

Report Date: July 13, 2007

Valuation Price: N122.02k

Recommendation: BUY

Discount to Valuation Price: 57.1 per cent

### EXECUTIVE SUMMARY AND INVESTMENT RATIONALE

- Oando Plc (formerly Unipetrol Nigeria Plc) was listed on the floor of the Nigerian Stock Exchange in February 1992. Geographically, its operations span across the West African Coast with interests in petroleum products marketing; supply and trading of crude oil and refined petroleum products; refining; natural gas distribution; independent power solutions; exploration and production of crude oil; provision of support services to the upstream oil and gas sector.
- The company, in 2006, redefined its business model to encompass the entire value chain in the Oil & Gas Industry which gave it the status of an integrated energy solutions conglomerate. It added gas, international supply, trading and energy services to its present business lines and is currently nurturing upstream oil and power initiatives.
- With a view to boosting the liquidity of its shares as well as enhance corporate status and promote good corporate governance practice, Oando in November 2005, became the first African company to seek a cross-border inward listing on the Johannesburg Stock Exchange (JSE), South Africa with the introduction of its entire issued share capital on the main board of the JSE. **JSE has a market capitalization of \$2.6bn and traded 418 equities**

**in 36 different sectors as at end of 2004.** Oando is also expected to take the advantage of this strategic initiative to leverage on the position of the Exchange as the largest stock exchange in Africa and the 16th largest in the world to augment its financing sources. This is expected to impact on its market share and improve visibility of its products in the international market.

- The company has grown its revenue and after tax profit at a compounded annual average (CAGR) of over 48.2 per cent & 50.2 per cent respectively since 2003. Its annual revenue rose by 14.4 per cent to N209bn (US\$1.63bn) in 2006 from N132bn (US\$1.35bn) reported in 2005 while after tax profit stood at N3.075bn over N1.774bn in 2005, representing 73.4 per cent growth in spite of thinning margins from the sale of its traditional products (gasoline, and other distillates). Likewise, **Return on Average Equity and Return on Average Total Assets (ROAE& ROTA)** rose to 12.4 per cent and 7.87 per cent respectively as against 7.32 per cent and 4.56 per cent recorded in prior year 2005.
- Our revenue forecast for the year ending December 2007 is N237.45bn premised on an implied growth of 13.6 per cent and estimated earnings growth of 62 per cent. We arrived at a forecast EPS of N7.69; and given a pay-out ratio of 75 per cent, Oando's dividend per share for the year ending December 2007 is estimated at N5.78.
- Attached to our valuation is **competitive risk** as Oando faces cut-throat competition from its main rivals **Conoil Plc, African Petroleum Plc, Mobil Oil Plc and Chevron oil Plc. Foreign Exchange (forex)** also poses a challenge to the company as it engages fully in the importation of refined petroleum products for which forex must be sourced. Oando is also fallible to **rising international oil prices** which reflects on the price of refined petroleum products. **Dearth of international drilling and refining**

**capacity** may also reduce the potential profits of the company as the forces of demand and supply may affect the present availability of refined crude. **Government policy risks** exist for the company as the Federal Government continuously fine-tunes policies affecting the industry. **Bureaucratic bottlenecks** and inadequate funding of the petroleum industry may affect Oando Plc resulting as this may constrain supply and storage from local refineries and jetties and valuable time and resources would have been lost before the problem is addressed. **Social unrest** in the Niger Delta may also cause supply and distribution shortages.

- Our analysis revealed that Oando is trading at a discount of 57.1 per cent relative to its closing price on Friday July 13, 2007. We therefore recommend the stock a good buy for value investors.

### **Global Downstream Sector:**

The downstream oil sector is associated with refining of crude oil, and marketing and distribution of products derived from crude oil. Such products include liquefied Petroleum Gas (LPG), gasoline or premium motor spirit (PMS), jet fuel, diesel oil (AGO), other fuel oils, asphalt and petroleum coke. Internationally, industry profit margins have been on the decline over the past few years due to rising overheads, inadequate refining capacity and the reduction in light sweet crude levels. Analysts forecast that global demand for refined crude will increase by 50 per cent in the next 20 years and that Natural Gas is expected to contribute 25 per cent of demand. As Oil and Gas is derived in more and more remote areas, transportation and supply of crude becomes a challenge. Oil industry majors constantly update mobile satellite technology for tracking of marine vessels as well as investing in transport infrastructure and also investing in the latest systems to prevent pipeline vandalism.

The demand for light sweet crude rises by an estimated 4 per cent annually while global production has been on the decline. Oil companies work on extremely thin margins, so volume is the order of the day. This makes it necessary for Oil majors to maximise operational efficiencies. With crude oil prices constantly rising (US\$76, Light sweet crude) and reduction in margins, oil companies have to pursue capacity growth and productivity gains to ensure consistent profitability in the global market place.

### **The Industry:**

The downstream sector of Nigerian petroleum sector comprises of six companies with the notable industry giants such as African Petroleum Plc, Chevron (Texaco) Oil Nigeria Plc, Conoil Plc, Mobil Oil Nigeria Plc, Oando Plc and Total Nigeria Plc as the sectors leading lights. Current installed refining capacity of the nation's refineries is 445,000 barrels per day. However, only an estimated 50,000 barrels are refined locally as the four refineries of Kaduna, Port Harcourt, Port Harcourt II and Warri are heavily run down. The Federal Government has commenced plans to deregulate the sector with the deregulation of ASO fuel (Diesel) prices and the sale of the Port Harcourt refinery and Eleme Petrochemicals Company already taken place. Many licenses for private refineries have been issued by the Federal Government to interested parties, but no definite results are forthcoming from this privatisation effort. Setting up of private refineries are seen to be the pre-cursor of a renaissance in the industry as this is expected to reduce the dependence on the importation of refined products importation which is fast eroding the company's bottom lines. Many argue that deregulation in the sector may not bring the wanted relief but may just foster a new monopoly as it is feared that the refineries will fall into the hands of privileged oligarchs. Nevertheless, the privately owned companies

will have to render profits and thus will be efficient and rid the sector of problems such as scarcity and cross border smuggling.

### **Future Outlook:**

Growth in Industry demand is estimated at 13 per cent year-on-year and this is expected to reach 20 per cent in 2007, indicating an opportunity for Oando Plc to expand its market share. As the economy grows, there will be greater demand for energy. Presently, most organisations have to generate their power. Sectoral Reforms in transportation and power generation will open new vistas for the company while the market for domestic gas is growing. Oando is poised to becoming a leader in the African Energy Sector, delivering world-class services across board. It intends to continue its strategic focus for Gas and Power with a view to consolidating and optimizing existing assets and expand into new markets. In line with this, plans are on way to build an indigenous integrated energy group; Oando is set to build a 360,000 capacity refinery estimated at N254bn in Lagos with the **Front-End Engineering Design (FEED)** of the project almost completed. The project, with its pre-feasibility studies already completed, is to be established in the green-field at the Lekki Export Processing Zone (LEPZ). The refinery is going to be in two phases of 180,000 barrels a day each.

The company is aggressively pursuing a number of strategic expansions on gas projects within and outside the shores of the country. It plans to secure franchise covering Calabar and Kano areas apart from Lagos franchise pipeline expansion. The Calabar axis of the project (covering about 100 km pipelines) is estimated to cost about N6.45bn (US\$50m). Not only this, it is also close to reaching an accord with the governments of Benin Republic, Togo and Ghana to secure rights to build local distribution gas pipelines. It expects to reach an agreement with these countries, as preparation is in top gear to begin drilling on the Obodugwa-Obodeti

oil field within the next couple of months. The field is expected to produce about 3,500 barrels of crude a day. Oando owns 45 per cent of the venture while Nigeria's Energia controls the remaining 55 per cent. It may also bid for two state-owned power distribution plants in Lagos.

Oando has consistently maintained an informal dividend policy over the past 5 years due to its extensive growth in its businesses. However, the management has expressed its strategic intention to adopt a more formal dividend policy with the aim of maintaining equilibrium between steady dividend payment and sufficient retention rate for future growth. This is necessary as the company transits from its aggressive growth phase to consolidation phase.

#### **Recent Developments/Latest Quarter Results:**

- In 2006, Oando Group completely metamorphosed into energy Giant offering integrated energy services/products with a new strategic focus hinged on three key objectives of **'improved liquidity, enhancing profitability and maintaining sustainable growth'**. The company, with the strategic intent of driving greater efficiency in each **Strategic Business Units (SBUs)** and group as a whole, streamlined its operations and internal processes across board. It restructured its Marketing, Trading and Energy Services businesses to enable joint supply chain operations and switching to a simpler and more efficient retail outlet network structure. This is expected to spawn multiplier effect in resources optimization and generating higher returns to shareholders.
- Similarly, it bagged the globally recognized ISO 9001 Certificate award by **Standard Organisation of Nigeria (SON)** having completed its group-wide process audit. The company also commenced implementation of its Enterprise Resource Planning (ERP) project christened **'Project Synergy'** leveraging on Oracle technology to integrate its business processes in key functional areas

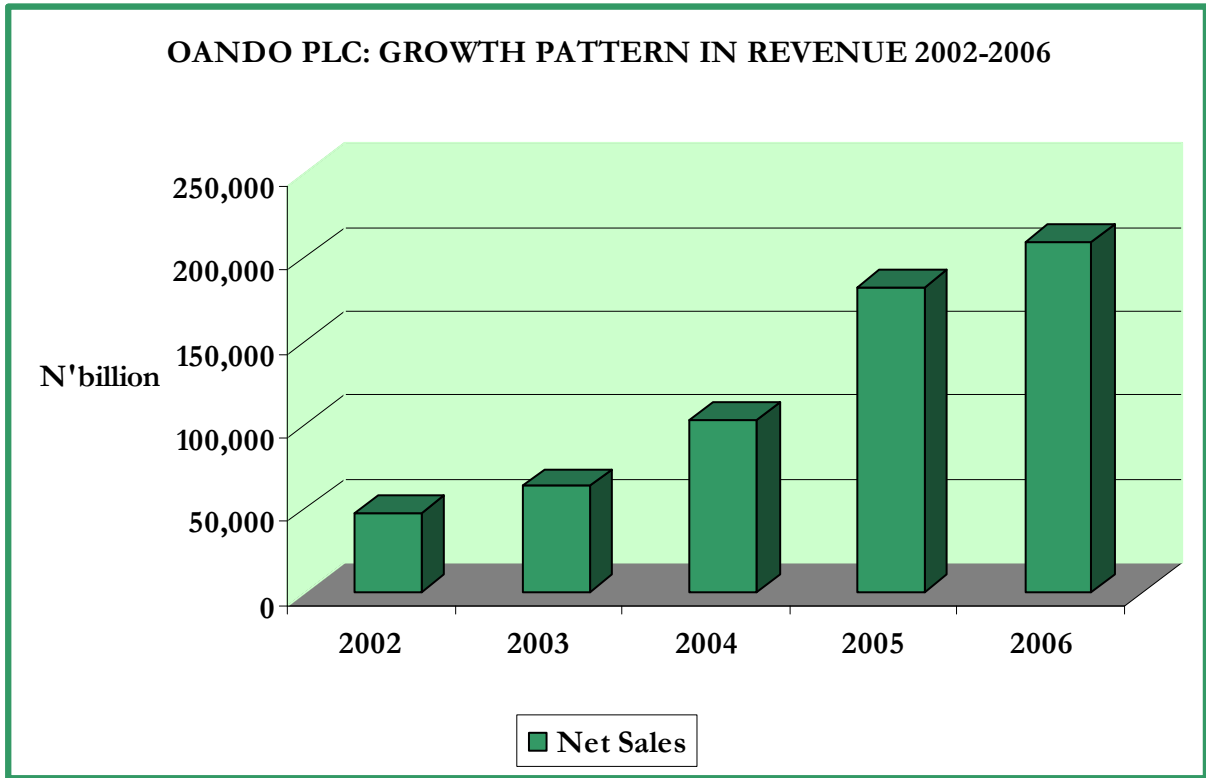
across the group. This is aimed at enhancing efficiency and ease decision making processes.

- Oando grew its turnover by 13.6 per cent in Q1-2007 while After Profit Tax rose by 68.7 per cent. Turnover for the period was N46.9bn against N41.3bn recorded in the corresponding period of prior year while After Profit Tax (PAT) increased to N1.073bn up from N636m reported prior year. This translates to 25.3 per cent quarter-on-quarter growth. Profit margin rose slightly to 2.3 per cent above 1.5 per cent recorded in similar quarter of prior year. However, included in the present quarter results was an exceptional income of N276m, without this, the profit for the year would have been N797m against N636m reported in similar quarter of previous year. This however, waters down the net margin for Q1-2007 to 1.7 per cent against 1.5 per cent of prior year.

### **Analysis of Financials:**

#### **Business Mix:**

**Oando Plc, in line with its corporate mission, is an emerging “Integrated Energy Solutions Provider”.** Oando has budding businesses in various spheres of the Oil and Gas Industry, operating through a chain of subsidiaries in Nigeria and other West African countries. Oando’s interests in trading, distribution and marketing of petroleum products is the most developed of its **Strategic Business Units (SBUs)**, accounting for 98 per cent of the total revenue and 92 per cent of operating profit in 2006. This is similar to FY 2005 figures of 99 per cent of total revenue and 98 per cent of operating profit. Assets used in the Refining and Marketing units of the firm constitute 93 per cent of the total assets of the Group while the Gas and Power unit constitutes approximately 7 per cent of the total assets. The Exploration and Production business accounts for less than 1 per cent of the Group’s total assets.



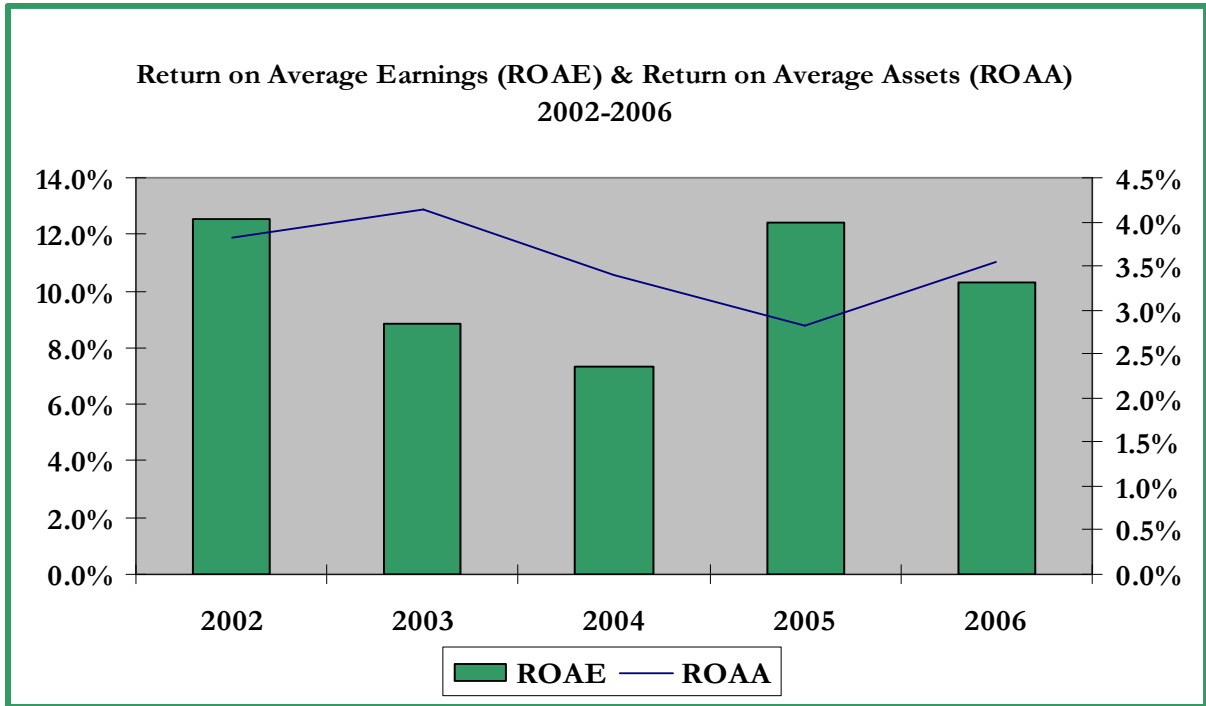
A substantial part of the company's operations (88 per cent) and new investments is carried out in Nigeria with only 12 per cent of total revenue emanating from West African countries (1.7 per cent) and other countries in Africa (10.7 per cent).

As Oando further consolidates on its various strategic initiatives in the industry, it is expected that the relative contributions and focus on each business unit, which are still at the infancy stage, will change. More investments will be expected in Refining, Gas and Power and Exploration Units (most of which are set up in FY 2005) as the capital expenditure level of less than 1 per cent of total investment expenditure of the group in FYs 2005 and 2006 remains rather too low to meet up with its corporate mission.

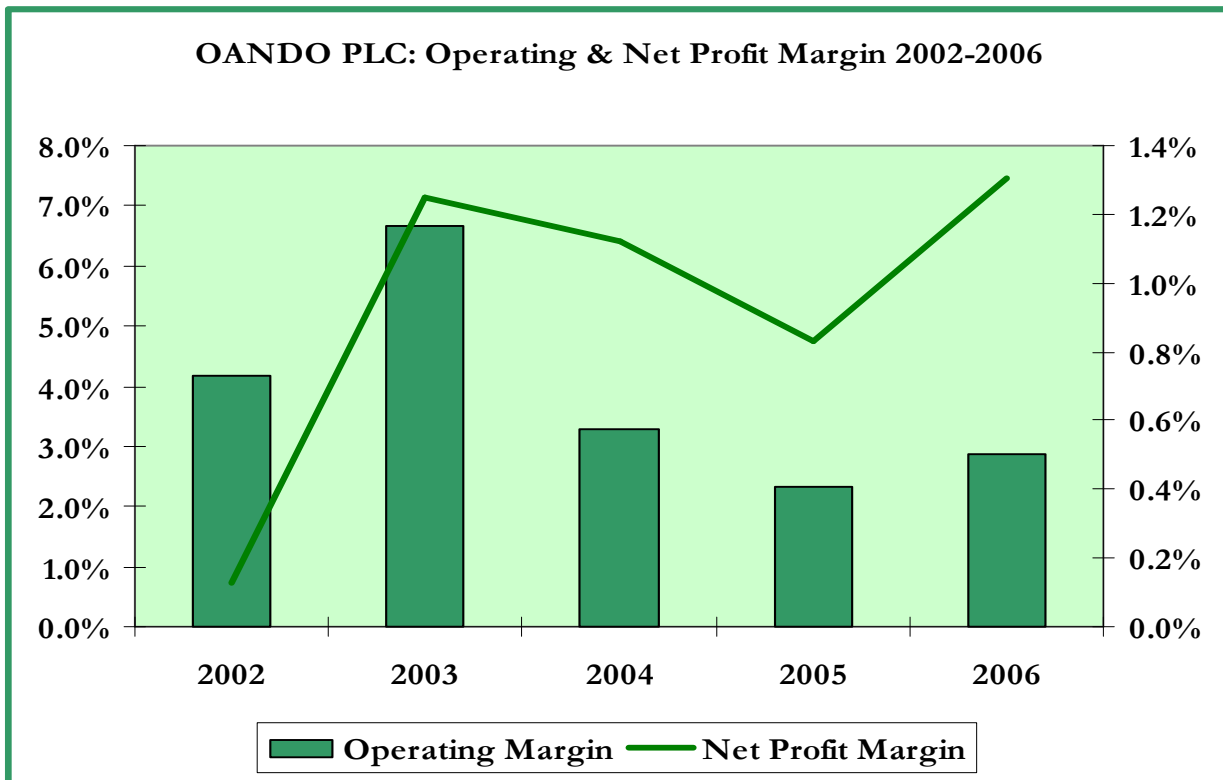
**Growth and Profitability:**

Taking a stand alone look at Oando's Refining and Marketing business which is principally made up of Oil marketing, Oando has recorded an average annual growth rate of 49 per cent in revenue in the most recent two financial years (2005 & 2006) from N102bn (FY 2005) to N205bn (FY 2006). This is a commendable achievement when benchmarked with the performance of other Oil marketing firms. Mobil Oil recorded only a growth of 4.6 per cent over the same period (FY2004 –FY 2006), while Chevron (formerly Texaco) recorded 26 per cent (FY2003 –FY 2005), Total recorded 38 per cent (FY 2003 –FY 2005) and Conoil posted a 50 per cent growth (FY 2003 –FY 2005). In terms of the absolute Naira value of revenue, Oando (Marketing) ranks first among the Oil marketing firms – **Chevron, Mobil, Conoil and Total.**

A closer look at the growth rate of Oando however reveals a growth in revenue at a declining rate. Group turnover increased from N47bn in 2002 to N183bn in 2005 and then from N183bn in 2005 to N209bn in 2006. The year-on-year growth in 2005 stood at 77 per cent while it slowed down to 14 per cent in 2006. **This trend is observed for the whole industry and the declining turnover can be traced to problem of supply due to poor refining capacity and constant pipeline vandalism, need to import refined petroleum products and the problem of port congestion.**



Oando recorded a gross margin of 8.2 per cent, down from 9.3 per cent in 2005 and 12.3 per cent in 2004. The downward trend in gross margin can not be divorced from the problem of products pricing regulation in the industry among others. This restricts the ability of the oil marketers to increase prices to an optimal level. Similar pattern is unavoidably replicated in the operating profit. Operating profit includes other operating income in the form of rental, dividend and other incomes. Over the years however, on average, the size of other operating incomes is less than 2 per cent of sales revenue while the size of exceptional income is only 1 per cent of sales revenue.



After Tax Profit has increased dramatically over the years in line with the aggressive expansion of the company. **After Tax Profit rose by 417 per cent from N60m to N3.1bn between 2002 and 2006.** It grew by 73 per cent to N3.1bn in 2006 from N2.4bn in 2005. **The change in accounting policy by Oando to reflect the internationally accepted treatment of goodwill on acquisition (IAS 36 & 38 and IFRS 3 & 5) has improved the reported profit in FY 2006 by N0.5bn (20 per cent of After Tax Profit before reflecting this change).** If the new Accounting Standard had been in place in prior years or adjusted for, it would have had the effect of boosting Oando's reported profit and returns ratios (ROE & ROA). **The Goodwill in question arose from acquisition of AGIP Plc by the company (formerly Unipetrol Plc).**

Oando's After Tax Profit margin was between 0.1 per cent and 1.3 per cent from 2002 to 2006. After Tax Profit margin for **Mobil Plc** stood at 3.4 per cent (FY 2006) and **Total Plc** recorded 3.8 per cent (FY 2005), while **Conoil Plc and Chevron Plc** posted 3.5 per cent and 4.2 per cent respectively in FY 2005 .**The low After Tax Profit margin is peculiar to the petroleum marketing sub sector.**

In terms of measures of return on investments, Oando is below its peers. Its **ROAE and ROAA** as at FY 2006 stands at 12.4 per cent and 7.9 per cent respectively. Industry Average for ROE and ROA for the most recent results available are 46.6 per cent and 9.6 per cent respectively.

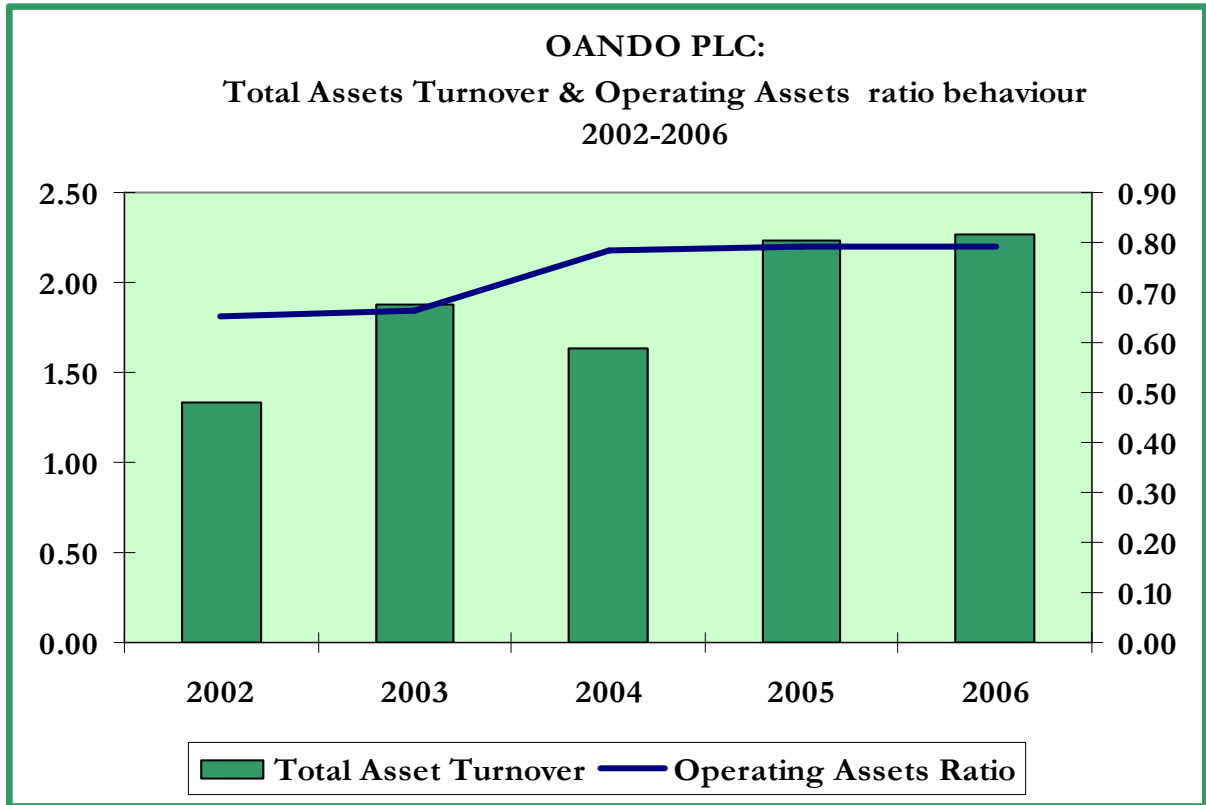
#### **Efficiency, Liquidity and Solvency:**

A peer review of the industry shows that with the exception of Conoil, all petroleum marketing firms maintain more short-term liabilities than short-term assets implying a negative working capital management. This may be interpreted to mean a deliberate strategy for the multinational oil majors to boost their earnings by employing 'nil-cost leverage' in the form of suppliers finance, dealers deposits, accrued dividends and tax liabilities and reduce their fixed investments in foreign countries. The same cannot be said of Oando which is mainly an indigenous oil company. Oando's negative working capital position can be attributed, in part, to its rapid expansion strategies.

Therefore, it is not surprising that the 5 year average of Current and Quick ratios for the firm stood at 0.78 and 0.63 respectively. Recent figures for the Current and Quick ratios of 0.91 and 0.68 (FY 2006) still show that Oando can not meet its short term obligations from short-term, readily realisable assets. However, in the last 3 years, the liquidity indicators have improved (For instance, FY 2003 Current and Quick ratio figures stood at 0.50 and 0.39 respectively).

Oando's average receivable days has increased from 17 days in 2002 to 61 days in 2006. Similarly, the average number of days it takes to turn inventory over has increased from 9 days to 24 days. Creditors' finance has reduced with the average payable days declining from 134 days in 2002 to 40 days in 2006. Increasing receivables and inventory figures is not unusual for a rapidly growing company. All these account for the negative operating cash flow and free cash flows recorded in FYs 2002, 2004 and 2005.

In terms of efficiency in the use of assets, computed ratios show that Oando has improved in asset utilization. The extent of revenue generated from the use of its assets has increased over the years. Asset Turnover increased from 186 per cent in 2004 to 240 per cent in 2006. This improvement has not impacted though, on the ROA and ROE due to the increasing costs faced by the company, declining margins and reduced leverage.



Furthermore, Oando has reduced its exposure to fixed interest capital as shown by the fast declining Equity Multiplier (Average Total Asset/Average Equity) which reduced progressively from 665 per cent in 2003 to 290 per cent in 2006. Similarly, Earnings Before Interest and Tax (EBIT) is sufficient to cover its interest tax expense by 244 per cent. The Interest cover was 350 per cent and 244 per cent in FYs 2005 and 2006 compared to 138 per cent and 150 per cent recorded in 2003 and 2004 respectively. The ratio of the company's Total Debt (long term and short term) to Total Assets is, on average, 75 per cent over the 5years. This ratio fell from 80 per cent in 2002 and 2003 to 70 per cent from 2004 till date. A large chunk of the Total Debt is made up of short-term debts. On the average, 86 per cent of the company's debt is made up of liabilities maturing in one year or less.

The reduced leverage of the company can be traced to the injection of fresh equity funds from the 2004 Public Offer. However, the reduced leverage places greater demand on the management in improving EPS and ROE as higher leverage magnifies these variables. On the other hand, it may introduce a greater financial risk which may not be acceptable to a company like Oando given its strategic moves to diversify its businesses and intention to participate in the highly capital intensive upstream operations.

### **Value to Investors:**

Oando Plc has been able to record a phenomenal growth in its Earnings Per Share (EPS). The EPS of the company has increased from N0.18 (adjusted) in 2002 to N4.76 in 2006, representing a growth of 195 per cent (CAGR), though 2002 was not a perfect reflection of the company's past results. Over the same period, Mobil reported an EPS growth of 30.5 per cent. Other operators in the Industry; Total, Chevron (Texaco) and Conoil recorded a 5-year EPS growth (CAGR, 2001-2005) of 9.7 per cent, 11.2 per cent and 26.6 per cent respectively. Based on the most recent earnings yield (trailing), Oando reports the highest of yield of 6.6 per cent in the industry, compared with the industry average of 5.2 per cent. Like other Oil marketing firms, especially the Oil majors, Oando maintains a very attractive pay-out ratio. The average pay-out recorded by the company in the past 4 years is 81 per cent. The company paid out a N4.00 dividend in FY 2006 which represents 100 per cent increase over N2.00 paid in both 2005 and 2004. Oando's dividend yield currently stands at 5.2 per cent, compared to industry average of 4 per cent. In the last 6 years, Oando has declared bonus twice; one for ten in 2002 and, one for four in 2003.

In spite of the outstanding performance of Oando Plc highlighted above relative to its industry peers, it is surprising that the value of Oando is not well appreciated by the investors. Various value indicators of the company reveal that Oando is highly undervalued by investors. This has affected the pricing of the stock in the market as it is currently trading far below the 2004 Public Offer price.

### **Technical Analysis:**

The share price of Oando exhibited an upward trend in 2004. The share price, which opened at N85.75 on January 2, 2004, closed at N111.00 on December 31, 2004, translating to a capital appreciation of 29.4 per cent with a Low of N82.44 and an all time High of N139.99 recorded on January 7 and May 25 of same year respectively. Oando's shares were placed on technical suspension on June 18, 2004 at N108.00 same year sequel to its Public Offer. Average volumes traded per month ranged between 770,669 units and 2,692,458 units with the Highest volumes traded (5,678,652 units) recorded in February, 2004.

In 2005, the share price which opened at N111.00 on January 4, 2005 displayed a downward trend in the first nine months of the year, during which it recorded the year Low of N80.00 on July 22, 2005. However, in the later part of the year, the share price improved marginally and eventually closed at N96.00 on December 30, 2005, though recording a capital depreciation of 13.51 per cent for the year. **The observed pattern in Oando share price was in tandem with the overall market which also closed on a bearish note same year.**

Oando's share price, which opened at N96.00 on January 3, 2006, reached a year High of N96.90 on January 9, 2007 and then began a downward trend, reaching

an all-time Low of N60.77 in August 7, 2006. The price hovered around N78.12 during the year and eventually closed at N70.00 on December, 29, 2006, translating to a capital depreciation of 27.08 per cent for the year. Average volumes traded per month ranged between 4,321,293 units and 6,446,816 units with the Highest volumes traded (14,085,246 units) recorded in August, 2006.

It appears the downward trend recorded in the preceding year is being reversed this year as Oando's share price, which opened at N70.00 this year, began an upward trend right from the start of the year, reaching a year High of N93.20 on April 10, 2007. The price behaviour was propelled by the news of its first quarter performance and dividend declaration, which was made public in April, 2007. The share price was marked down at N77.00 to N73.00 for a dividend of N4.00 per share. With the share price of N76.50 as at July 12, 2007, Oando has recorded a capital appreciation of 15 per cent to investors this year inclusive of cash dividend of N4.00 with a yield of 5.22 per cent as at the declaration date on March 30, 2007.

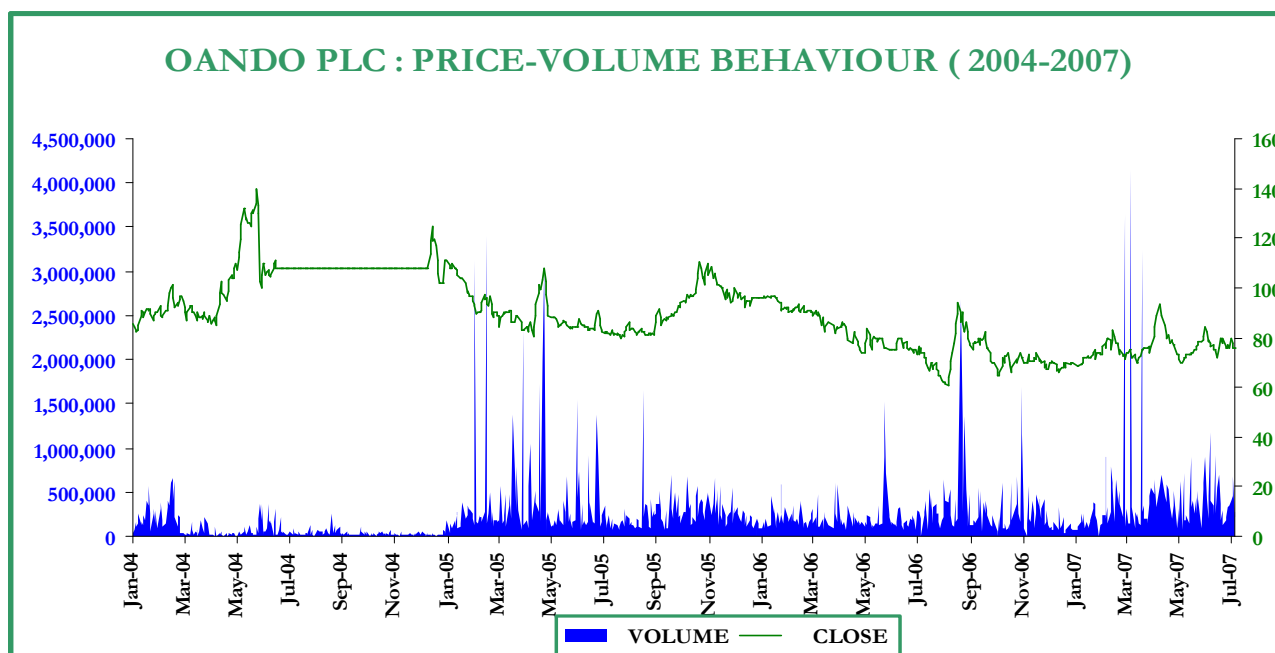
Furthermore, in capital appreciation, Chevron's return is 9.8 per cent while Total, Mobil and Conoil recorded capital loss of 14.71 per cent, 9.41 per cent and 7.24 per cent respectively as at July 12, 2007.

## PETROLEUM MARKETING PEER PERFORMANCE REVIEW

	Avg.	CHEVRON	MOBIL	OANDO	CONOIL	TOTAL
Shares Outstanding(bn)	420.06	253.99	240.40	572.42	693.95	339.52
Mkt. Capt.(N'bn)	43.80	40.13	37.25	44.25	44.41	52.97
Market Price as at July 12,2007	122.06	158	154.97	77.30	64.00	156.01
Shareholders' Funds- (N'bn)*	23.63	3.12	3.31	22.73	84.86	4.13
Trailing EPS(N)	6.09	7.08	7.24	5.15	3.59	7.41
Last Paid DPS(N)	4.71	5.12	7.14	4.00	2.50	4.80
ROE*	46.6%	33.6%	73.3%	7.8%	30.9%	87.5%
ROA *	9.6%	7.3%	16.8%	2.2%	9.1%	12.5%
Book Value Per Share(BVPS)N*	40.03	12.26	13.75	39.70	122.29	12.17
Trailing Earnings Yield	5.2%	4.5%	4.7%	6.7%	5.6%	4.7%
Trailing Div. Yield	4.0%	3.2%	4.6%	5.2%	3.9%	3.1%
Trailing Div. Pay-out	76.6%	72.3%	98.6%	77.7%	69.6%	64.8%
Trailing Price/Earnings(P/E) ratio	19.52	22.31	21.41	15.01	17.83	21.05
Price-to-Book Value*	7.89	12.88	11.27	1.95	0.52	12.82
Trailing Price-to-Sales	0.48	0.59	0.71	0.21	n/a	0.42
Sales Per Share(N)	309.11	269.40	219.18	375.07	"	372.80
Sales (N' bn)	115.60	68.42	52.69	214.70	"	126.57
Profit After Tax (N' bn)	2.25	1.80	1.74	2.95	"	2.52

\* Based on 2005 Year end results

n/a= Conoil 2006 results are not yet out as at report date.



**Valuation:**

We adopted a wide range of valuation methodologies in arriving at a fair value for Oando. We employed Discounted Cash flow (DCF) model and relative valuation metrics such as the Price- Earnings (P/E), Price/Sales (P/S) and Price/Book Value (P/BV). Thereafter, we attached weights to the output of these methodologies based on our rigorous judgment and the peculiar circumstances of the company. However, we attached a greater weight to the output of DCF model.

We discounted the estimated equity free cash flow of the company using the company's cost of equity, applying a risk free rate of 10.75 per cent, security beta of 0.82 and a risk premium of 7 per cent. In our final analysis, our fair value for Oando is N122.02k, translating to a discount of 57.1 per cent on the closing price as at Friday July 13, 2007.

# OANDO PLC

## KEY STATISTICS : 2006 FINANCIALS

### VALUATION METRICS

Market Cap(N'bn)	44.25
Trailing P/E	15.01
Forward EPS (fye 31-Dec-07) (Ngn)	7.69
PEG Ratio	0.22
Trailing Price/Sales	0.21
Price/Book Value	1.81

### FINANCIAL HIGHLIGHTS

Fiscal Year End	31-Dec-06
Most Recent Quarter (mrq)	31-Mar-07

### Profitability

Gross Margin (%)	8.52
------------------	------

Operating Margin (%)	3.09
----------------------	------

### Management Effectiveness

Return on Average Asset (%)	7.87
Return on Average Equity (%)	12.43

### Income Statement

Turnover (Sales) (N'bn)	209.08
Operating Profit (Nbn)	6.46
Profit Before Tax (PBT) (N'bn)	3.79
Profit After Tax (PAT) (N'bn)	3.08
Sales Per Share (Ngn)	365.52
Quarterly Turnover growth (Q1-07) y-o-y (%)	13.60
Quarterly Net Income growth(Q1-07) y-o-y (%)	36.30

### TRADING INFORMATION

#### Stock price history

Beta ( $\beta$ )	0.82
52-Week change (%)	5.57
52-week high (Ngn)	94.22
52-week low (Ngn)	60.77

#### Share statistics

Average volume traded (1 month)	8,276,062
Average volume traded (1 week)	2,069,016
Shares outstanding( m)	572.422
Float	

#### Earnings, Dividend and Bonus History

Last Paid	
Dividend Per Share(Ngn)	4.00
Dividend Yield (%)	5.22
Trailing Earnings Per Share(Ngn)	5.15
Earnings Yield (%)	6.66
Last Script Issue (03/06/2004)	1 for 4
Trailing Payout ratio	77.67
Last Dividend date	Apr.,2007

#### Balance sheet

Shareholders fund (N'bn)	24.40
Total Assets (N'bn)	92.44
Total debt/Equity (%)	278.9
Book Value Per Share (Ngn)	42.66

Meristem Securities Limited **EQUITY RESEARCH REPORT** and its attendant recommendations are prepared based on publicly available information and are meant for general informative purposes. Meristem Securities Limited can neither guarantee the accuracy or completeness of the information as they are an expression of our analysts' views and opinions. Meristem Securities Limited cannot be held responsible for any loss suffered by relying on the said information as this information as earlier stated is based on estimates and opinions and is meant for general information purposes and not as solicitation to buy securities and financial instrument. © Meristem Securities Limited