

**DATABANK RESEARCH****QUICK BITES**

| LISTED COMPANIES | UPSIDE POTENTIAL | DOWNSIDE RISK |
|---|---|--|
| Accra Brewery | First Mover' (CMS, Stone Strong Lager), often carves a niche in market before competitors follow | Faces stiff competition from GGBL; Frequent changes in management (which are usually foreign) |
| Aluworks | Cost minimization through outsourcing & new product development will sustain growth in returns, 'ceteris paribus'. | Aluworks has only one supplier for aluminium ingots besides VALCO. Electricity dependent. |
| AngloGold Ashanti | Potential to realise synergies in access to capital, cost reduction & access to natural resources in untapped regions. | Intermittent bouts with labor unrests; Prone to erratic price movements on the world market. |
| Benso Oil Palm Plantation | Process set in motion to establish a \$1million palm kernel processing plant with expectations of higher output levels. | Prone to pests and diseases and has limited land for plantation expansion. |
| British American Tobacco* | Plans to cut losses by importing from one of its sister companies in the subregion. | Smuggling of products continue to erode the company's profits. Expected to delist soon. |
| CAL Bank | The bank continues to consolidate the retail aspect of business and improve branch networking. | CAL bank is in the early stages of its retail banking operations in an aggressively competitive inds. |
| Camelot Ghana | New plant & staff training to enhance quality, efficiency, speed and security of business documents printed. | Camelot has an unhealthy balance sheet with high gearing & low working capital. |
| CFAO Ghana | Diversified brand of cars under franchise, minimizes risks associated with low patronage in specific brands. | High gearing increases risk of exposure to financiers. |
| Clydestone Ghana | Networking and systems servicing to most banks including BOG continues to be the company's mainstay. | Risk of rapid technological changes and allied cost implications of adopting the new technology. |
| Cocoa Processing Company | Two new products, Choco Bake and Royale were launched in July and major expansion work is near completion. | High gearing ratio, €22 million debt financing for its expansion. |
| Enterprise Insurance Company | Efficient IT use & Product Innovation ensure high quality standards and real time service delivery. | Increasing Fire claims & use of safety technology/equipment reducing insurance premiums. |
| Fan Milk Ghana Commercial Bank | Wide range of dairy products (including HOWARU, the company's future cash cow); Excellent distribution chain. Widest Branch network. All its 133 branches are currently networked. Saturday banking was recently introduced. | Unavailability of special freezing requirement limits distribution of HOWARU and power (Energy crisis) Lacks innovation & is Slow in churning out new products. |
| Guinness Ghana Breweries | Combines dominant market share (in stout and malt markets), with the intense promotion of brands | Susceptible to Exchange Rate risk in the importation of Sugar, Glass and Barley; |
| HFC Bank Ghana | Rapid expansion drive embarked upon yields results, promises to improve bank's bottomline in the L-R. | Has to grapple with keen competition in the banking industry. |
| Mechanical Lloyd Company | Real Estate investment provides a steady source of revenue, as opposed to the cyclical nature of its core bus. | Susceptible to exchange rate risk in the importation of its products, spare parts. |
| Total Petroleum (Ghana) Ltd | Merger of Total Ghana Limited and Mobil Oil Ghana Limited ranks the OMC ahead of all competitors. | Risks losing polar position in lubricants, and supply of products to gold mining companies |
| Pioneer Kitchenware Ltd Produce Buying Company | Board reconstitution, Internal reorganization and new management team expected to hasten recovery. Leading LBC, Mgt Changes (and training of staff), Improved 'delivery taking' process by Quality Control boosts earnings | High competition. Low labour morale and satisfaction, labour unrest and agitation likely. Heavily regulated, weather dependent; gov't's majority stake adversely impacts the stock's liquidity. |
| PZ Cussons Sam Woode | Strengthening its marketing arm by separating the Marketing department from the Customer Sales department. Aggressive marketing strategy being pursued plus improved working capital following GES contract in 2005. | Infiltration of cheap foreign products into the country is a challenge. High import duties against tax exemption for books imported poses a threat . |
| SG-SSB Bank | Loan portfolio restructuring is increasing recovery, focus on growing credits to SMEs, plus cross border advantage. | Slow roll out of new and innovative products and relatively uncompetitive and conservative organizational culture. |
| Starwin Products | An €829 million facility has been erected to serve as a factory, warehouse and administration block. | Reliance on obsolete equipment limits ability to grow volumes. |
| Super Paper Products Company | Management changes and internal restructuring being pursued supported by increased advertising. | Management team lacks innovation & drive to improve quality of their products to enable its compete |
| Trust Bank (The Gambia) | Highest ROE in Gambian banking industry and among the listed banking (and non-banking) stocks on the GSE. | Decline in interest rates in Gambia squeezing margins. |
| Unilever Ghana | Widening of its target market to include cocoa farmers in the country. | The company is contending with fierce competition from foreign products. |

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