

Market commentary

The AAFI closed this week at 97.90 points, 2.6% higher since our last report dated December 16, 2011. 25 equities appreciated in price during the period, higher than the 20 in the preceding close.

In USD terms, the AAFI increased 3.1% as total market cap rose from \$32,566m to \$33,576m. The average P/E is 12.8, while average dividend yield stands at 4.6%.

Except Tanzania, all other countries recovered from previous loss, with Zambia, Zimbabwe and Nigeria rising 32%, 6% and 3% respectively.

Zanaco jumped 32%, trading now at a P/E ratio of 14.3, while the average for the banking industry is 8.8. Dangote Sugar is another top performer this week, up 21.6% to 4.89 NGN. We believe the stock is still trading at an attractive discount and its upside potential remains relatively strong.

Bamburi Cement (Kenya) shares dropped 9.4%, a total loss of nearly 17% for the last two months.

In order to bring more coverage to the Africa's frontier markets, we will soon be providing stock valuation report. The first report on Dangote Sugar is expected to be released in February.

Market performance

	Close	Δ 3-week	Δ Ytd	Δ 1 yr
Alterio Africa Fundamental Index (AAFI)	97.90	2.64%	0.27%	-4.94%
MSCI Frontier Markets Index	465.60	-0.38%	-0.41%	-23.20%
MSCI Emerging Markets Index	927.06	2.54%	-1.37%	-19.19%
Dow Jones Africa Titans 50 Index	635.07	2.83%	-1.03%	-23.86%
S&P 500 Index	1,277.81	4.77%	0.06%	0.50%

AAFI performance by country

	Δ 3-week	Δ Ytd	Δ 1 yr
Botswana	0.0%	0.0%	22.7%
Ghana	2.4%	2.2%	-16.3%
Kenya	1.6%	0.2%	-25.6%
Malawi	0.0%	0.0%	18.6%
Namibia	0.1%	0.0%	47.8%
Nigeria	3.1%	-0.2%	-2.4%
Tanzania	-0.7%	-0.7%	22.8%
Zambia	32.0%	3.7%	68.9%
Zimbabwe	5.8%	0.3%	6.3%

Gainers

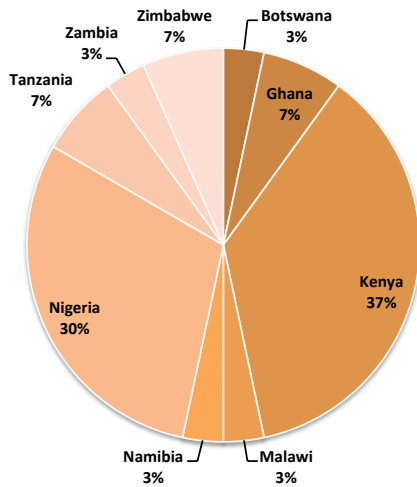
	Δ 3-week
Zanaco	32.0%
Dangote Sugar	21.6%
Barclays Kenya	12.4%
Co-Operative Bank of Kenya	8.5%

Decliners

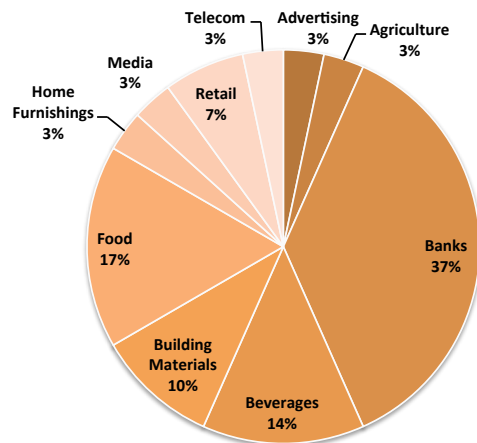
	Δ 3-week
Bamburi Cement	-9.4%
Equity Bank	-7.1%
Nigerian Breweries	-2.7%
NMB	-1.2%

AAFI weekly performance

Country breakdown



Industry breakdown



Constituents:	30
<hr style="border-top: 1px dashed black;"/>	
Market cap (\$m):	33,575.8

P/E (Avg):	12.77
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Dividend yield (Avg):	4.6%

Zanaco	32.0%
Dangote Sugar	21.6%
Barclays Kenya	12.4%
Co-Operative Bank of Kenya	8.5%
Seed Co	7.9%
Dangote Cement	7.3%
Safaricom	7.1%
Unilever Nigeria	6.5%
KCB Bank	5.7%
Guaranty Trust Bank	5.1%
EABL	4.7%
Ghana Commercial Bank	4.3%
Guinness Nigeria	3.8%
PZ Cussons Nigeria	3.5%
Innsco	3.4%

UAC of Nigeria	1.7%
Flour Mills of Nigeria	0.8%
Scangroup	0.6%
Namibia Breweries	0.1%
Diamond Trust	0.0%
FNB Botswana	0.0%
Illovo Sugar Malawi	0.0%
Twinga	0.0%
Fan Milk	0.0%
Standard Chart.Bank Kenya	0.0%
Nation Media Group	-0.7%
NMB	-1.2%
Nigerian Breweries	-2.7%
Equity Bank	-7.1%
Bamburi Cement	-9.4%

AAFI detailed analysis in pages 10-41

Macro commentary

Given in particular the success of Namibia's USD500mn maiden Eurobond last fall which saw an over-subscription of roughly 5.5x—largely a function, per pundits, of its perception as a proxy on SSA commodity wealth with a similar [Fitch] credit rating (BBB-) to South Africa (BBB+) but an approximate 200bp added spread—most observers expect Zambia's impending offering in 2012 to be similarly received against a supportive macro backdrop defined chiefly by copper's potential and relative price resiliency (in the face of developed market aggregate demand contraction) as well as accommodative monetary policy unconstrained by overly zealous inflationary pressures.

To the first point much like the supply side dynamic for crude whereby prices are likely to be supported going forward by limited spare capacity and inventory cover (irrespective of events stemming from China, Europe or even Iran), global mine output for copper—bluntly described by one analyst as 'disastrous and getting worse'—was on track in late November to contract annually for the first time since 2002 while physical indicators in China (i.e. wire and cable demand and scrap shortages) now pose upside risks given deep discounts already ascribed to the effects of a credit-induced market crash there. Such price stickiness would not only be welcome to Zambia, where the potential pace of Copperbelt output expansion over the next several years stand to make it the fifth-largest producer in the world, but somewhat imperative to post-election fiscal ambitions and thus of utmost interest to its creditors who will monitor the continued health of a current account balance now slightly in surplus (the 2012 budget, for example, is characterized by increases in social spending and farming subsidies as overall spending is slated to rise to 26.5 percent of gross domestic output from 21 percent). To this end President Michael Sata's decision to double mining royalties but withhold a much-ballyhooed windfall tax was not only prudent but in fact obligatory in our view given the unfortunate reality of infrastructural bottlenecks (i.e. transport and power supply related) and skilled-labor shortages that for the appreciable future will relegate Zambia to being a comparatively inefficient, high cost producer (though admittedly bond proceeds would theoretically begin to erode at least some of these concerns).

As to central bank easing, strategists suggest that Sata's election in fact signaled a monetary policy paradigm shift towards cheaper funding costs. Indeed within one week of former President Rupiah Banda's defeat then-central bank Governor Caleb Fundanga, credited by some with helping to temper inflation into single digits for the first time in three decades, was removed. Since then a 300bp reduction of the reserve ratio for both local and foreign currency deposits as well as the core liquid assets ratio, coupled with a general reduction of base lending rates (for now Zambia lacks an official benchmark rate per se) augmented liquidity while headline inflation fell sharply over the last three months of the year (7.2 percent y/y in December from 8.1 percent in November and 8.7 percent in October). Taken together, and alongside a fairly resilient currency (due in part to central bank support) real yields remain attractive going forward as investors embrace a new political and perhaps monetary landscape in the new year.

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

Frontier Debt Market - Background and Introduction

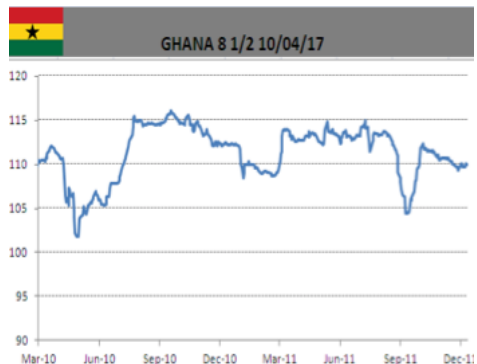
Frontier debt markets have historically been relegated to esoteric off-benchmark allocations for emerging markets debt investors mainly due to their relatively smaller size, lack of liquidity and the low level of business transparency and political stability that characterize frontier countries.

Amid the current low yield environment driven by coordinated dovish policy responses to the ongoing global financial turmoil, and a consequent sustained flight to quality catalyzing record rallies in developed bond markets, investors are shifting (albeit somewhat timidly) their focus to sources of “emerging wealth”. The emerging wealth concept has seen a good deal of traction in the past decade, as leading emerging markets nations (i.e. the BRICS – Brazil, Russia, India, China) have experienced colossal capital inflows up until the peak of the financial crisis when capital fled all risk assets. These advanced emerging markets assets (fixed income assets included), despite having cheapened materially during this risk-selloff event have generally had a strong run in the last decade or so; more importantly their correlation to developed markets continues to edge higher as this mainstream sub-asset class matures.

Frontier markets on the other hand, have remained relatively untapped by the broader investment community, and risk premium remains elevated relative to advanced EM, while their correlation with advanced global markets is still quite low. Thus, in addition to the fundamental merits of Frontier debt assets (strong balance sheet, favorable demographics, improving regulatory and political landscape, growing middle-class, wealth of natural resources, etc.), relative value and risk diversification metrics make an appetizing case for the frontier debt asset class, despite a lack of liquidity and depth still plaguing the development of financial markets in those parts of the world, most notably in SSAfrica (Sub-Saharan Africa). There is a gradual maturation process in these markets, henceforth investors, regulators, market-makers and index providers are all coming to the same realization. Currently, almost half of the countries in sub-Saharan Africa have a sovereign rating, compared to only three countries (South Africa, Senegal and Mauritius) less than a decade ago. Moreover, African countries are more than ever recognizing the tremendous need and opportunity to tap capital markets for their financing needs, rather than relying exclusively on international assistance programs (IMF, World Bank, etc.). To that end, local debt markets are expected to expand at a much faster pace, given their ability to insulate local debt issuers (government and corporations alike) from foreign exchange risk; the latter being subject to immense volatility in the present global “currency war” regime.

Bond market update

Ghana:



Source: JPMorgan Research

The BOG has maintained policy rate at 12.5% since July 2010 (when it cut by 50 bps). With inflation being somewhat on the uptick partly as a result of increased government spending and public wages hikes, it should remain within the 8.5+/- 2% band instituted by the MPC (YoY 8.6%). In Ghana Dollar debt, we continue to expect strong price support around the 110 price level as the country's growth potential should keep a lid on debt levels going forward. The headwinds linked to weakening fiscal deficit are likely to remain for a while given delays to reach the expected oil extraction targets.

Kenya:



Source: Bloomberg

In Kenya, policy rates was lifted to 18% last November in an attempt by the CBK to stem inflationary pressure (CPI 19.7% YoY) and combat Shilling weakness which in itself has been a source of imported price pressure (Kenya being a huge net exporter. We however, do feel we might be near the end of the tightening cycle as policy rates currently are approaching unsustainably high level, with a curve. KENGB maturing 10/20 (see chart) has sold off materially with yields spiking from 8% last October to around 17% in the first week of 2012. This offers an attractive entry point for Kenya local bonds although international investors should be mindful of KES volatility.

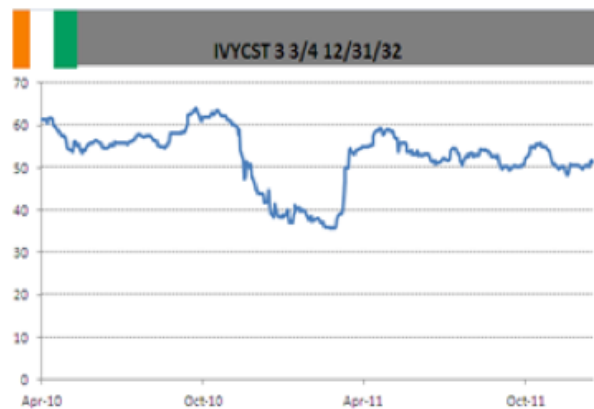
Nigeria:



Source: JPMorgan Research

The inflation picture has been marginally improving in Nigeria, albeit still struggling to fall below double-digit (YoY CPI at 10.5%). The MPC continues to express strong commitment to fight currency volatility, a major source of inflation, via FX sales. Thus, barring a huge degradation in global risk sentiment the CBN, should maintain its tightening cycle in the short/medium term. In light of the MPC' s largely hawkish stance, we deem local bonds to be less attractive as this juncture. Eurobonds however should continue to see gradual price appreciation driven by strong fundamentals (improving public debt metrics, strong growth, large FX reserves, and maturing regulatory environment) and technicals as Nigeria debt proves a regional favorite for institutional flows (e.g. JPM EMBIG index constituent). Nigeria 6 21s has snapped back up from its September 2011 low (when global risk assets seized up amid the renewed Euro-area woes and US fiscal crisis), and indication that investors were able to look past the contagion effect and remain bullish on the country's fundamentals.

Ivory Coast:

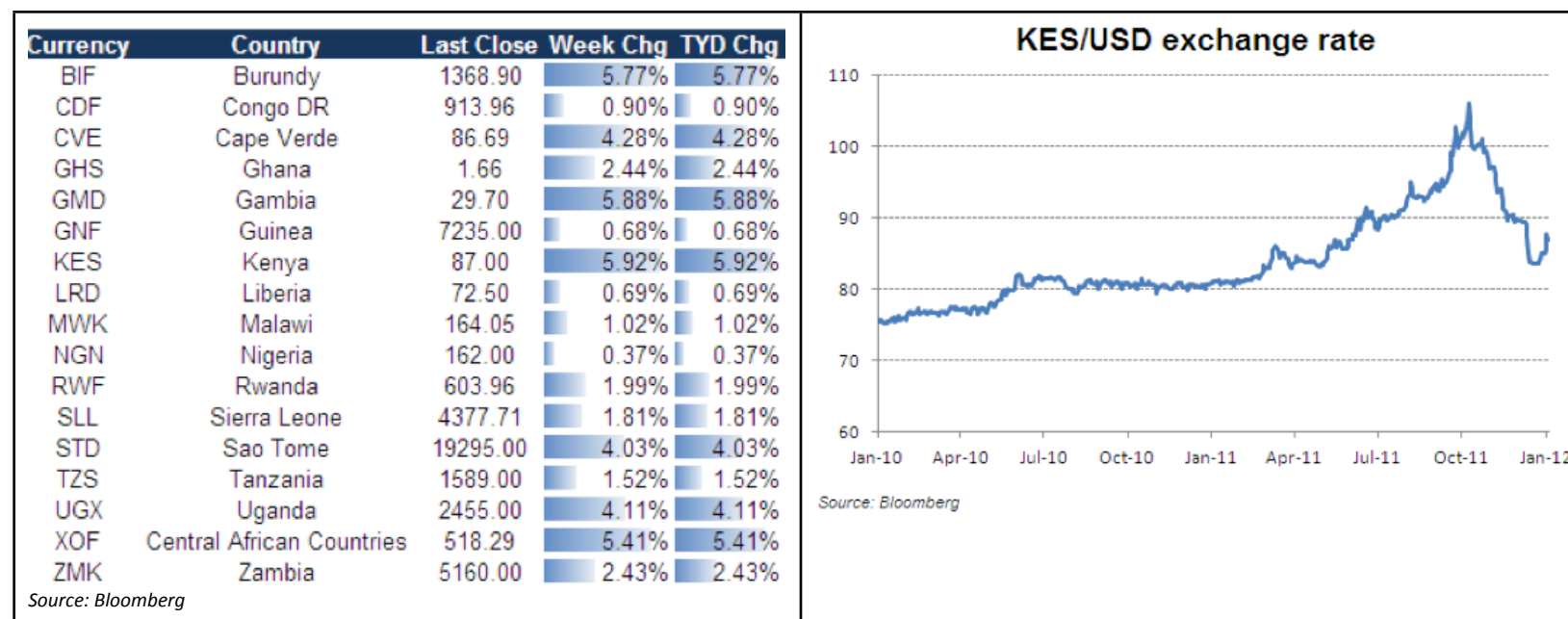


Source: JPMorgan Research

Ivory Coast Dollar debt has stabilized in the past few months thanks in part to a relatively smooth legislative elections following the massive political impasse involving ex-president Gbabgo and newly-elected president Ouattara in 2010-11. At this point, markets received commitment by the Ivorian Government to resume debt service on the Ivory Coast 32s, after missing their last three coupon payments (December 2010, June 2010 and December 2011). FinMin Koffi Diby has hinted at a potential full payment of missed coupons in June 2012, but it would be highly contingent upon a smooth and favorable negotiation for a new ECF(Extended Credit Facility)/Paris Club. It is less probable in our view, that arrears payments will be made by June 2012, so markets might be in for a bit of a negative surprise. Also, with growth figures forecasted in the negative 5-6% range for 2012, we would wait for a pullback from current levels to reassess valuation on the Dollar debt.

FX corner

African currencies are the most correlated African frontier asset class as it relates to global risk appetite. With a global economy still facing tremendous uncertainty and the potential for policy-driven technical volatility, trading in SSA currencies is likely to yet again be choppy for the year 2012. While there are some strong idiosyncratic stories in the region, most African central banks lack sufficient FX reserves to sustainably intervene to curb currency volatility.



The Africa FX complex showed some early sign of weakness with no currency posting gains against the Dollar thus far. In fact, global USD demand has been quite strong pushing the USD index back above 81, the highest figure in over a year. The Kenyan Shilling (KES) continues to highlight the SSA FX complex, with renewed strength after plunging throughout most of 2011 before regaining upward velocity late in 4Q11. However, KES has opened the year giving back a good chunk of its 4Q11 gains, lagging major SSA currencies with a nearly 6% weekly underperformance on a YTD/WTD basis.

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) Portfolio was funded this week, detailed portfolio analysis will follow on future reports

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
CASH	-	-	-	49%	-

* O/W, U/W, M/W, OFF-Bench (OverWeight, UnderWeight, MarketWeight, Off-Benchmark)

** Prices in Red, Yields in Yellow

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)	13.10	Net interest income	194.2	194.7	179.4	Return On Assets (ROA)	6.3%	3.7%	
Δ 1week	12.4%	Operating income	322.5	308.5	302.5	Return on Equity (ROE)	33.7%	25.2%	27.0%
Δ Ytd	0.0%	Net income	131.3	80.3	70.7	Net interest margin	16.3%	13.6%	
Δ 1-Yr	-13.6%	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)	822	Free cash flow	(26.3)	14.6	197.3	Earnings Per Share (EPS)	1.95	1.12	1.02
P/E	6.71					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	5.7%	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)	566	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)	41.00	Net sales	140.8	78.0	74.1	Return On Assets (ROA)	10.7%	10.4%	
Δ 1week	0.6%	Net income	7.9	5.3	4.0	Return on Equity (ROE)	19.7%	17.0%	15.3%
Δ Ytd	-2.4%	Cash and Cash equiv.	8.5	2.4	2.1	Operating Margin	5.8%	9.2%	7.6%
Δ 1-Yr	-21.1%	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)	135					Debt to equity	5.8%	0.5%	0.2%
P/E	19.23					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)	177.00	Net sales	464.4	450.9	497.2	Return On Assets (ROA)	24.2%	24.7%	
Δ 1week	4.7%	Net income	108.1	108.3	140.6	Return on Equity (ROE)	42.5%	41.7%	47.2%
Δ Ytd	1.1%	Cash and Cash equiv.	16.2	16.0	10.2	Operating Margin	29.6%	28.6%	33.5%
Δ 1-Yr	-17.9%	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)	1,617					Debt to equity	0.0%	0.0%	0.0%
P/E	19.50					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)	15.80	Net interest income	145.1	120.9	84.7	Return On Assets (ROA)	5.8%	4.7%	
Δ 1week	-7.1%	Operating income	274.5	206.7	161.4	Return on Equity (ROE)	26.2%	18.5%	20.0%
Δ Ytd	-5.7%	Net income	88.4	55.8	50.1	Net interest margin	15.0%	15.7%	
Δ 1-Yr	-43.8%	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)	676	Free cash flow	345.8	51.2	11.3	Earnings Per Share (EPS)	1.93	1.14	1.06
P/E	8.20					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)	161.00	Net interest income	100.6	96.7	75.3	Return On Assets (ROA)	4.0%	4.2%	
Δ 1week	0.0%	Operating income	172.3	161.5	129.4	Return on Equity (ROE)	26.4%	33.8%	28.3%
Δ Ytd	0.0%	Net income	66.6	62.4	41.6	Net interest margin	12.1%	11.7%	
Δ 1-Yr	-38.0%	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)	534	Free cash flow	163.2	(270.1)	41.9	Earnings Per Share (EPS)	18.58	16.45	11.33
P/E	8.66					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)	12.75	Net interest income	117.8	93.0	72.9	Return On Assets (ROA)	3.5%	3.1%	
Δ 1week	8.5%	Operating income	194.2	154.5	123.6	Return on Equity (ROE)	22.7%	18.4%	17.4%
Δ Ytd	2.4%	Net income	56.8	39.1	30.4	Net interest margin	11.9%	11.3%	
Δ 1-Yr	-34.2%	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)	514	Free cash flow	152.2	81.4	(15.6)	Earnings Per Share (EPS)	1.31	0.85	0.80
P/E	9.75					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)	89.50	Net interest income	60.5	46.5	31.2	Return On Assets (ROA)	3.3%	2.2%	
Δ 1week	0.0%	Operating income	96.1	66.9	47.0	Return on Equity (ROE)	27.8%	19.4%	19.1%
Δ Ytd	-0.6%	Net income	30.8	17.9	14.4	Net interest margin	9.0%	8.0%	
Δ 1-Yr	-22.5%	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)	202	Free cash flow	12.3	20.9	24.6	Earnings Per Share (EPS)	14.01	7.67	6.28
P/E	6.39					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)	3.00	1,141.9	1,085.9	879.9	Return On Assets (ROA)	12.1%	15.5%
Δ 1week	7.1%	158.4	195.9	131.5	Return on Equity (ROE)	19.4%	24.2%
Δ Ytd	1.7%	63.3	138.7	54.5	Operating Margin	20.4%	26.9%
Δ 1-Yr	-32.1%	306.9	225.5	297.3	Net gearing	16.5%	12.1%
52 week range	2.70-4.85	430.2	473.4	350.1	Current ratio	0.6	0.7
Share o/s (m)	40,000.00	134.9	97.9	107.3	Cash ratio	0.2	0.3
Fully diluted (m)	40,000.00	(29.9)	33.7	(36.0)	Debt ratio	40.8%	40.2%
Market cap (US\$ m)	1,386				Debt to equity	17.8%	12.2%
P/E	9.01				Earnings Per Share (EPS)	0.33	0.38
					Dividend Paid Per Share (DPS)	0.20	0.10

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)	141.00	Net sales	119.0	108.0	105.7	Return On Assets (ROA)	21.1%	16.8%	
Δ 1week	-0.7%	Net income	19.1	14.8	16.6	Return on Equity (ROE)	28.7%	24.1%	29.9%
Δ Ytd	2.9%	Cash and Cash equiv.	32.3	19.4	16.7	Operating Margin	21.0%	17.3%	21.8%
Δ 1-Yr	-13.3%	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)	256					Debt to equity	0.0%	0.6%	1.8%
P/E	14.42					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)	125.00	Net sales	347.9	395.4	351.7		Return On Assets (ROA)	16.2%	23.1%	
Δ 1week	-9.4%	Net income	65.7	91.9	43.7		Return on Equity (ROE)	26.3%	35.7%	22.0%
Δ Ytd	0.0%	Cash and Cash equiv.	94.4	84.7	23.3		Operating Margin	25.9%	25.8%	21.7%
Δ 1-Yr	-31.6%	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)	524						Debt to equity	5.3%	16.4%	22.0%
P/E	8.92						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)	237.56	Net sales	739.0	609.6	595.7	Return On Assets (ROA)	18.0%	18.4%	
Δ 1week	3.8%	Net income	92.8	92.6	102.1	Return on Equity (ROE)	40.2%	43.0%	32.2%
Δ Ytd	0.0%	Cash and Cash equiv.	86.0	40.0	130.0	Operating Margin	19.0%	22.2%	24.6%
Δ 1-Yr	30.7%	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)	2,163					Debt to equity	0.0%	0.0%	0.0%
P/E	25.51					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)	95.35	Net sales	1,224.7	1,108.2	981.7		Return On Assets (ROA)	27.4%	26.4%	
Δ 1week	-2.7%	Net income	199.9	188.4	173.5		Return on Equity (ROE)	60.5%	59.9%	79.7%
Δ Ytd	0.3%	Cash and Cash equiv.	83.0	80.0	105.0		Operating Margin	24.2%	25.4%	25.3%
Δ 1-Yr	16.8%	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)	4,451						Debt to equity	0.0%	0.0%	0.0%
P/E	23.77						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)	113.00	Net sales	1,334.7	1,279.8	417.8		Return On Assets (ROA)	29.7%	22.2%	
Δ 1week	7.3%	Net income	702.4	414.3	121.2		Return on Equity (ROE)	50.4%	38.9%	24.8%
Δ Ytd	2.0%	Cash and Cash equiv.	71.0	72.0	36.0		Operating Margin	51.1%	35.5%	54.0%
Δ 1-Yr	-9.4%	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)	10,806						Debt to equity	46.5%	31.5%	78.5%
P/E	16.42						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

Close (NGN)	4.02
Δ 1week	-10.7%
Δ Ytd	-73.7%
Δ 1-Yr	-73.5%
52 week range	4.00-16.80
Share o/s (m)	12,000
Fully diluted (m)	12,000
Market cap (US\$ m)	362
P/E	5.20

Key financials (US\$m)

	2010	2009	2008	
Net sales	592.9	556.1	544.4	
Net income	74.3	89.0	147.6	
Cash and Cash equiv.	41.0	154.0	134.0	
Capex	4.1	30.4	4.4	
EBITDA	106.4	142.8	209.9	
Net debt (cash)	(41.1)	(154.4)	(133.9)	
Free cash flow	(119.2)	(4.1)	(13.7)	

Key ratios

	2010	2009	2008
Return On Assets (ROA)	16.2%	19.4%	
Return on Equity (ROE)	27.6%	31.7%	67.0%
Operating Margin	17.9%	23.8%	37.4%
Net gearing	-15.3%	-55.0%	-60.8%
Current ratio	2.4	1.8	1.8
Cash ratio	0.3	0.7	0.8
Debt ratio	34.4%	46.2%	43.9%
Debt to equity	0.0%	0.0%	0.0%
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		2010	2009	2008	
Close (NGN)	14.21	Net interest income	552.5	569.5	333.2	Return On Assets (ROA)	3.5%	2.8%	
Δ 1week	5.1%	Operating income	813.2	844.4	563.5	Return on Equity (ROE)	18.4%	14.8%	16.9%
Δ Ytd	0.6%	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)	2,582	Free cash flow	280.9	(752.1)	1,877.6	Earnings Per Share (EPS)	1.67	1.53	1.96
P/E	8.52					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				
Close (NGN)	63.00	Net sales	1,586.5	1,402.6	1,244.4	Return On Assets (ROA)	6.2%	12.1%
Δ 1week	0.8%	Net income	62.8	115.1	26.9	Return on Equity (ROE)	20.9%	34.0%
Δ Ytd	-3.8%	Cash and Cash equiv.	59.0	43.0	137.0	Operating Margin	10.4%	14.3%
Δ 1-Yr	-14.0%	Capex	128.9	126.7	104.6	Net gearing	108.4%	81.7%
52 week range	56.58-95.80	EBITDA	216.9	238.8	123.3	Current ratio	1.3	1.0
Share o/s (m)	1,879.2	Net debt (cash)	325.6	276.4	273.2	Cash ratio	0.2	0.1
Fully diluted (m)	1,879.2	Free cash flow	(27.8)	74.3	(66.2)	Debt ratio	69.4%	62.9%
Market cap (US\$ m)	731					Debt to equity	101.5%	56.6%
P/E	13.95					Earnings Per Share (EPS)	4.52	9.67
						Dividend Paid Per Share (DPS)	1.83	0.49








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)	29.00	Net sales	424.1	437.9	570.2		Return On Assets (ROA)	9.8%	10.1%	
Δ 1week	3.5%	Net income	37.8	36.6	37.9		Return on Equity (ROE)	14.4%	15.0%	13.4%
Δ Ytd	1.4%	Cash and Cash equiv.	63.0	19.0	25.0		Operating Margin	12.9%	12.4%	11.1%
Δ 1-Yr	12.3%	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)	711						Debt to equity	0.0%	0.0%	0.0%
P/E	17.37						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		Key financials (US\$m)				Key ratios				
		2010	2009	2008		2010	2009	2008		
Close (NGN)	29.00	Net sales	308.4	300.2	252.3		Return On Assets (ROA)	16.9%	17.4%	
Δ 1week	6.5%	Net income	27.5	27.6	17.5		Return on Equity (ROE)	50.2%	49.9%	38.9%
Δ Ytd	0.0%	Cash and Cash equiv.	18.0	13.0	18.0		Operating Margin	37.3%	39.1%	34.8%
Δ 1-Yr	12.7%	Capex	20.0	12.0	8.0		Net gearing	-23.4%	-5.9%	-1.4%
52 week range	22.56-32.14	EBITDA	51.1	49.8	35.4		Current ratio	1.0	1.1	1.0
Share o/s (m)	3,783.3	Net debt (cash)	(12.8)	(3.2)	(0.6)		Cash ratio	0.2	0.2	0.2
Fully diluted (m)	3,783.3	Free cash flow	11.2	5.6	18.0		Debt ratio	67.9%	65.4%	71.6%
Market cap (US\$ m)	677						Debt to equity	0.0%	0.0%	0.0%
P/E	26.24						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	1.7%	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	-22.7%	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)	293					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)	2.65	Net interest income	101.3	78.4	78.0	Return On Assets (ROA)	4.5%	3.5%	
Δ 1week	0.0%	Operating income	178.7	137.6	133.4	Return on Equity (ROE)	50.0%	37.6%	44.1%
Δ Ytd	0.0%	Net income	87.8	62.8	60.6	Net interest margin	9.9%	10.4%	
Δ 1-Yr	22.7%	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)	903	Free cash flow	(83.2)	(164.3)	13.9	Earnings Per Share (EPS)	0.23	0.17	0.16
P/E	11.75					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)	1.93	Net interest income	192.1	104.8	104.7	Return On Assets (ROA)	2.8%	1.1%	
Δ 1week	4.3%	Operating income	223.5	161.1	147.9	Return on Equity (ROE)	22.4%	9.3%	18.1%
Δ Ytd	4.3%	Net income	37.9	15.0	29.8	Net interest margin	21.2%	10.1%	
Δ 1-Yr	-24.1%	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)	308	Free cash flow	224.4	61.5	146.2	Earnings Per Share (EPS)	0.21	0.07	0.14
P/E	9.12					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	-3.0%	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)	168					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	18.6%	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		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	0.1%	Net income	31.2	21.3	20.6		Return on Equity (ROE)	26.7%	23.6%	26.0%
Δ Ytd	0.0%	Cash and Cash equiv.	13.5	23.6	8.7		Operating Margin	20.9%	17.5%	16.4%
Δ 1-Yr	47.8%	Capex	39.4	14.2	16.5		Net gearing	12.4%	-2.6%	-7.3%
52 week range	8.12-12.00	EBITDA	65.1	48.6	33.3		Current ratio	2.0	1.5	1.9
Share o/s (m)	206.53	Net debt (cash)	14.4	(2.4)	(5.8)		Cash ratio	0.3	0.5	0.2
Fully diluted (m)	206.53	Free cash flow	(20.8)	2.7	(13.1)		Debt ratio	43.7%	42.2%	42.5%
Market cap (US\$ m)	304						Debt to equity	23.4%	0.8%	0.7%
P/E	11.73						Earnings Per Share (EPS)	1.02	0.77	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					
Close (TZS)	840.00	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	-1.2%	Net income	36.9	36.1	37.4	Net interest margin	14.7%	17.1%	
Δ 1-Yr	29.2%	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)	264	Free cash flow	131.1	131.0	(22.0)	Earnings Per Share (EPS)	107.96	95.10	97.41
P/E	7.78					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%
Δ Ytd	0.0%	Cash and Cash equiv.	18.4	7.7	14.5	Operating Margin	38.0%	40.2%
Δ 1-Yr	15.6%	Capex	4.7	21.2	50.1	Net gearing	-15.7%	-6.8%
52 week range	1,800.00-2,100.00	EBITDA	58.7	60.3	43.4	Current ratio	3.4	1.9
Share o/s (m)	179.92	Net debt (cash)	(18.0)	(7.3)	5.7	Cash ratio	1.2	0.4
Fully diluted (m)	179.92	Free cash flow	11.3	12.7	(21.1)	Debt ratio	22.5%	26.4%
Market cap (US\$ m)	236					Debt to equity	0.3%	0.3%
P/E	7.45					Earnings Per Share (EPS)	279.04	266.74
						Dividend Paid Per Share (DPS)	123.58	65.87

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)	1,400	Net interest income	67.8	70.6	53.7	Return On Assets (ROA)	3.4%	2.7%	
Δ 1week	32.0%	Operating income	118.8	107.8	82.2	Return on Equity (ROE)	23.6%	20.1%	16.1%
Δ Ytd	3.7%	Net income	23.5	17.2	10.7	Net interest margin	20.1%	24.1%	
Δ 1-Yr	68.9%	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)	311	Free cash flow	(73.5)	(64.7)	77.4	Earnings Per Share (EPS)	97.41	68.70	52.09
P/E	14.37					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	2011	2010	2009		
Close (USD)	0.55	Net sales	516.1	403.5	254.8	Return On Assets (ROA)	14.1%	10.4%	
Δ 1week	3.4%	Net income	32.8	20.8	11.5	Return on Equity (ROE)	32.2%	18.3%	11.3%
Δ Ytd	1.7%	Cash and Cash equiv.	17.8	16.3	14.2	Operating Margin	7.4%	5.7%	5.4%
Δ 1-Yr	1.7%	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)	298					Debt to equity	1.6%	5.9%	0.8%
P/E	11.43					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)	1.09	Net sales	97.8	77.0	53.8	Return On Assets (ROA)	16.4%	15.3%	
Δ 1week	7.9%	Net income	17.4	13.4	13.9	Return on Equity (ROE)	24.9%	23.5%	26.6%
Δ Ytd	-0.9%	Cash and Cash equiv.	5.0	9.6	3.5	Operating Margin	26.0%	23.9%	32.2%
Δ 1-Yr	10.8%	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)	210					Debt to equity	0.3%	0.5%	0.1%
P/E	12.02					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.

Further contact

Fabrice Yanou | + 1 778 558 4511
fabrice.yanou@alterioresearch.com

Jason Wulterkens | + 1 651 214 4093
jason.wulterkens@alterioresearch.com

Frank Monkam | + 1 312 890 8780
frank.monkam@alterioresearch.com

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