

<b>SIDI KERIR PETROCHEM.</b>		<b>Bloomberg SKPC EY</b>	<b>Incorporation Fiscal year end Listing</b>	<b>1997 December Egypt</b>	<b>MCap Mn 7,744</b>	<b>Recent Price EGP 14.8</b>	<b>6-Apr-11</b>	<b>PE TTM 8.9</b>	<b>PE MEDIAN 9.4</b>	<b>PE AVG 9.6</b>	<b>PB TTM 3.5</b>	<b>PB MEDIAN 4.2</b>	<b>PB AVG 3.8</b>	<b>DIV. YIELD 8.5%</b>	<b>WATHEEQA BLACK BOX</b>
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<b>Watheeqa Rating</b>	<b>Our Opinion</b>	<b>Intrinsic Value (IV) Range</b>
-	-	-
<b>Margin of Safety</b>	<b>Buy Below</b>	<b>- Discount/+Premium to IV</b>
-	-	-

**Business:** Sidi Kerir Petrochemicals (SKPC) produces linear Low Density Polyethylene, High Density Polyethylene, Butene-1 and Butagas.

<b>Sector:</b> Oil & Gas	<b>Business:</b> Petrochemicals
<b>Key Stock Details</b>	<b>Shareholders (%)</b>
52 Week H/L: 16 / 10	Government: 39.0
3M-D.Avg.Vol: 353,265	Corporates: 38.0
Free Float: 23%	Others: 23.0
Shares O/S (M): 525	



Compounded Annual Growth Rates (%)					Valuations												
Parameters	10 Yrs	5 Yrs	3 Yrs	1 Yr		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD/TTM	
Revenue	-	0.2	(5.1)	(20.6)	Mcaps (M)	-	-	-	-	-	11,078	11,912	11,025	5,434	5,387	7,744	
Gross Profit	-	(3.5)	(12.9)	(31.0)	Ent.Value (M)	-	-	-	-	-	10,755	10,871	9,786	4,281	4,410	6,782	
Net Profit	-	0.7	(8.8)	(24.3)	PE x High	-	-	-	-	-	16.8	15.2	11.1	13.2	9.3	9.5	
EPS	-	0.7	(8.8)	(24.3)	PE x Low	-	-	-	-	-	1.4	11.4	8.7	4.0	3.8	5.8	
BVPS	-	4.9	(1.0)	(7.8)	PE x Close	-	-	-	-	-	13.9	11.9	9.4	5.4	7.1	8.9	
DPS	-	-	(9.7)	(26.5)	PB x High	-	-	-	-	-	6.4	6.3	4.9	5.2	3.0	3.8	
Assets	-	(1.3)	(8.4)	(22.2)	PB x Low	-	-	-	-	-	0.5	3.8	3.3	1.9	1.6	2.3	
SH Equity	-	4.9	(1.0)	(7.8)	PB x Close	-	-	-	-	-	5.4	4.9	4.2	2.1	2.3	3.5	
Mcaps	-	-	(23.2)	(0.9)	Mcaps/Sales x	-	-	-	-	-	6.5	6.0	5.3	2.6	3.2	4.0	
					EV/EBIDTA x	-	-	-	-	-	10.5	9.1	7.4	3.8	4.8	6.4	
					Earning Yld %	-	-	-	-	-	7.4	9.2	11.9	23.4	17.2	12.9	
					Div. Yld %	-	-	-	-	-	5.7	7.5	9.5	16.4	12.2	8.5	

Forecasts *				Financial M												
	2011F	2012F			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	TTM	
Revenue	2,052	2,173	-	Revenue	-	-	-	1,014	1,665	1,702	1,969	2,084	2,119	1,683	1,939	
Opr.Profit	859	1,015	-	Gross.Profit	-	-	-	441	837	875	1,059	1,197	1,014	700	848	
Opr.Margin	41.9	46.7	-	Gr.Margin %	-	-	-	43.5	50.3	51.4	53.8	57.5	47.8	41.6	43.7	
Net Profit	724	880	-	Opr.Profit	-	-	-	425	783	847	1018	1156	961	753	900	
EPS	1.4	1.7	-	Opr.Margin%	-	-	-	41.9	47.0	49.7	51.7	55.5	45.3	44.7	46.4	
Fwd PE x	10.7	8.8	-	Non.Opr. Inc	-	-	-	(37)	15	(26)	50	72	67	0	(48)	
Fwd PB x	3.1	2.9	-	Net Profit	-	-	-	288	734	795	1,001	1,167	1,003	760	872	

\* Bloomberg Consensus Estimates

Profitability Analysis (%) - Multi year averages					Per share												
Parameters	10 Yrs	5 Yrs	3 Yrs	1 Yr		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	TTM	
Gross Margin	-	50.4	49.0	41.6	EPS	-	-	-	0.5	1.4	1.5	1.9	2.2	1.9	1.4	1.7	
Opr Margin	-	49.4	48.5	44.7	BV	-	-	-	2.5	3.5	3.9	4.6	5.0	4.8	4.5	4.2	
Net Margin	-	49.2	49.5	45.1	DPS	-	-	-	-	-	1.2	1.7	2.0	1.7	1.3	1.3	
ROE	-	40.3	38.8	31.2	CEPS	-	-	-	-	1.8	1.8	2.2	2.5	2.2	1.8	2.0	
ROCE	-	38.2	37.7	31.2	Div. Payout %	-	-	-	-	-	-	89.2	90.0	88.9	86.4	-	
					Share O/S M	-	-	-	525	525	525	525	525	525	525	525	

Financial Position (EGP Mn)					Cash Flow												
Assets	2007	2008	2009	Common size		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	TTM	
Cash & Eqv	1,427	1,166	985	37.4	Opr.Cash	-	-	-	-	952	921	1,426	1,310	1,037	799	1,057	
Receivable	142	107	219	8.3	Cap.spending	-	-	-	-	(57)	(72)	(29)	(5)	(7)	(5)	(2)	
Inventories	181	241	222	8.4	Free Cash	-	-	-	-	895	850	1,397	1,305	1,030	793	1,055	
ST.Inv.	-	-	-	0.0													
Others	306	660	145	5.5	<b>Profitability</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>TTM</b>	
Cur. Asset	2,056	2,175	1,572	59.7	ROAA %	-	-	-	-	28.7	27.3	31.1	34.1	29.5	25.3	33.9	
AFS	57	57	57	2.2	ROACE %	-	-	-	-	37.8	36.7	40.9	44.5	37.4	31.2	43.1	
Fixed Asset	1,305	1,145	994	37.8	ROAE %	-	-	-	-	46.4	40.7	44.7	46.3	38.8	31.2	41.2	
Intangibles	-	-	-	0.0	Net Margin %	-	-	-	28.4	44.1	46.7	50.8	56.0	47.3	45.1	45.0	
Others	5	7	9	0.3	Asset T/O x	-	-	-	-	0.7	0.6	0.6	0.6	0.6	0.6	0.8	
					Asset/Equity x	-	-	-	1.7	1.5	1.5	1.4	1.3	1.3	1.1	1.2	

Total Asset					Fin.Health												
Liabilities	2007	2008	2009	Common size		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	TTM	
Payables	-	-	-	0.0	Working Cap	-	-	-	70	471	805	1,098	1,320	1,373	1,313	1,266	
ST Debt	174	5	5	0.2	Fixed Assets	-	-	-	1,865	1,737	1,603	1,468	1,305	1,145	994	882	
Others	563	797	254	9.7	Total Assets	-	-	-	2,307	2,815	3,011	3,422	3,424	3,385	2,633	2,572	
Cur. Liability	737	802	259	9.8	Total Debt	-	-	-	650	581	520	352	188	14	9	4	
LT Debt	14	9	4	0.2	Total Equity	-	-	-	1,328	1,838	2,069	2,407	2,634	2,534	2,338	2,186	
Others	39	39	32	1.2	Debt/Equity x	-	-	-	0.5	0.3	0.3	0.1	0.1	0.0	0.0	0.0	

Total Liability					Quarterly				Peer Group			Mcaps (M)		PE x		ROE (%)	
	2007	2008	2009	Common size		Revenue M	QoQ Ch%	N.Profit M	QoQ Ch%								
Eq. Capital	1,050	1,050	1,050	39.9	Q4-09	563	52.9	290	81.2								
R.Earnings	1,584	1,484	1,288	48.9	Q1-10	470	(16.5)	214	(26.2)								
Liability+SHE	3,424	3,385	2,633	100.0	Q2-10	462	(1.7)	207	(3.1)								
					Q3-10	443	(4.2)	162	(21.9)								

Source: Company, Bloomberg, Zawya, Watheeqa - Legend: Valuation are based on year end figures - Abbreviations: IV - Intrinsic Value, M - Million, O/S - Outstanding, SHE - Share Holders Equity, ST - Short Term, LT - Long Term, Cur - Current, T/O - Turnover, Ent. - Enterprise, MCap - Market Capitalization, BVPS - Book Value Per Share

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