seen as viable alternatives. Nevertheless, coal is still an important commodity in South Africa. Partly for its energy needs, partly for its industrial needs, and also as an important export commodity. In 2014, for example, South Africa produced approximately 260 million tons of coal. Of this, 69.6 million tons, nearly 27% was exported. South Africa contributes 6% of total global coal exports. It is the sixth largest coal-exporting nation.¹

In 2013, 93% of South Africa's energy production came from coal. This contrasts with 1.8% from biofuels, hydropower, solar and wind energy.² While the transition might gradually be underway in South Africa, there is still a long way to go, and financial institutions active in South Africa have a key role to play in realising the energy transition.³

As part of the efforts to push for the energy transition, 350.org intends to run a divestment campaign for coal in South Africa. The objective of this research is, therefore, to map the creditors and investors of coal mining companies, and companies engaged in coal-fired power (including independent power producers) in South Africa. In order to do so, this research identified the main companies that are active in coal mining and coal-fired power in South Africa. The study then utilized financial databases to further identify the loans and underwriting services these companies received, and the bond- and shareholders of these selected companies. Below is a summary of the findings.

- **Creditors**

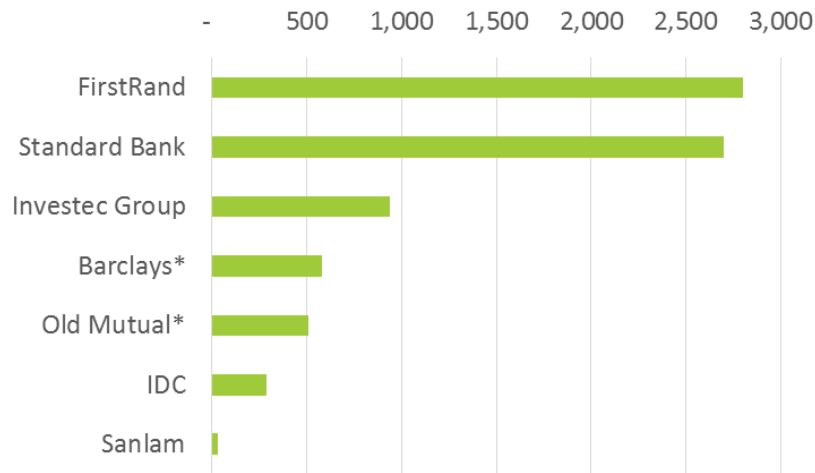
Creditors are financial institutions that provide loans and underwrite bond and share issuances. Loans and issuances are used by companies to finance the company's business activities, expansion, and projects.

¹ Chamber of Mines of South Africa (n.d.), "Coal: Key facts and figures", online: <http://www.chamberofmines.org.za/sa-mining/coal>, viewed in August 2016.

² International Energy Agency (n.d.), "South Africa: Electricity and heat for 2013", online: <http://www.iea.org/statistics/statisticssearch/report/?year=2013&country=SouthAfric&product=ElectricityandHeat>, viewed in June 2016

³ REN21 (2015), *Renewables: Global Status Report 2015*, Paris: REN21 Secretariat.

Figure 1 Ranking of creditors (2011-2016, US\$ mln)



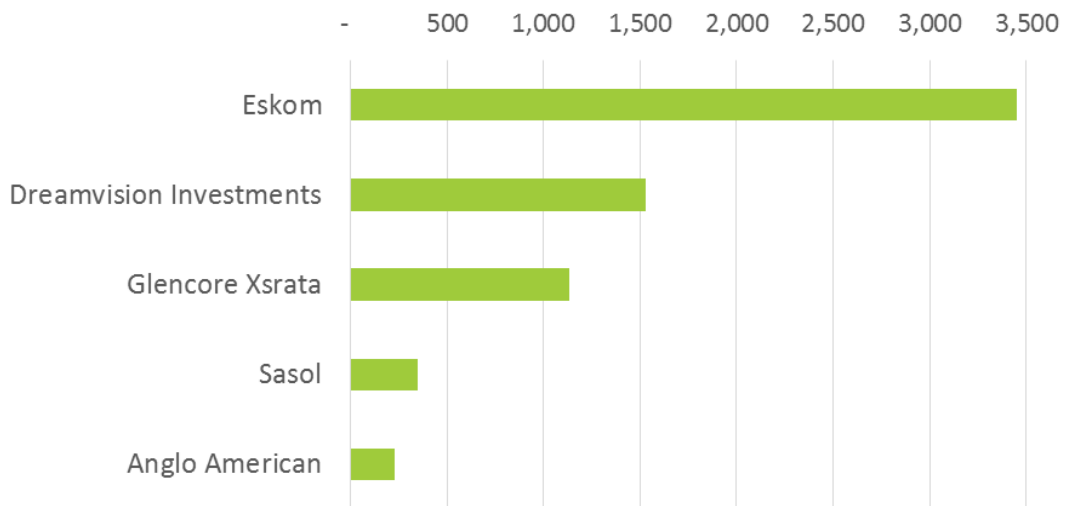
Source: Bloomberg and Thomson EIKON. Detailed sources available upon request.

* Only the subsidiaries active in South Africa are included in this analysis

This research found that in the period 2011-2016, the selected companies active in coal mining and coal-fired power in South Africa attracted US\$ 7.8 billion in loans and underwriting services by financial institutions active in South Africa. These financial institutions included banks whose headquarters are located outside of South Africa. Figure 1 provides an overview of the financial institutions that provided the highest levels of credit to the selected companies. It shows that FirstRand and Standard Bank provided the highest levels of loans and underwriting services to the selected companies in the period 2011-2016. They provided more than US\$ 2.5 billion to these companies.

The top 5 recipients of credit provided by the financial institutions active in South Africa include the country’s main electricity public utility company Eskom and parent of Exxaro Resources and Cennergi, Dreamvision Investments. Top recipients also include foreign owned companies Glencore Xstrata and Anglo American (see Figure 2 for details).

Figure 2 Top 5 recipients of credit (2011-2016, US\$ mln)



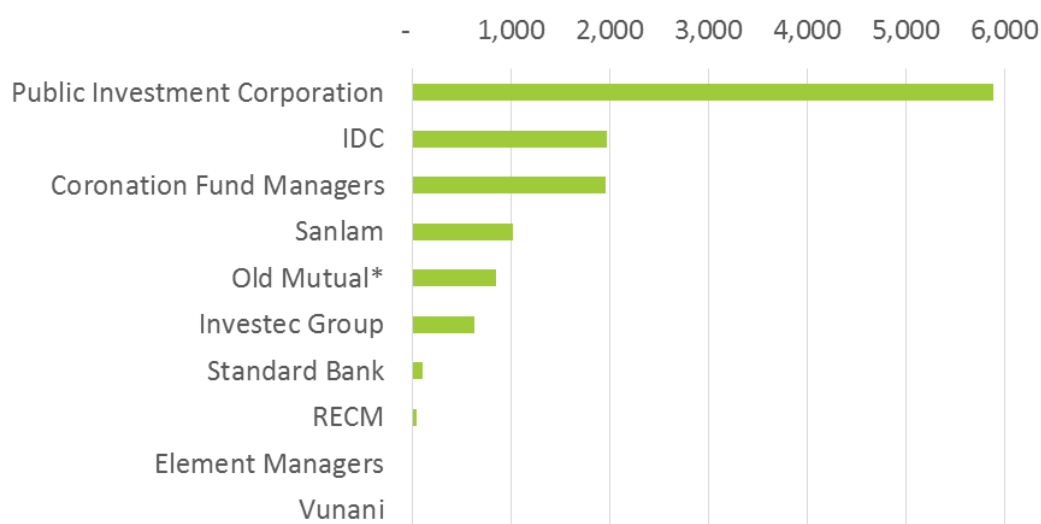
Source: Bloomberg and Thomson EIKON. Detailed sources available upon request.

- **Investors**

Investors are financial institutions that invest in the bonds and shares issued by companies. If they are the initial investors, then they inject capital into the companies. If they buy bonds and shares on the stock market then they do so in order to gain the short- or long-term benefits of the company's performance and/or its bond repayment schedule.

This research found that at the most recent filing date financial institutions active in South Africa held bonds and shares worth US\$ 12.5 billion in the selected companies. The main investors in bonds and shares included the state Public Investment Corporation and the Industrial Development Corporation (IDC). Asset managers Coronation Fund Managers and Sanlam were the third and fourth highest investors in the bonds and shares of the selected companies (see Figure 3 for details).

Figure 3 **Ranking of investors (2011-2016, US\$ mln)**



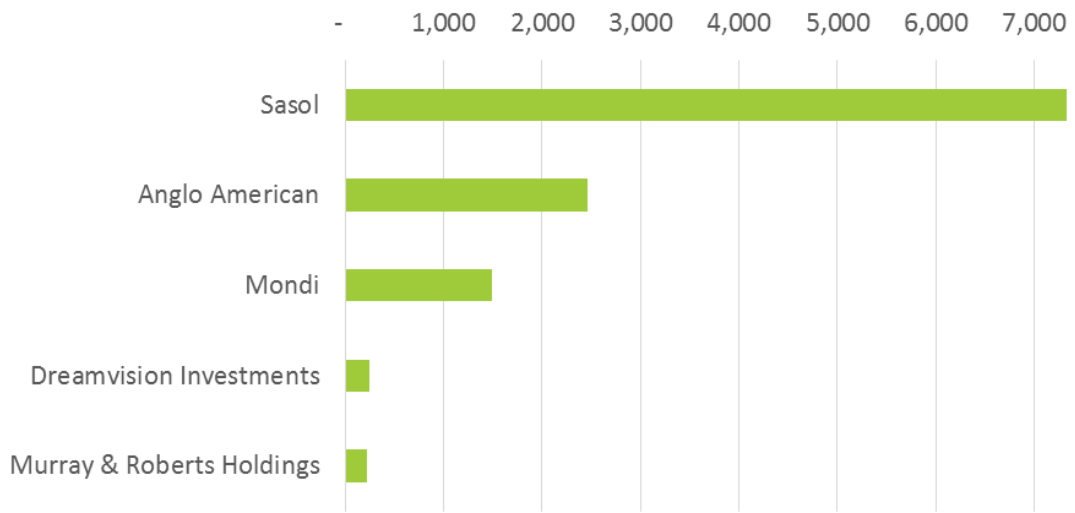
Source: Thomson EIKON. Detailed sources available upon request.

* Only the subsidiaries active in South Africa are included in this analysis

Figure 4 shows the top 5 companies receiving investments in their bonds and shares. The three largest investees include South African integrated energy and chemical company Sasol, international mining company Anglo American and South African paper producer Mondi which operates a coal-fired power plant. It should be noted, however, that Mondi Group is working on reducing its coal use by using biofuels from wood by product.⁴

⁴ Mondi (2016), *Looking Back, Moving Forward: Sustainable Development 2015*, p. 17.

Figure 4 Top 5 investees (most recent filing, US\$ mln)



Source: Thomson EIKON. Detailed sources available upon request.

Introduction

Since COP21 in Paris, and the agreements made by the governments of the world, climate change and its causes are high on the agendas of many organizations and governments. The first target of the efforts in the energy transition needed to attain the goals laid out in the COP21 agreement is coal. Coal is increasingly seen as the dirtiest and least sustainable source of energy, where other sources such as wind, solar, and the cleaner fossil fuel natural gas are increasingly being seen as viable alternatives. Nevertheless, coal is still an important commodity in South Africa.

As part of the efforts to push for the energy transition, 350.org intends to run a divestment campaign for coal in South Africa. The objective of this research is, therefore, to map the creditors and investors of coal mining companies, and companies engaged in coal-fired power (including independent power producers) in South Africa. In order to do so, this research identified the main companies that are active in coal mining and coal-fired power in South Africa. The study then utilized financial databases to further identify the loans and underwriting services these companies received, and the bond- and shareholders of these selected companies.

A summary of the findings of this report can be found on the first pages of this report.

Chapter 1

Methodology

This chapter presents the research methodology. The chapter is organized as follows: Section 1.1 describes the company selection methodology. Section 1.2 describes the types of financed that were researched. Section 1.3 stipulates the timeframe scope. Section 1.4 provides details on how the contributions to deals by financial institutions were calculated where this was necessary. Finally, section 1.5 describes the data sources that were used for this research.

1.1 Company selection

In order to identify the companies active in coal mining and coal-fired power this research utilized screening tools in the following financial databases and company data providers: Bloomberg, EMIS, Orbis and Thomson EIKON. Further companies were added from trade journals and media archives. The list of researched companies can be found in Appendix 1 .

1.1 Types of finance

Financial institutions can invest in companies through a number of modalities. Financial institutions can provide credit to a company. This includes providing loans and the underwriting of share and bond issuances. Financial institutions can also invest in the equity and debt of a company by holding shares and bonds. This section outlines the different types of financing, how they were researched and the implications for the study.

1.1.1 Corporate loans

The easiest way to obtain debt is to borrow money. In most cases, money is borrowed from commercial banks. Loans can be either short-term or long-term in nature. Short-term loans (including trade credits, current accounts, leasing agreements, et cetera) have a maturity of less than a year. They are mostly used as working capital for day-to-day operations. Short-term debts are often provided by a single commercial bank, which does not ask for substantial guarantees from the company.

A long-term loan has a maturity of at least one year, but generally of three to ten years. Long-term corporate loans are in particular useful to finance expansion plans, which only generate rewards after some period of time. The proceeds of corporate loans can be used for all activities of the company. Often long-term loans are extended by a loan syndicate, which is a group of banks brought together by one or more arranging banks. The loan syndicate will only undersign the loan agreement if the company can provide certain guarantees that interest and repayments on the loan will be fulfilled.

- **Project finance**

One specific form of corporate loan is project finance. This is a loan that is earmarked for a specific project

- **General corporate purposes / working capital**

Often a company will receive a loan for general corporate purposes or for working capital. On occasion while the use of proceeds is reported as general corporate purposes, it is in fact earmarked for a certain project. This is difficult to ascertain.

1.1.2 Share issuances

Issuing shares on the stock exchange gives a company the opportunity to increase its equity by attracting a large number of new shareholders or increase the equity from its existing shareholders.

When a company offers its shares on the stock exchange for first time, this is called an Initial Public Offering (IPO). When a company's shares are already traded on the stock exchange, this is called a secondary offering of additional shares.

To arrange an IPO or a secondary offering, a company needs the assistance of one or more (investment) banks, which will promote the shares and find shareholders. The role of investment banks in this process therefore is very important.

The role of the investment bank is temporary. The investment bank purchases the shares initially and then promotes the shares and finds shareholders. When all issued shares that the financial institution has underwritten are sold, they are no longer included in the balance sheet or the portfolio of the financial institution. However, the assistance provided by financial institutions to companies in share issuances is crucial. They provide the company with access to capital markets, and provide a guarantee that shares will be bought at a pre-determined minimum price.

1.1.3 Bond issuances

Issuing bonds can best be described as cutting a large loan into small pieces, and selling each piece separately. Bonds are issued on a large scale by governments, but also by corporations. Like shares, bonds are traded on the stock exchange. To issue bonds, a company needs the assistance of one or more (investment) banks which underwrite a certain amount of the bonds. Underwriting is in effect buying with the intention of selling to investors. Still, in case the investment bank fails to sell all bonds it has underwritten, it will end up owning the bonds.

1.1.4 (Managing) shareholdings

Banks can, through the funds they are managing, buy shares of a certain company making them part-owners of the company. This gives the bank a direct influence on the company's strategy. The magnitude of this influence depends on the size of the shareholding.

As financial institutions actively decide in which sectors and companies to invest, and are able to influence the company's business strategy, this research will investigate the shareholdings of financial institutions of the selected companies. Shareholdings are only relevant for stock listed companies. Not all companies in the study are listed on a stock exchange. The company selection has tried to take this into account by including the major companies in the relevant sectors. However, some ownership forms may dominate in certain sectors under analysis. Additionally, some ownership forms are more prominent in some countries.

Shareholdings have a number of peculiarities that have implications for the research strategy. Firstly, shares can be bought and sold on the stock exchange from one moment to the next. Financial databases keep track of shareholdings through snapshots, or filings. This means that when a particular shareholding is recorded in the financial database, the actual holding, or a portion of it, might have been sold, or more shares purchased. Secondly, share prices vary from one moment to the next.

Given these peculiarities, shareholdings will be analyzed at the most recent filing dates. Shareholdings will be researched using financial databases such as Thomson and Bloomberg.

1.1.5 (Managing) investments in bonds

Banks can also buy bonds of a certain company. The main difference between owning shares and bonds is that owner of a bond is not a co-owner of the issuing company; the owner is a creditor of the company. The buyer of each bond is entitled to repayment after a certain number of years, and to a certain interest during each of these years.

Bond holdings have a number of peculiarities that have implications for the research strategy. Firstly, bonds can be bought and sold from one moment to the next. However, only the most recent bond holding information is available. Given these peculiarities, bond holdings will be analyzed at the most recent filing dates. Bond holdings will be researched using financial databases such as Thomson and Bloomberg

1.2 Time period

The scope of the research will be different according to the type of finance. Corporate loans, bond and share issuances are considered credit activities. These fall within the remit of different departments within a bank, and as such is governed by relevant bank policies. The scope of this research for credit activities is 2011-2016.

Bond- and shareholding are considered investment activities. As such these fall within the asset management branch of a bank or financial group. These are usually separate entities in order to isolate risk. As such, they are governed by specific policies for asset management. The scope of this research for investment activities will be the most recent filings.

1.3 Financial institution financing contributions

The financial databases do not always include details on the levels of individual financial institutions' contributions to a particular deal. Individual bank contributions to syndicated loans and underwriting were recorded to the largest extent possible where these details were included in financial database, or company or media publications. In many cases, the total value of a loan or issuance is known and also the number of banks that participate in this loan or issuance. However, the amount that each individual bank commits to the loan or issuance has to be estimated. The bookratio (see formula below) is used to determine the spread over bookrunners and other managers.

$$\text{Bookratio: } \frac{\text{number of participants} - \text{number of bookrunners}}{\text{number of bookrunners}}$$

Table 1 shows the commitment assigned to bookrunner groups with our estimation method. When the number of total participants in relation to the number of bookrunners increases, the share that is attributed to bookrunners decreases. This prevents very large differences in amounts attributed to bookrunners and other participants.

Table 1 **Commitment assigned to bookrunner groups**

Bookratio	Loans	Issuances
> 1/3	75%	75%
> 2/3	60%	75%
> 1.5	40%	75%
> 3.0	< 40%*	< 75%*

* In case of deals with a bookratio of more than 3.0, we use a formula which gradually lowers the commitment assigned to the bookrunners as the bookratio increases. The formula used for this:

$$\frac{1}{1.443375673}$$

The number in the denominator is used to let the formula start at 40% in case of a bookratio of 3.0. As the bookratio increases the formula will go down from 40%. In case of issuances the number in the denominator is 0.769800358.

In the case of share- and bondholdings, the amounts are always known, so no estimate is needed.

1.2 Data sources

During the financial data collection process, this research relied primarily on financial databases Bloomberg and Thomson EIKON. Loans and underwriting services to group companies and relevant subsidiaries in South Africa have been included in the research. The ownership stakes in private companies were researched using EMIS, Orbis and the company information as available through their own websites or company reports.

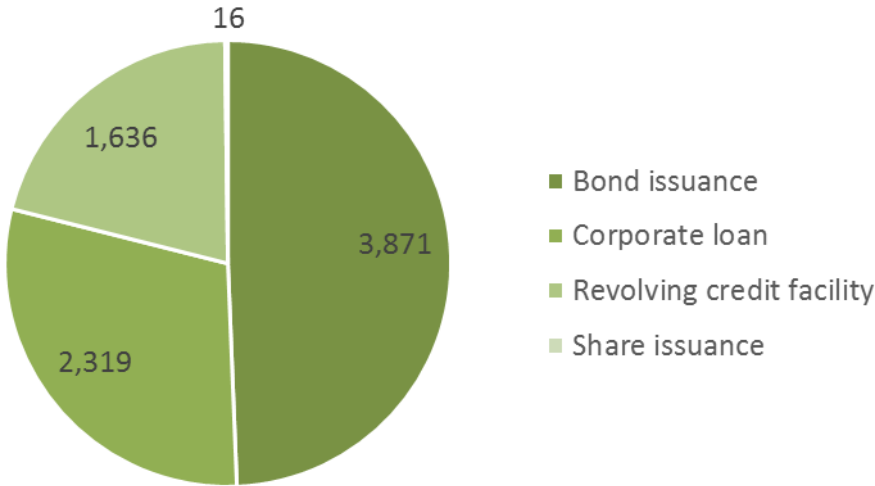
Chapter 2 Analysis

This chapter will provide analysis of the identified financing provided by financial institutions active in South Africa to the selected companies engaged in coal mining and coal-fired power. The chapter is organized as follows: Section 2.1 will provide an overview of the identified loans and underwriting, and bond- and shareholdings. Section 2.2 will provide a more detailed analyses of the loans and underwriting services provided by financial institutions active in South Africa to the selected companies with coal mining and coal-fired power activities in South Africa. Section 2.3 will provide an analysis of the bond and shareholdings of financial institutions active in South Africa in the selected companies. Finally, section 2.4 provides a brief overview of investments in South African private companies engaged in coal mining.

2.1 Overview

In the period of 2011-2016 investors whose headquarters are located in South Africa, and South African subsidiaries of international financial institutions, provided approximately US\$ 7.8 billion in loans and underwriting services to the selected companies. Figure 5 provides an overview of the loans and underwriting services provided by these financial institutions to the selected companies.

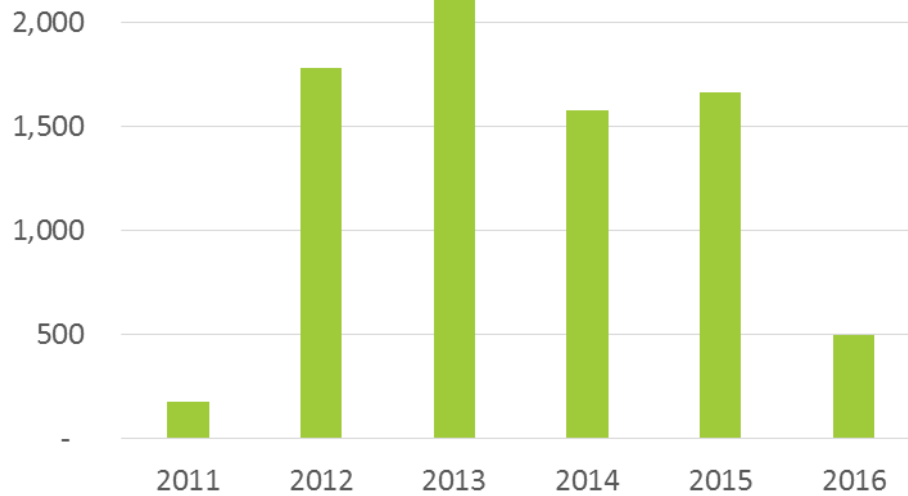
Figure 5 Loans and underwriting services to selected companies by financial institutions active in in South Africa (2011-2016, US\$ mln)



Source: Bloomberg and Thomson EIKON. Detailed sources available upon request.

Financing by financial institutions active in South Africa to companies engaged coal mining and coal-fired power increased rapidly since 2011. Figure 6 shows an annual analysis of the loans and underwriting services provided by financial institutions active in South Africa to the selected companies engaged in coal mining and coal-fired power.

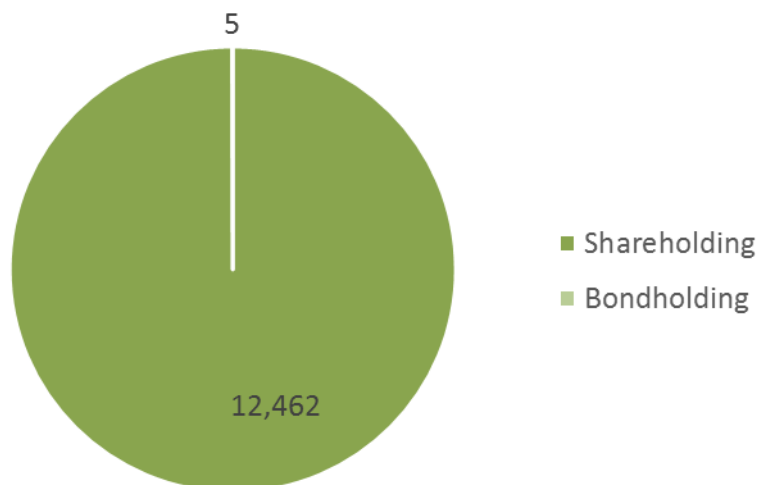
Figure 6 Annual loans and underwriting to selected companies by financial institutions active in South Africa (2011-2016, US\$ mln)



Source: Bloomberg and Thomson EIKON. Detailed sources available upon request.

Financial institutions active in South Africa had investments in bonds and shares of the selected companies of approximately US\$ 12 billion. The vast majority of investments in the bonds and shares of the selected companies were in the form of investments in equity (see Figure 7).

Figure 7 Bond and shareholdings in selected companies (most recent filing, US\$ mln)



Source: Thomson EIKON. Detailed sources available upon request.

The remainder of this chapter will provide a more detailed analysis of the financing of the selected companies by financial institutions active in South Africa.

2.2 Loans and underwriting

This section provides a more detailed analysis of the loans and underwriting services provided by the financial institutions active in South Africa to the selected companies.

Table 2 provides a ranking of the financial institutions that provided loans and underwriting services to the selected companies. It shows that Standard Bank, FirstRand and Investec provided the highest levels of loans and underwriting services to the selected companies. In total the selected companies received almost equal amounts of loans and underwriting services. The top 3 financial institutions, and Investec in particular, provided slightly higher levels of credit in the form of underwriting services.

Table 2 Ranking of financial institutions (2011-2016, US\$ mln)

Rank	Financial institution	Loans	Underwriting	Total
1	Standard Bank	1,311	1,490	2,800
2	FirstRand	1,235	1,465	2,700
3	Investec Group	287	649	936
4	Barclays*	307	274	580
5	Old Mutual*	499	9	508
6	IDC	287		287
7	Sanlam	31		31
Total		3,955	3,887	7,842

Source: Bloomberg and Thomson EIKON. Detailed sources available upon request.

* Only the subsidiaries active in South Africa are included in this analysis

Eskom received the highest levels of loans and underwriting services (see Table 3). In fact, in the period of study, Eskom did not receive any loans, only underwriting services. Dreamvision Investments, ultimate owner of Exxaro Resources and Cennergi, received more loans than underwriting services from financial institutions active in South Africa. As Table 3 shows, there are a number of foreign owned companies with coal mining and/or coal-fired power plants in South Africa that received loans and underwriting services from financial institutions active in South Africa. These include Anglo American, Glencore Xstrata, Rio Tinto and BHP Billiton.

Table 3 Ranking of companies (2011-2016, US\$ mln)

Rank	Company	Loans	Underwriting	Total
1	Eskom		3,451	3,451

2	Dreamvision Investments	1,433	97	1,530
3	Glencore Xsrata	1,135		1,135
4	Sasol	350		350
5	Anglo American		229	229
6	Shanduka	226		226
7	Rio Tinto	188		188
8	African Rainbow Minerals	176		176
9	BHP Billiton	100		100
10	South32	100		100
11	PPC		95	95
12	Sentula Mining	71		71
13	Continental Coal	65	-	65
14	Jindal Steel & Power	60		60
15	Universal Coal	33		33
16	Tata	18		18
17	Keaton Energy Holdings		9	9
18	Coal of Africa		7	7
Total		3,955	3,887	7,842

Source: Bloomberg and Thomson EIKON. Detailed sources available upon request.

Table 4 provides more details on the loan and underwriting service relationships between the financial institutions active in South Africa and the selected companies with coal mining and/or coal-fired power plants in South Africa.

Table 4 Detailed relationships between financial institutions and selected companies (2011-2016, US\$ mln)

Financial institution	Company	Loans	Underwriting	Total
FirstRand	Eskom		1,417	1,417
	Glencore Xsrata	479		479
	Dreamvision Investments	287		287
	Sasol	189		189
	Shanduka	113		113
	African Rainbow Minerals	88		88
	Rio Tinto	63		63
	Jindal Steel & Power	60		60
	Anglo American		50	50
	Universal Coal	33		33
	PPC		23	23

<i>FirstRand Total</i>		1,311	1,490	2,800
Standard Bank	Eskom		1,392	1,392
	Glencore Xsrata	444		444
	Dreamvision Investments	287		287
	Shanduka	113		113
	BHP Billiton	100		100
	South32	100		100
	African Rainbow Minerals	88		88
	Rio Tinto	63		63
	Anglo American		50	50
	Sentula Mining	41		41
	PPC		24	24
<i>Standard Bank Total</i>		1,235	1,465	2,700
Investec Group	Eskom		642	642
	Dreamvision Investments	287		287
	Coal of Africa		7	7
	Continental Coal		-	-
<i>Investec Group Total</i>		287	649	936
Barclays*	Sasol	162		162
	Anglo American		130	130
	Dreamvision Investments		97	97
	Continental Coal	65		65
	Rio Tinto	63		63
	PPC		47	47
	Tata	18		18
<i>Barclays Total</i>		307	274	580
Old Mutual*	Dreamvision Investments	287		287
	Glencore Xsrata	212		212
	Keaton Energy Holdings		9	9
<i>Old Mutual Total</i>		499	9	508
IDC	Dreamvision Investments	287		287
<i>IDC Total</i>		287		287
Sanlam	Sentula Mining	31		31
<i>Sanlam Total</i>		31		31
Total		3,955	3,887	7,842

Source: Bloomberg and Thomson EIKON. Detailed sources available upon request.

* Only the subsidiaries active in South Africa are included in this analysis

2.3 Bond- and shareholding

This section provides a more detailed analysis of the investments in the bonds and shares of selected companies by the financial institutions active in South Africa.

The financial institutions with the highest levels of investments in the bonds and shares of the selected companies are Public Investment Corporation, the Industrial Development Corporation and the Coronation Fund Managers (see Table 5). The vast majority of investments were in the form of equity investments, i.e. investments in the shares of the selected companies.

Table 5 Ranking of financial institutions (most recent filing, US\$ mln)

Rank	Financial institution	Shareholding	Bondholding	Total
1	Public Investment Corporation	5,885		5,885
2	IDC	1,970		1,970
3	Coronation Fund Managers	1,956		1,956
4	Sanlam	1,018		1,018
5	Old Mutual*	848		848
6	Investec Group	627	5	631
7	Standard Bank	105	0.3	105
8	RECM	43		43
9	Element Managers	7		7
10	Vunani	3		3
Total		12,462	5	12,467

Source: Thomson EIKON. Detailed sources available upon request.

* Only the subsidiaries active in South Africa are included in this analysis

Table 6 provides a ranking of the selected companies that received the highest levels of investments in their bonds and shares. It shows that by far the highest levels of investment were received by Sasol, Anglo American and Mondi. Dreamvision Investments, Murray & Roberts and Rio Tinto also received high levels of investments in their shares from financial institutions active in South Africa.

Table 6 Ranking of companies (most recent filing, US\$ mln)

Rank	Company	Shareholding	Bondholding	Total
1	Sasol	7,333		7,333
2	Anglo American	2,465	0.3	2,465

3	Mondi	1,494		1,494
4	Dreamvision Investments	248		248
5	Murray & Roberts Holdings	224		224
6	Rio Tinto	167		167
7	PPC	138		138
8	African Rainbow Minerals	131		131
9	Glencore Xsrate	122		122
10	ArcelorMittal	27	5	32
11	Hosken Consolidated Investments	27		27
12	South32	23		23
13	JSW Energy	23		23
14	Coal of Africa	15		15
15	Petmin	13		13
16	BHP Billiton	5		5
17	Buildmax	3		3
18	Sentula Mining	2		2
19	Waterberg Coal Company	0.4		0.4
20	Tata	0.01		0.01
21	Bisichi Mining	0.01		0.01
Total		12,462	5	12,467

Source: Thomson EIKON. Detailed sources available upon request.

Table 7 gives a more detailed overview of the investment relationships between the financial institutions active in South Africa and the companies active in coal mining and/or coal-fired power in South Africa.

Table 7 Detailed relationships between financial institutions and selected companies (most recent filing, US\$ mln)

Financial institution	Company	Shareholding	Bondholding	Total
Public Investment Corporation	Sasol	3,419		3,419
	Anglo American	1,671		1,671
	Mondi	459		459
	PPC	106		106
	African Rainbow Minerals	90		90
	Murray & Roberts Holdings	83		83
	Dreamvision Investments	56		56
	Coal of Africa	1		1
<i>PIC Total</i>		5,885		5,885
IDC	Sasol	1,970		1,970

<i>IDC Total</i>		1,970		1,970
Coronation Fund Managers	Anglo American	614		614
	Sasol	530		530
	Mondi	497		497
	Dreamvision Investments	183		183
	Glencore Xsrata	66		66
	Murray & Roberts Holdings	52		52
	Hosken Consolidated Investments	12		12
	Buildmax	3		3
<i>Coronation Total</i>		1,956		1,956
Sanlam	Sasol	680		680
	Mondi	197		197
	Anglo American	56		56
	Murray & Roberts Holdings	33		33
	ArcelorMittal	24		24
	African Rainbow Minerals	7		7
	PPC	6		6
	Glencore Xsrata	5		5
	Rio Tinto	4		4
	Dreamvision Investments	3		3
	Hosken Consolidated Investments	2		2
	BHP Billiton	2		2
	South32	0.4		0.4
	JSW Energy	0.1		0.1
	Tata	0.01		0.01
	Coal of Africa	0.0002		0.0002
<i>Sanlam Total</i>		1,018		1,018
Old Mutual*	Sasol	659		659
	Anglo American	81		81
	Murray & Roberts Holdings	37		37
	Glencore Xsrata	24		24
	PPC	21		21
	African Rainbow Minerals	15		15
	Rio Tinto	5		5
	Mondi	4		4
	Petmin	2		2
	Dreamvision Investments	0.2		0.2
	Hosken Consolidated Investments	0.1		0.1
	BHP Billiton	0.004		0.004
<i>Old Mutual Total</i>		848		848
Investec Group	Mondi	336		336
	Rio Tinto	155		155
	JSW Energy	23		23

	South32	23		23
	Glencore Xsrata	21		21
	Murray & Roberts Holdings	15		15
	Coal of Africa	15		15
	Sasol	11		11
	ArcelorMittal	4	5	8
	Anglo American	7		7
	Petmin	6		6
	African Rainbow Minerals	6		6
	BHP Billiton	3		3
	PPC	2		2
	Hosken Consolidated Investments	0.4		0.4
	Dreamvision Investments	0.4		0.4
	Waterberg Coal Company	0.4		0.4
	Bisichi Mining	0.01		0.01
<i>Investec Group Total</i>		627	5	631
Standard Bank	Sasol	60		60
	Anglo American	19	0.30	19
	Dreamvision Investments	6		6
	African Rainbow Minerals	6		6
	Rio Tinto	3		3
	Glencore Xsrata	3		3
	PPC	3		3
	Hosken Consolidated Investments	2		2
	Murray & Roberts Holdings	2		2
	South32	0.2		0.2
<i>Standard Bank Total</i>		105	0.30	105
RECM	Anglo American	14		14
	Hosken Consolidated Investments	10		10
	African Rainbow Minerals	8		8
	Petmin	6		6
	Sentula Mining	2		2
	Sasol	2		2
	Glencore Xsrata	1		1
<i>RECM Total</i>		43		43
Element Managers	Anglo American	2		2
	Sasol	2		2
	Glencore Xsrata	1		1
	Murray & Roberts Holdings	1		1
	Mondi	1		1
	Hosken Consolidated Investments	0.3		0.3
	African Rainbow Minerals	0.2		0.2
<i>Element Managers Total</i>		7		7
Vunani	Sasol	1		1
	Anglo American	1		1
	Mondi	1		1
	Glencore Xsrata	0.4		0.4
	Dreamvision Investments	0.06		0.06
	African Rainbow Minerals	0.05		0.05
	Murray & Roberts Holdings	0.03		0.03

	PPC	0.03		0.03
<i>Vunani Total</i>		3		3
Total		12,462	5	12,467

2.4 Investments in private companies

This study also set out to research the investments in a number of private companies active in coal mining and coal-fired power in South Africa. For many of these companies, there was only a limited amount of relevant data available. The vast majority of the researched private companies ultimately belonged to other companies. However, a number of companies were owned by investment groups, financial institutions, or families. Table 8 provides the ownership details of a number of research private companies for which data was available from company reports, EMIS, and Orbis databases.

Table 8 Investments in private companies

Group	Subsidiary	Investor parent	Shareholder	% stake	Source
Dreamvision Investments Proprietary	Exxaro Resources	Anglo American	Anglo American	9.7	⁵
		Basadi Ba Kopane Investments	Basadi Ba Kopane Investments	5.8	⁶
		Capital Consortium	Capital Consortium	5.1	⁷
		Dreamvision Investments Proprietary	Dreamvision Investments Proprietary	28.2	⁸
			Exxaro Mpower	0.8	⁹
		Free float	Minorities	35.4	¹⁰
		Industrial Development Corporation	Industrial Development Corporation	8.0	¹¹
		KagisoTiso	Morning Tide Investments 168	5.1	¹²
		Other non-public shareholders	Other non-public shareholders	2.0	¹³

⁵ Exxaro Resources (2015, April), *2014 Integrated Report*, p. 5.

⁶ Exxaro Resources (2015, April), *2014 Integrated Report*, p. 5.

⁷ Exxaro Resources (2015, April), *2014 Integrated Report*, p. 5.

⁸ Exxaro Resources (2015, April), *2014 Integrated Report*, p. 5.

⁹ Exxaro Resources (2015, April), *2014 Integrated Report*, p. 5.

¹⁰ Exxaro Resources (2015, April), *2014 Integrated Report*, p. 5.

¹¹ Exxaro Resources (2015, April), *2014 Integrated Report*, p. 5.

¹² Exxaro Resources (2015, April), *2014 Integrated Report*, p. 5.

¹³ Exxaro Resources (2015, April), *2014 Integrated Report*, p. 5.

Glencore Xstrata	Finges Investment	Glencore Xstrata	Glencore International	100.0	14
	Shanduka Coal	Glencore Xstrata	Glencore International	70.0	15
			Glencore Plc	30.0	16
	Umbeco Mining	Glencore Xstrata	Finges Investment	43.7	17
			Glencore International	-	18
			Shanduka Coal	55.0	19
Tegeta	Tegeta Exploration and Resources	Oakbay Investments	Oakbay Investments	-	20
	Tegeta Resources	Oakbay Investments	Oakbay Investments	-	21
	Idwala Coal	Oakbay Investments	Oakbay Investments	-	22
Richards Bay Coal Terminal Proprietary	Richards Bay Coal Terminal Proprietary	BHP Billiton	BHP Billiton Energy Coal South Africa	21.1	23
		Glencore Xstrata	Glencore Operations South Africa	26.7	24
Scinta South Africa	Scinta South Africa	Grand Gotland Investments	Grand Gotland Investments	49.0	25
		Zungu Investments	Zungu Investments	-	26
Grand Gotland Investments	Grand Gotland Investments	Zungu Investments	Zungu Investments	50.0	27
Zungu Investments	Zungu Investments	Sanlam	Sanlam Ltd	10.0	28

¹⁴ Orbis (2016, June), "Shareownership: Finges Investment", viewed in June 2016.

¹⁵ Orbis (2016, June), "Shareownership: Shanduka Coal", viewed in June 2016.

¹⁶ Orbis (2016, June), "Shareownership: Shanduka Coal", viewed in June 2016.

¹⁷ Orbis (2016, June), "Shareownership: Umbeco Mining", viewed in June 2016.

¹⁸ Orbis (2016, June), "Shareownership: Umbeco Mining", viewed in June 2016.

¹⁹ Orbis (2016, June), "Shareownership: Umbeco Mining", viewed in June 2016.

²⁰ Oakbay Investments (n.d.), "Tegeta", online: <http://oakbayinvestments.co.za/mining.html>, viewed in August 2016.

²¹ Oakbay Investments (n.d.), "Tegeta", online: <http://oakbayinvestments.co.za/mining.html>, viewed in August 2016.

²² Oakbay Investments (n.d.), "Tegeta", online: <http://oakbayinvestments.co.za/mining.html>, viewed in August 2016.

²³ Orbis (2016, June), "Shareownership: Richards Bay Coal Terminal Proprietary", viewed in June 2016.

²⁴ Orbis (2016, June), "Shareownership: Richards Bay Coal Terminal Proprietary", viewed in June 2016.

²⁵ Orbis (2016, June), "Shareownership: Scinta South Africa", viewed in June 2016.

²⁶ Orbis (2016, June), "Shareownership: Scinta South Africa", viewed in June 2016.

²⁷ Orbis (2016, June), "Shareownership: Grand Gotland Investments 295", viewed in June 2016.

²⁸ Orbis (2016, June), "Shareownership: Zungu Investments", viewed in June 2016.

		SDM Zungu & Family	SDM Zungu & Family	81.5	29
Shanduka Group	Shanduka Group	China Investment Corporation	China Investment Corporation	25.7	30
		Lilitha Consortium	Lilitha Consortium	10.3	31
		Mabindu Business Development Trust	Mabindu Business Development Trust	1.5	32
		Management	Management	13.6	33
		Men's Trust	Men's Trust	4.8	34
		Shanduka Education Trust	Shanduka Education Trust	1.5	35
		Standard Bank	Standard Bank	12.9	36
		Tshivhase Trust	Tshivhase Trust	29.6	37
Sumo Coal	Sumo Coal	TayyibGroup	Caliskan IC VE Dis Ticaret San	50.0	38
		Vital Kimya	Tayyib Madencilik Insaat Nakliyat Besicilik Kimya San	50.0	39

²⁹ Orbis (2016, June), "Shareownership: Zungu Investments", viewed in June 2016.

³⁰ EMIS (2016, June), Company Analysis: Shanduka Group, p. 1.

³¹ EMIS (2016, June), Company Analysis: Shanduka Group, p. 1.

³² EMIS (2016, June), Company Analysis: Shanduka Group, p. 1.

³³ EMIS (2016, June), Company Analysis: Shanduka Group, p. 1.

³⁴ EMIS (2016, June), Company Analysis: Shanduka Group, p. 1.

³⁵ EMIS (2016, June), Company Analysis: Shanduka Group, p. 1.

³⁶ EMIS (2016, June), Company Analysis: Shanduka Group, p. 1.

³⁷ EMIS (2016, June), Company Analysis: Shanduka Group, p. 1.

³⁸ Orbis (2016, June), "Shareownership: Sumo Coal", viewed in June 2016.

³⁹ Orbis (2016, June), "Shareownership: Sumo Coal", viewed in June 2016.

Appendix 1 Selected companies

Table 9 provides an overview of the researched companies.

Table 9 Selected companies

Group	Company name	Sector
African Rainbow Minerals	African Rainbow Minerals	Coal mining
Andru Mining	Andru Mining	Coal mining
Anglo African Capital	DMC Energy	Coal mining/Coal power
Anglo American	Anglo American	Coal mining
Anglo American	Anglo Operations	Coal mining
Anglo American	Anglo South Africa Capital	Coal mining
ArcelorMittal	ArcelorMittal SA	Coal mining
BHP Billiton	Becsa	Coal mining
BHP Billiton	BHP Billiton	Coal mining
Bisichi Mining	Bisichi Mining	Coal mining
Bisichi Mining	Black Wattle Colliery	Coal mining
Blackspear Holdings	Blackspear Holdings	Coal mining
Buildmax	Buildmax	Coal mining
Canaf	Canaf	Coal mining
Coal of Africa	Baobab Mining and Exploration	Coal mining/Coal power
Coal of Africa	Coal of Africa	Coal mining/Coal power
Coal of Africa	Mooiplaats mining	Coal mining/Coal power
Continental Coal	Continental Coal	Coal mining/Coal power
Continental Coal	Ntshovelo Mining Resources	Coal mining
Dreamvision Investments	Cennergi	Coal power
Dreamvision Investments	Exxaro Coal Central Proprietary (ECC)	Coal mining/Coal power
Dreamvision Investments	Exxaro Coal Mpumalanga Proprietary	Coal mining/Coal power
Dreamvision Investments	Exxaro Resources	Coal mining/Coal power
Eskom Holdings SOC	Eskom	Coal power
Firestone Energy	Firestone Energy	Coal mining/Coal power
Fralex	Fraser Alexander	Coal mining
GCM Resources	South African Coal	Coal mining
Glencore Xsrata	Duiker Coal	Coal mining/Coal power
Glencore Xsrata	Glencore Xsrata	Coal mining/Coal power
Glencore Xsrata	Optimum Coal Holdings	Coal mining
Glencore Xsrata	Tavistock Collieries	Coal mining/Coal power
Glencore Xsrata	Welgedacht exploitation co	Coal mining
HCI Khusela Coal	HCI Khusela Coal	Coal mining
HEAVEN-SENT Capital Management Group	Village Main Reef	Coal mining
Hlagisa Mining	Hlagisa Mining	Coal mining
Ichor Coal	Ichor Coal	Coal mining/Coal power
Ichor Coal	Vunene Mining	Coal mining/Coal power
Ikwezi Mining	Ikwezi Mining	Coal mining/Coal power
Jindal Steel & Power	Jindal Steel & Power	Coal mining/Coal power
JSW Energy	JSW Energy	Coal mining/Coal power
JSW Energy	JSW Energy Natural Resources South Africa	Coal mining/Coal power
JSW Energy	SACM (Breyton)	Coal mining/Coal power
JSW Energy	South African Coal Mining Holdings	Coal mining/Coal power
Just Coal CC	Just Coal CC	Coal mining

Keaton Energy Holdings	Amalahle Exploration Proprietary Ltd	Coal mining/Coal power
Keaton Energy Holdings	Keaton Energy Holdings	Coal mining/Coal power
Keaton Energy Holdings	Xceed Resources	Coal mining/Coal power
Kelvin Power	Kelvin Power	Coal mining/Coal power
Kelvin Power	Kelvin Power	Coal mining/Coal power
Kelvin Power	Kelvin Power	Coal mining/Coal power
Kinetiko Energy	Kinetiko Energy	Coal mining/Coal power
Liketh Investments	Liketh Investments	Coal mining
LontohCoal	LontohCoal	Coal mining/Coal power
Mbuyelo Coal	Muhanga Mines	Coal mining
Miranda Mineral Holdings	Miranda Mineral Holdings	Coal mining
Mondi	Mondi	Coal power
Murray & Roberts Holdings	Cementation Co Africa	Coal mining/Coal power
Perisat Investments	Perisat Investments	Coal mining
Petmin	Petmin	Coal mining
Petmin	Tendele Coal Mining	Coal mining
Portnex International	Portnex International	Coal mining/Coal power
PPC	PPC	Coal power
Proto Developers and Technologies	Proto Developers and Technologies	Coal mining
RCF Management	Buffalo Coal	Coal mining
RCF Management	Zinoju Coal	Coal mining
Resource Generation	Resource Generation	Coal mining
Richards Bay Coal Terminal Proprietary	Richards Bay Coal Terminal Proprietary	Coal terminal
Rio Tinto	Richards Bay minerals (RBM)	Coal mining
Rio Tinto	Rio Tinto	Coal mining
Rio Tinto	Riversdale Mining	Coal mining
Rutendo Mining	Rutendo Mining	Coal mining
Sasol	Sasol	Coal mining
Scinta South Africa	Scinta South Africa	Coal mining
Sentula Mining	Benicon Opencast Mining	Coal mining
Sentula Mining	Nkomati Anthracite	Coal mining
Sentula Mining	Sentula Mining	Coal mining
Shanduka	Shanduka	Coal mining
Shanduka	Shanduka Coal	Coal mining
Shanduka	Shanduka Resources	Coal mining
South32	South32	Coal mining
Strategic Natural Resources	Elitheni Coal	Coal mining
Stuart Coal	Stuart Coal	Coal mining
Sudor Coal	Sudor Coal	Coal mining
Sumo Coal	Sumo Coal	Coal mining
Sunbird Energy	Sunbird Energy	Coal mining/Coal power
Tango Mining	Tango Mining	Coal power
Tata	Tata Power Company	Coal power
Thabex	Thabex	Coal mining
Umcebo Mining	Umcebo Mining	Coal mining
Universal Coal	Universal Coal	Coal mining
Waterberg Coal Company	Waterberg Coal Company	Coal mining
Wescoal Holdings	Wescoal Holdings	Coal mining
White Energy Company	White Energy Company	Coal mining
Zaaiplaats Mining	Zaaiplaats Mining	Coal mining
Zingisa Mining International	Zingisa Mining International	Coal mining
Zyl	Zyl	Coal mining

Appendix 2 **References**