

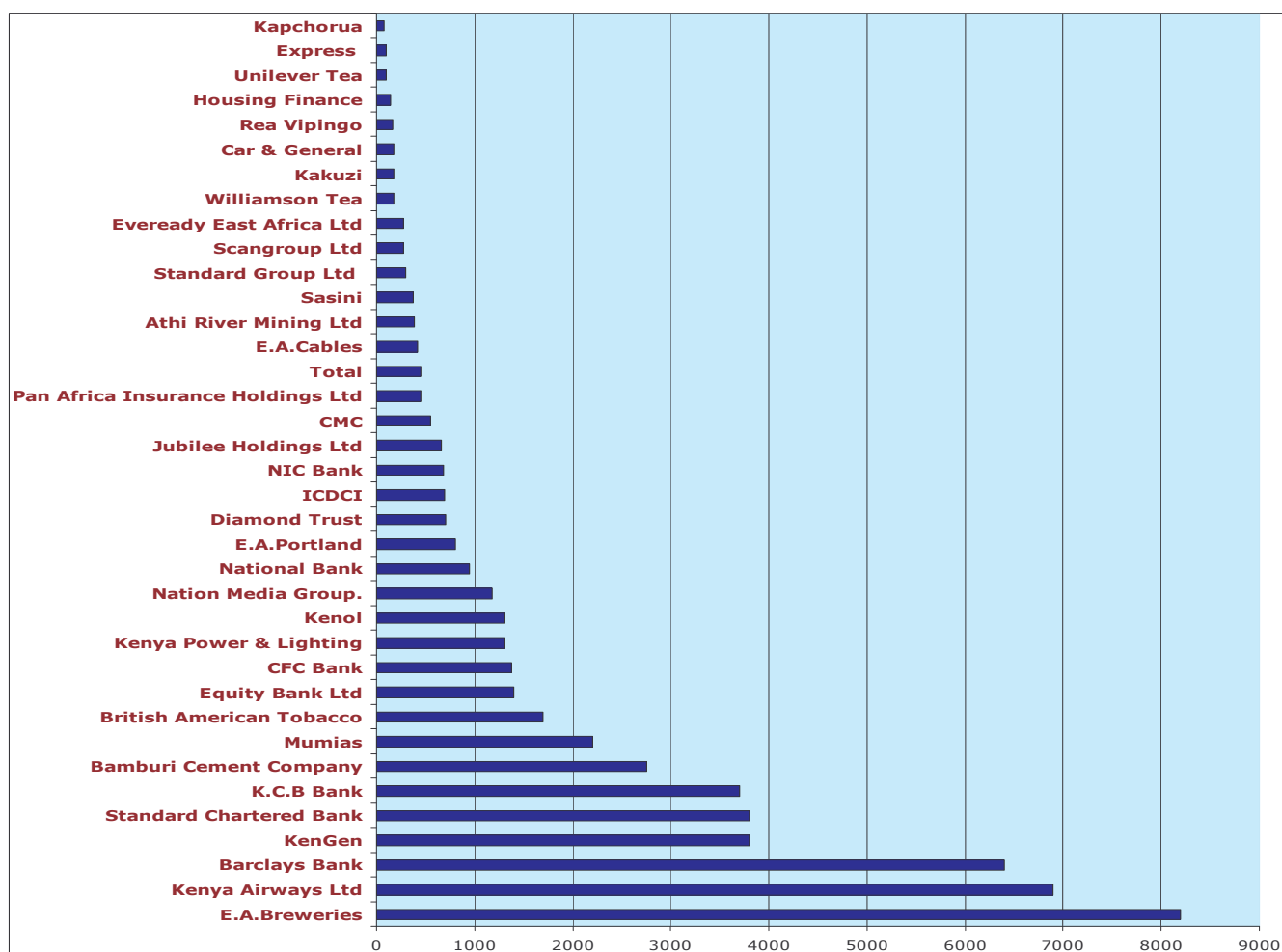
MediaCorp Stock Calculator

The **MediaCorp Stock Calculator** is a simply structured analysis tool that was inspired by the 'Black Jack Team' of the Massachusetts Institute of Technology – MIT, who devised calculations of beating the casino odds on the black jack table. We borrow the similarity because investors at the Nairobi Stock Exchange [NSE] have been left to speculation [gambling] when investing in shares instead of calculating the true odds of investment risks in listed companies.

The MediaCorp stock calculator goes through the following steps based on a 7 year analysis period;

Factor1- Sorting by Profitability

Any intelligent investor should apply this sort, to first ensure that she/he invests in a company that has a history of generating profits or its fundamentals show possible profits in the future. The graph below shows the results of the sort of all listed companies that reported 2006 profit before tax. These figures are constantly updated as companies make announcements on results.



Factor2 – Free Float Analysis

Free Float is the total number of shares publicly owned and available for trading. The float is calculated by subtracting restricted shares from outstanding Shares. For example, a company may have 10 million outstanding shares, but only seven million are trading on the stock market. Therefore, this company's float would be seven million [70%]. Stocks with small floats tend to be a lot more volatile than others.

The table below shows the free floats of the various companies listed in the NSE in descending order. Long term investors are advised to invest in companies that have high floats

NSE Share Float

Company	Code	Share Float (%)
CMC	CMCH	87
Diamond Trust	DTBK	77
NIC Bank	NICB	75
K.C.B Bank	KCBL	74
Nation Media Group.	NATN	73
Equity Bank Ltd	EOTY	66
Jubilee Holdings Ltd	JBLH	62
Mumias	MSCL	60
Kenya Power & Lighting	KPLC	56
Olympia Capital Holdings	OCHL	54
Pan Africa Insurance Holdings Ltd	PAIH	54
K.Orchads	KEOL	52
Kenya Airways Ltd	KAIR	51
Crown Berger	CRBG	51
Housing Finance	HFCK	51
Williamson Tea	WTKL	49
Kakuzi	KAKZ	49
Limuru Tea	LTCL	48
E.A.Breweries	EABL	45
A.Baumann	ABCL	43
Rea Vipingo	RVPL	43
British American Tobacco	BATK	40
Unqa	UNGA	39
ICDCI	ICDC	39
City Trust	CITL	39
Scangroup Ltd	SCGP	38
Eaagads	EAGD	38
Athi River Mining Ltd	ARML	36
Sameer Africa Ltd	SAMR	35
Sasini	STCL	33

Company	Code	Share Float (%)
Express	EXPK	33
Barclays Bank	BARC	31
KenGen	KEGN	30
Eveready East Africa Ltd	EEAL	30
National Bank	NBKL	30
Bamburi Cement Company	BMBR	28
CFC Bank	CFCB	26
Standard Chartered Bank	SCBL	25
E.A.Cables	EACL	23
Total	TOTL	21
Marshalls	MSHL	21
Standard Group Ltd	STDG	20
Kapchorua	KTCL	20
Kenol	KOCL	20
E.A.Portland	EAPC	18
TPS Eastern Africa (Serena) Ltd	TPEA	17
Car & General	CAGR	14
Unilever Tea	UNLV	11
Hutchings Biemer	HUBM	0
Carbacid	CARB	0
BOC (K)	BOCK	0
Uchumi Supermarkets	UCHM	0

Factor3 – Accumulation of Earnings per Share [EPS]

The Financial Accounting Standards Board (FASB) requires companies' income statements to report EPS for each of the major categories of the income statement: continuing operations, discontinued operations, extraordinary items, and net income.

The EPS formula does not include preferred dividends for categories outside of continuing operations and net income as shown here. This formula also shows the most basic formula for earnings per share.

$$\text{Earnings Per Share} = \frac{\text{Profit}}{\text{Weighted Average Common Shares}}$$

The EPS formula is shown here for Net Income and Continuing Operations (substitute income from continuing operations for net income).

$$\text{Earnings Per Share} = \frac{\text{Net Income}}{\text{Weighted Average Common Shares}}$$

The **MediaCorp Stock Calculator** analyses earnings over the last 7 years and then sorts the results on descending order.

Company	Code	2006	2005	2004	2003	2002	2001	2000
Williamson Tea	WTKL	14.80	-4.50	9.20	7.30	-3.10	15.60	8.90
Jubilee Holdings Ltd	JBLH	14.70	9.70	7.70	5.90	4.60	3.40	2.20
Kapchorua	KTCL	14.00	-5.00	9.90	8.90	-3.50	1.60	3.80
K.C.B Bank	KCBL	12.20	6.60	3.90	3.30	20.10	1.30	-4.10
British American Tobacco	BATK	12.00	16.10	12.10	11.40	8.20	6.00	5.80
BOC (K)	BOCK	11.60	10.60	8.20	7.80	5.40	3.80	3.80
Kenya Power & Lighting	KPLC	11.60	9.60	5.80	38.60	23.80	36.40	40.30
Nation Media Group.	NATN	11.00	10.00	11.80	11.30	7.50	4.80	5.70
ICDCI	ICDC	11.00	5.40	4.40	2.90	4.50	3.40	5.90
Kenya Airways Ltd	KAIR	10.40	8.40	2.80	0.90	1.90	2.90	6.00
Pan Africa Insurance Holdings Ltd	PAIH	9.40	3.70	2.00	-0.50	-0.30	3.40	-1.40
Standard Chartered Bank	SCBL	9.10	8.70	6.70	11.30	8.90	9.10	8.80
CMC	CMCH	8.90	7.00	5.40	7.30	6.30	3.60	5.00
Kenol	KOCL	8.30	9.00	6.10	46.50	43.10	37.20	15.20
Equity Bank Ltd	EQTY	8.30	3.80					
E.A.Breweries	EABL	8.20	7.20	35.00	13.80	13.80	21.30	12.90
Limuru Tea	LTCL	8.10	-5.30	16.10	13.40	3.50	-5.00	59.10
Bamburi Cement Company	BMBR	7.20	5.50	4.70	2.90	3.40	2.00	0.80
Kakuzi	KAKZ	6.80	-3.80	4.30	0.60	0.40	-2.30	-1.40
Sasini	STCL	6.20	10.20	20.30	-1.80	0.20	0.40	2.90
Car & General	CAGR	6.10	8.70	1.60	2.70	0.30	-0.30	-0.20
NIC Bank	NICB	5.60	3.50	3.20	2.90	2.80	3.10	3.80
CFC Bank	CFCB	5.00	3.20	3.00	2.50	1.50	1.20	1.60
Standard Group Ltd	STDG	4.70	1.80	1.20	-0.80	-0.90	4.90	-7.30
E.A.Portland	EAPC	4.60	6.80	-3.00	2.50	1.40	8.20	-4.70
City Trust	CITL	4.00	3.00	2.60	1.70	1.30	2.20	2.70
Diamond Trust	DTBK	3.79	2.30	1.60	1.40	1.00	0.50	2.10
Marshalls	MSHL	3.10	3.00	1.60	1.50	2.00	21.40	-7.20
Barclays Bank	BARC	3.00	3.00	18.10	16.50	9.60	16.00	11.20
Mumias	MSCL	2.90	2.50	1.60	-0.40	0.10	1.00	0.00

Company	Code	2006	2005	2004	2003	2002	2001	2000
Total	TOTL	2.80	3.00	3.30	3.10	2.30	-2.20	3.70
Athi River Mining Ltd	ARML	2.10	2.10	1.30	1.00	0.60	0.40	0.40
Rea Vipingo	RVPL	1.90	2.10	2.10	0.10	0.40	0.10	-0.60
Express	EXPK	1.90	1.50	0.10	14.20	11.70	-6.50	-1.20
KenGen	KEGN	1.70	6.40	5.90	12.20	5.30	6.20	0.00
E.A.Cables	EACL	1.40	1.00	6.10	0.50	-0.30	0.80	1.50
National Bank	NBKL	1.30	1.30	0.20	2.00	1.00	1.50	11.00
Scangroup Ltd	SCGP	1.20	1.00	0.40	0.30	0.20	0.10	0.00
Unilever Tea	UNLV	1.10	1.40	7.40	1.30	2.50	4.60	9.20
Housing Finance	HFCK	0.90	0.50	0.50	0.50	-1.60	0.00	0.50
Eveready East Africa Ltd	EEAL	0.80	0.90	0.90	0.70	1.00	1.30	2.00
Uchumi Supermarkets	UCHM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sameer Africa Ltd	SAMR	-0.10	0.70	1.00	0.60	0.80	1.20	1.10
Carbacid	CARB		10.00	8.00	7.80	4.90	4.00	9.80
TPS Eastern Africa (Serena) Ltd	TPEA		3.00	3.40	0.70	2.70	2.50	2.10
Olympia Capital Holdings	OCHL		1.14	6.10	0.50	-0.30	0.80	1.50
K.Orchads	KEOL		0.40	-1.20	-0.90	0.10	0.00	0.00
Unga	UNGA		0.00	-1.60	-0.40	-1.10	-2.20	-9.80
Eaagads	EAGD		-0.20	-0.20	-0.50	0.50	0.10	-1.30
A.Baumann	ABCL		-2.80	-2.80	-0.60	12.50	-0.70	1.10
Crown Berger	CRBG			2.80	2.60	1.10	0.90	2.10

Factor 4 – Dividend Analysis

Dividends are payments made by a company to its shareholders. When a company earns a profit, that money can be put to two uses: it can either be re-invested in the business (called retained earnings), or it can be paid to the shareholders of the company as a **dividend**. Many companies retain a portion of their earnings and pay the remainder to their shareholders. Publicly-traded companies usually pay dividends on a fixed schedule, commonly annually, bi-annually or quarterly; however, they may declare a dividend at any time.

Dividends are usually paid in cash. Sometimes dividends instead take the form of shares in the company (either newly-created shares or existing shares bought in the market). Exceptionally, dividends might take the form of shares in other companies or other assets.

The NSE has an interesting dividend trend. Most foreign owned companies tend to pay high dividend after profit reports. An intelligent investor should therefore take track of the time lines and buy shares just before results are announced, get paid and then sell and move to the next company

about to announce results. The table below shows the analysis of the dividend payers by descending order.

Company	Code	2006	2005	2004	2003	2002	2001	2000
British American Tobacco	BATK	12.00	12.50	0.00	12.50	9.00	7.90	7.90
Nation Media Group.	NATN	12.00	6.00	6.00	5.00	2.50	1.60	1.80
Limuru Tea	LTCL	10.00	5.00	15.00	10.00	3.00	0.00	5.50
Standard Chartered Bank	SCBL	8.50	7.50	6.50	8.50	8.30	8.30	11.00
K.C.B Bank	KCBL	6.00	4.00	2.00	1.00	0.00	0.00	0.00
E.A.Breweries	EABL	5.90	4.50	18.00	15.00	15.00	9.00	7.50
BOC (K)	BOCK	4.50	4.50	4.50	4.30	4.30	3.50	3.50
Bamburi Cement Company	BMBR	4.00	5.30	6.10	2.80	3.50	1.10	0.80
ICDCI	ICDC	4.00	3.00	2.20	2.20	2.00	2.00	3.00
Williamson Tea	WTKL	3.80	0.50	3.80	3.80	0.50	5.00	2.50
Jubilee Holdings Ltd	JBLH	3.25	4.00	2.50	2.30	1.80	1.80	1.80
City Trust	CITL	3.10	2.80	6.30	2.30	2.00	2.00	2.00
NIC Bank	NICB	2.70	2.50	2.40	2.30	2.00	1.60	1.80
E.A.Portland	EAPC	2.60	2.50	1.80	1.80	1.50	1.00	0.00
Total	TOTL	2.50	2.50	2.50	2.50	1.70	0.00	0.00
Kenol	KOCL	2.30	2.20	2.00	10.50	9.50	7.50	6.00
CMC	CMCH	2.30	1.50	1.00	1.00	1.00	0.80	0.80
Unilever Tea	UNLV	2.00	2.00	8.00	6.00	2.50	2.00	6.00
Kenya Airways Ltd	KAIR	1.80	1.30	0.80	6.60	0.60	1.30	1.30
CFC Bank	CFCB	1.80	0.80	0.80	0.80	0.70	0.70	0.70
Barclays Bank	BARC	1.60	2.10	10.00	10.00	9.00	14.00	10.00
Pan Africa Insurance Holdings Ltd	PAIH	1.40	1.00	1.00	0.00	0.00	0.00	0.00
Mumias	MSCL	1.00	0.90	1.10	0.00	0.10	0.70	0.00
Athi River Mining Ltd	ARML	1.00	0.80	0.00	0.50	0.40	0.20	0.00
Diamond Trust	DTBK	1.00	0.70	0.70	0.70	0.60	0.40	0.60
Sasini	STCL	1.00	0.00	2.50	0.00	0.50	1.00	2.00
Marshalls	MSHL	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Rea Vipingo	RVPL	0.80	0.80	0.80	0.40	0.30	0.00	0.00
Scangroup Ltd	SCGP	0.80	0.20	0.10	0.00	0.00	0.00	0.00
Car & General	CAGR	0.70	0.70	0.70	0.70	0.00	0.00	0.00
Equity Bank Ltd	EQTY	0.70	0.70					
E.A.Cables	EACL	0.70	0.50	3.50	1.00	0.50	1.10	1.10

Company	Code	2006	2005	2004	2003	2002	2001	2000
Eveready East Africa Ltd	EEAL	0.60	0.70	0.90	0.60	3.10	1.70	1.50
KenGen	KEGN	0.60	0.20	0.10	0.00	0.00	0.00	0.00
Kenya Power & Lighting	KPLC	0.60	0.00	0.00	0.00	0.00	0.00	2.00
Sameer Africa Ltd	SAMR	0.00	0.50	1.00	0.50	1.00	1.00	1.00
Kapchorua	KTCL	0.00	0.00	3.80	3.80	0.50	2.50	2.50
Kakuzi	KAKZ	0.00	0.00	1.00	0.00	0.00	0.00	0.40
Standard Group Ltd	STDG	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Express	EXPK	0.00	0.00	0.00	0.00	0.00	0.00	0.00
National Bank	NBKL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Housing Finance	HFCK	0.00	0.00	0.00	0.00	0.40	0.40	0.00
Uchumi Supermarkets	UCHM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Carbacid	CARB		5.00	4.00	3.10	2.30	2.80	2.80
TPS Eastern Africa (Serena) Ltd	TPEA		1.10	1.10	1.10	1.10	1.10	1.10
Olympia Capital Holdings	OCHL		0.00	3.50	1.00	0.50	1.10	1.10
Unga	UNGA		0.00	0.00	0.00	0.00	0.00	0.00
A.Baumann	ABCL		0.00	0.00	0.00	0.00	1.00	1.00
Eaagads	EAGD		0.00	0.00	0.00	0.50	0.50	0.00
K.Orchads	KEOL		0.00	0.00	0.00	0.00	0.00	0.00
Crown Berger	CRBG			1.50	1.50	0.50	0.50	2.10
Hutchings Biemer	HUBM							

Factor 5 – Speculation Vulnerability Assessment

This is an in-house developed factor that helps reinforce the share float discussed earlier. This assessment is reached by analyzing the top ten shareholders in each company and the percentage of the total shares they hold. A high percentage of ownership residing in the top ten tends to make the share price less volatile, for there are fewer shares trading in the market. For instance, if a company is 90% owned by the top ten shareholders, then, the effect of the share price becomes of secondary concern for they can always correct it when speculators get over zealous in the market.

The table below shows the analysis of the company ownership by percentage in descending order.

Company	Code	Top 10 (%)
K.Orchads	KEOL	99.14
Eaagads	EAGD	97.31
E.A.Portland	EAPC	96.15
Kapchorua	KTCL	95.24
Unilever Tea	UNLV	93.37

Company	Code	Top 10 (%)
Standard Group Ltd	STDG	92.50
Bamburi Cement Company	BMBR	91.79
CFC Bank	CFCB	91.74
Limuru Tea	LTCL	90.00
Marshalls	MSHL	87.33
Car & General	CAGR	87.06
TPS Eastern Africa (Serena) Ltd	TPEA	86.61
British American Tobacco	BATK	85.49
E.A.Cables	EACL	85.32
Kenol	KOCL	84.04
Sameer Africa Ltd	SAMR	83.22
Total	TOTL	81.68
Pan Africa Insurance Holdings Ltd	PAIH	81.00
BOC (K)	BOCK	79.87
Standard Chartered Bank	SCBL	78.45
Sasini	STCL	78.18
Unga	UNGA	74.92
Barclays Bank	BARC	74.63
Carbacid	CARB	74.19
National Bank	NBKL	72.38
Athi River Mining Ltd	ARML	71.72
KenGen	KEGN	71.48
Olympia Capital Holdings	OCHL	71.03
Kenya Power & Lighting	KPLC	71.00
City Trust	CITL	70.66
Crown Berger	CRBG	70.57
Eveready East Africa Ltd	EEAL	70.49
Express	EXPK	69.89
Rea Vipingo	RVPL	69.20
Williamson Tea	WTKL	67.37
E.A.Breweries	EABL	65.56
Kakuzi	KAKZ	65.53
ICDCI	ICDC	64.93
A.Baumann	ABCL	63.29
Nation Media Group.	NATN	62.30
Kenya Airways Ltd	KAIR	62.11
Housing Finance	HFCK	60.80
Equity Bank Ltd	EQTY	60.61
Mumias	MSCL	55.43

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Intelligent Investing Synopsis

Company	Code	Top 10 (%)
CMC	CMCH	52.75
NIC Bank	NICB	52.66
Jubilee Holdings Ltd	JBLH	52.00
Scangroup Ltd	SCGP	50.37
Diamond Trust	DTBK	47.76
K.C.B Bank	KCBL	46.76
Uchumi Supermarkets	UCHM	
Hutchings Biemer	HUBM	

CONCLUSION

The MediaCorp Calculator is updated weekly based on the historical data and fundamentals forecasting future prices and earnings to help you beat the odds in the stock market. You therefore end up investing intelligently with a higher chance of making money in the Nairobi Stock Exchange.

To receive the MediaCorp Calculator Analysis weekly, subscribe to our premium services by email. Cost: Only Kshs **5,500 per annum** inclusive of taxes.

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