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Botswana Investment Companion

Country, market and company profiles



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African shares under coverage, ranked by valuation

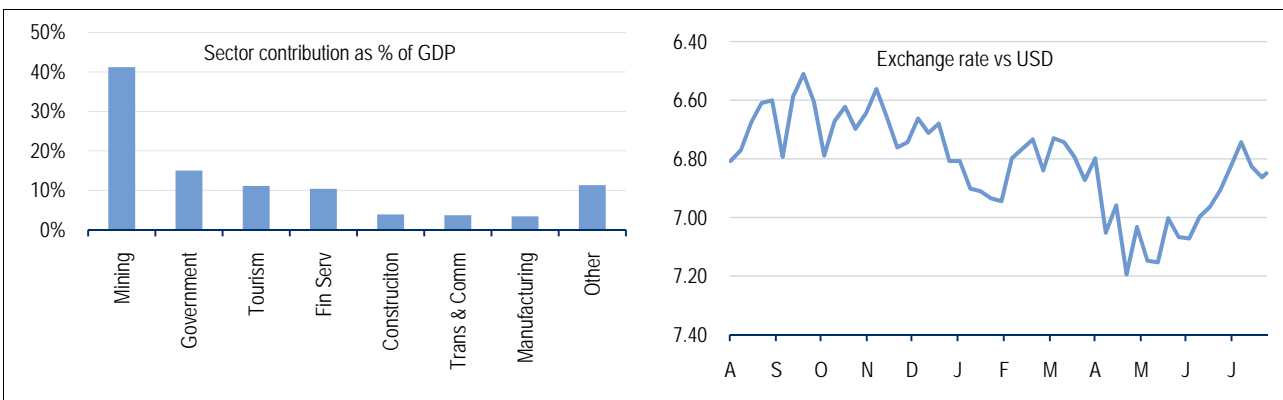
Name	Country	Sector	Mkt Cap (USD m)	Share Price* (LC)	Fair Value (LC)	Diff. (%)	Share Rec.	Est. price / earnings ratio (x)			Est. dividend yield (%)		
								1yr trailing	1yr fwd	2yr fwd	1yr trailing	1yr fwd	2yr fwd
Lafarge WAPCO	Nigeria	Cement	693	35.00	49.14	40.4	BUY	14.07	8.42	4.74	0.65	1.7	7.41
Access Bank	Nigeria	Banks	863	7.32	9.88	35.0	BUY	19.00	7.91	6.26	2.63	5.05	6.39
Cal Bank	Ghana	Banks	48	0.29	0.39	34.1	BUY	6.70	5.11	4.09	3.84	4.89	6.12
Zenith Bank	Nigeria	Banks	2,475	11.96	15.53	29.8	BUY	10.74	7.27	5.83	4.80	7.02	8.74
First City Monument Bank	Nigeria	Banks	659	6.10	7.91	29.7	BUY	22.31	9.44	6.58	2.06	4.24	6.08
StanChart Zambia	Zambia	Banks	201	240.0	309.0	28.8	BUY	10.10	8.04	7.04	5.96	7.46	8.52
EA Portland Cement	Kenya	Cement	128	115.0	147.3	28.1	BUY	8.97	5.81	5.24	2.63	4.35	5.45
Lafarge Zambia	Zambia	Cement	272	6,630	8,239	24.3	BUY	6.75	5.82	5.09	9.40	14.27	16.32
Diamond Bank	Nigeria	Banks	596	6.25	7.65	22.4	BUY	32.30	7.90	6.31	2.16	3.80	4.76
KCB	Kenya	Banks	510	18.60	21.61	16.2	BUY	9.46	6.97	5.30	5.57	7.46	10.23
Safaricom	Kenya	Telecoms	2,372	4.80	5.55	15.7	BUY	11.56	10.08	9.39	4.94	6.61	8.12
Sonatel SN	Brvm	Telecoms	2,600	134,000	154,978	15.7	BUY	7.95	7.65	7.32	10.38	10.79	11.27
Guinness Nigeria	Nigeria	Breweries	1,595	164.0	186.5	13.7	BUY	18.02	12.64	10.81	4.16	5.93	6.94
Ghana Commercial	Ghana	Banks	333	1.80	2.02	12.2	BUY	10.44	6.88	5.92	4.37	6.54	7.60
Stanchart Ghana	Ghana	Banks	581	43.16	47.98	11.2	BUY	13.63	11.42	9.09	5.78	7.01	8.80
First Bank Of Nig.	Nigeria	Banks	2,657	12.35	13.48	9.1	HOLD	10.71	6.56	5.50	4.82	7.62	9.08
Co-Op Bank	Kenya	Banks	723	16.75	18.17	8.5	BUY	14.76	10.57	8.18	2.00	3.15	4.52
ZANACO	Zambia	Banks	170	720.0	780.0	8.3	HOLD	9.36	8.06	6.69	2.46	2.85	3.44
Letshego	Botswana	Banks	502	1.85	2.00	7.8	BUY	7.25	6.15	5.29	2.91	3.98	4.64
UBA	Nigeria	Banks	1,603	9.40	10.08	7.2	HOLD	28.26	7.39	4.77	1.55	5.41	8.38
Ecobank Ghana	Ghana	Banks	481	2.99	3.20	7.1	HOLD	13.05	11.25	8.94	5.44	6.31	7.92
Stanchart Kenya	Kenya	Banks	847	252.0	263.6	4.6	HOLD	12.85	10.73	9.48	5.19	6.26	7.48
Guaranty Trust Bank	Nigeria	Banks	2,382	15.50	16.21	4.6	HOLD	11.61	8.26	6.41	4.49	6.06	7.80
Equity Bank	Kenya	Banks	1,155	25.25	26.37	4.4	HOLD	15.39	10.77	8.32	2.53	3.72	4.81
Nigerian Breweries	Nigeria	Breweries	3,447	69.15	70.60	2.1	HOLD	18.14	15.47	13.05	5.51	6.47	7.66
Stanbic IBTC Bank	Nigeria	Banks	1,038	8.40	8.55	1.8	HOLD	16.34	13.12	11.02	3.41	4.37	5.44
Sechaba	Botswana	Breweries	202	10.30	10.46	1.6	HOLD	10.91	10.07	9.29	8.55	9.31	10.11
Stanchart Botswana	Botswana	Banks	594	14.00	13.73	-1.9	HOLD	16.68	15.60	14.16	5.09	5.45	6.00
Guinness Ghana	Ghana	Breweries	180	1.56	1.52	-2.6	SELL	-103.03	27.19	11.36	0.31	2.36	6.16
Athi River Mining	Kenya	Cement	207	169.0	163.2	-3.4	HOLD	23.59	17.16	11.02	0.98	1.34	2.09
Barclays Kenya	Kenya	Banks	1,040	62.00	59.52	-4.0	SELL	13.15	11.97	10.63	4.59	5.06	5.72
EABL	Kenya	Breweries	1,749	179.0	166.8	-6.8	SELL	18.96	15.80	13.24	5.01	5.70	6.80
Ashaka Cement	Nigeria	Cement	342	23.20	20.23	-12.8	SELL	20.75	14.92	10.50	1.07	1.68	3.86
Celtel	Zambia	Telecoms	714	670.0	583.7	-12.9	SUSP**	10.87	9.16	7.50	2.96	3.27	4.00
Bamburi Cement	Kenya	Cement	910	203.0	174.1	-14.3	SELL	14.12	12.98	12.38	5.57	6.16	6.46
Barclays Botswana	Botswana	Banks	873	6.95	5.84	-16.0	SELL	12.35	11.39	10.09	3.76	3.91	4.36
FNB Botswana	Botswana	Banks	983	2.60	2.08	-20.0	SELL	14.37	13.30	12.05	3.75	4.25	4.84
Stanbic Uganda	Uganda	Banks	545	240.0	189.6	-21.0	SELL	12.67	11.45	9.71	4.15	3.93	6.14
Benue Cement co	Nigeria	Cement	1,742	67.50	50.41	-25.3	SELL	15.18	11.05	10.75	4.35	6.68	7.29

*Share prices as of 10 September 2010; ** Share currently suspended pending offer

Economic Indicators

	2005	2006	2007	2008	2009	2010F	2011F	2012F
Population (m) *	1.7	1.7	1.8	1.8	1.8	1.8	1.9	1.9
<i>% growth</i>	0.8	0.8	1.3	1.3	1.3	1.3	1.4	1.3
National accounts *								
Nominal GDP (USD bn)	10.4	11.3	12.4	13.5	11.6	12.9	13.6	14.4
<i>Nominal GDP % growth (USD)</i>	3.0	9.0	9.6	9.2	-14.0	11.2	5.3	5.7
Real GDP % growth (LC)	1.6	5.1	4.8	3.1	-6.0	6.3	5.1	6.1
Per capita GDP (USD)	5,985	6,473	7,004	7,552	6,407	7,032	7,305	7,622
<i>Per capita GDP % growth (USD)</i>	2.1	8.2	8.2	7.8	-15.2	9.8	3.9	4.3
Prices *								
Consumer inflation (%)	11.3	8.5	8.1	13.7	5.8	5.9	6.0	5.6
Consumer inflation (ex- food) (%) **	12.0	8.2	6.1	10.3	6.2	8.8		
Exchange Rates ***								
BWP/USD (annual average)	5.11	5.83	6.15	6.84	7.15	6.88		
BWP/USD (period end)	5.51	6.02	6.04	7.56	6.66	6.86		
Interest rates **								
90 day BoBC rate (% ave)	12.3	12.7	12.0	13.1	8.2	7.1		
Bank rate (% ave)	14.5	15.0	14.5	15.0	10.0	10.0		
Prime lending rate (% ave)	16.0	16.5	16.0	16.5	11.5	11.5		
Long bond yield (% ave)	9.5	11.6	10.3	10.3	7.9	7.6		
External sector (% of GDP) *								
Current account balance	15.2	17.2	15.4	4.9	-5.1	-7.6	-7.7	-10.4
Public sector debt	20.9	16.5	14.8	15.6	23.7			
Public sector external debt	9.7	9.1	7.7	6.9	8.7			

Sources: * IMF; ** Bank of Botswana; *** Bloomberg



Comments

Economic activity in Botswana is expected to recover and grow at a faster pace during the next few years than in 2009. According to the IMF, the economy contracted by 6.0% in 2009, with the mining sector being the worst impacted (contracted by 20.9%).

Botswana is widely recognised as a well-functioning and stable democracy. President Ian Khama came to power in Apr-08 and remains committed to economic policy continuity, with a strong emphasis on addressing social issues. However, the cost implications of expanding social programs are unclear at a time of severe budget constraints, and the 10th National Development Plan (2009-16) will test the government's ability to deliver.

Inflation fell to 7% in Jul-10, but upside risks remain until the second half of 2011. According to the Bank of Botswana, inflation will continue to remain above the target range of 3-6% owing to increases in VAT, electricity tariffs and fuel prices. However, lower price pressures and the need to support growth have prompted the Bank to cut the policy rate by 500bp in 2009.

Botswana's budget deficit at 15.1% of GDP for 2009/10 is well above the moderate 5% deficit in 2008/09 and a historic record of large surpluses. The Bank of Botswana expects the deficit to decline to about 7% of GDP in fiscal 2011/12, before returning to balance in 2012/13.

Botswana faces a challenge to diversify its economy away from its overreliance on diamonds for foreign exchange and tax revenues. However, the diversification strategy is threatened by an energy crisis – the country stands to lose over 70% of its current electricity supply when South Africa halts energy exports to Botswana by 2013.

In World Bank's "Doing business" report, Botswana ranks 45 out of 183 countries, third highest ranking in Africa after Mauritius (17) and South Africa (34).

The current valuations in Botswana are high. Our preferred pick is Letshego.

Botswana

Selected stocks data

Name	Mkt Cap	Price Multiples			Local Return (%)		USD Return (%)	
	BWP m	P/E	DY	P/B	YTD	12m	YTD	12m
FNB Botswana	6,666	14.59	3.65	5.75	4.0	-10.3	2.1	-11.7
Barclays Botswana	5,923	13.02	3.83	6.30	4.2	15.8	2.3	14.1
Stanchart Botswana	4,033	17.14	4.96	10.83	-12.5	-14.1	-14.1	-15.4
Letshego	3,407	8.72	1.62	2.46	31.3	99.5	28.9	96.6
BIHL Botswana	2,769				-10.5	25.5	-12.1	23.6
Sechaba	1,370	11.24	8.25	7.82	-19.8	-22.3	-21.3	-23.4
Wilderness	1,016				--	--	--	--
Engen Botswana	890				46.6	42.8	43.9	40.7
Furnmart	668				13.4	20.2	11.4	18.4
Turnstar	660				20.4	22.1	18.3	20.3
Sefalana	576				8.4	20.0	6.5	18.2
Primetime	320				16.3	28.1	14.2	26.2
Sefcash	296				2.1	5.8	0.3	4.3
Cresta	278				--	--	--	--
Chobe	258				37.6	11.2	35.1	9.5
FSG	247				30.4	64.8	28.0	62.4
ABCH Botswana	249				31.8	30.8	29.4	28.8
Imara Botswana	224				-41.9	-12.2	-43.0	-13.5
G4S	226				19.5	28.2	17.3	26.3
RDCP	191				40.5	68.6	37.9	66.1
Olympia Capital (Botswana)	13				-10.0	-30.8	-11.6	-31.8

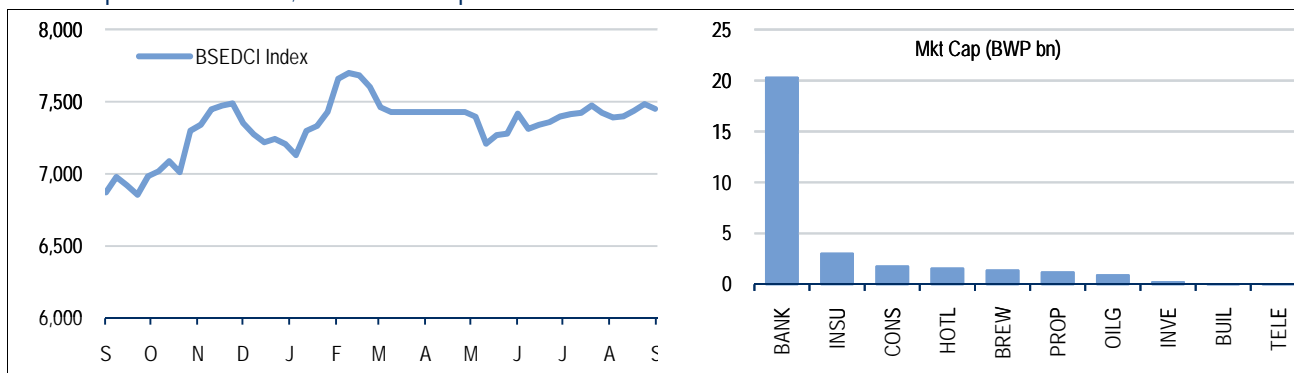
Note: Price multiples as of latest financial year end

Country summary

BOTSWANA DCI	BWP	USD
Market Cap (bn)	30.3	4.5
Avg monthly value traded (m)	61.7	9.1
Current levels		
Index	7,451	
BWP / USD	6.8	
Performance (%)		
1 month	0.5	0.3
6 months	-1.3	-1.5
12 months	9.0	7.4
YTD	2.9	1.0
Market Multiples*	Weighted	Average
P/E (x)	12.89	12.94
P/B (x)	5.31	6.63
D/Y (%)	3.92	4.46

* Shares under coverage

Index performance; Market Capitalisation Breakdown



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BARCLAYS BOTSWANA (BWP 6.95) - SELL



Valuation and target price

BWP	Current	1 yr fwd		1yr fwd
Share price at 10 Sep 10	6.95		Expected capital gain (%)	-8.7
Fair value	5.84		Expected dividend yield (%)	3.9
Target price		6.34	Expected total return (%)	-4.8
Rolling est. EPS	0.56	0.61	Cost of equity (%)	13.3
Rolling est. P/E (x)	12.4	11.4	Difference (% points)	-18.1

Note: Valuation is derived using a 5 year dividend discount model with a terminal growth rate of 8%

Investment summary

BWP	Dec-07A	Dec-08A	Dec-09A	Dec-10F	Dec-11F	Dec-12F	CAGR / Average	
							Historical	Forecast
EPS	0.28	0.49	0.53	0.58	0.63	0.72		
Growth (%)	-18.1	75.4	7.9	7.8	8.7	14.5	15.8	10.3
P/E ratio (x)	n/a	n/a	13.0	12.1	11.1	9.7		
PEG ratio (x)	n/a	n/a	n/a	1.68	1.58	1.27		
DPS	0.24	0.21	0.27	0.26	0.28	0.31		
Growth (%)	51.6	-14.5	28.3	-2.4	6.8	13.2	18.5	5.7
Dividend yield (%)	n/a	n/a	3.8	3.7	4.0	4.5	3.8	4.1
Dividend cover (x)	1.2	2.4	2.0	2.2	2.3	2.3	1.9	2.2
NAV per share	0.64	0.89	1.10	1.36	1.64	1.96		
Price / NAV (x)	n/a	n/a	6.3	5.1	4.2	3.5		
TNAV per share	0.62	0.88	1.10	1.36	1.64	1.96		
Price / TNAV (x)	n/a	n/a	6.3	5.1	4.2	3.5		

Selected financial ratios

Year end	Dec-07A	Dec-08A	Dec-09A	Dec-10F	Dec-11F	Dec-12F	Average	
							Historical	Forecast
ROaE (%)	45.0	64.3	53.4	42.3	37.0	35.0	54.2	38.1
ROaA (%)	2.9	4.4	4.7	4.5	4.5	4.8	4.0	4.6
Equity / assets (%)	5.1	5.5	8.0	9.0	10.0	10.8	6.2	10.0
Loans / deposits (%)	44.6	44.5	60.8	63.9	65.8	65.7	49.9	65.1
Liquid assets / deposits (%)	66.4	64.8	52.5	52.5	52.5	51.1	61.2	52.0
NPL's / gross loans (%)	3.6	3.7	5.9	5.9	5.9	5.9	4.4	5.9
NPL cover ratio (%)	84.7	88.0	98.3	97.6	95.7	86.4	90.3	93.2
Net interest margin (%)	6.0	6.9	8.4	8.4	8.6	8.7	7.1	8.6
NIR / total income (%)	32.5	31.8	24.0	25.4	24.9	24.6	29.4	25.0
Cost / income (%)	52.6	47.7	40.2	42.4	42.7	43.0	46.8	42.7
Impairment / gross loans (%)	2.7	1.3	3.5	3.2	3.2	2.7	2.5	3.0

Investment summary

Barclays offers a strong retail franchise (52 branches and 98 ATMs), and held 31% and 26% of industry loans and deposits respectively in FY09. EPS and loans grew by 24.8% and 15.8% compound over three years. Deposit growth however, lagged behind at 10% CAGR.

Growth was underpinned by an aggressive retail expansion which began in 2005, raising consumer credit to 87% of total loans in FY09. Reflecting the higher risk of the loan book, impairments have risen to 3.7% of loans in FY09 (FY06: 0.3%), while NPLs were 6% (highest in the sector). The expansion has also grown relative costs (CIR of 47%).

4 year average ROaE and ROaA have been 54% and 3.9% respectively. The NIM has increased from 5.0% in FY06 to 8.4% in FY09, due to higher spreads on unsecured consumer lending. Barclays was able to maintain higher margins relative to peers by charging fixed rates (60% of book) on consumer loans, which has been beneficial in the declining interest rate environment.

Despite strong capitalization (21%), high liquidity (48%) and low L/D (61%), scope to grow risk assets may be limited due to high consumer credit exposure and lacklustre employment prospects in Botswana. We project 11% and 7% growth in loans in FY10 and FY11 respectively, largely driven by commercial lending. EPS growth will be subdued in FY10 (forecast at 8%).

Share information

Bloomberg	BCBB BG
Reuters	BARC.BT
BOTSWANA: BANKS	
12 month high / low	7.12 / 5.80
Market cap	BWP 5.9bn / USD 0.9bn
Ave 12 monthly value traded	BWP 4.2m / USD 619.7k
Ave 12 monthly volume traded (m)	0.6
Shares in issue (m)	852
Estimated free float (%)	32
Analyst	Odirile Okaile
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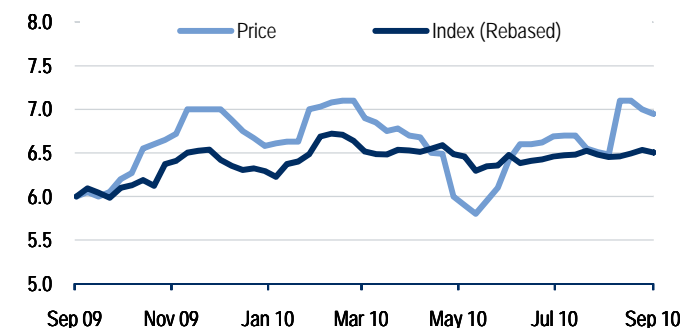
BARCLAYS BOTSWANA (BWP 6.95) - SELL



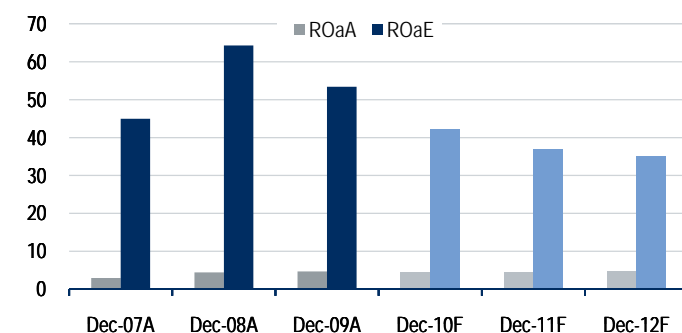
Income statement (BWP 000)

Year end	Dec-07A	Dec-08A	Dec-09A	Dec-10F	Dec-11F	Dec-12F	CAGR / Average	
							Historical	Forecast
Net interest income	555,176	787,881	1,024,567	999,631	1,099,584	1,207,852		
Growth (%)	29.6	41.9	30.0	-2.4	10.0	9.8	33.7	5.6
Net interest margin (%)	6.0	6.9	8.4	8.4	8.6	8.7	7.1	8.6
Non-interest revenue	267,701	367,716	322,901	341,189	365,312	394,514		
Growth (%)	29.6	41.9	30.0	-2.4	10.0	9.8	33.7	5.6
Total operating income	822,877	1,155,597	1,347,468	1,340,805	1,464,863	1,602,330		
Growth (%)	24.5	40.4	16.6	-0.5	9.3	9.4	26.8	5.9
Opex	-432,803	-551,636	-541,704	-568,789	-625,668	-688,235		
Growth (%)	43.3	27.5	-1.8	5.0	10.0	10.0	21.5	8.3
Impairments	-94,902	-60,669	-204,019	-214,101	-231,712	-213,099		
% of ave gross loans	2.7	1.3	3.5	3.2	3.2	2.7		
Profit before tax	295,172	543,292	601,745	557,915	607,483	700,995		
Growth (%)	-15.6	84.1	10.8	-7.3	8.9	15.4	19.8	5.2
Tax	-54,853	-121,754	-146,779	-113,667	-132,878	-163,847		
Effective tax (%)	18.6	22.4	24.4	20.4	21.9	23.4	21.8	21.9
Minorities								
Attributable profit	240,319	421,538	454,966	444,248	474,605	537,148		
Growth (%)	-18.1	75.4	7.9	-2.4	6.8	13.2	15.8	5.7
Weighted shares in issue (m)	852	852	852	852	852	852		
FYE shares in issue (m)	852	852	852	852	852	852		

Price vs Index (re-based)



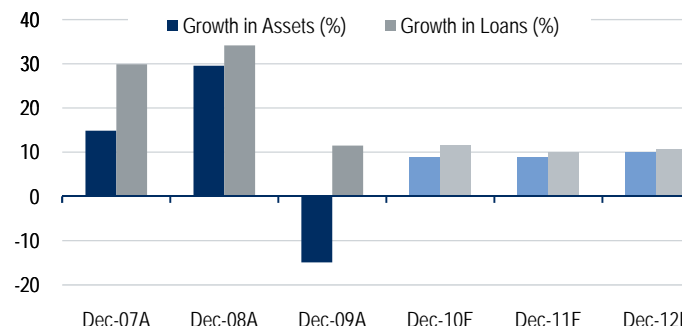
Return on average assets & equity (%)



Balance sheet (BWP 000)

Year end	Dec-07A	Dec-08A	Dec-09A	Dec-10F	Dec-11F	Dec-12F	CAGR / Average	
							Historical	Forecast
Cash & equivalents	553,053	663,099	639,492	652,282	671,850	698,724		
Investment securities	4,129,477	4,830,465	3,766,768	4,068,109	4,434,239	4,877,663		
Due from (to) banks	-12,871	235,847	105,453	100,482	103,858	108,350		
Net Loans	3,897,782	5,228,998	5,829,413	6,505,477	7,164,913	7,927,633		
Growth (%)	29.9	34.2	11.5	11.6	10.1	10.6	24.8	10.8
Fixed assets	130,706	138,991	112,526	104,566	96,233	87,760		
Total assets	10,703,813	13,869,939	11,798,480	12,860,343	14,017,774	15,419,551		
Growth (%)	14.9	29.6	-14.9	9.0	9.0	10.0	8.2	9.3
Non-bank deposits	8,745,910	11,761,480	9,590,057	10,179,546	10,886,335	12,071,763		
Growth (%)	21.0	34.5	-18.5	6.1	6.9	10.9	9.9	8.0
Debt	952,462	936,575	938,541	939,480	940,419	941,359		
Equity	548,231	762,683	939,982	1,162,895	1,401,041	1,670,569		

Asset and net loan growth (%)



Source: Company data, African Alliance estimates

FNB BOTSWANA (BWP 2.60) - SELL



Valuation and target price

BWP	Current	1 yr fwd	1yr fwd
Share price at 10 Sep 10	2.60		Expected capital gain (%) -13.6
Fair value	2.08		Expected dividend yield (%) 4.3
Target price		2.25	Expected total return (%) -9.4
Rolling est. EPS	0.18	0.20	Cost of equity (%) 13.3
Rolling est. P/E (x)	14.4	13.3	Difference (% points) -22.7

Note: Valuation is derived using a 5 year dividend discount model with a terminal growth rate of 8%

Investment summary

BWP	Jun-08A	Jun-09A	Jun-10A	Jun-11F	Jun-12F	Jun-13F	CAGR / Average	
							Historical	Forecast
EPS	0.15	0.16	0.18	0.19	0.21	0.23		
Growth (%)	20.7	8.7	12.4	7.5	10.3	10.1	13.8	9.3
P/E ratio (x)	n/a	n/a	14.6	13.6	12.3	11.2		
PEG ratio (x)	n/a	n/a	n/a	1.93	1.64	1.57		
DPS	0.08	0.09	0.10	0.11	0.12	0.13		
Growth (%)	-33.8	8.8	9.2	13.1	15.2	8.5	-7.7	12.2
Dividend yield (%)	n/a	n/a	3.7	4.1	4.8	5.2	3.7	4.7
Dividend cover (x)	1.8	1.8	1.9	1.8	1.7	1.7	1.8	1.7
NAV per share	0.28	0.36	0.45	0.54	0.65	0.76		
Price / NAV (x)	n/a	n/a	5.8	4.8	4.0	3.4		
TNAV per share	0.27	0.35	0.44	0.53	0.64	0.75		
Price / TNAV (x)	n/a	n/a	5.9	4.9	4.1	3.5		

Selected financial ratios

Year end	Jun-08A	Jun-09A	Jun-10A	Jun-11F	Jun-12F	Jun-13F	Average	
							Historical	Forecast
ROaE (%)	56.1	49.4	41.9	38.8	37.3	34.2	49.2	36.8
ROaA (%)	4.5	4.4	4.3	4.8	5.0	5.0	4.4	4.9
Equity / assets (%)	6.3	7.4	9.5	10.3	11.2	12.0	7.7	11.2
Loans / deposits (%)	40.7	44.0	56.3	60.4	64.1	67.5	47.0	64.0
Liquid assets / deposits (%)	71.8	67.4	59.7	56.8	54.7	54.3	66.3	55.2
NPL's / gross loans (%)	2.8	3.2	2.6	2.8	3.0	3.0	2.9	2.9
NPL cover ratio (%)	57.2	51.7	51.9	57.0	59.4	59.2	53.6	58.5
Net interest margin (%)	4.8	5.2	5.0	5.1	5.5	5.5	5.0	5.3
NIR / total income (%)	46.5	41.4	42.9	47.7	44.4	43.1	43.6	45.1
Cost / income (%)	38.2	36.4	39.8	37.7	36.1	35.8	38.1	36.5
Impairment / gross loans (%)	0.6	0.9	0.8	1.0	1.0	1.1	0.8	1.0

Investment summary

FNBB has a network of 20 branches and 100 ATMs, and held 27% and 28% of industry loans and deposits respectively in 1H10.

We consider FNBB to be sector leader in risk management and asset quality. NPLs and impairments of 2.6% and 0.8% of loans respectively (FY10) remain the lowest in the sector, largely attributed to a low consumer credit exposure (29% versus a range of 75%-80% for peers). However, impairments could rise above 1% of loans in the medium term as FNBB aims to grow risk assets in the consumer market.

Historic performance has been largely dominated by treasury activity (45% of PBT in FY10). A low exposure to consumer credit and a strong balance sheet - CAR of 17.4%, low L/D (56.3%) and high liquidity (50.3%) - gives FNBB the advantage to increase its consumer credit market share (estimated at 10%). We expect FNBB to outperform the sector in FY11 (15% and 13% loan and EPS growth), driven by solid growth in retail credit and lower impairments.

FNBB continues to grow its retail footprint, with two new branches and 11 ATMs added in FY10. A further 20 ATMs will be added in FY11. Despite this, cost efficiency at 40% is still the best in the industry, with management projecting to maintain it at FY10 levels going forward.

Share information

Bloomberg	FNBB BG
Reuters	FNBB.BT
BOTSWANA: BANKS	
12 month high / low	2.95 / 2.41
Market cap	BWP 6.7bn / USD 1.0bn
Ave 12 monthly value traded	BWP 5.7m / USD 843.9k
Ave 12 monthly volume traded (m)	2.1
Shares in issue (m)	2,564
Estimated free float (%)	31
Analyst	Odirile Okaile
	+267 364 3945
	okaileo@africanalliance.com

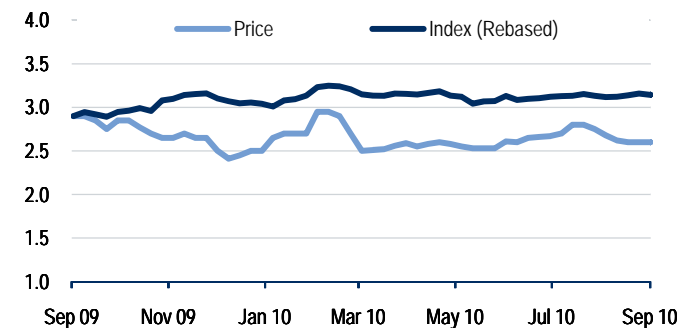
FNB BOTSWANA (BWP 2.60) - SELL



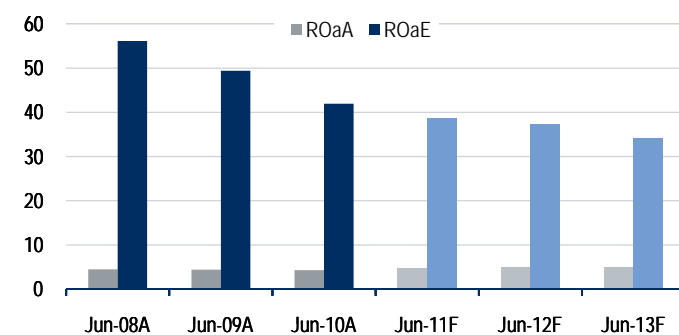
Income statement (BWP 000)

Year end	Jun-08A	Jun-09A	Jun-10A	Jun-11F	Jun-12F	Jun-13F	CAGR / Average	
							Historical	Forecast
Net interest income	400,252	522,896	543,640	566,549	680,294	759,811		
Growth (%)	15.1	30.6	4.0	4.2	20.1	11.7	16.1	11.8
Net interest margin (%)	4.8	5.2	5.0	5.1	5.5	5.5	5.0	5.3
Non-interest revenue	347,666	370,158	388,507	407,807	432,877	459,669		
Growth (%)	15.1	30.6	4.0	4.2	20.1	11.7	16.1	11.8
Total operating income	747,918	893,054	951,952	1,084,191	1,223,589	1,334,950		
Growth (%)	26.5	19.4	6.6	13.9	12.9	9.1	17.2	11.9
Opex	-285,564	-324,860	-350,849	-385,934	-424,527	-466,980		
Growth (%)	36.0	13.8	8.0	10.0	10.0	10.0	18.7	10.0
Impairments	-20,804	-40,752	-43,420	-60,872	-73,892	-89,448		
% of ave gross loans	0.6	0.9	0.8	1.0	1.0	1.1		
Profit before tax	442,654	528,480	531,972	616,451	710,095	770,548		
Growth (%)	22.7	19.4	0.7	15.9	15.2	8.5	13.8	13.1
Tax	-68,629	-121,760	-95,922	-123,290	-142,019	-154,110		
Effective tax (%)	15.5	23.0	18.0	20.0	20.0	20.0	18.9	20.0
Minorities								
Attributable profit	374,025	406,720	436,050	493,161	568,076	616,438		
Growth (%)	20.7	8.7	7.2	13.1	15.2	8.5	12.1	12.2
Weighted shares in issue (m)	2,564	2,564	2,564	2,564	2,564	2,564		
FYE shares in issue (m)	2,564	2,564	2,564	2,564	2,564	2,564		

Price vs Index (re-based)



Return on average assets & equity (%)

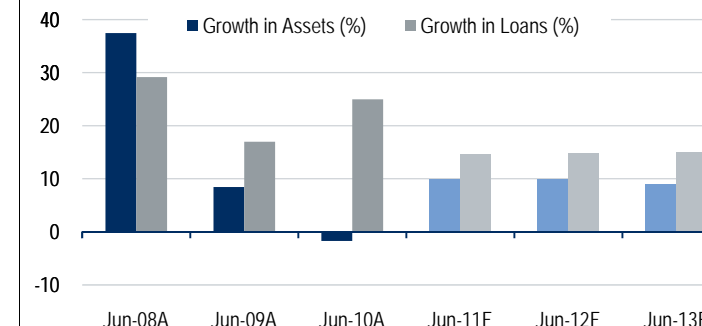


Balance sheet (BWP 000)

Year end	Jun-08A	Jun-09A	Jun-10A	Jun-11F	Jun-12F	Jun-13F	CAGR / Average	
							Historical	Forecast
Cash & equivalents	1,796,013	1,185,914	1,201,491	1,213,506	1,225,641	1,237,897		
Investment securities	5,333,932	6,062,701	4,946,059	5,044,980	5,297,229	5,826,952		
Due from (to) banks	-142,310	-13,851	-4,000	-13,456	-14,801	-16,134		
Net Loans	3,969,496	4,643,241	5,803,009	6,655,680	7,639,475	8,786,052		
Growth (%)	29.2	17.0	25.0	14.7	14.8	15.0	23.6	14.8
Fixed assets	80,737	115,601	187,306	165,617	181,479	198,149		
Total assets	11,482,162	12,449,487	12,232,572	13,455,829	14,801,412	16,133,539		
Growth (%)	37.5	8.4	-1.7	10.0	10.0	9.0	13.6	9.7
Non-bank deposits	9,763,624	10,552,699	10,304,632	11,018,024	11,917,385	13,012,778		
Growth (%)	44.8	8.1	-2.4	6.9	8.2	9.2	15.2	8.1
Debt	424,694	416,612	207,827	249,392	286,801	329,821		
Equity	724,618	921,124	1,158,559	1,385,809	1,657,514	1,943,152		

Source: Company data, African Alliance estimates

Asset and net loan growth (%)



LETSHEGO (BWP 1.85) - BUY

Valuation and target price

BWP	Current	1 yr fwd		1yr fwd
Share price at 10 Sep 10	1.85		Expected capital gain (%)	-10.0
Fair value	2.00		Expected dividend yield (%)	31.1
Target price		1.67	Expected total return (%)	21.1
Rolling est. EPS	0.26	0.30	Cost of equity (%)	12.3
Rolling est. P/E (x)	7.2	6.2	Difference (% points)	8.8

Investment summary

BWP	Jan-08A	Jan-09A	Jan-10A	Jan-11F	Jan-12F	Jan-13F	CAGR / Average	
							Historical	Forecast
EPS	0.11	0.14	0.21	0.28	0.31	0.37		
Growth (%)	57.3	29.3	46.7	33.5	10.2	19.5	43.9	20.7
P/E ratio (x)	n/a	n/a	8.7	6.5	5.9	5.0		
PEG ratio (x)	n/a	n/a	n/a	0.26	0.41	0.42		
DPS	0.01	0.04	0.03	0.07	0.08	0.09		
Growth (%)	-22.9	158.5	-16.8	130.9	10.4	19.7	18.4	45.0
Dividend yield (%)	n/a	n/a	1.6	3.7	4.1	4.9	1.6	4.3
Dividend cover (x)	8.0	4.0	7.1	4.1	4.1	4.1	6.4	4.1
NAV per share	0.31	0.44	0.75	1.10	1.25	1.53		
Price / NAV (x)	n/a	n/a	2.5	1.7	1.5	1.2		
TNAV per share	0.30	0.43	0.74	1.09	1.24	1.52		
Price / TNAV (x)	n/a	n/a	2.5	1.7	1.5	1.2		

Selected financial ratios

Year end	Jan-08A	Jan-09A	Jan-10A	Jan-11F	Jan-12F	Jan-13F	Average	
							Historical	Forecast
ROaE (%)	42.4	38.6	36.7	30.4	27.5	26.8	39.2	28.2
ROaA (%)	34.6	26.1	27.9	32.1	31.9	31.8	29.5	31.9
Equity / assets (%)	56.8	47.9	71.5	86.8	89.1	91.0	58.7	88.9
Loans / deposits (%)								
Liquid assets / deposits (%)								
NPL's / gross loans (%)								
NPL cover ratio (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net interest margin (%)	38.9	29.9	33.7	36.8	34.9	34.7	34.2	35.5
NIR / total income (%)	22.4	22.1	18.6	16.3	16.5	16.2	21.0	16.4
Cost / income (%)	23.3	20.5	20.8	17.5	16.5	16.3	21.5	16.8
Impairment / gross loans (%)	2.5	2.7	3.3	3.0	3.0	2.5	2.8	2.8

Note: Letshego does not collect deposits, hence certain ratios do not apply

Investment summary

Botswana, Letshego's primary profit generator, is on budget to grow loans 15-20% in FY11. However, growth may still come below management's guidance due to a bloated Botswana public sector which is Letshego's key market. Further, lending spreads may be somewhat impacted should current proposed microlending regulations be enacted. The medium term outlook for Botswana is one of low growth unless the private sector can be penetrated (unlikely).

Swaziland's loan book has declined further since FY10 and could lead to a substantial decline in Swaziland's profit contribution. Tanzania is and will not perform to potential until the bottleneck arising from new regulation requiring employee supervisors to sign off loans is resolved. Branches were reduced from 70 satellite branches to 17 during FY10. The only real growth engine at this stage is Namibia, which has the capacity to grow loans in excess of our estimated 35% in FY11. Further, volume growth in Namibia will be aided by access to a broader funding base attained from being part of a larger group.

Letshego this week issued a trading update indicating that 1H11 PBT will grow by 40%. We estimate an implied 27% y/y EPS growth in 1H11, which places it in line with our FY11 EPS estimate of BWP 0.26. A low debt-to-equity (0.3x compared to 2x considered sustainable by financiers), positions Letshego to leverage its balance sheet to fund loan growth.

Share information

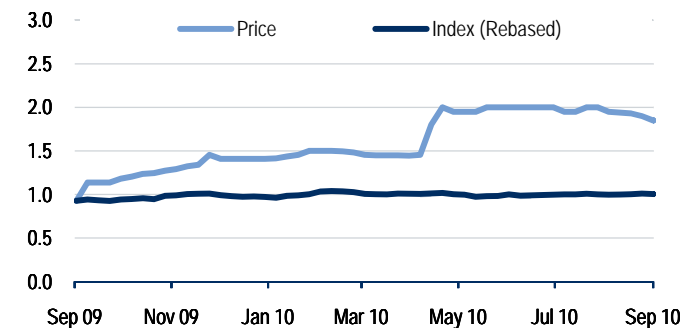
Bloomberg	LETSHEGOBG
Reuters	LETS.BT
BOTSWANA: BANKS	
12 month high / low	2.05 / 0.93
Market cap	BWP 3.4bn / USD 0.5bn
Ave 12 monthly value traded	BWP 22.9m / USD 3.4m
Ave 12 monthly volume traded (m)	14.0
Shares in issue (m)	1,792
Estimated free float (%)	52
Analyst	Odirile Okaile
	+267 364 3945
	okaileo@africanalliance.com

LETSHEGO (BWP 1.85) - BUY

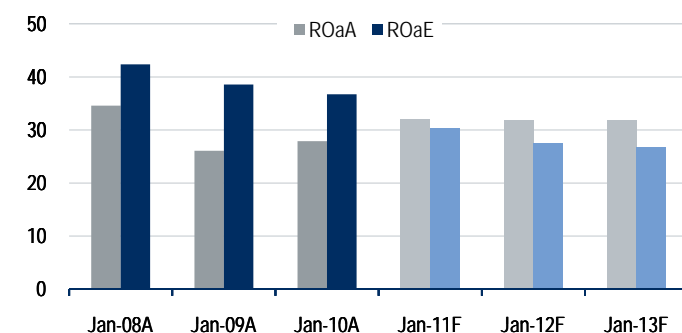
Income statement (BWP 000)

Year end	Jan-08A	Jan-09A	Jan-10A	Jan-11F	Jan-12F	Jan-13F	CAGR / Average	
							Historical	Forecast
Net interest income	243,872	326,115	537,901	752,975	888,734	1,047,888		
Growth (%)	54.7	33.7	64.9	40.0	18.0	17.9	50.5	24.9
Net interest margin (%)	38.9	29.9	33.7	36.8	34.9	34.7	34.2	35.5
Non-interest revenue	70,443	92,448	122,711	147,056	176,249	202,567		
Growth (%)	54.7	33.7	64.9	40.0	18.0	17.9	50.5	24.9
Total operating income	314,315	418,563	660,612	900,031	1,064,983	1,250,455		
Growth (%)	70.2	33.2	57.8	36.2	18.3	17.4	52.9	23.7
Opex	-81,207	-100,452	-147,783	-162,561	-178,817	-205,640		
Growth (%)		23.7	47.1	10.0	10.0	15.0		11.6
Impairments	-15,666	-29,421	-50,191	-58,016	-72,564	-72,703		
% of ave gross loans	2.5	2.7	3.3	3.0	3.0	2.5		
Profit before tax	217,442	288,690	462,638	679,453	813,601	972,112		
Growth (%)	56.7	32.8	60.3	46.9	19.7	19.5	49.4	28.1
Tax	-48,481	-69,626	-125,206	-163,069	-195,264	-233,307		
Effective tax (%)	22.3	24.1	27.1	24.0	24.0	24.0	24.5	24.0
Minorities								
Attributable profit	165,954	217,332	370,160	505,560	606,431	725,708		
Growth (%)	55.7	31.0	70.3	36.6	20.0	19.7	51.4	25.2
Weighted shares in issue (m)	1,511	1,515	1,824	1,824	1,982	1,982		
FYE shares in issue (m)	1,511	1,515	1,792	1,824	1,982	1,982		

Price vs Index (re-based)



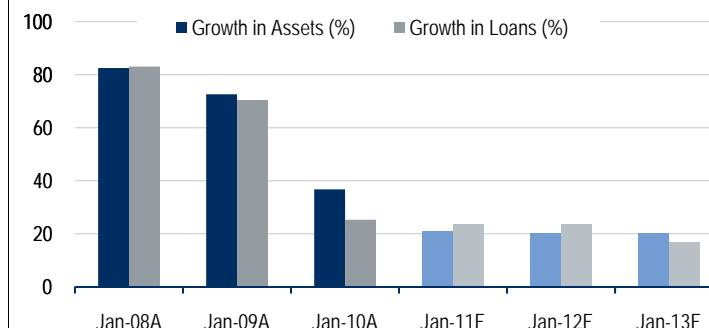
Return on average assets & equity (%)



Balance sheet (BWP 000)

Year end	Jan-08A	Jan-09A	Jan-10A	Jan-11F	Jan-12F	Jan-13F	CAGR / Average	
							Historical	Forecast
Cash & equivalents	9,201	5,165	104,462	114,908	137,890	82,734		
Investment securities								
Due from (to) banks								
Net Loans	787,926	1,342,557	1,682,257	2,081,493	2,573,532	3,006,151		
Growth (%)	83.0	70.4	25.3	23.7	23.6	16.8	57.5	21.3
Fixed assets	4,384	7,152	6,610	7,512	10,085	12,751		
Total assets	811,919	1,401,021	1,915,421	2,317,659	2,781,191	3,337,430		
Growth (%)	82.5	72.6	36.7	21.0	20.0	20.0	62.7	20.3
Non-bank deposits								
Growth (%)								
Debt	306,725	644,385	377,638	226,583	158,608	126,886		
Equity	461,267	671,480	1,369,316	2,011,310	2,478,040	3,035,418		

Asset and net loan growth (%)



Source: Company data, African Alliance estimates

STANCHART BOTSWANA (BWP 14.00) - HOLD



Valuation and target price

BWP	Current	1 yr fwd	1yr fwd
Share price at 10 Sep 10	14.00		Expected capital gain (%)
Fair value	13.73		Expected dividend yield (%)
Target price		14.80	Expected total return (%)
Rolling est. EPS	0.84	0.90	Cost of equity (%)
Rolling est. P/E (x)	16.7	15.6	Difference (% points)

Note: Valuation is derived using a 5 year dividend discount model with a terminal growth rate of 8%

Investment summary

BWP	Dec-07A	Dec-08A	Dec-09A	Dec-10F	Dec-11F	Dec-12F	CAGR / Average	
							Historical	Forecast
EPS	0.83	1.02	0.82	0.85	0.92	1.02		
Growth (%)	-7.2	22.2	-19.5	3.9	8.2	10.8	-3.0	7.6
P/E ratio (x)	n/a	n/a	17.1	16.5	15.2	13.7		
PEG ratio (x)	n/a	n/a	n/a	4.35	2.83	2.25		
DPS	0.80	0.92	0.69	0.72	0.78	0.87		
Growth (%)	10.8	15.2	-24.7	3.9	8.2	10.8	-1.3	7.6
Dividend yield (%)	n/a	n/a	5.0	5.2	5.6	6.2	5.0	5.6
Dividend cover (x)	1.0	1.1	1.2	1.2	1.2	1.2	1.1	1.2
NAV per share	1.02	1.16	1.29	1.42	1.56	1.71		
Price / NAV (x)	n/a	n/a	10.8	9.9	9.0	8.2		
TNAV per share								
Price / TNAV (x)	n/a	n/a						

Investment summary

Stanchart has the smallest network compared to peers (13 branches and 42 ATMs), and held 18% and 20% of industry loans and deposits respectively in FY09. Stanchart is conservative, growing loans by only 8% compound over 3 years versus 25% and 16% for Barclays and FNBB respectively.

A high consumer credit exposure (70% loans), has driven impairments up to 2.3% of loans (FY08: 1.5%). NPLs also averaged 4.3% owing to retrenchments in FY08 and FY09, and some corporate failures in the transport and mining sectors.

Despite strong liquidity (57%) and a low L/D ratio (47%), we do not foresee management aggressively improving risk assets in the medium term and believe that Stanchart will lose market share in the medium term. Further, a low CAR (17%) coupled with a high dividend payout ratio (80%) and a low reinvestment in the business, will limit further growth in risk assets.

We estimate FY10 EPS and loan growth of 3% and 6% respectively, on volumes from the commercial and SMME segments. Deposit growth of 4% is also expected to underperform the sector.

Stanchart is the most expensive bank in our universe, on a PE of 18.1x and a PB of 11.5x. However, its dividend yield has historically been one of the highest in the sector.

Selected financial ratios

Year end	Dec-07A	Dec-08A	Dec-09A	Dec-10F	Dec-11F	Dec-12F	Average	
							Historical	Forecast
ROaE (%)	77.0	92.9	66.5	62.6	61.7	62.3	78.8	62.2
ROaA (%)	4.0	4.4	3.3	3.5	3.6	3.8	3.9	3.7
Equity / assets (%)	3.8	3.7	4.5	4.6	4.7	4.7	4.0	4.6
Loans / deposits (%)	44.5	38.2	46.5	47.2	47.0	46.7	43.1	47.0
Liquid assets / deposits (%)	60.7	65.3	57.2	59.1	59.7	61.2	61.1	60.0
NPL's / gross loans (%)	3.5	4.8	3.0	3.8	3.3	3.2	3.8	3.4
NPL cover ratio (%)	66.9	49.5	71.8	105.4	166.1	199.7	62.7	157.1
Net interest margin (%)	6.2	6.8	6.1	6.5	6.6	6.6	6.4	6.6
NIR / total income (%)	29.0	26.4	32.9	32.1	30.4	29.3	29.4	30.6
Cost / income (%)	40.3	43.6	51.3	51.0	51.1	50.8	45.1	51.0
Impairment / gross loans (%)	2.5	1.5	2.2	2.1	1.9	1.6	2.1	1.8

Share information

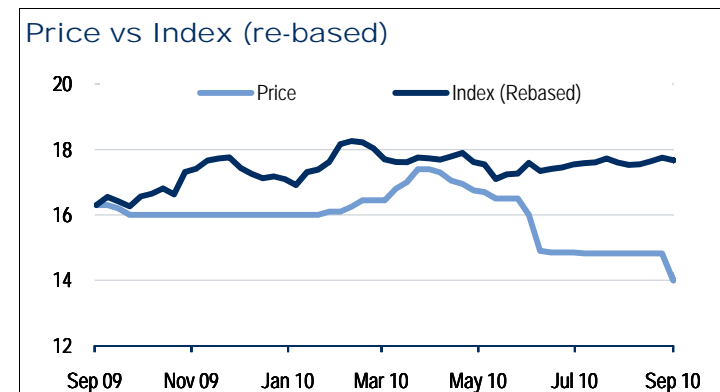
Bloomberg	SCBB BG
Reuters	STD.BT
BOTSWANA: BANKS	
12 month high / low	17.50 / 14.00
Market cap	BWP 4.0bn / USD 0.6bn
Ave 12 monthly value traded	BWP 1.5m / USD 215.6k
Ave 12 monthly volume traded (m)	0.1
Shares in issue (m)	288
Estimated free float (%)	25
Analyst	Odirile Okaile
	+267 364 3945
	okaileo@africanalliance.com

STANCHART BOTSWANA (BWP 14.00) - HOLD

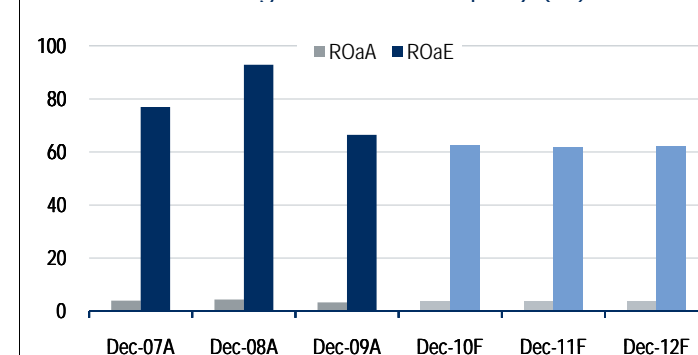


Income statement (BWP 000)

Year end	Dec-07A	Dec-08A	Dec-09A	Dec-10F	Dec-11F	Dec-12F	CAGR / Average	
							Historical	Forecast
Net interest income	449,858	545,508	496,862	530,755	586,567	646,707		
Growth (%)	20.4	21.3	-8.9	6.8	10.5	10.3	10.0	9.2
Net interest margin (%)	6.2	6.8	6.1	6.5	6.6	6.6	6.4	6.6
Non-interest revenue	183,630	195,960	243,598	250,608	256,674	268,546		
Growth (%)	20.4	21.3	-8.9	6.8	10.5	10.3	10.0	9.2
Total operating income	633,488	741,468	740,460	781,363	843,241	915,252		
Growth (%)	13.6	17.0	-0.1	5.5	7.9	8.5	9.9	7.3
Opex	-255,487	-323,206	-379,667	-398,650	-430,542	-464,986		
Growth (%)	19.7	26.5	17.5	5.0	8.0	8.0	21.2	7.0
Impairments	-74,943	-47,784	-75,440	-76,997	-75,534	-69,240		
% of ave gross loans	2.5	1.5	2.2	2.1	1.9	1.6		
Profit before tax	303,058	370,478	285,353	305,715	337,164	381,027		
Growth (%)	-5.8	22.2	-23.0	7.1	10.3	13.0	-3.9	10.1
Tax	-63,690	-78,002	-50,045	-61,143	-72,490	-87,636		
Effective tax (%)	21.0	21.1	17.5	20.0	21.5	23.0	19.9	21.5
Minorities								
Attributable profit	239,368	292,476	235,308	244,572	264,674	293,391		
Growth (%)	-7.2	22.2	-19.5	3.9	8.2	10.8	-3.0	7.6
Weighted shares in issue (m)	288	288	288	288	288	288		
FYE shares in issue (m)	288	288	288	288	288	288		



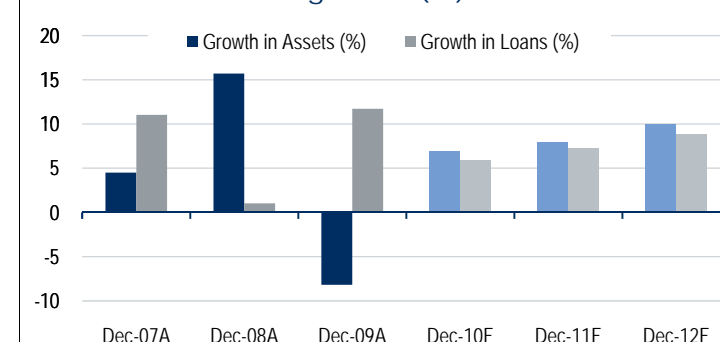
Return on average assets & equity (%)



Balance sheet (BWP 000)

Year end	Dec-07A	Dec-08A	Dec-09A	Dec-10F	Dec-11F	Dec-12F	CAGR / Average	
							Historical	Forecast
Cash & equivalents	385,483	422,127	425,038	442,040	464,141	491,990		
Investment securities	3,858,680	4,387,856	3,277,364	3,605,100	4,001,661	4,601,911		
Due from (to) banks	181,204	793,209	774,243	762,766	757,785	756,264		
Net Loans	3,090,169	3,121,911	3,487,961	3,696,139	3,967,092	4,317,488		
Growth (%)	11.0	1.0	11.7	6.0	7.3	8.8	7.8	7.4
Fixed assets	32,678	33,674	30,461	33,359	36,507	40,111		
Total assets	7,838,182	9,068,976	8,325,940	8,908,756	9,621,456	10,583,602		
Growth (%)	4.5	15.7	-8.2	7.0	8.0	10.0	3.5	8.3
Non-bank deposits	6,760,762	7,977,707	7,262,070	7,570,221	8,161,311	8,941,550		
Growth (%)	1.6	18.0	-9.0	4.2	7.8	9.6	3.0	7.2
Debt	315,060	243,847	241,656	243,348	245,051	246,766		
Equity	294,123	335,353	372,488	409,185	448,897	492,919		

Asset and net loan growth (%)



Source: Company data, African Alliance estimates

SECHABA (BWP 10.30) - HOLD



Valuation and target price

BWP	Current	1 yr fwd	1yr fwd
Share price at 10 Sep 10	10.30		Expected capital gain (%)
Fair value	10.46		Expected dividend yield (%)
Target price		11.03	Expected total return (%)
Rolling est. EPS	0.94	1.02	Cost of equity (%)
Rolling est. P/E (x)	10.9	10.1	Difference (% points)

Note: Valuation was derived using a 5-yr free cash flow model with a terminal growth rate of 5%

Investment summary

BWP							CAGR / Average	
	Mar-08A	Mar-09A	Mar-10A	Mar-11F	Mar-12F	Mar-13F	Historical	Forecast
EPS	1.08	1.22	0.92	0.98	1.08	1.14		
Growth (%)	14.8	12.5	-24.9	6.9	10.3	5.8	-1.0	7.6
P/E ratio (x)	n/a	n/a	11.2	10.5	9.5	9.0		
PEG ratio (x)	n/a	n/a	n/a	1.64	1.31	1.47		
DPS	1.02	1.09	0.85	0.92	1.01	1.07		
Growth (%)	20.0	6.9	-22.0	8.0	10.2	6.0	0.0	8.1
Dividend yield (%)	n/a	n/a	8.3	8.9	9.8	10.4	8.3	9.7
Dividend cover (x)	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
NAV per share	1.12	1.25	1.32	1.39	1.46	1.54		
Price / NAV (x)	n/a	n/a	7.8	7.4	7.0	6.7		
TNAV per share	0.43	0.56	0.64	0.70	0.78	0.86		
Price / TNAV (x)	n/a	n/a	16.2	14.6	13.2	11.9		

Investment summary

Sechaba's FY10 results showed a 24.4% y/y decline in EPS to BWP 0.92. A continued decline in the top line and rising operating costs, culminating in eroding margins, continued to be the highlights in the company's performance. Turnover declined 15.8% y/y to BWP 1.2bn as a 2% and 22% increase in soft drinks and still beverages respectively was negated by a 34.5% decline in alcoholic beverages sales volumes. Cost efficiencies achieved on inputs translated into an 18.6% reduction in cost of sales and the GP margin firmed 200bp to 41%. Operating profit however plunged 24.6% on the back of a 135.1% increase in selling and distribution costs, as the company increased its marketing efforts to counter the effects of the alcohol levy.

The 30% alcohol levy and a banning the sale of alcohol in residential areas have seen clear beer sales and sorghum sales declining 26.2% and 7.8% y/y respectively. A continued threat of an increase in the alcohol levy remains, exacerbated by the recent increase in VAT to 12%. Consumer drinking patterns have changed, with customers switching to cheaper, high alcohol content beverages; volumes are expected to be under pressure in FY11.

In the current scenario we expect slow recovery in volumes and limited growth prospects. However a generous dividend yield is expected to support the share price, especially given the low yields from other financial assets in Botswana.

Selected financial ratios

Year end							Average	
	Mar-08A	Mar-09A	Mar-10A	Mar-11F	Mar-12F	Mar-13F	Historical	Forecast
ROaE (%)	125.0	128.7	129.7	89.6	91.2	95.4	127.8	92.0
ROaA (%)	49.2	51.9	36.5	38.4	43.9	45.7	45.9	42.6
Debt / Equity (%)	91.8	36.8	27.5	18.2	34.0	26.6	52.0	26.3
EBITDA margin (%)	24.8	25.6	23.0	22.6	23.1	23.1	24.5	22.9
Operating profit margin (%)	24.8	25.6	23.0	22.6	23.1	23.1	24.5	22.9
Net margin (%)	20.0	20.5	18.4	18.4	19.2	19.2	19.6	18.9
Sales (khl)	2,327	2,400	2,125	2,134	2,150	2,171		
Growth (%)	7.2	3.1	-11.5	0.4	0.7	1.0		
Beer consumption (lpc)	36.8	37.3	37.7	38.2	38.7	39.2		
EV / EBITDA	n/a	n/a	5.1	4.9	4.5	4.2	5.1	4.5

Sales: '000 hectolitres; beer consumption in litres per capita. Source: Canadean

Share information

Bloomberg	SCHB BG
Reuters	SECH.BT
BOTSWANA: INDUSTRIALS	
12 month high / low	13.25 / 9.93
Market cap	BWP 1.4bn / USD 0.2bn
Ave 12 monthly value traded	BWP 10.0m / USD 1.5m
Ave 12 monthly volume traded (m)	0.9
Shares in issue (m)	133
Estimated free float (%)	58
Analyst	Maciek Szymanski
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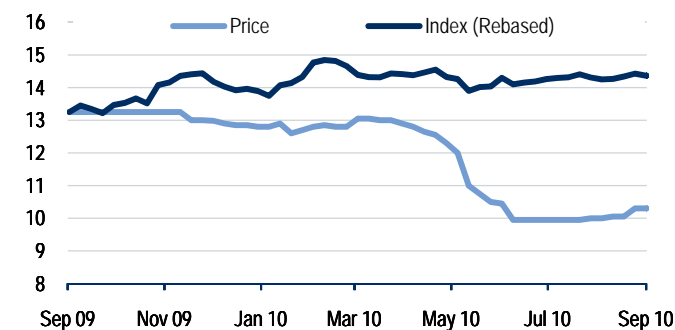
SECHABA (BWP 10.30) - HOLD



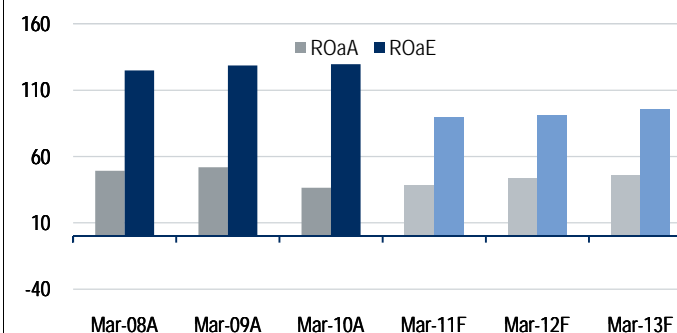
Income statement (BWP 000)

Year end	Mar-08A	Mar-09A	Mar-10A	Mar-11F	Mar-12F	Mar-13F	CAGR / Average	
							Historical	Forecast
Revenue	1,283,880	1,409,353	1,186,473	1,270,160	1,341,334	1,421,998		
Growth (%)	19.3	9.8	-15.8	7.1	5.6	6.0	3.3	6.2
EBITDA	318,989	361,383	272,530	287,228	310,029	328,674		
Growth (%)	12.4	13.3	-24.6	5.4	7.9	6.0	-1.3	6.4
EBITDA margin (%)	24.8	25.6	23.0	22.6	23.1	23.1	24.5	22.9
D & A								
Operating profit	318,989	361,383	272,530	287,228	310,029	328,674		
Growth (%)	12.4	13.3	-24.6	5.4	7.9	6.0	-1.3	6.4
Operating profit margin (%)	24.8	25.6	23.0	22.6	23.1	23.1	24.5	22.9
Net interest	-10,182	-14,014	-10,039	-6,000	0	0		
Exceptional items								
Profit before tax	308,807	347,369	262,491	281,228	310,029	328,674		
Growth (%)	15.1	12.5	-24.4	7.1	10.2	6.0	-0.7	7.8
Tax	-52,508	-59,020	-44,585	-47,767	-52,660	-55,826		
Effective tax (%)	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Minorities	-112,130	-126,108	-96,054	-102,103	-112,559	-119,328		
Attributable profit	144,169	162,241	121,852	131,358	144,810	153,519		
Growth (%)	14.4	12.5	-24.9	7.8	10.2	6.0	-1.1	8.0
Weighted SISS (m)	133	133	133	133	133	133		
FYE SISS (m)	133	133	133	133	133	133		

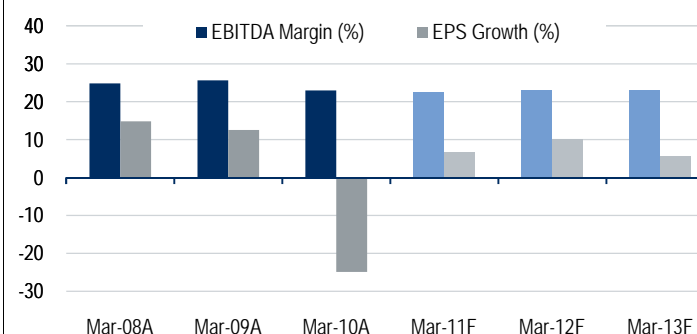
Price vs Index (re-based)



Return on average assets & equity (%)



EBITDA margin and EPS growth (%)



Balance sheet (BWP 000)

Year end	Mar-08A	Mar-09A	Mar-10A	Mar-11F	Mar-12F	Mar-13F	CAGR / Average	
							Historical	Forecast
Non-current assets	298,740	355,955	398,403	398,403	398,403	398,403		
Current assets (ex-cash)	181,959	178,930	192,293	182,862	193,108	204,721		
Cash and cash equivalents	71,657	23,291	45,486	0	0	0		
Total assets	552,356	558,176	636,182	581,265	591,511	603,124		
Growth (%)	13.0	1.1	14.0	-8.6	1.8	2.0	9.2	-1.8
Non-current liabilities	69,559	70,691	11,747	11,747	11,747	11,747		
Current liabilities	274,913	250,535	374,942	306,847	302,659	298,969		
Equity	149,218	166,476	175,265	184,460	194,597	205,343		
Total equity and liabilities	552,356	558,176	636,182	581,265	591,511	603,124		
Borrowings	190,802	87,197	68,487	47,792	94,152	77,912		
Growth (%)	45.9	-54.3	-21.5	-30.2	97.0	-17.2	-19.4	4.4

Source: Company data, African Alliance estimates

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