

AYAT SHARE COMPANY: YESTERDAY, TODAY AND TOMORROW

1. How much do we know about Ayat Share Company?

Ayat was founded as a private limited company in 1988 E.C. (1996 G.C.) by three Ethiopian entrepreneurs with a view to curbing the dire housing shortage of the country, to creating employment opportunities to the citizenry and to engage in the real estate industry by constructing and selling residential houses.

Convinced of the need to convert the company into a business entity wherein the public may effectively participate in its ownership structure, Ayat was converted into a share company in 1999 E.C. (2007 G.C.) by its then 18 shareholders having a capital of Birr 330,835,000.00.

The founder of Ayat Share Company is the visionary businessman, Ato Ayalew Tessema Mekonnen, who is very much known for pioneering the establishment of the National Vocational Education Correspondence Enterprise way back in 1973 E.C. (1981 G.C.) and who latter in 1986 E.C. (1994 G.C.) converted the said Enterprise into a Public Share Company known as Alpha Education and Training Share Company with a paid up capital of Birr 125,000,000.00. The Company now runs the renowned Alpha University College.

2. Why did Ayat find it necessary to issue new shares to the public?

The business of engaging in the construction of residential houses is a highly capital intensive undertaking. For many people, it is difficult to fully pay the prices of the houses that they buy from developers; and this naturally calls for the need to devising mechanisms by which people are enabled to buy residential houses on a long term credit arrangement. This too requires a large amount of capital.

The increase in the cost of leasing urban land has also created a felt need to engage in the construction of high rise buildings and apartments and this likewise calls for building up a firm's capital raising capacity.

Broadening the public base of Ayat by converting itself into a public company.

The corporate form of business organization has quite a positive backing from the Government.

It is also possible to establish a financially sound corporate entity imbued with good knowledge and experience in its managerial capacity.

3. Why did Ayat choose this time to issue the new shares?

Preparatory works for raising the capital of the Company in accordance with its pledge of 1999 E.C. (2007 G.C.) to convert itself into a public business entity are now complete.

A number of new companies have now offered their shares for subscription and this has created the opportunity to raise capital by offering shares to the public. As a business entity, Ayat has also found it necessary to make use of this opportunity by offering alternative forms of investment to the share subscribing public.

4. How does the existing capital be made compatible with the newly increased capital?

The existing assets of the Company shall be valued by lawful and independent assessors.

Such valuation shall be certified by the relevant Government organ.

After the valuation is ascertained, 45% of the capital will be held by existing shareholders.

The new-coming shareholders shall hold 55% of the capital and this is done with a view to strengthening the voting power of the incoming shareholders.

5. What are the areas of investment in which Ayat is engaged at present?

The following are the major areas.

Production of crushed aggregates, marble, building blocks, fresh concrete and concrete products, doors and windows.

Tourism and hotel works.

Food and agro-industry products development.

Education and health services.

Provision of sales, marketing, financial and management consultancy services.

Machinery lease and maintenance services.

6. What special benefits does subscription to Ayat shares bring about?

The opportunity to distribute payment of the value of shares in four equal installments, i.e. 25% upon subscription and the remaining 75% within a period of three years in three equal installments.

The entitlement to dividends in proportion to the paid up value of shares only one month following payment of the share price.

Ownership interest in a company that owns several other companies that is likely to yield a dividend of at least 120% within a period of three years from the aggregate operations of these companies.

The fact of owning not only one company but also all the affiliates of the mother company.

The ability to distribute risk by investing in a company that is engaged in multi-faceted business ventures.

Contributing to the overall development of the nation by investing in a long lasting Ethiopian enterprise that continues for generations, that carries its operations with a reliable capital base, that has succeeded in creating employment opportunities for thousands of compatriots, and that is rich with a tested managerial skills.

7. Other Company details.

The capital of the Company, after the present increase, shall be Birr 1,200,000,000.00.

The number of ordinary shares that are offered for public subscription is 6,600,000.

The par value of a single share is Birr 100.00 with an additional service charge of 10% thereon.

The minimum number of shares to be subscribed by an investor is 100 (Birr 11,000.00 including the service charge) and the maximum 100,000 (Birr 11,000,000.00 including the service charge).

Payment Modalities :

Upon signing this application form	25%
At the end of the 1st year of subscription	25%
At the end of the 2nd year of subscription	25%
At the end of the 3rd year of subscription	25%.

N.B. Subscribers who intend to settle 100% of their subscription dues may do so at their pleasure.

8. When does Ayat start computing dividend on the paid up values of the shares?

Ayat shall start computing dividend on the amount paid for the values of the shares one month following the submission to it of the duly signed share subscription form and the bank advice on the payment of the required amount.

9. Where can one look for the shares?

Project Office

**Nigist Towers 2nd floor
Close to the Intercontinental Hotel
Tel. 011-552 4020/0911-448 196
011-552 4022/0911-448 197
011-651-7999/0911 200 482**

Banks

**United Bank S.C.
Awash Int'l Bank S.C.
Nib Int'l Bank S.C.
Wogagen Bank S.C.
Commercial Bank
of Ethiopia S.C.**