
This document is important and should be read carefully. If you are in any doubt about its contents or the action to take, kindly consult your Stockbroker, Fund/Portfolio Managers, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE SEE "RISKS & MITIGATING FACTORS" ON PAGE 14



Rights Issue

Of

12,906,999,142

Ordinary shares of 50 kobo each

At

₦1.00 per share

On the basis of One (1) new Ordinary share for every Two (2) Ordinary shares held as at Wednesday, April 10, 2013

The Rights being offered in this Circular are tradable on the floor of the Nigerian Stock Exchange.

Payable in full on Acceptance

ACCEPTANCE LIST OPENS: [Day], [Month] [Day], 2013
ACCEPTANCE LIST CLOSES: [Day], [Month] [Day], 2013

Lead Issuing use



Co- Issuing House



This Rights Circular and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act No 29 of 2007 to issue a Rights Circular which contains false or misleading information. Clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact.

This Rights Circular is dated [Day], [Month] [Day], 2013

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DEFINITION OF TERMS

“Business Day”	Any day other than a Saturday, Sunday or official Public holiday in Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act Cap C20 LFN 2004
“Company” or “Transcorp”	Transnational Corporation of Nigeria Plc
“CSCS”	Central Securities Clearing System Plc
“Directors”	The members of the Board of Directors of Transcorp who as at the date of this document are those persons whose names are set out on page 8 of this Rights Circular
“ISA”	Investments & Securities Act No. 29 of 2007
“Issue Price”	The price at which the shares under the Rights Issue will be issued to the existing Shareholders
“Issuing Houses”	BGL Plc and UBA Capital Plc
“Co-Issuing House”	UBA Capital Plc
“Lead Issuing House”	BGL Plc
“LFN”	Laws of the Federation of Nigeria
“NSE” or “The Exchange”	The Nigerian Stock Exchange
“Parties”	Professional advisers engaged by the Company, whose roles will ensure the success of the Issue.
“Qualification Date”	Wednesday, April 10, 2013
“Receiving Agents”	Any of the institutions listed on page 51 - 52 of this Rights Circular to whom Shareholders listed on the share register of the Company as at the Qualification Date may return their duly completed Acceptance/Renunciation Forms together with payment instrument
“Register of Members”	The register of members kept by the Company in accordance with Section 83 of CAMA
“Registrars”	Africa Prudential Registrars Plc
“Rights Circular”	This document which is issued in accordance with the Rules and Regulations of the Commission in respect of this Rights Issue exercise.
“Rights Issue”	Rights Issue of 12,906,999,142 Ordinary shares of 50 kobo each at ₦1.00 per share to the existing Shareholders in the Ratio of One (1) new Ordinary share for every Two (2) Ordinary shares held as at qualification date of Wednesday, April 10, 2013
“Rights”	Means the number of 50 kobo ordinary shares provisionally allotted to each Shareholder on the basis of One (1) new share for every Two (2) held as at the Qualification Date.
“SEC” or “The Commission”	Securities and Exchange Commission
“Shareholders”	Means Shareholders of the Company whose names appear on the Register of Members as at the Qualification Date

ABRIDGED TIMETABLE

The dates given below are indicative only. The timetable has been prepared on the assumption that certain key events for the Rights Issue will be achieved as stated. If not, then the dates surrounding key events in the timetable may be subject to adjustments.

DATE	ACTIVITY	RESPONSIBILITY
XXXX	Acceptance List opens	Issuing Houses
XXXX	Acceptance List closes	Issuing Houses
XXXX	Receiving Agents make returns	Issuing Houses/Receiving Agents
XXXX	Forward allotment proposal and draft newspaper advertisement to SEC	Issuing Houses
XXXX	Receive SEC clearance of Allotment	Issuing Houses
XXXX	Pay net issue proceeds to Transcorp	Receiving Bank
XXXX	Allotment announcement	Issuing Houses
XXXX	Return excess/rejected Application monies	Issuing Houses /Registrars
XXXX	Dispatch Share Certificates/Commence arrangements to credit CSCS accounts	Registrars
XXXX	Forward Declaration of Compliance to The Exchange	Stockbrokers
XXXX	List the new shares of Transcorp on the floor of The Exchange	Stockbrokers
XXXX	Forward Summary Report to SEC	Issuing Houses

SUMMARY OF THE ISSUE

The following information should be read in conjunction with the full text of this Rights Circular from which it was derived:

ISSUER: Transnational Corporation of Nigeria Plc

LEAD ISSUING HOUSE: BGL Plc

CO - ISSUING HOUSE: UBA Capital Plc

**SHARE CAPITAL:
(AS AT THE DATE OF THE RIGHTS CIRCULAR)**

Authorised ² ₦22,500,000,000 divided into 45,000,000,000 Ordinary shares of 50 kobo each

Issued and Fully paid ₦12,906,999,142 divided into 25,813,998,283 Ordinary shares of 50 kobo each

Now being issued: 12,906,999,142 Ordinary shares of 50 kobo each by way of Rights Issue on the basis of One (1) new share for every Two (2) existing shares at ₦1.00 per share

METHOD OF OFFER: By way of Rights Issue to the existing Shareholders

PURPOSE: The estimated net proceeds of ₦12,519,263,736.48 after the deduction of the estimated total offer cost of ₦387,735,406 (including N56,250,000 for printing, advertisement and marketing, mailing and distribution, and other expenses) representing approximately 3% of the total offer size shall be applied as follows:

Utilisation	N	%
Refinancing of the Acquisition of Ughelli Power Plc	9,840,396,600	79%
³ Development of New Hotels/Hospitality Assets in Port Harcourt and Lagos	1,050,000,000	8%
Exploration and Development of Oil Prospecting License 281	1,628,867,136	13%
Total	₦12,519,263,736.48	100

ISSUE PRICE: ₦1.00 per share

PROVISIONAL ALLOTMENT: One (1) new Ordinary share for every Two (2) Ordinary shares held as at the Qualification Date

QUALIFICATION DATE: Wednesday, April 10, 2013

PAYMENT: In full on Acceptance

MARKET CAPITALIZATION

At Issue Price:
Pre Issue: ₦28,395,398,111.30
Post Issue: ₦41,302,397,253.30

ACCEPTANCE LIST OPENS: [Day], [Month] [Day], 2013

ACCEPTANCE LIST CLOSES: [Day], [Month] [Day], 2013

QUOTATION: Application has been made to the Council of The Exchange for the admission to its Daily Official List, the Rights Issue of 12,906,999,142 Ordinary shares of 50 kobo each now being offered.

² The authorized share capital of the Company was increased on 28th March, 2013 from N18,000,000,000 to N22,500,000,000 ordinary shares of 50 kobo each by the creation of additional 9,000,000,000 ordinary shares of 50 kobo each.

³ The new hotels are to be strategically sited in Port Harcourt and Lagos in order to boost the Company's hospitality business in the South-South and South-West of Nigeria

SUMMARY OF THE ISSUE

STATUS: The Ordinary shares being issued will rank pari-passu with the issued Ordinary shares of the Company.

INDEBTEDNESS: As at the date of this Rights Circular, Transcorp has long term loans in the ordinary course of business amounting to ₦9.841 billion and Payables and Accrued Expenses amounting to ₦3.264 billion. Save as disclosed, Transcorp has no outstanding loans, charges or similar indebtedness.

FINANCIAL SUMMARY:

For the year ending	31 December 2012 ⁴	31 December 2011	31 December 2010	31 December 2009	31 December 2008	31 December 2007
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Turnover	2,258,255	2,833,333	2,382,396	2,785,717	2,561,652	3,067,072
Profit/(Loss) before Taxation	2,751,748	1,139,425	3,456,849	100,966	(5,410,238)	(6,868,420)
Profit/(loss) after Taxation	2,584,868	777,909	3,324,259	17,366	(5,441,587)	(6,868,420)
Dividend	-	-	-	-	-	-
Share Capital	12,906,999	12,906,999	12,906,999	11,256,836	11,256,836	11,256,836
Net Assets	17,493,967	14,209,961	15,244,276	15,754,085	15,736,719	21,178,306
Earnings per share (₦)– basic	0.00	0.03	0.13	-	(0.24)	(0.73)
Dividend per share (₦)	-	-	-	-	-	-

E-ALLOTMENT/SHARE CERTIFICATE The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are thereby advised to state the name of their respective stockbrokers and their Clearing House Number as well as their CSCS Account Number in the relevant spaces on the Acceptance Form. Certificates will be issued to Shareholders who do not provide CSCS account details.

CLAIMS AND LITIGATION As at the date of this Rights Circular, the Company in the ordinary course of business is involved in fourteen (14) cases. The aggregate monetary claim in respect of the cases amounted at approximately ₦ 2,725,685,612 and US\$185,500.00 The Company currently has no case instituted by it.

The Directors of the Company are of the opinion that none of the pending claims by or against the Company is likely to have any material adverse effect on the Rights Issue.

⁴ Unaudited Management Accounts as at 31 December 2012

RIGHTS ISSUE

Copies of this Rights Circular and the documents specified herein have been delivered to the Securities and Exchange Commission for Clearance and Registration.

This Rights Circular is being issued in compliance with the provisions of ISA, the Rules and Regulations of The Commission and the Listing Requirements of the NSE and contains particulars in compliance with the requirements of The Commission and The Exchange, for the purpose of giving information to Shareholders and the public with regard to the Rights Issue of 12,906,999,142 Ordinary Shares of 50 kobo each in Transcorp by BGL Plc and UBA Capital Plc. An application has been made to The Council of The Exchange for the admission to its Daily Official List of the 12,906,999,142 Ordinary Shares of 50 kobo each being issued via the Rights Issue.

The Directors of Transcorp individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no material facts, the omission of which make any statement herein misleading or untrue.

Leading Issuing House



Co - Issuing House



RC No : 444999

On behalf of



TRANSNATIONAL CORPORATION OF NIGERIA PLC
RC611238

Are authorized to receive acceptances for the

Rights Issue of 12,906,999,142 Ordinary Shares of 50 kobo each at ₦1.00 per share

On the basis of One (1) new ordinary share for every Two (2) ordinary shares of 50 kobo each held as at the close of business on Wednesday, April 10, 2013 for those Shareholders whose names appear on the Register of Members.

The Acceptance List for the shares now being issued will open on [Day], [Date] [Month], 2013 and close on [Day], [Date] [Month], 2013

SHARE CAPITAL AND RESERVE OF THE COMPANY AS AT 31 DECEMBER, 2011

(Extract from the 2011 audited accounts)

	₦
Authorized Share Capital 36,000,000,000 Ordinary Shares of 50 Kobo each	18,000,000,000
Issued and Fully Paid 25,813,998,284 Ordinary Shares of 50 Kobo each	12,906,999,142
<hr/>	
Equity and Reserves	
Share Capital	12,906,999,142
Share Premium	27,071,664,000
⁵ Revenue Reserve	(25,768,702,000)
<hr/>	
TOTAL EQUITY	14,209,961,142

⁵ The Company by the sanction of the Federal High Court dated February 21, 2013 restructured its share capital which effectively eliminated the negative revenue reserve of N25,768,702,000 by transferring an amount equal to the negative balance from the share premium account. The share premium was simultaneously reduced by this amount.

1. Directors and Company Secretary

CHAIRMAN

Mr. Tony O. Elumelu, CON
38, Glover Road, Ikoyi, Lagos

PRESIDENT/CHIEF EXECUTIVE OFFICER

Mr. Obinna Ufudo
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Olorogun O'tega Emerhor (OON)
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Dr. Julius Kpaduwa
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Ms. Angela Aneke
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Mr. Chibundu Edozie
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Mr. Kayode Fasola
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Dr. Stanley Lawson
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Alhaji Mohammed Nasir Umar
38, Glover Road, Ikoyi, Lagos

ACTING COMPANY SECRETARY

Chinedu Eze
38, Glover Road, Ikoyi, Lagos

2. Professional Parties

LEAD ISSUING HOUSE

BGL PLC
12A, Catholic Mission Street, Lagos

CO - ISSUING HOUSE

UBA Capital Plc
UBA House (12th Floor)
57, Marina
Lagos

LEAD STOCKBROKER

BGL Securities Limited
12A, Catholic Mission Street, Lagos

JOINT STOCKBROKERS

UBA Stockbrokers Limited
UBA House (15th Floor)
57, Marina
Lagos

TRW Stockbrokers Limited
62/64 Campbell Street (Kajola House)
4th & 5th Floor
Lagos Island

SOLICITORS TO THE COMPANY

TEMPLARS
4th Floor, The Octagon
13A A.J. Marinho Drive Victoria Island Lagos

EDWARD EKIYOR & CO
51, Adeshinyan Street, Ilupeju Lagos

SOLICITORS TO THE ISSUE

G.ELIAS & CO
6, Broad Street Lagos

M.E ESONANJOR & CO
27 Oyewole Street, Palmgrove, Ilupeju, Lagos

REGISTRARS TO THE ISSUE

AFRICA PRUDENTIAL REGISTRARS PLC
220B, Ikorodu Road, Palmgrove Lagos

RECEIVING BANK

UNITED BANK FOR AFRICA PLC
UBA House 57, Marina Lagos



TRANSNATIONAL CORPORATION OF NIGERIA PLC
RC 611238

April 05, 2013

To: All Shareholders

Dear Shareholders,

RIGHTS ISSUE OF 12,906,999,142 ORDINARY SHARES OF 50 KOBO EACH AT ₦1.00 PER SHARE

1. Introduction

You will recall that at the last Extra-ordinary General Meeting of the Company held on March 28th, 2013, the Shareholders of the Company authorized the Directors amongst other things to issue subject to regulatory approval up to 13,000,000,000 Ordinary shares of 50 kobo each from the Company's share capital by way of Rights Issue, in such proportion, at such time, for such consideration and upon such terms and conditions as the Directors may deem fit. This resolution was passed in recognition of the need to reposition the Company for future challenges and business opportunities.

I am pleased to inform you that the Board of Directors at its last meeting of April 11, 2013 and in line with the strategic focus of the Company, and in consonance with the above-mentioned Shareholders resolution has now decided to issue by way of Rights, 12,906,999,142 Ordinary shares of 50 kobo each to the shareholders whose names appear on the Company's Register of Members at Wednesday, April 10, 2013 on the basis of One (1) new ordinary share for every Two (2) ordinary shares held as at this date. The new shares, which will be issued at a price of ₦1.00, will rank pari-passu in all respects, with the existing Ordinary shares of the Company. Regulatory approvals for the registration of the Issue with the Securities and Exchange Commission have been received.

2. Profile of the Company's Board of Directors

- **Tony Elumelu, CON**
Chairman

Tony O. Elumelu is the Chairman of Heirs Holdings Limited, an African proprietary investment firm that focuses on creating economic and social value in Africa, via long-term investment in a number of sectors including financial services, natural resources, infrastructure, healthcare and real estate. He is also the Founder of The Tony Elumelu Foundation, an African based and funded philanthropy, whose mission is to identify and assist entrepreneurs and the leaders of Africa's increasingly confident private sector, serve as a source of policy development, and work to ensure that the private sector drives economic growth across Africa. His corporate reputation as a leading African business leader was founded on his role in re-shaping the African financial services industry. He was the driving force behind the rise of United Bank for Africa (UBA), transforming it from a single country bank, to a Pan-African institution serving over 7 million customers in 20 African countries and operating in three continents.

He earned a Bachelor of Science degree in Economics from Bendel State University in 1985 and a Master of Science in Economics from the University of Lagos. He has attended Harvard Business School, where he completed the Advanced Management Program. He has also completed management programs at the Institute of Management Development in Lausanne, Switzerland, and the Singapore Institute of Management. He holds an honorary doctor of science degree from Benue State University and an honorary doctor of business administration from the University of Nigeria, Nsukka.

- **Obinna Ufudo**
President/CEO

Obinna Ufudo is the President/CEO of Transnational Corporation of Nigeria Plc. He is a financial industry veteran who has held senior level positions in trading, investment management and advisory capacities. Prior to his appointment as President/CEO of Transcorp, he was the Chief Operating Officer of the Heirs Holdings Group where he optimized day-to-day operations of the Group and supervised its various subsidiaries. Obinna is also Chairman of Afri-Pay Limited, the parent company of U-Mo – a CBN approved mobile payment solutions provider. He holds an M.Sc. in International Securities, Investment & Banking from the University of Reading, UK, as a British Chevening Scholar. He also has an Executive Master of Business Administration (EMBA) from the IESE Business School, University of Navarra, Barcelona Spain and a B.Sc in Finance from the Enugu State University of Technology, Enugu State Nigeria in 1993.

THE CHAIRMAN'S LETTER

Mr. Ufudo is an Associate Member of the Chartered Institute of Bankers of Nigeria and is an International Fixed Income & Derivatives Certified Professional.

- **Dr. Stanley I. Lawson**
Non-Executive Director

Stanley I. Lawson is Managing Partner of Financial Advisory and Investment Consultants; Oil & Gas-sector focused financial advisory services firm. He is a widely respected expert with multi-disciplinary professional experience spanning three decades in the energy and financial sectors. He spent the first years of his career as a Resident Geologist/Drilling Engineer after which he proceeded to the Banking/Finance Industry where he spent over 17 years rising to the position of Managing Director/Chief Executive of African Express Bank in 2003. In December 2004, Mr. Lawson was appointed Group Executive Director of Finance and Accounts at the Nigerian National Petroleum Corporation (NNPC) with core responsibilities for oversight of funding, budgeting and cash flow planning. Stanley I. Lawson has an M.Sc in Petroleum Geology and an MBA in Finance both from the University of Ibadan,

Mr. Lawson has attended several international leadership and management courses. He has also commenced (since 2010) a doctoral program with the University of Phoenix, Arizona.

- **Olorogun O'tega Emerhor, OON**
Non-Executive Director

Olorogun Emerhor is the Vice Chairman/Group CEO of Standard Alliance Insurance Plc; Vice Chairman, First Inland Bank Plc; Chairman, Synetics Technologies Ltd and Heroes Group.

He trained as a chartered accountant at the renowned PriceWaterhouseCoopers and has worked in several Banks like Citi Bank, Fidelity Bank, GTBank and as Managing Director of Crystal Bank (Now STB/UBA).

Olorogun O'tega Emerhor, OON, holds a First Class degree in Accountancy from University of Nigeria, Nsukka (1983). He holds fellowships from Institute of Chartered Accountants of Nigeria (ICAN), Institute of Credit and Risk Management of Nigeria and Academy for Entrepreneurial Studies. He is also a member of the Institute of Marketing Consultants. He holds directorships in a number of companies and he has received various prestigious awards

- **Dr Julius C. Kpaduwa**
Non-Executive Director

Dr. Julius C. Kpaduwa is the Medical Director and Chief Executive Officer of Julius C. Kpaduwa, MD Medical Corporation. He is the Chief of Staff at the Greater El-Monte Community Hospital and a member of the Los Angeles County Medical Association (LACMA). He has also served as President of the Association of Nigerian Physicians in the Americas (ANPA) from 2008-2010.

He is a graduate of Berea College in Kentucky and a proud alumnus of Howard University Medical School. He completed his postgraduate training at the State University of New York (SUNY), Donn State Medical Center, and Kings County Hospital. He is board certified in Obstetrics and Gynaecology, and practices medicine in the Los Angeles area. His specialism in Obstetrics and Gynaecology stems from his passion for children. He has once served as a Medical Director at Alta Medical Health Services Corporation, where he was responsible for all professional medical educational activities in a US\$14 million multi-site multi-service healthcare corporation.

Presently, he serves as Chairman of the Board of Imo State University Teaching Hospital, Orlu, Imo State (IMSUTH), a responsibility he has held since 2009. Dr. Julius Kpaduwa represents the shareholding interest of Nashville Capital Partners on the Board of Transcorp.

- **Alhaji Mohammed Nasir Umar**
Non-Executive Director

Alhaji Mohammed Nasir Umar is the Chairman/CEO of Em-N Surveys & Engineering. He started his career with Sokoto Rima River Basin Development Authority in 1977 and obtained his M.Sc in Land Surveys in 1985. He has vast and varied experience in Lands and Survey matters spanning over a period of 32 years post qualification. He has held many important position and responsibilities which include Director of Planning & Survey of the Federal Capital Development Authority (FCDA) for 6 (six) years, Chairman of Resettlement Task Force of the FCDA etc. Alhaji Umar has attended several National and International Conferences, Seminars and workshops on Zaria Lands and Survey matters.

Alhaji Umar is a graduate of Ahmadu Bello University; He is a Registered Surveyor by Surveyors Council of Nigeria and a fellow of the Nigeria Institution of Surveyors (FNIS).

- **Kayode Fashola**
Non-Executive Director

Kayode Fasola is the regional executive in charge of South West Business Group in Wema Bank He is a professional banker with over 20 years of cognate experience in Banking operations, Relationship Management, Business Development, Credit Analysis, Performance Management, Corporate Banking, Commercial Banking, Public Sector, Risk Management and Business Strategy. He started his career in Nigeria Agricultural Co-operative and Rural Development Bank, Kaduna. He has held various Management positions in Wema Bank. He was at various times the Directorate Head, Commercial Banking and then Public Sector.

He holds a B.Sc (Agricultural Economics) University of Ibadan in 1986, an MBA (Finance) Obafemi Awolowo University, Ile-Ife, and an MBA (Banking) Ladoke Akintola University, Ogbomosho. He is an alumnus of the prestigious Lagos Business School and the London Business School.

He is an Associate member of the Chartered Institute of Management, National Institute of Marketing of Nigeria and an Honorary Senior Member, Chartered Institute of Bankers Nigeria.

- **Mr. Chibundu Edozie**
Non-Executive Director

Chibundu N. Edozie is the Group Deputy Managing Director of BGL Plc and in charge of its strategic business platforms including BGL Asset Management Limited, BGL Private Equity Limited, BGL Securities Limited and the Investment Banking Group. He also currently oversees the international expansion of BGL Plc's operations.

Chibundu is a consummate professional committed to the growth of the Nigerian capital market alongside global financial markets, and the expansive role of capital markets in the growth of the financial services industry. He has over 18 years' experience in the Capital Market and Investment Banking industry.

He holds a Bachelor of Science degree in Geology and Mining from the University of Jos in 1989. He is an alumnus of the New York Institute of Finance, the IMD International Institute, Switzerland, and the Lagos Business School.

He is an authorized dealing clerk of the Nigerian Stock Exchange, a Fellow of the Chartered Institute of Stockbrokers and a past Member of the Governing Council of the Institute. He is also a member of the Nigerian Mining and Geosciences Society. Mr Edozie also serves as a director on the boards of BGL Asset Management Limited, BGL Private Equity Limited and BGL Securities Limited, wholly-owned subsidiaries of BGL Plc.

- **Angela Aneke**
Non-Executive Director

Angela Aneke is Chairman of Teragro Limited, Transcorp's agribusiness subsidiary. Her working career spans over 26 years with experience in key financial services institutions in countries across West Africa, having held executive management positions in international and regional banks. Some of these institutions include Ecobank Transnational Incorporated, Citi Bank Nigeria, United Bank for Africa etc.

She holds board positions in UBA Liberia, Tanzania, Zambia, Chad and Guinea Conakry. Angela is Chairman of UBA Metlife and was until December 2010 the Chairman CRC Credit Bureau. She retired as an Executive Director of UBA Plc in March 2010 and was appointed a Non-Executive Director in July 2010.

Angela holds a Bachelor of Science degree from The American University, Washington, DC, USA in 1983 and became an International Associate of the American Institute of Certified Public Accountants in 1985.

3. History and Business of the Company

Transcorp was incorporated on November 16, 2004. The Company is a private sector response to economic reform initiatives of the Federal Government of Nigeria. Following a successful initial public offering (IPO) of Shares, Transcorp became a quoted company and its shares were listed on the Nigerian Stock Exchange in December 2006. The Company is a diversified conglomerate with strategic investments in the hospitality, agribusiness and energy sectors.

THE CHAIRMAN'S LETTER

Investments in the Hospitality Sector

Transcorp Hilton Hotel Abuja is a 670-room 5-star hotel that provides luxury accommodation, dining, meeting rooms and leisure facilities. In Year 2010, Transcorp Hilton Abuja won the award for the best Hilton Hotel in Africa, Middle East and Asia.

The 146-room **Transcorp Metropolitan Hotel Calabar** provides the perfect meeting ground for business and pleasure with standard conferencing facilities and accommodation.

Investment in Agro-Allied business

Teragro Commodities Limited is a fully owned subsidiary of Transcorp that is focused on agro-allied businesses. The company implements import substitution strategies by operating a world class first of its kind juice concentrate plant in the Middle Belt area of Nigeria where supplies of agricultural raw materials are readily available. Its products are offered based on a business to business enterprise model.

Investment in the Energy sector

Transcorp Energy Limited is a fully owned subsidiary of Transcorp that is focused on oil exploration, gas utilization and power generation activities across the entire energy value chain.

4. Purpose of the Issue and Use of Issue Proceeds

The estimated net proceeds of ₦12,519,263,736.48 after deduction of the estimated offer cost of ₦387,735,406 will be applied as follows:

Utilisation	N	%
Refinancing of the Acquisition of Ughelli Power Plc	9,840,396,600	79%
Development of New Hotels/Hospitality Assets	1,050,000,000	8%
Exploration and Development of Oil Prospecting License 281	1,628,867,136	13%
Total	₦12,519,263,736.48	100

5. General Risk Disclosure

Shareholders should consult their advisers if in any doubt as to the nature of this investment and its suitability in the light of their specific circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than a profit made as a result of buying and selling securities. Past performance is not a guide to future performance. Certain types of investments may not be suitable for all investors. Transcorp has however taken all these risks into consideration and has therefore put in place strategic and operational plans that will aid in adequately responding to the outlook of the market environment in a timely manner in order to mitigate these risks as much as possible.

6. Compliance with Code of Corporate Governance

Transcorp is fully committed to implementing best practice Corporate Governance standards. The Company recognizes that Corporate Governance Practices must achieve two goals- protecting the interest of Shareholders and guiding the Board and Management to direct and manage the affairs of the Company effectively and efficiently.

Members of the Board of Directors attend regular trainings on Corporate Governance and related issues both at locally and internationally. In addition, the Company Secretary provides advice to the Board on Corporate Governance best practices from time to time.

7. Future Plans

The Company's vision is to create sustainable value for our stakeholders in our chosen markets. In order to realise this long-term objectives, the Company is making every effort to identify and take advantage of every investment opportunity that will complement its long-term strategic objectives. We will continue to look out for these investment opportunities that will help in creating value for our stakeholders.

8. Participation in the Rights Issue

The Rights Circular contains a summary of the financial and general information relating to the Company. It also contains a Provisional Allotment Letter detailing full instructions for acceptance, payment and renunciation of your Rights. It is

recommended that Shareholders take up their rights in full to ensure that they continue to enjoy the full benefits of their investment in the Company.

As you are aware, the shares being issued are tradable by Shareholders on the floor of The Nigerian Stock Exchange during the offer period. Shareholders who wish to trade their Rights should seek proper advice from their stockbrokers who will be able to guide them through the entire process.

9. Risks and Mitigating Factors

The following are risks associated with investments in the capital market which could affect the financial position of the Company. Transcorp will continue to adopt a risk based approach in formulating the long term strategies and objectives of the Company, by identifying, assessing and evaluating, the potential risks that may affect our overall performance.

Stated below are the identified risks and the mitigating factors that would minimize their impact.

Market Risk

As a quoted organization, the share price of Transcorp may be subject to price volatility resulting in a decline in the demand and price of shares due to adverse developments that may not be related to the performance of the Company. In addition, the Nigerian economy is largely dependent on oil and adverse fluctuations in the price of oil may affect the economy.

Although this risk is totally out of the control of Transcorp, since it is determined by external drivers and conditions within the economy, the Company has positioned itself to regularly revise its strategies and respond appropriately along the lines of perceived economic direction.

Currency Risk

This refers to the risk of unpredictable losses as a result of the fluctuations in the exchange rates of the Naira against major currencies. The success of the Central Bank of Nigeria in effectively managing the exchange rate for quite some years now is expected to continue in the future. Further, the increased regulatory powers of the Central Bank of Nigeria and the resolve of the Federal Government to keep the exchange rate stable will mitigate the currency risk of this investment.

Environmental Risk

The environmental risk is associated with the hazards relating to the Company's premises arising from changes in the climate and non-compliance to safety and other environmental standards and procedures. Transcorp is adequately equipped to handle any environmental incidence that may arise in the ordinary course of its business.

Political Risk

The political instability occasioned by the long period of military rule is gradually subsiding after recent back to back democratic government transition. The risk exists that the current elected government may not continue with the reform programmes of the previous administration.

The present government in Nigeria has pledged to continue with the economic and political reforms of its predecessor. The current political situation appears relatively conducive for the Company to continue with its business activities without any disruption.

10. Conclusion

The future of the Company is full of interesting opportunities and the Company will continue to achieve progressive levels of success in all areas of our business. I therefore encourage you to take up your rights in full to ensure that you continue to enjoy

the benefits of your investment in the Company and as a mark of your belief in the prospects that lie ahead.

Thank you.

Yours faithfully,

Mr. Tony O. Elumelu, CON
CHAIRMAN

1. Statement of Significant Accounting Policies⁶

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The Consolidated Financial Statements are prepared in compliance with CAMA and Nigerian Statements of Accounting Standards (SAS). The financial statements are presented in the functional currency, Nigerian Naira (₦), rounded to the nearest thousand, and prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

CAMA requires that a statement of source and application of funds be included with the financial statements. In its place, however, a statement of cash flows has been prepared in accordance with the Statement of Accounting Standards (SAS18).

(b) Consolidation

Subsidiaries include all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The financial statements of consolidated companies are prepared as of the same date, 31 December. Where statements are prepared for periods different from the Company, adjustments are made for the effect of significant transactions or events that occur between both dates.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in profit and loss. All balances and unrealized surpluses and deficits on transactions between Transcorp Group companies have been eliminated.

Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Company.

(c) Valuation of business combination

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

(d) Intangible assets

i. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets and is not amortised. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses are recognised immediately in the profit and loss account.

⁶Effective from 2012 accounting year, the Company statement of significant accounting policies has changed to conform to IFRS standard

Statement of significant accounting policies – continued

ii. Goodwill impairment

Goodwill balances are tested annually by the Transcorp for impairment as stated above, or more frequently if indicators are present or changes in circumstances suggest that the impairment may exist. In performing the assessment, the Company performs a comparison of the carrying value of the reporting units, as defined, to the value of these units.

iii. Impairment of long-term investments

The carrying amounts of the long-term investments are reviewed at each balance sheet date by the Group to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, which is the higher of its fair value less costs to sell and its value in use, is estimated in order to determine the extent of the impairment loss.

Any impairment change is recognised in the income statement in the year in which it occurs. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

(e) Revenue recognition

Income from investment is recognised as follows:

- (i) Dividends are recognised in the profit and loss account on the date the Company's right to receive payment is established; and
- (ii) Interest earned on cash investment in money market instruments is recognised in the profit and loss account as it accrued.

Recognition of revenue of goods and services is recognised when:

- The significant risks and rewards of ownership have been transferred to the customer or the service has been rendered;
- The company does not retain effective control over goods sold;
- The amount of revenue can be reliably measured;
- It is possible that the economic benefit associated with the transaction will flow to the Company; and
- The costs incurred in respect of the sale can be measured reliably.

(f) Deferred revenue

Deferred revenue represents fees and income that have been received in advance, for which the goods or services they relate to have not been provided as at the balance sheet date.

(g) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into the functional currency, Nigeria Naira, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Losses on foreign exchange transactions are recognised as an expense in the period in which they are incurred, except when they are directly attributable to the acquisition, construction or production of an asset invoiced in foreign currency, where there is no means of hedging against exchange losses. These are included as part of additions to the fixed asset.

(h) Receivables

Debtors are stated after deduction of provision for debts considered to be doubtful of recovery. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is recognised in the profit and loss account.

Statement of significant accounting policies – continued**(i) Property, plant and equipment**

All categories of property, plant and equipment are stated at historical cost less depreciation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic

benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred. Leasehold land is accounted for as non-current assets and the unexpired lease term is disclosed.

Property, plant and equipment are reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

(j) Depreciation

Depreciation on assets is calculated using the straight-line method to write down their cost to their residual values over their estimated useful lives, as follows:

Leasehold land and buildings	2 – 5%
Plant and machinery	10 – 33.33%
Furniture and fittings	20%
Computer and office equipment	10 – 33.33%
Motor vehicle	20 – 25%

Capital work in progress is not depreciated until completion of the construction work and is capitalized under the appropriate asset category.

Plant and machinery represents plants, machineries, lifts and conveyors and air-conditioning.

(k) Accounting for leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(l) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is the cost of direct materials to the Company's premises and other direct costs. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

(m) Investments

Long-term investments are shown at cost less amounts written off and provisions for diminution in value. Provisions are made for permanent diminution in the value of investments. Provisions for temporary fluctuations in value are made if material.

Investment bid costs incurred are written off to the profit and loss account unless it is certain that the Company will be successful in its bid to acquire a specific investment, in which case such costs are deferred to the balance sheet. Short-term investments are stated at lower of cost and market value.

Statement of significant accounting policies – continued

(n) Taxation

Taxation expense is the aggregate of the charge to the profit and loss account in respect of income tax, education tax and deferred tax.

Income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA). Education tax is assessed at 2% of the chargeable profits.

Deferred tax is provided; using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

(o) Employee benefits

I. Retirement benefit obligations

Some subsidiaries operate a defined contribution retirement scheme and unfunded defined benefit service gratuity scheme; while the Company operates on a defined contribution scheme. The schemes for retirement benefits are as follows:

II. Staff Gratuity scheme

This is a defined contribution scheme for employees who have served for a continuous period exceeding two years.

III. Staff Pension scheme

The Group operates a defined contributory pension scheme in line with Pensions Reform Act of 2004. The scheme is funded by equal contribution of 7.5% of basic, housing and transport allowances from both the company and the employee.

In addition, there is an internal pension arrangement between Transnational Hotels and Tourism Services Limited and its employees, which is payable on retirement. The employer contributes 20% of the employees' basic salary for all confirmed staff who have spent a minimum of one year as an employee. The scheme is non – contributory for employees.

The Company's contributions to the defined contribution scheme are charged to the profit and loss account in the year to which they relate.

The liability recognised on the balance sheet in respect of the unfunded defined benefit service gratuity scheme is the monetary value of the defined benefit obligation as at balance sheet date. The defined benefit obligation is calculated annually based on the entitlements of staff as defined by the scheme handbook.

IV. Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognized as an expense accrual.

(p) Borrowings

Borrowings are recognized initially net of transaction costs incurred, and interest and fees are charged to the profit and loss account over the life of the loan.

Borrowings are classified as current or non – current liabilities as deemed applicable.

Statement of significant accounting policies – continued

(q) Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except when they are directly attributable to the acquisition, construction or production of a qualifying asset. These are included as part of additions to fixed assets. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale.

(r) Share capital

Ordinary shares are classified as equity. Share issue costs net of tax are charged to share premium account.

(s) Cash and cash equivalents

Cash and cash equivalents represent cash and bank balances as well as any short-term investments that are readily convertible to cash.

(t) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segments with a majority of revenue earned from sales to external customers and whose revenue, result or assets are 10% or more of all the segments are reported separately.

2. Consolidated Profit and Loss Account

For the five-year periods ended 31 December

	Notes	2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000
Revenue	1	2,833,333	2,382,396	2,785,717	2,561,652	3,067,072
Cost of revenue		-	-	-	-	-
Gross profit		2,833,333	2,382,396	2,785,717	2,561,652	3,067,072
Administrative and general exp.	2	(1,451,646)	(1,709,409)	(1,432,891)	(3,442,121)	(4,440,089)
Other income	3	17,492	71,828	751,874	4,432	930
Operating profit/(loss)		1,399,179	744,815	2,104,700	(876,037)	(1,372,087)
Interest expense	5	(259,754)	(137,053)			
Net finance cost		-	-	(2,003,734)	(4,534,201)	(5,496,333)
Profit/(loss) before Exceptional items		1,139,425	607,762	100,966	(5,410,238)	(6,868,420)
Exceptional items	6	-	2,849,087	-	-	-
Profit/(loss) before taxation		1,139,425	3,456,849	100,966	(5,410,238)	(6,868,420)
Taxation	7	(361,516)	(132,590)	(83,600)	(31,349)	-
Profit/ (loss) for the year/ period		777,909	3,324,259	17,366	(5,441,587)	(6,868,420)
Earnings per share (Naira)		0.03	0.13	-	(0.24)	(0.73)

FIVE YEAR FINANCIAL INFORMATION

3. Consolidated Balance Sheet

As at 31 December

	Notes	2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000
<u>Non-Current Assets</u>						
Property, plant & equipment	9	543,357	604,914	551,318	580,638	609,124
Long term investment	10	20,676,823	18,490,225	13,976,723	77,158,630	77,071,430
		21,220,180	19,095,139	14,528,041	77,739,268	77,680,554
<u>Current Assets</u>						
Receivables & prepayment	11	1,798,574	1,381,252	509,232	4,912,482	11,159,910
Short term investment	10e	100,000	-	-	-	-
Cash & cash equivalents	12	135,526	1,046,611	1,363,443	545,179	1,699,693
		2,034,100	2,427,863	1,872,675	5,457,661	12,859,603
<u>Current Liabilities</u>						
Bank overdraft	13	-	-	291,538	291,360	16,029
Taxation	7	126,187	247,539	114,949	31,349	-
Payables & accrued expenses	14	4,687,923	4,181,187	240,144	3,357,501	5,565,822
Borrowing due within one yr.	15a	259,111	528,571	-	63,780,000	63,780,000
Deferred revenue	16	1,876,620	-	-	-	-
		6,949,841	4,957,297	646,631	67,460,210	69,361,851
Net Current assets/(liabilities)		(4,915,741)	(2,529,434)	1,226,044	(62,002,549)	(56,502,248)
<u>Non-Current Liabilities</u>						
Borrowings falling due after one yr.	15b	2,094,478	1,321,429	-	-	-
NET ASSETS		14,209,961	15,244,276	15,754,085	15,736,719	21,178,306
<u>Equity</u>						
Share capital	17	12,906,999	12,906,999	11,256,836	11,256,836	11,256,836
Share premium	17b	27,071,664	27,071,664	28,721,827	28,721,827	28,721,827
Revenue reserves	18	(25,768,702)	(24,734,387)	(24,224,578)	(24,241,944)	(18,800,357)
SHAREHOLDERS FUNDS		14,209,961	15,244,276	15,754,085	15,736,719	21,178,306

4. Consolidated Statement of Cash Flows

For the five year periods ended 31 December

	Note	2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000
Operating activities						
Cash generated from/used in operation	19	1,624,002	(19,187)	3,431,765	3,221,774	(15,416,436)
(Gain)/loss on sale of fixed assets	3	35,203	-	-	-	-
Income taxes paid	7	(482,868)	-	-	-	-
Net cash generated from/(used in) operation		1,176,337	(19,187)	3,431,765	3,221,774	(15,416,436)
Investing activities						
Purchase of property, plant and equipment	9	(65,114)	(97,582)	(11,853)	(30,219)	(32,752)
Proceeds from sale of fixed assets		3,882	-	-	-	-
Proceeds on disposal of investment in NITEL	10	-	-	63,181,907	-	-
Investment in subsidiaries	10	(2,186,598)	(1,664,414)	-	(87,200)	(8,428)
Other short-term investments		(100,000)	-	-	-	-
Interest received	3	16,573	42,942	40,148	-	6,724
Net cash generated from/(used in) investing activities		(2,331,257)	(1,719,054)	63,210,202	(117,419)	(34,456)
Financing activities						
Proceeds from issue of share capital		-	-	-	-	39,953,662
(Decrease)/increase in long term borrowings		773,049	1,321,429	(63,780,000)	-	-
(Decrease)/increase in short term borrowings		(269,460)	528,571	-	-	-
(Decrease)/increase in overdraft		-	(291,538)	179	275,332	(1,075,867)
(Decrease)/increase in deposit for shares		-	-	-	-	(17,738,865)
Dividend paid		-	-	-	-	-
Interest payment	5	(259,754)	(137,053)	(2,043,882)	(4,534,201)	(5,503,057)
Net cash generated from/(used in) financing activities		243,835	1,421,409	(65,823,703)	(4,258,869)	15,635,873
Net increase/(decrease) in cash and cash Equivalents		(911,085)	(316,832)	818,264	(1,154,514)	184,981
Cash and cash equivalent at the beginning of the year		1,046,611	1,363,443	545,179	1,699,693	1,514,712
Cash and cash equivalent at the end of the year	12	135,526	1,046,611	1,363,443	545,179	1,699,693

5. Notes to the Consolidated Financial Statements

For the five years period ended 31 December

1	Revenue	2011	2010	2009	2008	2007
		N'000	N'000	N'000	N'000	N'000
	Dividends	2,833,333	2,382,396	2,785,717	2,561,652	3,067,072
2	Administrative and General Expenses					
	Administrative and general expenses mainly comprise the following:					
	Depreciation	29,857	43,986	41,172	58,705	58,366
	Staff costs (Notes 5)	297,720	323,326	346,311	502,577	381,251
	Auditor's remuneration	27,500	32,500	25,000	25,000	25,000
	Professional fees	161,705	260,227	210,827	210,947	41,195
	Acquisition expenses on investment	-	242,493	-	-	-
	Director's remuneration	405,281	124,913	56,426	1,197	10,000
	Fixed assets written off	40,883	-	-	-	-
	Loss on asset disposal	35,203	-	-	-	-
	Other operating expenses	453,497	681,964	-	-	-
		1,451,646	1,709,409	679,736	798,426	515,812
3.	Other Income					
	Gain on extinguishment of loan	-	-	750,000	-	-
	Other Operating income	919	28,886	1,874	4,432	930
	Profit on fixed asset disposal	-	-	-	-	-
	Interest income	16,573	42,942	-	-	-
		17,492	71,828	751,874	4,432	930

Notes to the consolidated financial statements – continued

For the years ended 31 December

	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000
4(a). Staff numbers and Costs					
Managerial	6	13	20	21	16
Senior staff	4	21	20	20	17
Others	12	12	7	7	5
	22	46	47	48	38
4(b) Staff costs for the above persons (excluding executive Directors):					
Salaries and wages	283,996	310,612	339,174	489,769	375,570
Pension cost	13,724	12,714	7,137	12,808	5,681
	297,720	323,326	346,311	502,577	381,251
4(c) Emolument of Directors					
The remuneration paid to the Directors of the company was:					
Emoluments (including fees, pension contributions and benefits in kind)	405,281	124,913	60,000	80,000	80,000
Amount paid to the highest paid director (excluding pension contributions)	129,696	65,925	60,000	80,000	80,000
 The number of directors of the company (including the highest paid director whose remuneration, excluding pension contributions in respect of services to the company fell within the following ranges:					
Less than N10,000,000	10	9	-	-	-
Over N10,000,000	8	2	1	1	1
	18	11	1	1	1

Notes to the consolidated financial statements – continued

For the period ended 31 December

	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000
5. Interest Expenses					
Interest on loan	259,754	137,053	2,043,882	4,534,201	5,503,057
Less interest income	-	-	(40,148)	-	(6,724)
	259,754	137,053	2,003,734	4,534,201	5,496,333
6. Exceptional Items					
Write back of provision for investment on oil block	-	2,849,087	-	-	-

In May 2006, the company invested in an oil block (OPL 281). In November 2007, this was cancelled by the Federal Government and full provision was made for the oil block in the company's books. However, in February 2011, the Federal Government revalidated the oil block. An adjustment was passed in the books in the prior year to reverse the provisions earlier made for the oil block.

7. Taxation

Current income tax	78,183	102,924	83,600	31,349	-
Education tax	-	29,666	-	-	-
Tax on franked investment income	283,333	-	-	-	-
Deferred tax	361,516	132,590	83,600	31,349	-
	361,516	132,590	83,600	31,349	-

The movement in tax payable in the years are as follows:

At 1 January,	247,539	114,949	31,349	-	-
Provision for the year	361,516	132,590	83,600	31,349	-
Payment during the year	(482,868)	-	-	-	-
At 31 December	126,187	247,539	114,949	31,349	-

Notes to the consolidated financial statements – continued

For the year ended 31 December

	2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000
8. Earnings / (Loss) per share					
Profit (Loss) attributed to Shareholders of the company	777,909	3,324,259	17,366	(5,441,587)	(6,868,420)
Weighted average number of ordinary Shares in issue	25,813,998	25,813,998	22,513,672	22,513,672	9,409,863
Basic earnings/(loss) per share (Naira)	0.03	0.13	0.00	(0.24)	(0.73)

9.	Property, Equipment	Plant &	Leasehold Land & Building N'000	Furniture & Fittings N'000	Plant & Machinery N'000	Motor Vehicles N'000	Computer & Office equipment N'000	Total N'000
Cost:								
			591,477	68,538	14,042	57,330	105,822	837,209
			-	-	-	60,587	4,527	65,114
			(57,598)	(21,448)	(4,895)	(98,530)	(23,776)	(206,247)
			533,879	47,090	9,147	19,387	86,573	696,076
Depreciation:								
			17,116	64,993	13,682	31,562	104,942	232,295
			6,403	703	360	18,130	4,261	29,857
			(15,858)	(18,727)	(4,895)	(46,316)	(23,637)	(109,433)
			7,661	46,969	9,147	3,376	85,566	152,719
Net book amount:								
			526,218	121	-	16,011	1,007	543,357
			574,361	3,545	360	25,768	880	604,914
			508,524	17,253	11,135	14,406	-	551,318
			511,405	30,961	23,221	15,051	-	580,638
			513,961	33,415	39,839	21,909	-	609,124

The unexpired lease term on land is 93 years

Notes to the consolidated financial statements – continued

For the period ended 31 December

	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000
10. Long term investments					
Transnational Hotels and Tourism Services Limited	13,868,523	13,868,523	13,868,523	13,868,523	13,868,523
NITEL			-	63,181,907	63,181,907
Oil Block	5,038,780	2,849,087	2,849,087	2,849,087	2,849,087
Transcorp Metropolitan Hotels and conferencing Ltd.	1,661,320	1,661,320	-	-	-
Other subsidiaries company	108,200	108,200	108,200	108,200	21,000
Teragro Commodities Limited	-	3,095	-	-	-
	20,676,823	18,490,225	16,825,810	80,007,717	79,920,517
Provision for bad and doubtful investments	-	-	(2,849,087)	(2,849,087)	(2,849,087)
	20,676,823	18,490,225	13,976,723	77,158,630	77,071,430
Movement in investment in subsidiaries is analysed as follows:					
At beginning of year	18,490,225	13,976,723	77,158,630	77,071,430	77,063,003
Additions – cost	2,189,693	4,513,502	-	87,200	8,427
Disposal of subsidiary	-	-	(63,181,907)	-	-
Transfer to subsidiary	(3,095)	-	-	-	-
	20,676,823	18,490,225	13,976,723	77,158,630	77,071,430

(i) In December 2005, the company made payments to the BPE of N13.87 Billion in respect of the acquisition of 2,550,000 shares of Transnational Hotels and Tourism Services Limited (THTSL), formerly (NIRMSCO Properties Limited), a company that owns and operates a hotel in Abuja, currently named the Transcorp Hilton Abuja, being 51% of the outstanding capital of the company.

(ii) In November 2006 the company paid N63 Billion to acquire 51% of the ordinary shares of Nigerian Telecommunication Plc (NITEL). The consideration for this acquisition was cash. NITEL has been unable to prepare consolidated financial statements (Which includes its wholly owned subsidiary (MTEL) and so has not been included in this consolidated financial statements in June of 2009, the Federal Government of Nigeria cancelled the purchase agreement and the Company was refunded the N63b cash consideration in September 2009. That amount has been used to repay the loan taken from a consortium of banks to acquire NITEL.

Notes to the consolidated financial statements – continued

For the period ended 31 December

	2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000
10b. Long term investments (Cont)					
Investments in subsidiary companies eliminated on consolidation include:					
Transnational Hotels and Tourism Services Limited	13,868,523	13,868,523	13,868,523	13,868,523	13,868,523
Transcorp Refining Company Limited	1,000	1,000	1,000	1,000	1,000
Transcorp Telecomms Limited	10,000	10,000	10,000	10,000	10,000
Telecommunications Backbone Development Company Limited	9,900	9,900	9,900	9,900	
Teragro Commodities Limited	9,500	9,500	9,500	9,500	
Transcorp Hotels and Leisure Limited	9,500	9,500	9,500	9,500	
Transcorp Infrastructure Limited	9,500	9,500	9,500	9,500	
Transcorp Trading and Logistics Limited	10,000	10,000	10,000	10,000	10,000
Transcorp Commodities Limited	9,500	9,500	9,500	9,500	
Transcorp Hilton Limited	9,900	9,900	9,900	9,900	
Allied Commodities Limited	9,500	9,500	9,500	9,500	
Transcorp Energy Limited	9,900	9,900	9,900	9,900	
Transcorp Properties Limited	10,000	10,000	10,000	10,000	
Transcorp Metropolitan Hotels and Conferencing Limited	1,661,320	1,661,320	-	-	-
	15,638,043	15,638,043	13,976,723	13,976,723	13,889,523

Notes to the consolidated financial statements – continued

For the period ended 31 December

10c. The summarised financial information of the subsidiary companies is as follows:

Subsidiaries	Year of incorporation	Country of incorporation	Nature of business	Issued Share Capital N'000	Group's interest
Transnational Hotels and Tourism Services Limited	2005	Nigeria	Rendering of hospitality services.	5,000	51%
Transcorp Refining Company Limited	2005	Nigeria	Oil and gas consultancy, exploration, refining and marketing.	1,000	100%
Transcorp Telecomms Limited	2006	Nigeria	Distribution of global system for mobile communication.	10,000	100%
Telecommunications Backbone Development Company Limited	2008	Nigeria	Internet service providers, browsing and e-mail services.	10,000	99%
Teragro Commodities Limited	2008	Nigeria	Cultivate the soil, and grow food, cash and fodder crops.	10,000	95%
Transcorp Hotel and Leisure Limited	2008	Nigeria	Car rental, hiring and protocol services.	10,000	95%
Transcorp Infrastructure Limited	2008	Nigeria	Power generation distribution and sale.	10,000	95%
Transcorp Trading and Logistics Limited	2006	Nigeria	General maritime operations including transportation.	10,000	100%
Transcorp Commodities Limited	2008	Nigeria	Dealer in agricultural and mineral products.	10,000	95%
Transcorp Hilton Limited	2008	Nigeria	Manage hotels, cafeterias, eateries, dinners, canteens, cafes, pizzerias, snack bars, etc.	10,000	99%
Allied Commodities Limited	2008	Nigeria	Sale and purchase of wholesale and retail Commodities.	10,000	95%
Transcorp Energy limited	2008	Nigeria	Mining refining and supply merchants of mining produce.	10,000	99%
Transcorp Properties Limited	2008	Nigeria	Building Contractors, Decorators, Merchants and Dealers in stone, sand, lime, iron etc.	10,000	100%
Transcorp Metropolitan Hotels and Conferencing Ltd.	2010	Nigeria	Rendering of Hospitality	5,000	100%

Notes to the consolidated financial statements – continued

10d. Condensed results of operations for subsidiaries as at 31 June,2012

Condensed profit and loss accounts	TRG N'000	THTSL N'000	TMHCL N'000
Turnover	-	13,724,724	352,074
Gross profit	-	8,853,397	117,227
Operational profit/(loss)	(84,131)	5,425,878	(150,067)
Profit/(loss) before taxation	(84,131)	5,425,878	(150,067)
Taxation	-	1,531,142	(1,174)
Profit/(loss) after taxation	(84,131)	6,957,020	(151,241)
Condensed financial information			
Current assets	42,642	13,238,994	93,990
Current liabilities	(372,116)	7,532,108	1,381,811
Net assets/(liabilities)	(74,130)	9,056,732	(575,569)
Condensed cash flow			
Net cash generated from operating activities	244,945	5,214,162	28,458
Net cash used in investing activities	(98,048)	(234,788)	(6,061)
Net cash used in financing activities	372,116	(5,555,556)	-
Movement in cash and cash equivalents	29,123	(576,182)	22,397
subsidiary financing split			
cash and bank balances	29,123	6,710,731	27,781

All the above subsidiaries have no operations for the year.

10e. Short-term investments

Short-term investments represent investments held by the company with BGL under asset management.

	Year Ended 31-Dec-11 N'000	Year Ended 31-Dec-10 N'000	Year Ended 31-Dec-09 N'000	Year Ended 31-Dec-08 N'000	Year Ended 31-Dec-07 N'000
11. Receivables and Prepayments					
Other receivables and prepayments	68,026	181,505	125,078	6,290,635	14,588,833
Due from related companies (Notes 24d)	1,640,422	1,199,747	-	-	-
Dividend Receivable	121,541	-	417,591	135,632	132,458
Provision for bad and doubtful debts	(31,415)	-	-	-	-
	1,798,574	1,381,252	542,669	6,426,267	14,721,291
Provision for NITEL receivables	-	-	(33,437)	(1,513,785)	(3,561,381)
	1,798,574	1,381,252	509,232	4,912,482	11,159,910

Notes to the consolidated financial statements – continued

For the year ended 31 December

	2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000
12. Cash and cash equivalents					
Cash and bank balance	135,526	845,093	1,363,443	545,179	1,699,693
Restricted cash	-	201,518	-	-	-
	135,526	1,046,611	1,363,443	545,179	1,699,693
<p>Restricted cash relates to three months' principal and interest on the N1.85 million loan obtained from UBA, which the company is expected to keep in a debt reserve account anytime throughout the duration of the loan. The loan was restructured into a N2.3 billion facility in 2012. No restricted cash is expected to be kept by the Company under the term of the restructured facility.</p>					
13. Bank Overdraft					
Bank Overdraft	-	-	291,538	291,360	16,029
14. Payables and accrued expenses					
Trade Creditors	-	-	14,177	37,547	23,828
Accrued interest	-	-	-	3,100,925	5,446,468
Other Payable & accruals	490,152	238,918	117,767	110,829	74,526
Due to related companies(Note 24c)	4,197,771	3,942,269	108,200	108,200	21,000
	4,687,923	4,181,187	240,144	3,357,501	5,565,822
15. Borrowings					
a. Borrowings falling due within a year					
UBA Plc	259,111	528,571	-	63,780,000	-
b. Borrowings falling due after one year					
UBA Plc	2,094,478	1,321,429	-	-	63,780,000

Notes to the consolidated financial statements – continued

The average interest rate on borrowings for the financial year ended 31 December 2011 was 16%. The loan was restructured in December 2011 to loan with a tenor of 110 months. The repayment of the principal commenced in December 2011. The loan is secured by a legal mortgage over the Metropolitan Hotel property, pledge of shares of Kingsville Hotels Limited and a negative pledge over the fixed and floating assets of the borrower, Transnational Corporation of Nigeria.

	Year ended 31-Dec-11	Year ended 31-Dec-10	Year ended 31-Dec-09	Year ended 31-Dec-08	Year ended 31-Dec-07
	N'000	N'000	N'000	N'000	N'000
16. Deferred revenue					
Deferred revenue	1,876,620	-	-	-	-

17. Share capital

a. Authorized:					
36,000,000,000 ordinary shares of 50 kobo each	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Allotted, called up and fully paid:25,813,998,283,22,513,672,183 (2007-2009)ord. Shares of 50 kobo each	12,906,999	12,906,999	11,256,836	11,256,836	11,256,836

Between 2006 & 2007, the company received #44billion as consideration for 22billion ordinary shares issued via private placements and the initial public offering.

	Year ended 31-Dec-11	Year ended 31-Dec-10	Year ended 31-Dec-09	Year ended 31-Dec-08	Year ended 31-Dec-07
	N'000	N'000	N'000	N'000	N'000
b. Share premium					
Share premium	27,071,664	27,071,664	28,721,827	28,721,827	28,721,827

The deposit for shares is represented by the proceeds from 1, 934 subscribers through a private placement of the Company's shares which as at 31 December 2006 has not yet been allotted. Capital raising expenses totaling N3.7 billion have been written off against share premium.

	Year ended 31-Dec-11	Year ended 31-Dec-10	Year ended 31-Dec-09	Year ended 31-Dec-08	Year ended 31-Dec-07
	N'000	N'000	N'000	N'000	N'000
18. Revenue reserves					
At start of the year	(24,734,387)	(24,224,578)	(24,241,944)	(18,800,357)	(11,931,937)
Adjustment to prior year reserves	(1,812,224)	(3,834,068)	-	-	-
Profit/(loss) for the year	777,909	3,324,259	17,366	(5,441,587)	(6,868,420)
	(25,768,702)	(24,734,387)	(24,224,578)	(24,241,944)	(18,800,357)

Adjustments to prior year reserves represent loans and taxes for prior years not recorded.

Notes to the consolidated financial statements – continued

For the year ended 31 December

	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000
19. Cash generated from operating Activities					
Profit (loss) Before Tax	1,399,179	744,815	100,966	(5,410,238)	(6,868,420)
Adjustment for non cash item					
Depreciation	29,857	43,986	41,173	58,705	58,366
Fixed assets written off	40,850	-	-	-	-
Fixed assets transfer to subsidiaries	16,879	-	-	-	-
Interest received	(16,573)	(42,942)	(40,148)	-	(6,724)
Interest Payment	-	-	2,043,882	4,534,201	5,503,057
Adjustment to reserves	(1,812,224)	(3,834,069)	-	-	-
Other adjustments to reconciles expenses for the year to cash from operating activities					
Decrease/(Increase)in debtors and Prepayment	(417,322)	(872,020)	4,403,250	6,247,428	(10,923,138)
(Decrease)/Increase in payables & accrued expenses	506,736	3,941,043	(3,117,358)	(2,208,322)	(3,179,577)
Increase/Decrease in deferred revenue	1,876,620	-	-	-	-
	1,624,002	(19,187)	3,431,765	3,221,774	(15,416,436)

20. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no material capital commitments and contingent liabilities at 31 December 2011 that will have impact on these financial statements.

21. Going Concern

The financial statements have been prepared on a going concern basis. Management have no doubt that the company would remain in existence after 12 months.

22. Subsequent events

In year 2012, a deed of amendment was executed between Transnational Corporation of Nigeria Plc, EER and SACOIL in respect of the Company's (i.e. Transcorp) oil concession block OPL281. The deed provides that SACOIL/EER will pay (among others) the sum of twenty four million, five hundred thousand United States dollars to Transcorp to obtain a 40% participating interest in concession block OPL281. The sum of twelve million five hundred thousand United states dollars had been paid to Transcorp during the year ended 31 December,2011 and the balance is expected in year 2012 subject to final approval from the appropriate regulatory authorities

Notes to the consolidated financial statements – continued

23.

In march 2012, the Company's subsidiary, Teragro Commodities Limited commissioned its Benfruits Juice Concentrate processing plant in Makurdi. The factory is leased from Benue State Government. The plant will process mango and orange concentrates from the vast supply of oranges and mangoes in Benue area and sell the concentrates to orange and mango juice manufacturers.

24a. Ministry of Finance Incorporated

Ministry of Finance Incorporated (MOFI) owns 49% of Transnational Hotels and Tourism Services Limited (THTSL) shares and is represented on the board of the board of the Company. No transactions occurred between the Company and MOFI during the year.

b. Loans to directors

No loans were granted to the directors of the Company during the year.

c. Due to related companies	Year ended	Year ended	Year ended	Year ended	Year ended
	31 Dec.2011	31 Dec.2010	31 Dec.2009	31 Dec.2008	31 Dec.2007
	N'000	N'000	N'000	N'000	N'000
Transcorp Refining Company Limited	1,000	1,000	1,000	1,000	1,000
Transcorp Telecomms Limited	10,000	10,000	10,000	10,000	10,000
Telecommunications					
Backbone Development	9,900	9,900	10,000	10,000	-
Coy. Ltd					
Teragro Commodities Limited	9,500	9,500	10,000	10,000	-
Transcorp Hotels and					
Leisure Limited	9,500	9,500	10,000	10,000	-
Transcorp Infrastructure Limited	9,500	9,500	10,000	10,000	-
Transcorp Trading and Logistics Limited	10,000	10,000	10,000	10,000	10,000
Transcorp Commodities Limited	9,500	9,500	10,000	10,000	-
Transcorp Hilton Limited	9,900	9,900	10,000	10,000	-
Allied Commodities Limited	9,500	9,500	10,000	10,000	-
Transcorp Energy Limited	9,900	9,900	10,000	10,000	-
Transcorp Properties Limited	10,000	10,000	10,000	10,000	-
Transnational Hotels &					
Tourism Services Limited	4,089,571	3,834,069	7,225	23,236	5,721
	4,197,771	3,942,269	118,225	134,236	26,721

Notes to the consolidated financial statements – continued

d.

Due from Related Companies	Year ended		Year ended		Year ended		Year ended		Year ended
	31 Dec. 2011		31 Dec. 2010		31 Dec. 2009		31 Dec. 2008		31 Dec. 2007
	N'000		N'000		N'000		N'000		N'000
Transnational Hotels & Tourism Services Limited	25,990		-		-		-		-
Transcorp Metropolitan Hotels and Conferencing Limited	1,240,816		1,199,747		-		-		-
Teragro Commodities Limited	372,116		-		-		-		-
Transcorp Energy Limited	1,500		-		-		-		-
Kingville	-		-		-		-		-
	1,640,422		1,199,747		-		-		-
	N'000	%	N'000	%	N'000	%	N'000	%	N'000
	2011		2010		2009		2008		2007
Revenue	2,833,333	164	2,382,396	60	2,785,728	(179)	2,561,652	(27)	2,037,282
Bought in services (local)	(663,946)	(38)	947,291	24	(2,606,405)	167	(7,171,013)	76	(9,000,880)
Bought in services (foreign)	(442,631)	(26)	631,527	16	(1,737,603)	112	(4,780,675)	51	(6,000,586)
VALUE ADDED/(ERODED)	1,726,756	100	3,961,214	100	(1,558,280)	100	(9,390,036)	100	(12,964,184)
Distributed as follows:									
Employees:									
To pay salaries, wages & other staff costs	297,720	17	323,326	8	346,311	(22)	489,769	(5)	371,368
Government:									
Taxation	361,516	21	132,590	3	-		-		-
Providers of capital:									
To pay interest on borrowings	259,754	15	137,053	3	(2,043,882)	131	(4,534,201)	48	(5,503,057)
Maintenance and expansion of assets:									
Depreciation	29,857	2	43,986	1	41,173	(3)	58,705	(1)	58,365
Profit/(loss) for the year	777,909	45	3,324,259	84	98,118	(6)	(5,404,309)	58	(7,890,860)
VALUE DISTRIBUTED	1,726,756	100	3,961,214	100	(1,558,280)	100	(9,390,036)	100	(12,964,184)

1. Consolidated Profit and Loss Account

The following is the full year summary of the Company's Unaudited Profit and Loss Accounts ending 31st December, 2012

	Notes	Unaudited 31/12/2012 N'000	12months Audited 31/12/2011 N'000
CONTINUING OPERATIONS			
Revenue	2	2,258,255	2,833,333
Cost of Sale		-	-
Gross Profit		2,258,255	2,833,333
Other Gain and (Loss)	3	306,946	-
Administrative Expense	4	(1,198,754)	(1,451,646)
Other Income		-	-
Other Expenses		-	-
Operating Profit/(Loss)		1,366,447	1,381,687
Finance income	5	1,877,004	17,492
Finance costs	6	(491,703)	(259,754)
Net Finance Income/(Costs)		1,385,301	(242,262)
Profit Before Income Tax		2,751,748	1,139,425
Income Tax Expense		(166,881)	(361,516)
Profit for the Period from Continuing Operations		2,584,868	777,909
Discontinued Operations		-	-
Profit for the Period		2,584,868	777,909
Other Comprehensive Income (net of Taxes)			
Gains on revaluation of investment property		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,584,868	777,909
Attributable to:			
Owners of the Company		2,584,868	777,909
Non-controlling interest		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,584,868	777,909

2. Consolidated Balance Sheet

The following is the summary of the Company's Unaudited Group Balance Sheet as at 31st December 2012

		Unaudited 31/12/2012 N'000	Audited 31/12/2011 N'000
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	7	65,556	543,357
Investment property		1,200,000	-
Intangible Assets		-	-
Investment in Subsidiaries	8	26,699,003	20,676,823
Available-For-Sale Financial Assets		-	-
		27,964,559	21,220,180
Current Assets			
Inventories		-	-
Trade and Other Receivables	9	3,212,374	1,829,989
Financial Assets Held-To-Maturity		-	-
Available-For-Sale Financial Assets		-	-
Financial Assets at Fair Value Through Profit or Loss	10	2,692,824	100,000
Cash and Cash Equivalents	11	4,685,060	135,526
		10,590,259	2,065,515
TOTAL ASSETS		38,554,818	23,285,695
EQUITY			
Share Capital		12,906,999	12,906,999
Share Premium		1,302,962	27,071,664
Revaluation reserve		5,101	-
Retained Earnings(Losses)		3,278,905	(25,737,287)
Equity Attributable to Owners of the Company		17,493,967	14,241,376
Non-controlling interest		-	-
Total Equity		17,493,967	14,241,376
LIABILITIES			
Non-Current Liabilities			
Borrowings	12a	9,866,353	2,094,478
Deferred income tax liability		-	-
Provisions for other liabilities and charges		-	-
		9,866,353	2,094,478
Current Liabilities			
Trade and other Payables	13	550,195	276,107
Current Income tax liabilities	14	292,960	126,187
Borrowings	12b	3,085,952	259,111
Provision for other liabilities and charges	15	2,323,222	2,090,665
Intercompany Payable	16	4,942,170	4,197,771
		11,194,498	6,949,841
Total Liabilities		21,060,851	9,044,319
TOTAL EQUITY AND LIABILITIES		38,554,818	23,285,695

3. Consolidated Statement of Cash Flow

The following is the summary of the Consolidated Statement of Cashflow for the Company's Unaudited Account as at 31st December 2012

	Unaudited 31/12/2012 N'000	Audited 31/12/2011 N'000
Cash flows from operating activities		
Operating Profit (loss) before Working Capital changes	1,383,705	1,399,179
Working Capital changes	<u>(156,625)</u>	<u>260,024</u>
Net cashflow from operating activities	1,227,080	1,659,203
Cash flows from investing activities		
Purchase of property, plant and equipment	(47,948)	(61,232)
Net movements in Investments & Inv. in Subsidiaries	(7,156,213)	(2,286,598)
Interest received	419,713	16,573
Cash flows from investing activities	<u>(6,784,448)</u>	<u>(2,331,257)</u>
Cash flows from financing activities		
Net movement on Deposit for shares/Share Capital	-	-
Net increase/(decrease) in bank loans & Overdrafts	10,598,715	503,589
Interest payment	(491,703)	(259,754)
Payment for Company income tax	<u>(108)</u>	<u>(482,868)</u>
Net cash inflow from financing activities	10,106,904	(239,033)
Net increase in cash and cash equivalents	<u>4,549,534</u>	<u>(911,085)</u>
Opening Balance	135,526	1,046,611
Closing Balance	4,685,060	135,526

4. Notes to the Consolidated Management Account

1 The Company

The company was incorporated 16th November, 2004 as a response to the various Private Sector Economic reform initiatives being promoted by the FGN. The company's aims to invest in the following key sectors: Hospitality, Energy and Agro-Allied businesses.

	Unaudited 31/12/2012 N'000	Audited 31/12/2011 N'000
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2 Analysis of revenue

(a) Analysis by geographical area:

Nigeria	2,258,255	2,833,333
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As at balance sheet date the Company had earned revenue from its primary investment activities:

(b) Analysis by operational segment:

Dividend Income	2,258,255	2,833,333
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3 Other Gain/(Loss)

Insurance Claims	230	-
Gain on disposal of PPE	4,112	-
Gain on sale of investment	302,605	-
	306,946	-

4 Administrative Expenses

Staff cost	254,978	297,720
Directors Allowances and expenses	114,291	405,281
Business development	305,053	-
Donations	101,650	-
Travel and accommodation	58,359	94,637
Depreciation	17,258	29,857
Legal & Professional fees	117,753	161,705
Auditor's remuneration	33,611	46,745
Advertising	17,191	22,379
Security	7,556	51,417
Subscriptions	6,280	8,390
Insurance	9,989	15,582
Electricity	242	13,567
Diesel	11,546	20,340
Rent & Rates	40,637	73,727
Licences & Fees	7,210	37,784
Fuel and Oil	955	23,856
Printing & Stationery	23,567	15,482
Telephone, Fax & Internet	8,329	17,242
Postage & Courier	29,840	9,168
Newspaper, Mags & Books	485	15,480
Offices Supplies	5,791	10,816
Repairs & Maintenance	16,875	68,883
Cleaning	4,288	10,876
Water Rates	28	7
Others	4,991	703
	1,198,754	1,451,646

5 Finance income

Returns on Treasury Bills	36,720	-
Returns on short-term deposits	382,992	17,492
Fair value gain on financial assets at FV through Profit and Loss	1,457,292	-
	1,877,004	17,492

6 Finance costs

Interest on Borrowing	473,373	259,754
Bank Charges	18,330	-
	491,703	259,754

7 Fixed Assets

	Building Improvements =N='000	Plant & Machinery =N='000	Office Equip. Furn. & Fittings =N='000	Motor Vehicle =N='000	Total =N='000
Cost					
86572087.92 At beginning January 1, 2012	533,878	9,147	133,661	19,387	696,073
-26673113.55 Additions	3,172	65	9,512	35,200	47,948
59,898.97 Disposal /adjustments	-	(7,388)	(99,890)	(9,640)	(116,918)
Reclassification to investment property	(533,878)	-	-	-	(533,878)
Total as at 31/12/2012	3,172	1,823	43,283	44,947	93,225
47,089,326.35 (16,609,700.62) Depreciation					
30,479.63 At beginning January 1, 2012	7,660	9,147	132,533	3,376	152,716
Charge	144	457	7,519	9,139	17,258
Disposal /adjustments	(7,660)	(8,690)	(123,713)	(2,243)	(142,306)
Total as at 31/12/2012	144	913	16,339	10,272	27,669
NBV as at December 31, 2012	3,028	910	26,944	34,675	65,556
NBV as at December 31, 2011	526,218	-	1,128	16,011	543,357

Notes to the Consolidated Management Account cont'd

	Un-audited 31/12/2012 N'000	Audited 31/12/2011 N'000
8a Investment in Subsidiaries		
Investments in Transnational Hotels and Tourism Services Ltd	13,868,523	13,868,523
Investment in Transcorp Metropolitan Hotels & Conferencing Limited	-	1,661,320
Other subsidiaries companies	108,200	108,200
Investment in Oil Block	5,040,280	5,038,780
Total	19,017,003	20,676,823
8b Investment work in progress		
Transaction WIP - Transcorp Ughelli Power Ltd	7,682,000	-
Transaction WIP - Teragro Commodities Limited	-	-
Total	7,682,000	-
Total	26,699,003	20,676,823
9 Trade and other Receivables		
Sundry Debtors	510,142	5,372
Prepayments	193,125	62,654
Dividend Receivables	2,258,255	121,541
Intercompany debtors	250,852	1,640,422
Total	3,212,374	1,829,989
10 Financial Assets at Fair Value Through Profit and Loss		
Short-term investment under BGL Asset Management (original cost N1,235,532,762.63)	2,692,824	100,000
11 Cash and Cash Equivalents		
Bank balances & deposits	4,685,002	135,524
Short-term Treasury Bill investment (face value less unearned interest)	-	-
Cash in Hand	59	2
Total	4,685,060	135,526
12a Borrowings		
Term Loan from UBA Plc due over one year	9,866,353	2,094,478
12b Borrowings		
Term Loan from UBA Plc- due within one year	3,085,952	259,111
Total	12,952,304	2,353,589
13 Trade and other Payables		
PAYE Due	14,718	1,129
Withholding Tax	39,876	40,586
Pensions remittance	2,943	6,199
Staff Leave Payable	-	0
Other creditors	492,657	228,193
	550,195	276,107
14a Current Income Tax Liabilities		
Per Profit and loss account		
Income Tax	166,881	361,516
Education Tax	-	-
	166,881	361,516
14b Per balance sheet		
As at January 1, 2012	126,187	247,539
Add Charge for the period	166,881	361,516
Payments during the year	108	482,868
	292,960	126,187
15 Provision for other liabilities and charges		
Accrued Professional fees	-	181,922
Deferred income	1,876,800	1,876,620
Other accrued expenses	446,422	32,123
	2,323,222	2,090,665
16 Intercompany Payable		
Due to THTSL	4,833,970	4,089,571
Due to Other subsidiaries	108,200	108,200
	4,942,170	4,197,771

1. Incorporation and Share Capital History

The initial authorized share capital of the Company at incorporation was N100,000,000 divided into 100,000,000 ordinary shares of ₦1.00 each. At present, the authorized share capital of the Company is N18,000,000,000 divided into 36,000,000,000 ordinary shares of 50 kobo each, of which N12,906,999,142 divided into 25,813,998,283 ordinary shares of 50 kobo each is fully paid up. The following changes have taken place in the Company's authorized and issued Capital:

Date	Authorized From Units	Authorized To Units	Issued From Units	Issued To Units	Consideration
2004	Nil	100,000,000	Nil	100,000,000	Cash
2006	100,000,000	200,000,000	25,000,000	50,000,000	Stock Split
2006	200,000,000	36,000,000,000	50,000,000	18,553,905,526	Cash
2007	36,000,000,000	36,000,000,000	18,553,905,526	25,813,998,283	Cash
2013	36,000,000,000	45,000,000,000	25,813,998,283	25,813,998,283	

Source: Transcorp Board of Directors

2. Shareholding Structure

As at 30 June 2012, the 25,813,998,283 ordinary shares of 50 kobo each, issued and fully paid up capital of Transcorp are held as follows:

Shareholder	No of Ordinary Shares	% Holding
▪ HH Capital Limited	5,734,137,904	22.21%
▪ Others	20,079,860,379	77.84%
Total	25,813,998,283	100%

Source: Transcorp Board of Directors

Except as stated above, no other Shareholder held up to 5% of the issued share capital of Transcorp as at the date of this document.

3. Directors' Beneficial Interests

The beneficial interest of Directors in the issued share capital of the Company as recorded in the Register of Members and/or notified by them for the purpose of Section 275 of CAMA as at 31st December 2012 are as follows:

Director	Direct	Indirect	Total	%
▪ Mr. Tony O Elumelu, CON	11,752,769	5,720,232,904	5,731,985,673	22.21
▪ Mr. Obinna Ufudo	3,931,000	-	3,931,000	0.02
▪ Olorogun O'tega Emerhor, OON	-	189,344,966	189,344,966	0.73
▪ Ms Angela Aneke	4,106,720	1,000,000,000	1,004,106,720	3.93
▪ Dr Julius Kpaduwa	-	33,333,334	33,333,334	0.13
▪ Alhaji Mohammed Nasir Umar	-	3,735,500	3,735,500	0.01
▪ Mr. Kayode Fasola	1,000,000	-	1,000,000	0.00
▪ Mr. Stanley Inye Lawson	-	-	-	0.00
▪ Mr. Chibundu Edozie	-	16,428,066	16,428,066	0.06
Total	20,790,489	6,963,074,770	6,983,865,259	27.05

Source: Transcorp Board of Directors

Save as disclosed, none of the directors of Transcorp has notified the Company of having any other interest in its share capital.

4. Statement of Compliance with Corporate Governance

Transnational Corporation of Nigeria Plc (“Transcorp” or the “Company”) is committed to protecting and promoting the interests of its shareholders. In line with this, the Company recognizes the importance of adopting sound management principles throughout the organization aimed at promoting transparency, accountability and good corporate governance in order to ensure the long term, sustainable prosperity of its businesses.

The Company adheres to the principles contained in the Securities and Exchange Commission’s Code of Corporate Governance for Public Companies in Nigeria 2011 (the “Code”). The Code prescribes guidelines and rules for best practice for, inter alia, publicly quoted companies whose securities are listed on a recognized stock exchange in Nigeria. Transcorp’s shares were listed on the Nigerian Stock Exchange in December 2006. Although the Code is not intended as a rigid set of rules, it is expected to guide applicable companies in order to facilitate sound corporate practice and behavior. The responsibility for ensuring compliance with or observance of the principles of the Code rests primarily with the Board of Directors of Transcorp (the “Board”) who adopted the Code on 1 October 2011.

Governance Structure

Board of Directors

In 2011, the Board adopted a framework for the promotion of effective governance throughout the Transcorp Group (the “Governance Framework”). In line with the Code, the Governance Framework charges the Board with the responsibility of (i) setting a long term vision and strategy for the Company; (ii) policy formulation; (iii) decision making at the highest level within the organization; and (iv) overseeing the effective management and performance of the Company.

Board Composition and Structure

The Board consists of nine (9) members made up of one executive and eight non-executive directors and is therefore of sufficient size in relation to the scale and complexity of the Company’s operations. The Board comprises a unique blend of talented and experienced individuals with diverse backgrounds covering different sectors including ones in which the Company holds strategic assets. The directors are all upstanding notable professionals and entrepreneurs who have all achieved measurable success in their respective fields. Each Board member has the requisite knowledge, qualifications, expertise and integrity required to effectively discharge the duties of the Board.

In accordance with the provisions of the Companies and Allied Matters Act, 2004 (CAMA) and the Governance Framework, the Chairman of the Board ensures the effective operation of the Board and presides over the Board’s proceedings. The Chairman is a non-executive director who is not involved in the day-to-day operations of the Company, which are effectively delegated to the President/CEO. Transcorp’s Chairman provides overall leadership and direction for the Board and the Company in addition to other functions in line with the Code, the Company’s memorandum and articles of association and CAMA.

Details of the current directors of Transcorp are set out on page 8 of this Rights Circular.

Board Committees

Pursuant to the powers granted to the Board by CAMA and the Company’s Memorandum and Articles of Association, the Board has created the following committees and delegated to these committees such powers as the Board deems necessary. These powers are set out in written terms of reference as prescribed by the Code:

Nomination and Governance Committee (NGC)

The terms of reference of the NGC include to:

- Establish procedures for the nomination of directors;
- Advise and recommend to the Board the composition of the Board’s membership;
- Approve recruitments, promotions, redeployments and disengagements for management sitting on the Executive Management Committee;
- Review and evaluate the skills of Board members;
- Make recommendations on matters pertaining to Board remuneration;
- Recommend to the Board compensation for staff of the Company and subsidiary Boards including CEOs;
- Advise the Board on corporate governance standards and policies;
- Review and approve all human resources and governance policies for the Group;

STATUTORY & GENERAL INFORMATION

- Review and recommend to the Board and Shareholders any changes to the memorandum and articles of association; and
- Evaluate and appraise the performance of the Board and Board Committees and their members annually in conjunction with independent consultants.

Membership of the NGC comprises:

Name of Director	Designation
Ms. Angela Aneke	Chairman
Mr. Kayode Fasola	Member
Mr. Chibundu Edozie	Member

Finance and Investment Committee (FIC)

The terms of reference of the FIC include to:

- Discharge the Board's responsibilities with regard to strategic direction and budgeting;
- Provide oversight on financial matters and the performance of the Transcorp Group;
- Review and recommend investment opportunities or initiatives to the Board for decision
- Recommend financial and investment decisions within its approved limits;
- Assist the Board in fulfilling its oversight responsibilities with regard to audit and control
- Ensure that effective system of financial and internal control is in place;
- Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of the Transcorp Group; and
- Monitor and evaluate on a regular basis, the qualifications, independence and performance of external and internal auditors and the financial control departments.

The FIC is made up of the following directors:

Name of Director	Designation
Mr. Chibundu Edozie	Chairman
Mr. Obinna Ufudo	Member
Mr. Kayode Fasola	Member
Ms. Angela Aneke	Member
Alhaji Mohammed Nasir Umar	Member

In addition to the above committees, the Company's statutory Audit Committee (SAC) as provided for by CAMA is broadly empowered, amongst other things, to review Transcorp Group's financial reporting processes, its systems of audit, internal controls and management of financial risk with a view to ensuring compliance with statutory, regulatory and professional requirements. In addition to the powers conferred on the SAC by CAMA, SAC is also empowered to engage the services of independent consultants in the discharge of its duties. The Committee which also reviews the performance of external auditors to the Company is chaired by a shareholder and has two other shareholders and three directors as members as follows:

Name	Designation	Status
Chief Sylvanus C. Ezendu ⁷	Chairman	Shareholder
Alhaji Abu Jimah	Member	Shareholder
Mr. John Umobuarie Isesele	Member	Shareholder
Olorogn O'tega Emerhor OON	Member	Director
Ms. Angela Aneke	Member	Director

The Company's Internal Audit function is headed by the Chief Internal Auditor (CIA) who is a member of the EMC (as defined below). The CIA reports directly to the SAC whilst having a line of communication with the President/CEO. The CIA has unrestricted access to the Chairman of the SAC as well as the Chairman of the Board in accordance with the provisions of the Code.

⁷ Chief Ezendu passed away on 17th March 2013. A new chair is yet to be appointed

Executive Management

Under an Executive Management Charter adopted by the Board on 1 October 2011 (the “Management Charter”), a clearly defined delegation of authority is prescribed with specific decision making powers of the Board being vested in the President/CEO. The Management Charter sets out the limits of management’s powers and authority as amended by the Board from time to time. The delegations of authority contained in the Management Charter conform with statutory limitations to the extent applicable and any powers and authorities not expressly delegated to management therein are reserved by the Board. In the execution of the functions of his office, the President/CEO of the Company is supported by an executive management committee (EMC).

The Executive Management Committee comprises the following:

The President/CEO

Chief Finance Officer

Director of Resources

Head, Strategy and Business Transformation

Chief Internal Auditor

Company Secretary

Legal Advisor

And other departmental heads as may be approved by the NGC.

Re-election of Directors

A maximum of one third of the Non-Executive directors who are the longest in office since their last appointment are required by the Company’s memorandum and articles of association in accordance with CAMA to retire by rotation and such directors are eligible for re-election.

Board Duties and Responsibilities

The Directors act in good faith, with due care and in the best interests of the Company and all its shareholders and not in the interests of any particular shareholder on the basis of relevant information. Each Director is expected to attend all Board of Directors meetings and applicable committee meetings.

The Company does not prohibit its Directors from serving on other Boards as Directors. Directors are however, expected to ensure that other commitments do not interfere with the discharge of their duties. Directors undertake not divulge or use confidential or insider information about the Company.

General Governance

The Board is responsible for the development and implementation of sustainable policies, which reflect the Company’s acknowledgement of its responsibility to all stakeholders of the Company including its customers, employees, shareholders, communities and the environment. For example, the Board adopted a group Whistle-blowing policy pursuant to the Code in 2012.

The Company’s Code of Conduct which was approved by the Board on November 19, 2012 incorporates the principles prescribed by the Code pursuant to its Code of Ethics and statement of Business Practices. The Code encourages the adoption of a communications policy which enables the Board and management to interact with and disseminate information regarding the operations of the Company to shareholders and the general public. The Company publishes and circulates internal and external newsletters and other communications at regular intervals designed to maintain effective communication channels with relevant stakeholders.

The Company adopts rigorous accountability and reporting systems and upholds standards of disclosure which supersede the requirements of CAMA and are based on international best practice.

Transcorp pro-actively promotes and safeguards sound corporate governance standards and practices throughout its organisation and operations.

5. Indebtedness

As at December 31, 2012 Transnational Corporation of Nigeria Plc (Transcorp) had bank loans totaling N13.005 billion that have been extended to the company by United Bank for Africa Plc in the ordinary course of business.

Tenor	Amount
Due within one year	N3.264 Billion
Due after more than one year	N9.841 Billion
Total	₦13.005 Billion

The loans were utilized to finance the company’s investment in its core business areas mainly in the acquisition of Hospitality assets, Oil Prospecting License and Power Generation.

6. Claims and Litigation

As at the date of this Rights circular, the Company in the ordinary course of business is involved in fourteen (14) cases. All the cases were instituted against the Company. The aggregate monetary claim in respect of the cases amounted to N2,725,685,612 and US\$185,500.00 .

The Directors of the Company are of the opinion that none of the pending claims by or against the Company is likely to have any material adverse effect on the Rights Issue and are not aware of any other threatened or pending claims and litigation which may be material to the exercise.

7. Relationship between the Issuer and the Issuing Houses/Other Advisers

As at the date of this Rights Circular, Mr Chibundu Edozie, a director of Transcorp, is also the group deputy managing director of BGL, the lead issuing house to this Rights Issue. The Issuing Houses/other advisers may also hold the ordinary shares of Transcorp in their proprietary position or for investment purposes.

Save as disclosed, there is no other relationship between Transcorp and its advisers except in the ordinary course of business.

8. Cost and Expenses

The costs and expenses of this Rights Issue including fees payable to the SEC, the NSE and professional parties, filing fees, legal fees, and other expenses, brokerage commission and the costs of printing and advertising the Rights Issue are estimated at ₦387,735,406 representing approximately 3% of the gross offer size.

9. Material Contracts

The following agreement has been entered into by Transcorp and is deemed material to this Rights Issue

- A. Vending Agreement dated XX XXX, 2013 and executed between Transcorp, BGL Plc and UBA Capital Plc.
- B. Issuing House Agreement dated XX XXX, 2013 and executed between BGL Plc and UBA Capital Plc
- C. Share Sale Agreement between Bureau of Public Enterprises (BPE) and Ministry of Finance Incorporated and Transcorp Ughelli Power Limited⁸

⁸ In Year 2012, Transnational Corporation of Nigeria Plc (Transcorp) led a consortium that submitted the most financially and technically competitive bid for the acquisition of the 100% stake of the Federal Government of Nigeria (FGN) in Ughelli Power Plc (UPP) under the on-going Power Sector Reforms and Privatization programme. Consequently, the Transcorp consortium was selected as the strategic investor to purchase the aforementioned 100% stake for a total cash consideration of USD300million. The BPE has mandated that a minimum of 30% of the consideration (ie USD90million) be funded from equity while the balance of 70% (USD210million) is to be funded from debt.

The consortium has incorporated a Special Purpose Vehicle (SPV) called Transcorp Ughelli Power Limited (TUP) to raise the acquisition finance and own 100% of UPP. TUP has executed a Share Sale Agreement (SSA) with BPE and MOFI. Under this agreement, TUP shall pay an initial sum of USD75million representing 25% of the consideration on or before March 21, 2013 while the balance of USD225million is due for payment six months after the initial payment. TUP has raised the required equity and paid the initial sum of USD75million to BPE in line with the Share Sale Agreement and is currently raising debt finance to fund the balance. Transcorp owns controlling shares in Transcorp Ughelli Power Limited.

Other than as stated above, Transcorp has not entered into any contracts material to this proposed Rights Issue except in the ordinary course of business.

10. Declarations

Except as otherwise disclosed in this Rights Circular:

1. No share of Transcorp is under option or agreed conditionally or unconditionally to be put under option created or issued by Transcorp;
2. No commissions, discounts, brokerages or other special terms have been granted by Transcorp to any person in connection with the Issue or sale of any share of the Company;
3. Save as disclosed herein, the Directors of Transcorp have not been informed of any holding representing 10% or more of the issued share capital of the Company;
4. There are no founders', management or deferred shares or any options outstanding in Transcorp;
5. There are no material service agreements between Transcorp or any of its Directors and employees other than in the ordinary course of business;
6. No Director of the Company has had any interest, direct or indirect, in property purchased or proposed to be purchased by the Company in the five years prior to the date of this Circular;
7. No Director or key management staff of the Company is or has been involved in any of the following:
 - a. A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;
 - b. A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
 - c. The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
8. There are no amounts or benefits paid or intended to be paid or given to any promoter within the two years preceding the date of the Circular;

11. Mergers and Acquisitions

As part of its growth strategy, Transcorp will continue to explore merger and acquisition opportunities relevant to its business. In line with this strategic focus, Transcorp had acquired Ughelli Power Plc.

12. Consents

The following have given and have not withdrawn their written consents to the issue of this Rights Circular with the inclusion of their names and reports (where applicable) in the form and context in which they appear:

Directors of the Company:

CHAIRMAN

Mr. Tony O. Elumelu, CON
38, Glover Road, Ikoyi, Lagos

PRESIDENT/CHIEF EXECUTIVE OFFICER

Mr. Obinna Ufudo
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Olorogun O'tega Emerhor (OON)
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Dr. Julius Kpaduwa
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Ms. Angela Aneke
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Mr. Chibundu Edozie
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Mr. Kayode Fasola
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Dr. Stanley Lawson
38, Glover Road, Ikoyi, Lagos

NON EXECUTIVE DIRECTOR

Alhaji Mohammed Nasir Umar
38, Glover Road, Ikoyi, Lagos

ACTING COMPANY SECRETARY

Chinedu Eze
38, Glover Road, Ikoyi, Lagos

Professional Parties:

Lead Issuing House:

BGL Plc

Co - Issuing House:

UBA Capital Plc

Lead Stockbroker:

BGL Securities Limited

Joint Stockbrokers:

UBA Stockbrokers Limited

TRW Stockbrokers

Joint Solicitors to the Company

Templars and Edward Ekiyor & Co

Joint Solicitors to the Issue

G.Elias & Co and M.E Esonanjour & Co

Registrars

Africa Prudential Registrars Plc

Receiving Bank:

United Bank for Africa Plc

13. Documents Available for Inspection

Copies of the following documents may be inspected at the offices of **Transcorp**, 38, (formerly 22B) Glover Road, Ikoyi, Lagos, **BGL Plc**, 12A, Catholic Mission Street, Lagos Island, Lagos, **UBA Capital Plc**, 12th floor, UBA House, 57 Marina, Lagos, and **UBA Plc**, 57, UBA House, 57 Marina, Lagos during normal business hours on any weekday (except public holidays), throughout the duration of the Rights Issue.

- (a) Certificate of Incorporation of the Company;
- (b) Memorandum and Articles of Association of the Company;
- (c) The Company's Form CAC 7 (Particulars of Directors);
- (d) The Company's Form CAC 2 (Statement of Share Capital and Returns of Allotment of Shares);
- (e) The Rights Circular issued in respect of this Right Issue;
- (f) Shareholders' Resolution authorising the issue;
- (g) Board Resolution recommending the issue;
- (h) The Certificate of registration of increase in share capital obtained from the Corporate Affairs Commission;
- (i) The audited accounts of the Company for each of the five years ended, 31 December, 2011 and the Management Accounts for year ended 31 December 2012;
- (j) The Letter from The Exchange approving the Rights Issue;
- (k) The letter from SEC approving the Rights Issue;
- (l) The Certificate of Exemption from The Exchange;
- (m) The list of Claims and Litigation referred to above;
- (n) The Material Contracts referred to above; and
- (o) The written Consents referred to above.

TRANSNATIONAL CORPORATION OF NIGERIA PLC
RC 611238



April 04, 2013

Dear Sir/Madam

TRANSNATIONAL CORPORATION OF NIGERIA PLC ("THE COMPANY"): RIGHTS ISSUE OF 12,906,999,142 ORDINARY SHARES OF 50 kobo EACH AT ₦1.00 PER SHARE ("THE ISSUE")

1. Provisional Allotment

The Securities & Exchange Commission ("SEC") has approved the offer by way of Rights Issue of **12,906,999,142** Ordinary shares of 50 kobo each to the existing Shareholders of the Company and the Directors of your Company have provisionally allotted to you the number of new Ordinary shares set out on the first page of the Acceptance/Renunciation Form. The provisional allotment is in the proportion of One (1) new Ordinary share for every Two (2) Ordinary shares that appeared against your name in the Register of Members at the close of business on Wednesday, April 10, 2013.

2. Acceptance and Payment

a) Full Acceptance

If you wish to accept this provisional allotment in full, please complete box **B** of the enclosed Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form, together with the cash, cheque or Company draft for the full amount payable must be submitted to any of the Receiving Agents listed in this document not later than **[Day], [Month] [Date], 2013**. The cheque or bank draft must be drawn on a Company in the same town or city in which the Receiving Agent is located and crossed "**Transcorp Rights**" with your name, address and daytime telephone number (if any) written on the back of the cheque or bank draft. All cheques and bank drafts will be presented upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid will be rejected and returned through the post. **The Central Bank of Nigeria has placed a maximum limit on cheque payments of N10 million with effect from January 1, 2010. Any payment value exceeding N10 million should be made through an electronic payment. Kindly consult further with your Bankers/Receiving Agents in this regard**

b) Partial Acceptance/Renunciation

To accept your provisional allotment partially, please complete item (i) of box **C** and submit your Acceptance/Renunciation Form to any of the Receiving Agents listed on Page 51-52 of this document together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable in respect of the number of shares you have decided to accept.

If you wish to renounce your provisional allotment partially or in full, please complete items (ii) and (iii) of box **C** and submit your Acceptance/Renunciation Form to a stockbroker (Not the Company) of your choice together with payment for any provisional allotment you are accepting partially. The stockbroker will guide you on the procedure for trading your Rights.

c) Applying for Additional Stock

This may be done through any of the following processes:

i. By completing item (ii) of box B of the Acceptance/Renunciation Form

Payment should be made in accordance with (a) above. Shareholders who apply for additional shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (please refer to item 4 on page 50)

ii. Purchasing Rights on the floor of the Nigerian Stock Exchange

Rights can only be purchased through any of the stockbrokers listed on page 51 - 52 of this document. The stockbroker of your choice will guide you regarding payment and other steps to take. Shareholders/investors who purchase Rights on the floor of the NSE are guaranteed the number of shares purchased i.e they will not be subject to the allotment process in respect of the number of shares so purchased (please refer to item 3 below).

3. Trading in Rights

The approval of the NSE has been obtained for the trading in the Rights of the Company. The Rights will be tradable between **[Day], [Date]** and **[Day], [Date]** at the price at which the Rights are quoted on the NSE. If you wish to renounce your Rights partially or in full, you may trade such renounced Rights on the Floor of the NSE within the period specified above. Please complete item (iii) of box **C** of the Acceptance/Renunciation Form and contact your stockbroker for assistance. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and procedure for purchasing the Rights. Shareholders who trade their Rights can also apply for additional shares by completing item (ii) of box **B** of the Acceptance/Renunciation Form.

4. Allotment of Additional Shares

Ordinary shares which are not taken up by **[Day], [Month] [Day], 2013** will be allotted, on a pro rata basis in line with the SEC Rules and Regulations to existing Shareholders who have applied and paid for additional Ordinary shares by completing item (ii) of box **B**.

5. E-Allotment and Share Certificates

At the completion of the Right Issue, the Ordinary shares will be registered and transferable in units of 50 kobo each. The CSCS accounts of Shareholders will be credited not later than 15 working days from the date basis of allotment is cleared by the SEC. Shareholders are thereby advised to state the name of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form. Certificates will be dispatched to Shareholders that do not provide his/her CSCS account details by registered post not later than 15 working days from the date of allotment.

6. Surplus Monies

If any Shareholder who had applied for additional shares in addition to his/her provisional allotment is allotted fewer shares than the number of shares applied and paid for, the excess amount paid will be returned, together with accrued interest, by registered post within 5 (five) working days of allotment.

Yours faithfully,

Chinedu Eze
Acting Company Secretary

RECEIVING AGENTS

The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing Houses, cannot give rise to a liability on the part of the Issuing Houses under any circumstances.

BANKS

Access Bank Plc Diamond Bank Plc Ecobank Nigeria Plc Enterprise Bank Limited Fidelity Bank Plc First Bank of Nigeria Plc First City Monument Bank Plc Guaranty Trust Bank Plc Keystone Bank Limited Mainstreet Bank Limited	Skye Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Plc Sterling Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
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STOCKBROKERS AND OTHERS

Adamawa Securities Limited.	Dakal Services Limited	I.T.I.S. Securities Limited
Adonai Stockbrokers Ltd.	Davandy Finance & Sec. Ltd.	ICMG Securities Limited
Afrinvest West Afrca Ltd	DBSL Securities Limited	Icon Stockbrokers Limited.
ALL Securities Limited	De-Canon Investment Ltd.	Ideal Securities & Invt. Ltd
AIMS Asset Mgt. Ltd	Deep Trust Investment Ltd	Imperial Assets Managers Ltd
Alangrange Sec. Ltd	De-Lords Securities Limited	IMTL Securities Ltd
Allbond Investment Limited	Dependable Securities Ltd.	Independent Securities Ltd.
Alliance Capital Mgt. Co. Ltd.	Diamond Securities Ltd	Integrated Trust & Inv. Ltd.
Altrade Securities Limited	Dolbic Finance Limited	Intercontinental Securities Limited
AMYN Investment Limited	Dominion Trust Limited	International Standard Sec. Ltd.
Anchorage Securities & Finance Ltd	DSU Brokerage Services Ltd	Interstate Securities Ltd
Anchoria Inv. & Sec. Ltd.	Dynamic Portfolio Limited	Investment Centre Ltd (ICL)
Apel Asset & Trust Ltd	ECL Asset Management Ltd	Investors & Trust Co. Ltd.
APT Sec. & Funds Limited	EDC Securities Ltd	Jamkol Investment Ltd.
Arian Capital Management Ltd	Emerging Capital Ltd	Kapital Care Trust & Sec. Ltd
ARM Securities Ltd	EMI Capital Resources Ltd.	Kinley Securities Limited
Associated Asset Managers Ltd	Empire Securities Limited	Kofana Securities & Inv. Ltd
Atlass Portfolio Ltd	Enterprise Stockbroker Plc.	Kundila Finance Services Ltd.
Belfry Invest. & Sec. Limited	EPIC Investment & Trust Limited	Laksworth Inv. & Sec. Ltd.
Best Link Investment Limited	Equator Stockbrokers Ltd	Lambeth Trust & Inv. Co. Ltd
Bestworth Assets & Trust Limited	Equity Capital Solutions Ltd	LB Securities Limited
BFCL Assets & Sec. Ltd.	ESS Investment & Trust Ltd.	Lead Capital Ltd.
BGL Securities Limited	Eurocomm Securities Ltd.	Lead Securities & Investment Ltd
Bic Securities Limited	Excel Securities Limited	Lighthouse Asset Mgt. Ltd
Bytofel Trust & Securities Ltd	Express Discount Asset Management Ltd	Lion Stockbrokers Limited
Cadington Securities Ltd	Express Portfolio Services Ltd.	LMB Stockbrokers Limited
Calyx Securities Limited	F&C Securities Limited	Lynac Securities Limited
Camry Securities Ltd	Falcon Securities Limited	Mact Securities Ltd
Capital Asset Limited	FBC Trust & Securities Ltd	Magnartis Finance & Inv. Ltd.
Capital Bancorp Limited.	FBN Securities Ltd	Mainland Trust Limited
Capital Express Sec. Limited	Foresight Sec. Inv. Limited	Maninvest Asset Mgt. Plc
Capital Trust Brokers Ltd.	Forte Financial Ltd	Marimpex Fin. & Inv. Ltd.
Cashcraft Securities Ltd	Forthright Sec. & Inv. Limited	Marina Securities Limited
Cashville Inv. & Sec. Ltd	Fortress Capital Limited	Marriot Sec. & Inv. Co.
Century Securities Limited	Fountain Securities Limited	Maven Asset Management Ltd
Chapel Hill Advisory Services	FSDH Securities Ltd	Maxifund Invest & Sec. Ltd.
Chapel Hill Denham Securities Ltd	Fund Matrix & Assets MGT. Ltd.	Mayfield Investment Limited
Chartwell Securities Ltd	Future View Financial Services Ltd	MBC Securities Limited
Citi Investment Capital Ltd	Future View Securities Ltd	MBL Financial Services Ltd
City Fin. & Sec. Limited	Gem Assets Management Ltd	Mega Equities Limited
City Investment Management. Ltd	Genesis Securities & Inv. Ltd.	Mercov Securities Limited
City-Code Trust & Inv. Co.	Gidauniya Inv. & Sec. Ltd.	Mountain Inv. & Sec. Limited
Clearview Inv. Co. Limited	Global Assets Mgt (Nig) Ltd	Mutual Alliance Inv. & Sec. Ltd.
Colvia Securities Ltd	Global Inv. & Sec. Ltd.	Networth Securities & Finance Ltd.
Compass Investment & Securities Ltd	Global View Consult & Investment Ltd	Newdevco Invest. & Sec. Co. Ltd
Consolidated Inv. Limited	Golden Securities Ltd.	Niche Securities Limited
Consortium Investments Ltd	Gombe Securities Ltd	Nigerian International Sec. Ltd.
Convenant Sec. & Asset Mgt. Ltd	Gosord Securities Ltd	Nigerian Stockbrokers Ltd.
Cordros Capital Limited	Greenwich Securities Ltd	Northbridge Investment & Trust Ltd
Core Trust & Inv. Limited	GTB Securities Ltd	Nova Finance & Securities Ltd.
Cowry Asset Management Ltd	GTL Capital Limited	OASIS Capital
Cradle Trust Finnance & Sec. Ltd	Harmony Securities Ltd.	Omas Inv. & Trust Limited
Crane Securities Limited	Heartbeat Investments Ltd.	Options Securities Limited
Crossworld Securities Ltd.	Hedge Sec. & Inv. Co. Ltd	PAC Securities Limited
Crown Capital Ltd (Crown Wealth Assets Mgt Ltd.)	Heritage Capital Markets Ltd	Pilot Securities Ltd.
CSL Stockbrokers Limited	HP Securities Limited	Pinefields Inv. Serv. Limited

RECEIVING AGENTS

PIPC Securities Limited	Royal Crest Finance Limited	Valmon Securities Limited
Pivot Trust & Inv. Co. Ltd.	Royal Trust Securities Ltd	Valueline Sec. & Inv. Limited
Platinum Capital Limited	Santrust Securities Limited	Vetiva Capital Mgt. Limited
Plural Securities Ltd	Securities Solutions Limited	Vetiva Securities Ltd
PML Securities Company Ltd	Securities Trading & Invest. Ltd	Vision Trust & Inv. Limited
Portfolio Advisers Ltd	Security Swaps Limited	Waila Securities & Funds Ltd
Prime Wealth Capital Ltd	Shalom Inv. & Sec. Limited	Wema Securities & Fin. Plc
Professional Stockbrokers Ltd	Shelong Invest. Ltd	Wizetrade Capital Asset & Mgt. Ltd
Profund Securities Limited	Sigma Securities Limited	Woodland Capital Market Ltd
Prominent Securities Limited	Signet Investments Sec. Ltd.	WSTC Financial Services
Prudential Securities Ltd.	Sikon Securities & Inv. Co.	WT Securities Ltd
PSI Securities Limited	Resort Securities & Trust Ltd.	Zenith Securities Limited
Pyramid Securities Ltd	Trans Africa Financial Services Ltd	Transworld Investment & Securities Ltd
Quantum Securities Limited	Transglobe Inv. & Fin. Co. Ltd.	Tropics Securities Limited
Rainbow Sec. & Inv. Co. Ltd.	Royal Crest Finance Limited	Trust Yeild Securities Limited
Reading Investments Ltd	Royal Trust Securities Ltd	Trusthouse Investment Ltd.
Redasel Investment Ltd	Santrust Securities Limited	TRW Stockbrokers Limited
Regency Assets Mgt. Ltd.	Securities Solutions Limited	UBA Stockbrokers Ltd
Regency Financings Limited	Transworld Investment & Securities Ltd	UBA Stockbrokers Ltd
Rencap Securities Nigeria Ltd	Tropics Securities Limited	
Resano Securities Limited	Trust Yeild Securities Limited	
Resort Securities & Trust Ltd.	Trusthouse Investment Ltd.	
Reward Inv. & Sec. Ltd.	TRW Stockbrokers Limited	
Richmond Securities Limited	UBA Stockbrokers Ltd	
Riverside Trust Limited	UIDC Securities Limited	
Rivtrust Securities Limited	Unex Capital Ltd	
Rolex Securities Limited	Transworld Investment & Securities Ltd	
Rostrum Inv. Securities Ltd	Union Capital Markets Ltd	

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE / RENUNCIATION FORM

Acceptance List Opens
[Day], [Month], 2013



Acceptance List Closes
[Day],[Month], 2013

TRANSNATIONAL CORPORATION OF NIGERIA PLC
RC 611238

Rights Issue of
12,906,999,142 Ordinary Shares of 50 kobo each
At ₦1.00 per share
On the basis of one (1) new ordinary share of 50 Kobo each
For every two (2) ordinary shares of 50 Kobo each held

Payable in full on Acceptance

Lead Issuing House



Co-Issuing House:



RC 444999

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE/RENUNCIATION FORM

1. Acceptance and/or renunciation must be made on the prescribed form. Photocopies of the Acceptance/Renunciation form will be rejected.
2. **Allottees** should complete only ONE of the boxes marked B and C on the reverse of this form.
3. Shareholders accepting the provisional allotment in full should complete box B and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed in this Rights Circular together with the cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. **The cheque or bank draft must be drawn on a bank in the same town or city in which the Receiving Agent is located** and crossed "TRANSCORP RIGHTS", with the name, address and daytime telephone number (if any) of the Shareholder written on the back. If payment is not received by [Day], [Month] [Date], 2013, the provisional allotment will be deemed to have been declined and will be cancelled.
4. Shareholders accepting their provisional allotment partially should complete box C and submit their Acceptance/Renunciation Form to any of the Receiving Agents listed in this Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the amount payable for the partial acceptance.
5. Shareholders renouncing the provisional allotment partially or in full should complete item (iii) of box C and return same to the Receiving Agent together with the cheque or bank draft made payable to the Receiving Agent for any partial acceptance. If payment is not received by [Day], [Month] [Date], 2013, the provisional allotment for the partial acceptance will be deemed to have been declined and will be cancelled.
6. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced rights, and/or apply for additional shares by completing item (ii) of box B.
7. All cheques or bank drafts will be presented for payment on receipt and all acceptances in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Acceptance/Renunciation Form is lodged.
8. Joint allottees must sign on separate lines in the appropriate section of the Acceptance/Renunciation Form.
9. Acceptance/Renunciation Forms of corporate allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorized officials who should also state their designations.

FOR REGISTRAR'S USE ONLY

Control No:

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Account No

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Number of Ordinary shares Accepted	Additional Ordinary shares applied for	Total Amount Payable based on shares applied for	Additional Ordinary shares allotted	Amount payable based on the total shares allotted	Actual amount paid	Amount to be returned/ cheque/bank draft number
		₦		₦	₦	

Stamp of Receiving Agent

Acceptance/Renunciation Form

A. TRADING IN RIGHTS

- i. Shareholders who renounce their rights partially or in full may trade their Rights on the floor of The Exchange. The renounced Rights will be traded actively on the floor of The Exchange
- ii. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced rights, and/or apply for additional shares by completing item (ii) of box B below.
- iii. Shareholders who purchase Rights on the floor of The Exchange are guaranteed the number of shares purchased. They will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box B will be subject to the allotment process i.e they may be allotted a smaller number of additional shares than what they applied for.
- iv. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing the Rights.

Details of Shareholder's Provisional Allotment		
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PLEASE COMPLETE SECTION B OR C AS APPLICABLE

B. FULL ACCEPTANCE/REQUEST FOR ADDITIONAL ORDINARY SHARES

- i) I/We accept in full, the provisional allotment as shown above
- ii) I/We also apply for the following additional shares:

<div style="border: 1px solid black; padding: 5px; display: inline-block;"> This section should be completed if you wish to apply for additional shares </div>	Number of Additional Ordinary Shares applied for	Additional amount payable at ₹1.00 per share
		₹

I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.

- iii) I/We enclose my/our cheque/bank draft for ₹.....or evidence of payment of ₹ (for amounts exceeding ₹10 Million) being the amount payable as shown above, plus any additional amount as shown in item (ii) above.

Cheque details: Name of bank/branch
Cheque number

C. RENUNCIATION OR PARTIAL ACCEPTANCE

1 Number of Ordinary shares accepted	2 Amount Payable at ₹1.00 Per share	3 Number of Ordinary shares Renounced
	₹	

- i) I/We accept only the number of Ordinary shares shown in Column 1 above and enclose my/our cheque/bank draft for ₹or evidence of payment of ₹ (for amount exceeding ₹10 million) as shown in Column 2 above.

Cheque details: Name of bank/branch: Cheque number:

- ii) I/We hereby renounce my/our rights to the Ordinary shares shown in Column 3, being the balance of the Ordinary shares allotted to me/us.

- iii) I/We agree that our rights can be traded on the floor of The Exchange

(for either B or C)

Signature: 2nd Signature (for Joint/Corporate Allottees)

Date: 2013 Next of Kin.....

Clearing House Number (CHN)

C									
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CSCS No (If you want shares allotted credited to your CSCS A/C)

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Name of your Stockbroker

OFFICIAL SEAL (FOR CORPORATE ALLOTTEES ONLY)

RC NO.: _____

Stamp of Receiving Agent