

Market commentary

The AAFI ended the week with moderate gains at 97.97 points (+0.07%), while the MSCI Frontier Markets Index faded 0.87% to 461.56 and the Dow Jones Africa Titans 50 Index rose 0.72% to 639.65.

Most notably, the AAFI continues to act as a stronger shield against the current global financial instability, with the YoY performance at -9.6%, compared to nearly 25% loss for the Africa Titans Index. We believe that investors seeking exposure to the African Markets are better served with a portfolio strategy based on stocks carefully selected for their fundamental strength rather than their market cap.

In USD terms, the AAFI total market cap increased by as much as 3.5% to \$34,739m, with 11 companies exceeding \$500m in market cap, including 6 over one billion USD.

Top performer for the week was Safaricom with 6.7% gains, increasing the stock Ytd performance to 8.5%. After a 21.6% recovery last week, Dangote Sugar descended 19 kobos (-3.9%) to end the week at 4.70 NGN as worst performer.

Market performance

	Close	Δ week	Δ Ytd	Δ 1 yr
Alterio Africa Fundamental Index (AAFI)	97.97	0.07%	0.33%	-9.59%
MSCI Frontier Markets Index	461.56	-0.87%	-1.27%	-24.23%
MSCI Emerging Markets Index	952.92	2.79%	1.38%	-18.07%
Dow Jones Africa Titans 50 Index	639.65	0.72%	-0.31%	-24.83%
S&P 500 Index	1,289.09	0.88%	0.94%	-0.32%

AAFI performance by country

	Δ week	Δ Ytd	Δ 1 yr
Botswana	-0.8%	-0.8%	12.9%
Ghana	0.3%	2.5%	-17.1%
Kenya	-0.8%	-0.6%	-26.1%
Malawi	0.0%	0.0%	-31.6%
Namibia	0.0%	0.0%	47.6%
Nigeria	0.2%	0.1%	-5.7%
Tanzania	0.7%	0.0%	23.7%
Zambia	-3.6%	-0.1%	52.5%
Zimbabwe	5.1%	5.4%	0.4%

Gainers

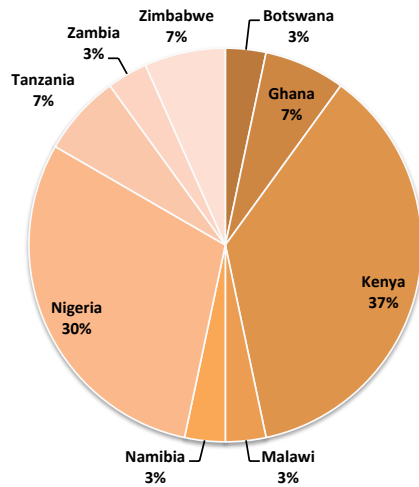
	Δ week
Safaricom	6.7%
Seed Co	6.4%
Bamburi Cement	6.4%
Innscor	3.6%

Decliners

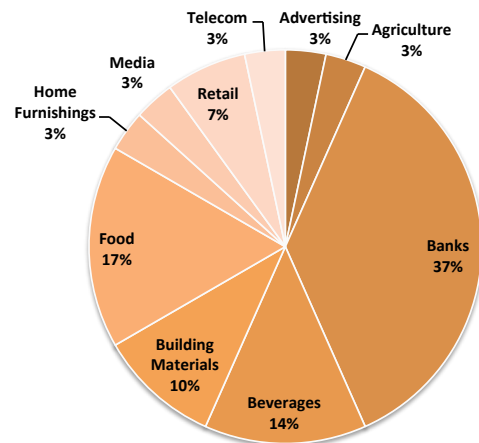
	Δ week
Scangroup	-8.5%
Barclays Kenya	-5.7%
Nation Media Group	-5.0%
Dangote Sugar	-3.9%

AAFI weekly performance

Country breakdown



Industry breakdown



Constituents:	30
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Market cap (\$m):	34,739.3

P/E (Avg):	12.76
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Dividend yield (Avg):	4.6%

Safaricom	6.7%
Seed Co	6.4%
Bamburi Cement	6.4%
Innscor	3.6%
Dangote Cement	3.1%
Co-Operative Bank of Kenya	2.0%
Flour Mills of Nigeria	1.6%
NMB	1.2%
Nigerian Breweries	0.8%
Equity Bank	0.6%
Standard Chart.Bank Kenya	0.6%
Diamond Trust	0.6%
Ghana Commercial Bank	0.5%
PZ Cussons Nigeria	0.3%
Unilever Nigeria	0.0%

KCB Bank	0.0%
UAC of Nigeria	0.0%
Namibia Breweries	0.0%
Illovo Sugar Malawi	0.0%
Twinga	0.0%
Fan Milk	0.0%
Guaranty Trust Bank	-0.5%
FNB Botswana	-0.8%
Guinness Nigeria	-1.1%
EABL	-1.7%
Zanaco	-3.6%
Dangote Sugar	-3.9%
Nation Media Group	-5.0%
Barclays Kenya	-5.7%
Scangroup	-8.5%

AAFI detailed analysis in pages 13-43

Macro commentary

Nigeria's monetary "tightening" bias (2011 saw a 575bp cumulative increase) comes at an unfortunate time as global food prices look to have hit at least a short term inflection point (the UN's FAO Food Price Index dropped 2.4 percent alone in December and sits 11.3 percent below its peak in February 2011, though admittedly its annual average remains at record highs) offering a bit of a theoretical reprieve to heavily weighted (~50 percent in Nigeria) consumer price baskets around SSA. Yet double-digit inflation in Nigeria has been chronically sticky for reasons beyond trending [food] commodity inflation, a point underscored multiple times last year by Central Bank (CBN) Governor Lamido Sanusi's insistence on sound fiscal discipline (marred per its critics most notably by a large upward adjustment to the public sector wage bill as well as a state-underwritten, commercial bank debt rescue program known as AMCON). Moreover the IMF's current policy foothold—which saw capitulation (naira devaluation) in the currency exchange regime in November and the most recent and highly controversial fuel subsidy removal on January 1st—has arguably prolonged the need for liquidity restraint, though taken together said measures should help in the long run to shore up reserves (the former) and curtail perverse, economic distortions (the latter) whereby the cost of the subsidy not only outweighs export revenues but in fact fuels this vicious cycle via oil marketing arbitrage and underinvestment in domestic refineries (causing 70 percent of fuel to be imported). To this end S&P raised its outlook on Nigeria's credit rating in late December (to positive from stable) and hinted it would upgrade the nation's B+ rating (four steps below investment grade and the same rank as Egypt and Uganda) under the reform premise, a plus for credit investors.

The short term, however, is a different matter, particularly since oil accounts for nearly 80 percent of the state's revenue and as of this writing a total production shutdown (per the Petroleum and Natural Gas Senior Staff Association of Nigeria, the oil workers' union) looked increasingly possible. The subsidy removal, moreover, comes at an increasingly precarious time from a social standpoint as some analysts deem a rise in violence (and an associated turbulence in oil output since mid-2010) to be inherently tied to an ever-simmering, north-south regional and religious bifurcation that threatens an 'Arab spring'-like response. Social strife, as well as the aforementioned inflation basket (which last remained unchanged at 10.5 percent y/y in December) will be near-term exacerbated by the subsidy removal as food prices have already skyrocketed (Gov. Sanusi noted that he now expects inflation to rise to 14-15 percent by mid-year before reverting to single digits (per CBN mandate) by 2013). Yet given the ultimate benefits to the state's fiscal coffers and exchange-rate, a requisite for both the government's infrastructure agenda as well as its current account and associated balance of payments dynamics, respectively, we see a "phased-withdrawal" compromise (with a 65 naira/liter benchmark versus the current 150 or above still being the desired target) alongside various fiscal support measures to ease the transition's burden as being the current most probable outcome. Though both currency and credit markets have so far been subdued (while FX trading has been limited due to bank and other business closure, the spread on Nigeria 21s has barely budged) assuming a somewhat expedient resolution and a lack of escalation in violence, the market's perception of the CBN's sensitivity to the apparent certainty of further fiscal outlays as well as oil-derived price pressures across economic inputs will function as the principal driver to whether more attractive, risk/reward entry points present themselves or not in coming months.

Economic Data	Botswana	Ghana	Kenya	Namibia	Nigeria	Tanzania	Zambia
FX Rate (per USD)	7.5286	1.6525	86.25	8.1595	160.15	1590.55	5148.95
TTM % Δ	-13.96	-11.96	-6.28	-19.64	-5.28	-7.90	-8.45
Real GDP (2010 % y/y)	7.2	7.7	5.6	4.6	7.9	7	7.6
1y T-Bill Nom. Yield (%)		11.15	20.96	5.93	18.32	15.99	13.46
CPI (% y/y)	8.8	8.6	19.7	6.0	10.5	17.9	8.7
FX Reserves (USD bn)	8.9	4.6	3.785	1.6	34.0	3.3	2.6
Reserves/GDP (2011f)	58.38%	11.73%	11.61%	11.88%	15.04%	14.17%	15.12%
Policy Rate	9.5	12.5	18.0	6.0	12.0	9.58	16
Last Move (bp)	16 Dec 10 (-50)	6 Jul 11 (-50)	30 Nov 11 (+150)	15 Dec 10 (-75)	10 Oct 11 (+275)	30 Oct 11 (+200)	1 Dec 11 (-300)
Tightening Bias	Neutral	Easing	Tightening	Easing	Tightening	Tightening	Easing

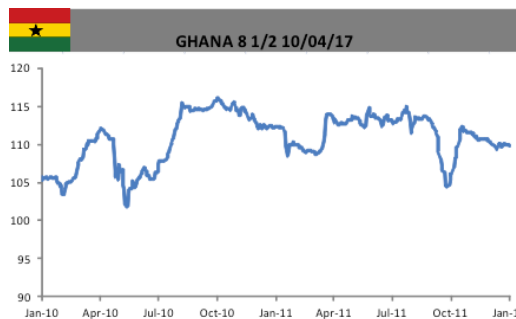
Summary

Global investment markets kicked off the first week of the year with a fresh breath of optimism that saw volatility in major risk assets edge lower. Last week was quite eventful however, primarily given resurfacing Euro-area woes, with struggling bond auctions from Euro-peripherals Spain and Italy, and a large-scale downgrading campaign by S&P on nine European nations, including Europe's second largest economy France. France's downgrade from the glittery AAA-rating status to AA+ followed a similar action on the US last summer. While the Euro slid to multi-months lows, Middle-Africa debt and FX markets were largely flat/lower, however driven mainly by country-specific risk events rather than a sweeping risk aversion wave on the region; an evidence once again of the continued relative resiliency of African markets. South Africa's credit quality was also blemished this week, with its outlook downgraded to "Negative" by Fitch citing among other factors its high trade dependence with European economies.

Middle-Africa debt markets in particular remained bid on the margin (ex- a few instances of political/social flare-ups which are elaborated in the next section) due to high yields and limited net supply on both local and external markets. Local markets continue to gradually deepen, with issuance size and frequency increasing particularly in West and Central Africa (both sub-regions having lagged the broader continent in terms of market depth and liquidity). Government authorities in collaboration with AFDB (African Development Bank) officials are devoting considerable resources to support the development of debt markets in the region.

Bond market update

Ghana:



Source: Bloomberg

Ghana Local debt and Eurobonds were fairly stable this week, but local markets were highlighted by extended weakness on the FX front, with GHS reaching record low vs. the Greenback. Low USD supply remains the key culprit here. Moreover, inflation printed slightly above forecast this week 8.58%, but still below 9% and within the BOG's band 8.5+/-2%, providing further justification for the BOG to remain on the sidelines, while some have called for a currency intervention. **We remain M/W in GHANA 17s in the MADS portfolio, and would consider adding on weakness.**

Kenya:



Source: Bloomberg

In Kenya, The CBK left its benchmark lending rate unchanged at 18% this past Wednesday, following a string of rate hikes that amounted to interest rising three-fold in 2011. Going forward there should be a gradual fall in the pace of local yields increase, a recognition by markets that the tightening cycle could be peaking. Positioning in local Kenya bonds at the moment makes sense tactically given the sharp upward move in yields. Nonetheless, even with a relief-rally in local bonds, the upward trend in yields could remain. The CBK appears adamant to move real yields into positive ground (policy rates at 18% with YoY CPI close to 20%), an effort coupled with a support-system for the KES, whose depreciation has been a major source of price pressure via imports.

On the political front, the Kenya High Court ruled that the government can delay elections to until 2013. According the Kenya's 17-month old constitution, the elections should take place on the second Tuesday of August 2012; the government suggested elections delay due to logistical issues. The court however, ruled that elections should be held this year should the coalition government of President Mwai Kibaki and Prime Minister Raila Odinga collapse. Political risk is certainly on the rise given this situation, and investors will be keeping a close eye on whether the country can eschew the type of social upheaval it sustained in 2007. **We remain O/W KENGB 10/20 in the MADS portfolio.**

Nigeria:

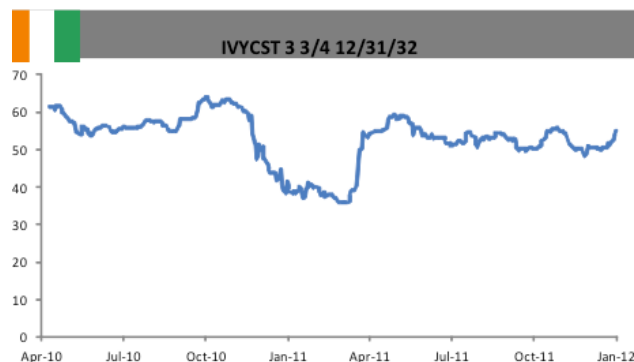


Source: JPMorgan Research

The story surrounding the withdrawal of the fuel subsidy has captured headlines in Nigerian markets in the past several days. President Jonathan met with union leaders to negotiate a deal, but final accords are yet to be made. In the meantime, union leaders urged demonstrators (including oil workers who have threatened to interrupt output, costing the country an estimated daily loss of \$600 million) to suspend all protesting activities. Next week, markets will stay tuned to this issue (President Jonathan will reportedly meet with union leaders over the weekend).

Nigeria's dollar debt has widened-out (**price falling as shown on below chart**) this week in response to the aforementioned fuel subsidy crisis. Local markets have performed well in recent auctions, but demand could fade over time should the inflation picture deteriorates from pass-through effects of higher gasoline prices. YoY CPI currently sits around 10%, and the CBN projects increased price pressure as a result of the subsidy removal, pushing inflation into the 14-15% range by mid 2013. **We are taking no action on our O/W position on NGERIA 21s this week**

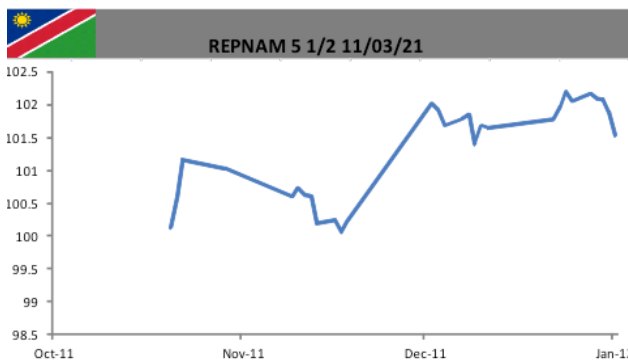
Ivory Coast:



Economic activity is yet to turn around in Cote d'Ivoire, with the country registering negative growth (IMF estimate -5.8% in 2011). GDP forecasts for 2012, point to growth of 8-9% primarily driven by huge reconstruction-related investment and a general pick-up in economic momentum from low base levels. The latest inflation print (December 2011) recorded YoY figure of 1.9% from 3.3% the prior month. The Ivorian National Statistics Institute note a general downward pressure on prices in all sectors of the economy, led by communication (-5.4%). Moreover, the economic impact on neighboring WAEMU (West Africa Economic and Monetary Union) countries should be monitored on a going-forward basis; the country accounts for about 40% of the eight-nation union's total output.

Finance Minister Kofi Diby is scheduled to meet with investors in London and Paris on January 23rd to discuss details of the arrears payment on the country's dollar debt. The FinMin has hinted at the possibility of resuming payments (along with all missed coupons) with the June 2012 coupon. Markets received this announcement with cheer, lifting IVCST 32s to its highest price in two months (**see chart below**). The coupon arrears total over \$100 million, so investors will be looking for a tangible proposal at the January 23rd Europe meeting. In our view, the recent rally is at risk of a disappointment from the Euro meeting, and the failure to make arrears in June 2012 could be catastrophic to price action given much of the rally since the spring of last year has priced it in. **We maintain our U/W position on IVCST 32s**

Namibia:

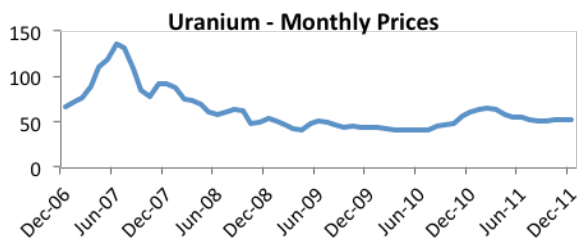


Source: Bloomberg

Namibia is one of six Middle-Africa countries with outstanding Eurobonds (along with Nigeria, Senegal, Ivory Coast, Ghana and Gabon). The country tapped international markets for the first time in October 2011, with a 5.5% coupon, 2021 maturity, \$500 million issue (REPNAM 5.5 21s) that was 5X oversubscribed. The issue earned a credit rating of Baa3/BBB (Moody's/Fitch) with stable outlook at issuance. Just three months into secondary-market trading, Fitch downgraded its outlook to negative and spreads gapped out in response (price down as shown on chart below). **We have no position in REPNAM in the MADS portfolio.**

Some key factors for the negative sovereign outlook: (1) Weakness of uranium prices on the back of weakening global demand for raw materials (uranium mining is the country's largest economic sector), (2) strong ties to the struggling South African economy (service sector 33% of GDP), steep growth in Government debt/GDP ratio (anticipated to reach 35% in 2015 from 16%, while GDP forecast for 2012 stand at a mere 4.2% compared to a Middle-Africa average of about 6%). (4) Lower SACU (Southern African Customs Union) receipts could strain fiscal position. (5) YoY inflation quickened to 7.2% in December from 6% in December, the highest YoY increase since 2009.

Namibia is a leading global producer of uranium. Adding to falling uranium prices, the mining ministry reported that the country's production fell in the first ten months of 2011 (7.3 million lbs vs. 10 million lbs over the same period in 2010), a decline chiefly attributed to poor weather conditions in the early months of 2011.



Source: Bloomberg

Middle-Africa currencies were mixed last week, with each individual country exhibiting idiosyncratic price-actions stemming largely from local economic and policy developments, while volatility from European and developed markets also marginally contributed to trading sentiment.

Currency	Country	Last Close		Week Chg	YTD Chg
BIF	Burundy	1372.9	↓	-0.29%	-6.08%
CDF	Congo DR	914.7	→	-0.08%	-0.98%
CVE	Cape Verde	87.0	↓	-0.34%	-4.64%
GHS	Ghana	1.7	↓	-3.56%	-6.08%
GMD	Gambia	29.5	↑	0.64%	-5.20%
GNF	Guinea	7262.5	↓	-0.38%	-1.06%
KES	Kenya	87.4	↓	-0.40%	-6.34%
LRD	Liberia	73.0	↓	-0.69%	-1.39%
MWK	Malawi	83.6	↑	49.06%	48.54%
NGN	Nigeria	162.0	↑	0.02%	-0.35%
RWF	Rwanda	604.4	→	-0.08%	-2.06%
SLL	Sierra Leone	4377.7	↑	0.00%	-1.81%
STD	Sao Tome	19410.0	↓	-0.60%	-4.65%
TZS	Tanzania	1580.0	↑	0.57%	-0.95%
UGX	Uganda	2405.0	↑	2.04%	-1.99%
XAF	CAEMU	518.4	↓	-0.34%	-5.79%
XOF	WAEMU	520.0	↓	-0.34%	-5.77%
ZMK	Zambia	5090.0	↑	1.36%	-1.04%

Source: Bloomberg

Ghana took center-stage in the FX complex this past week, with GHS slipping to record low (in USD terms). Low USD supply from corporate and offshore funds put tremendous pressure on the local currency, while the BOG continues to remain sidelined on the basis on an inflationary environment still within tolerable a band (8.5+/-2%). GHS breached the 1.70 level, closing the week at 1.71, off 3.5% this week and over 6% YTD (**see chart below**). Local FX traders reported that markets reached a state of panic after three straight trading sessions of disorderly GHS depreciation, and see a BOG intervention increasingly necessary at this point to stabilize markets. **We added a tactical long GHS position to the MADS portfolio this week.**



Source: Bloomberg

In Kenya, the CBK once again was very active in the repo market, mopping up Shillings (sold an estimated \$63 million last week), continuing its fervent combat against imported inflation. KES was practically unchanged for the week, down just 0.4%, after losing over 3% last week.

Elsewhere in Eastern Africa, the Uganda Shilling (UGX) gained about 2% on the week, cutting its YTD loss to just under 2%. This week's UGX strength unexpectedly occurred amidst a wave of protests by local traders against higher bank lending rates. Interest rates on bank loans have soared to over 30% from around 20% in November. There are rumors that Uganda's central bank will study a cut in commercial-bank lending rates in response to the civil outrage. Such a move would definitely raise questions as to the independence of the central bank, undermining the mammoth effort it has undertaken to build credibility in its inflation-fighting regime over the past few years. UGX has strengthened 19 % since reaching an 18-year low last September, making it the world's best performing

currency over that period. With a seemingly overstretched UGX and diminishing monetary policy credibility, our view is for weakness in UGX in the near future. In addition, growth previsions from an IMF report show a decline from 6.4% to 5.5% mainly due to spiraling inflation and concern about a global slowdown. ***We maintain our short KES position, and added a short UGX position to the MADS portfolio.***

Other notable FX news: (1) CEMAC: Officials rebuff XAF/XOF devaluation rumors, and state there is no benefit to the region's countries to debase the currency. Also the Central Bank of Central African countries (BEAC in French) expect regional output to increase by 6% in 2012 compared to 4% last year. The XAF is pegged to the Euro Currency (EUR/XAF = 655). (2) According to dealer's data, MWK (Malawi Kwacha) was the complex's top performer, gaining a whopping 49%. The IMF advocates for Malawi to conduct another currency devaluation (following the 10% devaluation last August), to stem a rampant black market, and lift trading restrictions to allow for a market-led price discovery mechanism. The IMF recommends targeting an exchange rate of 230-250 USD/MWK.

Alterio MADS (Middle-Africa Debt Strategy) Portfolio

In December 2011, there were two major groundbreaking developments in the frontier debt asset class, with the inception of the first-ever Africa hard currency and local bond indices, launched respectively by JPMorgan ([JPM NEXGEM-Africa](#)) and EcoBank ([Ecobank MABI index](#)).

The MADS portfolio (Middle-Africa Debt Strategy) is a research-driven portfolio run by our Africa debt research team. Incepted in January 2012, it is a pioneer strategy exclusively dedicated to Frontier Africa debt, leveraging our research capabilities and our ability to generate actionable investment themes on the asset class. It is also on the forefront of benchmarked SSAfrica debt strategies, being the first bond mandate entirely devoted to Africa fixed income and benchmarked against Africa-focus debt indices.

Investment Philosophy:

Our investment approach is anchored by a top down research process, complemented by bottom up country selection based on our sovereign assessment. Our macro views take into account a fundamental analysis of sovereign credit quality along with the impact of global macro factors driven primarily by economic and financial stability in the advanced world. The analysis of local bond markets is derived by the fundamental soundness of domestic economies, while managing technical risks associated with thin liquidity and capital flows volatility. Duration and yield curve strategies are also part of the alpha-generating toolkit as deemed appropriate. FX analysis is conducted separately from Local Markets views and is achieved via fundamental macro study of each sovereign with technical negative beta risk due to strong negative correlation with global risk sentiment.

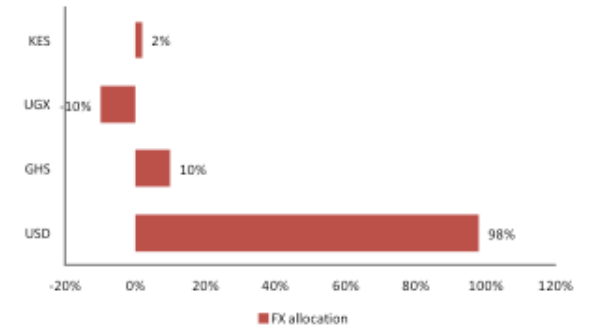
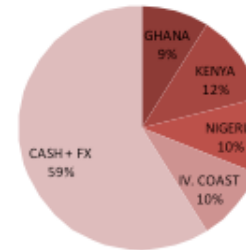
Investment Objective:

The MADS portfolio seeks to outperform an equally weighted index of the JPM NEXGEM-Africa and the ECOBANK MABI index (50% JPM NEXGEM-Africa and 50% ECOBANK MABI USD unhedged) by 200bps over a full investment cycle. The strategy does not have a tracking-error target but is benchmark aware, as major deviations from such a concentrated index could fail to deliver investors their intended risk exposure. The strategy puts a particular emphasis on default risk mitigation given the still complex and opaque bankruptcy laws that characterize frontier countries.

MADS Portfolio details (inception 01/06/12)

Country	Instrument	Long/Short	Position	% alloc	Entry**
GHANA	GH 8 17s	L	M/W	9%	110
KENYA	KENGB 10/20	L	O/W	12%	17%
NIGERIA	NGR 6 21s	L	O/W	10%	106
IV. COAST	IVCST 3 32s	L	U/W	10%	52
KENYA	KES	S	Off-bench	-10%	87
GHANA	GHS	L	Off-bench	10%	1.7
UGANDA	UGX	S	Off-bench	-10%	2405
US(Cash)	USD	L	-	69%	-

Country Allocation



AAFI detailed analysis

Alterio Fundamental Index Components

Kenya

Barclays Kenya

Bloomberg ticker: BCBL:KN

Industry: Banks - Sub-Industry: Commercial Banks

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (KES)	12.35	Net interest income	194.2	194.7	179.4	Return On Assets (ROA)	6.3%	3.7%	
Δ 1week	-5.7%	Operating income	322.5	308.5	302.5	Return on Equity (ROE)	33.7%	25.2%	27.0%
Δ Ytd	-5.7%	Net income	131.3	80.3	70.7	Net interest margin	16.3%	13.6%	
Δ 1-Yr	-16.7%	Total assets	2,136.5	2,173.7	2,157.6	Cost to income ratio	54.0%	59.3%	60.6%
52 week range	10.40-18.00	Loans and advances	1,079.9	1,233.3	1,383.9	Impairment charge to Loans and advances	1.4%	0.5%	1.2%
Share o/s (m)	5,431.5	Customer deposits	1,534.4	1,659.4	1,618.5	Deposit growth	-1.6%	-0.4%	
Fully diluted (m)	5,431.5	Shareholder equity	389.9	319.2	262.0	Loan-to-deposit	69.4%	73.9%	84.5%
Market cap (US\$ m)	858	Free cash flow	(26.3)	14.6	197.3	Earnings Per Share (EPS)	1.95	1.12	1.02
P/E	6.33					Dividend Paid Per Share (DPS)	0.69	0.50	0.70

Alterio Fundamental Index Components

Kenya

Kenya Commercial Bank

Bloomberg ticker: KNCB:KN

Industry: Banks - Sub-Industry: Commercial Banks

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (KES)	16.60	Net interest income	243.4	190.8	150.8	Return On Assets (ROA)	3.2%	2.1%	
Δ 1week	0.0%	Operating income	363.4	297.9	248.8	Return on Equity (ROE)	18.3%	18.1%	19.9%
Δ Ytd	-1.2%	Net income	88.9	53.8	53.7	Net interest margin	13.5%	10.8%	
Δ 1-Yr	-26.1%	Total assets	3,114.7	2,567.9	2,448.3	Cost to income ratio	62.8%	68.9%	61.8%
52 week range	14.60-27.00	Loans and advances	1,835.4	1,617.1	1,197.5	Impairment charge to Loans and advances	0.8%	0.6%	1.5%
Share o/s (m)	2,950.3	Customer deposits	2,440.8	2,149.4	1,622.2	Deposit growth	20.8%	28.7%	
Fully diluted (m)	2,950.3	Shareholder equity	484.9	297.6	270.0	Loan-to-deposit	74.6%	74.8%	72.7%
Market cap (US\$ m)	626	Free cash flow	(53.1)	90.1	42.9	Earnings Per Share (EPS)	2.76	1.84	1.97
P/E	6.01					Dividend Paid Per Share (DPS)	0.75	1.00	0.63

Alterio Fundamental Index Components

Kenya

Scan Group

Bloomberg ticker: SCAN:KN

Industry: Advertising - Sub-Industry: Advertising Agencies

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (KES)	37.50	Net sales	140.8	78.0	74.1	Return On Assets (ROA)	10.7%	10.4%	
Δ 1week	-8.5%	Net income	7.9	5.3	4.0	Return on Equity (ROE)	19.7%	17.0%	15.3%
Δ Ytd	-10.7%	Cash and Cash equiv.	8.5	2.4	2.1	Operating Margin	5.8%	9.2%	7.6%
Δ 1-Yr	-30.0%	Capex	1.9	0.5	0.7	Net gearing	-19.3%	27.7%	17.0%
52 week range	35.00-59.00	EBITDA	11.0	7.6	6.0	Current ratio	1.7	2.1	2.1
Share o/s (m)	284.79	Net debt (cash)	(7.8)	8.6	4.5	Cash ratio	0.5	0.4	0.7
Fully diluted (m)	287.54	Free cash flow	9.3	1.7	(4.5)	Debt ratio	55.3%	39.8%	44.7%
Market cap (US\$ m)	137					Debt to equity	5.8%	0.5%	0.2%
P/E	17.59					Earnings Per Share (EPS)	2.58	1.81	1.79
						Dividend Paid Per Share (DPS)	0.41	0.52	0.54

Alterio Fundamental Index Components

Kenya

EABL

Bloomberg ticker: EABL:KN

Industry: Beverages - Sub-Industry: Brewery

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (KES)	174.00	Net sales	464.4	450.9	497.2	Return On Assets (ROA)	24.2%	24.7%	
Δ 1week	-1.7%	Net income	108.1	108.3	140.6	Return on Equity (ROE)	42.5%	41.7%	47.2%
Δ Ytd	-0.6%	Cash and Cash equiv.	16.2	16.0	10.2	Operating Margin	29.6%	28.6%	33.5%
Δ 1-Yr	-13.2%	Capex	46.3	45.7	46.6	Net gearing	16.8%	15.8%	16.0%
52 week range	148.00-218.00	EBITDA	175.5	166.2	178.9	Current ratio	1.5	1.7	1.7
Share o/s (m)	790.77	Net debt (cash)	42.9	40.9	47.6	Cash ratio	0.9	1.0	1.0
Fully diluted (m)	790.77	Free cash flow	24.8	(3.7)	1.3	Debt ratio	37.7%	35.0%	33.6%
Market cap (US\$ m)	1,760					Debt to equity	0.0%	0.0%	0.0%
P/E	19.17					Earnings Per Share (EPS)	9.08	8.71	9.55
						Dividend Paid Per Share (DPS)	8.08	8.08	7.82

Alterio Fundamental Index Components

Kenya

Equity Bank

Bloomberg ticker: EQBNK:KN

Industry: Banks - Sub-Industry: Commercial Banks

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (KES)	15.90	Net interest income	145.1	120.9	84.7	Return On Assets (ROA)	5.8%	4.7%	
Δ 1week	0.6%	Operating income	274.5	206.7	161.4	Return on Equity (ROE)	26.2%	18.5%	20.0%
Δ Ytd	-5.1%	Net income	88.4	55.8	50.1	Net interest margin	15.0%	15.7%	
Δ 1-Yr	-42.5%	Total assets	1,772.2	1,329.1	1,010.0	Cost to income ratio	51.0%	60.1%	52.3%
52 week range	15.50-30.25	Loans and advances	970.2	834.9	564.3	Impairment charge to Loans and advances	2.4%	1.6%	2.3%
Share o/s (m)	3,702.8	Customer deposits	1,294.1	920.8	644.5	Deposit growth	49.5%	38.8%	
Fully diluted (m)	3,702.8	Shareholder equity	337.1	302.0	250.7	Loan-to-deposit	73.2%	89.2%	85.5%
Market cap (US\$ m)	753	Free cash flow	345.8	51.2	11.3	Earnings Per Share (EPS)	1.93	1.14	1.06
P/E	8.25					Dividend Paid Per Share (DPS)	0.40	0.30	0.16

Alterio Fundamental Index Components

Kenya

Standard Chartered Bank

Bloomberg ticker: SCBL:KN

Industry: Banks - Sub-Industry: Commercial Banks

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (KES)	162.00	Net interest income	100.6	96.7	75.3	Return On Assets (ROA)	4.0%	4.2%	
Δ 1week	0.6%	Operating income	172.3	161.5	129.4	Return on Equity (ROE)	26.4%	33.8%	28.3%
Δ Ytd	0.6%	Net income	66.6	62.4	41.6	Net interest margin	12.1%	11.7%	
Δ 1-Yr	-38.6%	Total assets	1,768.9	1,631.9	1,267.9	Cost to income ratio	42.4%	41.2%	49.7%
52 week range	153.00-281.00	Loans and advances	747.7	747.5	554.4	Impairment charge to Loans and advances	0.6%	0.8%	0.8%
Share o/s (m)	287.08	Customer deposits	1,245.4	1,144.0	984.6	Deposit growth	15.8%	12.8%	
Fully diluted (m)	287.08	Shareholder equity	251.9	184.5	147.2	Loan-to-deposit	59.7%	64.8%	55.8%
Market cap (US\$ m)	595	Free cash flow	163.2	(270.1)	41.9	Earnings Per Share (EPS)	18.58	16.45	11.33
P/E	8.72					Dividend Paid Per Share (DPS)	12.22	10.62	10.62

Alterio Fundamental Index Components

Kenya

Co-Operative Bank of Kenya

Bloomberg ticker: COOP:KN

Industry: Banks - Sub-Industry: Cooperative Banks

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (KES)	13.00	Net interest income	117.8	93.0	72.9	Return On Assets (ROA)	3.5%	3.1%	
Δ 1week	2.0%	Operating income	194.2	154.5	123.6	Return on Equity (ROE)	22.7%	18.4%	17.4%
Δ Ytd	4.4%	Net income	56.8	39.1	30.4	Net interest margin	11.9%	11.3%	
Δ 1-Yr	-34.4%	Total assets	1,908.1	1,457.2	1,069.0	Cost to income ratio	58.9%	62.8%	61.0%
52 week range	11.30-21.25	Loans and advances	1,073.3	821.0	677.4	Impairment charge to Loans and advances	0.9%	1.0%	0.8%
Share o/s (m)	3,492.4	Customer deposits	1,536.7	1,207.0	843.2	Deposit growth	35.5%	39.0%	
Fully diluted (m)	3,492.4	Shareholder equity	250.3	212.3	174.3	Loan-to-deposit	69.2%	67.3%	79.7%
Market cap (US\$ m)	581	Free cash flow	152.2	81.4	(15.6)	Earnings Per Share (EPS)	1.31	0.85	0.80
P/E	9.94					Dividend Paid Per Share (DPS)	0.20	0.10	0.07

Alterio Fundamental Index Components

Kenya

Diamond Trust

Bloomberg ticker: DTKL:KN

Industry: Banks - Sub-Industry: Commercial Banks

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (KES)	90.00	Net interest income	60.5	46.5	31.2	Return On Assets (ROA)	3.3%	2.2%	
Δ 1week	0.6%	Operating income	96.1	66.9	47.0	Return on Equity (ROE)	27.8%	19.4%	19.1%
Δ Ytd	0.0%	Net income	30.8	17.9	14.4	Net interest margin	9.0%	8.0%	
Δ 1-Yr	-25.3%	Total assets	1,035.9	879.1	718.9	Cost to income ratio	47.3%	54.4%	50.5%
52 week range	84.00-144.00	Loans and advances	635.2	547.4	436.2	Impairment charge to Loans and advances	1.1%	0.7%	0.6%
Share o/s (m)	195.64	Customer deposits	820.3	696.6	576.5	Deposit growth	25.3%	17.3%	
Fully diluted (m)	195.64	Shareholder equity	110.8	92.3	75.6	Loan-to-deposit	76.6%	78.0%	75.2%
Market cap (US\$ m)	225	Free cash flow	12.3	20.9	24.6	Earnings Per Share (EPS)	14.01	7.67	6.28
P/E	6.42					Dividend Paid Per Share (DPS)	1.34	1.22	1.48

Alterio Fundamental Index Components

Kenya

Safaricom

Bloomberg ticker: SAFCOM:KN

Industry: Telecommunications - Sub-Industry: Cellular telecom

Stock performance		Key financials (US\$m)			Key ratios			
		2011	2010	2009				
Close (KES)	3.20	Net sales	1,141.9	1,085.9	879.9	Return On Assets (ROA)	12.1%	15.5%
Δ 1week	6.7%	Net income	158.4	195.9	131.5	Return on Equity (ROE)	19.4%	24.2%
Δ Ytd	8.5%	Cash and Cash equiv.	63.3	138.7	54.5	Operating Margin	20.4%	26.9%
Δ 1-Yr	-27.6%	Capex	306.9	225.5	297.3	Net gearing	16.5%	12.1%
52 week range	2.70-4.85	EBITDA	430.2	473.4	350.1	Current ratio	0.6	0.7
Share o/s (m)	40,000.00	Net debt (cash)	134.9	97.9	107.3	Cash ratio	0.2	0.3
Fully diluted (m)	40,000.00	Free cash flow	(29.9)	33.7	(36.0)	Debt ratio	40.8%	40.2%
Market cap (US\$ m)	1,637					Debt to equity	17.8%	12.2%
P/E	9.62					Earnings Per Share (EPS)	0.33	0.38
						Dividend Paid Per Share (DPS)	0.20	0.10
								0.05

Alterio Fundamental Index Components

Kenya

Nation Media Group

Bloomberg ticker: NMG:KN

Industry: Media - Sub-Industry: Publishing-Newspapers

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (KES)	134.00	Net sales	119.0	108.0	105.7	Return On Assets (ROA)	21.1%	16.8%	
Δ 1week	-5.0%	Net income	19.1	14.8	16.6	Return on Equity (ROE)	28.7%	24.1%	29.9%
Δ Ytd	-2.2%	Cash and Cash equiv.	32.3	19.4	16.7	Operating Margin	21.0%	17.3%	21.8%
Δ 1-Yr	-18.1%	Capex	5.8	7.1	6.0	Net gearing	-47.0%	-28.5%	-27.3%
52 week range	125.00-187.52	EBITDA	31.5	27.3	29.6	Current ratio	2.0	2.1	1.9
Share o/s (m)	157.12	Net debt (cash)	(31.2)	(17.5)	(15.1)	Cash ratio	1.0	0.8	0.6
Fully diluted (m)	157.12	Free cash flow	14.6	2.6	(3.9)	Debt ratio	32.0%	28.3%	35.8%
Market cap (US\$ m)	269					Debt to equity	0.0%	0.6%	1.8%
P/E	13.71					Earnings Per Share (EPS)	10.77	7.73	9.09
						Dividend Paid Per Share (DPS)	5.65	5.50	5.25

Alterio Fundamental Index Components

Kenya

Bamburi Cement

Bloomberg ticker: BMBC:KN

Industry: Building Materials - Sub-Industry: Bldg Prod-Cement/Aggreg

Stock performance		Key financials (US\$m)				Key ratios				
		2010	2009	2008		2010	2009	2008		
Close (KES)	133.00	Net sales	347.9	395.4	351.7		Return On Assets (ROA)	16.2%	23.1%	
Δ 1week	6.4%	Net income	65.7	91.9	43.7		Return on Equity (ROE)	26.3%	35.7%	22.0%
Δ Ytd	6.4%	Cash and Cash equiv.	94.4	84.7	23.3		Operating Margin	25.9%	25.8%	21.7%
Δ 1-Yr	-30.1%	Capex	42.5	43.3	75.2		Net gearing	-16.0%	-7.2%	24.9%
52 week range	125.00-207.00	EBITDA	105.7	136.4	71.8		Current ratio	1.7	2.6	1.8
Share o/s (m)	362.95	Net debt (cash)	(40.0)	(18.6)	49.4		Cash ratio	1.0	1.3	0.3
Fully diluted (m)	362.95	Free cash flow	16.3	54.3	(39.3)		Debt ratio	35.1%	34.8%	41.2%
Market cap (US\$ m)	617					Debt to equity	5.3%	16.4%	22.0%	
P/E	9.49					Earnings Per Share (EPS)	14.02	18.32	8.78	
						Dividend Paid Per Share (DPS)	11.00	4.30	3.70	

Alterio Fundamental Index Components

Nigeria

Guinness Nigeria

Bloomberg ticker: GUINNESS:NL

Industry: Beverages - Sub-Industry: Brewery

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (KES)	235.00	Net sales	739.0	609.6	595.7	Return On Assets (ROA)	18.0%	18.4%	
Δ 1week	-1.1%	Net income	92.8	92.6	102.1	Return on Equity (ROE)	40.2%	43.0%	32.2%
Δ Ytd	-1.1%	Cash and Cash equiv.	86.0	40.0	130.0	Operating Margin	19.0%	22.2%	24.6%
Δ 1-Yr	23.1%	Capex	22.4	23.1	87.8	Net gearing	-37.2%	3.4%	-30.9%
52 week range	186.00-260.00	EBITDA	171.1	161.3	173.7	Current ratio	1.3	1.1	1.5
Share o/s (m)	1,474.9	Net debt (cash)	(85.8)	7.4	(98.2)	Cash ratio	0.4	0.2	0.6
Fully diluted (m)	1,474.9	Free cash flow	96.5	(75.1)	(19.3)	Debt ratio	56.4%	57.3%	49.6%
Market cap (US\$ m)	2,140					Debt to equity	0.0%	0.0%	0.0%
P/E	25.23					Earnings Per Share (EPS)	9.31	9.18	8.04
						Dividend Paid Per Share (DPS)	7.50	12.80	4.50

Alterio Fundamental Index Components

Nigeria

Nigerian Breweries

Bloomberg ticker: NB:NL

Industry: Beverages - Sub-Industry: Brewery

Stock performance		Key financials (US\$m)				Key ratios				
		2010	2009	2008		2010	2009	2008		
Close (NGN)	96.10	Net sales	1,224.7	1,108.2	981.7		Return On Assets (ROA)	27.4%	26.4%	
Δ 1week	0.8%	Net income	199.9	188.4	173.5		Return on Equity (ROE)	60.5%	59.9%	79.7%
Δ Ytd	1.1%	Cash and Cash equiv.	83.0	80.0	105.0		Operating Margin	24.2%	25.4%	25.3%
Δ 1-Yr	6.8%	Capex	78.3	83.6	135.9		Net gearing	-24.9%	-24.3%	-48.4%
52 week range	72.26-110.10	EBITDA	342.4	327.0	290.9		Current ratio	0.9	0.9	0.7
Share o/s (m)	7,562.6	Net debt (cash)	(82.4)	(76.3)	(105.4)		Cash ratio	0.3	0.3	0.3
Fully diluted (m)	7,562.6	Free cash flow	7.9	(27.5)	(9.3)		Debt ratio	56.1%	56.5%	69.1%
Market cap (US\$ m)	4,487						Debt to equity	0.0%	0.0%	0.0%
P/E	23.96						Earnings Per Share (EPS)	4.01	3.69	3.40
							Dividend Paid Per Share (DPS)	3.45	3.79	2.80

Alterio Fundamental Index Components

Nigeria

Dangote Cement

Bloomberg ticker: DANGCEM:NL

Industry: Building Materials - Sub-Industry: Bldg Prod-Cement/Aggreg

Stock performance		Key financials (US\$m)				Key ratios			
		2010	2009	2008		2010	2009	2008	
Close (NGN)	116.51	Net sales	1,334.7	1,279.8	417.8	Return On Assets (ROA)	29.7%	22.2%	
Δ 1week	3.1%	Net income	702.4	414.3	121.2	Return on Equity (ROE)	50.4%	38.9%	24.8%
Δ Ytd	5.2%	Cash and Cash equiv.	71.0	72.0	36.0	Operating Margin	51.1%	35.5%	54.0%
Δ 1-Yr	-8.7%	Capex	749.1	108.3	78.2	Net gearing	54.2%	26.2%	167.8%
52 week range	95.00-132.51	EBITDA	775.1	532.0	266.1	Current ratio	1.3	1.4	1.0
Share o/s (m)	15,494	Net debt (cash)	755.2	279.2	821.2	Cash ratio	0.2	0.2	0.1
Fully diluted (m)	15,491	Free cash flow	(429.3)	(552.0)	(241.4)	Debt ratio	47.4%	48.2%	69.4%
Market cap (US\$ m)	11,144					Debt to equity	46.5%	31.5%	78.5%
P/E	16.93					Earnings Per Share (EPS)	6.88	122.78	35.92
						Dividend Paid Per Share (DPS)	2.00	7.83	-

Alterio Fundamental Index Components

Nigeria

Dangote Sugar

Bloomberg ticker: DANGSUGA:NL

Industry: Food - Sub-Industry: Sugar

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (NGN)	4.70	Net sales	592.9	556.1	544.4	Return On Assets (ROA)	16.2%	19.4%	
Δ 1week	-3.9%	Net income	74.3	89.0	147.6	Return on Equity (ROE)	27.6%	31.7%	67.0%
Δ Ytd	-4.1%	Cash and Cash equiv.	41.0	154.0	134.0	Operating Margin	17.9%	23.8%	37.4%
Δ 1-Yr	-69.2%	Capex	4.1	30.4	4.4	Net gearing	-15.3%	-55.0%	-60.8%
52 week range	4.00-16.80	EBITDA	106.4	142.8	209.9	Current ratio	2.4	1.8	1.8
Share o/s (m)	12,000	Net debt (cash)	(41.1)	(154.4)	(133.9)	Cash ratio	0.3	0.7	0.8
Fully diluted (m)	12,000	Free cash flow	(119.2)	(4.1)	(13.7)	Debt ratio	34.4%	46.2%	43.9%
Market cap (US\$ m)	348					Debt to equity	0.0%	0.0%	0.0%
P/E	5.00					Earnings Per Share (EPS)	0.94	1.10	1.82
						Dividend Paid Per Share (DPS)	1.00	0.35	1.27

Alterio Fundamental Index Components

Nigeria

Guaranty Trust Bank

Bloomberg ticker: GUARANTY:NL

Industry: Banks - Sub-Industry: Commercial Banks

Stock performance		Key financials (US\$m)				Key ratios			
		2010	2009	2008					
Close (NGN)	14.14	Net interest income	552.5	569.5	333.2	Return On Assets (ROA)	3.5%	2.8%	
Δ 1week	-0.5%	Operating income	813.2	844.4	563.5	Return on Equity (ROE)	18.4%	14.8%	16.9%
Δ Ytd	0.1%	Net income	259.1	193.0	201.9	Net interest margin	14.2%	16.9%	
Δ 1-Yr	-6.3%	Total assets	7,696.3	7,285.7	6,500.1	Cost to income ratio	52.9%	45.4%	49.2%
52 week range	11.40-16.79	Loans and advances	3,979.1	3,877.9	2,846.5	Impairment charge to Loans and advances	1.8%	5.8%	1.1%
Share o/s (m)	23,317	Customer deposits	4,962.1	4,496.8	3,167.0	Deposit growth	13.0%	42.0%	
Fully diluted (m)	23,317	Shareholder equity	1,411.5	1,303.4	1,194.5	Loan-to-deposit	78.8%	81.2%	88.9%
Market cap (US\$ m)	2,570	Free cash flow	280.9	(752.1)	1,877.6	Earnings Per Share (EPS)	1.67	1.53	1.96
P/E	8.48					Dividend Paid Per Share (DPS)	0.85	0.80	0.64

Alterio Fundamental Index Components

Nigeria

Flour Mills of Nigeria

Bloomberg ticker: FLOURMIL:NL

Industry: Food - Sub-Industry: Flour & Grain

Stock performance		Key financials (US\$m)			Key ratios				
		2011	2010	2009	2011	2010	2009		
Close (NGN)	64.00	Net sales	1,586.5	1,402.6	1,244.4	Return On Assets (ROA)	6.2%	12.1%	
Δ 1week	1.6%	Net income	62.8	115.1	26.9	Return on Equity (ROE)	20.9%	34.0%	11.4%
Δ Ytd	-2.3%	Cash and Cash equiv.	59.0	43.0	137.0	Operating Margin	10.4%	14.3%	7.3%
Δ 1-Yr	-12.9%	Capex	128.9	126.7	104.6	Net gearing	108.4%	81.7%	115.7%
52 week range	56.58-95.80	EBITDA	216.9	238.8	123.3	Current ratio	1.3	1.0	1.0
Share o/s (m)	1,879.2	Net debt (cash)	325.6	276.4	273.2	Cash ratio	0.2	0.1	0.3
Fully diluted (m)	1,879.2	Free cash flow	(27.8)	74.3	(66.2)	Debt ratio	69.4%	62.9%	73.0%
Market cap (US\$ m)	743					Debt to equity	101.5%	56.6%	79.7%
P/E	14.17					Earnings Per Share (EPS)	4.52	9.67	2.23
						Dividend Paid Per Share (DPS)	1.83	0.49	0.91

Alterio Fundamental Index Components

Nigeria

PZ Cussons Nigeria

Bloomberg ticker: PZ:NL

Industry: Home Furnishings - Sub-Industry: Appliances

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (NGN)	29.10	Net sales	424.1	437.9	570.2	Return On Assets (ROA)	9.8%	10.1%	
Δ 1week	0.3%	Net income	37.8	36.6	37.9	Return on Equity (ROE)	14.4%	15.0%	13.4%
Δ Ytd	1.7%	Cash and Cash equiv.	63.0	19.0	25.0	Operating Margin	12.9%	12.4%	11.1%
Δ 1-Yr	12.7%	Capex	34.9	34.0	26.5	Net gearing	-28.2%	-12.3%	-12.0%
52 week range	21.82-35.28	EBITDA	65.4	63.8	63.1	Current ratio	2.2	2.2	2.3
Share o/s (m)	3,970.5	Net debt (cash)	(73.9)	(30.0)	(33.9)	Cash ratio	0.6	0.2	0.2
Fully diluted (m)	3,970.5	Free cash flow	45.9	10.9	19.1	Debt ratio	31.6%	32.3%	33.0%
Market cap (US\$ m)	713					Debt to equity	0.0%	0.0%	0.0%
P/E	17.43					Earnings Per Share (EPS)	1.67	1.52	1.24
						Dividend Paid Per Share (DPS)	0.68	0.62	0.81

Alterio Fundamental Index Components

Nigeria

Unilever Nigeria


Bloomberg ticker: UNILEVER:NL

Industry: Food - Sub-Industry: Food Misc.

Stock performance

Close (NGN)	29.00
Δ 1week	0.0%
Δ Ytd	0.0%
Δ 1-Yr	7.7%
52 week range	22.56-32.14
Share o/s (m)	3,783.3
Fully diluted (m)	3,783.3
Market cap (US\$ m)	677
P/E	26.24

Key financials (US\$m)

	2010	2009	2008	
Net sales	308.4	300.2	252.3	
Net income	27.5	27.6	17.5	
Cash and Cash equiv.	18.0	13.0	18.0	
Capex	20.0	12.0	8.0	
EBITDA	51.1	49.8	35.4	
Net debt (cash)	(12.8)	(3.2)	(0.6)	
Free cash flow	11.2	5.6	18.0	

Key ratios

	2010	2009	2008
Return On Assets (ROA)	16.9%	17.4%	
Return on Equity (ROE)	50.2%	49.9%	38.9%
Operating Margin	37.3%	39.1%	34.8%
Net gearing	-23.4%	-5.9%	-1.4%
Current ratio	1.0	1.1	1.0
Cash ratio	0.2	0.2	0.2
Debt ratio	67.9%	65.4%	71.6%
Debt to equity	0.0%	0.0%	0.0%
Earnings Per Share (EPS)	1.11	1.08	0.69
Dividend Paid Per Share (DPS)	1.07	0.68	0.25

Alterio Fundamental Index Components

Nigeria

UAC of Nigeria

Bloomberg ticker: UACN:NL

Industry: Retail - Sub-Industry: Retail-Restaurants

Stock performance		Key financials (US\$m)				Key ratios			
		2010	2009	2008		2010	2009	2008	
Close (NGN)	29.70	Net sales	344.7	382.0	362.1	Return On Assets (ROA)	5.5%	6.5%	
Δ 1week	0.0%	Net income	35.9	41.7	46.2	Return on Equity (ROE)	15.0%	16.5%	17.7%
Δ Ytd	-5.7%	Cash and Cash equiv.	48.0	37.0	28.0	Operating Margin	16.3%	15.0%	17.1%
Δ 1-Yr	-23.5%	Capex	26.2	48.2	55.0	Net gearing	-25.7%	5.8%	-3.4%
52 week range	28.70-42.50	EBITDA	74.9	67.9	61.9	Current ratio	1.5	1.0	1.0
Share o/s (m)	1,600.7	Net debt (cash)	(61.6)	14.6	(9.0)	Cash ratio	0.2	0.1	0.1
Fully diluted (m)	1,600.7	Free cash flow	14.7	22.8	50.0	Debt ratio	55.5%	52.2%	52.3%
Market cap (US\$ m)	294					Debt to equity	0.0%	0.0%	0.0%
P/E	14.90					Earnings Per Share (EPS)	1.99	3.14	3.31
						Dividend Paid Per Share (DPS)	0.73	1.74	1.26

Alterio Fundamental Index Components

Botswana

FNB Botswana

Bloomberg ticker: FNBB:BG

Industry: Banks - Sub-Industry: Commercial Banks

Stock performance		Key financials (US\$m)			Key ratios				
		2011	2010	2009	2011	2010	2009		
Close (BWP)	2.63	Net interest income	101.3	78.4	78.0	Return On Assets (ROA)	4.5%	3.5%	
Δ 1week	-0.8%	Operating income	178.7	137.6	133.4	Return on Equity (ROE)	50.0%	37.6%	44.1%
Δ Ytd	-0.8%	Net income	87.8	62.8	60.6	Net interest margin	9.9%	10.4%	
Δ 1-Yr	12.9%	Total assets	2,013.3	1,763.9	1,856.2	Cost to income ratio	40.3%	39.7%	36.3%
52 week range	2.29-2.86	Loans and advances	1,097.1	836.8	692.3	Impairment charge to Loans and advances	0.8%	0.7%	0.9%
Share o/s (m)	2,563.7	Customer deposits	1,621.4	1,485.9	1,573.4	Deposit growth	2.8%	-2.4%	
Fully diluted (m)	2,563.7	Shareholder equity	175.7	167.1	137.4	Loan-to-deposit	67.1%	55.9%	43.6%
Market cap (US\$ m)	893	Free cash flow	(83.2)	(164.3)	13.9	Earnings Per Share (EPS)	0.23	0.17	0.16
P/E	11.66					Dividend Paid Per Share (DPS)	0.23	0.09	0.08

Alterio Fundamental Index Components

Ghana

Ghana Commercial Bank

Bloomberg ticker: GCB:GN

Industry: Banks - Sub-Industry: Commercial Banks

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (GHS)	1.94	Net interest income	192.1	104.8	104.7	Return On Assets (ROA)	2.8%	1.1%	
Δ 1week	0.5%	Operating income	223.5	161.1	147.9	Return on Equity (ROE)	22.4%	9.3%	18.1%
Δ Ytd	4.9%	Net income	37.9	15.0	29.8	Net interest margin	21.2%	10.1%	
Δ 1-Yr	-26.3%	Total assets	1,427.4	1,530.1	1,308.0	Cost to income ratio	51.0%	69.5%	63.8%
52 week range	1.80-3.04	Loans and advances	678.1	1,007.1	861.6	Impairment charge to Loans and advances	7.1%	2.9%	0.8%
Share o/s (m)	265.00	Customer deposits	1,064.3	1,002.3	816.5	Deposit growth	25.1%	22.3%	
Fully diluted (m)	265.00	Shareholder equity	169.2	161.9	164.7	Loan-to-deposit	59.2%	97.6%	104.7%
Market cap (US\$ m)	299	Free cash flow	224.4	61.5	146.2	Earnings Per Share (EPS)	0.21	0.07	0.14
P/E	9.16					Dividend Paid Per Share (DPS)	0.04	0.06	0.05

Alterio Fundamental Index Components

Ghana

Fan Milk

Bloomberg ticker: FML:GN

Industry: Food - Sub-Industry: Food-Dairy

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (GHS)	2.35	Net sales	70.1	58.2	43.6	Return On Assets (ROA)	32.4%	36.2%	
Δ 1week	0.0%	Net income	13.1	10.7	5.6	Return on Equity (ROE)	37.2%	43.3%	33.0%
Δ Ytd	-0.4%	Cash and Cash equiv.	18.0	11.0	7.0	Operating Margin	23.8%	23.3%	16.4%
Δ 1-Yr	-0.8%	Capex	7.5	8.6	5.1	Net gearing	-50.2%	-45.2%	-41.2%
52 week range	1.76-3.11	EBITDA	20.0	16.3	9.5	Current ratio	2.7	1.9	1.7
Share o/s (m)	118.71	Net debt (cash)	(17.7)	(11.2)	(7.0)	Cash ratio	1.8	1.1	0.8
Fully diluted (m)	118.71	Free cash flow	6.9	4.9	3.6	Debt ratio	23.8%	31.4%	34.8%
Market cap (US\$ m)	162					Debt to equity	0.0%	0.0%	0.0%
P/E	14.38					Earnings Per Share (EPS)	0.16	0.13	0.06
						Dividend Paid Per Share (DPS)	0.02	0.01	0.01

Alterio Fundamental Index Components

Malawi

Illovo Sugar Malawi

Bloomberg ticker: ILLOVO:MW

Industry: Food - Sub-Industry: Sugar

Stock performance		Key financials (US\$m)			Key ratios			
		2011	2010	2009				
Close (MWK)	130.00	Net sales	204.4	193.3	190.8	Return On Assets (ROA)	20.5%	25.4%
Δ 1week	0.0%	Net income	42.6	48.0	46.5	Return on Equity (ROE)	37.4%	45.2%
Δ Ytd	0.0%	Cash and Cash equiv.	4.9	6.8	10.8	Operating Margin	31.6%	38.1%
Δ 1-Yr	-31.6%	Capex	8.3	11.7	15.4	Net gearing	-2.2%	-0.2%
52 week range	109.50-130.00	EBITDA	67.2	77.4	74.3	Current ratio	2.3	2.4
Share o/s (m)	713.44	Net debt (cash)	(2.5)	(0.2)	(5.9)	Cash ratio	0.1	0.2
Fully diluted (m)	713.44	Free cash flow	(34.8)	(37.7)	(28.6)	Debt ratio	48.1%	46.9%
Market cap (US\$ m)	565					Debt to equity	0.8%	1.1%
P/E	14.44					Earnings Per Share (EPS)	9.01	9.97
						Dividend Paid Per Share (DPS)	7.00	6.72
								5.40

Alterio Fundamental Index Components

Namibia

Namibia Breweries

Bloomberg ticker: NBS:NW

Industry: Beverages - Sub-Industry: Brewery

Stock performance		Key financials (US\$m)			Key ratios			
		2011	2010	2009				
Close (NAD)	12.00	Net sales	265.2	230.6	203.5	Return On Assets (ROA)	16.4%	14.3%
Δ 1week	0.0%	Net income	31.2	21.3	20.6	Return on Equity (ROE)	26.7%	23.6%
Δ Ytd	0.0%	Cash and Cash equiv.	13.5	23.6	8.7	Operating Margin	20.9%	17.5%
Δ 1-Yr	47.6%	Capex	39.4	14.2	16.5	Net gearing	12.4%	-2.6%
52 week range	8.12-12.00	EBITDA	65.1	48.6	33.3	Current ratio	2.0	1.5
Share o/s (m)	206.53	Net debt (cash)	14.4	(2.4)	(5.8)	Cash ratio	0.3	0.5
Fully diluted (m)	206.53	Free cash flow	(20.8)	2.7	(13.1)	Debt ratio	43.7%	42.2%
Market cap (US\$ m)	304					Debt to equity	23.4%	0.8%
P/E	11.73					Earnings Per Share (EPS)	1.02	0.77
						Dividend Paid Per Share (DPS)	0.47	0.44
								0.39

Alterio Fundamental Index Components

Tanzania

NMB

Bloomberg ticker: NMB:TZ

Industry: Banks - Sub-Industry: Commercial Banks

Stock performance		Key financials (US\$m)				Key ratios				
		2010	2009	2008		2010	2009	2008		
Close (TZS)	850.00	Net interest income	89.2	96.8	94.2		Return On Assets (ROA)	2.9%	3.1%	
Δ 1week	1.2%	Operating income	136.8	127.5	118.6		Return on Equity (ROE)	23.4%	24.7%	30.5%
Δ Ytd	0.0%	Net income	36.9	36.1	37.4		Net interest margin	14.7%	17.1%	
Δ 1-Yr	30.8%	Total assets	1,441.2	1,267.0	1,063.1		Cost to income ratio	59.9%	55.3%	50.1%
52 week range	640.00-860.00	Loans and advances	586.7	510.5	438.2		Impairment charge to Loans and advances	0.2%	1.0%	1.1%
Share o/s (m)	500.00	Customer deposits	1,239.9	1,107.7	922.0		Deposit growth	24.2%	21.6%	
Fully diluted (m)	500.00	Shareholder equity	157.7	145.9	122.6		Loan-to-deposit	47.2%	45.6%	47.0%
Market cap (US\$ m)	269	Free cash flow	131.1	131.0	(22.0)		Earnings Per Share (EPS)	107.96	95.10	97.41
P/E	7.87						Dividend Paid Per Share (DPS)	31.40	30.00	22.00

Alterio Fundamental Index Components

Tanzania

Twinga

Bloomberg ticker: TWIGA:TZ

Industry: Building Materials - Sub-Industry: Bldg Prod-Cement/Aggreg

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (TZS)	2,080	Net sales	136.5	135.9	114.2	Return On Assets (ROA)	24.5%	26.6%	
Δ 1week	0.0%	Net income	34.3	36.4	26.9	Return on Equity (ROE)	29.8%	33.9%	32.9%
Δ Ytd	0.0%	Cash and Cash equiv.	18.4	7.7	14.5	Operating Margin	38.0%	40.2%	35.7%
Δ 1-Yr	15.6%	Capex	4.7	21.2	50.1	Net gearing	-15.7%	-6.8%	7.0%
52 week range	1,800.00-2,100.00	EBITDA	58.7	60.3	43.4	Current ratio	3.4	1.9	0.9
Share o/s (m)	179.92	Net debt (cash)	(18.0)	(7.3)	5.7	Cash ratio	1.2	0.4	0.4
Fully diluted (m)	179.92	Free cash flow	11.3	12.7	(21.1)	Debt ratio	22.5%	26.4%	37.1%
Market cap (US\$ m)	237					Debt to equity	0.3%	0.3%	0.5%
P/E	7.45					Earnings Per Share (EPS)	279.04	266.74	194.32
						Dividend Paid Per Share (DPS)	123.58	65.87	42.37

Alterio Fundamental Index Components

Zambia

Zanaco

Bloomberg ticker: ZANACO:ZL

Industry: Banks - Sub-Industry: Commercial Banks

Stock performance		Key financials (US\$m)			Key ratios				
		2010	2009	2008	2010	2009	2008		
Close (ZMK)	1,349	Net interest income	67.8	70.6	53.7	Return On Assets (ROA)	3.4%	2.7%	
Δ 1week	-3.6%	Operating income	118.8	107.8	82.2	Return on Equity (ROE)	23.6%	20.1%	16.1%
Δ Ytd	-0.1%	Net income	23.5	17.2	10.7	Net interest margin	20.1%	24.1%	
Δ 1-Yr	52.5%	Total assets	735.7	659.6	600.5	Cost to income ratio	63.6%	61.4%	70.4%
52 week range	846.00-1,400.00	Loans and advances	360.6	252.3	206.2	Impairment charge to Loans and advances	2.0%	5.6%	3.2%
Share o/s (m)	1,155	Customer deposits	541.6	497.4	479.0	Deposit growth	13.0%	-1.4%	
Fully diluted (m)	1,155	Shareholder equity	99.6	85.9	66.4	Loan-to-deposit	65.3%	47.9%	41.7%
Market cap (US\$ m)	305	Free cash flow	(73.5)	(64.7)	77.4	Earnings Per Share (EPS)	97.41	68.70	52.09
P/E	13.85					Dividend Paid Per Share (DPS)	21.00	15.75	8.66

Alterio Fundamental Index Components

Zimbabwe

Innskor

Bloomberg ticker: INAF:ZH

Industry: Retail - Sub-Industry: Retail-Restaurants

Stock performance		Key financials (US\$m)			Key ratios				
		2011	2010	2009	2011	2010	2009		
Close (USD)	0.57	Net sales	516.1	403.5	254.8	Return On Assets (ROA)	14.1%	10.4%	
Δ 1week	3.6%	Net income	32.8	20.8	11.5	Return on Equity (ROE)	32.2%	18.3%	11.3%
Δ Ytd	5.3%	Cash and Cash equiv.	17.8	16.3	14.2	Operating Margin	7.4%	5.7%	5.4%
Δ 1-Yr	-5.0%	Capex	43.3	20.4	10.6	Net gearing	-3.4%	-17.6%	-16.6%
52 week range	0.53-0.70	EBITDA	47.0	29.4	19.5	Current ratio	1.0	1.8	1.6
Share o/s (m)	541.59	Net debt (cash)	(3.5)	(20.1)	(16.8)	Cash ratio	0.2	0.2	0.3
Fully diluted (m)	541.59	Free cash flow	(7.2)	(5.3)	(4.7)	Debt ratio	49.4%	39.1%	35.5%
Market cap (US\$ m)	309					Debt to equity	1.6%	5.9%	0.8%
P/E	11.84					Earnings Per Share (EPS)	0.05	0.03	0.02
						Dividend Paid Per Share (DPS)	0.01	0.00	0.00

Alterio Fundamental Index Components

Zimbabwe

Seed Co

Bloomberg ticker: SEEDCO:ZH

Industry: Agriculyure - Agricultural Operations

Stock performance		Key financials (US\$m)			Key ratios				
		2011	2010	2009	2011	2010	2009		
Close (USD)	1.16	Net sales	97.8	77.0	53.8	Return On Assets (ROA)	16.4%	15.3%	
Δ 1week	6.4%	Net income	17.4	13.4	13.9	Return on Equity (ROE)	24.9%	23.5%	26.6%
Δ Ytd	5.5%	Cash and Cash equiv.	5.0	9.6	3.5	Operating Margin	26.0%	23.9%	32.2%
Δ 1-Yr	5.5%	Capex	10.1	3.6	2.1	Net gearing	29.6%	-13.4%	0.6%
52 week range	1.00-1.42	EBITDA	28.2	19.7	18.2	Current ratio	2.0	2.8	2.3
Share o/s (m)	192.27	Net debt (cash)	20.7	(7.7)	0.3	Cash ratio	0.1	0.5	0.2
Fully diluted (m)	196.05	Free cash flow	(26.5)	7.5	8.4	Debt ratio	42.9%	33.6%	36.5%
Market cap (US\$ m)	223					Debt to equity	0.3%	0.5%	0.1%
P/E	12.79					Earnings Per Share (EPS)	0.09	0.07	0.07
						Dividend Paid Per Share (DPS)	0.01	0.00	0.00

Alterio Africa Fundamental Index Methodology

Alterio Africa Fundamental Index (AAFI) is an index developed by Alterio Research to track the performance of African stocks. The index is based upon fundamental measures of company size as opposed to market capitalization.

Alterio Research applies to all stocks a first screen of liquidity. Only the most liquid stocks are included in the index.

For each selected stock, a **Fundamental score** is calculated as the sum of three fundamental factors using the last three audited annual reports of the company:

- **Fundamental factor 1:** uses the ratio of *Return On Equity (ROE)* as driver.
This factor measures how well a company uses shareholders funds to generate earnings growth. It embodies key financials such as sales, operating expenses, operating profit and other income.
- **Fundamental factor 2:** derived from the ratio *Free cash flow / Weighted average number of ordinary shares*.
This factor measures how management generates value to shareholders beyond dividends payment and the costs to maintain and expand the business.
- **Fundamental factor 3:** calculated as the ratio of *Dividend paid / Weighted average number of ordinary shares*.
This factor measures the amount of dividend paid per share during a fiscal period.

Only companies with fundamental score greater than 15 are included in the AAFI.

The AAFI is reconstituted once a year in June and components are added or deleted based on changes in fundamental scores.

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