

The Investor

The Monthly Newsletter of CDH Capital Ltd



2012 in Review

Listed Companies on the Rwanda Stock Exchange Witnessed Mixed Results

Listed companies on the Rwanda Stock Exchange (RSE) witnessed mixed results as the year closed. Bralirwa witnessed significant growth in 2012, opening at Rwf 329 and closing at Rwf 630. Bank of Kigali (BK), on the other hand, stayed quasi-constant, opening at Rwf 127 and closed at Rwf 129. Kenya Commercial

Bank (KCB) traded very little locally, but witnessed significant movement in Nairobi, from a low of KES 18 to KES 30.25 at the end of the year. Nation Media Group (NMG)

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January 2013 Summary

Investors being bullish on BK and Bralirwa shares marked January 2013 transaction on the RSE.

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Share Performance of the Listed Companies.

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witnessed low trading volume and prices moved within the KES 18-30.2 band in 2012.

Safaricom, on the other hand, opened at KES 3.2 and closed the year at KES 5.8, or an increase of KES 2.6 representing an increase of 81.25 %.

Both local companies, Bralirwa and BK witnessed heavy trading volumes during 2012, 17.44 million and 85.5 million respectively. KCB, Safaricom and NMG shares trading were minimal.

BK declared and paid a Rwf 6.5 dividend per share in April and June respectively, representing a return on investment of 5 % of shares purchased at the Initial Public Offer price Rwf 125 each.

Bralirwa paid a final dividend of Rwf 16.9 per share in 2012 (Bralirwa paid an interim dividend of 7.3 per share in November 2011). This represents a return on investment of 18 % based on shares purchased at the IPO price of Rwf 136 per share. Bralirwa did not pay any interim dividend in 2012. The Chief Executive Officer, Mr. Jonathan Hall, issued a communication

stating that the company would not be paying dividend at that time as it has been investing significantly to build production capacity since the start of the year and these investments have been financed mostly by internally generated funds.

Following that news, the Company's price did not tumble, but continued to rise, reaching Rwf 687 at the end of January 2013. As at 4th February 2013, the price reached a new high of Rwf 692.

KCB declared and paid a dividend of KES 1.7575 per share in 2012. The return of investment amounted to 5.52 % on shares purchased at KES 18.

It is important to underline the share price performance of KCB, at KES 14 at the start of the year; the price started its continued appreciation at the start of the month. At end of January 2013, the price stood at Ksh 33.5.

NMG declared a dividend of KES 2.3750 in 2012. This represented a return on investment of 3.52%.

For comparative purposes,

we have also looked at the performance of East African Breweries Ltd (EABL), a brewery company listed in the Nairobi Stock Exchange. At KES 150 in January 2012, the stock rose to KES 265 at the close of the year. At the end of 22 January 2013, the stock climbed to KES 306, representing a 100 % increase in a year on average.

The EABL share performance can be compared with that of Bralirwa where both companies witnessed an increase of more than 100 %.

EABL declared a final dividend of KES 5.9375 per share in November 2012 resulting to a return on investment of 2.92 %.

On the Fixed Income Financial Instruments (FIFI) side, no other transactions were recorded except for one Treasury Bond trading of Rwf 100 million. Note that there are very few FIFI on the Rwanda Stock Exchange (RSE).

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January 2013 Transaction Summary

The Capital Market in 2013

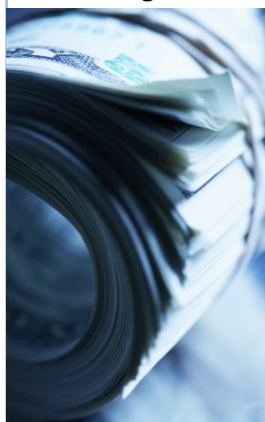
Many challenges await the Capital Market in 2013. The main one is investors' expectations about new IPOs during the year. The market had one IPO in 2010 (Bralirwa) and 2011 (Bank of Kigali). The market did not register any IPO in 2012. Investors are expecting at least two IPOs this year to keep their investment appetite at a high level. The authorities have been working on a list of potential companies (private and public) that are eligible for listing. No information on these companies has been communicated to us yet. But according to the Capital Market Authority, several public and private companies are in the limelight, and once they qualify for listing, the authorities will start the IPO procedures.

Another challenge facing the Capital Market Authority is the regional integration of East African Community (EAC) stock exchanges. The CMA in collaboration with the regional securities exchanges is working on a project to integrate the four stock exchanges (Uganda, Nairobi, and Tanzania) in order to facilitate trading of securities across borders. This will allow local investors to access a wider range of counters. Local investors used not to invest in regional counters due to the fact that it takes too long to settlement due to administrative lags (compared to shares bought on the local counters which take only two days to settle). Regional integration will significantly boost trading on the local.

January Transactions on the Regional Markets

The Nairobi Securities Exchange Ltd All Share Index (NSEASI) started the year 2013 at 106.10 and closed at 102.64, or a fall of 3.46. The main reason for this fall might have been investors' fear of the coming elections scheduled for 4th of March 2013. Investors normally fear social and political unrest and either start pulling back their investments abroad. In 2012, the Index fluctuated between 68.68 – 106.10, representing a 49.10% increase. In fact, Kenya capital market was bullish in 2012.

Things may change in 2013 following the March 2013 elections.



Rwanda Launches Stock Exchange Share Index

In a bid to facilitate the development of products and services of the country's capital markets, the Rwanda Stock Exchange has launched the stock exchange share index in December 2012. According to experts, the index will help in providing a composite report on market performance of constituent stocks so as to highlight the general market trend and that of the entire economy. "The index aims at tracking the performances of companies listed on stock exchange," Dr. James Ndahiro, the chairman of the Rwanda Stock Exchange, said during the launch.

Bralirwa Share Performance

Bralirwa share price recorded high performance in 2012. The share opened at Rwf 329 and closed at Rwf 630, with a total volume of 17,449,100 traded, mostly by international investors. The share price increased by Rwf 301, or an increase of 91.50 %. Details are:

Open year: Rwf 329

Close year: Rwf 630

Year volume: 17,449,100.

52-week range: Rwf 318 - Rwf 631.

Share Price Movement: 2012 to January 2013



Key Statistics for BRL

Current P/E Ratio (ttm)	23.2271
Estimated P/E (12/2012)	19.3737
Relative P/E vs.	-
Earnings Per Share (RWF) (ttm)	28.5011
Est. EPS (RWF) (12/2012)	34.1700
Est. PEG Ratio	-
Market Cap (M RWF)	340,456.66
Shares Outstanding (M)	514.29
30 Day Average Volume	124,757
Price/Book (mrq)	17.3015
Price/Sale (ttm)	5.2412
Dividend Indicated Gross Yield	2.55%
Cash Dividend (RWF)	16.0550
Last Dividend	06/08/2012
5 Year Dividend Growth	-

Company Information

Bralirwa LTD brews beer. The Company brews and bottles brands of beer owned by its corporate parent.

Chairman / Managing Director

Jean Paul Van Hollenbeke

Vice Chairman / Managing Director

Jonathan Hall

Secretary

Eugene Twahirwa

Website

www.bralirwa.com

BK Share Performance

BK share price remained quasi-stable on average in 2012. The opening and closing price was Rwf 127 and Rwf 129 respectively. 85,552,800 shares were traded during the year. Details follow:

Open year: Rwf 127

Close year: Rwf 129

Year volume: 85,552,800

52-week range: Rwf 118 - Rwf 136.

Note that BK share price rose from Rwf 129 to Rwf 170 in one month to end of January 2013.

Share Price Movement: 2012 to January 2013



Key statistics for BK

Current P/E Ratio (ttm)	4.8669
Estimated P/E (12/2012)	8.1034
Relative P/E vs.	-
Earnings Per Share (RWF) (ttm)	28.970
Est. EPS (RWF) (12/2012)	17.4
Est. PEG Ratio	-
Market Cap (M RWF)	42,342.92
Shares Outstanding (M)	300.30
30 Day Average Volume	426,930
Price/Book (mrq)	0.6874
Price/Sale (ttm)	1.1927
Dividend Indicated Gross Yield	4.61 %
Cash Dividend (RWF)	6.5
Last Dividend	04-18-2012
5 Year Dividend Growth	-

Company Information

Bank of Kigali Ltd is a full services commercial bank. The bank offers a wide range of banking products and services, including personal loans, mortgages, web based banking, and custody services.

Chairman

Lado Gurgenedze

Vice Chairman / Managing Director

James Gatera

Secretary

Shivon Byamukama

Website

www.bk.rw

KCB Share Performance

KCB share price also witnessed significant movement during the year 2012. The opening and closing price was KES. 18 and KES. 30.25 respectively. The price climbed to KES. 35 at the end of January 2013. Details follow:

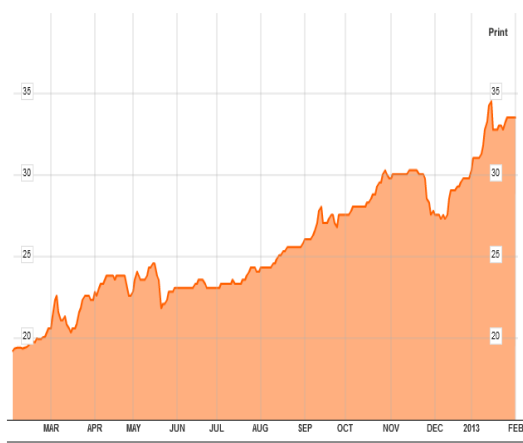
Open year: KES. 18

Close year: KES. 30.25

Year volume: data not available

52-week range: KES 18 - 33.75.

Share Price Movement: 2012



Key Statistics for KCB

Current P/E Ratio (ttm)	7.1040
Estimated P/E (12/2012)	8.1350
Relative P/E vs.	0.5438
Earnings Per Share (KES) (ttm)	4.7157
Est. EPS (KES) (12/2012)	4.1180
Est. PEG Ratio	-
Market Cap (M KES)	99.503.37
Shares Outstanding (M)	2,970.25
30 Day Average Volume	1,232,120
Price/Book (mrq)	1.9718
Price/Sale (ttm)	1.7932
Dividend Indicated Gross Yield	5.52 %
Cash Dividend (KES)	1.7575
Last Dividend	22-5-2012
5 Year Dividend Growth	-19.93 %
Next Earnings Announcement	1-3-212

Company Information

Kenya Commercial Bank (KCB) Ltd is a full services commercial bank. The bank offers a wide range of banking products and services, including personal loans, mortgages, web based banking, and custody services.

Chairman

Jeremiah Musa Hdeto

Chief executive Officer

Joshua N Oigara

Secretary

Kiprop David Malakwen

Website

www.kcbbankgroup.com

Safaricom Share Performance

Safaricom share price also witnessed significant movement during the year 2012. The opening and closing price was KES. 3.2 and KES. 5.8 respectively. The price fell to KES. 5.2 ex dividend at the end of January 2013. Details follow:

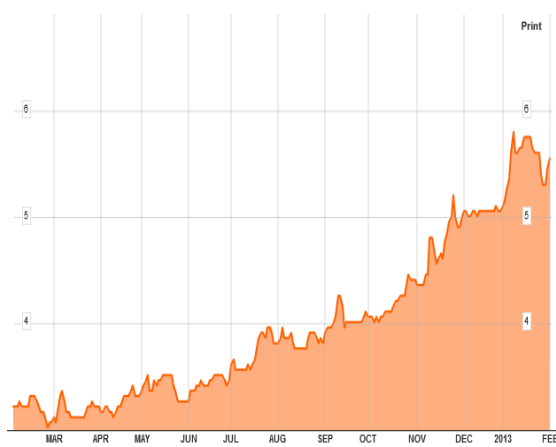
Open year: KES. 3.2

Close year: KES. 5.8

Year volume: data not available

52-week range: KES 3 - 5.8.

Share Price Movement: 2012



Key statistics for SAFARICOM

Current P/E Ratio (ttm)	12.9010
Estimated P/E (12/2012)	16.9329
Relative P/E vs.	0.9876
Earnings Per Share (KES) (ttm)	0.4108
Est. EPS (KES) (12/2012)	0.3130
Est. PEG Ratio	-
Market Cap (M KES)	212,000
Shares Outstanding (M)	40,000
30 Day Average Volume	426,930
Price/Book (mrq)	0.6874
Price/Sale (ttm)	1.1927
Dividend Indicated Gross Yield	4.61 %
Cash Dividend (KES)	6.5
Last Dividend	04-18-2012
5 Year Dividend Growth	-
Next Earnings Announcement	05/17/2013

Company Information

Safaricom Ltd offers cellular telephone and Internet connection access services in Kenya

Chief Executive Officer

Robert William Collymore "Bob"

Chief Financial Officer

John Tombleson

Director - Resources

Joseph Ogutu

Website

www.safaricom.co.ke

NMG Share Performance

NMG share price also witnessed significant movement during the year 2012. The opening and closing price was Ksh. 140 and KES. 260 respectively. The price fell to KES. 250 ex dividend at the end of January 2013. Details follow:

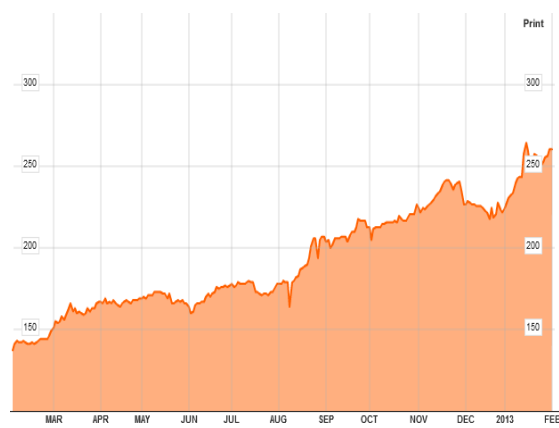
Open year: KES. 140

Close year: KES. 260

Year volume: data not available

52-week range: KES 135 - 264.

Share Price Movement: 2012



Key statistics for NMG

Current P/E Ratio (ttm)	20.0407
Estimated P/E (12/2012)	18.3776
Relative P/E vs.	1.5342
Earnings Per Share (KES) (ttm)	12.7740
Est. EPS (KES) (12/2012)	13.9300
Est. PEG Ratio	-
Market Cap (M KES)	40,222
Shares Outstanding (M)	157.12
30 Day Average Volume	44.693
Price/Book (mrq)	6.6448
Price/Sale (ttm)	3.5762
Dividend Indicated Gross Yield	3.52 %
Cash Dividend (KES)	2.3750
Last Dividend	3-9-2012
5 Year Dividend Growth	30.24 %
Next Earnings Announcement	14-3-2012

Company Information

Nation Media Group Ltd is a media company. The Group has operations in publishing, printing, and newspaper distribution as well as in television and radio broadcasting. NMG has subsidiaries in Tanzania, and Uganda, and also publishes magazines for East African countries

Chairman

Wilfred D Kibogo

Chief Executive Officer / Managing Director

Linus Wang 'Ombe Gitahi

Finance Director

Stephen Gitagama

EABL Share Performance

NMG share price also witnessed significant movement during the year 2012. The opening and closing price was KES. 175 and KES. 267 respectively. The price rose to KES. 300 ex dividend at the end of January 2013. Details follow:

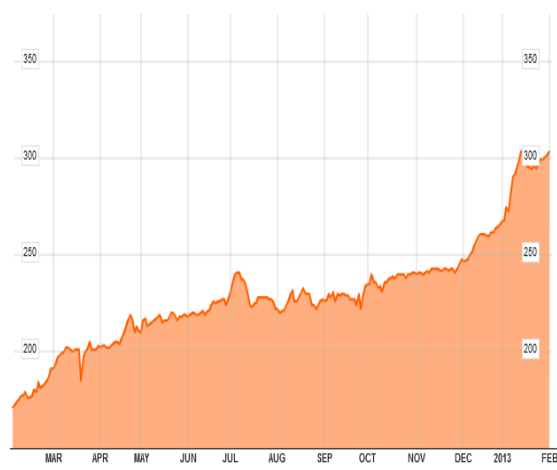
Open year: KES. 175

Close year: KES. 260

Year volume: data not available

52-week range: KES 175 - 267.

Share Price Movement: 2012



Key statistics for EABL

Current P/E Ratio (ttm)	22.2888
Estimated P/E (06/2013)	25.2887
Relative P/E vs. KNSMIDX	1.7063
Earnings Per Share (KES) (ttm)	13.4597
Est. EPS (KES) (06/2013)	11.8630
Est. PEG Ratio	-
Market Cap (M KES)	237,232
Shares Outstanding (M)	790.77
30 Day Average Volume	292,710
Price/Book (mrq)	36.2665
Price/Sale (ttm)	4.2727
Dividend Indicated Gross Yield	2.92 %
Cash Dividend (KES)	5.9375
Last Dividend	24-9-2012
5 Year Dividend Growth	6.40 %
Next Earnings Announcement	17-2-2013

Company Information

East African Breweries Ltd brews, bottles, and sells beer. The company also manufactures and sells glass bottles. EABL sells its products locally and internationally.

Chairman

Charles Kahara Muchene

Deputy Chairman

Nicholas Bodo Blazquez

Managing Director / CEO

Devlin M Hainsworth

Website

www.eabl.com

Equity Bank Share Performance

Equity share price also witnessed significant movement during the year 2012. The opening and closing price was KES. 16.55 and KES. 23.75 respectively. The price rose to KES. 27.25 on January 15th 2013 to stabilize at KES 26.25 ex dividend at the end of January 2013. Details follow:

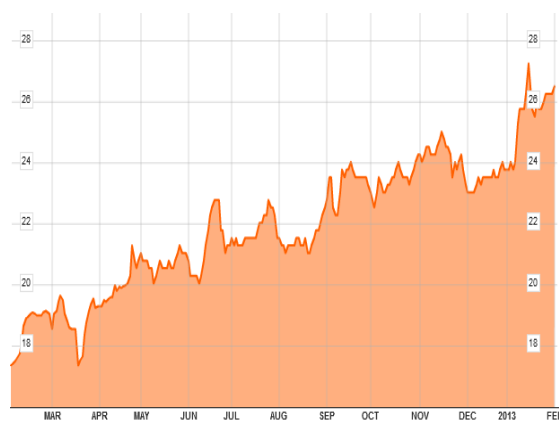
Open year: KES. 16.55

Close year: KES. 23.75

Year volume: data not available

52-week range: KES 15.95 – 23.75

Share Price Movement: 2012



Key statistics for Equity

Current P/E Ratio (ttm)	8.5852
Estimated P/E (06/2013)	8.7036
Relative P/E vs. KNSMIDX	0.6572
Earnings Per Share (KES) (ttm)	3.0576
Est. EPS (KES) (06/2013)	3.0160
Est. PEG Ratio	-
Market Cap (M KES)	97,197
Shares Outstanding (M)	3,702.78
30 Day Average Volume	702,927
Price/Book (mrq)	2.4768
Price/Sale (ttm)	2.3766
Dividend Indicated Gross Yield	3.81 %
Cash Dividend (KES)	.95000
Last Dividend	19-03-2012
5 Year Dividend Growth	71.88 %
Next Earnings Announcement	26-4-2013

Company Information

Equity Bank attracts deposits and offers commercial banking services. The Bank offers education, medical, farm, development, asset financing, and business loans.

Chairman

Peter Kahara Munga

Deputy Chairman

Benson Irungu Wairegi

Managing Director / CEO

James Njuguna Mwangi

Website

www.equitybank.co.ke

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