



FEATURE

FAN MILK LIMITED (FML)

Fan Milk Limited was incorporated in January 1960 under the name Ghana Milk Company Limited by Erik Emborg, a Danish entrepreneur. On 2nd April, 1962, the company's name was changed to Fan Milk Limited with the adoption of the trademark "Fan" later in the same year. In 1969, the company was converted to a public limited liability company and subsequently listed on the Ghana Stock Exchange in 1990. By the end of 2013, Fan Milk International was the majority shareholder of Fan Milk Limited with a 77.84% equity interest.

Fan Milk Limited is in the production and distribution of milk-based and fruit-based products. The milk-based products consist of frozen ice creams, chocolate and yoghurt and include brands such as FanYogo, FanChoco, and FanIce. The fruit-based products include FanDango and FanPop.

Over the years, Fan Milk Limited has had an impressive track record in terms of financial performance having witnessed significant growth in Revenue, Net Profit and other financial indicators. In the last five years, the company's Revenue position rose from GHS5.50 million in 2008 to GHS147.21 million by the end of 2012, signifying a 167.46% appreciation. Net Profit also rose from GHS7.05 million in 2008 to GHS19.37 million in 2010 before declining by 2.84% in 2011 to GHS18.82 million. The indicator then moved up to GHS27.20 million in 2012. This led to a 285.57% growth in the bottom line indicator over the five-year period.

Financial results posted by Fan Milk Limited for the 2013 financial year indicate a marginal decline in the company's financial performance compared with the same period last year. Total Revenue for the period amounted to GHS138.97 million, representing a 5.60% decline from the GHS147.21 million recorded in 2012. Income from the company's non-operational activities however went up by 32.10% from GHS0.45 million in 2012 to GHS0.59 million in 2013. For Expenses, Cost of sales for the period fell by 12.00% while Distribution Costs and Administration Expenses went up by 6.80% and 21.70% respectively. This resulted in a 13.79% dip in Operating Profit for the period from GHS32.70 million to GHS28.19 million in 2013. Additionally, Net Finance Cost for the period moved up from GHS0.33 million to GHS0.51 million indicating an increase of 53.19% while Taxation decreased by 12.89% for the year 2013. This brought the company's Profit for the year to GHS21.72 million from GHS27.20 million in 2012, signifying a 20.13% short fall. Earnings per share thus fell from GHS0.23 in 2012 to GHS0.19 in 2013.

On the Ghana Stock Exchange, the performance of Fan Milk Limited since listing has been remarkable. From a listing price of GHS0.0025 in 1999, FML grew steadily to trade at GHS5.55 at the end of 2009 representing Compounded Annual Growth Rate (CAGR) of 116.09% over the ten year period. Thereafter, the equity witnessed appreciations in its price, recording an all-time high of GHS10.57 in 2010. Thereafter, the equity's price fell to close the year at GHS2.45 due to a bonus issue embarked upon by the company. The price further dipped by 3.27% to trade at GHS2.3700 by the end of 2011. Since then, the equity recorded year-to-date appreciations of 49.79% and 86.48% in 2012 and 2013 respectively. Currently, Fan Milk

Limited is trading at GHS7.42, a gain in value of 12.10% from its 2013 year-end price of GHS6.62.

Income Statement

(All figures are expressed in thousand Ghana cedis)

	2010	2011	2012	2013
Revenue	103,775	109,280	147,212	138,969
Operating Profit	24,708	23,733	32,704	27,605
Net Profit	19,370	18,819	27,198	21,722

Balance Sheet Summary

(All figures are expressed in thousand Ghana cedis)

	2010	2011	2012	2013
Total Assets	68,391	83,081	96,553	101,247
Total Liabilities	16,293	20,709	34,872	24,016
Shareholders' Fund	52,098	62,372	61,681	76,431

Ratios/Statistics

	2010	2011	2012	2013
Profit Margin (%)	18.61	17.22	18.48	15.63
Return on Assets (%)	28.24	22.65	28.17	21.45
Return on Equity (%)	37.07	30.17	44.09	28.42
Earnings Per Share (GH¢)	0.16	0.16	0.23	0.19
Dividend Per Share (GH¢)	0.02	0.04	0.06	0.09
Net Assets Per Share (GH¢)	0.44	0.53	0.52	0.66
Share price				
High (GH¢)	10.57	3.11	3.55	6.68
Low (GH¢)	2.02	1.78	1.90	3.55
Close (GH¢)	2.45	2.37	3.55	6.62

Investor Ratios

	2012	2013
Price to Book Value	6.83	10.07
Price Revenue Ratio	2.86	5.54
Price Earnings Ratio	15.49	35.42
Dividend Yield (%)	0.07	0.01
Year-to-date Return (%)	49.79	86.48



Price Information

Year Opening Price (GH¢)	Week Opening Price (GH¢)	Current Price (GH)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.14	09.05.04	16.05.14			
0.2668	0.2935	0.2917	0.0018 ▼	0.61 ▼	9.33 ▲

GHANA STOCK EXCHANGE NEWS

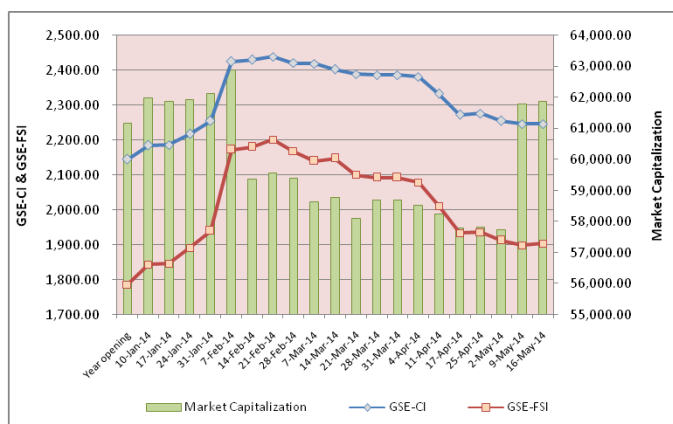
For the week under review, a total of 2,252,097 shares valued at GHS5,447,663.41 were traded on the Ghana Stock Exchange. This shows a 65.33% and 57.22% drop in total trade volume and total value of shares traded, compared to last week's volume of 6,495,474 shares and value of GHS12,734,374.03. The market was dominated with trades in CAL Bank Limited, which recorded trade of 718,286 shares, signifying 31.54% of total volume. The least traded equity was Mechanical Lloyd Company with 50 shares.

The GSE Composite Index (GSE-CI) shed 0.96 points to end the week at 2,246.05 while the GSE Financial Stocks Index (GSE-FSI) gained 4.56 points to stand at 1,904.05 points. The respective year-to-date returns of the GSE-CI and the GSE-FSI by close of Friday, 16th May, 2014 stood at 4.70% and 6.57% respectively.

Market capitalization at the end of the week was GHS61,879.67 million, representing a GHS85.68 million appreciation over last week's closing position of GHS61,793.99 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 Plummets Against Major Currencies

On the foreign currency market, the Ghana cedi could not hold firm against the major trading currencies. The local currency dipped in value against the US Dollar by 1.54%, the British Pounds by 0.41%, the Euro by 0.01%, the South African Rand by 2.90% and the Japanese Yen by 1.43%.

Currently, the cedi's depreciation against the Dollar, Pound, Euro, Rand and Yen since the beginning of the year stands at 33.13%, 35.15%, 32.14%, 34.96% and 37.38% respectively.

The following table gives a summary of the interbank rates for the week under review.

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	09.05.14	16.05.14	09.05.14	16.05.14
US Dollar	2.8327	2.8764	2.8353	2.8790
Pound	4.8057	4.8257	4.8115	4.8282
Euro	3.9433	3.9445	3.9474	3.9473
Rand	0.2704	0.2783	0.2706	0.2784
Yen	0.0279	0.0283	0.0279	0.0283

Source: Ghana Association of Bankers

INTEREST RATE

Money market investments for the week under review saw the 91-days Treasury bill rate declining by 0.0194%. On the other hand, the 182-days Treasury bill rate went up by 0.0542% while that of the 1-Year Note and the 2-Year Fixed Note remain unchanged.

Tenders worth GHS556.85 million and GHS110.23 million were received for short and medium term securities at the previous week's tender. Out of these, GHS549.66 million and GHS110.23 million were sold for the respective tenures.

The targeted amount to be raised this week from both short and medium term securities is GHS513.00 million.

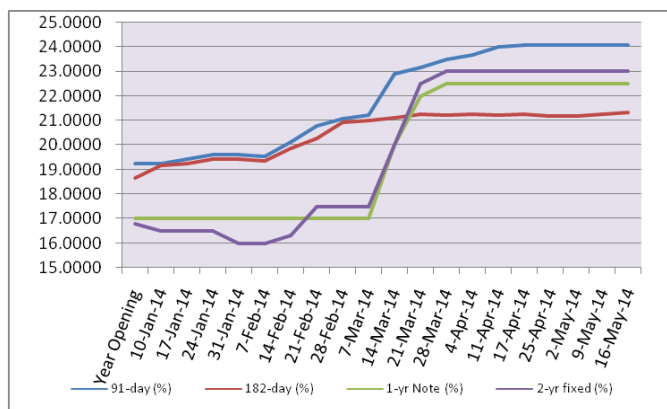
The table below shows the rates for the week under review alongside those of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	09.05.14 (% p.a.)	16.05.14 (% p.a.)	Week Change (%)
91 Day	24.0787	24.0593	0.0194 ▼
182 Day	21.2603	21.3145	0.0542 ▲
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

GOIL –ANNUAL GENERAL MEETING

Ghana Oil Company Limited has announced that the company's 45th Annual General meeting is scheduled to take place on Thursday, 29th May, 2014 at the Auditorium of the College of Physicians and Surgeons, Ridge, Accra. The time for the meeting is 11.00am.

GSE Press Release: 133/2014

MAC – ANNUAL GENERAL MEETING

Mega African Capital Limited has announced that the company's 5th Annual General Meeting would be held on Thursday, 5th June, 2014 at the Zero Room of the College of Physicians and Surgeons, Ridge, Accra. The meeting starts at 10.00 am.

The Agenda is as follows:

1. Consideration and adoption of the Audited Accounts of the Company for the year ended 31st December, 2013, and the Reports of the directors and Auditors.
2. To re-elect Directors.
3. To elect Directors.
4. To approve Directors Fees.
5. To authorize Directors to determine the remuneration of the Auditors.

GSE Press Release: 134/2014

COMPANIES THAT DECLARED FINAL DIVIDENDS IN 2012

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

COMPANIES THAT HAVE DECLARED DIVIDENDS FOR 2013

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
INTERIM DIVIDEND				
EGL	GHC0.020	Oct 1 (2013)	Oct 2 - 3	Nov 4
TOTAL	GHC0.0771	Dec 18 (2013)	Dec 19 - 20	Dec 24
FINAL DIVIDEND*				
CAL	GHC0.053	Mar 21	Mar 24 - 26	Apr 30
SOGEGH	GHC0.06	Mar 27	Mar 28 - 31	May 15
EBG	GHC0.43	April 21	April 22-29	May 14
HFC	GHC0.035	April 21	April 22-23	May 15
FML	GHC 0.09	May 5th	May 6-7	June 12
BOPP	GHC 0.0334	May 7th	May 8-9	June 20
EGL	GHC 0.025	May 19th	May 20-22	June 30
SCB	GHC1.15	May23rd	May 26-27	June30
TBL	25 bututs	May 29th	May 30	June 4

**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
	16.05.14	09.05.14	16.05.14		16.05.14	16.05.14	16.05.14	16.05.14	16.05.14	16.05.14	16.05.14
ACI	0.002	0.04	0.04	-	-	-33.33	-	-	-11.48	0.25	0.32
AGA	24.04	37.00	37.00	-	-	-	-	0.24	-19.21	2.07	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	0.13	2.48	2.40	0.08 ▼	-3.23	-25.23	16	3.21	12.64	1.91	2.36
CAL	0.77	0.87	0.87	-	-	-10.31	4	4.02	5.92	0.75	0.62
CLYD	0.002	0.04	0.04	-	-	-	8	-	1.10	0.02	0.002
CMLT	0.002	0.16	0.16	-	-	-	14	3.75	3.86	0.64	0.28
CPC	0.07	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	2.99	6.20	6.30	0.10 ▲	1.61	12.30	6	4.60	1.42	0.29	6.75
EGL	0.45	2.20	2.16	0.04 ▼	-1.82	14.89	-	0.74	11.47	1.70	0.89
ETI	5.16	0.20	0.20	-	-	5.26	6	-	1.16	0.55	0.66
FML	1.39	7.47	7.42	0.03 ▼	-0.67	12.08	40	0.81	21.45	11.28	6.20
GCB	1.75	4.00	4.08	0.08 ▲	2.00	-15.88	5	3.43	6.73	2.32	1.90
GGBL	1.96	5.78	5.75	0.03 ▼	-0.52	-7.26	296	-	3.77	5.77	5.39
GOIL	0.37	0.90	0.90	-	-	1.12	14	1.67	5.52	3.24	0.03
GSR	1.14	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	1.29	1.32	0.03 ▲	2.33	37.50	10	-	3.73	1.03	1.00
MCA	0.05	3.50	3.50	-	-	12.90	3	-	27.56	1.45	2.98
MLC	0.03	0.34	0.34	-	-	-10.53	-	4.41	-1.31	0.18	0.18
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.12	0.15	0.15	-	-	-11.76	9	4.13	-2.70	1.82	0.06
PZ	0.16	0.60	0.58	0.02 ▼	-3.33	-26.58	-	-	0.26	2.52	1.29
SCB	3.45	18.96	18.50	0.46 ▼	-2.43	23.83	35	2.48	1.70	0.98	2.06
SIC	0.11	0.35	0.35	-	-	-10.26	15	-	228.66	0.94	0.63
SPL	0.005	0.04	0.04	-	-	-	5	-	8.45	1.07	0.44
SOEGEH	0.37	0.62	0.69	0.07 ▲	11.29	-8.00	36	5.80	2.99	1.07	1.17
SWL	0.001	0.03	0.03	-	-	-	12	-	38.67	0.28	0.06
TBL	0.08	0.25	0.24	0.01 ▼	-4.00	-31.43	5	-	2.94	0.11	0.06
TOTAL	1.16	6.45	6.42	0.03 ▼	-0.47	26.88	20	10.75	10.59	0.83	0.07
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71
TLW	51.30	34.90	35.00	0.01 ▲	0.29	0.06	27	-	1.88	5.81	11.95
UNIL	1.82	18.08	18.05	0.03 ▼	-0.17	-1.42	-	1.42	7.32	34.57	3.49
UTB	0.29	0.41	0.40	0.01 ▼	-2.44	-11.11	20	5.00	0.73	0.09	0.39
Depository Shares											
AADS	0.09	0.52	0.52	-	-	-	-	0.17	-	-	-
Preference Shares											
SCB-PREF	0.02	0.55	0.55	-	5.77	5.77	-	-	1.70	0.03	0.05
ETF											
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, 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 Insurance Company Ltd, SPL—

■ 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