

# ELECTUS

■ EQUITY SPECIALISTS



## Investment Managers' Conference

### *Emerging Markets: friend or foe?*

Anwaar Wagner  
Richard Hasson  
Neil Brown

October 2011

[www.electus.co.za](http://www.electus.co.za)



# ELECTUS Boutique Overview

## ELECTUS investment approach

- High conviction, unconstrained, fundamental, “bottom-up” equity manager
- Limited capacity and client base to ensure top quality performance and service
- Proven track record of delivering excess returns through bottom-up stock selection

## Benefits of being an Old Mutual Investment Group (SA) boutique

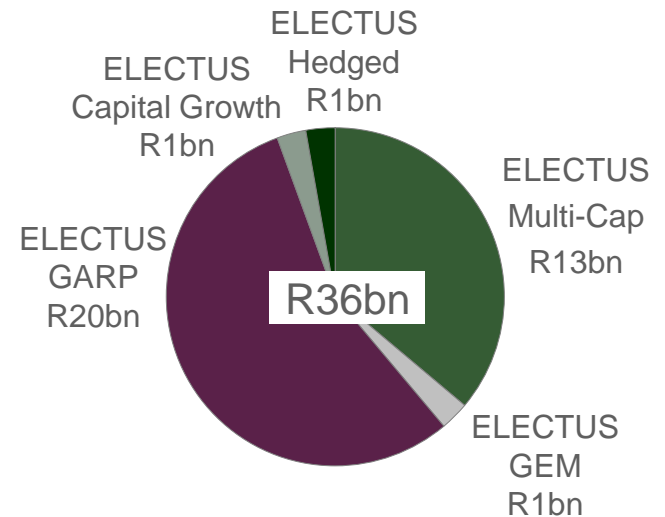
- Highly skilled and extensive investment research team
- Investment autonomy & accountability
- Incentives aligned with client interests
- Uniquely positioned to focus on delivering performance



“We always strive to buy into high quality businesses at prices that are low compared to their long-term investment value.”

Neil Brown & Richard Hasson | Boutique Heads

## ELECTUS Equity Offerings





## ELECTUS Team



**Richard Hasson**  
B Com, CA,  
CFA  
Head: ELECTUS  
(13yrs)  
(OM 13 yrs)



**Neil Brown**  
Nat.Dip. Co. Admin,  
MBA  
Head: ELECTUS  
(19yrs)  
(OM 7 yrs)



**Anwaar Wagner**  
B Bus Sci  
Global  
Emerging  
Markets  
(13 yrs)  
(OM 6 yrs)



**Russell Bodill**  
B Comm Hons  
Account  
Executive  
(14yrs)  
(OM 2 yrs)

- Staff turnover over past 5 years= Nil



## Share Selection based on ELECTUS Investment Philosophy

- We believe that excess returns can be achieved by managing funds that invest on a “bottom-up” basis in 40-70 undervalued companies with the following characteristics:
  - Cash Flow Return on Investment (CFROI) > Cost of capital
  - Quality (not growth) business models
  - Proven management teams with strong capital allocation skills
  - Earnings & Dividend growth rates > MSCI GEM
  - Cash flows stronger than Income Statement
  - High margin of safety in their fundamental valuations

“We always strive to buy into high quality businesses at prices that are low compared to their long-term investment value.”



## ELECTUS – Current Investment Offering

Institutional Products	Retail Products	Lead Fund Manager	Style Bias	Market Cap Size Bias	Excess Return Target	Number Shares
<u>Multi-Cap</u> - Constrained - Houseview - Unconstrained 130/30	OM Top Co's UT	Neil Brown & Richard Hasson	Blend	Large/Mid	2-3 % pa > 3% pa > 4% pa	±35
Growth at Right Price (GARP)	OM Growth UT (can invest up to 20% in OM GEM UT)	Richard Hasson	GARP	Mid/Large	> 3% pa	±35
Global Emerging Markets (GEM)	OM GEM UT	Anwaar Wagner	Blend	Large/Mid	> 4% pa	40-70

*Consistent philosophy & process applied across all products*



# Old Mutual Top Companies Unit Trust - Top 10 shares & all holdings

## Equities as at 30.09.2011 (Top 10 in descending order as % of Fund)

### OTHER HOLDINGS

MTN	11.0%
Anglo American	9.5%
Sasol	6.6%
BHP Billiton	5.9%
Naspers	5.9%
Standard Bank	4.5%
Old Mutual	4.3%
Trencor	4.3%
Clientele Life	3.8%
Lonmin	3.5%

ABSA	Aveng
Investec PLC	Altron PP
Peregrine	Hudaco
Zurich SA	Eqstra
	Sentula
Remgro	
Netcare	Gold ETF
Italtile	Anglogold
Nu-World	Impala Platinum
Sovereign	ArcelorMittal SA
AECI	
Omnia	Foord Compass
Mustek	



## Old Mutual Top Companies Unit Trust Portfolio Characteristics as at 13.10.2011

	Fund	Benchmark
Price/Earnings ratio (rolled)	9.7x	11.9x
Dividend Yield (rolled)	3.4%	3.6%
Price/Book ratio	1.8x	2.1x
Price/Cash Flow ratio	5.1x	6.7x
EPS growth (next 12 months)	20%	19%
Upside to Analyst Fair Value	26.5%	6.8%

“We always strive to buy into high quality businesses at prices that are low compared to their long-term investment value.”

# ELECTUS

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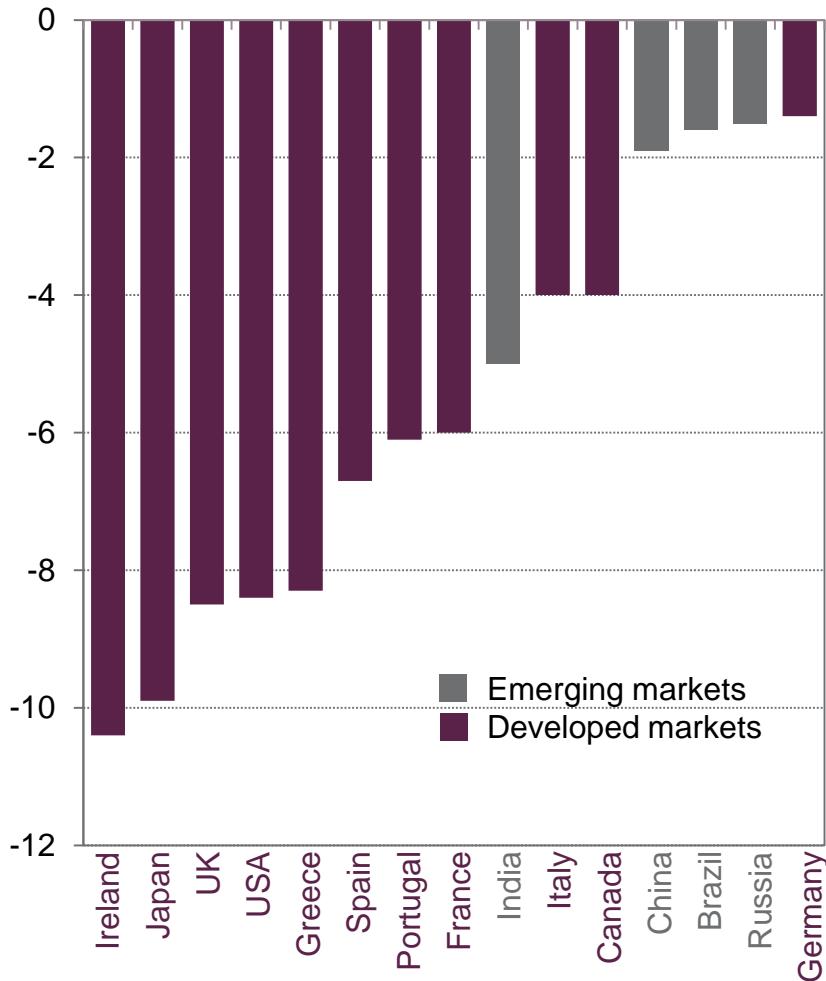
## ELECTUS Global Emerging Markets Fund

*“Case for GEM equity as a Permanent Asset Class is clear”*

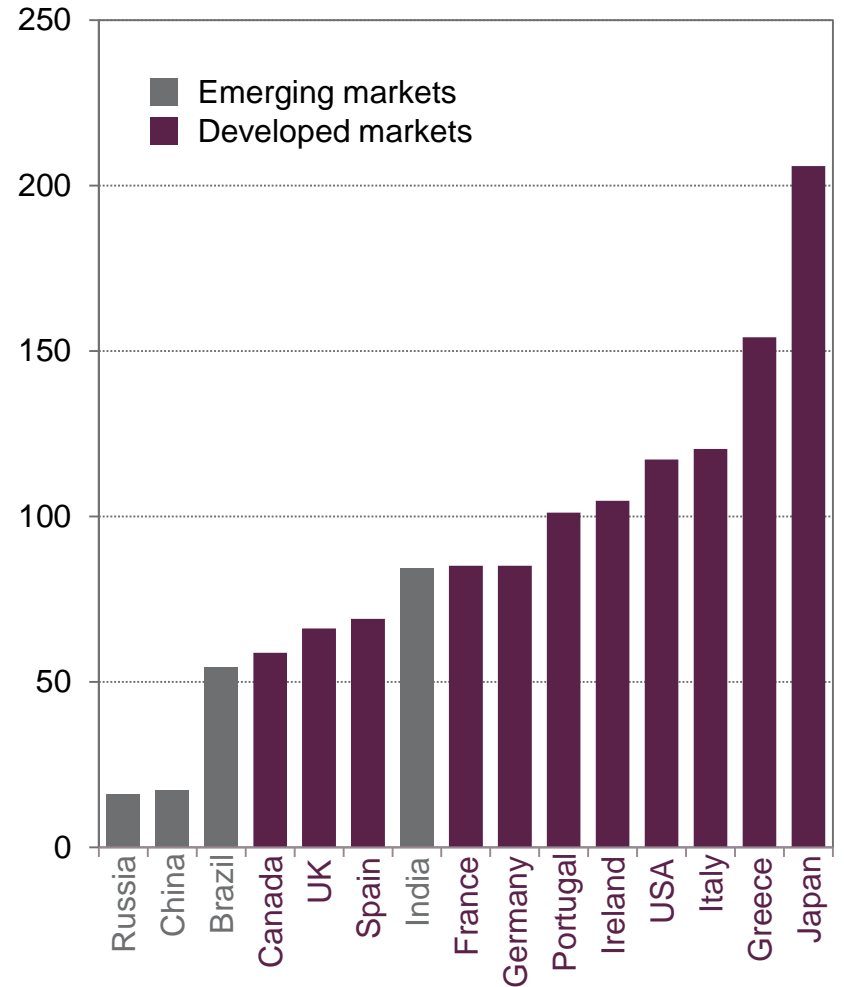


# GEM growth is less risky as it's less constrained by debt

2011E Budget balance as % of GDP



2011E Government debt as % of GDP

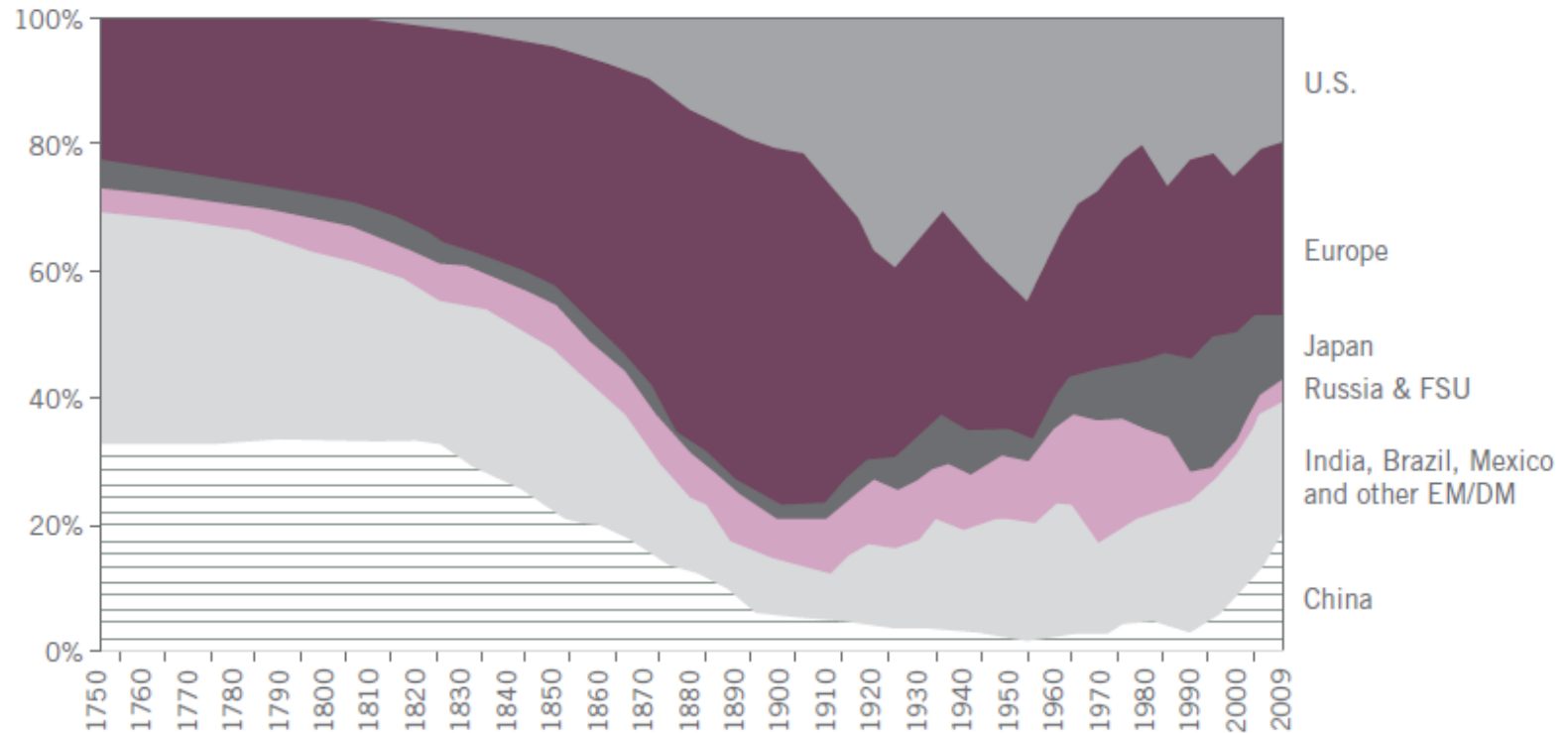


Source: Global Insight, OMIGSA



# The Global Emerging Market (GEM) transition in World Manufacturing Output since 1750

Shares of World Manufacturing Output 1750-2009

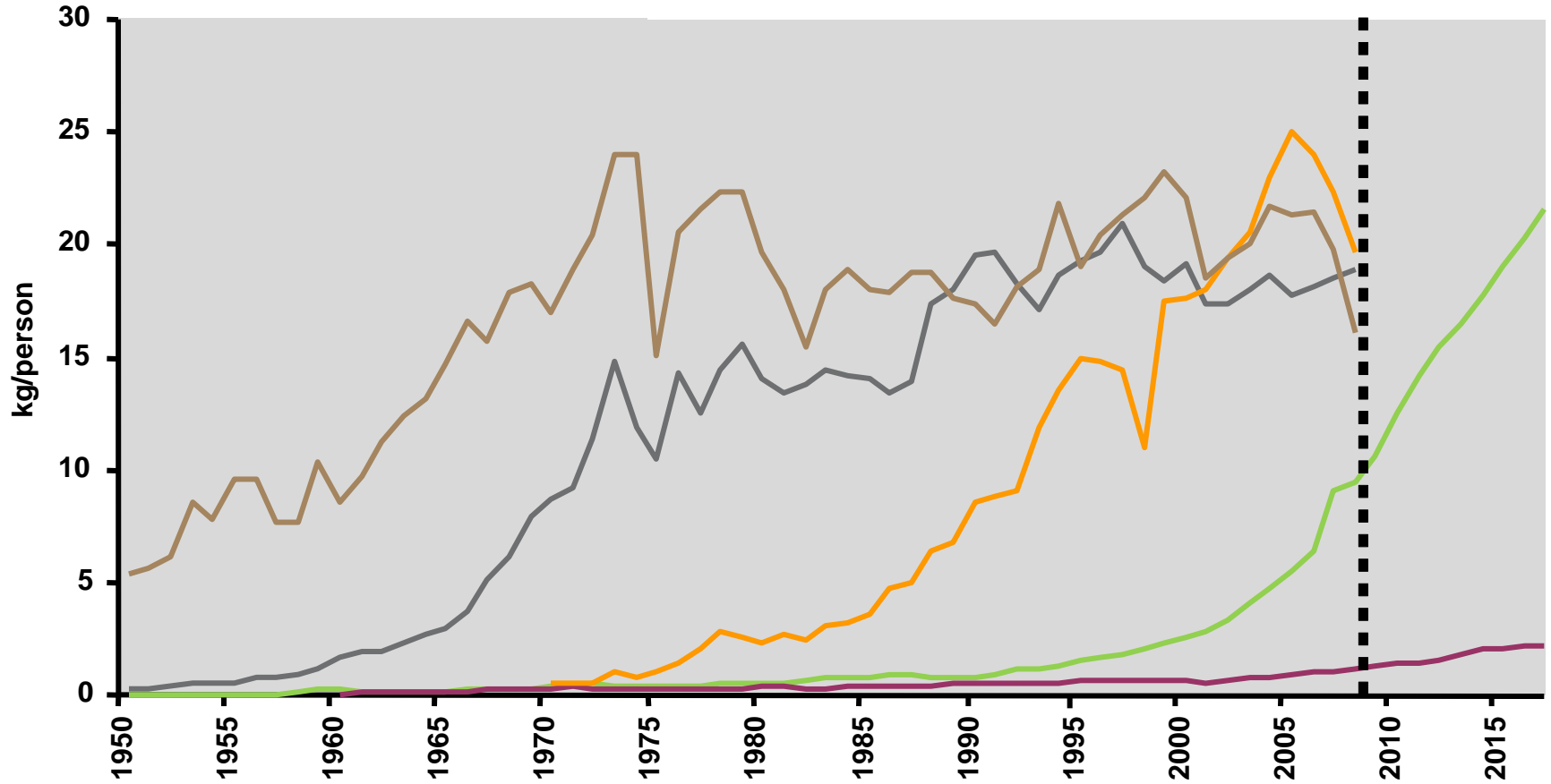


Source: Paul Bairoch, "International Industrialization Levels from 1750-1980" Journal of European Economic History; Samuel P. Huntington. "The clash of civilizations and the remaking of world order; Manufacturing Value added from International Yearbook, United Nation Statistical Database, Euromonitor, IHS Global Insight, Morgan Stanley Research.



History tends to repeat itself  
“These are multi-decade events”

Aluminum consumption per capita since 1950 – stabilises at 20kg's



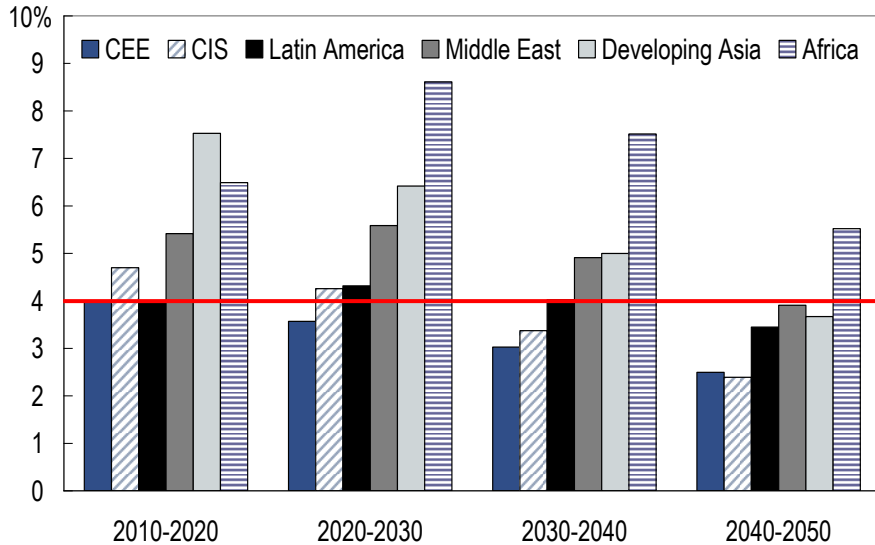
Source: Macquarie



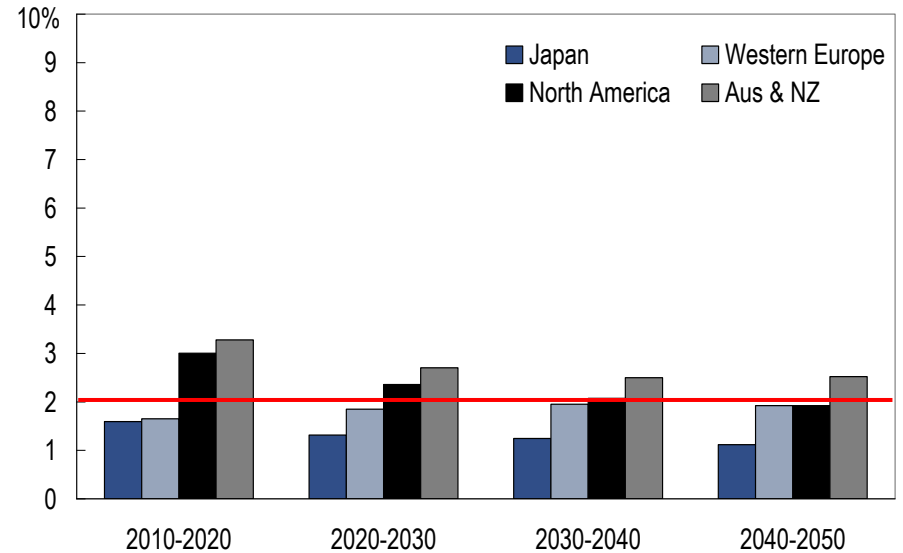


# GEM Economic Growth to Outpace Developed for Foreseeable Future

## Emerging Economies – average real GDP growth (%YoY) 2010-2050



## Advanced Economies – average real GDP growth (% YoY) 2010-2050



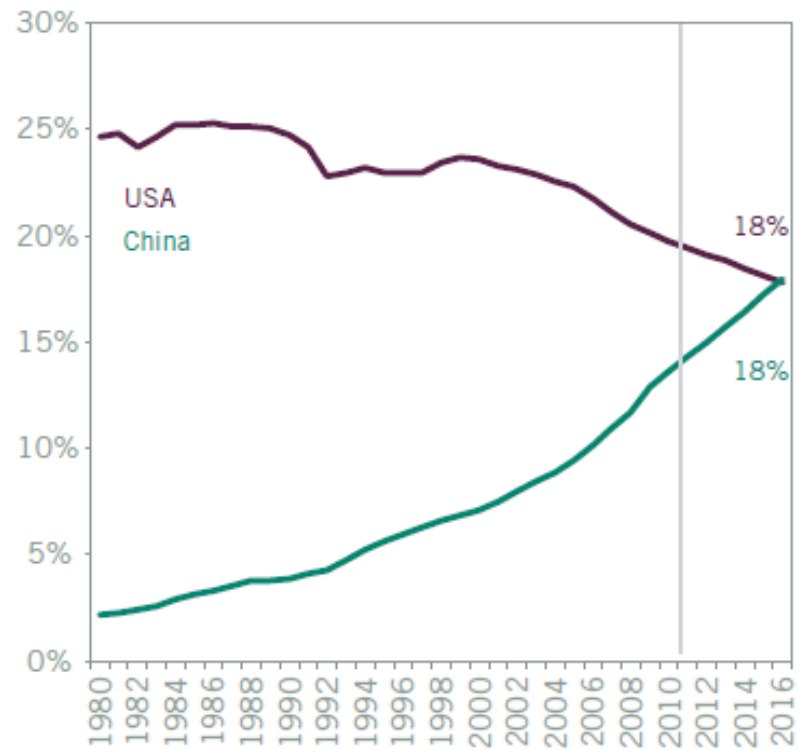
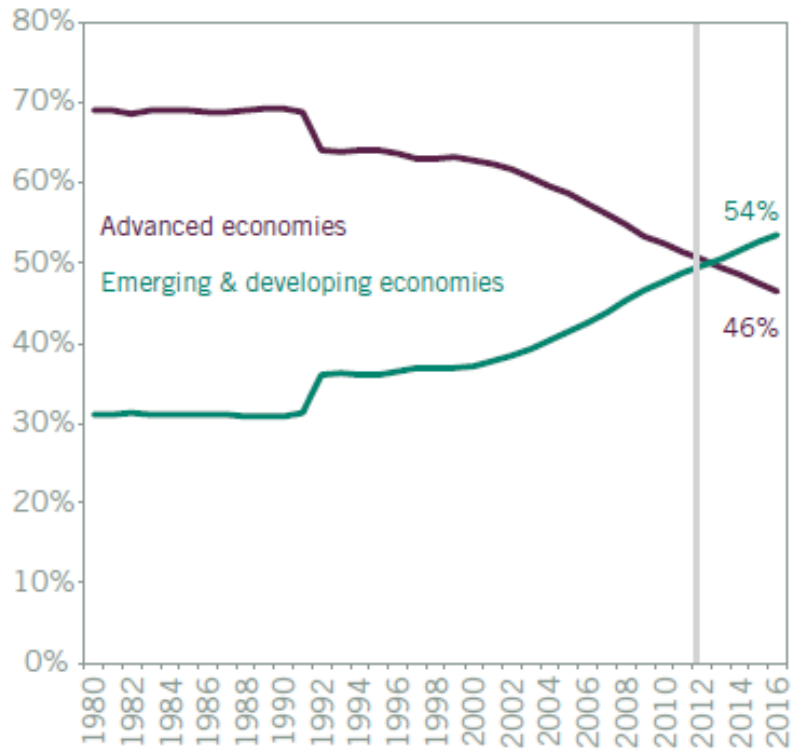
Note: GDP measured in 2010 PPP USD

Source: Citi Investment Research and Analysis



# GEM will become the main engine of global activity

## SHARE OF WORLD GDP (PPP)

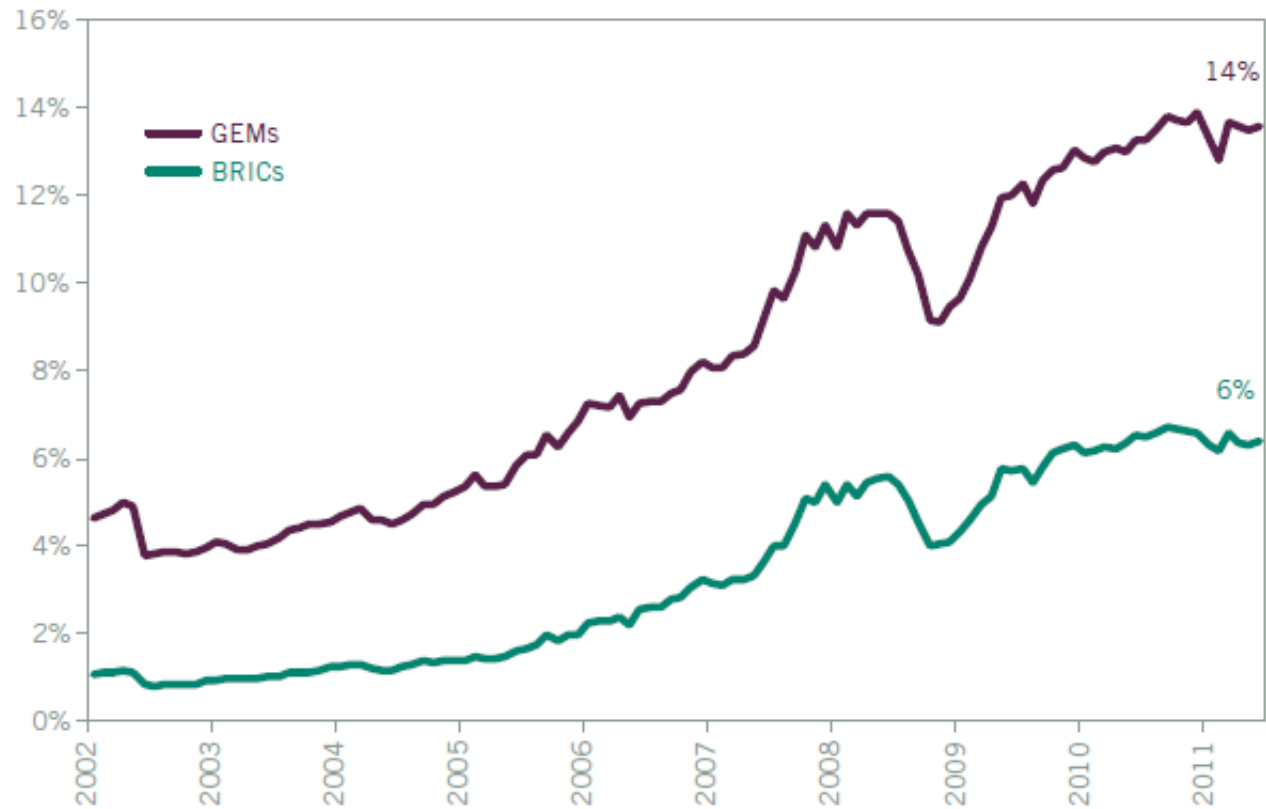


Source: Global Insights



## This is not yet reflected in stock markets/asset allocation

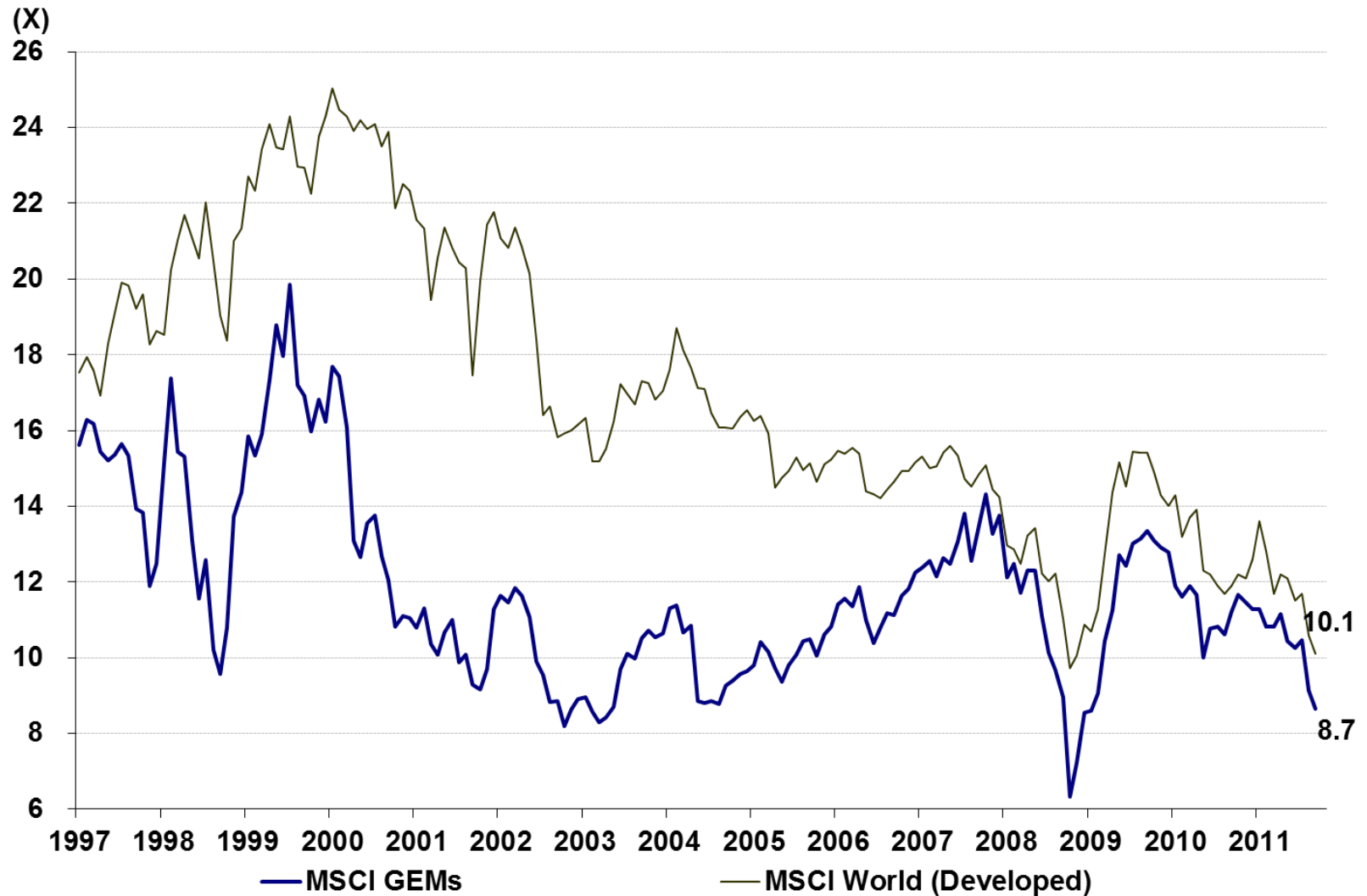
### WEIGHTING IN GLOBAL EQUITY INDICES (TO 30 JUNE 2011)



Source: Citigroup



## Valuation - GEM is Cheaper than Developed on FWD PE



End-month data. Source: MSCI, IBES, Datastream and CIRA



## Country Valuations

Region/Country	PE			Dividend Yield	Bberg P/NAV (Best)	Bberg ROE (last reported)
	PE C2011	PE C2012	PE C2013			
MSCI EM	9.7	8.8	7.9	3.3%	1.44	21.9
MSCI Developed World	11.0	9.7	8.8	2.9%	1.62	14.3
MSCI SOUTH AFRICA	11.4	9.4	8.7	3.9%	2.03	22.2
MSCI CHINA	8.8	7.8	6.9	3.7%	1.46	21.9
MSCI BRAZIL	8.8	8.1	7.3	4.0%	1.29	23.2
MSCI KOREA	8.9	8.0	7.0	1.6%	1.19	18.2
MSCI TAIWAN	14.9	12.0	10.3	4.5%	1.64	20.7
MSCI INDIA	14.3	12.3	11.1	1.5%	2.31	25.1
MSCI RUSSIA	4.6	4.8	4.4	3.3%	0.73	20.2
MSCI MEXICO	15.6	13.3	12.0	2.2%	2.41	24.8

Source: MSCI

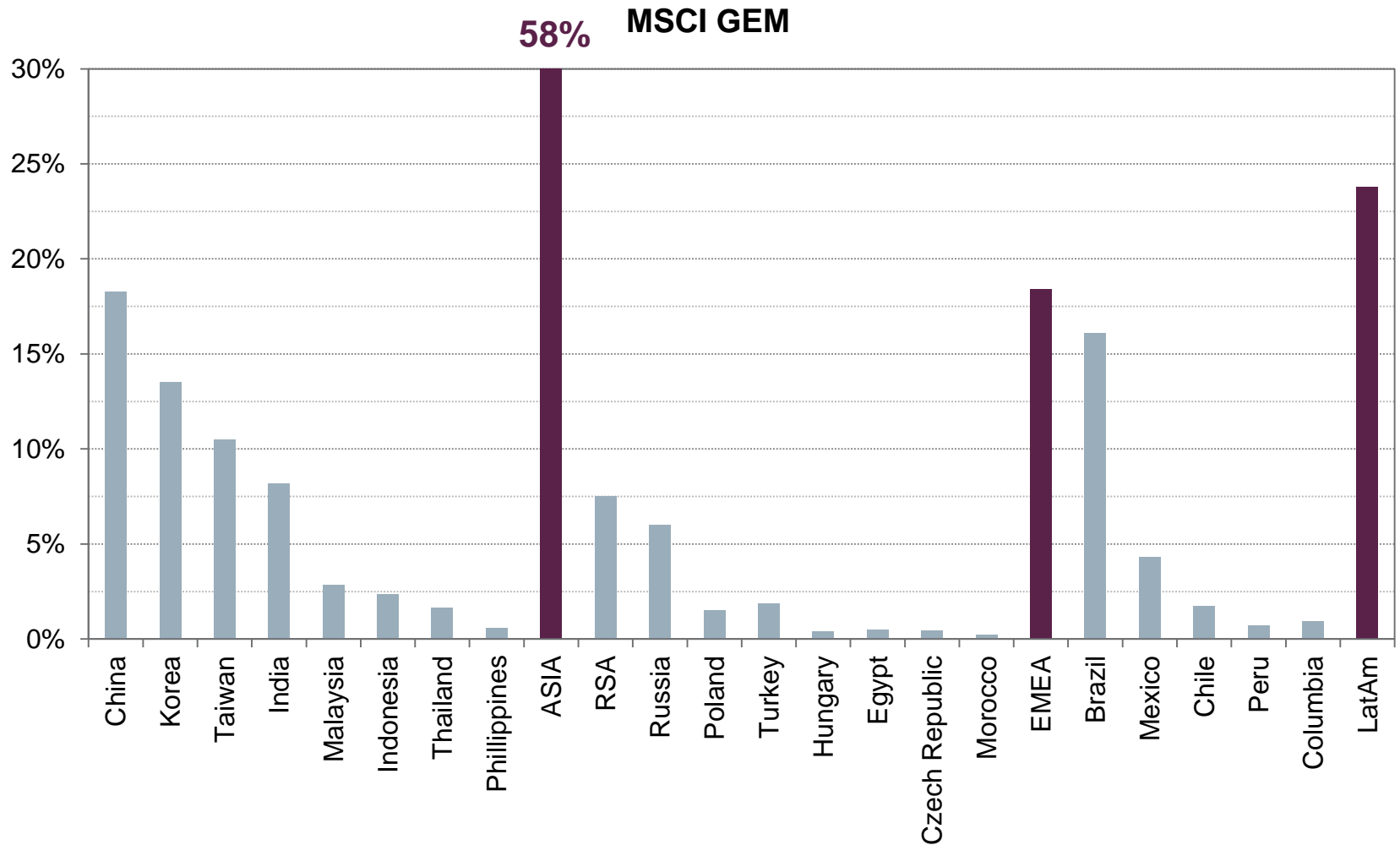


## Summary – Why GEM?

- **GEM vs developed**
  - Higher ROE's than developed markets
  - Higher growth rates than developed markets
  - Better govt debt/fiscal positions than developed markets
  - Improving Cost of Capital of GEM countries
  - More attractively valued than developed markets
  
- **GEM vs SA**
  - Higher growth rates than SA
  - More attractively valued than SA
  - More diversification/choices than SA
  - Hedge against rand weakness

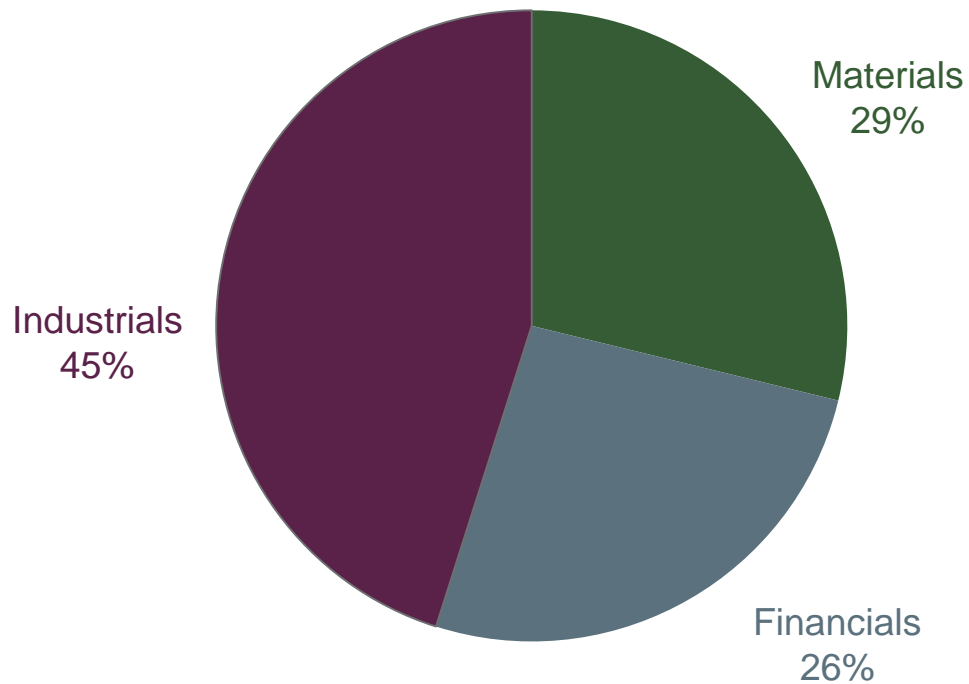


# MSCI GEM Benchmark – By Region/Country





## MSCI GEM Sector Weightings



**ELECTUS team has >40 years experience and has won numerous awards across the entire SA equity market**



## What we have been doing in preparation for launch

- Visited 8 Major Countries and met with >210 non-SA companies
  - Equivalent to 85% of the Investment Universe
  - Next trip SE Asia, another 8% of benchmark
  
- Old Mutual Global Tier-1 Client
  - Preferential Access to global conferences, specifically accessing 1-on-1 meetings with company management
  
- IT System and Database development
  - ELECTUS have developed unique and world-class integrated analysis & valuation systems, allowing us to value and screen over 4 000 GEM companies
  
- Lessons gained for benefit of our SA equity funds
  - Kicking the tyres of SA operations in other GEM countries
  - Better understanding of global industries, e.g. banks, telco's, etc.



## Old Mutual Global Emerging Markets Fund

- Unit Trust Fund – currently R591m AUM
- Benchmark: MSCI Emerging Market Index
- Performance target: MSCI Emerging Market Index + 4%
- May invest in attractively priced developed market companies with exposure to GEM countries
  - Provided 50% of revenue, profits or assets derived from GEM's
- 8 Largest GEM's: China, Brazil, South Korea, Taiwan, India, South Africa, Russia and Mexico
  - Accounts for 85% of benchmark
  - Will only invest in companies where we have had management interaction

# Share Screening for Quality

Credit Suisse HOLT ValueSearch®

CREDIT SUISSE HOLT ValueSearch®

Company Industry Portfolio **Screening** Market

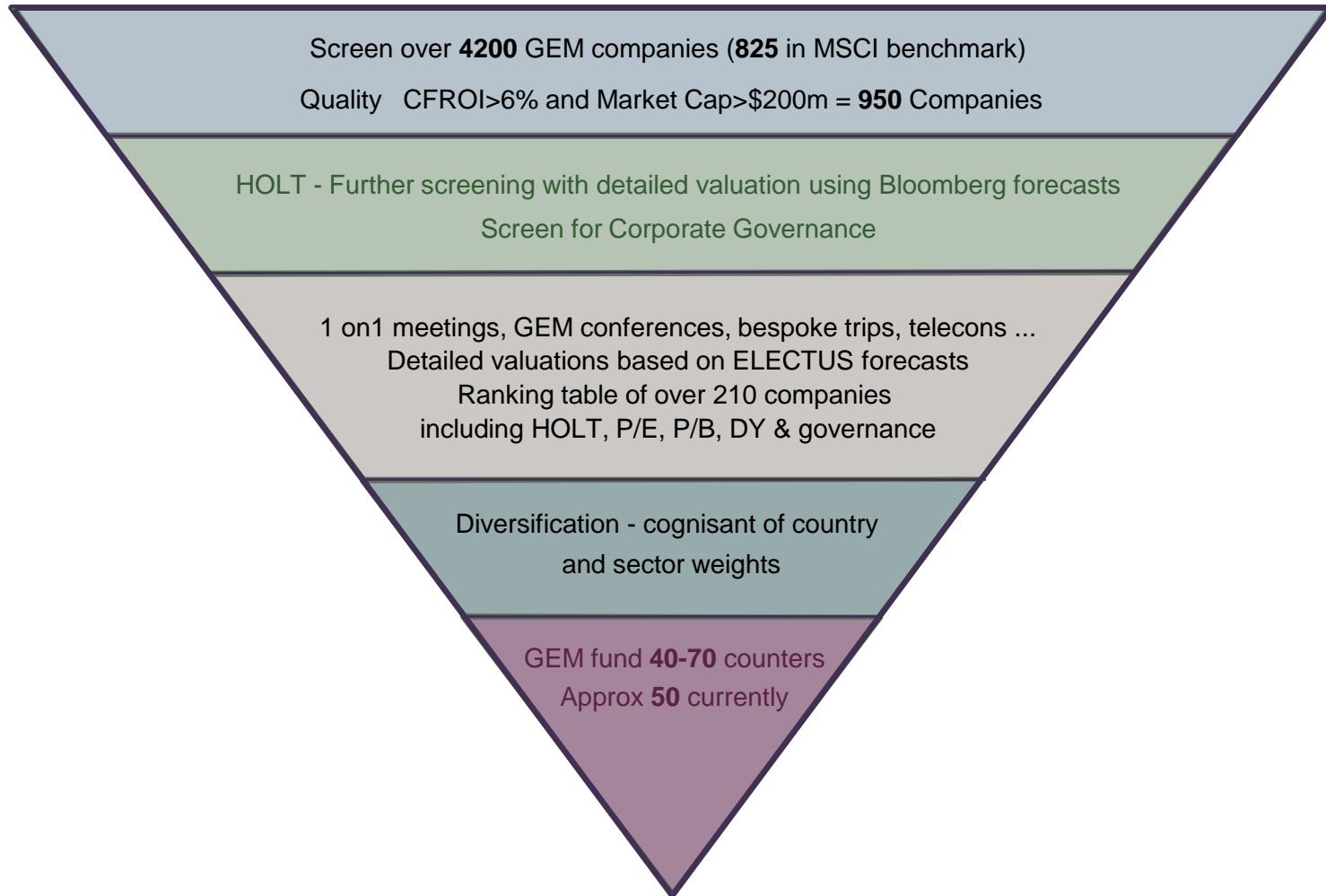
File Options **Quality & Cheap** The Screening Guide

Criteria ( 11 ) Add Criteria Add Portfolio Use 'Add Criteria' to add filters to your company search based on company values. Minimize Criteria

Criteria	Filter	Value	Unit	Results
Universe	Global Emerging Markets			= 4215
Market Capitalization (bl)	is at least	0.2	United States Dollar, USD	= 3043
CFROI Median - Ten Year	is greater than	6		= 1285
CFROI Median - Seven Year	is greater than	6		= 1215
CFROI Median - Five Year	is greater than	6		= 1137
CFROI Median - Three Year	is greater than	6		= 1028
CFROI t+1	is greater than	6		= 946



# Share Screening, Investment Philosophy & Process



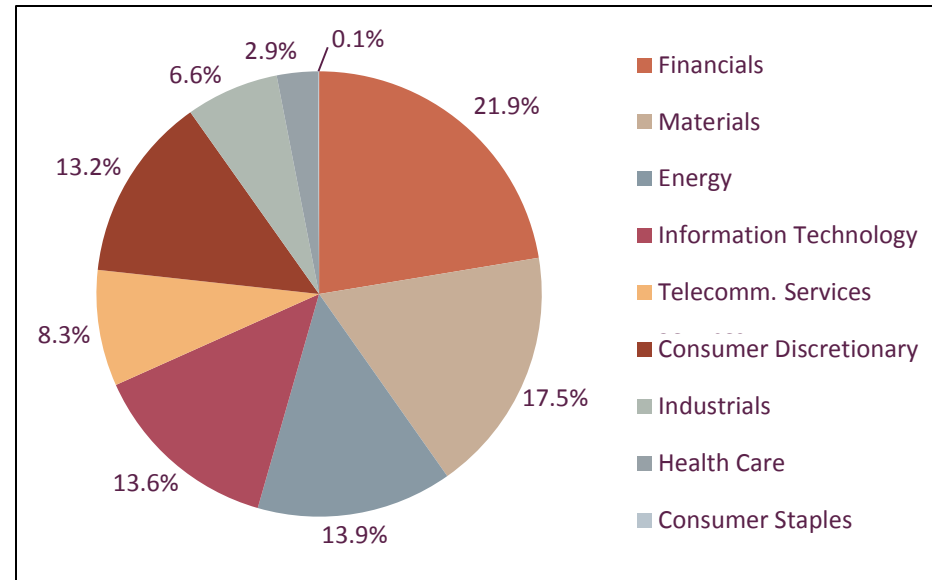
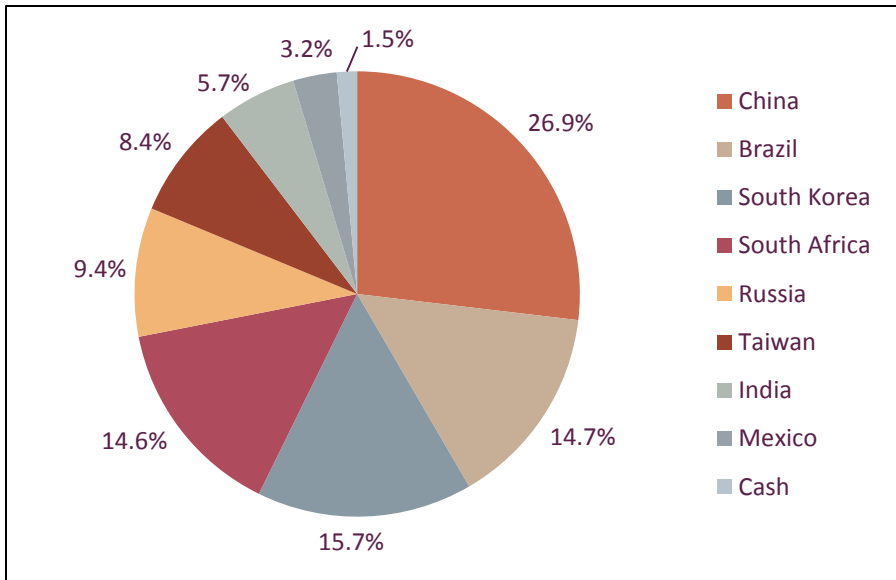
# Old Mutual Global Emerging Markets Fund – Top 10



Name	Weight	Country	GICS Sector	Rolled PEs			Dividend Yield	Bberg P/NAV (last reported)	Bberg ROE (last reported)
				PE t	PE t+1	PE t+2			
MSCI GEM Index				10.3	9.0	8.1	3.3%	1.55	21.91
MSCI RSA Index				14.5	9.7	9.4	3.9%	2.24	22.21
CHINA MOBILE LTD	5.1%	CHINA	Telecomm Services	10.1	9.7	9.4	4.3%	2.03	22.1
ANGLO AMERICAN PLC	5.1%	SOUTH AFRICA	Materials	7.3	6.1	5.4	2.0%	1.34	21.7
CNOOC LTD	4.4%	CHINA	Energy	7.5	7.3	7.3	5.0%	1.98	27.9
TAIWAN SEMICONDUCTOR MANUFAC	4.4%	TAIWAN	Information Tech	13.2	12.6	11.4	4.3%	3.23	30.2
SASOL LTD	4.1%	SOUTH AFRICA	Energy	9.7	8.2	7.7	4.1%	2.16	19.6
SAMSUNG ELECTRONICS CO LTD	4.1%	SOUTH KOREA	Information Tech	10.3	9.2	7.8	1.0%	1.35	15.0
BANK OF CHINA LTD-H	3.8%	CHINA	Financials	5.3	4.7	4.2	7.3%	0.92	18.0
HYUNDAI MOTOR CO	3.6%	SOUTH KOREA	Consumer Discr	7.4	6.4	5.9	0.8%	1.65	22.1
BANK OF COMMUNICATIONS CO-H	3.4%	CHINA	Financials	5.1	4.4	4.0	4.7%	0.97	20.2
INDUSTRIAL BANK OF KOREA	3.3%	SOUTH KOREA	Financials	5.3	4.9	4.7	3.7%	0.79	11.6



# Old Mutual GEM Fund – Country/Sector weights





## GEM investing

- Case for GEM equity as a Permanent Asset Class is clear
  - Valuation is attractive, fiscal discipline is sound, positive demographic and urbanisation trends, efficient and cheap labour pool
- While there are specific risks associated with emerging markets, these political and governance issues are improving all the time
- We believe there is greater risk to a portfolio in not having exposure to the higher-return potential available in emerging markets
- We build our GEM portfolio through in-house research using:
  - World-class and unique IT Systems and Databases
  - and “bottom-up” fundamental analysis & valuations combined with interactions with company management
  - to focus on high-conviction share selection of superior-quality companies priced below their long-term investment value



# Regulatory Information

## **Old Mutual Investment Group (South Africa) (Pty) Limited**

**Physical Address: Mutualpark, Jan Smuts Drive, Pinelands, 7405**

**Telephone number: +27 21 509 5022**

Old Mutual Investment Group (South Africa) (Pty) Limited is a licensed financial services provider, FSP 604, approved by the Registrar of Financial Services Providers ([www.fsb.co.za](http://www.fsb.co.za)) to provide intermediary services and advice in terms of the Financial Advisory and Intermediary Services Act 37 of 2002. Old Mutual Investment Group is a wholly owned subsidiary of Old Mutual (South Africa) Limited. Reg No 1993/003023/07.

The investment portfolios may be market-linked or policy based. Investors' rights and obligations are set out in the relevant contracts. Market fluctuations and changes in rates of exchange or taxation may have an effect on the value, price or income of investments. Since the performance of financial markets fluctuates, an investor may not get back the full amount invested. Past performance is not necessarily a guide to future investment performance.

Personal trading by staff is restricted to ensure that there is no conflict of interest. All directors and those staff who are likely to have access to price sensitive and unpublished information in relation to the Old Mutual Group are further restricted in their dealings in Old Mutual shares.

All employees of Old Mutual Investment Group are remunerated with salaries and standard short-term and long-term incentives. No commission or incentives are paid by Old Mutual Investment Group to any persons. All inter-group transactions are done on an arms lengths basis.

In respect of pooled, life wrapped products, the underlying assets are owned by Old Mutual Life Assurance Company (South Africa) Limited who may elect to exercise any votes on these underlying assets independently of Old Mutual Investment Group.

In respect of these products, no fees or charges will be deducted if the policy is terminated within the first 30 days. Returns on these products depend on the performance of the underlying assets.

Old Mutual Investment Group has comprehensive crime and professional indemnity insurance. For more detail, as well as for information on how to contact us and on how to access information please visit [www.omigsa.com](http://www.omigsa.com).

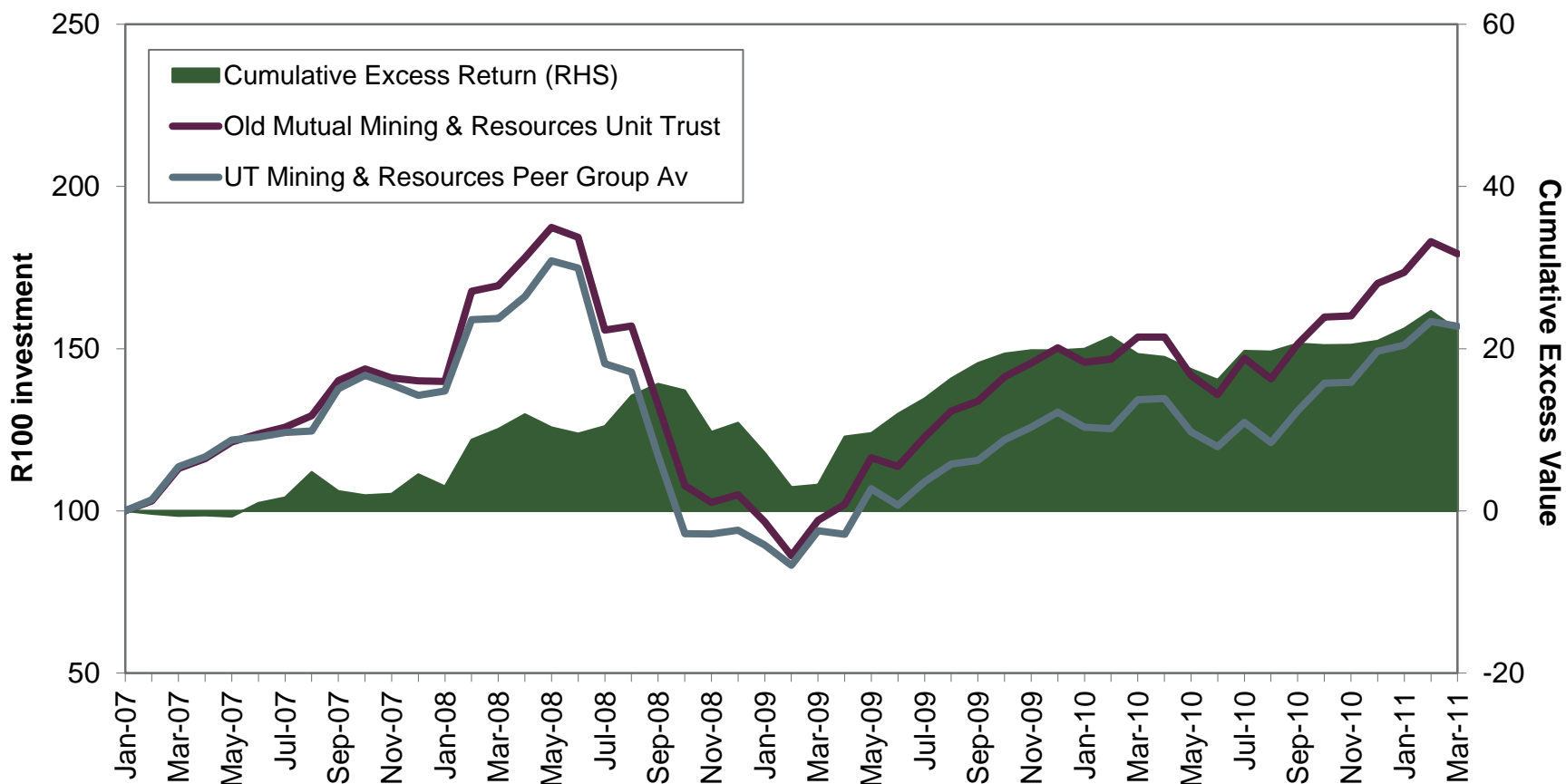


## Appendix



# Old Mutual Mining & Resources Unit Trust to 31.03.2011

## Excess Return pa vs Peer Group of 3.6%



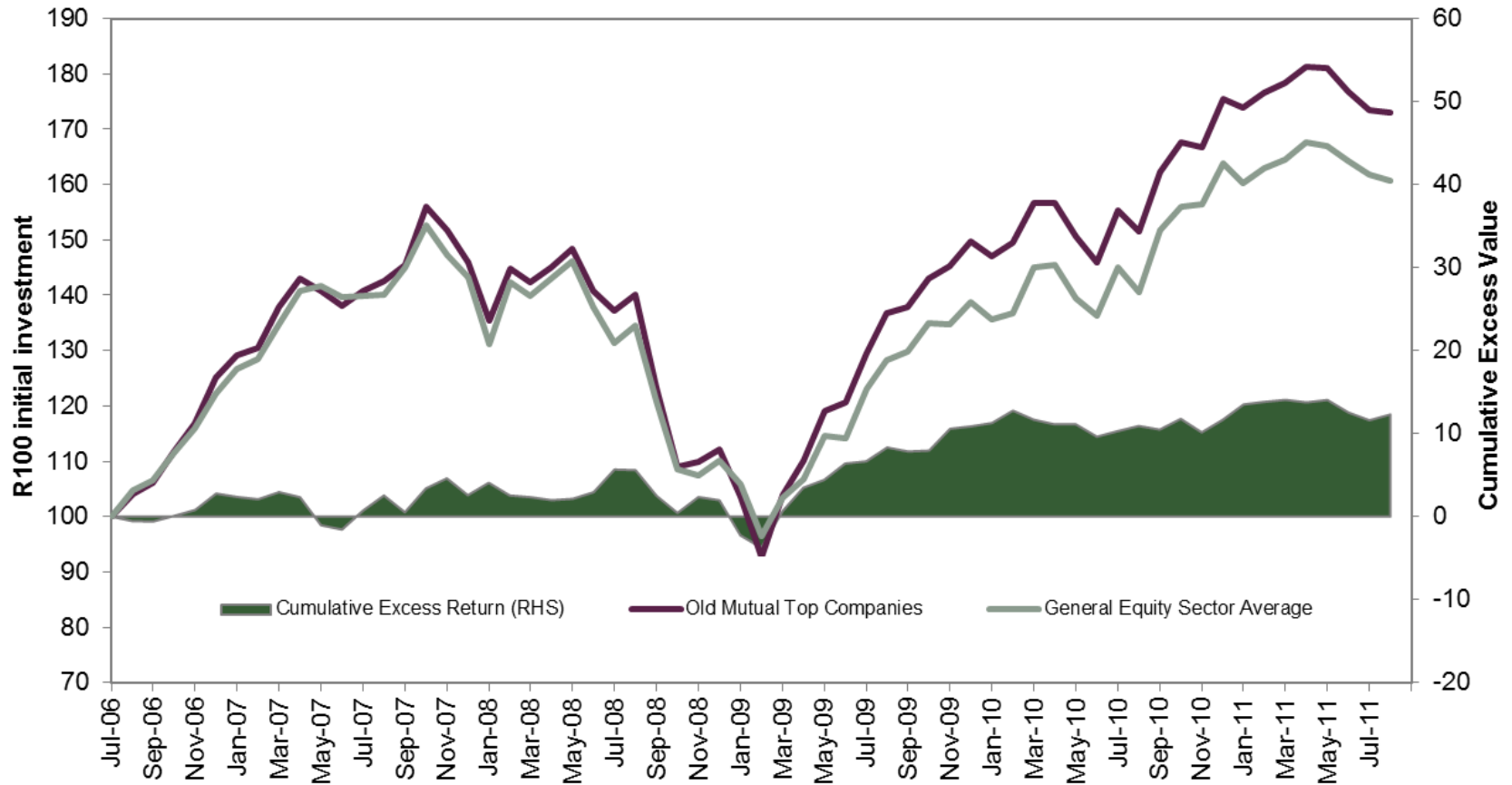
- Since managed by Anwaar Wagner (01/02/2007)



# ELECTUS – Retail Multi-Cap Portfolio Returns

## Old Mutual Top Companies Unit Trust to 31.08.11

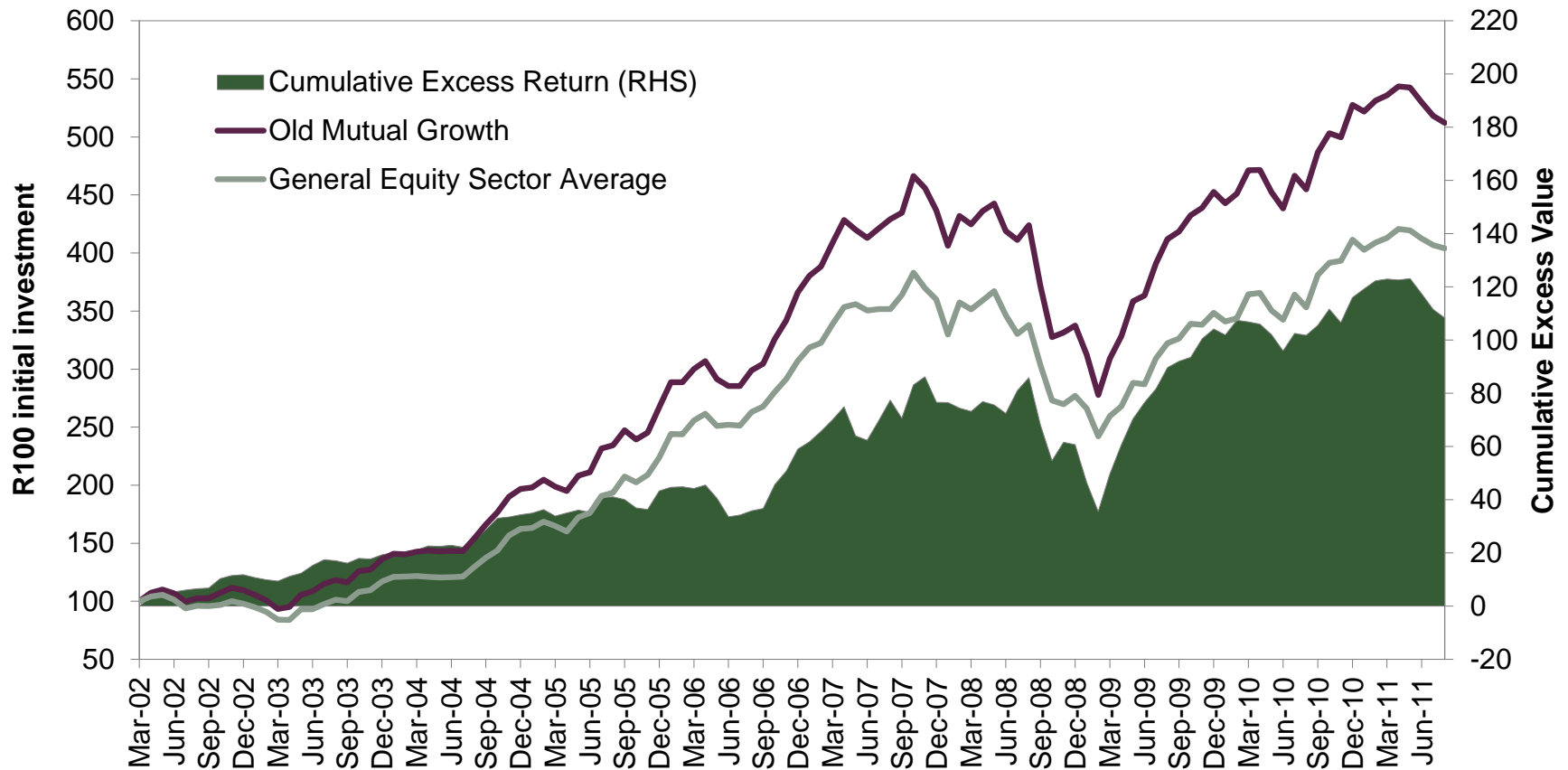
### Excess Return pa vs Peer Group of 2.0%



- Since managed by Neil Brown and Richard Hasson (01/08/2006)



# ELECTUS – Retail GARP (Growth At Right Price) Portfolio Returns Old Mutual Growth Unit Trust to 31.08.11 Excess Return pa vs Peer Group of 3.0%



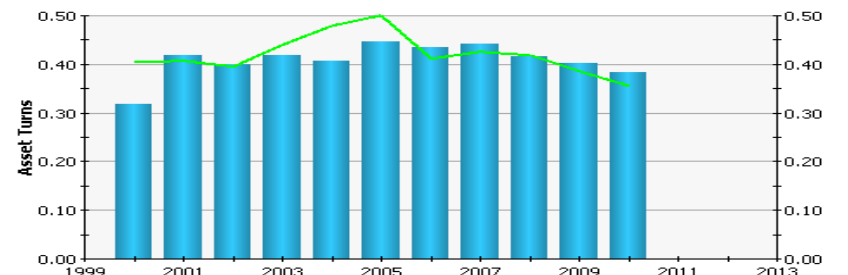
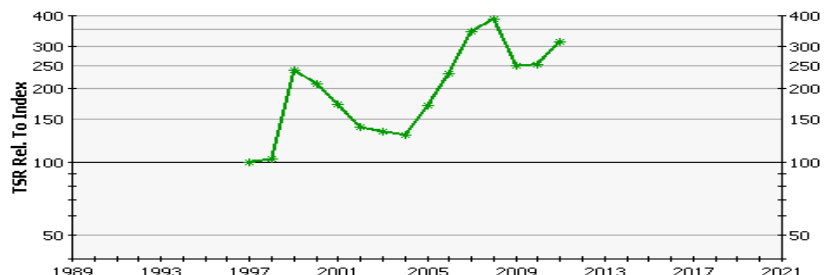
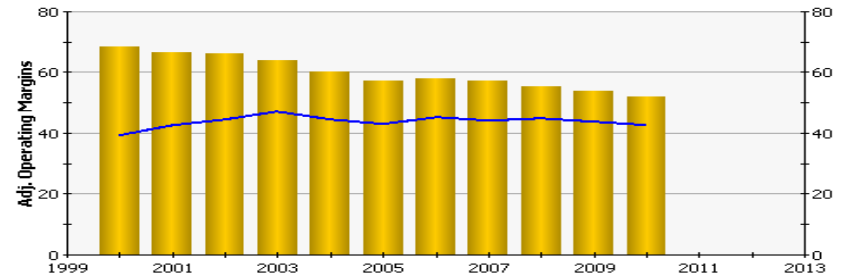
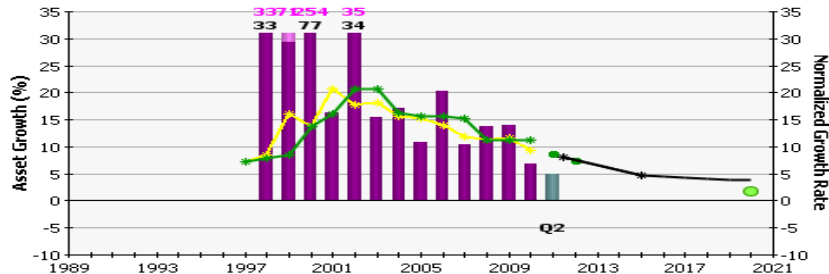
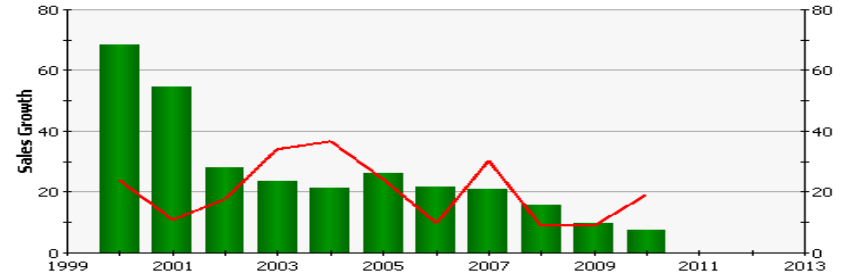
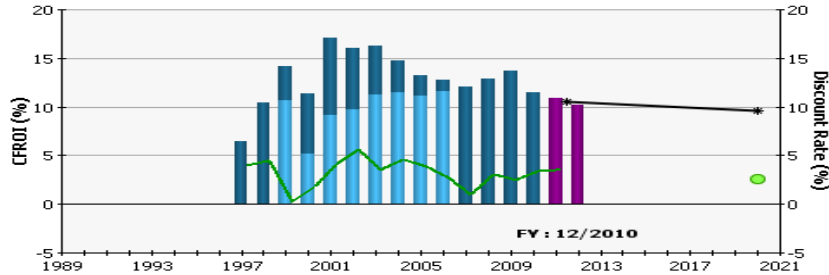
- Since managed by Richard Hasson (01/04/2002)



# HOLT – Unadjusted

## CHINA MOBILE LIMITED (941)

Price: 65.12 (September 9, 2011)  
Warranted Price : 120.91 HKD (86%)



Scenario: Consensus EPS

Currency: AS REPORTED

Market Cap : 204.544 USD

FY: 2010 Qtr: 2 Country: Hong Kong

# GEM Fund – Screening using China/HK as an example

CREDIT SUISSE HOLT ValueSearch®

Company Industry Portfolio **Screening** Market

File Options **Copy of Quality & Cheap & Upside & CFROI ve Change** The Screening Guide

Criteria ( 9 ) Add Criteria Add Portfolio Use 'Add Criteria' to add filters to your company search based on company values. Minimize Criteria

Universe Hong Kong Include ADRs

Market Capitalization (bil)	is	at least	0.5	United States Dollar, USD	AND	721
CFROI Median - Five Year	is	greater than	7		AND	449
CFROI Median - Three Year	is	greater than	7		AND	247
CFROI t+1	is	greater than	7		AND	228
Value / Cost Ratio - Current	is	less than	5		AND	215
Price / Book Equity - Current	is	less than	5		AND	198
Price / Earnings Ratio - FY1	is	less than	11		AND	175
Price / Earnings Ratio - FY2	is	less than	10		AND	93
Price, % Change to Best	is	greater than	0	%		88
						81

Run Screen Save Screen Criteria

Results ( 81 ) Find company in results (by name): Where Is? Print Scenario Filter Save As Portfolio View As Portfolio

Tagged	Company	Symbol	Scenario	Mark Capitaliz (bil) (L)	CFROI Median - Five Year	CFROI Median - Three Year	CFROI t+1	Value / Cost Ratio - Current	Price / Book Equity - Current	Price / Earnings Ratio - FY1	Price / Earnings Ratio - FY2	Price, % Change to Best
<input type="checkbox"/>	<a href="#">INDUSTRIAL &amp; COMMERCIAL BANK OF CHI</a>	1398	Consensus EPS	260.296	11.5	16.2	15.91	1.68	2.05	8.33	7.10	22
<input type="checkbox"/>	<a href="#">PETROCHINA CO LTD</a>	857	Consensus EPS	255.607	9.8	8.1	9.07	1.28	1.76	10.16	9.81	82
<input type="checkbox"/>	<a href="#">CHINA CONSTRUCTION BANK CORP</a>	939	Consensus EPS	213.094	15.1	15.8	15.09	1.55	1.98	8.12	6.99	28
<input type="checkbox"/>	<a href="#">CHINA MOBILE LIMITED</a>	941	Consensus EPS	177.979	12.7	12.9	10.59	1.38	2.00	9.49	9.27	102
<input type="checkbox"/>	<a href="#">HSBC HOLDINGS PLC</a>	5	Consensus EPS	172.849	12.2	8.2	10.68	1.23	1.23	10.50	8.95	27
<input type="checkbox"/>	<a href="#">VALE SA</a>	6210	Consensus EPS	158.040	15.4	14.5	17.23	1.43	2.42	5.65	5.99	196
<input type="checkbox"/>	<a href="#">BANK OF CHINA</a>	3988	Consensus EPS	136.880	9.6	11.9	11.73	1.13	1.38	7.35	6.47	42
<input type="checkbox"/>	<a href="#">CNOOC LIMITED</a>	883	Consensus EPS	102.408	15.1	15.1	16.07	1.90	3.07	9.59	9.80	95
<input type="checkbox"/>	<a href="#">BANK OF COMMUNICATIONS CO LTD</a>	3328	Consensus EPS	52.213	15.1	15.1	13.25	1.23	1.52	7.10	5.97	46
<input type="checkbox"/>	<a href="#">CHINA MERCHANTS BANK CO LTD</a>	3968	Consensus EPS	50.131	17.7	19.8	16.78	2.09	2.42	9.49	7.98	10
<input type="checkbox"/>	<a href="#">CHINA CITIC BANK CORPORATION LIMITE</a>	998	Consensus EPS	24.852	9.1	13.2	12.07	1.12	1.34	6.78	6.01	47
	Median			1.66	12.73	12.87	12.86	1.41	1.76	8.28	7.14	42.10

# GEM Fund – Screening using China/HK as an example

Credit Suisse HOLT ValueSearch®

HOLT ValueSearch®

Company Industry Portfolio **Screening** Market

Home Tools Help Preferences Log Out

## Copy of Quality & Cheap & Upside & CFROI ve Change

The Screening Guide

Criteria ( 9 )

Add Criteria

Add Portfolio

Use 'Add Criteria' to add filters to your company search based on company values.

Minimize Criteria

Universe	Hong Kong	Include ADPS	721
Market Capitalization (bil)	is at least	0.5	449
CFROI Median - Five Year	is greater than	9	196
CFROI Median - Three Year	is greater than	9	166
CFROI t+1	is greater than	9	148
Value / Cost Ratio - Current	is less than	4	123
Price / Book Equity - Current	is less than	4	101
Price / Earnings Ratio - FY1	is less than	10	50
Price / Earnings Ratio - FY2	is less than	9.5	48
Price, % Change to Best	is greater than	0	46

Run Screen

Save Screen Criteria

Results ( 46 )

Find company in results (by name):

Where Is ?

Print

Scenario Filter

Save As Portfolio

View As Portfolio

Tagged	Company	Symbol	Scenario	Mark Capitaliz (bil)	CFROI Median - Five Year	CFROI Median - Three Year	CFROI t+1	Value / Cost Ratio - Current	Price / Book Equity - Current	Price / Earnings Ratio - FY1	Price / Earnings Ratio - FY2	Price, % Change to Best
<input type="checkbox"/>	<a href="#">INDUSTRIAL &amp; COMMERCIAL BANK OF CHI</a>	1398	Consensus EPS	260.296	11.5	16.2	15.91	1.68	2.05	8.33	7.10	22
<input type="checkbox"/>	<a href="#">CHINA CONSTRUCTION BANK CORP</a>	939	Consensus EPS	213.094	15.1	15.8	15.09	1.55	1.98	8.12	6.99	28
<input type="checkbox"/>	<a href="#">CHINA MOBILE LIMITED</a>	941	Consensus EPS	177.979	12.7	12.9	10.59	1.38	2.00	9.49	9.27	102
<input type="checkbox"/>	<a href="#">VALE SA</a>	6210	Consensus EPS	158.040	15.4	14.5	17.23	1.43	2.42	5.65	5.99	196
<input type="checkbox"/>	<a href="#">BANK OF CHINA</a>	3988	Consensus EPS	136.880	9.6	11.9	11.73	1.13	1.38	7.35	6.47	42
<input type="checkbox"/>	<a href="#">BANK OF COMMUNICATIONS CO LTD</a>	3328	Consensus EPS	52.213	15.1	15.1	13.25	1.23	1.52	7.10	5.97	46
<input type="checkbox"/>	<a href="#">CHINA MERCHANTS BANK CO LTD</a>	3968	Consensus EPS	50.131	17.7	19.8	16.78	2.09	2.42	9.49	7.98	10
<input type="checkbox"/>	<a href="#">CHINA CITIC BANK CORPORATION LIMITE</a>	998	Consensus EPS	24.852	9.1	13.2	12.07	1.12	1.34	6.78	6.01	47
<input type="checkbox"/>	<a href="#">CHINA MINSHENG BANKING CORP., LTD.</a>	1988	Consensus EPS	24.656	14.8	14.8	13.27	1.28	1.53	7.16	6.19	47
<input type="checkbox"/>	<a href="#">DONGFENG MOTOR</a>	489	Consensus EPS	14.555	12.4	15.0	16.38	1.69	2.51	8.37	7.44	101
<input type="checkbox"/>	<a href="#">WEICHAI POWER CO., LTD.</a>	2338	Consensus EPS	8.854	24.9	20.1	21.55	2.28	3.10	8.68	7.55	119
	Median			1.47	14.72	14.74	13.47	1.43	1.84	7.83	6.77	47.74



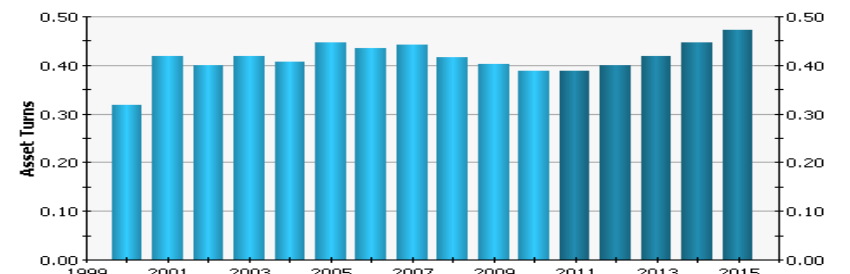
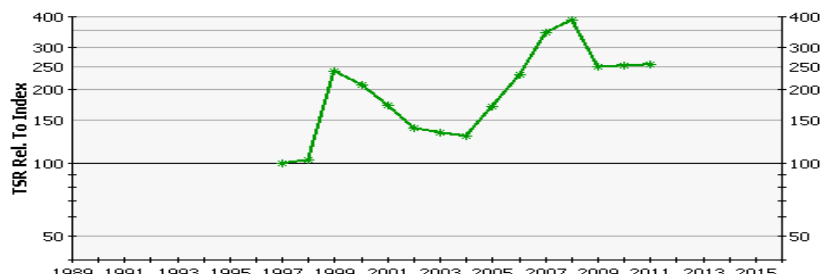
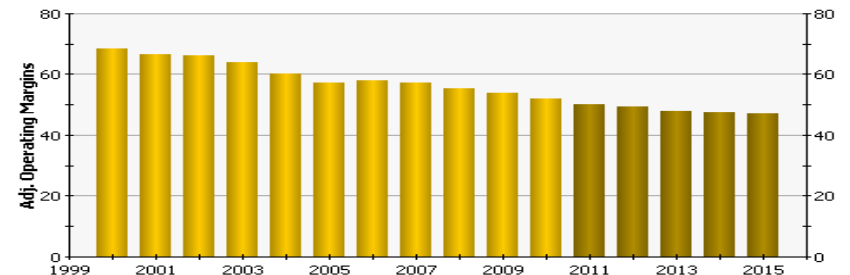
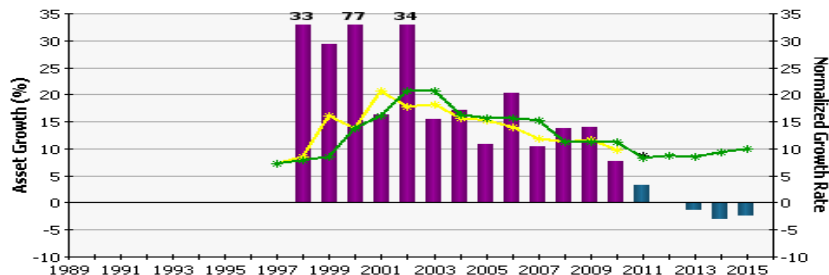
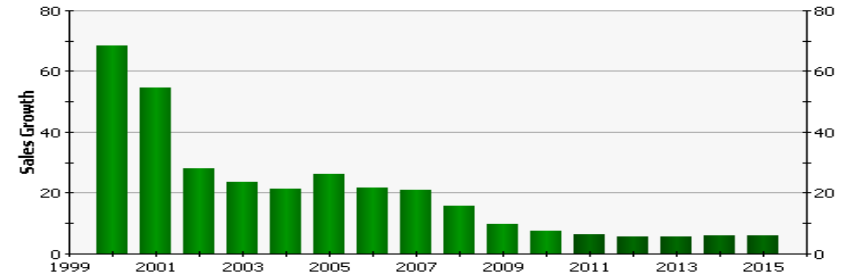
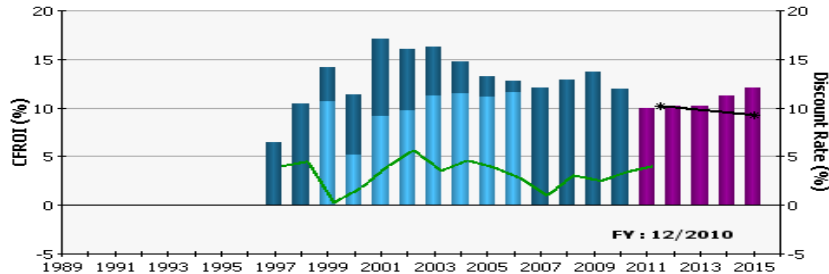
# HOLT – Adjusted with ELECTUS Forecasts

## CHINA MOBILE LIMITED (941)

Wireless Telecommunication Services

Price: 61.31 (July 8, 2011)

Warranted Price : 89.62 HKD (46%)



Scenario: China Mobile - July 10 2011

Currency: AS REPORTED

Market Cap : 190.283 USD

FY: 2010 Qtr: 0 Country: Hong Kong

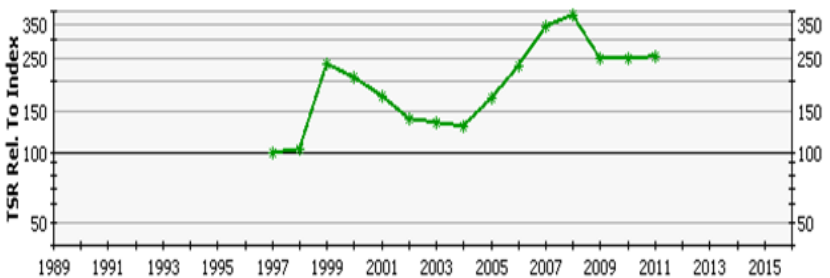
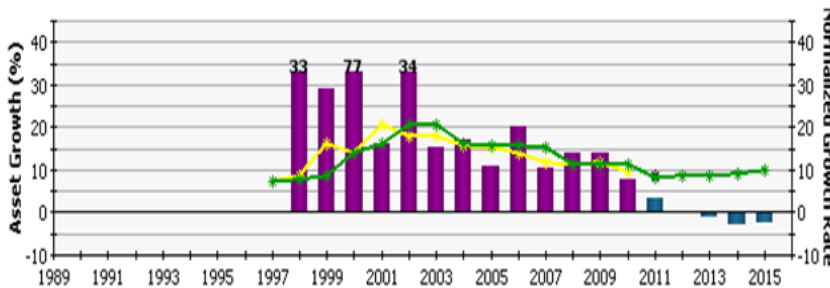
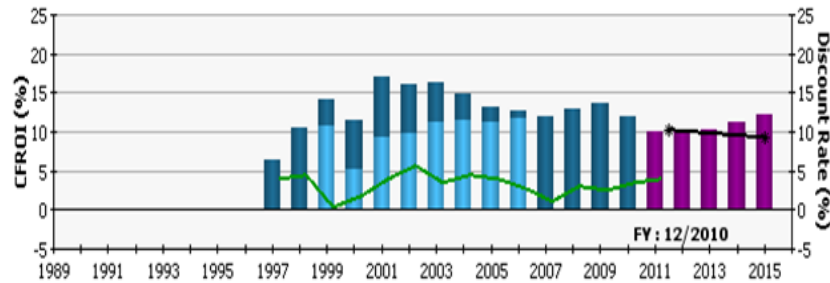
# Peer Group Analysis – China Mobile vs. MTN

## Relative Wealth Chart

Global Discount Rate

CHINA MOBILE LIMITED (941)  
Wireless Telecommunication Services

Price = 61.31  
Warranted Price = 89.62 (46%)



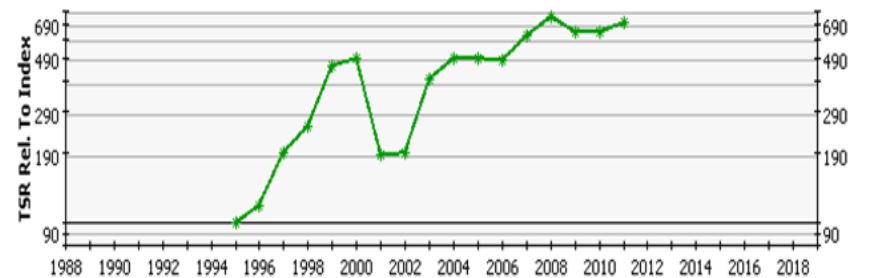
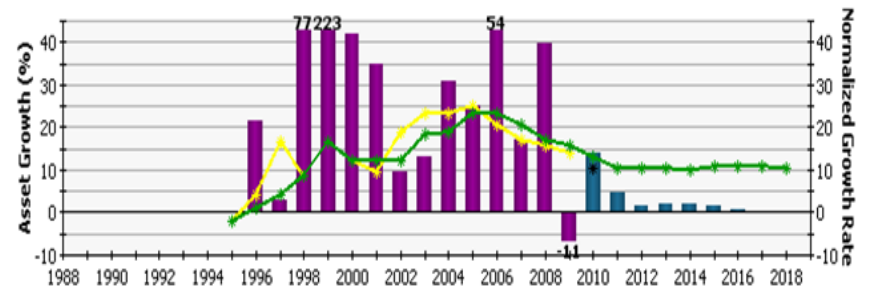
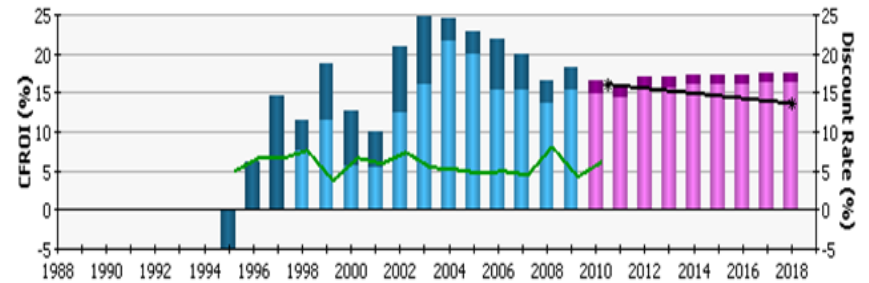
941 Fiscal Year: 12/2010 Quarter: Q0 Hong Ko... Currency: ... Market Cap (USD): 190.283 Dat... ..

## Relative Wealth Chart

Global Discount Rate

\* MTN GROUP LIMITED (MTN)  
Wireless Telecommunication Services

Price = 140.40  
Warranted Price = 148.97 (6%)



MTN Fiscal Year: 12/2009 Quarter: Q4 South Af... Currency: ... Market Cap (USD): 38.810 Dat... ..

# Peer Group Analysis – China Mobile vs. MTN

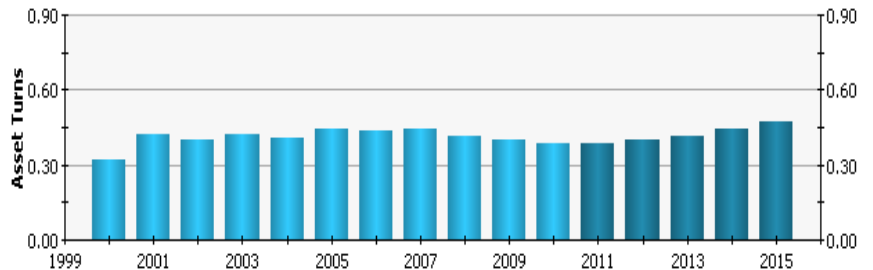
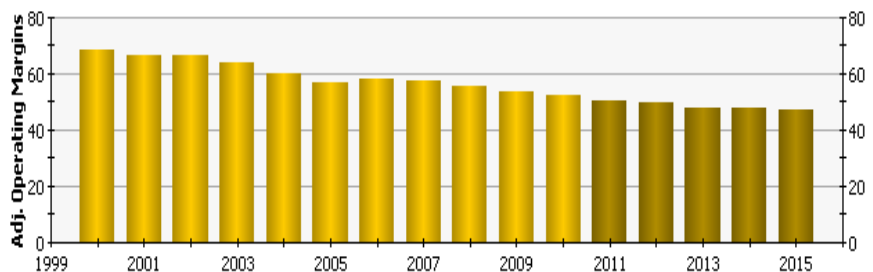
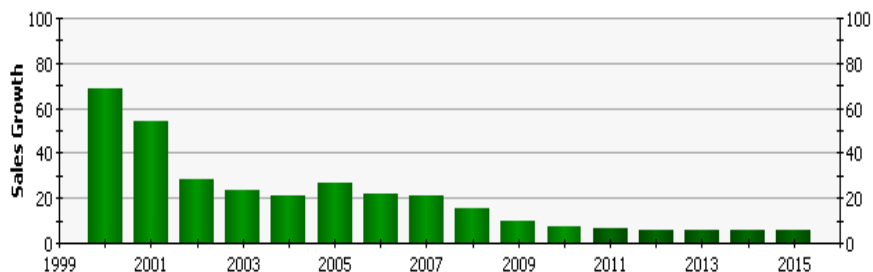
## Sales, Margins & Turns Charts

Global Discount Rate

### CHINA MOBILE LIMITED (941)

Wireless Telecommunication Services

Price = 61.31  
Warranted Price = 89.62 (46%)  
Plot Aggregate Data : None



941 Fiscal Year: 12/2010 Quarter: Q0 Hong Ko... Currency: ... Market Cap (USD) : 190.283 Dat... ..

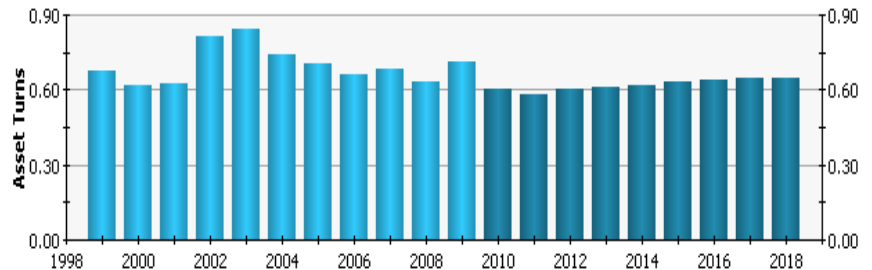
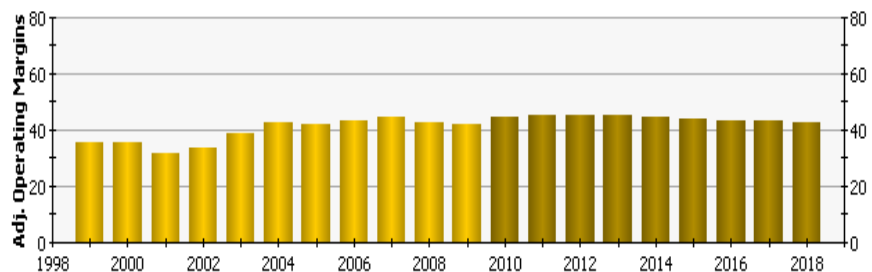
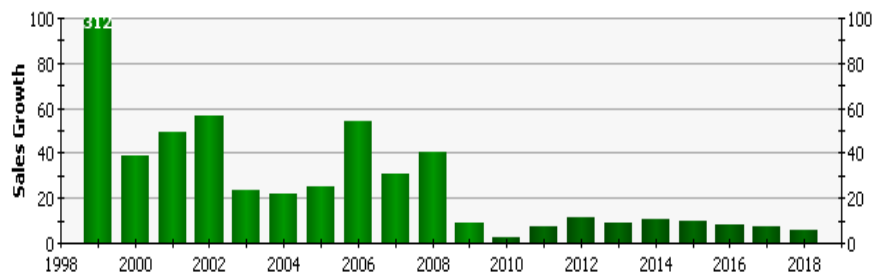
## Sales, Margins & Turns Charts

Global Discount Rate

### \* MTN GROUP LIMITED (MTN)

Wireless Telecommunication Services

Price = 140.40  
Warranted Price = 148.97 (6%)  
Plot Aggregate Data : None



MTN Fiscal Year: 12/2009 Quarter: Q4 South Af... Currency: ... Market Cap (USD) : 38.810 Dat... ..

# Bloomberg Ratio Analysis



GRAB

941 HK **RATIOS**  
CHINA MOBILE LTD  
FY END

ISSUE DATA			PER SHARE DATA	
Price	HKD	69.85	Basic EPS	5.96
P/E		9.73	EPS before XO item	5.96
Ind. Dvd Yld		4.31%	Dividends per Shar	2.60
Price/Book		2.02	Book Value/Share	28.71
Price/Sales		2.40	Sales/share	24.19
Price/Cashflow		4.95	Cash Flow/Basic sh	11.72
Market cap.	1401.69B		Shares Outstanding	20067.13
Price/FCF		9.63	FCF/share	6.02
GROWTH POTENTIAL			PROFITABILITY	
EPS Yr change		3.83%	Operating Margin	31.98%
Cap Yr change		12.86%	Pretax Margin	32.78%
BVPS Yr change		13.67%	Return on assets	14.83%
Retention rate		56.69%	Return on Equity	22.10%
Sales Growth		7.33%	Return on cap.	20.93%
Employee Yr chan		12.59%	Asset Turnover	.60
Assets Growth		14.72%	Financial Leverage	1.49
			Eff tax rate	24.55%

Currency (except for price): CHINA RENMINBI

FA Financial Analysis RVR Relative Value Rank

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000  
SN 543048 G667-196-1 22-Jun-11 3:44:29 EDT GMT-4:00

GRAB

**RATIOS**  
MTN SJ MTN GROUP LTD  
FY END

ISSUE DATA		PER SHARE DATA	
Price	ZAr 13665.00	Basic EPS	7.76
P/E	17.60	EPS before XO item	7.76
Ind. Dvd Yld	3.66%	Dividends per Shar	3.43
Price/Book	3.58	Book Value/Share	38.13
Price/Sales	2.20	Sales/share	62.25
Price/Cashflow	6.13	Cash Flow/Basic sh	22.28
Market cap.	257520.9M	Shares Outstanding	1884.53
Price/FCF	9.80	FCF/share	13.95
GROWTH POTENTIAL		PROFITABILITY	
EPS Yr change	-1.92%	Operating Margin	27.98%
Cap Yr change	-.35%	Pretax Margin	24.50%
BVPS Yr change	.24%	Return on assets	9.20%
Retention rate	54.80%	Return on Equity	20.16%
Sales Growth	2.44%	Return on cap.	18.73%
Employee Yr chan	1.78%	Asset Turnover	.74
Assets Growth	-.93%	Financial Leverage	2.19
		Eff tax rate	40.11%

Currency (except for price): SOUTH AFRICAN RAND

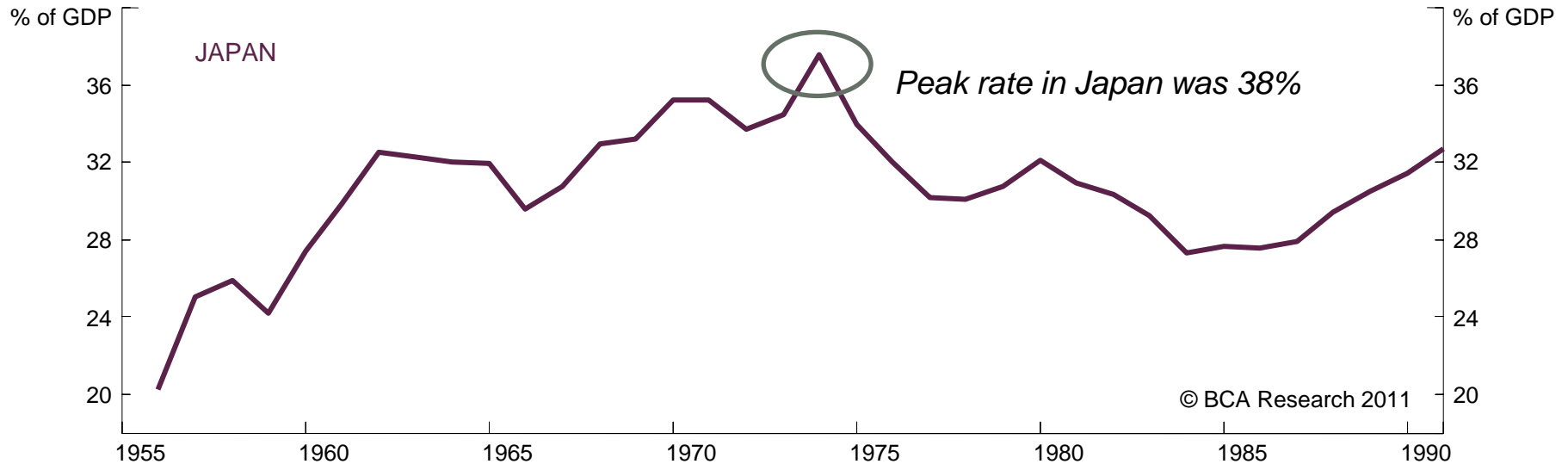
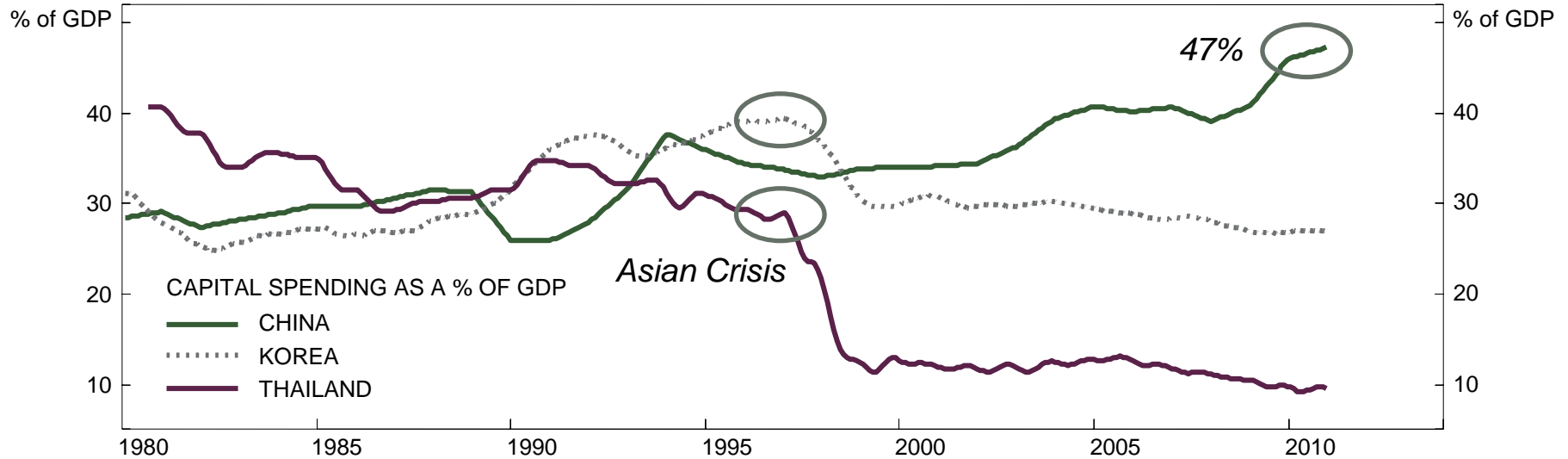
FA Financial Analysis RVR Relative Value Rank

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000  
SN 543048 G667-196-1 22-Jun-11 3:44:29 EDT GMT-4:00

Debt to assets	3.96%
T debt/Com eqty	5.93%
A/R turnover	69.14
Inv. turnover	
EBIT/total inter	172.03



# Macro Considerations – Infrastructure vs. The Chinese Consumer



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Source: BCA



# Macro Considerations

