

FEATURE
GUINNESS GHANA BREWERY LIMITED (GGBL)

Guinness Ghana Breweries Limited (GGBL) started operations in Ghana in August 1960 as Guinness Ghana Limited (GGL). Its main purpose at incorporation was to promote the sale of imported Guinness Foreign Extra Stout in Ghana. In 1970, the company began work on a brewery and bottling plant in Kumasi for the production and sale of Guinness Stout and on 12 November 1971, commercial production started. Following the promulgation of the Investments Policy Decree 1975 (NRCD 329) the shareholding of GGL changed from the initial 63.75% interest for Guinness Overseas Limited and 36.25% for Atalantaf Limited to 40% for the Government of Ghana, 28.68% for Guinness Overseas Limited, 16.32% for Atalantaf and 15% for the Ghanaian public. In November 1990, GGL listed provisionally on the Ghana Stock Exchange and finally had its official listing on August 23, 1991. This makes GGL one of the first companies to list on the GSE. In 1997, Guinness Plc and Grand Metropolitan Plc merged to form Diageo Plc, thereby making GGL a subsidiary of Diageo. In 2004, GGL acquired 99.7% of the shares in Ghana Breweries Limited and the two operations merged to form Guinness Ghana Breweries Limited (GGBL).

The Company's main activity is the manufacture and sale of beer, stout, malt drinks and their ancillary products. Popular brands of GGBL include Guinness and Star - major alcoholic products on the Ghanaian market and non-alcoholic drinks such as Malta Guinness, Amstel Malta and Alvaro. Recently, GGBL has added to its stock a new brand of beer called Root Extra Premium. The product which was launched in December 2013 is Ghana's first cassava based beer. GGBL is also the sole agent for all Jonny Walker and Bailey's Irish Cream drink in Ghana.

Over the last five years, the financial performance of Guinness Ghana Breweries Limited has generally been mixed, with Turnover improving and Net Profit levels fluctuating. GGBL's Turnover which stood at GH¢200.97 million in its 2008/09 operational year increased consistently to end the 2012/13 operational year at GH¢321.02 million, signifying a growth of 59.7% over the five-year period. As previously indicated, Net profit witnessed a mixed performance during the review period, moving from GH¢11.44 million in 2008/09 to a loss position of GH¢4.64 million in the following year before returning to profitability. In 2010/11, 2011/12 and 2012/13 operational years, GGBL's Net Profit stood at GH¢0.53 million, GH¢25.01 million and GH¢18.23 respectively, reflecting a mixed trend for the indicator.

GGBL has released un-audited financial statements for the first half of its 2013/14 operational year and the results show a decline in financial performance compared to the same period in 2012/13. From GH¢176.35 million in 2012/13, Net Turnover declined to GH¢175.55 million at the end of the period indicating a 0.46% fall. Cost of Goods Sold inched up from GH¢115.12 million to GH¢125.88 million representing a 9.40% rise within the period while General and Administrative dipped by 4.6%. As a result, Operating Profit of GGBL dropped by 33.2% to close the year. With a 86.98% increase in Finance Charges for the period and a 40.6% drop in Tax Expense, GGBL's Net Profit for the period came to GH¢14.8 million as at the end of December, 2013/14. This compares unfavourably to the 2012/13 half-year Net Profit of GH¢25.71 million. The company's Earnings per Share (EPS) therefore fell from GH¢0.1216 as at December 31, 2012/13 to GH¢0.0702 as at December 31, 2013/14.

On the Stock Exchange, GGBL has since its listing performed very well. From an initial listing price of GH¢0.0083 in 1991, the stock had by the end of 2007 recorded an impressive jump to end the year at GH¢1.23 representing a Compounded Annual Growth Rate of 36.67%. Subsequently, the performance of GGBL on the Stock market was mixed in 2008 till October when it declined steadily to close the year at GH¢2.00. The stock recorded further fluctuations until March 2010 where its price picked up gradually to reach its highest price of GH¢6.20 in December 2013. It has so far this year fallen by GH¢0.28 to stand at GH¢5.92 as at Friday, 14th March, 2014.

Income Statement

(All figures are expressed in thousand Ghana cedis)

	2010/11	2011/12	2012/13	2013/14 Q2*
Turnover	244,293	292,318	321,017	175,545
Operating Profit	19,141	40,620	31,163	20,505
Net profit	533	25,005	18,277	14,833

Balance Sheet Summary

(All figures are expressed in thousand Ghana cedis)

	2010/11	2011/12	2012/13	2013/14 Q2*
Total Assets	204,188	244,099	297,991	393,486
Total Liabilities	158,492	105,142	145,189	229,506
Total Equity	45,696	138,957	152,802	163,980

**Un-audited financial statements*

Ratios/Statistics

	2010/11	2011/12	2012/13	2013/14 Q2
Profit Margin (%)	0.22	7.79	5.69	8.45
Return on Assets (%)	0.26	10.24	6.13	3.77
Return on Equity (%)	1.17	17.99	11.96	9.05
Earnings Per Share (GH¢)	0.0032	0.1183	0.0865	0.0702
Dividend Per Share (GH¢)	-	0.024	0.0173	-
Net Assets Per Share (GH¢)	0.2775	0.6575	0.7230	0.7759
Share price				
High (GH¢)	1.58	2.62	6.40	6.20
Low (GH¢)	1.20	1.53	2.62	5.94
Close (GH¢)	1.53	2.62	6.20	6.20

Investor Ratios

	2012	2013/14
Price to Book Value	8.58	7.66
Price Revenue Ratio	4.48	7.15
Price Earnings Ratio	71.61	84.63
Dividend Yield (%)	0.00	-
Year-to-date Return (%)	136.64	4.19


Price Information

Year Opening Price (GH¢)	Week Opening Price (GH¢)	Current Price (GH)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.14	07.03.04	14.03.14			
0.2668	0.2992	0.2994	0.0002	0.07 ▲	12.23 ▲

GHANA STOCK EXCHANGE NEWS

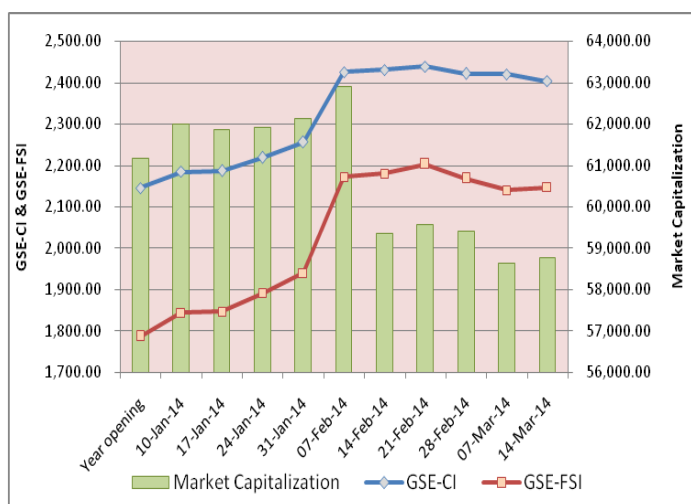
Trading on the Ghanaian bourse during the week was relatively low compared to that of last week. Total volume came to 1,340,906 shares valued at GH¢2,172,598 as against the previous week's total volume of 2,728,273 shares and total value of GH¢7,191,811. CAL Bank Limited traded 387,699 shares claiming about 29% of the period's total volume to be the period's most active equity. Ecobank Transnational Incorporated, Ghana Commercial Bank and Enterprise Group Limited followed with trades of 253,465, 112,385 and 108,533 shares respectively.

For the period, the GSE Composite index (GSE-CI) and the GSE Financial moved in different directions. While the GSE-CI fell by 16.11 points to end the week at 2,403.27 points, the GSE-FSI registered an appreciation of 7.04 points to end the period at 2,147.49 points. This performance led to year-to date returns of 12.03% and 20.20% for the respective indices.

The market's capitalization followed the trend of the GSE-FSI with growth of GH¢142.63 million from a week opening position of GH¢58,633.39 million to GH¢58,776.02 million by the end of the week.

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 Against Internationally Traded Currencies

Activities on the foreign currency market saw the cedi depreciating against the major trading currencies. With the exception of the US Dollar and the Euro, the cedi recorded a lower margin of depreciation against the British Pound, South African Rand and the Japanese Yen this week compared to that of the prior week. The local currency depreciated against the US Dollar, the British Pound, the Euro, the South African Rand and the Japanese Yen by 0.74%, 0.34%, 1.98%, 0.17% and 0.20% respectively.

Subsequently, this moved the cedi's year-to-date depreciation against the Dollar, the Pound, the Euro, the Rand and the Yen to 17.83%, 18.46%, 18.65%, 13.26% and 20.39% respectively.

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

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	07.03.14	14.03.14	07.03.14	14.03.14
US Dollar	2.5270	2.5470	2.5295	2.5495
Pound	4.2123	4.2295	4.2179	4.2350
Euro	3.4723	3.5411	3.4761	3.5448
Rand	0.2331	0.2335	0.2333	0.2337
Yen	0.0247	0.0248	0.0248	0.0248

Source: Ghana Association of Bankers

INTEREST RATES

For the week under review, all the government backed securities witnessed changes in their yields. The 91-day bill went up by 1.6623% and the 182-day bill by 0.1225% to close the week at 22.8927% and 21.1136% respectively. Similarly, the 1-Year Note went up by 3.00% and the 2-Year Fixed Rate Note by 2.50% to each transact at 20.00% during the week.

Total tender received for the preceding week amounted to GH¢558.17 million for the short term securities and GH¢10.04 million for the medium term. Government however sold GH¢556.93 million of the short term securities while the medium term securities were sold off.

The total amount expected to be raised by Government from the issue of short and medium term securities for this week is GH¢612.00 million.

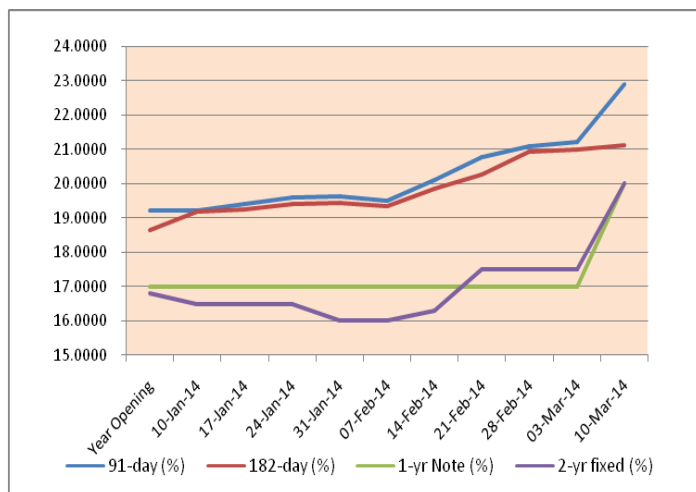
The table below shows the rates for the week under review alongside that of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	03.03.14 (% p.a.)	10.03.14 (% p.a.)	Year-to-date change (%)
91 Day	21.2304	22.8927	1.6623 ▲
182 Day	20.9911	21.1136	0.1225 ▲
1-Year Note	17.0000	20.0000	3.0000 ▲
2-Year Fixed Rate Note	17.5000	20.0000	2.5000 ▲

Source: Bank of Ghana

Chart 2 – Trend of Yields on Money Market Securities



RELEVANT CORPORATE NEWS

ETI- SETTING UP OF BOARD SEARCH COMMITTEE

Ecobank Transnational Incorporated has announced that it has set up a new committee to search for new Board members. The seven (7) member search Committee consists of two (2) former chairmen - Mr. Gervais Djondo and Chief Philip Asiodu, two (2) representatives of the current board and three (3) shareholder representatives. The Committee was established as part of the detailed 51 point Governance Action Plan agreed by shareholders at an Extraordinary General Meeting held at Ecobank's Pan African Centre in Lomé on Monday 3 March 2014. The Committee would be assisted in its work by an external search firm.

The search team would recommend potential Board members to the Shareholders of Ecobank Transnational Incorporated at the Annual General Meeting in June 2014

GSE Press Release: 047/2014

SPL- APPOINTMENT OF TRANSACTION ADVISORS

Following shareholders resolution to raise GH¢10 million through a Renounceable Rights issue, the Board of Directors of Starwin Product Limited has appointed IC Securities Ltd as Lead Transaction advisors.

Furthermore, Bentil-Enchill Letsa & Ankomah and Ernst & Young are the Legal Advisors and Reporting Accounts for the project respectively.

GSE Press Release: 049/2014

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
SOGEH	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
INTERIM DIVIDEND				
EGL	GH¢0.020	Oct 1 (2013)	Oct 2 - 3	Nov 4
TOTAL	GH¢0.0771	Dec 18 (2013)	Dec 19 - 20	Dec 24
FINAL DIVIDEND*				
CAL	GH¢0.053	Mar 21	Mar 24 - 26	Apr 30
SOGEH	GH¢0.06	Mar 27	Mar 28 - 31	May 15

**All dates for final dividends are in 2014*

Listed Equities	% of Market Capitalization	Week	Week	Price	Weekly	Year-to-	P/E Ratio	Dividend	Return on	Price/Book Value	Price/Revenue
		Opening Price (GH¢)	Closing Price (GH¢)	Change (GH¢)	Return (%)	Date Return (%)		Yield (%)	Assets (%)		
	14.03.14	10.03.14	14.03.14		14.03.14	14.03.14	14.03.14	14.03.14	31.12.12	14.03.14	14.03.14
ACI	0.004	0.06	0.06	-	-	-	-	-	-11.48	0.37	0.49
AGA	25.26	37.00	37.00	-	-	-	-	0.24	-19.21	2.07	1.67
ALW	0.02	0.05	0.06	0.01 ▲	20.00	20.00	-	-	-2.66	0.11	0.07
AYRTN	0.06	0.17	0.17	-	-	-	27	0.74	4.94	1.79	3.08
BOPP	0.18	3.15	3.00	0.15 ▼	-4.76	-6.54	18	2.57	10.29	2.46	3.69
CAL	0.95	0.89	1.02	0.13 ▲	14.61	5.15	6	3.43	34.67	0.97	1.02
CLYD	0.002	0.04	0.04	-	-	-	8	-	1.10	0.02	0.002
CMLT	0.002	0.16	0.16	-	-	-	9	3.75	2.54	0.63	0.36
CPC	0.07	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	3.88	7.87	7.78	0.09 ▼	-1.14	38.68	13	3.73	3.20	3.58	3.68
EGL	0.52	2.48	2.40	0.08 ▼	-3.23	27.66	6	0.67	7.91	0.51	0.82
ETI	6.25	0.22	0.23	0.01 ▲	4.55	21.05	6	-	1.16	0.63	0.76
FML	1.47	7.41	7.42	0.01 ▲	0.13	12.08	40	0.81	18.86	12.07	8.66
GCB	1.85	4.10	4.10	-	-	-15.46	6	3.41	4.16	2.86	2.28
GGBL	2.13	5.98	5.92	0.06 ▼	-1.00	-4.52	-	-	9.59	5.84	3.98
GOIL	0.33	0.77	0.78	0.01 ▲	1.30	12.36	14	1.92	5.52	2.81	0.02
GSR	1.20	2.75	2.75	-	-	-	-	-	1.09	0.01	0.03
GWEB	0.002	0.04	0.04	-	-	-	-	-	2.25	-0.60	2.48
HFC	0.56	1.11	1.12	0.01 ▲	0.90	16.67	10	-	2.26	1.01	2.16
MLC	0.03	0.38	0.38	-	-	-	11	3.95	1.66	0.19	0.29
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.13	0.17	0.16	0.01 ▼	-5.88	-5.88	5	3.88	0.92	1.39	0.20
PZ	0.18	0.66	0.64	0.02 ▼	-3.03	-18.99	-	-	11.44	2.74	1.12
SCB	3.96	20.20	20.16	0.04 ▼	-0.20	34.94	12	2.33	4.14	0.96	1.04
SIC	0.16	0.48	0.49	0.01 ▲	2.08	25.64	21	-	1.09	1.34	1.13
SPL	0.005	0.04	0.04	-	-	-	7	-	6.14	1.04	0.64
SOGEGH	0.57	1.10	1.00	0.10 ▼	-9.09	33.33	10	4.00	2.40	1.83	2.55
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	1.04	5.35	5.45	0.10 ▲	1.87	7.71	15	12.66	8.16	0.74	0.08
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71
TLW	46.68	30.25	30.25	-	-	-13.52	23	-	7.10	5.14	11.66
UNIL	1.92	18.10	18.09	0.01 ▼	-0.06	-1.20	46	1.42	12.68	33.24	4.83
UTB	0.36	0.48	0.46	0.02 ▼	-4.17	2.22	10	4.35	0.54	1.03	2.48
Depository Shares											
AADS	0.09	0.52	0.52	-	-	-	-	0.17	-	-	-
Preference Shares											
SCB-PREF	0.02	0.52	0.52	-	-	-	-	-	-	-	-
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—Starwin Products Ltd, SOGEGH—Societe Generale 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 Shares, SCB-PREF—Standard Chartered Bank Preference Shares, ETF—Exchange Traded Fund, GLD—New Gold

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