

FULL YEAR 2009 RESULTS

	FY'08 GH¢'000	FY'09 GH¢'000
Turnover	55,041	82,471
%		49.84%
Cost of Sales	28,813	36,926
% of Turnover	52.35%	44.77%
Gross Profit	26,228	45,545
% of Turnover	47.65%	55.23%
Profit Before Tax	9,387	20,175
% of Turnover	17.05%	24.46%
Net Profit	7,054	15,156
% of Turnover	12.82%	18.38%
EPS	0.36	0.77
% Growth		113.89%

Source: SIC-FSL Estimates and Company Data

Share Data

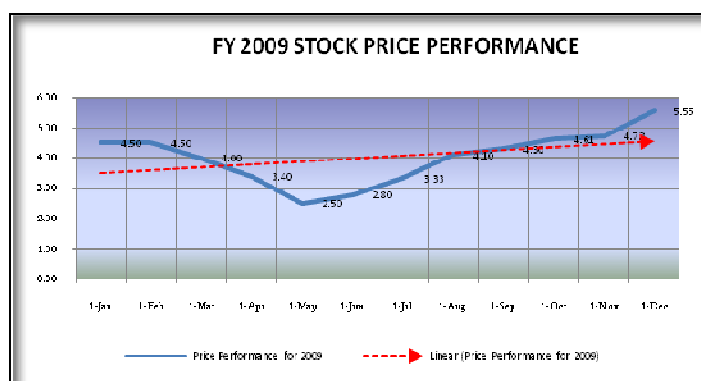
Current Price	GHC6.80
52-Week High(GHC)	GHC6.80
52-Week Low(GHC)	GHC5.55
YTD Price Change	23%
Shares Outstanding	19,784,548
Market Cap.(GHC)	134,530,000
Market Cap.(USD)	93,475,541.97
Avg. Daily Traded Value(USD)	

Source: SIC-FSL and GSE Data

Profitability and Valuation Metrics

	Profit Margin (%)	EPS(GHC)	P/E (X)	P/B (X)	RoE	RoA	Net Margin (%)
FY'08	7.05	0.36	7.21	4.16	32.95	21.47	12.82
FY'09	15.16	0.77	12.50	3.13	43.20	29.65	18.38

Source: SIC-FSL Estimates and Company Data



FML EARNINGS COMMENTARY

Huge climb in revenue

Turnover doubles in FY'09: FML recorded 49.84% growth in revenue comparable last year. Total revenue appreciated to GHC82,471 million FY'09 from GHC55,041 million FY'08 due to increase in production and subsequent widening of distribution network. Cash accumulated from investment surge to GHC15,871 million FY'09 from GHC8,834 million FY'08, representing an upward adjustment of 79.66%. Interest gained from investment also shot up by 74.90% as against last year.

Production cost down: Cost of sale ratio decline to 44.77% in FY'09 from 52.35% in FY'08. Interest payment also drop to GHC17 million FY'09 from GHC113 million same period last year indicating 84.96%. This is hugely linked to the recent macroeconomic stability in line with the downturn of interest rates. Operating expense ratio also contributed 32.19% just a marginal increase of 0.68% over the previous year on the face of increased production. This is purely due to strict and tactical managerial structures laid down.

Bottom-line improved significantly: Profit after tax witnessed a significant decrease to GHC7,054 million in FY'09 from GHC15,156 million in FY'08 and this is as a result of the huge increase in revenue amid low interest rates coupled with reduced tax payment this year. Net profit surged to 18.38% in FY'09 from 12.82% the previous year in line with decrease in cost of sale and operating expense ratios. Earnings per share also went up by 113.89% in FY'09 from GHC0.36 the previous year.

Company profile

Fan milk Limited is the leading manufacturer of Ice Cream and Yoghurt in Ghana. The company deals in fruit drinks and Ice Lollies as the main product line. This includes FanIce, FanYogo, FanChoco, Tampico, Fangold and FanPop. Fan Milk currently enjoys the widest distribution network among the manufacturing industry in Ghana. Fan Milk International has an equity stake of 55.45% in Fan Milk Ghana.