



STERLING INVESTMENT BANK

Member of the Nairobi Stock Exchange

# NSE MARKET STATISTICS

WEEK ENDED FRIDAY AUGUST 15, 2008

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Company	P.V	T.S	WAP*	% Price Δ	Shares Traded	Shares Issued	Mkt. Cap. Kshs Mn.	Trailing EPS	Year end	EPS TP	HY end	H1'08 EPS	Annualized 2008 EPS	DPS	Historical P/E	Div. Yld	Projected <sup>†</sup> EPS	Investment Comment(s)
MAIN INVESTMENT MARKET SEGMENT (MIMS)																		
AGRICULTURAL SECTOR																		
Unilever Tea	10/-	s	45.00	-	-	48,875,000	2,199.38	(2.15)	31-Dec	7.58 Months	30-Jun	--	--	0.00	--	0.00%	--	In earnings loss territory. Discussions are on for its takeover and final de-listing from NSE. Take-over likely.
Kakuzi	5/-		35.25	(7.24%)	1,100	19,599,999	690.90	9.68	31-Dec	7.58 Months	30-Jun	--	--	0.00	3.64	0.00%	8.80	Although tea prices have improved, lower export volumes due to adverse weather and recent political disruptions, added to rising fertilizer prices could continue to adversely affect earnings. Biological assets value a key factor.
Rea Vipingo	5/-		18.10	(2.69%)	51,235	60,000,000	1,086.00	1.92	30-Sep	10.58 Months	31-Mar	1.04	2.08	0.80	9.43	4.42%	1.95	Sisal fibre is enjoying relatively good international prices. Shilling fluctuations, increasing labour costs and infrastructural challenges likely to remain a challenge in FY08. Now planning an acquisition of Vipingo Estate Ltd.
Sasini Ltd	1/-		12.00	0.00%	92,500	228,055,500	2,736.67	(0.15)	30-Sep	10.58 Months	31-Mar	0.38	0.76	0.00	--	0.00%	0.75	Diversification to value addition a plus, lower export volumes due to adverse weather effects and recent political disruptions, added to high fertilizer prices likely to affect H2 earnings. Biological assets value a key factor.
COMMERCIAL & ALLIED SECTOR																		
Access Kenya	1/-		31.00	(4.62%)	753,100	199,885,578	6,196.45	0.83	31-Dec	7.58 Months	30-Jun	--	--	0.30	37.35	0.97%	1.25	Investment in TEAMS could up future cash flows. Has increased international bandwidth capacity to more than 300 mb. Competition and rapid technological changes likely to remain a challenge. A growth stock.
Car & Gen	5/-		50.00	(0.99%)	17,500	22,279,616	1,113.98	7.85	30-Sep	10.58 Months	31-Mar	--	--	0.67	6.37	1.34%	8.50	End- year results indicate earnings improvement. Likely to record earnings growth for FY08. Competition from 2 <sup>nd</sup> hand imports remains a challenge.
CMC	0.50/-		19.25	0.79%	1,806,384	582,709,440	11,217.16	2.03	30-Sep	10.58 Months	31-Mar	2.26	4.52	0.35	9.48	1.82%	4.55	Relatively more liquid following recent corporate actions. Recently recorded impressive earnings growth. Likely to report good end-year earnings. Competition likely to remain a challenge.
Kenya Airways	5/-	cd	45.50	(0.55%)	311,730	461,615,483	21,003.50	8.37	31-Mar	4.58 Months	30-Sep	--	--	1.75	5.44	3.85%	8.70	Stiff competition, high jet fuel price, shilling fluctuations and recent political disruptions marginally impacted on end-year earnings. Counter appears resilient.
Marshalls	5/-		30.50	1.67%	200	14,393,106	438.99	2.94	31-Mar	16.58 Months	30-Sep	--	--	1.00	10.37	3.28%	2.70	Improved motor sales likely to boost earnings. Increased competition from imports to remain a challenge. Expected to announce soon.
NMG	5/-	xs	159.00	(3.64%)	174,469	71,305,260	11,337.54	15.28	31-Dec	7.58 Months	30-Jun	--	--	10.50	10.41	6.60%	17.50	Revenues out of the electoral process boosted end-year earnings. Currently trading ex-split. Could create more value going forward.
Safaricom	0.05/-		5.90	5.36%	87,230,920	40,000,000,000	236,000.00	0.35	31-Mar	4.58 Months	30-Sep	--	--	0.05	17.05	0.85%	0.41	Mobile phone penetration around 34% meaning, growth potential still exists to up penetration to 60%. Competition likely to set in. Management remains optimistic about the foreseeable future.
Scangroup Ltd	1/-		31.50	4.13%	423,059	160,000,000	5,040.00	1.48	31-Dec	7.58 Months	30-Jun	0.63	1.26	0.90	21.28	2.86%	1.85	More billings and acquisitions boosted '07 earnings. Is exploring entry into new west and southern Africa markets. Is in the process of giving minority stake (27.5%) to WPP Plc. It appears to have room for growth.
Standard Group	5/-	xd	52.00	0.97%	9,437	73,275,029	3,810.30	3.01	31-Dec	7.58 Months	30-Jun	--	--	1.10	17.28	2.12%	3.40	Improved sales revenue from election '07 upped earnings. New almost-complete headquarters likely to cut costs. Management optimistic about future performance.
TPS (EA)	1/-		61.00	0.00%	122,945	105,864,742	6,457.75	3.91	31-Dec	7.58 Months	30-Jun	0.23	0.46	1.25	15.60	2.05%	1.20	H1 earnings depressed. Performance for the Year-ended 2007 encouraging. Tourist bookings now picking up. Negative international media coverage of industry being countered.
Uchumi	5/-	s	14.50	0.00%	-	180,000,000	2,610.00	0.35	31-Dec	26.58 Months	30-Jun	--	--	0.00	41.43	0.00%	--	--

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FINANCE & INVESTMENT SECTOR																		
Barclays Bank	2/-	cd	63.50	0.79%	2,080,240	1,357,884,000	86,225.63	3.60	31-Dec	7.58 Months	30-Jun	2.1	4.20	1.65	17.64	2.60%	4.00	Has increased outlets & marketing staff to boost earnings. A stable bank that regularly pays dividends. Is well on course to attain projected earnings. Competition remains a challenge though.
CFC Stanbic Holdings	5/-	xd	104.00	(0.95%)	9,171	273,684,211	28,463.16	4.94	31-Dec	7.58 Months	30-Jun	--	--	1.90	21.05	1.83%	5.10	Merger with Stanbic Bank concluded and is likely to have synergy effects. Q1 earnings marginally lower. Safaricom IPO share loan income likely to boost end-period earnings.
Diamond Trust	4/-		88.00	0.57%	31,942	163,037,108	14,347.27	4.72	31-Dec	7.58 Months	30-Jun	--	--	1.40	18.64	1.59%	5.20	Recently announced 51% growth in earnings and has plans to expand into Burundi. Safaricom IPO share loan income likely to boost earnings. Recently got a term loan from IFC. Future prospects fairly good.
Equity Bank Ltd	5/-		273.00	(4.55%)	468,700	370,277,702	101,085.81	6.88	31-Dec	7.58 Months	30-Jun	6.64	13.28	2.00	39.68	0.73%	12.80	Is on a very rapid growth path (latest figures show 197% earnings jump). New initiatives that ensure benefits from economies of scale and the efficient IT platform likely to significantly boost earnings in FY08.
/	5/-		26.25	3.96%	479,613	230,000,000	6,037.50	0.32	31-Dec	7.58 Months	30-Jun	--	--	0.25	82.03	0.95%	0.33	Has just concluded a 1:1 Kshs. 20.00 per share rights issue to have enough capacity to address the housing needs of all segments of society. Rights subscription was at 103%. Is trading at a relatively high P/E multiple.
Centum Investment	0.50/-	xd	22.75	(2.15%)	1,942,500	549,951,880	12,511.41	2.03	30-Jun**	7.58 Months	30-Dec	--	--	0.45	11.21	1.98%	2.80	Evaluating prospects in various sectors. Recently acquired a stake in Longhorn Publishers. Future anchored on robust economy performance.
Jubilee Holdings	5/-		177.00	(3.28%)	14,414	45,000,000	7,965.00	13.71	31-Dec	7.58 Months	30-Jun	--	--	4.25	12.91	2.40%	14.00	Has been on an aggressive marketing campaign dubbed 'big names taking cover'. Generally a stable counter.
K.C.B	1/-	xr	29.00	2.65%	2,834,836	1,996,000,000	57,884.00	1.49	31-Dec	7.58 Months	30-Jun	1.22	2.44	0.70	19.46	2.41%	1.88	Has just concluded a successful rights issue at Kshs. 25.00 per share to fund expansion. Planning to establish about 50 branches in 2008. Appears to have good prospects.
Kenya Reinsurance	2.50/-	xd	16.30	9.03%	2,423,342	600,000,000	9,780.00	1.21	31-Dec	7.58 Months	30-Jun	1.12	2.24	0.35	13.47	2.15%	2.55	Raised post-IPO Company profile. Is exploring new reinsurance opportunities in French-speaking African countries. Recent H1 results relatively better.
National Bank	5/-		56.50	(2.59%)	511,284	200,000,000	11,300.00	5.60	31-Dec	7.58 Months	30-Jun	2.13	4.26	0.00	10.09	0.00%	6.20	NPLs now substantially reduced. Strategic investor likely to inject more capital before June 2009. Some shares likely to be sold to the public in 2009/10 financial year. A counter to watch long term.
NIC Bank	5/-	cd	55.50	1.83%	186,219	296,692,383	16,466.43	2.57	31-Dec	7.58 Months	30-Jun	1.53	3.06	0.80	21.60	1.44%	3.10	Is planning to open new branches and has activated its share and investment subsidiary. Appears to have good prospects.
PAI	5/-		68.00	(8.72%)	300	48,000,000	3,264.00	4.19	31-Dec	7.58 Months	30-Jun	--	--	1.60	16.23	2.35%	4.00	End-year EPS relatively lower. Recently had top management changes. Future prospects anchored on economy performance and management effort.
Standard Chartered	5/-	cd	189.00	(2.07%)	51,683	271,967,810	51,401.92	12.14	31-Dec	7.58 Months	30-Jun	5.88	11.76	10.00	15.57	5.29%	13.00	A stable counter with one of the best dividend yields in the sector. A share split/bonus unlikely in the near term.

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<b>INDUSTRIAL &amp; ALLIED SECTOR</b>																		
Athi River Mining	5/-		105.00	0.96%	335,200	99,055,000	10,400.78	4.26	31-Dec	7.58 Months	30-Jun	4.60	9.20	1.25	24.65	1.19%	8.80	Earnings for FY 2006/07 good. Demand for cement and fertilizer picking up. Fairly good prospects.
BOC (K)	5/-	s	160.00	0.00%	-	19,525,446	3,124.07	13.70	30-Sep	--	31-Mar	--	--	9.25	11.68	5.78%	--	--
Bamburi	5/-	cd	194.00	4.86%	49,500	362,959,275	70,414.10	9.91	31-Dec	7.58 Months	30-Jun	5.52	11.04	5.50	19.58	2.84%	10.50	A fairly stable counter. Demand for cement expected to rise. Good prospects. Appears on target to meet end-year projections.
BAT(K)	10/-	cd	160.00	4.58%	23,432	100,000,000	16,000.00	13.86	31-Dec	7.58 Months	30-Jun	7.90	15.80	17.00	11.54	10.63%	14.80	Despite a ban on smoking in public places and tax hikes, earnings remain strong. Has one of the highest dividend yields in the market.
Carbacid	5/-	s	137.00	0.00%	-	11,326,755	1,551.77	13.70	31-Jul	--	31-Jan	--	--	10.00	10.00	7.30%	--	--
Crown Berger	5/-		35.00	(1.41%)	88,100	23,727,000	830.45	1.74	31-Dec	7.58 Months	30-Jun	--	--	1.00	20.11	2.86%	2.03	Has been expanding regionally and may have benefited from improved activity for FY'07. Future performance likely to be fairly robust.
E.A.Cables	0.50/-		36.00	0.00%	840,191	202,500,000	7,290.00	1.85	31-Dec	7.58 Months	30-Jun	1.08	2.16	0.90	19.46	2.50%	2.10	Has been aggressive on regional expansion. Could benefit from higher cable demand arising from the TEAMs project. Searching for a new MD. Is now in the NSE 20-share index.
E.A.Portland	5/-		110.00	0.00%	300	90,000,000	9,900.00	8.49	30-Jun	13.58 Months	31-Dec	3.80	7.60	2.60	12.96	2.36%	7.70	Shifting to coal to save on energy cost. FY07 earnings lower. Future performance to depend on shortening procurement bureaucracy and management effort.
E.A.Breweries	2/-		185.00	1.09%	619,209	790,774,356	146,293.26	9.31	30-Jun	13.58 Months	31-Dec	4.89	9.78	7.70	19.87	4.16%	9.90	Has a strong financial base despite tax hikes, is exploring regional markets. Is expected to be stable and is likely to create more value going forward.
Eveready East Africa	1/-		5.00	0.00%	174,600	210,000,000	1,050.00	0.60	31-Dec	7.58 Months	30-Jun	--	--	0.45	8.33	9.00%	0.50	Demand for batteries has been stale. Has already issued a profit warning for FY08. Got a reprieve after Chinese raw cells imports were slapped with a 35% import duty by GoK. Not out of the woods yet.
Kenol	0.50/-		89.50	0.00%	207,500	147,176,120	13,172.26	8.74	30-Sep	10.58 Months	31-Mar	2.97	5.94	1.80	10.24	2.01%	5.95	Competition, upfront taxation and international fuel price fluctuations a challenge. Earnings appear relatively modest.
Kenya Power & Lighting Co.	20/-		190.00	2.70%	272,150	79,128,000	15,034.32	21.72	30-Jun	13.58 Months	31-Dec	12.08	24.16	3.00	8.75	1.58%	24.10	Operational efficiency being pursued. Power demand up. Much of the new levy collections to be passed on to KenGen. Future prospects to depend on management effort.
KenGen	2.50/-		21.50	(1.15%)	2,726,180	2,198,361,456	47,264.77	1.11	30-Jun	13.58 Months	31-Dec	0.80	1.60	0.80	19.37	3.72%	1.70	Hydrology a challenge to ensure sustained power generation. Lately, depreciation revaluation eating into earnings. Impact of new bulk tariff levies yet to be felt.
Mumias	2/-		10.20	(2.39%)	4,318,670	1,530,000,000	15,606.00	0.91	30-Jun	13.58 Months	31-Dec	0.37	0.74	0.50	11.21	4.90%	0.80	New tariff and quota deal with COMESA could dampen sales in the long-term, TARDA sugar project facing legal hurdles. Co-generation a plus, Weather and competition issues a challenge.
Olympia Capital	5/-	xd	13.40	(2.55%)	408,100	40,000,000	536.00	0.40***	31-Dec*	7.58 Months	30-Jun	--	--	0.20	33.50	1.49%	0.45	Offering unique products. 14-month results modest. Future prospects to depend on management effort and reduction of high gearing.
Sameer Africa	5/-		7.55	(5.03%)	84,960	278,342,393	2,101.49	0.43	31-Dec	7.58 Months	30-Jun	0.01	0.02	0.00	17.56	0.00%	0.50	Recent political disruptions, High cost of fuel & other inputs and competition likely to markedly affect earnings. Already issued a profit warning. Not out of the woods yet.
Total	5/-		29.75	(0.83%)	185,766	175,064,706	5,208.18	2.99	31-Dec	7.58 Months	30-Jun	3.41	6.82	2.50	9.95	8.40%	6.80	Competition, upfront taxation, fuel price fluctuations and recent political disruptions likely to affect H1 '08 earnings. H1 relatively robust.
Unga	5/-		12.15	6.58%	31,490	63,090,728	766.55	1.31	30-Jun	13.58 Months	31-Dec	1.38	2.76	0.00	9.27	0.00%	2.80	Scarcity of wheat due to Recent political disruptions and current global trends likely to affect performance well into H2 of FY2007/08. Counter could remain resilient though.

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<b>ALTERNATIVE INVESTMENT MARKET SEGMENT</b>																		
A. Baumann	5/-	s	11.10	0.00%	-	3,840,066	42.62	(2.75)	31-Mar	28.58 Months	30-Sep	--	--	0.00	--	0.00%	--	A quiet counter. Is in earnings loss territory and is under suspension.
City Trust	5/-		155.00	14.81%	1,900	5,207,558	807.17	8.23	31-Jul	12.58 Months	31-Jan	(0.04)	--	3.75	16.40	2.78%	8.10	Fairly illiquid, is in profit making territory. 1 <sup>st</sup> half of the year was in loss making territory. End-year performance likely to be relatively dull.
Eaagads	1/25		35.00	6.06%	1,200	8,039,250	281.37	(0.19)	31-Dec	7.58 Months	30-Jun	(1.66)	3.32	0.00	--	0.00%	(3.50)	A quiet counter. Is in loss-making territory. The coffee sector is doing poorly. Future prospects to depend on international coffee price fluctuations and management effort.
Express	5/-	cd	17.90	1.70%	50,450	35,403,790	633.73	2.08	31-Dec	7.58 Months	30-Jun	0.26	0.52	0.50	8.46	2.84%	2.40	A fairly liquid counter, operating in profit-making territory, earnings expected to be stable.
Williamson Tea	5/-	xd	74.50	0.00%	-	8,756,320	652.35	(9.91)	31-Mar	4.58 Months	30-Sep	--	--	0.50	--	0.67%	(10.10)	Facing cash-flow challenges, political disruptions worsened the problem. In loss-making territory.
Kapchorua	5/-	xd	75.00	0.00%	-	3,912,000	293.40	(17.84)	31-Mar	4.58 Months	30-Sep	--	--	0.50	--	0.67%	(18.20)	Cash flow Challenges. Political disruptions worsened the problem, in extreme loss-making territory.
K.Orchads	5/-		3.00	0.00%	-	12,868,124	38.60	0.07	31-Dec	7.58 Months	30-Jun	0.10	0.20	0.00	42.86	0.00%	0.22	Now in profit making territory. Future prospects to depend on management effort and favorable weather.
Limuru Tea	20/-	xd	338.00	0.00%	-	600,000	202.80	2.34	31-Dec	7.58 Months	30-Jun	8.87	17.74	5.00	144.44	1.48%	10.50	Fairly quiet, earnings have improved. Shilling strengthening, lower export volumes due to adverse weather effects, added to rising fertilizer prices could continue to depress export earnings. Very high P/E.

**Legend:**

cr = cum rights  
EPS= earnings per share  
xs = ex split  
xb = ex bonus  
xd = ex dividend  
ca = cum all  
s = suspended  
xr = ex rights  
cb = cum bonus  
xr = ex rights  
cd = cum dividend  
xa = ex all  
WAP = Weighted Average Price  
P/E = WAP\*/EPS  
cs=Cum Split  
Market Cap. = Issued shares x weighted average Price for the week  
DPS = Dividend per Share (Annual)  
PE = price to earnings ratio  
TP - Trailing Period  
Div. Yld = Dividend Yield  
Dividend Yield = DPS/WAP\*

\* For the week ended 15/08/2008

P.V = Par Value

T.S = Trading Status

\*\* From the next reporting, year end will be 31st March

\*\*\* The EPS is for a 14-Month Period

\* From the next reporting, year end will be 28<sup>th</sup> Feb

HY = Half Year, please note, half year results are for the latest half year announced results

NB: The figures for projected earnings are annual indicative figures; for those companies that announced recently, the projected earnings are for the succeeding year  
KCB Trailing and annualized EPS indicate the pre-rights scenario. The projected EPS considers the post rights situation.

† The projections are according to information available to the SIB Research Team hitherto

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