

FEATURE
GUINNESS GHANA BREWERY LIMITED (GGBL)

Guinness Ghana Brewery Limited (GGBL), which started out as Guinness Ghana Limited (GGL) was incorporated as a private company in 1960 to manage the importation and marketing of Guinness Foreign stout in Ghana. It later expanded its object to include the manufacture of beverages and constructed a brewery in Kumasi to commence production in November, 1971. The Government, by an investment decree in 1976 acquired 40% shareholding in the company and subsequently divested its holdings in the 1990's. On the other hand, ABC Breweries Limited, which was incorporated on 30th April, 1992 took over Achimota Brewery Limited on 26th October 1994. Heineken thereafter bought 90% ordinary shares of ABC Breweries and renamed it Ghana Brewery Limited. In November 1990, GGL listed provisionally on the Ghana Stock Exchange and finally had its official listing on August 23, 1991. In 1997, Guinness Plc and Grand Metropolitan Plc merged to form Diageo Plc, thereby making GGL a subsidiary of Diageo. In 2004, merger talks begun between Guinness Ghana and Ghana Breweries Limited with the former having merged with Kumasi brewery in January, 1998. Subsequently, Guinness Ghana acquired all the assets of Ghana Breweries Limited and officially christened the new entity Guinness Ghana Breweries Limited.

The company's main activity is the manufacture and sale of alcoholic and non-alcoholic beverages. The company enjoys a greater share of the market with a wide variety of products such as Star Lager, Gordon Spark, Malta Guinness, Heineken, Guinness, Alvaro, Smirnoff Ice, J & B, Gordons, Ruut Extra Premium, etc. The company is also the sole agent for Johnny Walker and Bailey's Irish Cream in Ghana.

Turnover of the company over the past five has been growing albeit at a reducing rate, except for 2012. The top line indicator showed GHS 206.49 million in 2010, went up to GHS 244.29 million in 2011, GHS 292.31 million in 2012, GHS 321.01 million in 2013 and GHS 330.64 million in 2014. This represents a cumulative annual growth of about 9.87%. Net Profit however experienced a mixed performance over the period, jumping from a loss of GHS 4.64 million in 2010 to a Profit of GHS 0.53 million in 2011. It again shot up to GHS 25.00 million in 2012, declined to GHS 18.27 million in 2013 and sunk to a loss of GHS 8.62 million in 2014. This fluctuating performance was due to high Cost of Sales, General, Administrative, Selling and Finance charges for the periods.

GGBL's audited financial statements for the operational year ended 30th June 2015 show a decline in the bottom-line compared to the previous year's performance. Revenue grew to GHS 437.34 million from GHS 330.64 million at a rate of 32.7%. Cost of Sales for the year under review also jumped from GHS 259.58 million to GHS 334.17 million representing an increment of about 28.73% with General, Administration and Selling Expenses also seeing a 35.98% increment from GHS 88.31 million to GHS 120.08 million. This caused Operating Profit to dip slightly from GHS 5.67 million in 2014 to GHS 4.59 million in 2015. Net Interest Charges also saw a significant increase from the previous year's amount of GHS 17.14 million to GHS 53.70 million, an increment in excess of 200%. The bottom-line of the company for the year was a loss of GHS 45.47 million.

On the Exchange, GGBL, since its listing in 1991 has performed very well over the years. From an initial listing price of GHS 0.0083 in 1991, the stock recorded an impressive price appreciation to end 2007 at GHS1.23. The price slowed in 2008 and declined steadily to close the year at GHS 2.00. In 2012 and 2013 however, it saw a steady rise closing 2013 at an all-time high of GHS6.40. It began to fall from 2014 and currently trades at GHS 1.99 as at Friday 29th January, 2016.

Income Statement

(All figures are expressed in '000 Ghana Cedis)

	2011/2012	2012/2013	2013/2014	2014/2015
Turnover	292,318	321,017	330,645	437,348
Operating Profit	40,620	31,163	5,667	4,594
Net Profit	25,005	18,277	(8,622)	(45,471)

Balance Sheet Summary

(All figures are expressed in '000 Ghana Cedis)

	2011/2012	2012/2013	2013/2014	2014/2015
Total Assets	244,099	297,991	419,378	480,654
Total Liabilities	105,142	145,189	278,759	385,472
Total Equity	138,957	152,802	140,619	95,182

Ratios/Statistics

	2010/11	2012/13	2013/14	2014/2015
Net Profit Margin (%)	8.55	5.69	-2.61	-10.40
Return on Assets (%)	10.24	-6.13	-2.60	-9.46
Return on Equity (%)	17.99	11.96	-6.13	-47.77
Earnings Per Share (GHS)	0.16	0.13	-0.05	-0.23
Dividend Per Share (GHS)	0.02	0.02	-	-
Net Assets Per Share (GHS)	0.66	0.72	0.67	0.45
Share price				
High (GHS)	2.62	6.40	6.20	5.82
Low (GHS)	1.53	2.62	2.45	4.85
Close (GHS)	2.62	6.20	3.20	4.89

Investor Ratios

	2013/2014	2014/15
Price to Book Value	4.81	10.86
Price Revenue Ratio	1.91	2.25
Price Earnings Ratio	-58.92	-21.04
Year-to-date Return (%)	-48.39	52.18


Price Information

Year Opening Price (GHS)	Week Opening Price (GHS)	Current Price (GHS)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.16	22.01.16	29.01.16			
0.3163	0.3184	0.3195	0.0011 ▲	0.35 ▲	1.01 ▲

GHANA STOCK EXCHANGE NEWS

Trading activity on the Ghana Stock Exchange for the week under review saw a significant decline in both volume and value of trade compared to the levels recorded for the preceding week.

A total of 1,157,457 shares valued at GHS 6,425,275.40 were traded for the week compared to 3,715,105 shares valued at GHS 10,439,234.80 traded on the local bourse for the preceding week. This represents a decline of 68.84% and 38.45% in volume and value respectively.

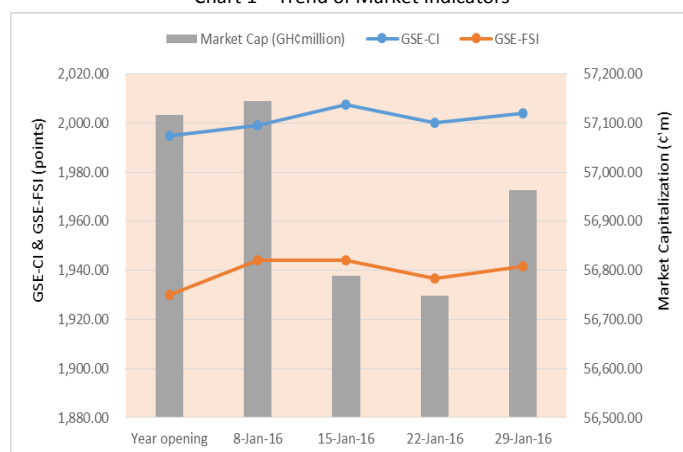
Unilever Ghana Limited was the most traded stock on the GSE for the week under review with 666,270 shares traded representing 57.56% of total share trade with SIC and ETI following with 136,761 shares and 89,734 shares representing 12.82% and 7.75% respectively. TLW was the least traded equity having traded 50 shares for the week representing a 0.0043% of total share traded.

The GSE Composite Index (GSE-CI) and the GSE Financial Stocks Index (GSE-FSI) have both ended the month on a fairly good note as they have kept the positive gains recorded from the start of the month albeit very volatile. Both the GSE-CI and the GSE-FSI inched up by 4.10 points and 5.03 points to close the week at 2,004.12 points and 1,941.56 points from the preceding week's 2000.02 points and 1,936.53 points respectively. In percentage terms, the two indices rose by 0.20 for the GSE-CI and 0.26 for the GSE-FSE bringing the year-to-date returns for both indices to 0.46% and 0.60% respectively for the week under review.

The market capitalization for the week under review consequently rose marginally by 0.38% to GHS 56,963.50 million from a previous week level of GHS 56,748.67 million.

The chart below gives historical view of the market capitalisation so far.

Chart 1 – Trend of Market Indicators



MONEY MARKET NEWS

Cedi declines against major trading currencies

The cedi came under severe pressure for the week under review as it recorded a decline in value against the major trading currencies. It recorded a depreciation against the US Dollar, the British Pound, the Euro and the South African Rand by 0.43%, 1.28%, 0.44% and 2.93% respectively but appreciated against the Japanese Yen by 1.08%

The year-to-date depreciation of the Cedi therefore came to 0.82%, 0.47% and 2.47% for the Dollar, the Euro and the Yen respectively while it recorded a

year-to-date appreciation against the Pound to 2.57% and the Rand to 6.26%. The following table summarizes the interbank rates for the week under review.

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	22.01.16	29.01.16	22.01.16	29.01.16
US Dollar	3.8127	3.8291	3.8165	3.8330
Pound	5.4133	5.4833	5.4198	5.4908
Euro	4.1532	4.1711	4.1553	4.1742
Rand	0.2270	0.2338	0.2271	0.2340
Yen	0.0327	0.0323	0.0327	0.0324

Source: Ghana Association of Bankers

INTEREST RATES

The 91-day and 182-day Treasury bill rates continue to move in opposite directions as it has been over the past couple of weeks. While the 91-day rate saw a 0.0474% fall from a previous week's rate of 22.6934% to a rate of 22.646%, the 182-day rate saw a 0.0691% rise to 24.4537% from a previous week rate of 24.3846%. The 1-Year Note, the 2-Year Fixed Rate Note and 3 Year Note saw no transaction during the week.

For the previous week, a total amount of GHS 1,011.80 million was tendered and sold for short term securities. The 1-Year Note also saw all the GH 9.51 million which was tendered being sold. The 2 and 3-Year Notes however did not trade during the period.

The Government of Ghana's target for this week is GHS 1,099 million cedis for short term securities and GHS 60 million for the 1-Year Note.

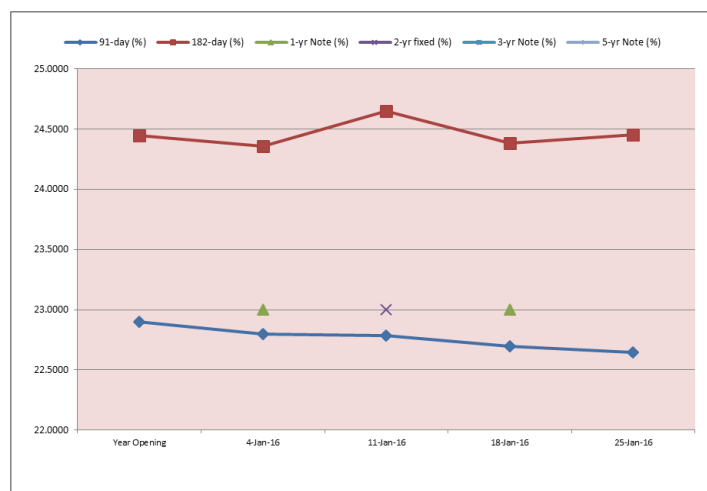
The table below shows the rates for the week under review alongside that of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	18.01.16 (% p.a.)	25.01.16 (% p.a.)	Week change (%)
91 Day	22.6934	22.6460	0.2089 ▼
182 Day	24.3846	24.4537	0.2834 ▲
1-Year Note	-	-	-
2-Year Fixed Rate Note	23.0000	-	-

Source: Bank of Ghana

Chart 2 – Trend of Yields on Money Market Securities



RELEVANT CORPORATE NEWS

AYRTN - ANNUAL GENERAL MEETING

Ayrton Drugs Manufacturing Company (AYRTN) announces the upcoming Annual General Meeting scheduled for 28th January, 2016 at the GNAT New Conference Hall at 10 am.

GSE Press Release: 004/2016

AGA - INCREASE IN ITS SHARE CAPITAL

AngloGold Ashanti Limited (AGA) has announced an increase in its issued ordinary shares to 405,231,034 as at November 30, 2015. This was as a result of the issue and listing of additional ordinary shares over the period on the Johannesburg Securities Exchange, South Africa.

The issued shares are as detailed below:

AGA Share Incentive Scheme (November 2015) - 62,348 ordinary shares

By this arrangement, AGA share capital has also been increased to 49,752,604,796.50 South African Rand.

GSE Press Release: 003/2016

COCOA PROCESSING COMPANY LTD (CPC) - PRESS STATEMENT ON SHUT DOWN

CPC has released a press statement for the general and investing public. Below are the details:

Management of Cocoa Processing Company Limited (CPC) has been inundated with calls from the general public especially the media to confirm or explain why the company has shut down and workers asked to go home until further notice.

Management hereby wishes to state categorically that it is not wholly true that the company has shut down its operations.

The facts of the matter are as follows:

1. Cocoa Processing Company comprises three (3) factories. Two (2) of the factories process raw cocoa beans into semi-finished cocoa products such as cocoa liquor, cocoa butter, cocoa cake and powder. These factories are known as Cocoa Factories 1 and 2. The third factory is the Confectionery Factory that manufactures the Golden Tree range of Chocolate products.
2. Every year the factories go through a planned maintenance schedule around the Christmas period when workers are made to take extended break while maintenance is undertaken. Last year (2015) we were not able to undertake any such maintenance at the Cocoa Factories due to a contract we had to fulfill which contract was fully executed around January 4, 2016.
3. We have scheduled the maintenance of the two (2) Cocoa factories from January 25, 2016. This means that the plant and machinery in those factories have to shut down. We have therefore asked the workers in these factories to take their annual leave while maintenance is being undertaken so we can all work full time after the exercise. Some members of staff from other departments that support the activities of the Cocoa Factories have also been asked to take their annual leave.

4. The total number of staff in the Cocoa Factories and other support services who are asked to be on leave during the period of the maintenance is about eighty (80).
5. All the affected workers will resume work as soon as the maintenance exercise is over.
6. The Confectionery Factory is not affected by this and so will continue to be in operation as well as other departments. We therefore wish to assure the general public that your favourite Golden tree products are still being produced and are available on the market.

GSE Press Release: 017/2016

2014 DIVIDEND INFORMATION

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
PREFERENCE SHARES				
SCB PREF.	GHS 0.0758	Feb. 27 (2015)	Mar. 2 – 4	Mar. 30
SCB PREF.	GHS 0.0762	Aug. 28 (2015)	Aug. 31 – Sep. 2	Mar. 30
INTERIM DIVIDEND				
TBL	43.60 bututs	Oct. 9 (2014)	Oct. 10	Oct. 13
TOTAL	GHS 0.0771	Dec. 3 (2014)	Dec. 4 - 11	Dec. 14
EGL	GHS 0.19	Dec. 8 (2014)	Dec. 9 - 10	Dec. 11
FINAL DIVIDEND				
CAL	GHS 0.081	Mar. 23 (2015)	Mar. 24 - 26	Apr. 30
MAC	GHS 0.05	Apr. 7 (2015)	Apr. 8 - 10	May 7
GCB	GHS 0.32	May 15 (2015)	May 18 - 21	June 22
HFC	GHS 0.06	Apr. 22 (2015)	Apr. 23 - 24	May 22
EBG	GHS 0.79	Apr. 24 (2015)	Apr. 27 – May 6	May 21
BOPP	GHS 0.0706	May 7 (2015)	May 8	Jun. 18
FML	GHS 0.09	May 4 (2015)	May 5 - 6	Jun. 1
TBL	30 Bututs	May 4 (2015)	May 5	May 12
GOIL	GHS 0.02	May 6 (2015)	May 7 - 8	
SCB	GHS 0.35	May 15 (2015)	May 18 - 19	June 30
EGL	GHS 0.025	June 16 (2015)	June 17 - 18	July 28

2015 DIVIDEND INFORMATION

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
INTERIM DIVIDEND				
TOTAL	GHS 0.0902	Nov. 27 (2015)	Nov. 30 – Dec. 3	Dec. 14
MLC	GHS 0.02	Dec. 2 (2015)	Dec. 3	Dec. 8

Listed Equities	% of Market Capitalization	Week Opening Price (GHS)	Week Closing Price (GHS)	Price Change (GHS)	Weekly Return (%)	Year-to-Date Return (%)	P/E Ratio	Dividend Yield (%)	Return on Assets (%)	Price/Book Value	Price/Revenue
	29.01.16	22.01.16	29.01.16		29.01.16	29.01.16	29.01.16	29.01.16	29.01.16	29.01.16	29.01.16
ACI	0.001	0.02	0.02	-	-	-	n/m	-	-11.48	0.12	0.16
AGA	26.26	37.00	37.00	-	-	-	n/m	-	-22.74	4.55	
ALW	0.03	0.07	0.07	-	-	50.00 ▼	n/m	-	(3.52)	0.30	0.13
AYRTN	0.05	0.13	0.13	-	-	27.78 ▼	n/m	-	4.94	1.37	2.36
BOPP	0.19	3.00	3.05	0.05 ▲	0.02 ▲	22.00 ▲	13.02	2.31	21.32	1.94	3.00
CAL	0.96	1.05	1.00	0.05 ▼	0.05 ▼	-	4.80	8.10	5.92	0.86	0.71
CLYD	0.002	0.03	0.03	-	-	-	13.64	-	1.10	0.01	0.002
CMLT	0.001	0.12	0.12	-	-	-	n/m	-	3.86	0.48	0.21
CPC	0.07	0.02	0.02	-	-	-	n/m	-	-2.68	(7.77)	0.66
EBG	3.64	7.06	7.07	0.01 ▲	0.001 ▲	0.86 ▲	5.22	11.17	1.42	0.32	7.58
EGL	0.56	2.41	2.41	-	-	0.42 ▲	17.99	8.92	11.47	1.90	0.99
ETI	10.99	0.25	0.26	0.01 ▲	0.04 ▲	3.70 ▼	5.44	-	-	-	-
FML	1.51	7.38	7.38	-	-	0.41 ▲	23.47	1.22	21.45	11.22	6.17
GCB	1.74	3.75	3.75	-	-	1.06 ▼	4.45	8.53	6.73	2.13	1.75
GGBL	0.74	1.99	1.99	-	-	-	n/m	-	3.77	2.00	1.87
GOIL	0.64	1.44	1.45	0.01 ▲	0.01 ▲	3.57 ▲	11.45	1.38	5.52	5.22	0.04
GSR	0.89	1.99	1.99	-	-	-	n/m	-	-	-	-
GWEB	0.001	0.01	0.01	-	-	-	n/m	-	2.25	(0.15)	0.62
HFC	0.55	1.10	1.05	0.05 ▼	0.05 ▼	16.67 ▲	-24.80	5.71	3.73	0.82	0.79
MAC	0.10	6.00	6.00	-	-	-	5.21	0.83	27.56	2.49	5.11
MLC	0.02	0.19	0.19	-	-	-	5.94	-	-1.31	0.10	0.10
PKL	0.003	0.05	0.05	-	-	-	n/m	-	-35.20	(1.23)	1.41
PBC	0.08	0.10	0.10	-	-	-	n/m.	-	-2.70	1.21	0.04
PZ	0.09	0.33	0.32	0.01 ▼	0.03 ▼	5.88 ▼	n/m	-	0.26	1.39	0.71
SCB	3.31	16.30	16.30	-	-	-	12.46	2.15	1.70	0.87	1.81
SIC	0.07	0.15	0.19	0.04 ▲	0.27 ▲	35.71 ▲	32.59	-	228.66	0.51	0.34
SPL	0.01	0.02	0.02	-	-	50.00 ▼	9.09	-	8.45	0.53	0.22
SOGEGH	0.55	0.82	0.85	0.03 ▲	0.04 ▲	6.25 ▲	6.05	-	2.99	1.47	1.44
SWL	0.002	0.04	0.04	-	-	-	2.72	-	38.67	0.38	0.08
TBL	0.13	0.37	0.37	-	-	-	8.20	-	2.94	0.17	0.10
TOTAL	1.01	5.15	5.15	-	-	0.98 ▲	17.47	1.50	10.59	0.66	0.05
TRANSOL	0.004	0.03	0.03	-	-	-	n/m	-	11.50	(0.70)	13.71
TLW	44.57	28.00	27.99	0.01 ▼	0.0004 ▼	0.04 ▼	n/m	-	1.88	4.65	9.56
UNIL	0.93	8.50	8.50	-	-	-	14.49	-	7.32	16.28	1.64
UTB	0.09	0.11	0.11	-	-	10.00 ▲	n/m	-	0.73	0.02	0.11
Depository Shares											
AADS	0.09	0.52	0.52	-	-	-	-	-	-	-	-
Preference Shares											
SCB-PREF	0.02	0.71	0.71	-	-	-	-	-	1.70	-	-
GAX											
SAMBA	0.01	0.73	38.8	-	-	0.01 ▼	(16.65)	-	-	-	-
MMH	0.02	0.11	-	-	-	-	-	-	-	-	-
HORDS	0.02	0.08	0.09	0.01 ▲	0.13 ▲	12.50 ▲	-	-	-	-	-
ETF											
GLD	0.03	38.80	38.80	-	-	0.51 ▼	-	-	-	-	-

Key ABL—Accra Brewery Ltd, ACI—African Champion Industries, AGA—AngloGold Ashanti Ltd, ALW—Aluworks Ltd, AYRTN—Ayrtan 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 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—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