

**FEATURE**
**AYRTON DRUG MANUFACTURING LIMITED (AYRTN)**

Ayrton Drug Manufacturing Company Limited was incorporated by the late Mr. Samuel Benson Adjepong – the first Ghanaian Chief Pharmacist at the Ministry of Health, in September 1965 as a private company. The company began operation with one tablet making machine from a small plant situated at Kokomlemlé in Accra after acquiring a certificate to commence business in October the same year. The company has since 1969 moved to its current location on the Abeka Road. Thereafter, Ayrton was converted from a private company to a public entity and subsequently listed on the Ghana Stock Exchange in 2006. In April 2010, Adcock Ingram Holding Limited, a South African company, successfully acquired 65.59% of the issued shares of Ayrton in a bid to transform the company into a dominant participant in the Pharmaceutical Industry in Ghana and West Africa.

The company's objective is to manufacture the highest quality medicines at affordable prices with the aim of extending and enhancing human life. In line with this, Ayrton has developed a wide range of products comprising syrups, capsules, creams, ointments and analgesics. Well known brands in Ayrton's product range include Virol Blood Tonic, Samalin, Clofen Gel, Silverzine Cream and many more.

A look at the financial performance of Ayrton Drug Manufacturing Limited showed a mixed performance over the last five years in the top and bottom line indicators. The company's Total Revenue which stood at GHS15.51 million by the end of 2009/10 grew to GHS24.08 million in 2013/14 operational year representing a compounded annual growth of 9.19%. However, its Net Profit position witnessed some fluctuations from GHS2.85 million in 2009/10 to GHS0.34 million in 2012/13, indicating a decline of 88.03% over the same period.

The un-audited second quarter financial results released by Ayrton Drugs Manufacturing Company for its 2013/2014 operational year reveal a mixed performance compared to that of 2013 second quarter. Total Revenue of GHS13.80 million was recorded during the period, representing a 16.32% increase over the GHS11.87 million earned by 2012/13 half year. Similarly, Cost of Sales, Other Income, Administrative & General Expenses and Selling and Distribution Expenses increased by 12.67%, 83.28%, 67.80% and 49.33% respectively. This resulted in a 21.81% increase in the company's Operating Profit from GHS4.74 million to GHS5.77 million by the end of the 2014 second quarter. Ayrton's Net Profit for the period came to GHS0.41 million after Net Finance Cost and Tax Expenses were incorporated. Compared to the same period in 2012/13, this indicates a fall of 63.95% in the GHS1.15 million bottom line obtained during the same period last year. This significant decline can be attributed to the increase in the expenditure levels of the company. Earnings per Share (EPS) subsequently decreased from GHS0.0053 in 2013 second quarter to GHS0.0019 by the end of 2014 second quarter.

The performance of Ayrton on the Ghanaian bourse shows a mixed trend of activity. After its listing in November 2006 at GHS0.098, the stock moved steadily to trade at GHS0.17 in May 2008 before declining to GHS0.13 by

the end of 2009. In 2010, the stock's price inched up to close the year at GHS0.16 and thereafter fluctuated between GHS0.16 and GHS0.18 in the next three years. Currently, Ayrton is trading at GHS0.17 with a Price Earning (P/E) ratio of 89 as at Friday, July 04, 2014.

**Income Statement**

*(All figures are expressed in thousands of Ghana cedis)*

	2010/11	2011/12	2012/13	2014 Q2*
Revenue	20,053	22,872	24,077	13,801
Operating Profit	3,744	3,042	877	647
Net Profit	2,866	2,476	341	414

**Balance Sheet Summary**

*(All figures are expressed in thousands of Ghana cedis)*

	2010/11	2011/12	2012/13	2014 Q2*
Total Assets	19,442	21,632	23,339	27,232
Total Liabilities	2,426	2,409	4,044	7,522
Total Equity	17,016	19,223	19,295	19,710

**Ratios/Statistics**

	2010/11	2011/12	2012/13	2014 Q2*
Profit Margin (%)	14.29	10.83	1.42	3.00
Return on Assets (%)	14.74	11.45	1.46	1.52
Return on Equity (%)	16.84	12.88	1.77	2.90
Earnings Per Share (GHS)	0.0133	0.0115	0.0016	0.0019
Dividend Per Share (GHS)	0.00125	0.0013	-	-
Net Assets Per Share (GHS)	0.0791	0.0791	0.0897	0.0917
Share price				
High (GHS)	0.17	0.18	0.18	0.18*
Low (GHS)	0.16	0.17	0.17	0.17*
Close (GHS)	0.17	0.17	0.17	0.18*

\*As at March 31, 2014

**Investor Ratios**

	2012/13	2014 Q2*
Price to Book Value	2.01	1.85
Price Revenue Ratio	1.61	2.65
Price Earnings Ratio	113.55	88.25
Year-to-date Return (%)	-	-5.56


**Price Information**

Year Opening Price (GH¢)	Week Opening Price (GH¢)	Current Price (GH)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.14	27.06.04	04.07.14			
0.2668	0.2901	0.2920	0.0019 ▲	0.65 ▲	9.43 ▲

## GHANA STOCK EXCHANGE NEWS

Ghana's capital market recorded an improved performance during the week under review. A total of 3,235,498 shares worth GHS6,320,665.06 were traded, indicating a 4.10% and 13.05% increase over last week's total volume and value of 3,102,821 shares and GHS5,591,091.55 respectively.

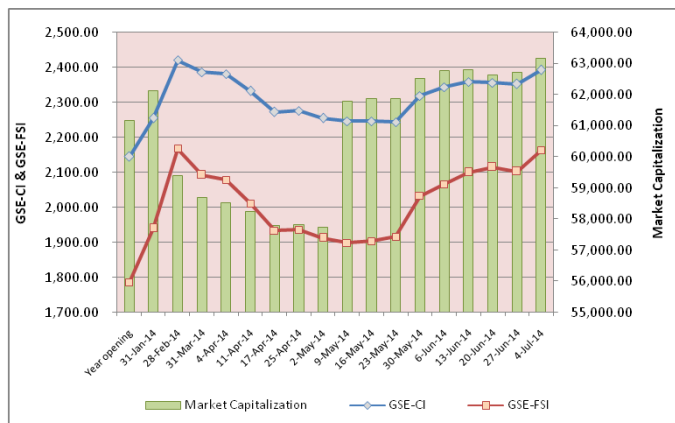
With trade of 1,394,330 shares, CAL Bank Limited was the period's most traded equity. On the other hand, Tullow Oil Plc traded 73 shares to be the least active of the twenty-two (22) equities that participated in market trade during the week.

The performance of the market, as measured by both the GSE Composite Index (GSE-CI) and the GSE-Financial Stocks Index (GSE-FSI) went up during the week. From a week opening position of 2,364.44 points, the GSE-CI gained 28.24 points to finish the week at 2,392.68 points while the GSE-FSI increased by 37.05 points from 2,126.08 points to 2,163.13 points. The respective year-to-date returns of the GSE-CI and GSE-FSI at the end of the week were 11.54% and 21.08%.

Total market capitalization also went up by GHS462.81 million from GHS62,711.58 million to GHS63,174.37 million.

The graph below shows the trend in the GSE Composite Index, GSE Financial Stocks Index and Market capitalization since the beginning of the year.

Chart 1 – Trend of Market Indicators



## MONEY MARKET NEWS

### Cedi Records Mixed Performance

Activity in the foreign currency market this week saw the Ghana cedi lose ground to three major trading currencies while gaining against two. The local currency lost 0.30% of its value to the US Dollar, 1.12% to the British Pound and 0.46% to the Euro. The cedi however appreciated by 0.68% against the South African Rand and 0.34% to the Japanese Yen.

On year-to-date basis, the cedi has so far depreciated against the Dollar, Pound, Euro, Rand and the Yen by 28.20%, 30.79%, 27.12%, 26.27% and 30.05% respectively.

The following table summarizes the interbank rates for the week under review.

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	27.06.14	04.07.14	27.06.14	04.07.14
US Dollar	3.0003	3.0093	3.0027	3.0117
Pound	5.1027	5.1597	5.1067	5.1645
Euro	4.0771	4.0965	4.0805	4.0988
Rand	0.2816	0.2798	0.2817	0.2797
Yen	0.0285	0.0294	0.0296	0.0295

Source: Ghana Association of Bankers

### Interest Rates

The week under review witnessed an increase in money market rates compared to yields in the previous week. The 91 and 182-day Treasury bills gained 0.0070% and 0.0374% respectively while the 1-Year Note and the 2-Year Fixed Rate note continued to remain stable at 22.5000% and 23.0000% respectively.

Tenders totalling GHS681.18 million and GHS5.63 million were received last week for short and medium term securities respectively. However, GHS681.14 million of the short term was sold while the medium term securities were sold out.

This week's tender is expected to raise a total of GHS664.00 million for both short term and medium term securities.

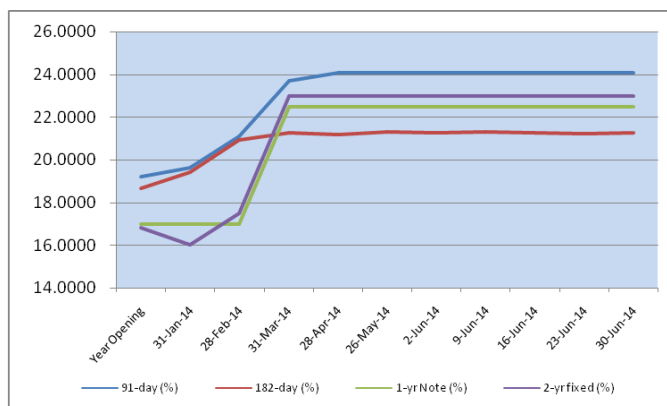
The table below shows the rates for the week under review alongside those of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	23.06.14 (% p.a.)	30.06.14 (% p.a.)	Week Change (%)
91 Day	24.0822	24.0892	0.0070▲
182 Day	21.2398	21.2772	0.0374▲
1-Year Note	22.5000	22.5000	-
2-Year Fixed Rate Note	23.0000	23.0000	-

Source: Bank of Ghana

Chart 2 – Trend of Yields on Money Market Securities



## RELEVANT CORPORATE NEWS

### ETI – ORGANIZATIONAL CHANGES (CORPORATE AND INVESTMENT BANK)

Ecobank Transnational Incorporated (ETI) has announced organizational changes following Mr. Albert Essien's appointment as Chief Executive Officer (CEO) of the Group in March 2014.

In accordance with Ecobank's corporate governance statutes, Mr. Albert Essien would be relinquishing his role as head of the Group's Corporate and Investment Bank (CIB) business segment.

In a parallel development, the company has decided to restructure its CIB segment, establishing the Group's Treasury operations as a standalone business unit. Mr. Aziz Dia, Ecobank's current Group head of Treasury, would continue to lead the development of Ecobank's Treasury operations, reporting directly to the Group CEO. This reflects a growing trend amongst other leading banking groups to separate the Treasury and CIB functions.

As a result, the CIB segment would now consist of the following business units: Corporate Bank (CB), Treasury Service Group (TSG), Investment Bank (IB), Securities and Asset Management (SEM), Research and the International Business, which includes Ecobank's representative offices in Beijing, Dubai and London.

Mr. Charles Kie, the former head of CB, has been appointed Group Executive of the new segment. With 18 years of commercial banking experience, Charles has held several prominent positions in his career, including his most recent role prior to joining Ecobank, as CEO of Group Banque Atlantique, a holding company with banking operation in 8 countries across West and Central Africa. As head of CB, Charles has made significant contribution to the growth and success of Ecobank's Corporate Banking business over the past two years.

In addition to his new role, Charles would assume the responsibilities of Chief Representative Officer for Ecobank's Representative Office in Johannesburg, South Africa. He would also continue to lead CB until a successor is appointed.

*GSE Press Release: 169/2014*

### ALW – ANNUAL GENERAL MEETING

Aluworks Limited has announced that the Company's 27<sup>th</sup> Annual General Meeting is slated for Tuesday, July 22, 2014 at Fiesta Royale, Dzorwulu - Accra (next to the Nestle head office building).

The meeting is scheduled to start at 10.00am.

*GSE Press Release: 170/2014*

## COMPANIES THAT DECLARED FINAL DIVIDENDS IN 2012

Company	Final Dividend Per Share	Qualifying date	Book Closure	Payment Date
AYRTN	GHS0.00125	Jun 25	Jun 26 - 27	Aug 8
AADS	GHS0.0009			Apr 2
AGA	GHS0.0900			Apr 2
BOPP	GHS0.0770	Apr 23	April 24 - 26	May 10
CAL	GHS0.035	Mar 22	Mar 25 - 26	Apr 30
CMLT	GHS0.0060	Jun 26	Jun 27	Aug 30
EBG	GHS0.29	Apr 10	Apr 11 - 18	May 10
EGL	GHS0.016	May 17	May 20 - 22	Jun 28
ETI	0.4 US cents	Jul 5	Jul 5	Jul 19
FML	GHS0.06	Apr 19	April 22 - 24	May 8
GCB	GHS0.14	May 31	Jun 3 - 7	Jun 28
GOIL	GHS0.015	Aug 15	Aug 16	Aug 30
MLC	GHS0.015	Jun 25	June 26 - 28	July 19
PBC	GHS0.0062	Mar 15	March 18 - 22	May 7
PZ	GHC0.0046	Sept 23	Sept 24 - 27	Oct 14
SCB	GHS0.47	May 17	May 20 - 21	Jun 28
SOGEGH	GHS0.04	Mar 22	Mar 25 - 26	May 15
SPL	GHS0.0022	Sept 26	Sept 27	Oct 8
TBL	20 Bututs	Apr 18	Apr 19	Apr 30
TOTAL	GHS0.69	Jul 18	Jul 19 - 24	Jul 26
UNIL	GHS0.2560	Apr 10	April 11 - 24	May 24
UTB	GHS0.02	Apr 12	Apr 15 - 17	May 31

## COMPANIES THAT HAVE DECLARED DIVIDENDS FOR 2013

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
<b>INTERIM DIVIDEND</b>				
EGL	GHS0.020	Oct 1 (2013)	Oct 2 - 3	Nov 4
TOTAL	GHS0.0771	Dec 18 (2013)	Dec 19 - 20	Dec 24
<b>FINAL DIVIDEND*</b>				
CAL	GHS0.053	Mar 21	Mar 24 - 26	Apr 30
SOGEGH	GHS0.06	Mar 27	Mar 28 - 31	May 15
EBG	GHS0.43	April 21	April 22-29	May 14
HFC	GHS0.035	April 21	April 22-23	May 15
FML	GHS 0.09	May 5th	May 6-7	June 12
BOPP	GHS 0.0334	May 7th	May 8-9	June 20
EGL	GHS 0.025	May 19th	May 20-22	June 30
SCB	GHS1.15	May23rd	May 26-27	June30
TBL	25 bututs	May 29th	May 30	June 4
TOTAL	GHS0.0985	June 11	June 18	June 25
GOIL	GHS0.0160	June 11	June 12	
MLC	GHS0.010	June25	June 26-28	July21
CMLT	GHS0.006	July10	July11	Aug 15

*\*All dates for final dividends are in 2014*

Listed Equities	% of Market Capitalization	Week Opening Price (GH¢)	Week Closing Price (GH¢)	Price Change (GH¢)	Weekly Return (%)	Year-to-Date Return (%)	P/E Ratio	Dividend Yield (%)	Return on Assets (%)	Price/Book Value	Price/Revenue
	04.07.14	27.06.14	04.07.14		04.07.14	04.07.14	04.07.14	04.07.14	04.07.14	04.07.14	04.07.14
ACI	0.002	0.03	0.03	-	-	-50.00	-	-	-11.48	0.18	0.24
AGA	23.55	37.00	37.00	-	-	-	-	0.24	-22.74	4.55	1.67
ALW	0.02	0.05	0.05	-	-	-	-	-	-3.52	0.22	0.09
AYRTN	0.06	0.17	0.17	-	-	-	89	0.74	4.94	1.79	3.08
BOPP	0.15	2.59	2.66	0.07 ▲	2.70	-17.13	17	2.89	12.64	2.12	2.61
CAL	0.74	0.85	0.86	0.01 ▲	1.18	-11.34	4	4.07	5.92	0.74	0.61
CLYD	0.002	0.04	0.04	-	-	-	8	-	1.10	0.02	0.002
CMLT	0.002	0.15	0.15	-	-	-6.25	13	4.00	3.86	0.60	0.26
CPC	0.06	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	3.41	7.38	7.35	0.03 ▼	0.41	31.02	8	3.95	1.42	0.33	7.88
EGL	0.36	1.80	1.80	-	-	-4.26	-	0.89	11.47	1.42	0.74
ETI	7.08	0.26	0.28	0.02 ▲	7.69	47.37	8	-	1.16	0.77	0.93
FML	1.25	6.82	6.82	-	-	3.02	36	0.88	21.45	10.37	5.70
GCB	2.39	4.85	5.69	0.84 ▲	17.32	17.32	6	2.46	6.73	3.24	2.65
GGBL	1.70	5.20	5.07	0.13 ▼	-2.50	-18.23	261	-	3.77	5.09	4.76
GOIL	0.39	0.95	0.97	0.02 ▲	2.11	8.99	15	1.58	5.52	3.42	0.03
GSR	1.11	2.75	2.75	-	-	-	-	-	1.09	0.01	0.03
GWEB	0.002	0.04	0.04	-	-	-	-	-	2.25	-0.60	2.48
HFC	0.63	1.55	1.35	0.20 ▼	-12.90	40.63	10	-	3.73	1.06	1.02
MCA	0.04	3.10	3.10	-	-	-	2	-	27.56	1.29	2.64
MLC	0.02	0.30	0.31	0.01 ▲	3.33	-18.42	-	4.84	-1.31	0.16	0.16
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.10	0.13	0.13	-	-	-23.53	8	4.77	-2.70	1.58	0.06
PZ	0.15	0.56	0.56	-	-	-29.11	-	-	0.26	2.44	1.24
SCB	3.31	18.10	18.11	0.01 ▲	0.06	21.22	9	2.60	1.70	0.96	2.01
SIC	0.14	0.43	0.44	0.01 ▲	2.33	12.82	19	-	228.66	1.18	0.79
SPL	0.005	0.04	0.04	-	-	-	5	-	8.45	1.07	0.44
SOEGEH	0.45	0.85	0.85	-	-	13.33	12	4.71	2.99	1.47	1.44
SWL	0.001	0.04	0.04	-	-	33.33	16	-	38.67	0.38	0.08
TBL	0.08	0.24	0.24	-	-	-31.43	5	-	2.94	0.11	0.06
TOTAL	1.16	6.54	6.54	-	-	29.25	20	10.55	10.59	0.84	0.07
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71
TLW	49.49	34.47	34.47	-	-	-1.46	26	-	1.88	5.72	11.77
UNIL	1.74	17.60	17.60	-	-	-3.88	-	1.45	7.32	33.71	3.40
UTB	0.29	0.40	0.40	-	-	-11.11	20	5.00	0.73	0.09	0.39
<b>Depository Shares</b>											
AADS	0.09	0.52	0.52	-	-	-	-	0.17	-	-	-
<b>Preference Shares</b>											
SCB-PREF	0.02	0.55	0.55	-	-	5.77	-	-	1.70	0.03	0.05
<b>ETF</b>											
GLD	0.02	23.00	23.00	-	-	-11.98	-	-	-	-	-

**Key** ABL—Accra Brewery Ltd, ACI—African Champion Industries, AGA—AngloGold Ashanti Ltd, ALW—Aluworks Ltd, AYRTN—Ayrton Drug Manufacturing Ltd, BOPP—Benso Oil Palm Plantation Ltd, CAL—CAL Bank Ltd, CFAO—CFAO Ghana Ltd, CLYD—Clydestone Ghana Ltd, CMLT—Camelot Ghana Ltd, CPC—Cocoa Processing Company Ltd, EBG—Ecobank Ghana Ltd, EGL—Enterprise Group Ltd, ETI—Ecobank Transnational Incorporated, FML—Fan Milk Ltd, GCB—Ghana Commercial Bank Ltd, GGBL—Guinness Ghana Breweries Ltd, GOIL—Ghana Oil Company Ltd, GSR—Gold Star Resources Ltd, GWEB—Golden Web Ltd, HFC—HFC Bank Ltd, MAC—Mega African Capital, MLC—Mechanical Lloyd Company Ltd, PKL—Pioneer Kitchenware Ltd, PBC—Produce Buying Company Ltd, PZ—PZ Cussons Ghana Company Ltd, SCB—Standard Chartered Bank Ltd, SIC—SIC

■ As at December 2013 ■ As at September 2013 ■ As at May 2013 ■ As at March 2013 ■ As at December 2012 ■ As at September 2012 ▲ Price Gainers ▼ Price Decliners