

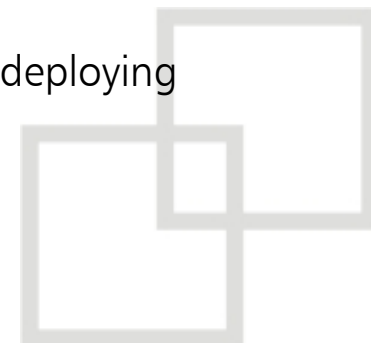


# Weekly Stock Recommendation



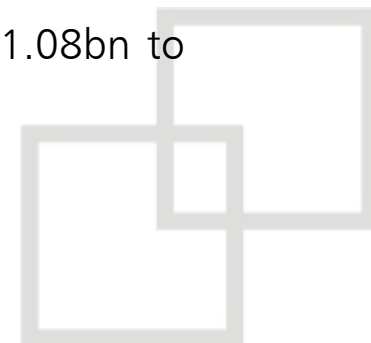
	Closing Price (N)	Forecast EPS(N)	YE Forecast PE(x)	YE Forecast Div Yield (%)	YE Forecast Earnings yield (%)	Vol. Traded (m)	Val. Traded (m)	52 week High (N)	52 week Low (N)	Market cap (Nbn)	Year end
Monday 11 <sup>th</sup> Jan 2009	38.00	5.11	7.43	6.70	13.5	0.31	11.82	48.23	22.46	48.41	Dec 31 <sup>ST</sup>

- Founded in 1879, UAC is one of the largest diversified conglomerates in Nigeria; primarily focused on the consumer foods sector, but with operations also spanning manufacturing, real estate, logistics, and automotive sectors
- The group controls two publicly traded mid-sized subsidiaries: CAP Plc, a leading paints manufacturer and UPDC Plc, the leading listed real estate developer
- Ongoing restructuring of the business has seen UAC strategically refocus its activities on the fast growing consumer foods portion of its business.
- Strong cash generative business, particularly with recent one time gains from disposals of non-core assets over the last few years
- Management remains focused on divesting from non-core businesses and deploying freed up cash in the core foods business



	Closing Price (N)	Forecast EPS(N)	YE Forecast PE(x)	YE Forecast Div Yield (%)	YE Forecast Earnings yield (%)	Vol. Traded (m)	Val. Traded (m)	52 week High (N)	52 week Low (N)	Market cap (Nbn)	Year end
Monday 11 <sup>th</sup> Jan 2009	8.19	1.64	4.99	12.02	20.04	1.30	10.53	12.70	5.74	7.17	Dec 31 <sup>ST</sup>

- NAHCO was incorporated in 1979 and listed in 2005 after a successful public offer
- The company has a robust clientele base including the likes of Air France, British Airways and KLM Royal Dutch Airlines
- NAHCO is currently the only quoted company in the aviation handling industry with closest competitor SAHCOL still yet to be privatised and listed
- Recent market downturn has improved its fundamentals, leading to a rather attractive entry price
- YE Forecast P.E ratio of 4.99x is below market average, making the stock fundamentally undervalued
- Recently released Q3 results show an impressive 34% rise in PAT from N1.08bn to N805.11m. Our YE forecast stands at N1.44bn. FYE EPS is N1.64



	Closing Price (N)	Forecast EPS(N)	YE Forecast PE(x)	YE Forecast Div Yield (%)	YE Forecast Earnings yield (%)	Vol. Traded (m)	Val. Traded (m)	52 week High (N)	52 week Low (N)	Market cap (Nbn)	Year end
Monday 11 <sup>th</sup> Jan 2009	5.97	0.82	7.04	8.52	14.21	0.423	2.447	8.30	2.82	12.78	Dec 31

- National Salt Company Nigeria Plc (NASCON) was established in 1971 and is involved in refining and packing of table, industrial and agricultural salts
- After many years of poor performance, NASCON has shown signs of recovery and growth following its recent acquisition by Dangote Industries Limited (a member of the Dangote Group).
- NASCON is diversifying into manufacturing and distribution of other processed products, which will include 'Petti' brand tomato puree, with strategies for exploiting the West African sub-regional market
- YE forecast P/E ratio of 7.04x is below industry average while YE forecast earnings yield of 14.21% is above market average.
- NASCON plans also to invest US\$12 million in the acquisition of offshore companies, refining and packing machines, investing in advertising and promotions and development of the foods businesses in the country



	Closing Price (N)	Forecast EPS(N)	YE Forecast PE(x)	YE Forecast Div Yield (%)	YE Forecast Earnings yield (%)	Vol. Traded (m)	Val. Traded (m)	YTD High (N)	YTD Low (N)	Market cap (Nbn)	Year end
Monday 11 <sup>th</sup> Jan 2009	40.95	6.29	6.51	7.70	15.4	0.63	25.15	40.95	11.00	63.60	Mar 31st

- Flour Mills of Nigeria Plc was incorporated in 1960 and listed on the Nigeria Stock Exchange in 1978.
- Their activities span flour milling, pasta manufacturing, port operations, fertilizer blending, agricultural business among others
- The Flour Mills group currently consists of 8 subsidiary companies (including NNFM and Bagco) and holds interests in 3 other companies
- YE forecast PE valuation of 6.29x is below its peer average of 15.97x
- Recently released half year results show an impressive 96% rise in PAT from N2.49bn to N4.87bn.

