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Research Department

RESEARCH REPORT

www.tunisievaleurs.com
recherche@tunisievaleurs.com

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RESEARCH DEPARTMENT
(216) 71 18 96 00

Rym Gargouri Ben Hamadou - grym@tunisievaleurs.com
Lilia Kamoun Turki - klilia@tunisievaleurs.com
Eya Limam - leya@tunisievaleurs.com
Aicha Mokaddem - maicha@tunisievaleurs.com

Headquarter Immeuble Integra - Centre Urbain Nord - 1082 Tunis Mahrajène - **Tel** (216) 71 189 600 - **Fax** (216) 71 949 350
Capital 10.000.000 Tnd - **License** BVMT dated 6-11-1991 - **CI** B132 76 1998 - **FC** 341443 W/A/M/000
Website : www.tunisievaleurs.com

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Snapshot : Tunisian Economy

- Consumption continues to be the main growth driver, it is the most important component of GDP accounting for 84% of its growth. Most of consumption growth was driven by the private sector(+10% at 52 Billion Tunisian Dinars) thanks to the significant rise in purchasing power, fueled by the salary increases in the wake of the Tunisian revolution.

- Investment, second largest component of GDP growth, has relatively reported a good performance (+11% at 15.6 Billion Tnd) driven by the good performance of non manufacturing industries (Energy and Agriculture) and Foreign Direct Investments (24 Billion Tnd in 2012 against 0.5 Billion Tnd in 2011) fueled by the sale proceeds of confiscated companies from the ex-dictator and his relatives (mainly the sale proceeds from the Telecom company Tunisiana and BT Bank for a total of 855mTnd).

- It should be underlined, nonetheless, that Investments as a percentage of GDP are still low (25% of GDP) because of the worsening business climate and its impact on private investments specifically. Two reasons are behind the worsening climate:

• First, there is the political picture of the country that sends negative signals to private investors who prefer to wait for a better climate.
• The banking sector is increasingly reluctant to lend to SMEs because it remains focused on cleaning up its bad loans and therefore it is less inclined to take risks. Most of its loans go to retail clients or to the treasury (Banks prefer to buy government bonds). Although return on these loans is low, Tunisian banks are determined to take a prudent approach in times of crisis. Consumer loans have thus reached an unprecedented level growing threefold in the period from 2010 to 2012 (8.3 Billion Tnd in total).

Analysis: GDP Growth

In mTnd	2010	2011	2012	2013e
Consumption All in	50 044	54 359	59 716	65 877
As % of GDP	79%	83%	84%	84%
Public Consumption	*21%*	*21%*	*21%*	*21%*
Private Consumption	*79%*	*79%*	*79%*	*79%*
Investment + Change in inventory	16 504	15 665	18 098	19 478
As % of GDP	26%	24%	25%	25%
Public Investments	*38%*	*42%*	*44%*	*n.d*
Private Investments	*62%*	*58%*	*56%*	*n.d*
Trade Balance & Services*	- 3 026	- 4 654	- 6 482	- 7 021
As % of GDP	-5%	-7%	-9%	-9%
GDP Constant prices	63 522	65 370	71 332	78 334
GDP Growth (at constant prices)	3.1%	-1.9%	3.6%	4.0%

** Trade Balance (goods) : Export-Import of goods*
Trade Balance (services) : Tourism+Transport

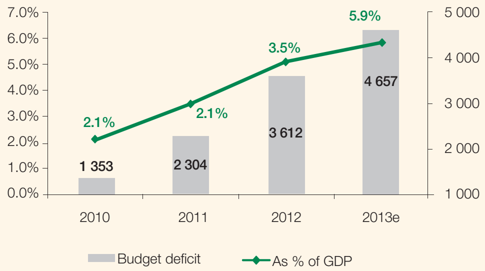
In mTnd	2010	2011	2012	2013e
Debt Outstanding (Public Debt)	25 640	28 780	31 418	36 658
As % of GDP	*40.5%*	*44.0%*	*44.0%*	*46.8%*
Debt Outstanding (Public Foreign Debt)	15 551	16 701	19 714	23 093
As % of GDP	*24.5%*	*26.3%*	*30.2%*	*32.4%*

The rise in consumer loans has urged the Central Bank to take measures in 2012 to rein in consumption and bring imports under control in order to better manage the currency reserves.

- Foreign Trade, has reported a clear slowdown with exports dropping while imports continuing to rise (mainly because of energy and food imports). Despite the resilience of services in the trade balance (tourism and transport), this sector is still far from its past records, which makes the deficit in the trade balance difficult to curb. It is this structural trade deficit that puts the current government under huge pressure. Add to that, the slowdown this year in the other two growth engines (consumption and Investment) it is difficult to see the end of the tunnel.

Consumer Loans (pure consumer + Mortgage) account, going forward, for 28% of total outstanding loans to the economy (against 25% two years ago)

Change of Budget Deficit
(in mTnd and as a % of GDP)



▪ Snapshot : State Budget

• The Tunisian State Budget for 2013 stands at 26.7 Billion Tnd, up 5% year on year. If we take into account the rising inflation of the last few months (5.5%), the State Budget remains the same at constant prices.

• The deficit in the State Budget stands at 5.9% of GDP in 2013. Restated of exceptional revenues, the deficit would have stood at 7.5% of GDP (to be compared with 8.9% in 2012).

- Structural deficit in the trade balance (-5.8 Billion Dinars)

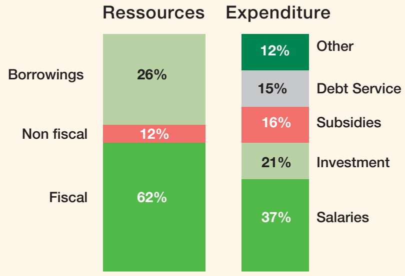
• Higher revenues (+25%) of Tunisian Residents Abroad* at 3.5Billion Tnd contribute to alleviate the deficit in the current account.

• Other reasons that have alleviated the deficit in current account :

- Exceptional flow of FDI mainly deriving from the sale proceeds of confiscated companies
and foreign investments in Energy, Construction andMechanic Industries.

- Rise in Net Debt with another 3.2Billion Dinars.

• Over the first Quarter of 2013, The deficit in the current account has been slightly shrinking owing to a narrower deficit in the trade balance Going forward however there are good reasons to worry about the future: lower revenues from Tunisians Residents Abroad, lower receipts from Tourism and FDIs, Repayment of sovereign loans, lower currency reserves (at 11.1 Billion Tnd or 104 days of imports), higher state budget in 2013 (growth expected at 4%).



Own Resources (mTnd)	2010	2011	2012	2013e	Chg 2013-2012
Owns Resources	**14 855**	**16 620**	**19 644**	**19 975**	**2%**
Fiscal	12 739	13 668	14 566	16 650	14%
Non Fiscal	2 116	2 952	5 078	3 325	-35%
Borrowings	**3 256**	**4 098**	**5 757**	**6 817**	**18%**
Domestic		1 850	1 417	1 800	
Foreign		2 788	4 340	5 017	
Total Resources	**18 111**	**20 718**	**25 401**	**26 792**	**5%**

Expenditure (mTnd)	2010	2011	2012	2013e	Chg 2013-2012
Item 1 : General costs	**10 001**	**12 471**	**14 787**	**16 972**	**15%**
Salaries	6 785	7 679	8 647	9 781	13%
Subsidies	1 500	2 869	3 208	4 200	31%
Other	1 716	1 923	2 932	2 991	2%
Item 2 : Investments	**4 326**	**4 727**	**6 400**	**5 500**	**-14%**
Item 3 : Debt service	**3 616**	**3 608**	**4 089**	**4 220**	**3%**
Loans and advances to treasury	**168**	**-89**	**125**	**100**	**-20%**
Total Expenditure	**18 111**	**20 717**	**25 401**	**26 792**	

(*) Balance TRA : Inflows – Outflows of Tunisian Residents Abroad
(*) Balance Capital: Income on Foreign Investments-Interest paid on Debt (Intermediate & Long term)

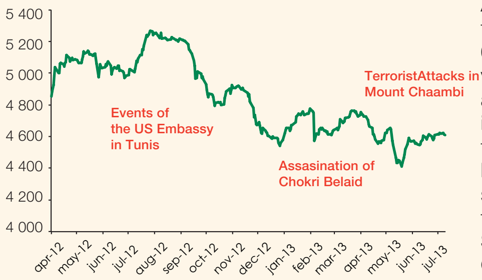
Written on July 12st 2013

Tunis stock exchange : As the socio-political crisis deepens, bear markets start to show up

▪ Records of the first half of 2013:

Two years after the Jasmine revolution and the Tunisian market place is unable to take a clear trend. Just like the huge upheavals that the country has seen ever since its revolution (unstable politics, global slowdown, lackluster growth, social turmoil, and lack of visibility), the Tunisian stock exchange has been replicating the image of the "main street" .

Change of Tunindex



The year 2012 was a though one. The benchmark index has closed the year on a another drop, the second in a row(-3% at 4579.85 points). In 2013, the start of the year was quite encouraging as Tunindex has made up for the losses of 2012 in just one month (January 2013). The index was up 3.92% in January and reached its year long high on February 1st 2013 at 4777.69 points.

But the good mood didn't last for long. On February 6th 2013 when Mr Belaid (one of the left parties' leader) was assassinated, the Tunisian market has taken a downward trend and lost 3.69% in one trading session. The index has thus lost all its gains since the start of the year to February 6th.

The recovery was not confirmed

Then the following four months have seen almost the same depressed trend replicating the instability that the country was living at the political, economic and social levels.
At last, the index has closed the first half of 2013 on a small gain of 0.62% amid a thin transaction volume around 5.4mTnd/day against a daily trading of 8mTnd in 2012. Liquidity in the market has thus suffered and it could have been worse if investors hadn't shown a particular interest in trading stocks like the tiles maker **SOMOCER** (0.6mTnd/day) and **Carthage Cement** (0.5mTnd/day).

Low trading volumes compared with records of previous years

Even the publication by listed companies of their 2012 financials, no matter how positive they have been, didn't manage to bring anything new. The same can be said about the new companies listed in Tunis Stock Exchange is a series of IPOs during the months of April, May and June with no impact whatsoever on volumes or share price performance. Worse, some of the listed stocks have suffered further drops because investors were selling their stocks to buy in the new IPOs.

	2013		2012	
Months	Index chg	Volume (mTnd)	Index chg	Volume (mTnd)
January	3,9%	76,0	-0,6%	119,7
February	-3,0%	91,7	0,9%	116,5
March	1,8%	168,5	1,1%	193,2
april	-2,4%	99,9	5,6%	270,9
may	-1,1%	121,8	-1,1%	226,1
june	0,7%	108,6	-1,2%	88,0
Cumulative 1st Half	0,62%	666,5	5,5%	1 014,4

In a move to turnaround the performance of certain stocks a number of listed companies have launched a number of corporate actions particularly appreciated by retail investors like bonus issues (ARTES, Amen Bank, SFBT and other companies did it). The impact of these corporate actions has been relatively positive as these stocks have managed to resist.

Earnings' Growth 2012*

2011 results	2012 results	Change
612,4 mTnd	842,1 mTnd	+38%

(*) Restated earnings: Restated of Tunisair results. The latter having published losses for 146mTnd in 2011.

Companies have raised no less than 279.1mTnd in rights issue and IPOs since the start of the year

In another respect and although most of the listed companies have been resilient during and after the revolution, the crisis in the Tunisian economy was particularly harmful to the rest of Tunisian SMEs. Most of them have been given up by their bankers (because of the liquidity crunch), they had no other solution Tunis Stock Exchange has never seen such a big number of IPOs in a short period of time. All in all 7 new companies were listed (cheese maker Land'Or, Electronic and mobile distributor Ae Tech, Textile New Body Line, Cables maker OTH, Syphax Airlines, mountain bikes maker Euro Cycles and recently Hannibal Lease). The new listings totaled 169mTnd in fund raising and offered the Tunisian market an additional 600 Million Tnd in Market Cap.

Tunis Stock Exchange plays its primary role as an alternative for funding

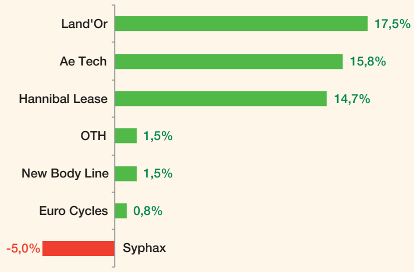
All of these IPOs were successful in the sense that investors' demand have reached 905.6mTnd which is 9x higher than the offer. But in terms of share price performance, things are quite different. Generally speaking when a company comes to be listed by IPO, investors put a large demand in the first days of trading and share prices generally jump +18% to 36% in few sessions because of the demand. The latest IPOs have seen more reasonable progress during the first sessions. It is undoubtedly the effect of such a large offer of stocks in such a short period of time which made it harder for investors to bring fresh cash to the market. Most of them prefer to sell their existing stocks to buy new shares.

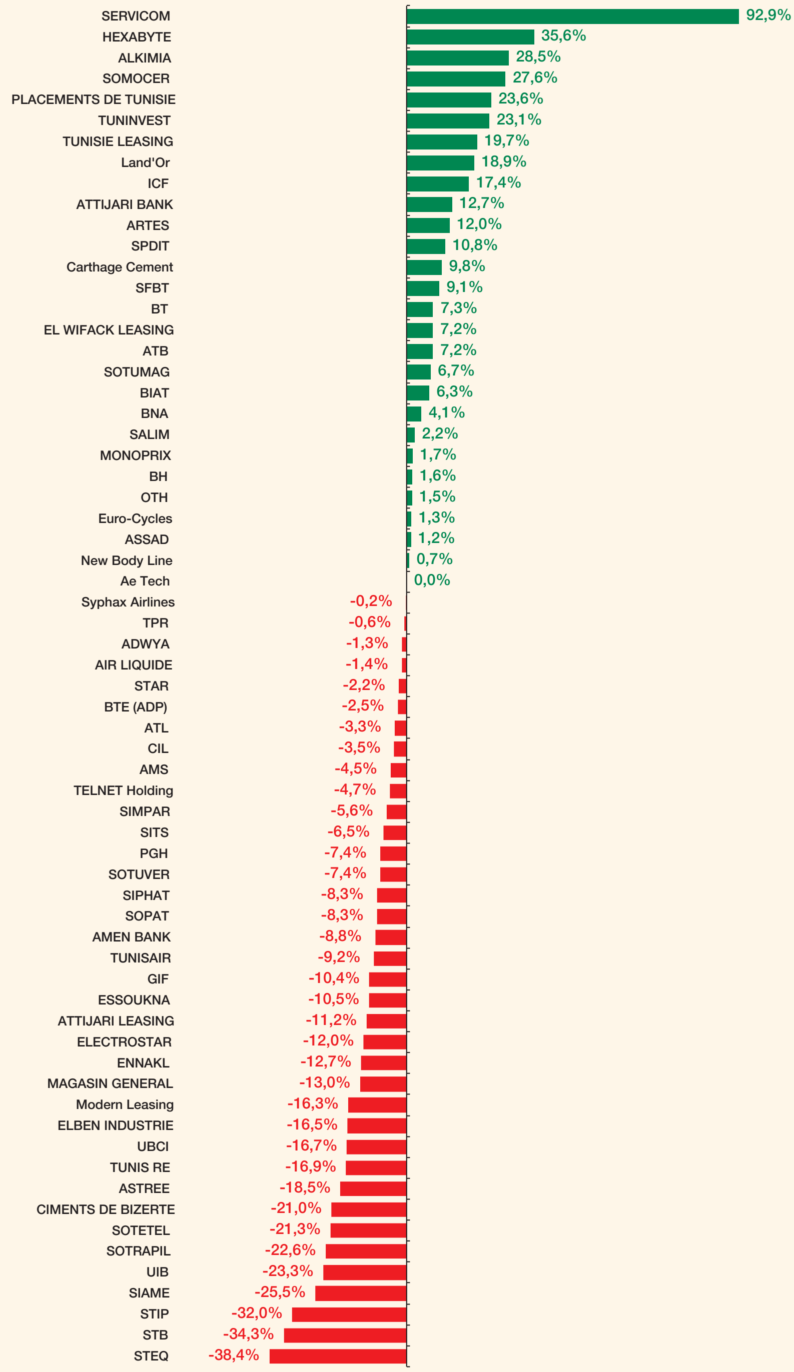
Companies	Listing date	Total offer (mTnd) (Preferential placement +IPO)	Market Cap (mTnd)
Land'Or	07/03/2013	11,0	35,3
Ae Tech	04/04/2013	3,5	13,3
New Body Line	09/05/2013	13,4	32,1
OTH	20/05/2013	81,9	348,4
Syphax Airlines	11/06/2013	25,0	55,0
Euro Cycles	24/06/2013	18,1	60,5
Hannibal Lease	04/07/2013	16,5	54,5
Total		169,4	599,1

In mTnd	Offer at IPO	Demand	Over subscription
Land'Or	4,4	56,5	13x
Ae Tech	3,5	39,9	11x
New Body Line	6,4	97,5	15x
OTH	40,9	584,4	14x
Syphax Airlines	25,0	45,2	2x
Euro Cycles	10,2	36,7	4x
Hannibal Lease	10,2	45,3	4x
Total	100,5	905,6	9x

Stocks' Performance over the first 6 months of 2013

Share price Performance of newly listed stocks up to 11/07/2013





▪ Outlook 2013 :

The second half of 2013 should see the same trend in terms of new listings (3 IPOs have already been announced : Cellcom, Best Lease and KIA Motors). By the end of 2013 we expect the total number of new listings at 10 companies (at the least). It will thus be an all time record in terms of new listings in one single year!

The positive trend in terms of new listings should continue in Tunisia mainly when the politicians finally decide to put a deadline on holding the next elections (presidential and parliamentary). It will be an absolutely necessary condition for the success of the coming operations in the market. In case the politicians fail to agree on holding the next elections and set the date that each party must respect, the Tunisian market will undoubtedly enter a long term depression.

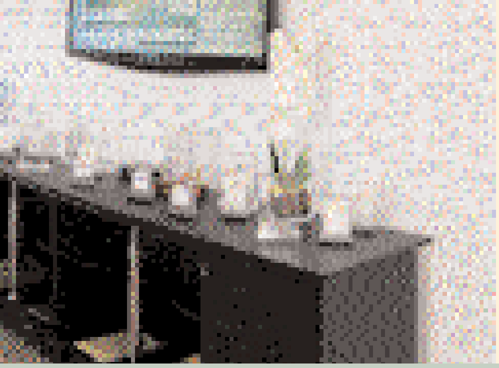
For this reason , we are concerned about investors' overreaction on new listings and the fact that their strong demand on stocks have contributed, in certain cases to artificially inflate stock prices. We recommend a more cautious approach in this period of high uncertainties and look at the realization of the listed companies rather than blindly trust the future results on their business plans.

We thus recommend to select solid stocks (stock-picking) particularly those offering higher dividend yields (**SFBT, ARTES**), growth stocks (**PGH, OTH, ASSAD, STAR**) and real estate developers (**SIMPAR, Essoukna**) which have been among the most resilient names during the crisis.

Snapshot IPOs in Tunis Stock Exchange in 2013

Written on July 24st 2013

Company/IPO date	Main Figures	Main Financials 2013 estimates	Multiples	Performance in 2012 and Outlook
Land'Or **07/03/2013** Food (Cheese)	**Market Cap :** 41.8MDt **Free float** : 31% **Offering** : Rights issue for 10.9mTnd **Performance since listing** : **+18.7%** **Market compartment**: Alternative	**Sales: 72mTnd** **Net Profit (consolidated) : 2.7mTnd** **Gearing : 60%** **ROE : 28.9%**	**PER$_{2013e}$: 15.4x** **Yield$_{2013e}$: 4%**	**-Performance in 2012**: Better than expected performances **at the level of the parent company of the group**. The bad news came from subsidiaries recently set up in Libya, Morocco and the United States. The results of these subsidiaries have brought down the consolidated profit of the group to losses (-0.2mTnd against 0.7mTnd in 2011) **- Why listing?** Restructuring the group's financials by raising equity+ finance any future development. **- Outlook**: Offering new products with higher value added and expansion to new markets (EU and Middle East).
Ae Tech **04/04/2013** Telecom	**Market cap**: 15.3MDt **Free float**: 26.23% **Offering**: Rights issue for 3.5mTnd **Performance since listing:** **+14.8%** **Market compartment**: Alternative	**Sales: 10.5mTnd** **Net Profit: 0.38mTnd** (3x higher than 2012 earnings) **Gearing: -8%** **ROE: 10.3%**	**PER$_{2013e}$: 41.5x** **Yield$_{2013e}$: 1.2 %**	**-Performance in 2012**: Compared with the BP forecasts there is a clear gap in sales of 13% to 8.5mTnd while operating charges were rising at a higher pace than expected in the BP. Clearly there is a clear difference between management expectations on earnings and what the company actually realized (-74.4%) Net profit stood at 0.11mTnd. **- Why listing?** Raise equity + finance future development. **- Outlook**: Diversification of product range and develop synergies between the group's different lines of business.
New Body Line **09/05/2013** Textile	**Market cap**: 31MDt **Free float**: 41.67% **Offering**: rights issue for 5.4mTnd +cash out from sale of shares for 8.1mTnd **Performance since listing:+0.4%** **Market compartment**: Alternative	**Sales: 7.2mTnd** **Net Profit : 2.6mTnd** (+2.6% above 2012) **Gearing :-14%** **ROE: 36%**	**PER$_{2013e}$: 11.9x** **Yield$_{2013e}$: 4%**	**-Performance in 2012**: **Better than expected figures**: Sales in 2012 have reached 6.4mTnd which is 13.4% above BP forecasts. Net Profit stood at 2.5mTnd which is 22% more than BP forecasts. **- Why listing?** Funding future investments + cash out in favor of core shareholders **- Outlook**: Rise in output capacity in the future and consolidate its position on 'high tech' products.
OTH **20/05/2013** Holding (Cables, Mecatronics, Telecom…)	**Market cap**: 354.3MDt **Free float**: 23.53% **Offering**: Rights issue for 16.4mTnd +sale of shares for 65.5mTnd (including 29mTnd to be sold by subsidiaries to finance their future development) **Performance since listing:** **+1.7%** **Market compartment**: Main market	**Sales: 437mTnd** **Net Profit (restated*) : 26.2 mTnd** (+60% from 2012) **Gearing$_{2013e}$: -16%** **ROE : 20.3%** *restated of exceptional capital gains deriving from the legal restructuring of the group and sale of shares by the subsidiaries (11.8mTnd)	**PER$_{2013e}$: 13.5x** **Yield$_{2013e}$: 2.9%**	**-Performance in 2012**: Consolidated sales reached 375mTnd (the company has thus met its forecasts) and net profit ex-minorities reached 16.4mTnd (up 10.7% from 2011). **- Why listing?** Reorganizing the Group and create a Holding +accelerate international development + cash out in favor of shareholders. **- Outlook**: Take new opportunities for growth (new products with higher value added, more diversification in new segments) and tap new markets (North Africa, Sub-Saharan Africa, United States…).
Syphax Airlines **11/06/2013** Airlines	**Market cap**: 51.7MDt **Free float**: 45.5% **Offering**: Rights issue worth 25mTnd **Performance since listing:** **-6%** **Market compartment:** Alternative	**Sales: 156mTnd** **Net Profit* : -7.5 mTnd** **Gearing$_{2013e}$: 44%** **ROE: N.A** *The company should come back to profitability starting from the fiscal year 2014, and P/E 2014e is estimated at 3x.	**PER$_{2013e}$: N.S** **Yield$_{2013e}$: 0%**	**-Performance in 2012**: 2012 Sales have beaten BP forecasts (31.4mTnd realized against 29mTnd forecast) and Net Profit also in line with forecasts (-14.5mTnd). **- Why listing?** Recapitalizing the company to finance its future development **- Outlook**: Hybrid offer for flyers as the company will offer both regular and charter flights at a low cost. Developing long haul flights from Tunisia which is a niche market that has never been explored by the national carriers..
Euro Cycles **24/06/2013** Industries (mountain bikes)	**Market cap**: 61MDt **Free float**: 30% **The offer** : sale of shares by the core shareholders for 18.14mTnd **Performance since listing:** **+0.9%** **Market compartment:** Main market	**Sales: 56mTnd** **Consolidated earnings : 5.8mTnd** (+5% from 2012) **Gearing$_{2013e}$: -20%** **ROE: 54.4%**	**PER$_{2013e}$: 10.5x** **Yield$_{2013e}$: 4.3%**	**-Performance in 2012**: **Consolidated sales in** 2012 have been **slightly below BP forecasts** at 48.5mTnd (-5% compared with forecasts). Net Profit ex-minorities estimated at 5.5mTnd in 2012 up 11% compared with 2011. It should be noted that so far the group has not published its 2012 final results. **- Why listing?** wider notoriety of the brand name + cash out in favor of core shareholders **- Outlook**: Consolidate current position (high cash flow generation, high profitability and sound financial standing) + enlarge the existing product range.
Hannibal Lease **04/07/2013** Leasing	**Market cap**: 60MDt **Free float**: 30.3% **The Offer** : :Rights issue for 16.5mTnd **Performance since listing** : **+11.1%** **Market compartment:** Main market	**Loans disbursed: 165mTnd** **Net Profit: 3.3mTnd** (+20% compared with 2012) **ROE : 9.5%**	**PER$_{2013e}$:18x** **Yield$_{2013e}$: 2.4%**	**-Performance in 2012**: **Net Profit is 9.5% below BP forecasts at 2.8mTnd**, Asset quality is getting worse than expected by management (with NPLs as a percentage of the loan book at 9.4% and a coverage rate at 56.7% while management expected NPLs at 8.5% and coverage at 63.4% in the IPO memorandum). **- Why listing?** Strengthen the company's equity base . **- Outlook**: Priority will be given to asset quality rather than aggressive commercial strategy. The company aims to comply with prudential rules on risks and coverage by provisions (70% coverage of NPLs by provisions).



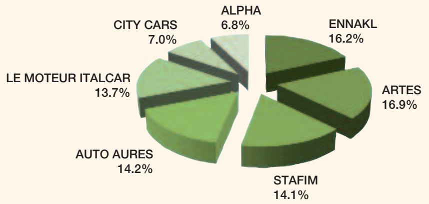
Car Dealership Sector

Written on June 14st 2013

▪ Car Dealership sector...growth and upside stalled !

Following 6 years of consecutive growth (+13%/year) the car dealership sector has struggled to get back to its 2011 level. This under-performance is due to the difficult macroeconomic context that Tunisia has faced since the revolution. Worsening trade deficit, declining foreign currency reserves (10.4bTnd, newly imposed quotas on import, significant depreciation of the dinar against the euro and dollar).

Market share by car dealer



Therefore, the quotas allocated to car dealers declined in 2011 (-13%). In spite of a rebound in activity since 2012, we remain far off the activity level recorded in 2010.

The car dealership sector is made of about 20 dealers specializing in light vehicles, with European car brands making up to 70% of the market.

Perspectives on the sector are mitigated. Faced with a strong demand, supply is constrained by regulations governing the sector. A general import program is determined each year based on economic and foreign exchange resources of the country.

The quotas are allocated by the different operators depending on their individual ability to sell.

▪ Focus on ENNAKEL : getting back to its historical levels... an elusive short-term goal!

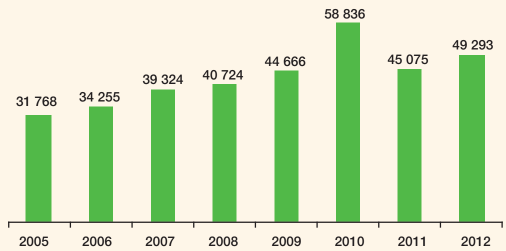
A long time market leader with a market share nearing 20%, ENNAKEL sells several brands: VOLKSWAGEN, AUDI, PORSHE, SEAT and very soon SKODA. Since 2012, ENNAKL lost its market leader status to ARTES, distributor of the Renault, Nissan and Dacia brands.

With 8,006 vehicles sold in 2012 and a market share reduced to 16.2%, the ENNAKEL Group saw its sales decline by 4% in 2012 to 264mTnd, far from the 2010 levels that exceeded 420mTDt in sales and are now way out of reach over the next three years. The current economic context makes things ever more difficult for the company to reach over the 11,000 vehicles sold threshold. Considering that two new car brands entered the Tunisian market as of late: **Hyundai** distributed since 2012 by Alpha Automobile dealership that sells Ford, Jaguar and Land Rover brands and the Japanese brand **Suzuki**, which will soon be distributed by Car Pro, Part of El Karama Holding which manages the assets confiscated from the ex–ruling families.

ENNAKEL Group has experienced a number of transactions on its capital structure since the revolution. The participation of Princess Holding (60%) in the capital was transferred at first to the State Holding El Karama. As part of its privatization, the 60% stake was acquired last December by the consortium group Amen-PGH in the following proportions (40%-20%). **The transaction amounted to 231mTnd valuing the company at 385mTnd corresponding to a PE 2012 of 3x and a PE 2013e of 24,7x** .

Changes made in the company's capital as well as the succession of events experienced by the company (damaged vehicles parked in the port, disturbances at

Light vehicules registrations per year



-**ENNAKL :** VOLKSWAGEN, AUDI, PORSCHE, SEAT et SKODA

-**ARTES :** RENAULT, NISSAN et DACIA

-**STAFIM :** PEUGEOT

-**AUTO AURES :** CITROEN, MAZDA

-**LE MOTEUR ITALCAR :** MERCEDES, MITSUBISHI, ALFA ROMEO, FIAT et IVECO

-**ALPHA :** FORD-JAGUAR-LAND ROVER- HYUNDAI

- **City Cars :** KIA

the port level have complicated the car delivery procedure, late release of quotas) have resulted in an activity slowdown, hence, substantial unrealized gains for the ENNAKL Group.

Considering that **the company's margins are lower than the sector's average**, (13,5 % versus 17% for the sector and 18% for its main competitor ARTES, the Group's profitability has been penalized for the past two years. The low level of profitability could be explained by the fact that after sales services account only for 8% of the Group revenues (against 13% for ARTES). It should be mentioned that the after sales services are a key profit pole for car distributors and partially offset the low margins generated by the 'new vehicles business'.

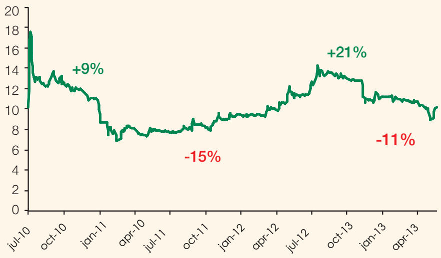
Finally, the operating activity of the car dealer did not meet expectation during the past 2 years. The gross margin in 2012 was even lower than in 2008. It would take several years to reach the high profitability level of 2010. With a significant increase in payroll (17% per year since 2010), the company's net profit reached 12mTnd in 2012, corresponding to a net margin of 4.6% which is less than the half of margin ARTES.

Financial placements 'contribution to the company's margins have decreased due to the less attractive rates (the main interest rate dropped an average of 40 bps in 2011 and 25 bps in 2012) In spite of the group's solid financial situation (89tnd in cash alone), **it seems that the management has failed to optimize on its cash position** generating an average return on financial investments lower than 4% per year.

The lackluster performance of the automotive industry as well as the difficult economic environment leaves us skeptical about the prospects for the sector in general and ENNAKL in particular.

In regards to the stock market, ENNAKEL was listed at 10,70Tnd in 2010, currently trading at this same level. The continued decline in the group's financial results has put a strain on the company share price performance . Even the announcement effect of the acquisition of the strategic block (60%) by the AMEN-PGH Group consortium **at more than 25% of the current price** was short-lived, as the share price market plunged back by 11% since the beginning of the year. Despite this correction, ENNAKEL shares currently trade at a P/E considerably above market P/E (P/E2013e of 19.6x against 13.3x for the market) and a 2013e yield of 3.3% in line with the market.

Share price performance since the IPO



Taking into account the company's high valuation ratios and the sector's low growth potential we are **skeptical about the share price's upside potential**. However, we recommend **to keep it as a value stock that offers a yield of 3.3% and has a low risk profile**, awaiting for the general economy to improve.

▪ Focus on ARTES: A stock heavily penalized by the market

Listed in 2008, ARTES which is owned by the MZABI Group has shown good resistance in a difficult economic context, and thanks to its positioning on lower cost brands that are more competitive than what the competition has to offer. The success achieved by some of its models such as the 'Renault Symbol', 'Fluence' or the 'Dacia' may have attenuated the fall of the group's earnings.

In 2011, facing the backlash of the Tunisian revolution, ARTES, turnover dropped by 22,5% to 181mTnd while its net profit decreased by 22% to 23,4mTnd.

Just like the entire sector, yet with ENNAKEL being the only exception, ARTES recorded a good year in 2012.

With 8,330 vehicles sold, ARTES has leapfrogged ENNAKEL to become market leader with 16,9% market share. It owes this position to **its flagship brand 'Renault' and the rise of the DACIA brand**, while Nissan's contribution remains marginal in the Group Sales ARTES turnover reached over the 200mTnd threshold in 2012 (+13% to 205mTnd and net income recorded a modest growth of 5.71% to 24.7mTnd, corresponding to a net margin of 12% considerably greater than that of ENNAKL (4.6%).

In regards to 2013, as the economic environment remains unstable, the lack of visibility on quotas makes the task of making forecasts more and more difficult. During the first three months of the year, sales fell by 7% due to the delay in obtaining the import quotas for the first quarter first quarter. Added to more restrictive conditions adopted by the Central Bank in regards to consumer loans whose purpose is to limit the import of goods, including luxury cars, 2013 seems a difficult year for the Group. We expect a growth of 10% in turnover 226mTnd and a consolidated net profit of 27.4mTnd (+10% compared to 2012), in line with the growth recorded in 2012.

The Group's strength lies in its **comfortable cash position that nears 100mTnd** and which financial revenues exceed 4mTnd.

A financial profitability similar to ENNAKL but still under par remains low in our eyes. Like its competitor ARTES would gain in profitability by optimizing its cash management.

In regards to the stock market, the share price has recorded a roller-coaster performance over the past years, bringing its market cap to 294mTnd, corresponding to a P/E 2012 of 12x and a P/E 2013e of 10.8x. These valuation ratios remain inferior to its competitor ENNAKEL as well as to the multiples of recently acquired city cars (KIA) P / E 2012 of 20x for 2012 and P/E 2013e of 15x.

Given these multiples, we consider that **ARTES remains undervalued**. While the business model is not very attractive, we recommend **buying the stock**. In an unstable economic environment, **we prefer to be prudent and recommend high yield stocks (a 2013 yield of 6.5%)**.

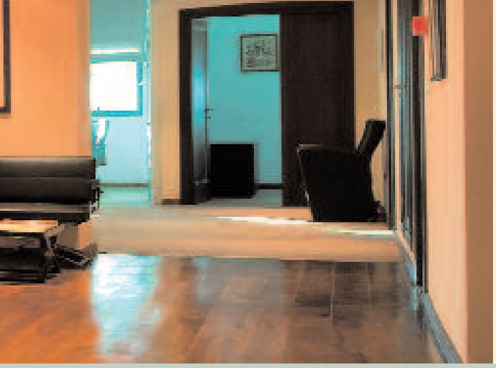
Share price performance since the IPO

ENNAKL

In kTnd	2010	2011	2012	2013e
Turnover	420 847	275 136	264 495	290 945
Variation	*29%*	*-35%*	*-4%*	*10%*
Gross margin	53 112	38 754	35 078	39 278
Gross margin rate	12.6%	14.1%	13.3%	13.5%
Operating income	34 115	19 553	10 107	15 049
Variation	*41%*	*-43%*	*-48%*	*49%*
EBIT margin	8.1%	7.1%	3.8%	5.2%
Net profit	24 302	16 371	12 163	15 563
Variation	*22%*	*-33%*	*-26%*	*28%*
Net margin	5.8%	5.9%	4.6%	5.3%

ARTES

In kTnd	2010	2011	2012	2013e
Turnover	234 180	181 493	205 732	226 306
Variation	*17.65%*	*-22.50%*	*13.36%*	*10.00%*
Gross margin	41 950	32 853	36 111	39 604
Variation	*29.79%*	*-21.68%*	*9.92%*	*9.67%*
operating income	33 641	25 310	26 590	29 842
Variation	*30.30%*	*-24.76%*	*5.06%*	*12.23%*
EBIT margin	14.4%	13.9%	12.9%	13.2%
Consolidated net profit	30 008	23 425	24 763	27 455
Variation	*29.43%*	*-21.94%*	*5.71%*	*10.87%*
Net margin	12.9%	13.0%	12.1%	12.2%



Stock File - Monoprix

Written on July 13st 2013

An ambitious valuation for an ambitious plan

Monoprix | **Hold (+)** | **Price : 26.290Tnd**

Share Price of MONOP since 2012 in Tnd

Market Recommendation

2012 was a good year for the company. Despite a challenging context, the company was able reinforce its leading position.
Today, the management faces new challenges. With its, announced plans to expand its footprint to Libya and Morocco, MONOPRIX plans on a new business model that will take the Group regional.

Despite an « expensive » valuation, we maintain our **Hold recommendation with positive outlook**. Our opinion is based on the defensive character of the business, as well as its new positioning as a regional player, which will make the stock an attractive play for investors.

Shareholders :

Mabrouk Group:	76.57%
Other Shareholders:	23.43%
Market Capitalization:	437.5 mTnd
+ Highest in 2013:	28.9 Tnd
On 01/02/2013	
+ Lowest in 2013:	26 Tnd
On 15/05/2013	

Performance:
(Monoprix / Market)
YTD : -1.9% / +0.8%

valuation ratios:
(Monoprix/Market)

PER_{2013e} :	27.5x / 13.5x
P/B_{2013e} :	6x / 1.7x
$Yield_{2013e}$:	2.2% / 3.5%
$Gearing_{2012}$:	130%
ROE_{2013e} :	27%

▪ The distribution sector in Tunisia

The modernization of the sector started in 2001 with the launching of the first superstore CARREFOUR. Today, the organized distribution accounts for 190 sales points, two super stores, and represents 20% of the total distribution channels, twice more than 10 years ago.

The market is equally split among three players :
Between privatization and buyouts, the distribution sector went from a fragmented activity, to ,a concentrated one among three large private groups, among whom the market share battle is fierce.

Company	Buyer	year	Acquisition Price	Stores
TOUTA	Mabrouk	2003	11.2	8
BONPRIX	Chaïbi	2006	13.0	43
Magasin Général	Bayahi-Poulina	2007	92.1	44
PROMOGRO	Bayahi-Poulina	2008	83.0	6
Sahara Confort	Mabrouk	2009	11.0	9

The market share battle pushed the players to consider external growth.

• The Mabrouk Group (Monoprix - Géant)

Acquired in 1999 by the Mabrouk Family, MONOPRIX developed an aggressive expansion strategy going from 20 to 70 stores in less than 10 years. The Group also acquired the TOUTA Stores and the PASSAGE Stores in 2003, then SAHARA CONFORT stores in 2009. The group partnered with the French Group Casino and launched in 2004 the second super store in Tunisia: 'GEANT'.

• The Chaibi Group (Carrefour –Carrefour Market)

With the opening of Carrefour in 2001, The CHAIBI Group was the first to launch the super store concept in Tunisia. In 2006, the Group acquired the BONPRIX stores, converted into CHAMPION first then into CARREFOUR Market at a second step.

• The Bayahi-Poulina Group (Magasin Général– PROMOGRO-MAGRO)

Third player to enter this market, the POULINA BAYAHI Consortium acquired Magasin Général in 2007. Since this privatization, the company launched a major plan to modernize the stores and change its branding. In 2008, the Group reinforced its presence through the acquisition of PROMOGRO. Recently, and like its peers, the Group entered into a JV with the French 'AUCHAN' for the Super Stores segment.

...a growth yet to come

With a total sales of Tnd1.7 billion, the organized distribution still represents no more than 20% of the total distribution in Tunisia, a ratio that compares to 90% in the western countries.

% of organized distribution	
Maghreb	[10%-20%]
Tunisia	20%
Western Europe	[85%-95%]

The market share of the organized distribution is lower than the European countries.

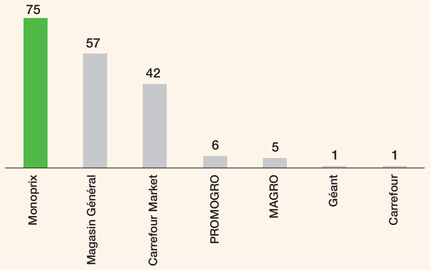
Many factors a slowing down this growth :

(1) The market remains dominated by small grocery stores especially in small towns and rural areas.

(2) A restrictive legal framework for super stores, an area that cannot exceed 1500 m² without prior authorization, the large stores have to be at least 5km away from the cities.

(3) A legislation that prohibits foreign ownership in this sector.

Number of Stores



La The modern distribution channels should reach 40% in 2020.

Today, the distribution sector is still under its real potential, and big room for improvement is possible. The sector remains strategic for the Tunisian authorities, its growth potential is an important source of value creation for the Tunisian economy (jobs, investments…). According to the sector's union, the organized distribution should double to reach 40%by 2020.

▪ MONOPRIX Group: 2008-2012

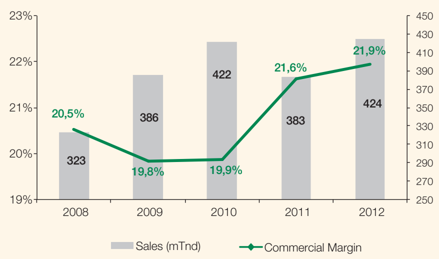
Acquired by the Mabrouk Group in 1999, the company registered an important growth in its activities. The Group posts total sales of Tnd424 millions, which puts MONOPRIX among the 10 biggest distributors in the Africa.

Since its privatization, the company adopted an aggressive expansion plan that consisted in **(1)** a rapid extension of sales points from 33 in 2003 to 75 currently. **(2)** a diversification of the distribution formats to better fit the clients needs and requests.

(3) an external growth strategy through the buyouts of TOUTA, LE PASSAGE, and SAHARA CONFORT.

The important period of the early 2000's allowed the Group to register growth rates in its revenues higher than 20% per annum.

Starting from 2008, the company moved from this aggressive strategy, to concentrates its efforts around consolidating its activity. Once its market positioning set, the Group focused on securing a 7% growth pace over the last 5 years. This strategy allowed the Group to target starting from 2010, a new product mix through the development of new concepts with higher added value such as MONOPRIX HOME inspired by the business model of « Monoprix France ».

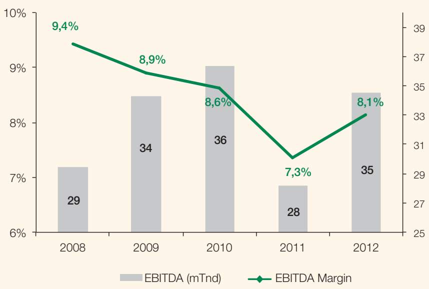


The Group shifted its strategy from devlopping sales volumes to more added value.

This new strategic shift allowed the company to better control its commercial margins. After a drop in 2009 and 2010 due to aggressive advertising campaigns, this margin went back to its usual levels at 21.9% in 2012.

When the control of the salaries expenses had always been one of the main strengthens of MONOPRIX (the salaries never went over 6% of total sales). This situation changed in 2009 with the acquisition of SAHARA CONFORT and its six sales points. This new tendency was confirmed in 2011after the Tunisian revolution.

Over the past 5 years, the salaries increased twice as fast as the revenues making the efficiency of the company less attractive. The EBITDA margin went from 9.4% in 2008 to 8.1% in 2012.



The salaries had a negative impact on the productivity.

Regarding the net profit, and after a year 2011 especially difficult (a loss of 5.8mTnd mainly due to the damages that affected the stores), the Group is back to a good performance. The Group showed a consolidated net income of 12mTnd and a decent ROE of 27%, which is still far from the level reached in 2008 and 2009.

Thanks to its solid financial base, the Group was able to put in place an important investment policy with the opening of 17 new stores since 2008, which represents a total investment of 126mTnd.

Due to the specificities of the business (non consuming of working capital), the operating activity of MONOPRIX generates an average cash flow of 26mTnd, which allows the company to substantially finance its investments, while distributing a generous dividend.

The comfortable cash position allowed the Group to largely finance its investments.

With a net debt of 92mTnd in 2012, the Groups shows a relatively high gearing (130%). However, and even at this level, the company remains financially very solid.

▪ Growth outlook for 2013

(1) Consolidating the activity on the local level

In 2013, the company total sales should be around 485mTnd. (+14% compared to 2012). As we said before, MONOPROX is now giving more importance consolidating its market positioning rather than adopting an aggressive growth strategy. Even at a lower growth pace, the distribution network should reach its objective of 80 sales points announced in 2009 with the signature of the partnership agreement with « Monoprix France ».

With the development of the mix products, the commercial margin should improve and go back to its previous comfortable levels of 22%.

The EBITDA of the Group should be around 47mTnd (+36%) thanks to a better control of the operating expenses, and to the reopening of the major sales points.

With a more solid growth perspectives, and a better control of the operating charges, the net bottom line of the Group should substantially increase (16mTnd in 2012, an increase of 32%), and the company should get back its usual net margins of 3.3%.

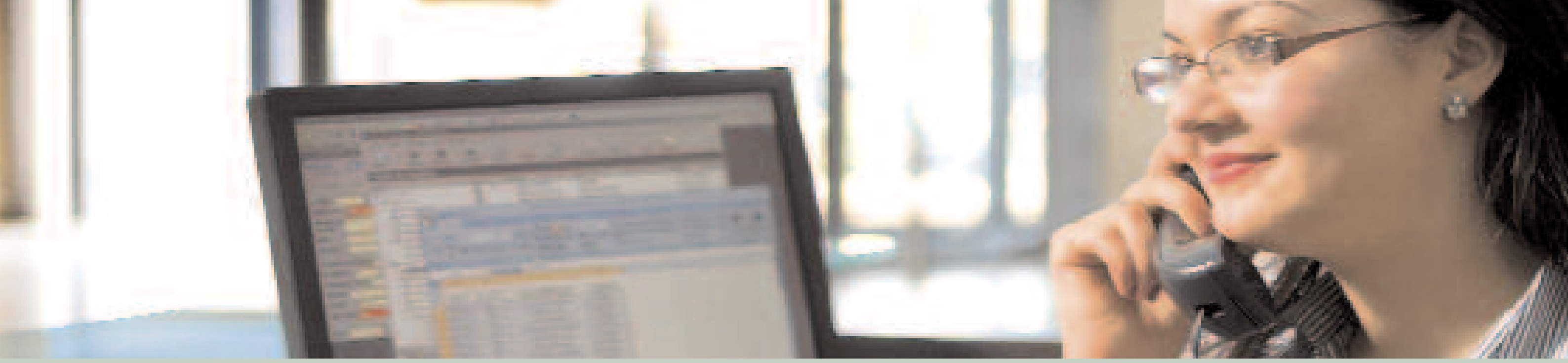
	2008	2009	2010	2011	2012
Net debt	55,4 7	6,7	87,6	77,9	91,9
Gearing	97%	123%	139%	123%	130%

	2008	2009	2010	2011	2012
Operating Cash Flow	21,5	29,7	31,2	35,9	13,5
Investments	*29,6*	*24,9*	*25,4*	*24,8*	*21,2*
FCF (before taxes)	- 8,1	4,8	5,8	11,1	- 7,7

2) The Libyan plan in 2014

in 2012, Monoprix obtained the green light to establish its business in Libya in partnership with a large local industrial Group, (Hosni Bey Group), and plans on the opening of 30 stores before the end of 2015. if we take into account the regional plans of the company, the Group dimensions will be completely different. In a market where there are no competitors, MONOPRIX will immediately position itself as the sole regional distribution Group.

According to the management, the average basket in Libya will be twice more than the Tunisian, a very interesting proportion that should allow the Group to double its sales over the next 3 to 4 years. The Group announced the opening of its first store in Tripoli last March « Monoprix Medrar » that seems to be a great success.



▪ Market Opinion

In the stock exchange, the Monoprix share shows an average yearly performance of +27% over the last 5 years. Today the company trades at a total cap of 438mTnd, corresponding to a P/E2013e of 27.5x and an EBITDA2013e of 10x. Even with these valuation levels, we recommend to hold the stock.

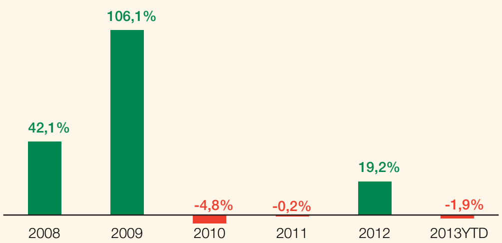
Our opinion is motivated by the defensive character of the company, but also by the international expansion plan that will give the Group a regional dimension that remains very attractive to potential investors. In fact, the North African market offers a good development potential to the Group and its business model. Aside from Libya, the company is also looking at Morocco. The Group signed a franchising agreement with « Monoprix France » to be their exclusive representative in Morocco.

In this mature market country, the strategy will be to focus on a richer product mix benefiting from a greater purchasing power.

In the absence of concrete figures, we maintain our hold recommendation with positive perspectives. More concrete feedback on the international expansion of the Group may make us upgrade our investment opinion on the mid-term.

The major growth will come from the Group's international expansion plan.

Stock Performance



In mTnd	2010	2011	2012	2013e
Revenues	421,5	383,2	424,3	484,5
Growth	*9,2%*	*-9,1%*	*10,7%*	*14,2%*
Commercial Margin	83,8	82,9	93,1	106,6
Commercial Margin Rate	19,9%	21,6%	21,9%	22,0%
Purchases of supplies consumed	10,7	10,0	11,4	12,6
Salaries	26,5	31,1	32,9	33,9
Other Operating Expenses	21,5	24,2	26,5	29,1
EBITDA	36,4	28,2	34,5	44,1
Progression	*6,0%*	*-22,6%*	*22,7%*	*27,6%*
EBITDA Margin	8,6%	7,3%	8,1%	9,1%
Depreciation	18,0	15,6	16,9	19,4
Financial Expenses	4,0	4,5	4,1	4,2
Taxes	3,8	2,1	3,8	4,5
Group's Net Income	11,5	3,3	12,0	15,9
Progression	*-6,4%*	*-36,4%*	*264,5%*	*32,4%*
Net Margin	2,7%	0,9%	2,8%	3,3%

Forecasts 2013 by Tunisie Valeurs

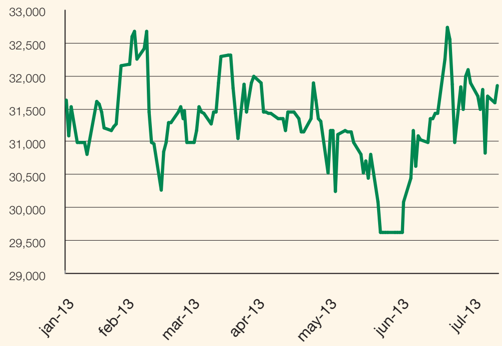
Report - Amen Bank

Written on July 10st 2013

When the bank faces its bad environment

H (+) | Hold (+) | Price : 32.19 Tnd

Share price Performance YTD



Shareholders:

Amen Group:	52.3%
IFC:	10%
Meninx Holding* :	8.45%
Free float:	29.3%

Consortium with Tamarziste Group

Market Cap: 788mTnd

+ High 2013: 32.74 Tnd
On 11/06/2013
+ Low 2013: 29.61 Tnd
On 21/05/2013

Performance:
(AB / Market)
YTD : -7.4% / +1.1%

Multiples:
(AB/sector)

PER_{2013e}	:	10.8x / 12.7x
$Yield_{2013e}$	:	2.0% / 3.5%
P/B_{2013e}	:	1.1x / 1.3x
ROE_{2013e}	:	13%

▪ Presentation of the bank

Amen Bank is the 2nd largest private bank in Tunisia. It is part of Amen Group built around 40 companies from different sectors of the economy. The largest of them are: finance, food business, real estate, Tourism and Health.

If we look at the bank only, it holds around 20 subsidiaries. The biggest of them are Tunisie Leasing (30%), Maghreb Leasing Algérie (40%) and assurances Hayett (25%).

In June of 2013, Amen Bank has opened its capital to a new shareholder by rights issue in Tunis Stock Exchange to raise 75mTnd in fresh cash. The IFC (International Financial Corporation) was the exclusive subscriber in the rights issue. Going forward, the IFC is the second largest shareholder in the bank with a10% stake.

▪ Financial Analysis and Outlook

1– Deposits:

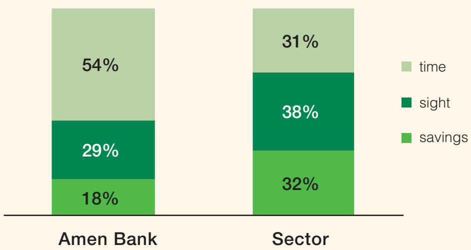
Over the last 3 years the bank has managed to grow its deposits at an average of 12% per annum. The bank has raised efforts to collect deposits at an average of 450mTnd every year. The bank's efforts were focused on launching new savings products and enlarging the branch network to raise the total number of branches from 123 in 2010 to 138 in 2012.

By network size, Amen Bank has become the third largest private bank behind Attijari Bank (185 branches) and BIAT (159 branches).

But Amen Bank's structure of deposits is quite different from what we can find in the banking sector. 54% of the bank's resources are made of Time Deposits and certificates of Deposits on which the bank pays high interests, while 29% are made of the cheaper sight deposits. This structure puts obviously the bank at a disadvantage compared with its peers. Amen Bank posts in fact the highest cost of deposits in the Tunisian market (3.6%, against 2.5% for the market).

With the high proportion of Time deposits , Amen Bank posts the highest cost of resources in the sector

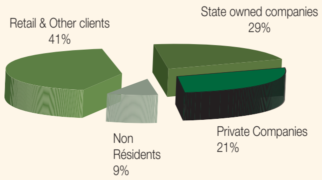
Deposit breakdown 2012



If we look at deposits by type of clients, Corporates account for 50% of the collected deposits. During the last few years, Amen Bank was trying to reduce its exposure on corporate clients and seek deposits from retail customers. Ultimately, the bank wants to reduce the cost of resources and we can see it in the 2009/2011 numbers when deposits from corporate clients dropped from 54% to 50% out of total deposits while retail deposits rose from 38% to 41%.

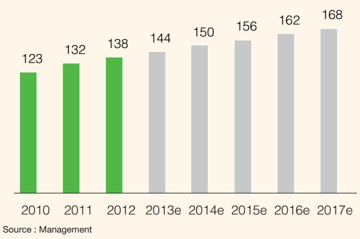
We look at the bank's numbers in Q1 of 2013 (11.7% growth in deposits against an average of 2.7% for the market), Amen Bank has outperformed the sector, which is a positive signal. The bank's market share in deposits edges to 12% and going forward it stands at 4th position in the sector.

Deposits Breakdown by type of customer/economic sector



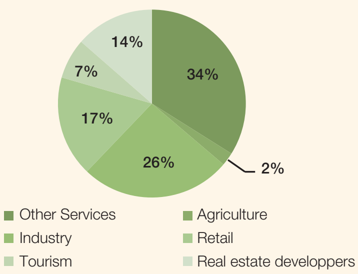
By reducing its exposure on corporate clients when collecting deposits, the bank intends to reduce the cost of resources

Branches Network



Management expects to open 6 new branches every year

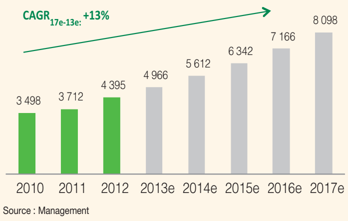
Exposure by sector in 2012



Sectoral diversification allows a better environmental risk control

The bank expects to grow its deposits at an average of 13% per annum for the coming years which is feasible growth considering its past records. Growth will originate both in its organic progression and its efforts to raise collection through a larger network. The bank is planning to open 6 new branches every year, to reach a total of 170 branches by 2017.

Growth of Deposits (mTnd)



But deposit growth will continue to be mainly driven by time deposits. Management does not expect a significant change in the deposit structure in the coming years. These costly resources will continue to dominate with more than half of total deposits.

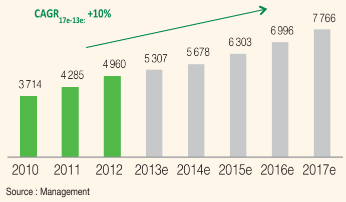
2– Loans:

Loans have been growing at an average of 15.6% per annum during the period of 2010-2012. Just like its peers, Amen Bank has benefited from the Tunisian central bank's measures taken in 2011 to boost economic growth: Drop in liquidity reserves 3 times in a row from 12.5% to 2%, interest rate drop of 100 bp in 2011.

In 2012 , the bank has reported a 16% growth in the loan book (against 7.3% for the market), and consolidated its ranking at 2nd position among private banks with a market share at 12.5%.
As for the exposure of the bank's loans to retail customers, it has stayed stable at 17% since 2007.

As for the sector breakdown of loans, the bank continues to be mostly exposed to Services (54%) and more particularly to the real estate sector. Amen Bank has profited from the booming real estate sector to raise its exposure from 8% to 14% in 5 years.

Loans' Growth (mTnd)



Apart from real estate, the bank has no risk of over-exposure to a specific sector. It rather has a well diversified loan book which is the right strategy to adopt in case of crisis in one specific sector under any particular circumstances.

Management has announced it will take a more prudent approach in the future and reduce its loans growth to a level close to10% .

The weakest link in the bank is probably its liquidity ratio which stayed lower than the standard of 100% in 2013 despite the rights issue of 75mTnd.

It should be reminded that the bank has always suffered from a low liquidity ratio. (in average its has posted a ratio of 95% over the last 5 years). The bank was thus compelled to borrow quite frequently from the money market.

In order to address the liquidity crunch in the system, the bank expects to issue 50mTnd worth of bonds every year

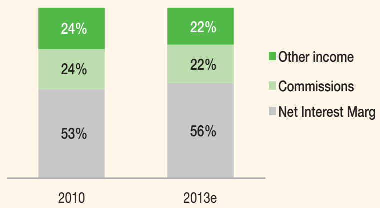
Amen Bank expects to reach the standard of 100% starting from 2015, as the bank expects to issue bonds worth 50mTnd every year in the market.

3– Net Banking Income:

NBI has been growing at an average of 9% per annum over the last 3 years. Just like its peers, Amen Bank takes most of its Net Banking Income from Intermediation (Net Interest Margin). Highly sensitive to the Base rate change (TMM Rate has been rising 63bp since the beginning of the year), the weight of NIM inside the NBI should be stronger in 2013 to reach 56 %.

As we have mentioned before, Amen Bank has the highest cost of resources of the sector. The bank has managed nonetheless to offset its high cost of resources by charging higher rates to its clients (6.2% in 2012). The bank's spread is thus reasonable at 2.6%, although it still is among the lowest spreads in the sector.
In the coming years, we expect intrinsic growth in NBI to grow at a 12% pace perannum, which is a higher performance than in the past.

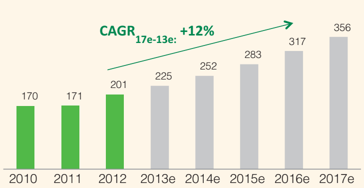
Net Banking Income Breakdown



NBI structure is still dominated by the Net Interest Margin

We also expect NBI growth to be boosted by commissions, thanks to the new products that the bank is preparing to launch. We forecast commission growth at 9.5% per annum in the coming years.

NBI Growth (mTnd)



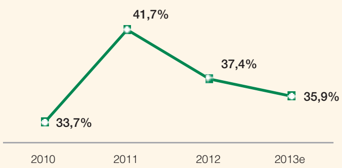
Source : Management

4– Productivity:

Since 2006, Amen Bank has raised efforts to keep its Cost to Income Ratio under control. It has reported an outstanding performance as it has managed to squeeze its cost ratio from 42.7% to 34% in 2010), thus becoming the best player in the sector in terms of cost control, despite the fact that the bank has enlarged its network significantly.

In 2011, the setback from the Tunisian revolution was strongly felt in Amen Bank, as the Cost to Income Ratio has returned to its 2006 levels (41.7%). The reasons are many fold : Closing of certain branches, material damage to the bank's network and the subsequent expenses linked to the repairs, rise in staff payroll...
With a better growth in NBI and lower costs expected in the future, the bank is keen to improve its cost ratio from now until 2015 and recover its pre-revolution level.

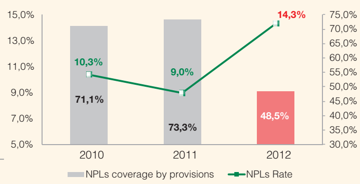
Growth of Cost to Income Ratio



5– Asset Quality

After the bank has spent long years to clean up its portfolio and ultimately managed to comply with the central bank rules on NPLs and provisions in 2010, the bank's asset quality has been dealt a serious blow in 2012.

Asset Quality



In 2012, the bank's Non Performing Loans increased from 9% of the loan book to 14% !

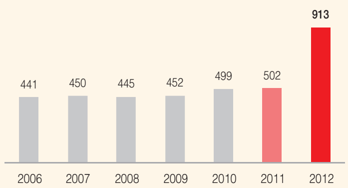
With the economic environment getting worse and worse in Tunisia and risks rising in terms of loans' repayments, specifically is certain sectors of the economy, the Tunisian Central Bank has been proactive in terms readjusting the provision policy of banks to cover their risks.
Amen Bank has thus come under pressure of the central bank to adjust its NPLs in 2012 and particularly those loans granted to the distressed sector of Tourism.

The results were particularly felt on the bank's loans:

- Rise in volumes of Non Performing Loans to 913mTnd, almost double from 2011 volumes!
- Rise in provisions on NPLs to 60mTnd against 28mTnd in 2011.

With a coverage rate at 48.5% in 2012, the bank is now far from its ambitious plans to fully cover its NPLs by provisions (the bank was planning to reach a 100% coverage of its NPLs by provisions in 2015). The bank is thus struggling to deal with opposite constraints of profitability and asset cleaning. We thus need to watch the bank's policies in the future to measure its capacity to survive in a bad environment.

Non Performing Loans' Growth (mTnd)



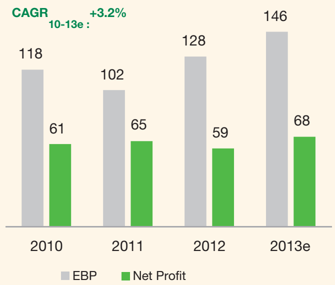
The booming NPLs in 2012 casts more doubt on the bank's capacity to improve its asset quality

6– Bottom Line

Despite the rise in the weight of provisions (which we think will weigh up to 30% on NBI in 2013), the bank's earnings will still rise in 2013 and we can fairly put our profit growth estimates at 16%. But the real number will depend on how much the bank would be willing to post to provisions in 2013.

With earnings estimates at 67mTnd in 2013 the bank's ROE would stand at 13%, which is a decent profitability level Considering the rights issue initiated by the bank worth 75mTnd.

EBP and Net Profit (mTnd)



EBP : Earnings Before Provisions

Despite the rise in the bank's equity, profitability stayed at a good level

▪ Market performance and Tunisie Valeurs' opinion:

Since the start of the Tunisian revolution on January 14th 2011, the bank's share price has seen strong volatility.

After the rise to an all time high in May of 2012, Amen Bank stocks have taken a downturn ever since, to go back to their 2011 price levels.

Share price performance since January 2011

Currently the stock trades at 32.19Tnd, which means a total market cap of 788mTnd. With consolidated earnings at 73mTnd in 2013, the bank's PER would reach 10.8x.

Even though the P/E multiple is not the most adequate ratio to look at when we appraise the bank, we still think that the stock is cheap.

If we look at Price to Book value, the bank trades at 1.1x its P/B2013e, which we compare to a sample of private banks (BIAT, Attijari Bank, BT, UBCI, UIB), we think Amen Bank is still among the cheapest banking stocks.

We look at the updated Business plan 2013, and we clearly depict the prudent strategy of the bank which we think is the right approach. Amen Bank is backed by one of the largest private groups in Tunisia engaged in many different projects in highly attractive sectors of the economy like Health and food business. In another respect, the group is planning to tap new markets is sub-Saharan Africa and is currently talking to bid for a 60% block in a financial services company operating in Leasing and consumer loans in 9 African Countries (in West Africa).

Even if we don't expect a major change in the bank's strategy in the future, we still believe that Amen Bank has the capacity to keep its past performances: its capacity to control its charges, a wider network of branches… but we also believe that the bank will continue to drag the same weaknesses of high cost of resources, low liquidity ratio and a deteriorating asset quality.

In light of all these elements, we do not have a major concern on the bank's capacity to survive in a bad economic environment, but we need to watch its strategy to clean up its loan book and raise provisions against its NPLs. We also think that the central bank's additional strict rules on risk management in the future can jeopardize the bank's earnings profile. **We thus keep our rating unchanged "Hold" with Outlook positive**.

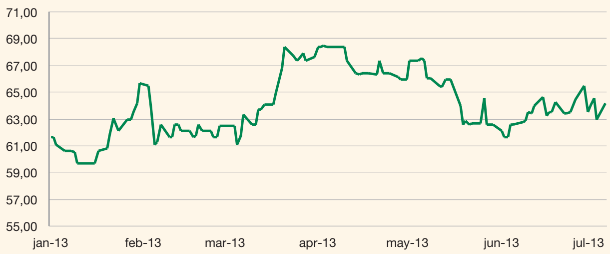
In mTnd		2010	2011	2012	2013e
Operating Income		330,8	347,7	401,8	441,1
	Interests and similar income	245,4	259,3	302,7	336,0
	Commissions	44,8	43,8	51,5	56,1
	Capital gains on securities	17,8	19,3	26,7	26,9
	Income on investments	22,8	25,3	21,0	22,1
Operating Charges		160,5	176,7	200,3	216,2
	Interests to pay	155,9	172,1	195,1	210,7
	Commissions to pay	4,7	4,6	5,3	5,5
NBI		170,3	171,0	201,5	224,9
	Allowances to Provisions	43,6	28,3	59,8	67,5
	Payroll	40,6	52,6	55,6	59,8
	General operating Charges	11,7	12,9	14,6	15,6
Net Profit Before Provisions		105,0	92,8	118,4	135,0
Net Profit		61,4	64,5	58,6	67,5

BIAT– Final Results 2012

Written on July 9st 2013

H (+) **Hold (+)** **Price : 64.10 Tnd**

Shareprice performance YTD (Tnd)



	BIAT	Sector
PER 2013e	10,9	12,7
P/B2012	1,9	1,3
Performance YTD2013	+5,8%	+1,1%

mTnd	2010	2011	2012	Chg 12/11
Deposits	5 602	5 760	6 340	+10,1%
Loans	3 972	4 819	5 201	+7,9%
NBI	304,0	339,1	381,8	+12,6%
Earnings before taxes and provisions	133,5	144,8	165,1	+14%
Net Profit (BIAT stand alone)	47,5	48,2	94,7	+96,5%
Net profit ex-minorities	41,8	43,6	87,9	+101,4%
Cost to Income	56,5%	58,6%	57,8%	▼
NPLs rate	8,2%	7,5%	8,3%	▲
Coverage rate	75,6%	74,7%	66,2%	▼
Liquidity ratio	141%	120%	122%	▲

While we expected BIAT to close the year 2012 on a weak growth pace, the largest private bank in Tunisia published record earnings at 95mTnd, twice as much as in 2011.

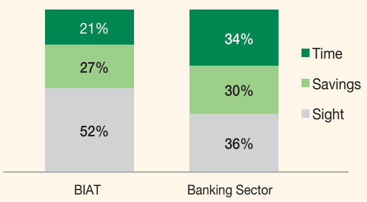
▪ 2012 highlights

1- Deposits:

With a 10.1% growth in deposits (at 6 340mTnd) in 2012, BIAT consolidates its market leader position by deposits at 16% market share. The bank has raised efforts to collect deposits through its large branch network (+ 580mTnd). BIAT opened 11 new branches in 2012 to take its total network to 159 branches, right behind Attijari Bank (185).

The structure of BIAT's deposits puts the bank at an advantage compared with completion. Most of the bank's deposits are cheap sight deposits. It has always been the bank's strategy to have the lowest possible cost of resources in the sector (1.86% against an average of 2.5% for the sector).

Deposits breakdown in 2012



Sight deposits make the bulk of the bank's deposits. The bank has the lowest cost of resources thanks to this strategy

2- Loans:

Loans have been growing at a lower pace than deposits (+7.9%). But the bank has managed to keep its ranking unchanged at 3rd position among Tunisian banks and still shows a comfortable ratio Deposits On Loans (122%). The average Deposits On Loans ratio of the sector is around 95% as at year ending 2012.

3- Net Banking Income:

The bank has kept it market leader position in terms of NBI (382mTnd). When it comes to the structure of NBI, the bank is no exception in the sector. Most of its NBI is deriving from the Net Interest Margin NIM (52% of NBI). This structure is in favor of the bank in times of rising interest rates (TMM rate). More than the NIM, the rise of NBI in 2012 was especially boosted by the exceptional capital gains on the bank's investment portfolio (+20%). The bank's core activity was not growing at the same pace (+8%).

4- Productivity:

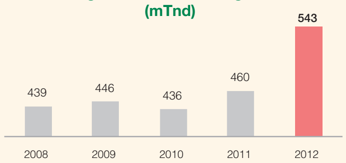
The bank has made some progress in terms of productivity. Cost to Income Ratio dropped from 58.6% in 2011 to 57.8% in 2012. But BIAT continues to drag the sector's highest cost ratio (average cost to income in the banking sector is at 46%) which constitutes its main weakness. BIAT is the bank that offers the best pay packages in the sector which is the reason why 40% of its NBI goes to the payroll.

5- Asset Quality:

As far as bad loans are concerned, BIAT's loan book has seen its NPLs rising in 2012. This comes against the bank's 2008 strategy aiming to squeeze NPLs so that it reaches one of the cleanest portfolios in the sector. Same thing for coverage of NPLs by provisions. BIAT's coverage rate dropped from 74.7% to 66% to come back to its 2009 levels. The reason of lower coverage is deriving from the rise of class 2 NPLs. These loans need a coverage of 20% by provisions according to the central bank's regulation. And class 2 loans have been particularly rising in 2012 from 14mTnd to 83mTnd. As for the NPLs as a percentage of the loans book, they rose from 7.5% to 8.3%.

In 2012, Non Performing Loans were rising at a pace of growth 3x higher than loans' growth as a whole !

Change in Non Performing Loans (mTnd)



83mTnd of additional bad loans in 2012, of which 69mTnd were deriving from the rise in Calss 2 loans (uncertain loans with repayment delays between 90 and 180 days)

6- Net Profit:

Given the drop in allowances to provisions (-44%) at 36.5mTnd, the bank has closed the fiscal year on a record bottom line at 94.7mTnd, twice bigger earnings than in 2011.

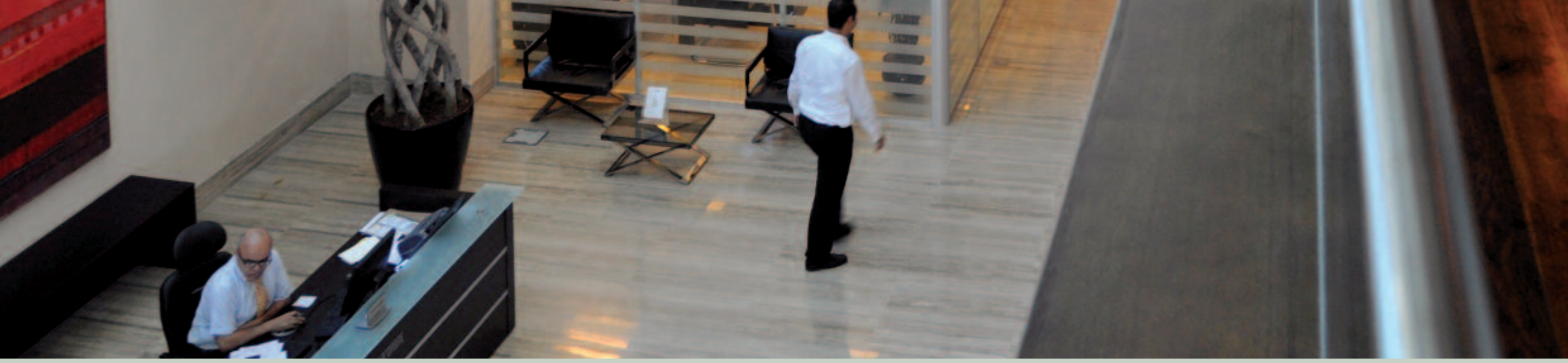
In 2012, BIAT has also written back some of its provisions (write back of 56mTnd). Some of these writebacks (35mTnd) were legally possible because BIAT has sold its collection subsidiary CIAR . At a consolidated level, with earnings ex-minorities at 87.9mTnd, the bank posts a comfortable level of profitability (ROE at 18%). Given the strong performance of the bank in 2012, the shareholders voted a decision to raise dividends to 2.50 Tnd per share in 2012 against 2Tnd in 20011) which means a better dividend yield at 3.9 %.

▪ 2013 Highlights and Outlook:

With a Net Banking Income at **450mTnd** in 2013 (+17%),BIAT should benefit from a number of things : **(1)** the bank should comfortable carry on its strategy to open more branches and enlarge its network with an additional 50 branches by 2015 (which means around 15 branches every year), **(2)** Deposit collection should continue (+12%) and the bank should benefit from cheap deposits at sight, **(3)** the rise in Net Interest Margin in line with the rise in the base rate (TMM rate) in 2013 and **(4)** the rise in commissions after new products were launched in the market with higher commission charges.

The bank's NBI should grow at a higher pace than operating costs which is expected to help the bank improve its productivity with a cost to income at 55%.

The bank should close the year 2013 on a higher bottom line . But we need to watch the country economic environment and the bank's policy to cover the risk of its exposure to the economy.



Update - PGH UNDERVALUED

Written on August 2nd 2013

+	Buy (+)	Price: 5.94 Tnd

YTD share price performance

Market argument

With a dozen of different activities at hand, most of them belonging to defensive sectors, the risk profile of PGH is suitable for bear markets.
The year 2013 is expected to confirm the recovery that started in 2012 and will be marked by the resumption of its business activities in Libya.

In the longer run, and given the group's efforts to invest , PGH should be able to increase its profitability levels as soon as the dust settles down in Tunisia and the country's political and economic environment gets better.

The share price has lost 7% since the beginning of the year, trading today at a P/E 2013e of 12.4x, thus reaching a new record low, while the group fundamentals remain solid. **We recommend a BUY on this stock**.

Shareholders:

Founders Capital Partners:	73.1%
Abdelwaheb Ben Ayed :	3.4%
Abdelhamid Bouricha:	4.4 %
Mohamed Bouzguenda:	2.5%
Free float:	16.6%

Market Cap:	1070 mTnd
+ High 2013:	6.880 Tnd
January 17th, 2013	
+ Low 2013:	5.790 Tnd
July 30th, 2013	

Year to date performance:
(PGH/ Market)
YTD : -7% / **-1.3%**

Multiples:
(PGH/ Market)

PER_{2013e} :	12.4x/ 13.4x
P/B_{2013e} :	2.3x / 1.65x
$Yield_{2013e}$:	3.4% / 3.6%
ROE_{2013e} :	17%

▪ Poulina group presentation:

With a turnover of 1.3 billion Tunisian dinars and about a hundred active subsidiaries, PGH is one of the most important Tunisian private groups.

Poulina was established towards the end of the 1960's when it created the first poultry company in the country. Over the years, the group's founders have opted for a strategy of diversification in order to ensure a better distribution of risks and exploit growth opportunities in new businesses.

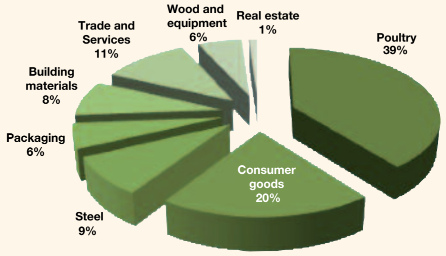
Due to its strong diversification, PGH has become today an important conglomerate, specializing in 9 different lines of business : Poultry; consumer goods; steel; packaging; construction materials; commerce and services; construction, timber and real estate.

The group is also diversifying with a regional presence in Morocco, Algeria and Libya.

PGH is therefore increasingly working like a private equity fund.

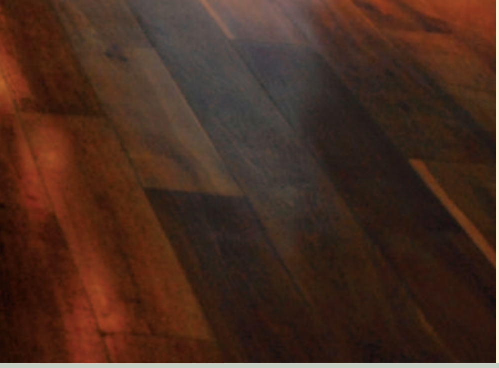
Over the past two years, and adapting to the new reality of the Tunisian economy, the growth drivers of PGH were high consumption sectors (poultry + agro-business). These two lines of business, which now account for 60% of total group sales, are transforming Poulina into a 'defensive' group, and an "ideal" stock for investors in times of crises.

PGH' sales breakdown in 2012



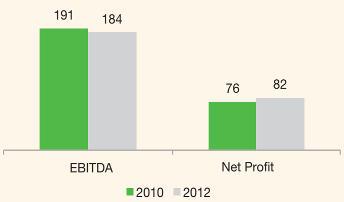
▪ Group performances over the 2010-2012 period:

Following the exceptional events which occurred almost simultaneously in Tunisia and Libya in 2011, the group was expected to make a « technical rebound » in 2012.



2012 is considered to be a recovery year

PGH's EBITDA and Net profit in 2010 and 2012



PGH has invested 450mTnd over the past 3 years

Investment efforts and the continued increase of working capital has increased the group's financial debt

If at first glance, PGH has not regained its 2010 levels of EBITDA (a 6mTnd difference compared to its 2012 EBITDA), this is mainly due to the shutdown of its Libyan subsidiaries for the past two years, including the abundantly profitable public works activity. In the same hand, the 2012 gross operating profit was up by a mere 7% compared to 2010.

After reaching an all time high of 17%, PGH's EBITDA margin shrank during the past two years to settle at 13.7% as at the end of 2012. The increased pressure on the gross margin was due to soaring commodities prices (corn, soya…) but also an increased payroll in a context of unprecedented social demands.

As far as the bottom line is concerned, the group closed the year with a net profit at 81.5mTnd, almost doubling its 2011 earnings, and 8% above its 2010 levels. PGH has benefited from the sale of a 10% stake in Magasin Général, a transaction on which the group has realized a gain of about 8mTnd.

Despite of the difficult economic conditions that the country has been facing since the revolution, as well as a decrease in investments at the national level, PGH has not lost its firepower; investing 450mTnd over the past 3 years. As it was stated by the group's CEO during the company's last Annual meeting, most of these investments are to improve the industrial base of the company and allow PGH to consolidate its market leader position and make its products ever more competitive.

In addition to its latest investments, the group was faced with an increase in working capital needs over the last three years. With suppliers asking to reduce payment periods and the high level of inventory required by PGH's operating cycle, the group's working capital needs increased by an average of 100mTnd per year.

As a result, the group had to increase its debt over the past few years. PGH's financial debt has hence went from 600mTnd to 825mTnd between 2010 and 2012. In the meantime, the gearing ratio has deteriorated from 123% to 157%. The group therefore needs to increase its capital by rights issue in the stock exchange. It should be reminded that PGH has made only one rights issue in the stock exchange during its listing back in 2008. With the current equity base, however, the group posts a decent ROE at 18%.

	2010	2011	2012
Auto-financing	147 608	105 846	141 569
Increase in working capital	121 140	118 434	57 919
Operating cash	**26 468**	**- 12 588**	**83 650**
Investments	**151 778**	**95 462**	**202 754**
Tangible & Intangible	134 656	85 089	121 289
Financial	17 122	10 373	81 465
Free Cash Flow	**- 125 310**	**- 108 050**	**- 119 104**
Net financial debt	603 146	680 683	825 029
Gearing	123%	144%	157%

▪ 2013 Estimates and outlook:

Considering the company's H1 business indicators, its overall turnover for 2013 could reach 1.5billion Tunisian dinars, up 12% compared to 2012.

Much of this increase will come from its consumer sectors (poultry + agro-business).

1.5 billion Tunisian dinars in turnover in 2013

Profitability wise, the board of directors expects a slight improvement in margins and EBITDA exceeding the historic bar of 200mTnd. We believe that net income should reach around 86mTnd up 8% compared to 2012.

Over 85mTnd in net profit in 2013

We remain confident about the future of PGH. All projects undertaken in the last three years have not been able to reach their stride in the current difficult environment, a situation that is reflected in the economic profitability (ROCE), remained enclosed within a range of 10 % to 12% since 2010.

A difficult domestic environment that penalizes the group's economic profitability

In the medium term, assuming a better economic environment, we should see these profitability levels improve considerably.

Moreover, during the last financial reporting, the group has clearly shown its interest to position itself on the services sector characterized by its low capital need and high added value.

As per the latest forecasts released by the company's board of directors during its latest Annual meeting, PGH's earnings are expected to exceed 100mTnd in 2015. These estimates could even be raised if the Libyan projects reach their cruise speed in the near future. The company's board, has pointed out that Libya keeps sending signs of improvement since the beginning of this year.

Net profit should exceed the 100mTnd threshold by 2015

▪ Market argument and Tunisie Valeurs' opinion:

PGH has always been among the top blue chips in the Tunisian stock exchange.

Investors particularly like its exposure on the Maghreb region. In August of 2010, the group's total market cap has reached all time high of 1.6 Billion Tnd.

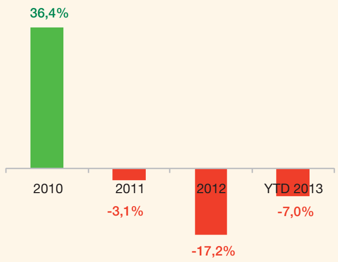
In the wake of the Tunisian Revolution, the group has lost a quarter of its market capitalization (-26%). Investors reacted to the decline in profits in 2011, as well as the company's Libyan activities being put on standby and more generally the difficult economic situation that the country was facing.

With a market capitalization of 1070mTnd, PGH is down and competes, going forward, with other Tunisian blue chips in terms of size : BIAT Bank, SFBT Brewery and BT Bank. PGH has thus lost its luster as Tunisia's biggest market cap and even foreign ownership participation kept sliding relentlessly, because of the small ticket size.

At current levels, the stock's P/E 2013e is at 12.4x, an all time low for PGH, while the group's fundamentals remain strong. On the other hand, its relatively defensive profile makes it an "ideal" stock in these difficult times.

We thus keep our rating "Buy" on this stock.

PGH's yearly share price performance



In thousands of dinars	2012 R	2013 e	2014 p	2015 p
Sales	1 346 344	1 503 563	1 657 936	1 767 563
Growth	15%	12%	10%	7%
Gross margin	**413 352**	**465 717**	**507 741**	**546 723**
Growth	17%	13%	9%	8%
Gross margin rate	30,7%	31,0%	30,6%	30,9%
payroll	86 565	95 476	103 621	109 589
Other operating charges	148 206	163 888	179 057	194 432
EBITDA	**184 302**	**209 352**	**228 063**	**245 702**
Growth	7%	14%	9%	8%
EBITDA margin	13,7%	13,9%	13,8%	13,9%
Group net profit	**81 575**	**86 166**	**94 191**	**104 934**
Growth	81%	6%	9%	11%
Net margin	5,9%	5,8%	5,7%	6,0%

Prévisions : Tunisie Valeurs

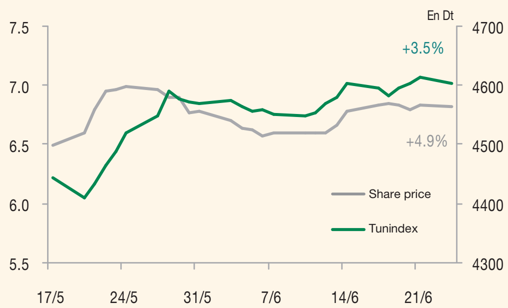
Update - One Tech Holding

Written on July 3rd 2013

One Tech accelerates its international plans

+ | **Buy** | **Price per share: 6.82Tnd**

Share price performance since OTH's listing and Tunindex performance YTD



Market Recommendation

One Tech is one of Tunisia"s flagship businesses in the electric and mechanical industries. The group has a very good reputation nationwide probably owing to its large position as Tunisia"s second biggest exporter of goods. In printed circuits boards" manufacturing, OTH has a monopoly position over the African continent. The Group has been first listed in Tunis Stock Exchange in May 2013 with a total market cap of **348mTnd**, and the company"s share price has gained 5% in less than a month ever since its listing. OTH has a large potential for growth on projects that have recently started and which are set to reach their cruise speed in the near future. Moreover, the group is currently at an advanced stage of negotiation with foreign partners on projects that will enable the company to look for external growth. Once realized, these projects will lift the group to another bigger dimension. In five years time, we believe that the group"s **international dimension** will be confirmed. For the solid background of the group and its international expansion, we recommend to **Buy** the stock.

Shareholders after IPO:

Sellami Family:	55.05%
Founding partners:	17.52%
IFC *:	3.90%
Free float:	23.53%

*International Financial Corporation

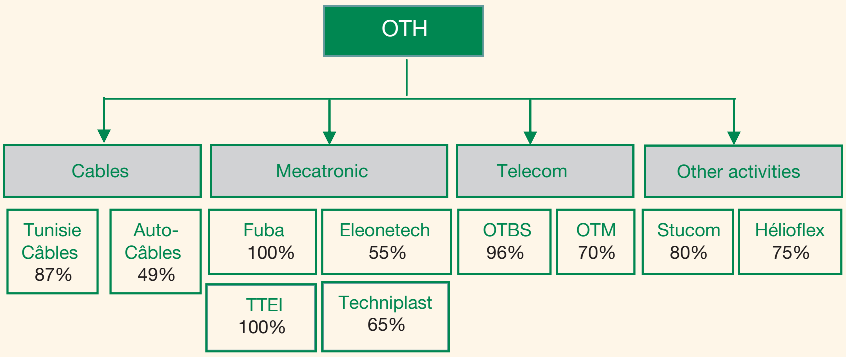
Market Capitalization: 365 mTnd

Multiples:
OTH / Market

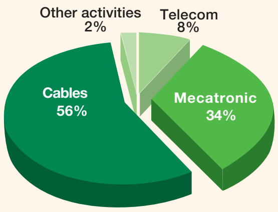
P/E restated$_{2013e}$:	14x/14x
P/B$_{2013e}$:	1.5x/ 1.6x
Yield $_{2013e}$:	2.8% / 3.3%
Gearing$_{2013e}$:	-16 %
ROE$_{2013e}$:	20%

▪ Presentation of OTH Group:

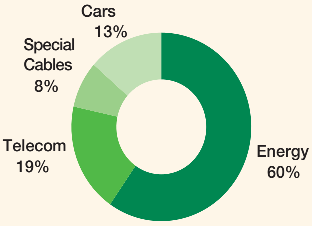
Founded in 1978 in partnership with an Italian firm „General Cavi Riva", the group has initially started in the cable business. Then overtime, it has embarked on an ambitious expansion program, not only to strengthen the existing cable business, but also to expand to the mecatronic business, (assembling electric and mechanic parts) and Telecom. The rationale behind this expansion was (1) first and for most to develop synergies between the different subsidiaries of the group aiming to offer a comprehensive solution for its clients and become a one stop shop in the region. (2) Second, the group is constantly looking for new opportunities to continue to grow. OTH is currently one of the largest private groups in Tunisia and the second largest exporter in the country (75% of the group"s sales are export sales). To prepare its listing on the stock exchange, the group has gone through a legal restructuring under **One Tech Holding**, which directly controls 10 companies in three different sectors of activity: Cables, Mecatronic and Telecom. Along with these activities, OTH holds stakes in other "Support" activities like metal construction, and primary drug packaging.



Salesbreakdown by segment



Sales breakdown in the Cable buisness



Mecatronic segment	
Electronic	
Fuba	Printed circuit boards
Eleonetech	Assembling (electronic parts)
Mechanic	
TTEI	Assembling (mechanic parts)
Techniplast	Plastic injection

Second engine of growth for the group after cables, the mecatronic segment accounts for 34% of total sales and 36% of the group's earnings.

The telecom segment is the most recent activity of the group accounting for 8% of total sales

▪ Financial Analysis of One Tech Group:

The legal restructuring of the group was carried out last December (2012), which means that the financial history of OTH based on the new metrics are summed up in three years of operation. OTH sales have been growing at **12%/year** over the period 2010-2012 and the group has closed the year 2012 **at 375mTnd** in sales owing to the particularly thriving segments of cables (+15%/year at 209mTndt) and mecatronic (+7%/year at 126mTnd).

Historically, it has been the group"s core business, the **Cable business** is the main engine for growth for years, accounting for 56% of total sales. The cable business has benefited from the backing of the second largest cable player worldwide "Prysmian" which put One Tech at the forefront of technologies making different types of cables (energy, telecom, car industry).

Most of the sales in this segment are exported (73%) mainly to Europe. Only 27% of sales are destined to the domestic market where OTH is a market leader with 40% market share in Energy cables, and Telecom cables.

Over the years, OTH has managed to put a strong footing in the local market dealing with the big local players, like Tunisie Telecom, the largest telecom operator STEG, the state-owned utility group, SOTEME the leading mineral water producer… and international players (Renault Trucks, Leoni, Yazaki, Cablettra, …). This segment of cable sales has been the group"s **Cash Cow** for years. With a bottom line above 11mTnd, cable sales provide 62% of the group"s total earnings.

The **mecatronic business** comes at second position in terms of growth and is made of four totally exporting companies: two specializing in electronics, (Fuba and Eleonetech) and two in mechanics (TTEI and Techniplast). This segment accounts 35% of the group"s total sales and 36% of its consolidated earnings (6.8mTnd).
Just like in the cable business, One Tech Group has established relationships with foreign strategic investors (the Italian leader in Electronics Elemaster, French Group BSE, as well as the French leader in plastic injection TBI…) while also cooperating with large multinationals such as Bosh, Magnetti Marelli , Siemens, Delphi, Lacroix, Le Grand…

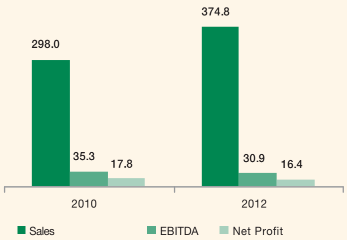
The mecatronic segment is heavily exposed to the automotive industry. Between 2010 and 2012, One Tech Group has made hefty investments in this segment (25mTnd) in order to **(1)** increase its production capacity and reach an optimal size enabling it to become one of the largest producers of printed circuits boards in the world and **(2)** diversify its areas of activity through a selective diversification which targets high added value sectors such as industry, railway, medical…

The group"s latest born (following the restructuring of 2010) The **Telecom Business**, is now made of two companies: OTBS (present in Tunisia and Algeria) and OTM. The Telecom segment accounts for 8% of the group"s total sales. Despite this segment being currently loss making (-1.8 mTnd of losses), the group"s reputation in the industry as well as the various partnerships that were established recently, will enable this segment to become profitable as early as this year.

Besides its three main lines of business, OTH has two other investments:

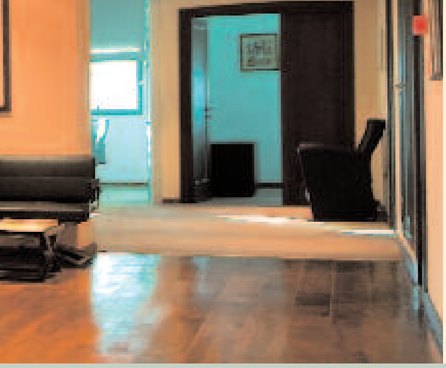
- One in **STUCOM** which operates in the metal structures. Sales by STUCOM have reached 4.5mTnd while recording 0.2mTnd in bottom line.
- And a second one in Hélioflex, a company specializing in pharmaceutical primary packaging. **Hélioflex** is the market leader, generating 4.3mTnd in sales and 0.4mTnd in bottom line.

Change in OTH's main ratios (mTnd)



In consolidated terms, OTH Group posts **375mTnd in total sales (up12% /year)** over the last two years. **Net Profit ex-minorities stands at 16.3mTnd** (which means an annual drop in profits of 4% in average per annum since 2010. The reasons behind this trend are:
- Gross margins under pressure at –465bp between 2010 and 2012, because of the rise in raw material prices, mainly in the mecatronic segment.
- The weight of investments carried out between 2010 and 2012 in the cable and mecatronic segments (50mTnd investments in raising production capacity and diversification of the product range)
- Significant rise in personnel charges (+12.1%/year). It should be reminded that the group employs 2766 persons whose salaries weigh for 10% on consolidated sales. This level is reasonable in the sense that most of the staff are highly qualified.
In absolute terms, the drop in the group"s earnings is only marginal if we take into consideration the scope of the crisis in Europe in the period from 2010 to 2012. OTH"s business model is clearly resilient to the crisis and it owes it to the diversification strategy of the group.
As far as the group"s fundamentals are concerned, OTH has a low debt as gearing is only at 10.7% (net debt at 21.7mTnd). The Group has always adopted a prudent approach towards indebtedness and with the recent listing in Tunis Stock Exchange partly through rights issue, the financial base of the group can only get stronger.

The debt level of the group is very low. It has always been the group's strategy to be prudent when it comes to indebtedness



▪ Business Plan and Outlook:

As we have pointed out above, OTH group has launched a series of investments in different areas in the last few years. These investments should start to pay off in 2013 in both the cable business and mecatronic.

An additional investment worth 50mTnd is also mentioned in the business plan. **Part of these needs for investments will be covered by the recent cash call in the market (16.4mTnd). Another part will be covered by the subsidiaries of the group through the sale of OTH shares in the IPO (28.9 mTnd).**

The new investments will start to pay off soon and will change the very structure of sales :

-Less cables and more mecatronic

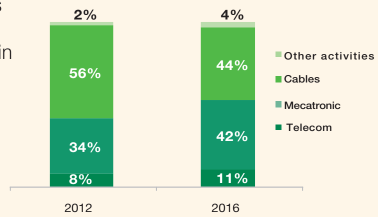
- Less exposure to the car makers and more exposure to other industries

All these investments should enable the group to take new growth opportunities through new products with higher value added and through the diversification in new activities.

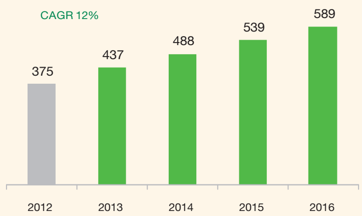
The company is also planning to tap new markets in North and Sub-Saharan Africa, in the US and other countries. This strategy should boost the group sales 12% per annum over the period from 2012 to 2016 and change the very structure of its sales.

Launching new products, diversifying the procurement sources and tapping new markets with higher growth potential should enable OTH to improve its operating margin (from 5% in 2012, to 9.2% in 2014 and 10.5% in 2016) and consolidate its earnings profile (bottom line is expected to grow from 16.3mTnd in 2012 to 48.6mTnd in 2016). It should be reminded that 2013 earnings (38mTnd) will be boosted by the exceptional capital gains (11.8mTnd) deriving from the restructuring prior to the IPO.

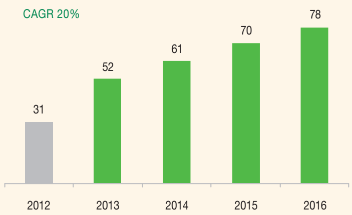
Change in the consolidated Sales' breakdown



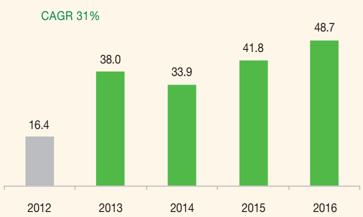
Change in consolidated Sales of the group (mTnd)



Change in consolidated EBITDA of the group (mTnd)



Consolidated Net Profit of the Group (mTnd)



Segment	CAGR of Sales 2012- 2016	CAGR of EBITDA 2012-2016	Comments
Cables	5.4%	16.7%	Low growth in sales because this activity has reached maturity. Launching new products with higher added value coupled with a back to back indexation of sale prices to raw material prices should keep margins safe.
Mecatronic	18.2%	30.4%	Unlike the cable activity, the mecatronic segment has a clear exposure to the fluctuation of raw material prices. The group is planning to change procurement strategy and looking to invest in higher added value products in such areas as industries, pharma,...etc This will need more investments to raise production capacity (and the process has already started)
Telecom	20.1%	+++	This segment is growing fast. The reason being the recent set up of this activity. But the prospects for growth are real, whether in the local market, in the region or internationally through the development of new services
Other	24.0%	19.2%	Marginal activity with very weak contribution to total sales and group Earnings
OTH Group	12.0%	26.2%	The group's strategy gives priority to 'new businesses' in such areas as mecatronic and Telecom. The company is looking to decrease its exposure on the car industry in favor of new segments. In 5 years mecatronic should have the same weight as cables in consolida-ted sales.

+++ : EBITDA in the Telecom segment will change from -0.1mTnd in 2012 to 8mTnd in 2016

The public offering for mainly retail investors is worth 40.9mTnd. It was 14 times oversubscribed.

-P/E 2013 restated of exceptional results is at 14x for a face value P/E of 9.6x.

▪ Share price performance and Tunisie Valeurs' opinion

One Tech Group has been successfully listed in Tunis Stock Exchange with over subscriptions reaching more than14 times the size of the deal. Demand on the stock has thus reached 585 Million Tnd in value while the total deal size was of 81.9mTnd:

50% of which was placed with private investors in a preferential placement and the other 50% in a public offering .

The company"s post money market capitalization stood at 348mTnd, and the share price performance at 5% in a month from listing.

Generally, the newly listed stocks rise much more than 5% in their first days of trading (we generally see stocks rising between +18% and 36% in the first two days of trading). OTH share price has seen a more reasonable performance which keeps an upside potential for the future.

At 365mTnd in market OTH stocks trade on a P/E 2013 restated* of exceptional at 14x, in line with the market average). The group has a large potential to grow given its latent projects set to reach their cruise speed in the near future.

At the same time, the group is currently at advanced stage of talks to buy facilities in Europe and develop the mecatronic and cable segments there and then. If the group manages to set up these projects in Europe it will change its business model from subcontracting to Original Equipment Manufacturing.

But for the sake of prudence, all these projects are not catered for in the business plan. When all these projects start to take shape, they will have massive implications on the group and its share price.

We see in OTH a good investment opportunity owing to the exposure on different segments of the industry. We also believe that the group is well armed to win the challenge of growth. With a proven competence and a large experience OTH is set to reach the status of an international player. We thus put a "Buy" rating on the OTH stocks.

In kTnd	2 012	2013e	2014e	2015e	2016e
Sales	**374 832**	**437 101**	**488 475**	**539 103**	**589 164**
Growth	2.6%	16.6%	11.8%	10.4%	9.3%
Total operating income	**375 848**	**439 278**	**490 977**	**541 896**	**592 074**
Inventory	-4 480	-2 434	-2 314	-2 465	-2 134
Procurement	294 097	325 429	359 856	392 592	425 962
Gross margin	**85 215**	**114 105**	**130 933**	**148 977**	**165 336**
Growth	2.0%	33.9%	14.7%	13.8%	11.0%
Gross margin rate	**22.7%**	**26.1%**	**26.8%**	**27.6%**	**28.1%**
Payroll	35 857	40 301	45 516	50 398	55 347
Other operating charges	19 474	24 090	26 882	30 932	34 530
EBITDA	**30 901**	**51 892**	**61 037**	**70 440**	**78 369**
Growth	-3.1%	67.9%	17.6%	15.4%	11.3%
EBITDA margin	**8.2%**	**11.9%**	**12.5%**	**13.1%**	**13.3%**
Allowances to depreciation and provisions	12 871	15 957	16 329	16 437	16 463
463Operating Profit	**18 030**	**35 935**	**44 708**	**54 003**	**61 907**
Growth	-3.4%	99.3%	24.4%	20.8%	14.6%
EBIT margin	**4.8%**	**8.2%**	**9.2%**	**10.0%**	**10.5%**
Minorities	2 965	4 926	5 004	6 006	7 247
247Net Profit ex-minorities (recurrent profit)	**16 357**	**26 103**	**33 854**	**41 807**	**48 682**
Growth	10.8%	59.6%	29.7%	23.5%	16.4%
247Net Profit ex-minorities	**16 357**	**37 981**	**33 854**	**41 807**	**48 682**

*restated of capital gains(11.8mTnd) deriving form the legal restructuring of the group prior to its IPO

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