

AUTONOMOUS PORT OF ABIDJAN (PAA)
Credit Rating Note (March 2013)

Category of values	Rating scale	Currency	Current rating	Prev. rating	Outlook
Long Term	Regional	FCFA	BBB -	N/A	Positive
Short Term	Regional	FCFA	B	N/A	Positive

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Basic data

(In million FCFA)	31.12.10	31.12.11
Fixed assets	77 078	67 447
Cas and cash equivalents	45 014	47 392
Financial debts*	74 716	65 174
Own capital	39 940	41 057
Net cash	40 019	42 746
Turnover	50 935	51 242
Gross operating margin	-15 419	18 925
Net profit after tax	-36 331	1 395

*: not including provision for risks and charges

Introduction

The Autonomous Port of Abidjan (PAA) is the Authority in charge of managing the Port of Abidjan. Initially managed by an Industrial and Commercial Public Corporation, the port was changed in 1992 into a State-owned company placed under the technical supervision of the Ministry of Economic Infrastructures and the Ministry of Economy and Finance.

The decree no. 2012-625 of 6 July 2012 on the transfer of the technical and administrative supervision of ports and airports now places PAA under the technical and administrative supervision of the Ministry of Transport.

Its CFA 16 billion capital is held by the State of Côte d'Ivoire.

PAA generates 85% of customs receipts and accounts for 70% of the national GDP.

Justification of the rating and outlooks
In the long term:

Appropriate protection factors regarded as sufficient to ensure prudent investments. However, there is a considerable variability of risks during economic cycles

In the short-term:

Speculative characteristics of investment: the cash position is unable to protect the company against any disturbance of the debt servicing. Operating factors and access to markets can be subject to a high degree of variation.

The rating is based on the following positive factors:

- Expected growth of the turnover, with good prospects for business development;
- Excellent competitive position;
- Strong potential to generate cash from the operations;
- Positive net results and improved operating result;
- Good strategic vision based on the re-conquest and consolidation of the market share in West Africa;
- Potential strong support from the State given the port's strategic importance in the economy of the country;
- Improvement of the net margin with an increasing turnover and ongoing establishment of a cost-cutting policy;
- Establishment of management tools to ensure information reliability and good governance.

The main factors of the rating regarded as negative are as follows:

- Low operational profitability with moderate profit from the operations;
- Unstable financial structure with a risk of deterioration;
- High impact of the overdrawn financial result on the net result;
- Branch of industry highly dependent on the economic situation, which is improving too slowly;
- Current information management tools to be improved;
- Lack of financial autonomy and zero borrowing capacity;
- Net available cash to be improved;
- Heavy investments necessary to the development of the activities.