



TRANSNATIONAL CORPORATION OF NIGERIA PLC

FAST FACTS

DECEMBER 2006

INTRODUCTION

Transnational Corporation of Nigeria Plc (“Transcorp” or “the Company”) was incorporated on the 16th of November 2004 with the aim of establishing a “Mega Corporation”, “created” in Nigeria and owned by Nigerians, that would respond to market opportunities requiring significant capital investment, and which would be capable of succeeding not just within Nigeria but also in the African continent and around the world.

Transcorp intends to be the vehicle that will reposition Nigeria as an economic powerhouse within Africa ready to compete in the global market. Transcorp will leverage on its ability to mobilise local and international capital and its highly talented Nigerian workforce to build a world class conglomerate with multiple competencies and global presence in its five target sectors (Agriculture, Energy, Trade, Telecoms/IT, and Hospitality & Entertainment).

In less than two years of its existence Transcorp has strategically acquired key assets which have the potential of providing significant income in the foreseeable future. These include Nigeria’s premier five star hotel (Transcorp Hilton) and the former national telecommunications monopoly (“NITEL”).

This Teaser provides a summary of the Company’s business, the investment highlights, and a summary of the Proposed Offer to potential investors eagerly anticipating the Initial Public Offering (“IPO”).

BUSINESS / COMPANY OVERVIEW

Transcorp was established on the 16 th of November 2004 to be an indigenous trailblazer in the mould of the early “Chaebols” of South Korea, which will leverage on the macro economic reforms and the availability of highly skilled Nigerian manpower at home and abroad to create a world class enterprise.	
Significant Milestones	<ul style="list-style-type: none">■ Successful acquisition of Transcorp Hilton Hotel (formerly NICON Hilton), for US\$105 Million (₦13.7 Billion) on the 10th of October 2005.■ Successful bidding for two Oil Prospecting Licences on the 16th of May 2006.■ Successful acquisition of 51% interest in the Nigerian Telecommunications Limited (“NITEL”) (inclusive of Mobile Telecommunications) for US\$500 Million (₦65 Billion) on the 3rd of July 2006.■ Listing of 18.55 billion shares at ₦6.00 each by Introduction on the floor of The Nigerian Stock Exchange on the 23rd of November 2006.
Vision/Mission	<ul style="list-style-type: none">■ Transcorp’s Vision is to become a globally competitive conglomerate, supplying world-class products and services to Global Markets.■ The Mission of Transcorp is to serve the Global Markets with premium products and services from World-Class production facilities based in Nigeria and managed by Nigerians.
Highly Experienced Board & Management	<ul style="list-style-type: none">■ Transcorp’s Board is made up of some of Nigeria’s most respected business people who manage highly successful businesses.■ Transcorp’s management is made up of highly experienced and competent individuals.■ Transcorp has attracted personnel from leading global companies. In addition, we have developed a global database of highly competent Nigerians who can play a part in Transcorp’s future.

Strategy	<ul style="list-style-type: none">■ Transcorp's strategy is to mobilise capital and management talent into capital intensive markets with major growth potential where Nigeria's human and material endowments can offer a comparative advantage and significant economic benefits.■ Transcorp is focused on five sectors which fit its strategic profile – Agriculture, Energy, Trade, IT/Telecommunications, and Hospitality & Entertainment.■ The Company's Corporate Plan can be conveniently categorised into Short-Term, Medium-Term, and Long-Term phases.■ The short-term focus is rapid growth via acquisitions of private and public companies in high growth sectors of the economy. In furtherance of this, the Company has already made strategic investments in NICON Hilton ("now Transcorp Hilton"), NITEL & MTEL, and two Oil blocks. The development of these investments will add tremendous value to the Company.■ The medium-term focus of Transcorp is to consolidate on earlier successful acquisitions as well as build greenfield businesses. Transcorp intends to affirm its presence in the Nigerian Oil & Gas Industry, establish a Technology Village, establish trade links in West Africa and Asia, develop Transcorp Hilton into a full scale leisure and entertainment facility and make a strong entry in the nation's Agricultural sector.■ Transcorp's long term focus is to have business units and subsidiaries in different countries; not just in Africa but globally. Hence, the Company will focus on portfolio management, mobilising a proportionately higher share of resources into high-value, knowledge-intensive industries within Sub-Saharan Africa and the world at large.
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INVESTMENT HIGHLIGHTS

<p>Improving Macro-economic Environment</p>	<ul style="list-style-type: none"> ■ Attractive macro-economic environment in Nigeria strengthened by high oil revenues, continued steady progress with economic and institutional reforms, growing reserves and greater fiscal prudence. ■ GDP growth in Nigeria has averaged 6.3% over the past three years, and is expected to grow by an average of 5.1% over the next 3 years, with GDP growth in the non-oil sector expected to grow at a greater pace over the same period.
<p>Government Policy</p>	<ul style="list-style-type: none"> ■ The current administration's focus of creating a Private-Sector led economy via its vigorously pursued Privatisation Programmes has created significant opportunities for aggressive, well capitalised investors. Transcorp is well positioned to capitalise on these spin-off opportunities.
<p>Risk/Revenue Diversification</p>	<ul style="list-style-type: none"> ■ Transcorp's objective to invest in different key sectors of the Nigerian economy will ensure proper diversification of the revenue base/profile of the company, create synergies amongst the companies as well position the company to hedge against potential risks.
<p>National Economic Growth and Development</p>	<ul style="list-style-type: none"> ■ Transcorp was conceived as one of the vehicles to aid economic growth and development by ensuring that the wealth of Nigeria significantly remains with Nigerians (an important concept towards economic independence and sustainability). Hence, Transcorp is being positioned to compete favourably with other Multinational Corporations in capital intensive investments in Nigeria, Africa and the Globe.
<p>Attractive Investment Returns</p>	<ul style="list-style-type: none"> ■ Transcorp has already made strategic acquisitions of NITEL/MTEL, Transcorp Hilton (formally known as "NICON Hilton") and two oil blocks. ■ The Company has a clear outline of promising opportunities within its target sectors which offer investors significant returns.
<p>Selected Investment Opportunities</p>	<ul style="list-style-type: none"> ■ Transcorp Hilton – Addition of a multiplex, convention center and a mega shopping mall currently lacking in Abuja (the Federal Capital Territory). Notwithstanding its status as Nigeria's capital, Abuja is lacking in these facilities. ■ Agro-Allied Exports – Establishment of processing plants for key agricultural products. For example, Nigeria is currently the world's largest producer of cassava but lacks processing capacity for conversion into high value products like ethanol, starch e.t.c. ■ Upstream Oil & Gas – Local content Policy of the FGN will create US\$7 billion worth of opportunities for indigenous firms. Transcorp is positioning itself to become the preferred service provider/collaborator to the Oil majors. ■ Oil blocks – Transcorp has signed a Memorandum of Understanding with major global exploration companies for the development of the two oil blocks which are assessed to be highly prospective based on initial seismic acquisition.

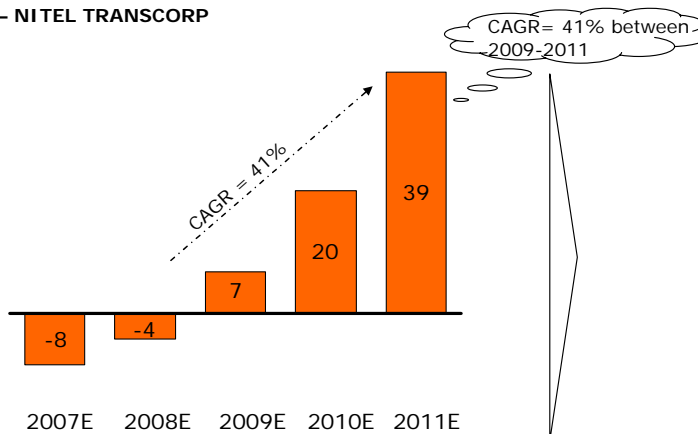
SUMMARY FINANCIAL DATA

KEY OUTPUTS	Year	2007 (Naira)	2008 (Naira)	2009 (Naira)	2010 (Naira)	2011 (Naira)
Key Financials						
Profit & Loss						
Revenues		112,510,905,000	237,551,402,000	354,451,936,000	464,828,690,000	586,035,902,000
EBITDA		10,087,403,000	32,071,153,000	69,272,930,000	104,623,997,000	137,634,444,000
Interest Expense		7,125,522,000	11,116,736,000	14,655,760,000	12,910,252,000	9,600,181,000
PAT		(8,166,433,000)	(1,904,188,000)	17,795,500,000	40,339,421,000	64,111,295,000
Balance Sheet						
Cash & Cash Equivalents		27,739,385,000	33,444,834,000	42,671,246,000	68,999,297,000	107,502,440,000
Total Assets		355,017,926,000	425,146,292,000	471,081,017,000	519,320,905,000	571,177,891,000
Net Assets		121,072,748,000	116,210,129,000	128,565,018,000	157,124,946,000	202,551,155,000
Cash Flows						
Operating cash flows		(6,052,002,000)	23,271,690,000	48,528,201,000	88,306,183,000	113,258,933,000
Investment cash flows		(118,560,000,000)	(110,890,000,000)	(131,259,700,000)	(146,203,200,000)	(157,240,200,000)
Free Cash Flows		(124,612,002,000)	(87,618,310,000)	(82,731,499,000)	(57,897,017,000)	(43,981,267,000)
Financing cash flows		151,501,319,000	93,323,759,000	91,957,912,000	84,225,068,000	82,484,410,000
Net Increase		26,889,316,000	5,705,449,000	9,226,413,000	26,328,051,000	38,503,143,000
Beginning net cash flows		850,069,000	27,739,385,000	33,444,834,000	42,671,246,000	68,999,297,000
Ending net cash flows		27,739,385,000	33,444,834,000	42,671,246,000	68,999,297,000	107,502,440,000

KEY FINANCIAL SUMMARY OF ACQUISITIONS:

PROJECTED PAT – NITEL TRANSCORP

Naira, Billions



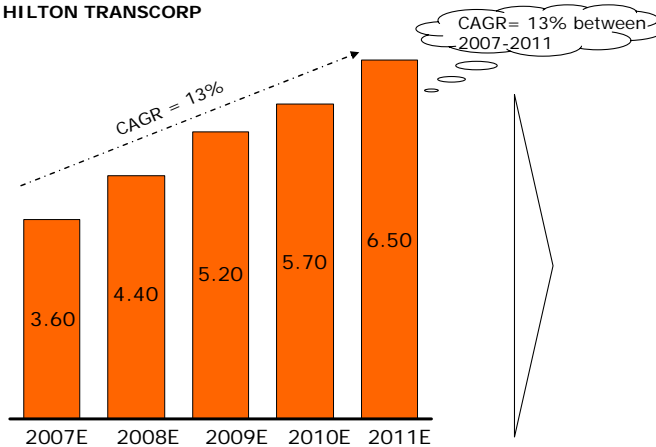
- Potential long term value
- Vibrant Telecommunications sector
- Secured appropriate Technical Partnership
- Business/turnaround optimisation plan

Dividends due to Transcorp

Year	Dividends (Naira, Billions)
2007E	0
2008E	0
2009E	3.5
2010E	10.2
2011E	20

PROJECTED PAT – HILTON TRANSCORP

Naira, Billions



- Income play
- Opportunities for new growth initiatives

Dividends due to Transcorp

Year	Dividends (Naira, Billions)
2007E	1.8
2008E	2.3
2009E	2.7
2010E	2.9
2011E	3.3

KEY TAKEAWAY:

Both acquisitions are potentially very profitable and are being positioned to add significant value to the Transcorp group.

KEY TRANSACTION TERMS

Transcorp intends to raise about ₦60 billion via an initial public Offering of its shares in order to further its overall strategy. The key terms of the offer are:	
MODE	■ Initial Public Offering
ISSUER	■ Transnational Corporation of Nigeria Plc
SIZE	■ The target offer size is ₦60 billion
DOMICILE OF LISTING	■ Already listed on the floor of The Nigerian Stock Exchange (First Tier)
TIMING (INDICATIVE)	■ Opening: Mid-December 2006 ■ Closing: 1 st quarter 2007 ■ Listing: 1 st quarter 2007
TARGET INVESTORS	■ Banks, insurance companies, multilateral agencies, financial, non-financial and other local and foreign investors.

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