

COTE D'IVOIRE, COMPAGNIE IVOIRIENNE D'ELECTRICITE (CIE)
Credit rating note
September 2016

| Category of values | Rating scale | Currency | Current rating | Previous rating | Outlook |
|--------------------|----------------|----------|----------------|-----------------|---------|
| Long -Term | Local currency | CFA | AA+ | AA+ | Stable |
| Short-Term | Local currency | CFA | A1+ | A1+ | Stable |

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Basic financial information

| (In million CFA) | 2014 | 2015 |
|-----------------------------|---------|---------|
| Fixed assets | 52 547 | 57 569 |
| Cash and cash-equivalents | 10 100 | 28 189 |
| Financial debt* | 41 397 | 45 631 |
| Equity | 25 083 | 25 022 |
| Net cash flow | 7 656 | 19 337 |
| Turnover CIE | 134 582 | 152 847 |
| Gross operating surplus CIE | 20 213 | 22 815 |
| Operating result | 10 373 | 10 966 |
| Net result | 8 277 | 8 220 |

* Consisting of advances on consumption and financial provisions for risks and charges

Introduction

Established on 24 August 1990 by the French group BOUYGUES and the French company EDF (Electricité De France), Compagnie Ivoirienne d'Electricité (CIE) is the concessionaire for the national public service of production, transportation, distribution, exportation and importation of electrical power in Cote d'Ivoire since 25 October 1990, pursuant to decree no.90-1389.

Its capital amounts to CFA 14 billion and is held at 54% by ERANOVE, 15% by the State of Côte d'Ivoire and 31% by various shareholder.

Justification of the rating and outlooks

Long-term: Very high credit quality.

Protection factors are very strong. Any adverse change in the business, economic or financial conditions will increase investment risks even though very less significantly.

Short term:

Very high certainty of timely repayment. Liquidity factors are excellent and are supported by good protection factors of key elements. Risk factors are minor.

Key performance factors

The rating is based on the following positive factors:

- Stronger power production and distribution capacity;
- Notable progress in the Electricity-For-All Project (PEPT);
- Better access of populations to electricity;
- General progress of operations and technical indicators in the sector;
- Excellent short, medium and long term financial flexibility;
- Improved net cash flow.

Below are the major rating factors regarded as negative:

- Financial imbalance in the sector worsens and constitutes a burden for actors;
- Increase in the financial debt of electrical energy sector;
- Average power-failure time needs to be improve;
- Sector highly exposed to country risk.