2013

ANNUAL REPORT

snl

Société Nationale d'Investissement du Cameroun

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KEY FIGURES 2013

Exchange rate
1 €* - 655,957 CFAF
1 $* US - 475, 64 CFAF
** Rate as at 31 December of the reporting year

Equity
In million
CFAF 23 855
€ 36,37
$ US 50,15

Budget

Income
In million
CFAF 76 800
€ 117,0
$ US 161,4

Expenditure
In million
CFAF 73 671
€ 112,3
$ US 154,8

Balance sheet
In million
CFAF 55 162
€ 84,0
$ US 115,9

Net Banking Income
In million
CFAF 5 310
€ 8,0
$ US 11,1

Net profit
In million
CFAF 1 111
€ 1,6
$ US 2,3

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ORGANISATION

TECHNICAL SUPERVISION
Ministry of Mines, Industry
and Technological Development

FINANCIAL SUPERVISION
Ministry of Finance

BOARD OF DIRECTORS

CHAIR

Simon ACHIDI ACHU

Former Prime Minister

BOARD MEMBERS

Séraphin Magloire FOUDA

Deputy Secretary General, Presidency of the Republic

Edouard EBAH ABADA

Secretary General of the Ministry of Mines, Industry and Technological Development

Urbain Noël EBANG MVE

Secretary General of the Ministry of Finance

Dieudonné EVOU MEKOU

General Manager of the National Sinking Fund

Monique OULI NDONGO

Secretary General of the Ministry of Livestock, Fisheries and Animal Husbandry

Jean Claude EKO'O AKOUAFANE

Secretary General of the Ministry of Agriculture and Rural Development

Jean Marie Benoît MANI

National Director of the Bank of Central African States

Pierre MOUKOKO MBONJO

Minister of External Relations

HAMOA HAMATOUKOUR

Former Member of Parliament

OBEN Peter ASHU

Former Governor of Province

Gilbert TSIMI EVOUNA

Government Delegate to the Yaoundé Urban Council

AUDITORS

Evariste TSALA ONANA

Magistrate

Félix ATECK A DJAM

Senior Tax Inspector

MANAGEMENT COMMITTEE

GENERAL MANAGER
Mrs. Aïssatou YAOU

DEPUTY GENERAL MANAGER
Mr. Ambroise ONDOA ONANA

INTERNAL AUDITOR
Mrs. Léocadie SOLLO ASSOMO MEDJO

DIRECTOR OF INVESTMENT
Mr. Jeanneau de Debonis OTTO

DIRECTOR OF PORTFOLIO MANAGEMENT
Mr. Séraphin FOTSO

DIRECTOR OF STUDIES AND CONSULTANCY SERVICES
Mr. Majoré Louis TIMBA

DIRECTOR OF REAL ESTATE TRANSACTIONS
Mr. Emmanuel NENGOM

DIRECTOR OF FINANCE AND RECOVERY
Mr. Oumarou AOUDOU

DIRECTOR OF GENERAL AFFAIRS
Mr. Philippe Jacques BERTOUA

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Simon ACHIDI ACHU

In 2013, with resolve and commitment, SNI enhanced its role as the secular arm of the State of Cameroon in terms of productive investment in spite of a sluggish growth and mixed trend of the real economic sector.

By exploring new growth sectors within the framework of its "Studies and Consultancy" activities, the corporation drafted Project Identification Memoranda (PIM) for, amongst others, ceramic products and water and electricity metres rating with a view to conducting feasibility studies.

In addition to the search for new opportunities, SNI provided technical assistance to the State within the framework of the implementation of anchor projects, especially in the key sector of energy with the RIO TINTO ALCAN/ALUCAM projects – construction of the Nachtigal Dam (276 MW) – and of the Memve'ele Dam, whose production is estimated at 211 MW.

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among which was continued support to the Cameroon textile company (Cotonnière Industrielle du Cameroun (CICAM) for its restructuring process. Thanks to the exceptional support of the State (CFAF 3500 million) to finance the company's activities and its investment plan, the process recorded significant progress.

Other companies in SNI's portfolio, apart from CICAM, continued receiving SNI's close support in a context marked by a drop in the year's profit, CFAF 1 111 million against CFAF 1 335.7 million in 2012, a corollary of the drop in income from equity securities (CFAF 4 453.4 million in 2013 against CFAF 4 772.9 million in 2012).

This unusual poor performance has in no way affected the efforts we deploy and have not stopped deploying in 2014 to achieve the optimal productivity of our potential and the total emergence of our economy.

The Board Chairman

R.T. HON. Simon ACHIDI ACHU

ECONOMIC ENVIRONMENT

ECONOMIC ENVIRONMENT

GLOBAL ENVIRONMENT

Global economic environment

In 2013 the upturn in global growth has firmed up but remained particularly uneven. Major emerging economies or the United States, thanks to more accommodative monetary policy, benefited from strong expansion while some countries in the euro area, particularly those that recorded large imbalances before the crisis, failed to recover from recession. Household demand in the US and Japan has increased but remained weak in the euro area except Germany. Besides, the strong trade growth in Asia, Africa and the Middle East did not offset the soft volumes of merchandise trade between member countries of the Organization for Economic Co-operation and Development (OECD).

Global economic outlook is promising. Indeed, after a gloomy year in 2013 with a 2.7 percent growth rate, the global economy will pick up in 2014 with a growth rate of 3.6 percent. Global trade will follow suit with a 4.8 percent growth rate in 2014 against 3 percent in 2013.

However this pickup shall not be the same for all regions and all countries. The United-States is expected to record the highest performance in 2014 with a 3.4 percent growth rate and an unemployment rate narrowed to 6.9 percent. Asia will experience a slowdown in 2014, but all the same with an average growth rate of 6 percent. Growth in developing countries will increase from 4.8 percent in 2013 to 5.3 percent this year and the euro area will lag behind with a decline of 0.5 percent of GDP.

Sub-Saharan Africa

Economic growth picked up in Sub-Saharan Africa in 2013, supported by strong resource-based investments. Real GDP growth strengthened to an estimated 4.7 percent for the region. Excluding South Africa, the average growth for the rest of the region was 6.0 percent. The recovery during the first half of 2013 was weak among oil exporters (Angola, Gabon, Nigeria), while industrial output in South Africa contracted in the third quarter.

The region is relatively insensitive to rising global interest rates, but very vulnerable to sharper than projected declines in commodity prices and domestic risks related to weather shocks to local harvests and food prices, political strife, security risks in northern Nigeria, and pirate attacks along the gulf of Guinea, which could raise shipment costs and disrupt regional trade.

Robust domestic demand, relatively resilient FDI flows and lower inflation should help support regional growth of about 5.3 percent in 2014, 5.4 percent in 2015, firming to 5.5 percent in 2016.

Sub-Saharan Africa's growth is expected to pick-up in 2014, despite the global headwinds that have moderately lowered the region's performance in 2013, strong investment demand continues to support growth in most of the region.

The downside risks for the region mainly come from external factors. A further weakening in emerging markets, including some of sub-

Saharan Africa's new economic partners, or in advanced economies could affect sub-Saharan Africa's prospects for growth, mostly through commodity price declines.

East Asia and Pacific

In spite of the downturn in growth for the third consecutive year, the East Asia and Pacific region continues to be the engine driving the global economy, contributing 40 percent of the world's GDP growth - more than any other region.

Growth in East Asia & the Pacific eased for the third year to an estimated 7.2 percent in 2013, reflecting slower growth in Indonesia, Malaysia and Thailand, where weak commodity revenues, and policy tightening to address domestic overheating cut into activity. Domestic vulnerabilities generated during the years of expansionary policies remain a damper for the region. GDP in China is projected to stay flat in 2014 at 7.7 percent, slowing to 7.5 percent for the next two years, reflecting deleveraging and less reliance on policy-induced investment.

The region is vulnerable to risks of disorderly unwinding in Chinese investment and abrupt tightening in global financing conditions. Commodity exporters are also vulnerable to sharper than expected declines in commodity prices.

Japan's recovery from its 2012 recession is being driven by strong export growth, consumer spending amid rising confidence and employment, and a rebound in business investment. The expansion, which is being supported by strong monetary stimulus and a fiscal package, is expected to continue. However, fiscal consolidation, including the consumption tax hikes in 2014 and 2015, is projected to slow output growth to around 1½ per cent in 2014 and 1% in 2015.

South Asia

Growth in South Asia expanded a modest 4.6 percent in 2013, reflecting weakness in India amid high inflation, and current account and government deficits. More recently, regional exports have recovered, because of strengthening external demand and the earlier depreciation of the Indian rupee.

Regional growth is projected to improve to 5.7 percent in 2014, rising to 6.7 percent in 2016, led mainly by recovering import demand by high-income economies and regional investment. The projected pickup, however, will depend on macroeconomic stability, sustained policy reforms, and progress in reducing supply side constraints.

India's growth is projected to rise to over 6 percent in 2014-15, increasing to 7.1 percent by 2016-17.

The main risks to the outlook are fiscal and policy reforms going off-track; uncertainties related to elections in Afghanistan, Bangladesh and India; entrenchment of inflation expectations; and a disorderly adjustment of capital flows in response to US tapering.

Europe and Central Asia

Growth in developing Europe and Central Asia strengthened in 2013 to an estimated 3.4 percent, bolstered by improved exports to high-income Europe and continued strength in energy-exporting Central Asian countries.

With strong trade and financial links with high-income Europe, the Central and Eastern European economies will benefit most from the recovery but the growth impetus from stronger exports will be partly offset by weaker domestic demand due to ongoing banking sector restructuring, tighter international financial conditions, and ongoing or planned fiscal consolidation in several countries.

The mix will keep growth stable at 3.5 percent in 2014, gradually lifting to 3.7 and 3.8 percent in 2015 and 2016, respectively. Risks include a return to weakness in the Euro Area or Russia, disorderly adjustment to tighter global financial conditions, and further sharp declines in commodity prices.

The Euro area remained the laggard with a 0.5 percent decline in GDP. Southern EU countries continued to struggle. In 2013, the annual decline in GDP continued: - 3.7 percent for Greece, - 2 percent for Italy and - 1.5 percent for Spain and Portugal. However, these countries have maintained efforts to achieve economic modernization and are gradually turning the corner, as it is the case for the whole EMU, except Germany. These countries are nevertheless undermined by an overly strong euro. The growth rate is expected to improve in 2014 with a projected 1.1 percent.

North America

Economic growth in the United States is expected to be above 3 percent in 2014, up from 1.9 percent in 2013. The pickup in 2014 will be carried by domestic demand, supported in part by a reduction in the fiscal drag as a result of the recent budget agreement. Economic performance in 2014 will benefit from the shale-energy revolution, improvement in the labour and housing markets, and the "reshoring" of manufacturing. The downside risks result from political gridlock in Congress particularly given the upcoming midterm election in November 2014, which will continue to limit progress on long-term fiscal consolidation.

Canada continues to recover from the recession. The pace of growth has been slower than hoped. Consumer spending and housing activity are proving more resilient than expected, while the slow pace of global growth and ongoing competitiveness challenges have reduced demand for our exports and weighed on manufacturing production. Against this backdrop, Canada's economy is on track to expand by 1.7 per cent in 2013, matching the previous year's sluggish pace. The economy is projected to grow by 2.3 per cent in 2014 and strengthen moderately to 2.5 per cent in 2015.

Latin America and Caribbean

Subdued global trade, tighter financing conditions and less supportive commodity markets in 2013, have left many countries in Latin America & Caribbean struggling with relatively weak growth. Domestic demand growth has moderated, notably in Brazil, although activity is starting to recover in Mexico and exports are rebounding in Central America, partly supported by the Panama Canal expansion.

Regional growth is projected to pick up from 2.9 percent in 2014, to 3.2 percent in 2015, before accelerating to 3.7 percent by 2016. Strong export growth, along with steady consumption growth, is expected to nudge Brazil's growth to 3.7 percent in 2016. Hinging on the pickup in the United States, Mexico is expected to grow by 3.4 percent in 2014, accelerating to 4.2 percent in

2016.

Downside risks for the region include a disorderly jump in global interest rates and a prolonged and deeper slump in commodity prices.

Middle East and North Africa

The developing economies of the Middle East and North Africa remain depressed. Political turmoil in Egypt, stalemate in Tunisia, and an escalation of the civil war in Syria, with spillovers to neighbouring Lebanon and Jordan, have weakened activity in the oil importing countries. At the same time, security setbacks, strikes, infrastructure problems, and in the case of Iran, international sanctions, have negatively affected oil exporting countries. Regional growth, which contracted by 0.1 percent in 2013, is expected to remain weak with the outlook shrouded in uncertainty. Aggregate growth for the region is projected at 2.8 percent in 2014, firming to 3.3 in 2015 and 3.6 percent in 2016, well below the region's potential.

Prospects for developing countries in the Middle East remain extremely unfavourable, reflecting continued social and political tensions that have sapped macroeconomic strength and have exacerbated the severe structural challenges inherited from the period before the Arab Spring

DOMESTIC ENVIRONMENT

Economically

The promising economic performance anticipated at the beginning of the year fell short of expectations. Initially forecasted at 6.1 percent, the country's growth rate was instead as low as 4.7 percent in 2013. This is due to delays in the execution of the public investment budget, a suboptimal energy policy marked by persisting power outages, and also to the impact of the international economic situation.

Moreover, though this growth rate is considered an improvement compared to growth trends in other parts of the world, on the one hand, and to those recorded in Cameroon in the previous years, respectively in 2011 (4.1 percent) and 2012 (4.6 percent) on the other hand, the IMF cautioned that these performances are yet to enable the Cameroon achieve its ambition of becoming an emergent country by 2035.

For instance, the IMF indicated that if the country were to keep pace with its present economic performance, then its growth rate would not be above 5.4 per cent in 2020 while the GESP (Growth and Employment Strategy Paper), Government's framework document for the country's medium and long-term development is projecting a double-digit growth rate by 10.2 percent over the same period.

The IMF called on the Government to pursue efforts in terms of improving the business climate, reducing various state subsidies, building infrastructure, setting up mechanism to develop SMEs, ensuring financial sector supervision and increasing domestic production.

Regarding the business climate, the President of the Republic enacted on 18 April 2013 a Law No. 2013/004 on Private Investment Incentives in Cameroon. This new law aims to encourage, promote and attract productive investments in order to develop activities geared towards the promotion of a strong, sustainable and shared economic growth and employment.

Developments in the real sector

In the primary sector, the subsistence and vegetable crop productions were on the upside, while cereal crop production suggested a slight decline due to rainfall irregularity in the northern part of the country during the first half of 2013. Cash crop production recorded a significant increase.

In the secondary sector, developments are mixed. Agro-industrial, crude oil, aluminium and electricity productions are generally in the rise. Trends are however downwards in the textile and cement production industries.

In the service sector, activities were buoyant in the distribution of hydrocarbons and telecommunications. The tourism and hotel business remained rather sluggish owing to deteriorating road infrastructure, poor air access to tourist areas and insecurity threats in border areas.

Inflation

According to data prepared by the National Institute of Statistics, the household final consumer price index increased by 2.4 percent in 2013 compared to 2012. This increase mainly stems from higher prices of educational services (4.7 percent), foodstuff (3.8 percent), transport services (2.8 percent). Likewise, housing services, water, gas, electricity and other fuels also recorded a price increase.

Public debt

Cameroon's public debt as at 30 September 2013 was estimated at CFAF 2 416 billion, or 17 percent of GDP. This debt is by 68.6 percent made up of external debt (CFAF 1 657 million) and by 31.4 percent of domestic debt (CFAF 759 billion). Overall, public debt increased by 11 percent as compared to 2012 for the same period, which stood at CFAF 2 176 billion. The outstanding public debt is estimated at ZAF 2 300 billion as at 31 December 2013 (16.0 percent of GDP).

For 2014, and going by the Fiscal law and the debt policy, the debt needs are estimated at CFAF 554 billion and shall be met by external loan disbursements amounting to CFAF 274 billion and by CFAF 280 billion through government bond issues.

Budgetary policy

The year 2013 suffered a several month delay after the introduction of the programme budgeting system. Indeed, it is only at beginning of the second quarter in April that the budget started being executed, contrary to previous years where this execution used to start as from the second month of the year.

A number of factors are blamed for the low level of implementation of the programme budget. They include among others, slow procurement procedures and difficulties in appropriating the new procurement rules.

One of the visible consequences of this delay is the low level of implementation of the public investment budget (PIB) by the end of the year. In a bid to catch up the delay, the President of the Republic ordered the extension of the budget execution deadline up to March 2014.

At diplomatic, political and social levels

On the diplomatic front, the Head of State made a working visit in the French capital on 30 January 2013. A high-level meeting was held on this occasion in Paris with the French business community.

Furthermore, Cameroon organized from 24 to 25 June 2013 in Yaoundé a Summit on maritime safety and security in the Gulf of Guinea. The meeting ended with a Declaration and a Memorandum of understanding between the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS) and the Gulf of Guinea Commission. In addition, the Head of State took part on 6-7 December 2013 in Paris at the Summit for Peace and Security in Africa.

On the political front, 2013 was marked by two major events: The senatorial elections on 14 April, and the combined local council and parliamentary elections on 30 September 2013. These elections have reshaped the political landscape in Cameroon and enabled to round out the institutional machinery as provided by the Constitution, with the advent of the Senate.

On the social level, significant progress was achieved in 2013. Concerning civil protection the installation of gas venting towers in Lake Nyos and Lake Mounoun was completed. As for social housing, the project for the construction of low-cost housing units is at a very advanced stage, with 98% of works already completed on the Olembé site in Yaoundé and 45% on the Mbanga Bakoko site in Douala.

Other important developments in 2013 worth mentioning include Cameroon's admission to the Extractive Industries Transparency Initiative (EITI).

Outlook and conclusion

For the 2014 fiscal year, Cameroon's budget is balanced in revenue and expenditure at CFAF 3 312 billion against CFAF 3 236 billion for 2013, that is an increase of CFAF 76 billion in absolute terms and 2.3 percent in relative terms. According to the 2013 fiscal law, this budget is drafted on the following major hypotheses: a GDP growth rate of 4.8 percent and a projected inflation rate contained at 2.8 percent.

The 2014 revenue estimates stand at CFAF 3 312 billion and shall mainly derive from:

- Oil revenue: CFAF 718 billion against CFAF 705 billion in 2013;
- Non-oil revenue (tax and customs): CFAF 1 985 billion against CFAF 1 957 billion in 2013;
- Issue of government securities: CFAF 280 billion against CFAF 250 billion in 2013;
- Borrowings and grants: CFAF 329 billion against CFAF 324 billion in 2013.

As concerns expenditure, the Government will on 2014 embark on its second consecutive year of implementation of the performance-base-budgeting system. Also estimated at the CFAF 3 312 billion, the State budget expenditure for the 2014 fiscal year were allocated and major projects identified. These include:

- the construction of the second bridge on the Wouri ;
- the construction of the East and West entrance roads into Douala ;
- the construction of the first section of the Yaoundé-Douala motorway;
- the tarring of the North-South corridor of the Trans-African Highway and CEMAC road network;
- the rehabilitation of the Dabanga-Kousseri, Figuil-Magada, Ngaoundere-Maroua roads.

In the energy sector, the Government intends to further implement major projects such as the construction of an oil and gas terminal at Kribi (with capacity of 216 000 m3 of white product and 30 000 m3 of natural gas and petroleum products), the development of the Bini hydro-electricity dam at Warak; the development of the Menchum hydro-electricity project and the electrification of 160 localities in order to improve access to electrification in rural areas.

On the whole, government's strategy for 2014 remains strongly focused on infrastructure development of economic, financial and social policy decisions.

ACTIVITY REPORT

ACTIVITY REPORT

In 2013, three components of the action plan were particularly implemented namely: Studies and Consultancy, Investment, and Human resource management.

STUDIES AND CONSULTANCY

In 2013 the Studies and Consultancy component focused on the search for opportunities through the drafting of Project Identification Memoranda (PIM) and technical assistance to the State within the framework of the implementation of anchor projects.

The Search for Investment Opportunities

Project Identification Memoranda were produced in order to select the best opportunities that offer high profitability and viability potentials and are eligible for feasibility studies. As a result, the following ideas were explored: ceramic products (manufacture of floor and wall tiling), cocoa bean transformation (production of best quality cocoa butter and press cake), flat glass products, and metre rating (rating of both new and old water and electricity metres). The PIM for the latter idea was approved and the feasibility study is underway.

Technical Assistance to the State

SNI, which has a proven track record of technical expertise, regularly collaborates with the organs in charge of designing several major economic programmes. Accordingly, in 2013, SNI provided assistance to government for the following projects:

- The RIO TINTO ALCAN/ALUCAM project for the construction of the Nachtigal Dam (276 MW), which will in the long run, ensure electricity supply to ALUCAM within the framework of the Brownfield Project and cut down electricity deficit. It is for this purpose that a “Joint Development Agreement“ (JDA) was signed on 8 November 2013 between the project stakeholders namely: the State of Cameroon, Electricité de France (EDF), Rio Tinto Alcan (RTA), and the International Financial Corporation for the purpose of conducting a feasibility study of the project.
- The Memve’ele Dam project, whose production is estimated at 211 MW, whose construction was effectively launched in January 2013, and which is expected to go operational in 2017.
- The Kaele Agro-food Complex project in Mayo Kani Division whose purpose is to add value inputs of the project area (beef, poultry, onion, rice, sorghum, millet, maize and wheat). Two sites of 1000 Ha each were identified for the project in 2013.
- Support Programme for the Creation and Development of Small and Medium Sized Enterprises (PACD/PME), launched in 2010 and whose operational audit was conducted in 2013.

INVEST-MENT

In 2013 two investment operations were undertaken for the benefit of two projects: the restructuring of the Cameroon textile company (Cotonnière Industrielle du Cameroun, CICAM) and the restoration of the EDEA TECH project.

Cotonnière Industrielle du Cameroun (CICAM)

In order to enable CICAM to finance its activities and investment plan, the State granted it an exceptional support amounting to CFAF 3 500 million subject to the signing of a plan implementation agreement between CICAM and the State. The agreement seeks to optimise the State's support to the restructuring of the company, the conduct of an organisational and financial audit, the fight against counterfeit, and drafting a production cost cutting plan.

Edéa Technopole Services (EDEA TECH)

SNI is part of the inter-ministerial working group (GTI) in charge of the project for the creation of a techno city at the site of the ex-CELLUCAM in Edea. The group visited the site in November 2013 for the purpose of appraising the practical measures for implementing the project.

The visit led to the realisation of the urgency to protect the site and of the need to give a new direction to the project. This reengineering involves a legal review of the project in agreement with partners, the conduct of a general audit of the project and the conduct of a feasibility study of the Techno city.

HUMAN RESOURCES AND SOCIAL ACTIVITIES

During the 2013 financial year, SNI, like in the previous years, emphasised the development of the competences of its human capital, which is its main technical asset. That is why within the framework of the acquisition of the know-how and the mastery of project management, SNI started the process for the selection of a consulting firm that will provide assistance for the "Project Management Professional" (PMP) certification of six SNI executives.

Besides, four other staffs enrolled in the Diplôme de Gestion et de Comptabilité (DGC) (a diploma in Management and Accounting) programme of the Institut National des Technologies Economiques et Comptables (INTEC) of Paris, represented in Cameroon by the National Order of Chartered Accountants (ONECCA), pursued their training during the year.

FINANCIAL REPORT

FINANCIAL REPORT

As at 31 December 2013, annual profit stands at CFAF 1 111 million against CFAF 1 335.7 million in 2012, that is a -17 percent drop in relative terms and a -CFAF 224 million drop in absolute terms. The drop is mainly due to a continuous slump in equity revenue: -CFAF 319.5 million (-CFAF 4 453.4 million in 2013 against -CFAF 4 772.9 millions in 2012). The analysis of the main financial items below enables a better understanding of the financial situation of SNI in 2013.

OPERATING ACCOUNT

OPERATING INCOME

Below is the summary table of operating income and expense items for the year that ended on 31 December 2013 compared to those of 2012 and 2011, presented in CFAF million:

ITEM	EXERCICE (IN CFAF MILLION)			CHANGE(2013-2012)	
	2011	2012	2013	RELATIVE (%)	ABSOLUTE (IN CFAF)
OPERATING INCOME					
Equity income (dividends)	5 482.2	4 772.9	4 453.4	-6.7	-319.6
Income from treasury transactions	28.3	42.3	50.1	18.5	7.8
Income from transactions with customers	520.1	661.2	795.6	20.3	134.4
Income from other transactions	250.3	0.0	0.0	0.0	0.0
Incidental income	0.0	0.0	2.0	-	2.0
TOTAL OPERATING INCOME	6 280,9	5 476.4	5 301.1	-3.2	-175.3

Equity income (dividends) is on a drop from CFAF 4 772.9 millions in 2012 to CFAF 4 453.4 million in 2013, that is -CFAF 319.6 million in absolute terms and -6.7 percent in relative terms.

The trend of dividend distribution was downward from year to year: CIMENCAM (-CFAF 501 million, -77.6 percent) and SABC (-CFAF 465 million, -15.4 percent) mitigated on the one hand by an increase of the dividends of : SEMC (+CFAF 99 million, +112.4 percent), SOCAVER (+CFAF 143 million, +236.5 percent), SOCATRAL (+CFAF 114 million, +60.9 percent) and on the other hand by new contributions of: SOHLI (+CFAF 222 million), CHC (+CFAF 40 million) and SCDP (+CFAF 33 million).

Income from treasury operations (remuneration of term deposits) witnessed a slight increase up from CFAF 42.2 million in 2012 to CFAF 50.1 million in 2013, that is, a +CFAF 7,8 million increase in absolute terms and a +18,5 percent increase in relative terms.

Income from transactions with customers (rents and income from loans) moved from CFAF 661.2 million in 2012 to CFAF 795.6 million in2013, recording an increase of +CFAF 134 million, that is, +20.3 percent.

The positive trend is mainly due to an increase in income from rents following the commissioning of the World Bank building (+CFAF 186 million).

OPERATING CHARGES

ITEM	EXERCICE			CHANGE (2013/2012)	
	2011	2012	2013	RELATIVE (%)	ABSOLUTE (IN FCFA)
OPERATING CHARGES					
Charges on transactions with customers	0.0	70.9	69.1	-2.5	-1.8
Bank transaction costs	3.9	2.9	6.3	116.5	3.4
Supplies expenses	446.7	414.4	446.6	7.8	32.2
Transportation and travel expenses	37.1	22.1	22.9	3.5	0.8
Expenses for miscellaneous services	514.7	495.7	505.0	1.9	9.3
Sundry operating expenses	386.7	408.2	422.9	3.6	14.6
Personnel expenses	1 252.2	1 288.1	1 313.3	2.0	25.2
Dues and taxes	388.4	163.2	143.4	-12.1	-19.8
Depreciation expenses	591.2	603.4	738.8	22.4	135.4
TOTAL OPERATING CHARGES	3 620.8	3 469.0	3 668.3	5.7	199.3

Operating charges were under control. Overall operating charges (exclusive of depreciation expenses) stand at CFAF 2 929.5 million in 2013 against CFAF 2 865.5 million in 2012, that is, a slight increase of +2.2 percent.

Bank transaction costs witnessed a relative increase (+116.5 percent) because of charges for transfers in foreign currency and for others charges for access to bank information.

Most of the items were contained at the inflation rate of 3 percent except for supplies expenses, which recorded an increase of 7.8 percent in relative terms. In fact it is an adjustment as compared to 2011.

Depreciation expenses recorded a relative increase of 22.4 percent (CFAF 135 million in nominal terms) up from CFAF 603.4 million in 2012 to CFAF 738.8 million in 2013 as a result of the depreciation allowance of the World Bank building.

FINANCIAL RESULTS

The summary income statement for the financial year that ended on 31 December 2013 compared to those of the 2012 and 2011 financial years is as follows in CFAF million:

ITEM	EXERCICE			CHANGE (2013/2012)	
	2011	2012	2013	RELATIVE (%)	ABSOLUTE (IN CFAF MIL-LION)
Gross operating income	2 660.1	2 007.5	1 632.9	-18.7	-374.6
+ Provision write-backs	522.5	0.0	2 716.7		2 716.7
- Provisions	1 060.0	62.9	2 731.8	4243.6	2 668.9
Current earnings	2 122.7	1 944.6	1 617.8	-16.8	-327
+ Exceptional income	218.2	17.4	62.5	258.4	45.1
+ Capital gains	6.7	9.7	18.3	88.7	8.6
- Exceptional losses	515.6	19.9	85.4	329.4	65.5
Pre-tax profit	1 832.0	1 951.8	1 613.2	-17.3	-338.6
Corporate income tax	259.8	616.1	502.2	-18.5	-113.9
NET PROFIT FOR THE PERIOD	1 572.3	1 335.7	1 111.0	-16.8	-224.7

Gross operating profit stands at CFAF 1 632.9 million from CFAF 2 007.5 million in 2012, that is a drop of -CFAF 374 million in absolute terms and an -18.7 percent drop in relative terms mostly due to a dividends slump.

CFAF 2 716.7 million of provisions, CFAF 2 151 million of equity securities, and CFAF 441.1 million of various accounts receivable were written back.

As concerns equity securities, CFAF 861.6 million for SGHC, CFAF 889.7 million for SOHLI, and CFAF 400 million for MAISCAM were written back. These companies now distribute dividends.

As concerns various accounts receivable, CFAF 441.1 million were written back for SOHLI because of the reasons mentioned above.

Provisions stand at CFAF 2 731.8 million. These are mostly provisions for equity securities (CFAF 2 693 million) all of which concerns CICAM, which faces serious financial difficulties.

Current income for 2013 stand at CFAF 1 617.8 million against CFAF 1 944.6 million in 2012, that is a -16.8 percent drop.

Similarly pre-tax profit witnessed a drop of -17.3 percent, that is, CFAF1 613.2 million in 2013 against CFAF 1 951.8 million in 2012.

The corporate income tax for 2013 recorded a drop of -18.5 percent and stands at CFAF 502.2 million against CFAF 616.1 million in 2012.

Definitely, net profit stands at CFAF 1 111 million in 2013 against CFAF 1 335.7 million in 2012, that is a -17 percent drop consistent with the shrinking in other interim earnings.

BALANCE SHEET

The total balance sheet of the Cameroon National Investment Corporation (SNI) as at 31 December 2013 witnessed a variation of +5.70 percent, that is, CFAF 55 162.4 million in 2013 against CFAF 55 202.8 million in 2012.

This balance sheet is broken down as follows:

ITEM	2011 (IN CFAF MIL-LION)	2012 (IN CFAF MIL-LION)	2013 (IN CFAF MILLION)	CHANGE 2013/2012	
				RELATIVE (%)	ABSOLUTE
ASSETS					
Intangible fixed assets	52.8	56.2	44.5	-20.9	-11.7
Tangible fixed assets	6 987.9	7 882.4	7 408.5	-6.0	-473.9
Other fixed assets (securities)	33 546.9	25 818.2	27 069.1	4.8	1250.9
Loans to customers	1 782.7	11 335.5	12 514.5	10.4	1 179
Current assets	7 483.1	7 110.5	8 125.8	14.3	1015.3
TOTAL ASSETS	49 853.4	52 202.8	55 162.4	5.7	2 959.6
LIABILITIES					
Net position	43 420.1	44 992.4	46 330.1	3.0	1 337.7
Other invested capital	176.0	676.0	1 176.0	74.0	500
Current liabilities	4 685.0	5 198.7	6 545.3	25.9	1 346.6
Attributable net profit	1 572.3	1 335.7	1 111.0	-16.8	-224.7
TOTAL	49 853.4	52 202.8	55 162.4	5.7	2 959.6

ASSETS

The Intangible fixed assets item witnessed a drop in relative terms of 20.9 percent, that is, CFAF 44.5 million in 2013 against 56.2 million in 2012.

Tangible fixed assets recorded a -6 percent drop, that is, CFAF 473.9 million in nominal value, from CFAF 7 882.4 million in 2012 to CFAF 7 408.5 million in 2013 due to a change in transport equipment.

Fixed assets (securities) witnessed an increase of +CFAF 1 250.9 million (+4.8 percent), up from CFAF 25 818.2 million in 2012 to CFAF 27 069.1 million in 2013.

This variation is due to adjustments at the level of equity participation in SOHLI and CICAM, repurchase of SOSUCAM shares held by CORLAY, and subscription of shares for the capital increase of the GEOVIC Project.

Loans to customers witnessed an increase of +CFAF 1 179 million (+10.4 percent), that is CFAF 12 514.5 million in 2013 against 11 335.5 million in 2012. These were cash advances to companies through the State's endowment fund for the restructuring of the SPM, Hotel Ranch and Florence Hotel.

LIABILITIES

The net position witnessed a net increase of +3 percent up from CFAF 44 992.4 million in 2012 to CFAF 46 330.1 million in 2013, that is a +CFAF 1 337.7 million increase.

Other invested capital witnessed increased by +CFAF 500 million, moving up from CFAF 676 million to CFAF 1 176 million.

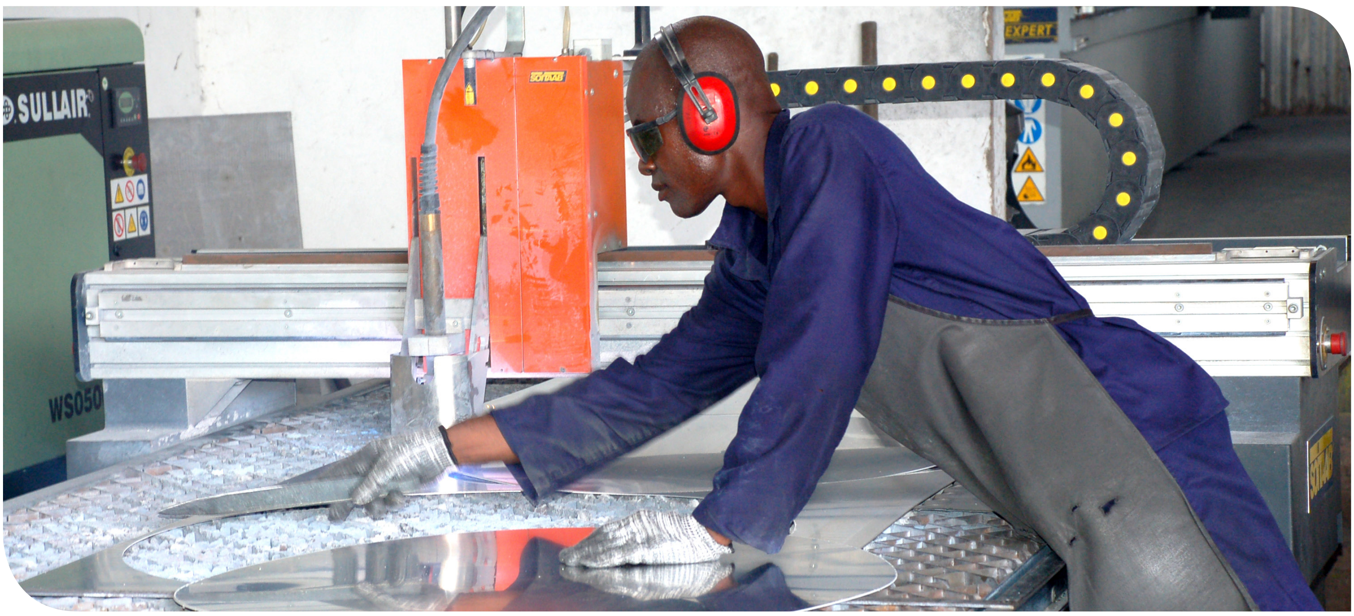
Short-term liabilities and accruals witnessed an increase of +CFAF 1 346.6 million, that is, +26 percent, from CFAF 5 198.7 million to CFAF 6 545.3 million in 2013.

This amount is mainly the suspense account balance that recorded the State's endowment fund to SPM, Hotel Ranch and Florence Hotel.

SIGNIFICANT RATIOS

The main financial ratios are as follows:

RATIO	EXERCICE 2011	EXERCICE 2012 (A)	EXERCICE 2013 (B)	CHANGE (B-A)	
				ABSOLUTE (B-A)	RELATIVE (%)
OVERALL SOLVENCY RATIO Total assets ---------------------- Foreign capital	10,26	8,89	7.14	-1.74	-19.6
EQUITY RATIO Equity ---------------------- Total liabilities	0,87	0,86	0.84	-0.02	-2.6
ASSET LIQUIDITY RATIO Current assets ------------------ Total assets	0,15	0,14	0.15	0,01	8.1
FINANCING RATIO Invested capital --------------------------- Fixed assets	1,08	1,36	1.38	0.02	1.7
PROFIT MARGIN RATIO Pre-tax profit ---------------------------- Turnover	29,2%	35,6%	30.4%	-0.05	-14.6
NET PROFIT MARGIN RATIO Net profit ----------------------------------- Turnover	25,1%	24,39%	21.0%	-0.03	-14.0
ASSET TURNOVER RATIO Net profit ----------------------------------- Equity	3,6%	3.0%	2.4%	-0.006	-19.2



PORTFOLIO FINANCIAL ANALYSIS

LOAN AND EQUITY PORTFOLIO

Developments in the loan and equity portfolio during the past five years are summarized in the table below:

ITEM	2009	2010	2011	2012	2013
Equity (in CFAF million)	36 597.2	40 531.0	43 930.5	36 201.7	37 994.3
Loans (in CFAF million)	8 773.7	8 947.0	9 369.1	18 921.8	19 976.7
TOTAL (IN CFAF MILLION)	45 371.0	49 478.0	53 299.5	55 123.5	57 971.0

DEVELOPMENTS IN THE EQUITY PORTFOLIO

The gross equity portfolio as at 31 December 2013 increased by 5 percent following capital transactions detailed in the table below (amounts are in CFAF million):

COMPANY	31/12/2012	PAID UP	EXIT,DISPOSAL, REDUCTION OF SHARE CAPITAL	31/12/2013	CHANGE (%)
		CAPITAL INCREASE			
CICAM	3 293.0	375.0		3 668.0	11.4
GEOVIC CAMEROUN	9 855.7	120.0		9 975.7	1.2
Hôtel Florence	0.0	1.0		1.0	
Hôtel le Ranch	0.0	1.0		1.0	
SOHLI	889.8	1 049.3		1 939.0	117.9
SOSUCAM	195.8	246.3		442.1	125.8
Other companies	21 967.5	0.0		21 967.5	0.0
TOTAL	36 201.7	1 792.6		37 994.3	5.0

DEVELOPMENTS IN THE LOAN PORTFOLIO

The loan portfolio increased by 5.6 percent, moving up from CFAF 18 921.8 million in 2012 to CFAF 19 976.7 million in 2013, as detailed below:

ITEM	SITUATION AS AT 31 DEC 2012	COMMITMENTS IN 2013	ACTUAL REPAYMENTS	SITUATION AS AT 31 DEC. 2013	CHANGE (%)
Long term loans- CICAM	0.9	-	-	0.9	0.0
Long term loans- SGHC	493.2	-	127.0	366.2	-25.7
Long term loans- SHNC Bénoué	158.9	-	38.1	120.8	-24.0
Long term loans- SHNC Mizao	93.1	-	15.2	77.9	-16.3
Long term loans- GEOVIC	9 596.0	117.0	-	9 713.0	1.2
Long term loans – other companies	2 598.3	-	-	2 598.3	0.0
Subtotal – Long term loans	12 940.3	117.0	180.2	12 877.0	-0.5
Medium term loans - SPM	1 000.0	-	-	1 000.0	0.0
Medium term loans – Other companies	1 066.4	-	-	1 066.4	0.0
Subtotal – medium term loans	2 066.4	0.0	0.0	2 066.4	0.0
Subtotal- short term loans	2 531.4	0.0	0.0	2 531.4	0.0
Current account advances					
- SPM	-	400.0	-	400.0	
Current account advance					
- Hôtel Florence	-	700.0	431.5	268.5	
Current account advance					
- SOHLI	203.4	-	50.4	153.0	-24.8
Current account advance					
- Hôtel le Ranch	-	500.0	-	500.0	
Current account advances					
- other companies	1 180.3	-	-	1 180.3	0.0
Subtotal – advances	1 383.7	1 600.0	481.9	2 501.8	80.8
TOTAL	18 921.8	1 717.0	662.1	19 976.7	5.6

As mentioned under "equity portfolio", the increase in "loan portfolio" stems from the accounting as loans of current account advances granted to the Cameroonian shareholders of GEOVIC.

In addition, a CFAF 60 million advance was granted to Société Hotelière de l'Est (Bertoua Mansa Hotel) to carry out renovation works on their buildings, on the occasion of the laying of the foundation stone of the Lom Pangar dam.

CHANGES IN PORTFOLIO VALUE

The year over year provisioning based on the corporation's mathematical value enables to assess the overall portfolio's net book value. Developments in gross and net amounts there of are as follows:

ITEM	2010	2011	2012	2013
EQUITY INVESTMENT				
Gross equity investment value	40 531 015 126	43 930 476 079	36 201 726 079	36 201 726 079
Accrued provisions	10 109 502 469	10 399 564 969	10 399 564 969	10 399 564 969
Net equity investment value	30 437 549 464	33 530 911 110	25 802 161 110	25 802 161 110
Provisions to equity investment ratio	24,94 %	23,67 %	28,73%	28,73%
LOANS AND ADVANCES				
Gross value of loans and advances	8 946 974 770	9 369 051 014	18 921 785 452	18 921 785 452
Accrued provisions	7 952 387 163	7 586 308 796	7 586 308 796	7 586 308 796
Net value	994 587 607	1 782 742 218	11 335 476 655	11 335 476 655
Ratio of provisions to loans and advances	88,88 %	80,97 %	40,09%	40,09%
OVERALL PORTFOLIO				
Gross portfolio value	49 477 989 896	53 299 527 093	55 123 511 531	57 970 992 011
Overall accrued provisions	18 061 889 632	17 985 873 765	17 985 873 765	18 403 424 579
Net portfolio value	31 432 137 071	35 313 653 328	37 137 637 765	39 567 567 432
Provisions to portfolio ratio	36.50 %	33.74 %	32.63 %	31.75 %
Dividends	6 518 794 262	5 482 188 857	4 772 941 318	4 453 380 473
Interests on loans	81 220 343	62 889 832	57 369 065	44 574 652

PORTFOLIO RETURN RATE

The return rate of the overall portfolio (equity investment and loans) either before or after provisions has decreased. This is explained by the increase in gross and net values of equity investments coupled with a decline in dividends earned.

Moreover, the gross and net values of the loan portfolio have increased while loan income has reduced.

DESCRIPTION		2010	2011	2012 (A)	2013 (B)	CHANGE (B-A)	
						ABSOLUTE (B-A)	RELATIVE
Equity investment return rate	Before provisions	16,1 %	12,5 %	13,2%	11.7 %		-11.1 %
	After provisions	21,4 %	16,3 %	18,5%	16.5 %	-2.0 %	-11.0 %
Loans return rate	Before provisions	0,9 %	0,7 %	0,3%	0.2 %	-0.1 %	-26.4 %
	After provisions	8,2 %	3,5 %	0,5%	0.4 %	-0.1 %	-29.6 %
Overall portfolio return rate (eq investment + loans)	Before provisions	13,3 %	10,4 %	8,8%	7.8 %	-1.0 %	-11.5 %
	After provisions	21,0 %	15,7 %	13,0%	11.4 %	-1.6 %	-12.6 %

PORTFOLIO

PORTFOLIO

SNI's portfolio as at 31 December 2013 was made up of thirty two (32) companies, including twenty five (25) operating normally, two (02) in a dormant state (SPM and SITRAFER), one (01) under liquidation (CAMSHIP IC), and 04 have discontinued their activities (SCS, SATC, CAMELCAB and MILKY WAY).

The 32 companies are grouped into three sectors namely the primary sector with six (06) companies, the secondary sector with fourteen (14) companies and the tertiary sector with twelve (12) companies.

PRIMARY SECTOR

As at 31 December 2013, SNI's primary sector was comprised of six (06) operating companies divided into three subsectors: Agro-industry (04), Fisheries and livestock (01), and Timber industry (01).

SUB-SECTOR	COMPANIES	ACTIVITIES
AGRO-INDUSTRY	SOSUCAM (Société Sucrière du Cameroun)	Cultivation and industrial processing of sugar cane and other tropical products
	SAFACAM (Société africaine forestière et agricole du Cameroun)	Forest exploitation, rubber and palm oil plantations
	MAISCAM (Société Camerounaise de Maïserie)	Cultivation and processing of maize into various forms
	SPM (Société des Plantations de Mbanga)	Cultivation and export of banana
FISHERIES AND LIVESTOCK	SODEPA (Société de Développement et d'Exploitation des Productions Animales)	Promotion, exploitation and development of livestock industries and industries producing agricultural inputs for livestock breeding and processing of animal products: slaughter houses, refrigerated storage facilities, packaging factories, etc
TIMBER INDUSTRY	ECAM-PLACAGES (Compagnie d'Exploitation industrielle des bois du Cameroun)	Production of plywood boards

AGGREGATED FIGURES (IN CFAF MILLION EXCEPT NUMBER OF EMPLOYEES)

YEAR / HEADING	2012	2013	GAP (%) (2013-2012)
1. Share capital	19 398	32 994	70.18
2. Number of employees	6 243	4 438	5.04
3. Personnel expenses	20 141	20 223	10.10
4. Cumulative net investments	91 140	98 246	20.86
5. Value added	49 087	45 421	-7.02
6. Pre-tax turnover	94 017	72 114	-15.91
7. Financial expenses	4 239	3 556	11.99
8. Taxes paid to the state	5 330	3 799	-27.58
9. Net profit	13 889	4 838	-59.30
10. Gross dividends payable	6 309	3 774	-39.22

The sector's share capital increased by +70.18 percent, due to the capitalisation of the legal revaluation variance of SOSUCAM assets, to the tune of CFAF 13 606 million.

The number of employees increased by +5.04 percent, thanks to SAFACAM, SODEPA, and ECAM-PLACAGES, who recorded the following increase respectively: +220, +20 and +4 in spite of the drop by 31 witnessed by SOSUCAM. The increase in personnel expenses by +10.10 percent, that is, CFAF 1 856 million, translates a general increase at the level of all the companies as follows: +CFAF 1 554 million at SOSUCAM, +CFAF 300 million at SAFACAM and +CFAF 2 million at ECAM-PLACAGES.

Thanks to legal revaluation of fixed assets and new investments, cumulative net investments rose by +20.86 percent, that is, +CFAF 16 954 million, with a contribution of CFAF 11 617 million from SOSUCAM, +CFAF 4 992 million from SAFACAM, and CFAF 345 million from ECAM-PLACAGES.

Value added dropped by -7.02 percent, as a result of the -CFAF 2 844 million and -CFAF 641 million decrease recorded respectively by SOSUCAM and SAFACAM and which the +CFAF 56 million recorded by ECAM-PLACAGES cannot offset.

The -15.91 percent drop in turnover reflects the poor sales recorded by SOSUCAM (-CFAF 13 521 million as compared to 2012), ECAM-PLACAGES (-CFAF 503 million in 2012), because the slight rebound recorded by SAFACAM was not sufficient to stem the decline.

A 27.58 percent drop was recorded in dues and taxes caused by SOSUCAM, which recorded a -CFAF 1 812 million reduction, notwithstanding an increase of +CFAF 379 million recorded by SAFACAM.

Net profit witnessed severe decrease caused by all companies, especially SOSUCAM with -CFAF 5 389 million, followed by SAFACAM with -CFAF 1 492 million, and, to a lesser extent, ECAM-PLACAGES with -CFAF 69 million. At the same time, dividends distributed by sector witnessed a -CFAF 2 435 million decline, that is, -39.22 percent.

SECONDARY SECTOR

As at 31 December 2013, SNI's secondary sector was comprised of fourteen (14) companies, including ten (10) operating normally and four (04) which have discontinued their activities. These companies are grouped into five sub-sectors namely Food industries (04), Textile-Clothing industries (2), Building Materials (01), Metalwork and Electromechanical Industries (06), and Chemical and Energy Industries (01).

SUB-SECTOR	COMPANIES	ACTIVITIES
FOOD INDUSTRIES	SIC-CACAOS (Société Industrielle des Cacaos)	Production of cocoa butter, cocoa paste and cake
	SABC (Société Anonyme des Brasseries du Cameroun)	Brewing and sale of beer, beverages, syrups, ice, spent grains and sundry as well and the manufacture of auxiliary products
	SEMC (Société des Eaux Minérales du Cameroun)	Processing and bottling of mineral water (TANGUI WATER)
	MILKY WAY	Production and marketing of concentrated milk and other by-products of milk powder
TEXTILE AND CLOTHING INDUSTRIES	CICAM (Cotonnière Industrielle du Cameroun)	Spinning, weaving, bleaching, dyeing and printing of cotton fabrics
	SCS (Société Camerounaise des Sacheries)	Spinning, weaving, designing of jute bags, production of polypropylene and polyethylene bags
BUILDING MATERIALS	CIMENCAM (Cimenteries du Cameroun)	Exploitation of a cement factory in Figuil and a clinker factory in Douala, production of cement
METALWORK AND ELECTROMECHANICAL INDUSTRIES	SOCATRAL (Société Camerounaise de Transformation de l'Aluminium)	Exploitation of aluminium and its alloys, production of sheets and related products
	ALUCAM (Société Camerounaise de l'Aluminium)	Realisation and exploitation of industrial establishments processing aluminium
	ALUBASSA	Manufacture of household articles, metalwork (folded aluminium products), marketing of such articles
	CAMELCAB (Cameroon Electric Cables)	Exploitation of a cable factory, electric cables, electrodes for welding. Marketing and distribution of such products
	SOCAVER (Société Camerounaise de Verrerie)	Manufacture and decoration of hollow glass articles
	SATC (Société d'Application Techniques du Cameroun)	Manufacture of packaging materials and accessories. Distribution and sales of such products
CHEMICAL AND ENERGY INDUSTRIES	SONARA (Société Nationale de Raffinage)	Refining of crude oil

The table below presents the aggregated figures for this sector in 2013 as compared with those of previous year.

AGGREGATED FIGURES (IN CFAF MILLION EXCEPT NUMBER OF EMPLOYEES)

YEAR / HEADING	2012	2013	GAP (%) (2013-2012)
1. Share capital	83 635	83 635	0.00
2. Number of employees	5 929	5 689	-0.11
3. Personnel expenses	59 187	62 294	5.25
4. Cumulative net investments	667 501	740 898	10.89
5. Value added	166 064	146 335	-11.95
6. Pre-tax turnover	1 562 332	1 495 308	-4.29
7. Financial expenses	52 392	42 844	-18.23
8. Taxes paid to the state	57 606	49 165	-14.55
9. Net profit	3 627	-19 761	-664.84
10. Gross dividends payable	28 417	32 680	-1.06

The cumulative share capital of the sector recorded no change.

Overall number of employees recorded a 0.11 percent drop as compared to 2012 translating a staff downsizing in CICAM (-63), CIMENCAM and SOCAVER (-19 each), which could not be offset by the increase in ALUCAM (+32) and SONARA (+65).

Thanks to legal revaluation of fixed assets and new investments by the major companies, among which feature SONARA (+CFAF 48 979 million), SABC (+CFAF 16 455 million), CIMENCAM (+CFAF 5 771 million) and ALUCAM (+CFAF 2 736 million), cumulative net investments rose by +10. 89 percent, that is +CFAF 72 751 million.

Value added dropped by -11.95 percent, as a result of the -CFAF 17 678 million decline recorded by SONARA, the -CFAF 8 824 million recorded by SABC, and the -CFAF 3 178 million recorded by CIMENCAM in spite of the ALUCAM'S positive contribution (+CFAF 10 624 million).

SONARA and CIMENCAM equally negatively affect the trend of turnover which drops by -CFAF 67 024 million (-4.29 percent). SONARA recorded a drop of -CFAF 79 767 million and CIMENCAM recorded a -CFAF 10 684 million drop, which could only be partially offset by the +CFAF 11 603 million increase recorded by ALUCAM, the +CFAF 11 024 million increase recorded by SABC and the +CFAF 3 356 million increase recorded by SIC-CACAOS.

The erosion in net profit witnessed by SONARA (-CFAF 11 264 million), SABC (-CFAF 9 429 million), SOCAVER (-CFAF 2 032 million) and CICAM (-CFAF 1 763 billion) had a negative impact on the overall net profit which dropped by -664.84 percent between 2012 and 2013.

Taxes paid the State by companies of the secondary sector shrank by -14.55 percent, dropping from CFAF 57 534 million to CFAF 49 165 million.

All of this notwithstanding, overall dividends record only a -1.06 percent drop, from CFAF 33 030 million to CFAF 32 680 million, because of a drop in SOCAVER (-CFAF 210 million) and SEMC (- CFAF 139 million). SABC and SEMC had to draw from their free reserves to ensure the level of distribution expected.

TERTIARY SECTOR

As at 31 December 2013, SNI's tertiary sector was comprised of twelve (12) companies, including eleven (11) operating normally and one (01) under liquidation, CAMSHIP IC. These companies are grouped into three sub-sectors namely Hotel business, Tourism and Advertisement (06), Transportation, Shipping and Handling operations (04), and Financial and Banking institutions (02).

SUB-SECTOR	COMPANIES	ACTIVITIES
HOTEL BUSINESS, TOURISM, ADVERTISEMENT	SGHC (Société des Grands Hôtels du Cameroun)	Construct, cause to be constructed, acquire or lease out, manage or give out hotels or inns for management
	SHNC (Société Hôtelière Nord Cameroun)	Construct, cause to be constructed, acquire or lease out, manage or give out hotels or inns for management
	SOHLI (Société Hôtelière du Littoral)	Construction and management of four star international class hotels
	SHE (Société Hôtelière de l'Est)	Conducting of architectural and technical, financial feasibility and marketing studies for the construction and management of low cost hotels
	CHC (Cameroon Hotels Corporation)	Construction and management of deluxe five star international class hotels
	CPE (Cameroun Publi-Expansion)	Advertisement and tourism
TRANSPORTATION - SHIPPING – HANDLING OPERATIONS	CLGG (Consignation et Logistique du Golfe de Guinée)	Maritime transport
	CIC (Camship Investment Corporation)	Administration, management and control of companies. All related venture capital operations. Search for financing and partners. Transportation of petroleum products and solids in bulk, dredging and management of harbours
	SCDP (Société Camerounaise des Dépôts Pétroliers)	Management of storage facilities for petroleum products
	SITRAFER (Société Internationale de Travaux Ferroviaires)	Railway, civil engineering and welding works
FINANCIAL AND BANKING INSTITUTIONS	DSX (Douala Stock Exchange)	Financial market (Stock exchange)
	ACEP CAMEROUN	Financing of micro businesses in urban areas

The table below presents the aggregated figures for this sector in 2013.

AGGREGATED FIGURES (IN CFAF MILLION EXCEPT NUMBER OF EMPLOYEES)

YEAR / HEADING	2012	2013	GAP (%) (2013-2012)
1. Share capital	22 156	21 823	0.00
2. Number of employees	1 495	1 357	8.82
3. Personnel expenses	7 969	8 152	10.18
4. Cumulative net investments	28 148	57 807	112.43
5. Value added	21 196	22 625	7.46
6. Pre-tax turnover	42 292	43 162	3.47
7. Financial expenses	950	926	0.79
8. Taxes paid to the state	4 571	5 492	23.08
9. Net profit	4 539	5 846	14.43
10. Gross dividends payable	1 128	1 591	35.31

Share capital recorded no change at CFAF 21 823 million. A slight increase was recorded at the levels of financial expenses (+0.79 percent), turnover (+3.47 percent) and value added (+7.46 percent).

The increase witnessed by other indicators is more substantial, especially that of number of employees (+8.82 percent, therefore more than the other two sectors), personnel expenses (+10.18 percent, within a range comparable to the other two sectors), net profit (+14.43 percent), several companies having carried out the legal revaluation of their assets only towards the end of the year and will have to record additional depreciation expenses only as from 2014.

Cumulative net investments recorded an increase of +112.43 percent driven by SCDP (+CFAF 15 877 million) and CHC (+CFAF 11 845 million) through legal revaluation of assets.

Turnover rose by +CFAF 1 449 million, thanks to increase recorded by SCDP (+CFAF 1 098 million), CHC (+CFAF 1 271 million), SGHC (+CFAF 577 million) and ACEP-CAMEROUN (+CFAF 488 million) in spite of the CFAF 1 769 million drop recorded by CLGG, -CFAF 266 million by DSX and -CFAF 104 million by SHNC.

The number of employees grew by 110 thanks to increase recorded in SCDP (+49), ACEP (+34), CHC (+15), and in SHNC (+8).

The increase of personnel expenses by +CFAF 753 million arises from the increase recorded in: SCDP (+CFAF 360 million), ACEP (+CFAF 175 million), CHC (+CFAF 81 million), SOHLI (+CFAF 57 million), SGHC (+CFAF 48 million), CLGG (+CFAF 17 million) and SHNC (+CFAF 16 million).

Value added records a general increase of +CFAF 1 571 million, that is, +7.46 percent, which reflects the efforts deployed by companies to better control their operating expenses, and which is confirmed by improvements witnessed in the sector, but for CLGG and DSX where this indicator records a decline of -CFAF 407 million and -CFAF 259 million respectively as compared to 2012.

If various distribution plans are respected, hotels will have distributed, over the last two years, +CFAF 500 million for SOHLI, +CFAF 600 million for CHC and +CFAF 250 million for SGHC. Over the last two years SCDP will have distributed CFAF 800 million and CLGG, CFAF 100 million. ACEP-CAMEROUN, will have distributed CFAF 516 million over the same period.

AGGREGATED FIGURES FOR THE THREE SECTORS (IN CFAF MILLION EXCEPT NUMBER OF EMPLOYEES)
As at 31 December 2013

HEADING	2011	2012	2013	CHANGE (%) 2013/2012	CHANGE (%) 2013/2011
1. Share capital	122 890	125 190	138 453	10.90	12.66
2. Number of employees	12 990	13 667	11 484	2.84	-11.59
3. Personnel expenses	79 510	87 297	90 669	6.73	14.04
4. Cumulative net investments	634 541	786 789	896 951	15.49	41.35
5. Value added	272 230	236 348	214 380	-9.20	-21.25
6. Pre-tax turnover	1 757 194	1 698 641	1 610 584	-4.69	-8.34
7. Financial expenses	39 241	57 581	47 326	-16.22	20.60
8. Taxes paid to the state	62 935	67 507	58 455	-13.07	-7.12
9. Net profit	69 613	22 056	-9 077	-144.29	-113.04
10. Gross dividends payable	41 343	35 853	38 045	-5.86	-7.98

In 2013, Cameroon's economy was significantly affected by the SNI portfolio companies. They contributed to the reduction of unemployment with a total number of 11 484 employees against 11 167 in 2012 (that is a +2.84 percent increase) and in the building up of the GDP through a total value added of CFAF 214 380 million and VAT of CFAF 310 037 million (that is an overall contribution of CFAF 524 418 million against CFAF 561 375 million in 2012).

Besides, SNI's portfolio companies have significantly contributed to the generation of State revenue, through taxes amounting to CFAF 368 492 million (including CFAF 58 455 million of dues and taxes and CFAF 310 037 million of VAT), against CFAF 392 528 million (including, CFAF 67 241 million of dues and taxes and CFAF 325 286 million of VAT) in 2012, that is a -6.12 percent drop.

AUDITORS' OPINION ON THE ACCOUNTS

To the Board of Directors of SNI

The Chairperson and members of the Board of Directors,

The Statutes of SNI require that the company's financial statements be reviewed annually by two Auditors and, in keeping with these provisions, your Board assigned us to perform such audit on the 2013 financial statements.

It is worth noting that the company's general management provided us with the accounting records and documents required for our work within the prescribed deadlines and the financial statement audited were prepared under their supervision.

Our responsibility is to express an opinion on these financial statements.

The audit involved:

- assessing the acceptability and consistency of the accounting principles applied;
- reconciling balance sheet and income statement items, as well as basic accounting records;
- reviewing the financial statements to ensure they meet the legal requirements.

In preparation of this report on the financial statements of the 50th fiscal year of your company, for the period starting from 1 January and ending on 31 December 2013, we conducted our audit in accordance with the professional audit standards generally applicable in Cameroon, as well as the OHADA and CEMAC standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.
Our assignment included:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- applying any such audit procedures as provided by the law on the period from 1 January to 31 December 2013;
- assessing the accounting principles used as well as evaluating the overall annual accounts presentation.

We believe that our audit provides a reasonable basis for our opinion as provided below.

OPINION ON THE FINANCIAL STATEMENTS

Our investigations led us to the following conclusions:

- **Keeping of accounts**

Accounts are properly kept. Accounting records and documents are correctly classified and expenditure appear in chronological order on a month-to-month basis; this allows for adequate traceability and clear readability;

- **Revenue operations**

Revenue established include supporting documents specifying their source, the commitment period in respect of the existing budgetary and accounting principles;

- **Expenditure operations**

Expenditure complies with the regulation especially as regards procurement (public procurement code).

- **Accounting records and documents**

Accounting records and documents comply with the applicable standards and all relevant supporting documents are not only numbered in sequential order through the year, but also well classified in appropriate files.

Therefore, in light with the accounting rules and principles applicable in Cameroon, we certify that these financial statements portray regularity and sincerity, and thus give a true and fair view of results for the accounting period ended on 31 December 2013 as well as of the corporation's asset and financial position at the end of the same period.

Yaoundé, 5 June 2014

The Auditors,

ATECK A DJAM Félix
Senior Tax Inspector

TSALA ONANA Evariste
Magistrate
State Inspector

Société Nationale d'Investissement du Cameroun

We are building the future today

ANNUAL REPORT 2013

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