



### FEATURE

#### PBC LIMITED (PBC)

PBC Limited (PBC) formerly Produce department of Ghana Cocoa (Marketing) Board was incorporated as Produce Buying Division Limited on 13<sup>th</sup> November 1981, a wholly owned state enterprise and a subsidiary of Ghana Cocoa Board (Cocobod). The company was granted a certificate to commence business on 18<sup>th</sup> November 1981. Following the Board's special resolution, the company's name was changed to Produce Buying Company Limited on October 27<sup>th</sup>, 1983 and in May 2000, the company listed on the Ghana Stock Exchange. In October 2012, the company's name was once again changed to PBC Limited following additions to the nature of authorized businesses. 'PBC' was maintained in view of the reminiscent character of the previous name.

PBC is involved in the internal marketing of cocoa, basically buying, collecting, storing and transporting of cocoa in Ghana and the selling of same to Ghana Cocoa (Marketing) Board. Its authorized business also allows it to deal in other commodities such as coffee, sheanuts and shea butter produce. With additions to the company's business, PBC is also authorized to carry out business related and incidental to agricultural inputs, supply and services and estate development as well as arrangement, financial or otherwise relating to the agricultural products it deals in.

A look at the financial performance of PBC for the last five financial years reveals a mixed performance. Whereas Revenue consistently improved from GH¢245.48 million in 2007/08 to GH¢1,301.78 million in 2010/11, the indicator declined marginally in the 2011/12 financial year to GH¢1,162.93 million. In the same vein, the company's Net Profit witnessed a mixed trend, increasing from GH¢2.11 million in 2007/08 to GH¢27.65 in 2010/11 and then declining to GH¢10.07 million by the end of the 2011/12 financial year. These figures represent Compounded Annual Growth Rates (CAGR) of 36.49% and 36.69% for Revenue and Net Profit respectively over the period.

Financial statements released by PBC for the financial year ended 30<sup>th</sup> September 2013 show a mixed performance compared to the 2012 financial year. Total Revenue earned for the period stood at GH¢1,123.24 million, indicating a fall of 3.41% from 2011/12's Revenue of GH¢1,162.93 million. Cost of Sales declined by 3.23% while Direct Operating Expenses and General and Administrative Expenses went up by 11.01% and 14.17%. However, Other Income dropped to GH¢7.67 million from GH¢12.95 million signifying a 40.73% short fall. Operating Profit subsequently fell by 32.51% to GH¢41.10 million from the previous year's GH¢60.89 million. Net Finance Expenses and Income Tax Expenses of GH¢51.96 million and GH¢2.02 million during the year resulted in a Net Loss of GH¢8.83 million over the period. Compared to the Net profit of GH¢10.07 million earned in 2011/12, this bottom line is far less impressive.

On the stock market, PBC's price trend since its listing in May 2000 can be considered as satisfactory. From an initial share price of GH¢0.0520 the equity recorded fluctuations till 2004 when it closed the year with an all-time high of GH¢0.3920. Thereafter, its price fell to GH¢0.3000 in 2005 and further to GH¢0.1300 by 2010 year-end, representing a 56.67% fall in price over the five-year period. After experiencing this free fall, PBC's share price regained GH¢0.12 to end the year 2012 at GH¢0.25. In the subsequent year, PBC's price declined, thereby ending 2013 at GH¢0.18. Presently, the equity

is trading at GH¢0.17 as at Friday, 11<sup>th</sup> April, 2014 and at a Price Earnings (P/E) multiple of six (6) times.

#### Income Statement

(All figures are expressed in thousand Ghana cedis)

	2009/10	2010/11	2011/12	2012/13
Revenue	632,903	1,301,777	1,162,927	1,123,237
Operating Profit	37,659	71,998	60,899	41,101
Net Profit/Loss	14,113	27,655	10,073	-8,832

#### Balance Sheet Summary

(All figures are expressed in thousand Ghana cedis)

	2009/10	2010/11	2011/12	2012/13
Total Assets	169,031	274,338	289,272	326,820
Total Liabilities	145,407	226,965	240,355	287,299
Shareholders Fund	23,625	47,374	48,917	39,521

#### Ratios/Statistics

	2009/10	2010/11	2011/12	2012/13
Profit Margin (%)	2.23	2.12	0.87	-0.79
Return on Assets (%)	8.35	10.08	3.48	-2.70
Return on Equity (%)	59.74	58.38	20.59	-22.35
Earnings Per Share (GH¢)	0.0294	0.0576	0.0210	-0.0184
Dividend Per Share (GH¢)	0.0088	0.0173	0.0062	-
Net Assets Per Share (GH¢)	0.0492	0.0987	0.1019	0.0823
Share price				
High (GH¢)	0.20	0.28	0.28	0.26
Low (GH¢)	0.09	0.13	0.17	0.16
Close (GH¢)	0.14	0.28	0.18	0.17

#### Investor Ratios

	2011/12	2012/13
Price to Book Value	1.77	2.06
Price Revenue Ratio	0.07	0.07
Price Earnings Ratio	8.58	-9.24
Year-to-date Return (%)	-35.71	-5.56



#### Price Information

Year	Week	Current	Weekly	Weekly	Year To
Opening	Opening	Price	Change	Change	Date
Price	Price		(GH¢)	(%)	(%)
(GH¢)	(GH¢)	(GH)	(GHS)		
01.01.14	04.04.04	11.04.14			
0.2668	0.3009	0.2989	0.002 ▼	0.66 ▼	12.02 ▲

## GHANA STOCK EXCHANGE NEWS

Total Volume of shares traded for the week came to 2,571,333 with a total value of GH¢2,141,256.89. Compared to prior week's trading result, this shows a fall of 3.30% and 69.36% in total volume and value respectively. With 1,553,800 shares constituting 60.43% of total volume, UT Bank Limited became into sight the most active equity on the exchange for the week under review whereas Tullow Oil plc traded the lowest number of 48 shares for the second consecutive week.

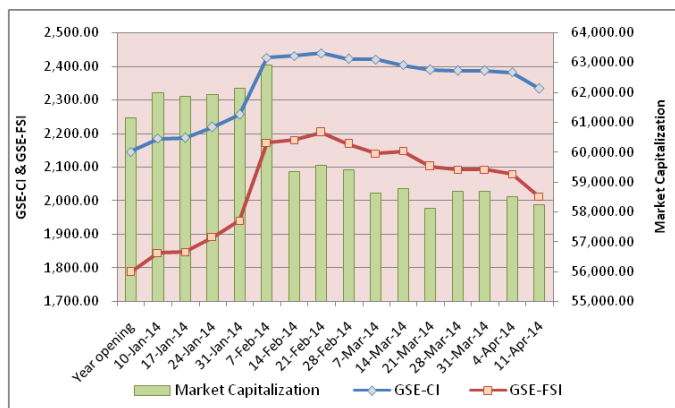
For the market indices, both the GSE Composite Index (GSE-CI) and the GSE Financial Stocks Index (GSE-FSI) recorded declines for the week on the account of share price falls in highly weighted equities listed on the Exchange. The GSE-CI shed 48.82 points of its previous week's closing level of 2,381.87 points to stand at 2,333.05 points while the GSE-FSI in a similar fashion fell by 68.17 points from 2,079.43 to 2,011.26. Their corresponding year-to-date returns currently stand at 8.76% and 12.57%.

This performance resulted in a GH¢265.78 million decline in Market Capitalization from last Friday's GH¢58,515.49 million to GH¢58,249.71 million.

The bearish nature of the Exchange in recent weeks has been partly attributed to the current high yield existing in the fixed income market. This has attracted more investors to the market which has a lower level of risk compared to the capital market.

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 Depreciates on interbank market

On the interbank market, the Ghana Cedi depreciated against its five major contenders during the week under review. The Cedi lost 0.50% of its value to the US Dollar to clock a year-to-date depreciation of 25.51%. To the British Pounds, Euro, South African Rand and the Japanese Yen, the Cedi lost 1.19%, 0.86%, 2.00% and 2.31% of its value, extending its year-to-date depreciations against the respective currencies to 27.20%, 25.48%, 25.16% and 29.13%

As at Friday, 11<sup>th</sup> April, 2014, a dollar could be bought and sold at GHS2.7117 and GHS2.7143 respectively, the Pound at GHS4.5418 and GHS4.5467 and the Euro at GHS3.7455 and GHS3.7486 respectively on the interbank market.

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

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	04.04.14	11.04.14	04.04.14	11.04.14
US Dollar	2.6983	2.7117	2.7009	2.7143
Pound	4.4878	4.5418	4.4935	4.5467
Euro	3.7135	3.7455	3.7167	3.7486
Rand	0.2530	0.2581	0.2532	0.2582
Yen	0.0260	0.0266	0.0260	0.0266

Source: Ghana Association of Bankers

### Yields

Money market investments during the week under review witnessed mixed movements with only the 91-day Treasury bill recording an increase in yield. The rate on 91-day Treasury bill went up by 0.29% to close at 23.9862% while that on the 1-Year Note and the 2-Year Fixed Rate Note remained unchanged during the period. However, yield on the 182-day Treasury bill went down by 0.0243% to stand at 21.2182%.

A total amount of GH¢566.48 million was received from tender for short term bill and notes while total value tenders for medium term securities came to GH¢12.35 million. Of these, Government sold GH¢556.08 million and GH¢2.35 million for the respective tenures.

The Government's target amount to be raised from both short and medium term securities this week is GH¢583.00 million. This signifies a 2.92% increase from last week's target.

It is expected that the high interest rates on the government-backed securities will see government mobilising more funds from the public while cost of borrowing becomes increasingly higher.

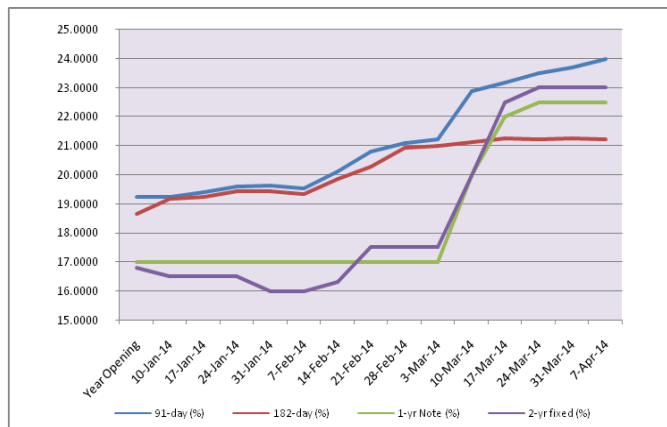
The table below shows the rates for the week under review alongside that of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	31.03.14 (% p.a.)	07.04.14 (% p.a.)	Week Change (%)
91 Day	23.6876	23.9862	0.2986 ▲
182 Day	21.2425	21.2182	0.0243 ▼
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

### AGA – 2013 ANNUAL REPORTS AND ANNUAL GENERAL MEETING

AngloGold Ashanti has published its annual report for the financial year ended 31 December 2013. Following that, they have announced that the Annual General Meeting (AGM) of the Company is slated for 14th May 2014 at the Auditorium, 76 Jeppe Street, Newtown, Johannesburg, South Africa. The time for the meeting is 11:00 am (SA time)

*GSE Press Release: 072/2014*

### ETI – APPOINTMENT OF A DIRECTOR

Ecobank Transnational Incorporated (ETI) has co-opted a new member to the Board of Directors. Mr. Hewett Adegboyega O. Benson has since 31 March 2014, become a Non-Executive Director, representing AMCON on the Board.

The appointment of Mr. Hewett Benson brings the total number of members of the Board to thirteen (13).

*GSE Press Release: 074/2014*

### FML – FINAL DIVIDEND AND CLOSURE OF REGISTER

Fan Milk Limited has announced that the company's directors would be recommending to the shareholders at the upcoming Annual General Meeting, the payment of a final dividend of GH¢0.09 per share in relation to 2013 financial year.

Shareholders registered in the books of FML by close of business on Monday, 5<sup>th</sup> May, 2014 qualify for the final dividend. The book closure for shareholders would be from Tuesday, 6<sup>th</sup> May, 2014 to Wednesday, 7<sup>th</sup> May, 2014 (both dates inclusive).

The dividend payment date is Thursday, 12th June 2014.

*GSE Press Release: 075/2014*

## COMPANIES THAT DECLARED FINAL DIVIDENDS IN 2012

Company	Final Dividend Per Share	Qualifying date	Book Closure	Payment Date
AYRTN	GH¢0.00125	Jun 25	Jun 26 - 27	Aug 8
AADS	GH¢0.0009			Apr 2
AGA	GH¢0.0900			Apr 2
BOPP	GH¢0.0770	Apr 23	April 24 - 26	May 10
CAL	GH¢0.035	Mar 22	Mar 25 - 26	Apr 30
CMLT	GH¢0.0060	Jun 26	Jun 27	Aug 30
EBG	GH¢0.29	Apr 10	Apr 11 - 18	May 10
EGL	GH¢0.016	May 17	May 20 - 22	Jun 28
ETI	0.4 US cents	Jul 5	Jul 5	Jul 19
FML	GH¢0.06	Apr 19	April 22 - 24	May 8
GCB	GH¢0.14	May 31	Jun 3 - 7	Jun 28
GOIL	GH¢0.015	Aug 15	Aug 16	Aug 30
MLC	GH¢0.015	Jun 25	June 26 - 28	July 19
PBC	GH¢0.0062	Mar 15	March 18 - 22	May 7
PZ	GH¢0.0046	Sept 23	Sept 24 - 27	Oct 14
SCB	GH¢0.47	May 17	May 20 - 21	Jun 28
SOGEGH	GH¢0.04	Mar 22	Mar 25 - 26	May 15
SPL	GH¢0.0022	Sept 26	Sept 27	Oct 8
TBL	20 Bututs	Apr 18	Apr 19	Apr 30
TOTAL	GH¢0.69	Jul 18	Jul 19 - 24	Jul 26
UNIL	GH¢0.2560	Apr 10	April 11 - 24	May 24
UTB	GH¢0.02	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	GH¢0.020	Oct 1 (2013)	Oct 2 - 3	Nov 4
TOTAL	GH¢0.0771	Dec 18 (2013)	Dec 19 - 20	Dec 24
<b>FINAL DIVIDEND*</b>				
CAL	GH¢0.053	Mar 21	Mar 24 - 26	Apr 30
SOGEGH	GH¢0.06	Mar 27	Mar 28 - 31	May 15
EBG	GH¢0.43	April 21	April 22-29	May 14
HFC	GH¢0.035	April 21	April 22-23	May 15
FML	GH¢ 0.09	May 5th	May 6-7	June 12

*\*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
	11.04.14	31.03.14	11.04.14		11.04.14	11.04.14	11.04.14	11.04.14	11.04.14	11.04.14	11.04.14
ACI	0.004	0.06	0.06	-	-	-	-	-	-11.48	0.37	0.49
AGA	25.49	37.00	37.00	-	-	-	-	0.24	-19.21	2.07	1.67
ALW	0.02	0.06	0.06	-	-	20.00	-	-	-3.52	0.26	0.11
AYRTN	0.07	0.18	0.18	-	-	5.88	28	0.69	4.94	1.90	3.26
BOPP	0.18	3.10	3.01	0.09 ▼	-2.90	-6.23	18	2.56	10.29	2.46	3.70
CAL	0.82	0.93	0.87	0.06 ▼	-6.45	-10.31	5	4.02	4.67	0.83	0.87
CLYD	0.002	0.04	0.04	-	-	-	8	-	1.10	0.02	0.002
CMLT	0.002	0.16	0.16	-	-	-	-	3.75	2.54	0.63	0.36
CPC	0.07	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	3.27	7.12	6.50	0.62 ▼	-8.71	15.86	10	4.46	3.20	2.99	3.08
EGL	0.52	2.39	2.38	0.01 ▼	-0.42	26.60	6	0.67	7.91	0.50	0.82
ETI	6.30	0.23	0.23	-	-	21.05	6	-	1.16	0.63	0.76
FML	1.50	7.55	7.52	0.03 ▼	-0.40	13.60	41	0.80	18.86	12.23	8.78
GCB	1.84	4.08	4.04	0.04 ▼	-0.98	-16.70	5	3.47	4.16	2.82	2.25
GGBL	2.13	5.87	5.87	-	-	-5.32	-	-	9.59	5.79	3.95
GOIL	0.38	0.85	0.88	0.03 ▲	3.53	-1.12	13	1.70	5.52	3.17	0.03
GSR	1.21	2.75	2.75	-	-	-	-	-	1.09	0.01	0.03
GWEB	0.002	0.04	0.04	-	-	-	-	-	2.25	-0.60	2.48
HFC	0.64	1.22	1.25	0.03 ▲	2.46	30.21	9	-	2.26	1.13	2.41
MLC	0.03	0.34	0.35	0.01 ▲	2.94	-7.89	10	4.29	1.66	0.17	0.26
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.14	0.17	0.17	-	-	-	6	3.65	0.92	1.48	0.21
PZ	0.18	0.63	0.63	-	-	-20.25	-	-	11.44	2.70	1.11
SCB	3.90	19.89	19.65	0.24 ▼	-1.21	31.53	11	2.39	4.14	0.93	1.01
SIC	0.16	0.52	0.48	0.02 ▼	-7.69	23.08	21	-	1.09	1.31	1.11
SPL	0.005	0.04	0.04	-	-	-	5	-	6.14	1.04	0.64
SOGEGH	0.52	1.00	0.90	0.10 ▼	-10.00	20.00	8	4.44	2.40	1.65	2.30
SWL	0.001	0.03	0.03	-	-	-	12	-	7.65	1.00	0.19
TBL	0.09	0.25	0.25	-	-	-28.57	5	-	2.11	1.82	0.01
TOTAL	1.26	6.55	6.56	0.01 ▲	0.15	29.64	20	10.38	8.16	0.90	0.09
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71
TLW	46.85	30.25	30.09	0.16 ▼	-	-13.98	23	-	7.10	5.11	11.60
UNIL	1.94	18.09	18.09	-	-	-1.20	80	1.42	12.68	33.24	4.83
UTB	0.35	0.41	0.45	0.04 ▲	9.76	-	23	4.44	0.54	1.01	2.37
<b>Depository Shares</b>											
AADS	0.09	0.52	0.52	-	-	-	-	0.17	-	-	-
<b>Preference Shares</b>											
SCB-PREF	0.02	0.52	0.52	-	-	-	-	-	-	-	-
<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, 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—Starwin Products Ltd, SOGEGH—Société Générale Ghana Ltd, SWL—Sam Woode Ltd, TBL—Trust Bank (The Gambia) Ltd, TOTAL—Total Petroleum Ghana Ltd, TRANSOL—Transaction Solutions Ghana Ltd, UNIL—Unilever Ghana Ltd, UTB—UT Bank Ltd, AADS—AngloGold Ashanti Depository

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