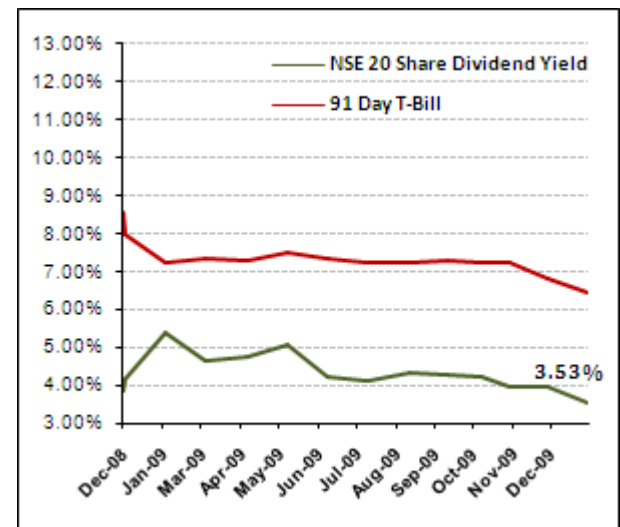
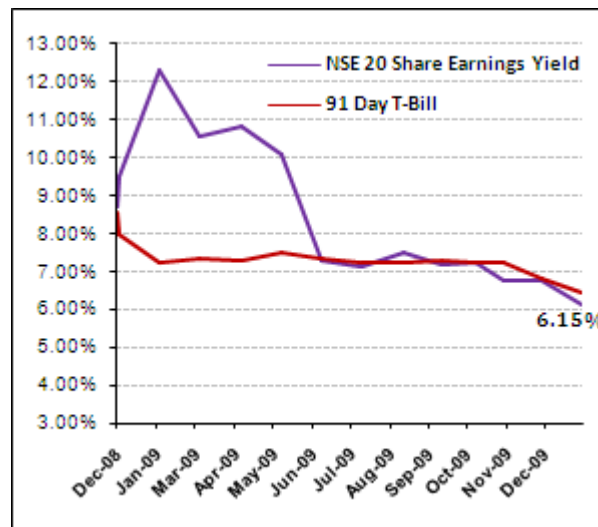
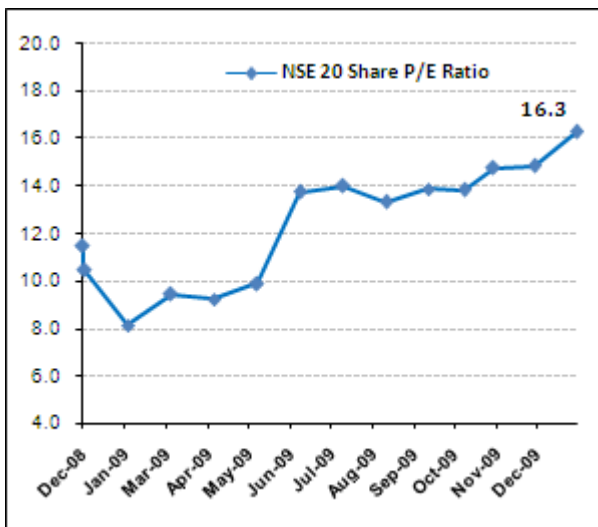
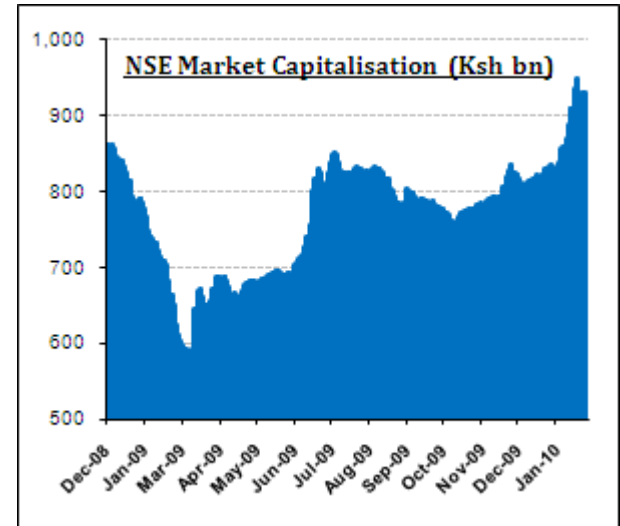
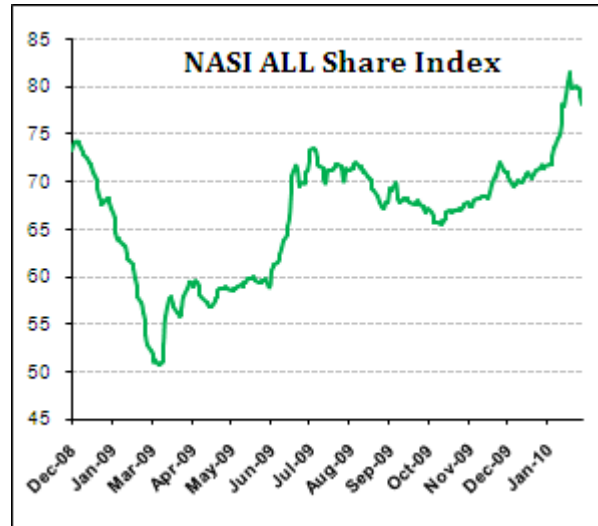
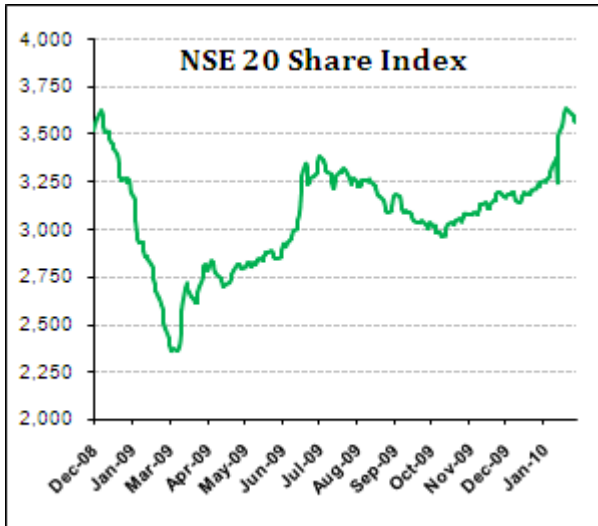


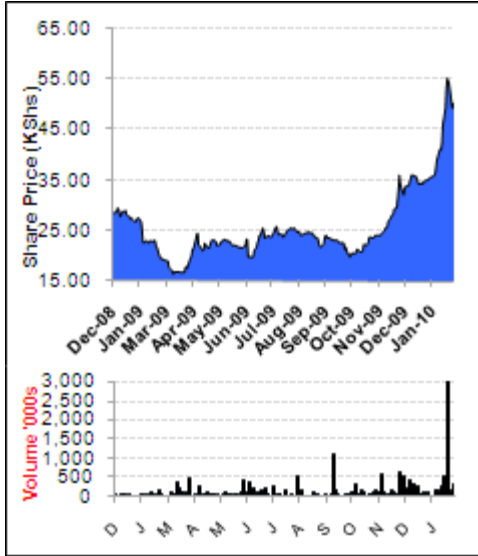
The rumours of a severe market correction are not accurate and last weeks correction occurred simultaneously in other markets. In light of the Mumias Sugar earnings announcement a price of Ksh14.00 (with a 10x PE based on an annualised earnings) should not make the share very expensive and thus clients should be advised that a 30% potential upside (capital gain) exists at the current price of Ksh10.80. We recommend clients take advantage of the volatile price movements as earnings come through. Next announcements are expected from East African Cables & Barclays Bank between 13-20 Feb.

MARKET INDICATORS



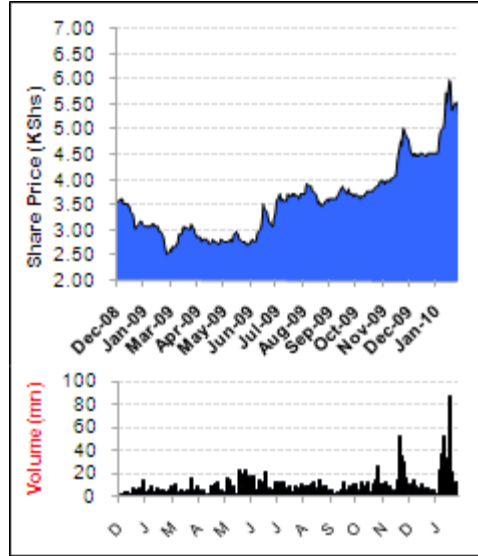
TOP NSE PERFORMERS (31 Dec 2009 to 29 Jan 2010)

KENYA AIRWAYS



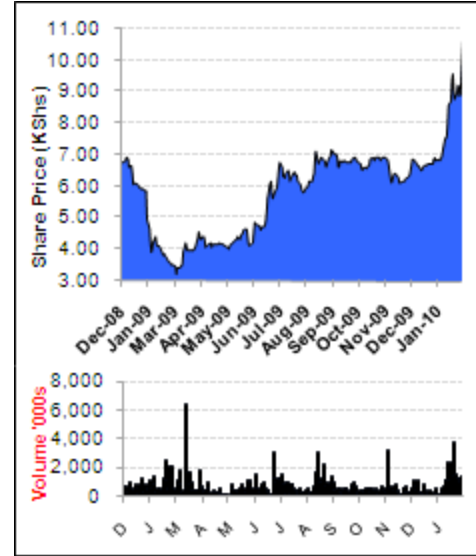
Price is up 40% since 31 Dec 09

SAFARICOM



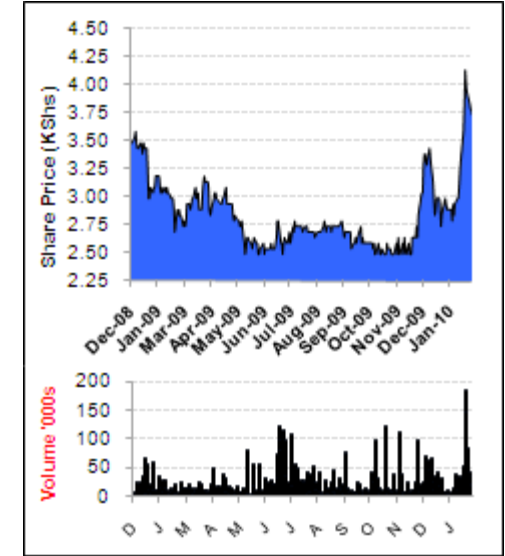
Price is up 14% since 31 Dec 09

MUMIAS SUGAR



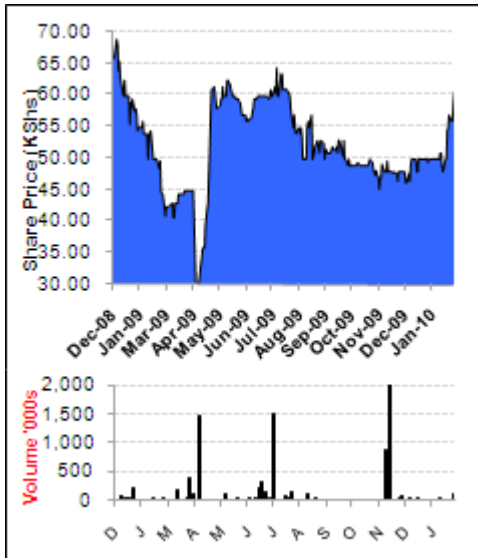
Price is up 58% since 31 Dec 09

EVEREADY EAST AFRICA



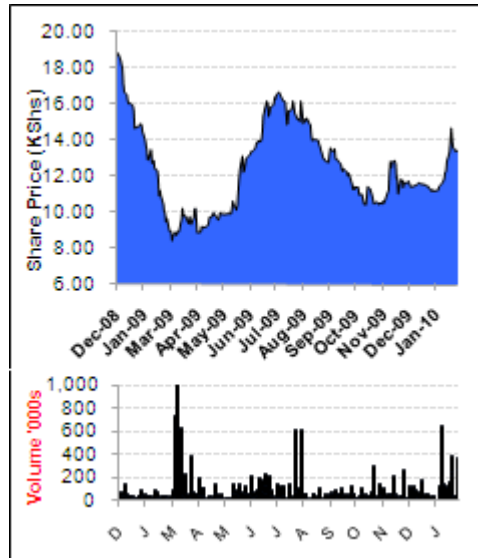
Price is up 31% since 31 Dec 09

KENOL KOBIL



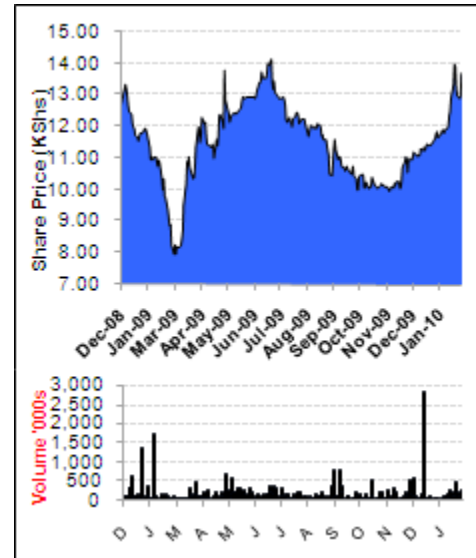
Price is up 20% since 31 Dec 09

CENTUM INVESTMENT



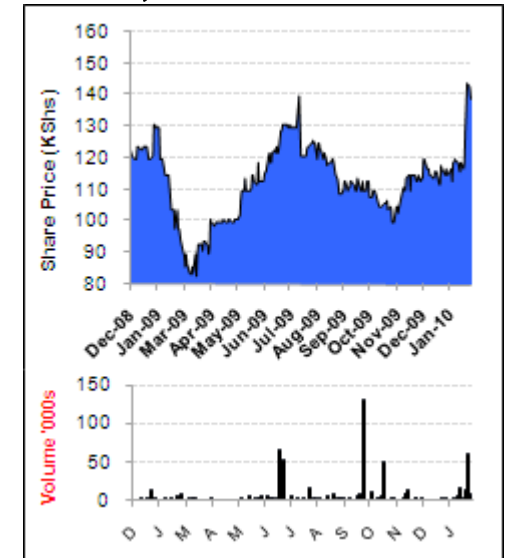
Price is up 18% since 31 Dec 09

KENYA RE



Price is up 13% since 31 Dec 09

JUBILEE HOLDINGS



Price is up 25% since 31 Dec 09

| Ordinary Shares | Year End | 1-Feb | GMS Price | | | | Shares Issued (mn) | Market Capitalization | | 2008 | P / E | 2009 | 2009 | 2009 | PBV | PEG | DPS KSh | Div Cover (times) |
|--------------------------------|----------|---------------|------------|------------|------------|------------|--------------------|-----------------------|---------|---------|-------|-------------|---------------|-------------|-----|------|---------|-------------------|
| | | Current Price | Dec-09 YTD | Aug-09 6 M | Nov-09 3 M | Jan-10 1 M | | KSh mn | USD mn | EPS KSh | | 1st Qtr EPS | Half Year EPS | 9 month EPS | | | | |
| Commercial and Services | | | | | | | | | | | | | | | | | | |
| Safaricom Kenya | Mar | 5.20 | 14% | 39% | 30% | 14% | 40,000 | 208,000.0 | 2,736.8 | 0.27 | 19.6 | - | 0.17 | - | 3.9 | 1.7 | 0.10 | 2.7 |
| Kenya Airways | Mar | 50.00 | 40% | 100% | 106% | 39% | 462 | 23,080.8 | 303.7 | (8.85) | -5.6 | - | 1.84 | - | 1.3 | NA | 1.00 | -8.9 |
| Nation Media Group | Dec | 120.00 | 2% | -8% | -2% | 2% | 143 | 17,113.3 | 225.2 | 9.03 | 13.3 | - | 2.71 | - | 3.7 | 0.6 | 5.50 | 1.6 |
| Standard Group | Dec | 38.00 | 0% | -17% | 3% | 3% | 73 | 2,784.5 | 36.6 | 3.57 | 10.6 | - | 1.24 | - | 2.6 | 0.2 | 1.10 | 3.2 |
| Scangroup Ltd | Dec | 26.00 | 2% | 4% | 6% | 2% | 221 | 5,737.9 | 75.5 | 1.79 | 14.5 | - | 0.66 | - | 2.7 | 0.5 | 0.62 | 2.9 |
| CMC Holdings | Sept | 11.50 | 1% | -3% | 14% | -1% | 583 | 6,701.2 | 88.2 | 0.93 | 12.4 | - | - | - | 1.3 | 0.3 | 0.35 | 2.7 |
| Car & General | Sept | 35.00 | 0% | -20% | -17% | 0% | 22 | 779.8 | 10.3 | 8.80 | 4.0 | - | - | - | 0.6 | 0.6 | 0.67 | 13.1 |
| Access Kenya | Dec | 22.00 | 9% | -6% | 10% | 9% | 204 | 4,478.8 | 58.9 | 0.99 | 22.2 | - | 0.37 | - | 4.0 | 0.1 | 0.40 | 2.5 |
| TPS Eastern Africa | Dec | 48.00 | 7% | 14% | 17% | 7% | 106 | 5,081.5 | 66.9 | 2.10 | 22.9 | - | 0.67 | - | 1.3 | NA | 1.25 | 1.7 |
| Express Kenya | Dec | 9.00 | 12% | -9% | 0% | 12% | 35 | 318.6 | 4.2 | (1.24) | -7.3 | - | 0.72 | - | 0.7 | 0.2 | 0.00 | - |
| Industrial and Allied | | | | | | | | | | | | | | | | | | |
| E. A. Breweries | Jun | 150.00 | 3% | -1% | 4% | 3% | 791 | 118,616.2 | 1,560.7 | 9.09 | 16.5 | - | - | - | 5.1 | 1.5 | 8.05 | 1.1 |
| Bamburi Cement | Dec | 160.00 | 3% | 7% | -1% | 1% | 363 | 58,073.5 | 764.1 | 8.78 | 18.2 | - | 8.19 | - | 3.1 | 1.0 | 6.00 | 1.5 |
| Portland Cement | Jun | 80.00 | 0% | 14% | 3% | 0% | 90 | 7,200.0 | 94.7 | 20.38 | 3.9 | - | - | - | 2.0 | 0.0 | 1.30 | 15.7 |
| Athi River Mining | Dec | 109.00 | -2% | 20% | 11% | -2% | 99 | 10,797.0 | 142.1 | 5.08 | 21.5 | - | 3.03 | 4.57 | 4.5 | 0.6 | 1.25 | 4.1 |
| Kengen | Jun | 14.00 | 9% | -2% | 33% | 6% | 2,198 | 30,777.1 | 405.0 | 0.94 | 14.9 | - | - | - | 0.5 | 1.1 | 0.50 | 1.9 |
| KPLC | Jun | 149.00 | 6% | 10% | 3% | 6% | 79 | 11,790.1 | 155.1 | 40.78 | 3.7 | - | - | - | 0.4 | 0.1 | 8.00 | 5.1 |
| BAT | Dec | 177.00 | -1% | -2% | -1% | -1% | 100 | 17,700.0 | 232.9 | 17.01 | 10.4 | - | 8.58 | - | 3.9 | 1.3 | 17.00 | 1.0 |
| Mumias Sugar | Jun | 10.80 | 58% | 80% | 55% | 57% | 1,530 | 16,524.0 | 217.4 | 1.05 | 10.3 | - | 0.68 | - | 1.6 | 2.8 | 0.40 | 2.6 |
| Kenya Oil Company | Dec | 60.00 | 20% | 9% | 28% | 20% | 147 | 8,830.6 | 116.2 | 8.37 | 7.2 | - | (2.93) | - | 0.9 | 0.4 | 8.59 | 1.0 |
| Total Kenya | Dec | 29.75 | 0% | -2% | 2% | 2% | 175 | 5,208.2 | 68.5 | 4.02 | 7.4 | (0.62) | 0.21 | 1.30 | 1.1 | 0.7 | 2.50 | 1.6 |
| East African Cables | Dec | 23.00 | 14% | -2% | 18% | 14% | 203 | 4,657.5 | 61.3 | 1.94 | 11.9 | 0.56 | 1.23 | 1.71 | 3.3 | 0.5 | 1.00 | 1.9 |
| Carbacid Investments | Jul | 100.00 | -3% | -27% | -27% | -2% | 34 | 3,398.0 | 44.7 | 7.54 | 13.3 | - | - | - | 2.9 | 0.2 | 5.00 | 1.5 |
| BOC (Gases) Kenya | Dec | 149.00 | -1% | -7% | -7% | -1% | 20 | 2,909.3 | 38.3 | 10.26 | 14.5 | - | 5.27 | - | 2.0 | -0.6 | 6.80 | 1.5 |
| Sameer Africa Group | Dec | 5.70 | 14% | 12% | 18% | 13% | 278 | 1,586.6 | 20.9 | 0.54 | 10.6 | - | 0.17 | - | 0.7 | NA | 0.00 | - |
| Unga Group | Jun | 9.15 | 2% | -16% | 16% | 1% | 76 | 692.7 | 9.1 | 1.55 | 5.9 | - | - | - | 0.2 | 0.1 | 0.00 | - |
| Eveready East Africa | Sept | 3.80 | 31% | 41% | 46% | 31% | 210 | 798.0 | 10.5 | 0.14 | 28.1 | - | - | - | 2.0 | 0.5 | 0.00 | - |
| Crown Berger | Dec | 26.00 | 8% | 4% | 4% | 8% | 24 | 616.9 | 8.1 | 1.20 | 21.7 | - | 1.75 | - | 0.7 | 1.3 | 1.00 | 1.2 |

*Important Terms: YTD = Year-to Date; EPS = Earnings Per Share; PBV = Price to Book Value; DPS = Dividend Per Share; PEG = P/E to Earnings Growth; Div. Cover = EPS/DPS

**Key Formulae: EPS = Net Profit/Issued Shares; DPS = Total Dividend/Issued Shares; PBV = Market Capitalization/Total Equity; Div. Cover = Net Profit/Total Dividend

| Ordinary Shares | Year End | 1-Feb | CDS Plus | | | | Shares | Market Capitalization | | 2008 | 2009 | | 2009 | 2009 | | | Div | |
|---------------------------------|----------|---------------|------------|------------|------------|------------|---------------|-----------------------|-----------------|---------|-------|-------------|---------------|-------------|-----|------|---------|---------------|
| | | Current Price | Dec-09 YTD | Aug-09 6 M | Nov-09 3 M | Jan-10 1 M | Issued (mn) | KSh mn | USD mn | EPS KSh | P / E | 1st Qtr EPS | Half Year EPS | 9 month EPS | PBV | PEG | DPS KSh | Cover (times) |
| Financial and Investment | | | | | | | | | | | | | | | | | | |
| Barclays Bank Kenya | Dec | 49.00 | 9% | -5% | 11% | 8% | 1,358 | 66,536.3 | 875.5 | 4.07 | 12.0 | 1.11 | 2.30 | 3.36 | 2.9 | 0.9 | 2.00 | 2.0 |
| Equity Bank | Dec | 15.70 | 9% | -7% | 8% | 10% | 3,703 | 58,133.6 | 764.9 | 1.07 | 14.7 | 0.25 | 0.57 | 0.91 | 2.6 | 0.1 | 0.30 | 3.6 |
| K.C.B. | Dec | 22.00 | 7% | 2% | 12% | 7% | 2,218 | 48,791.1 | 642.0 | 2.02 | 10.9 | 0.54 | 1.09 | 1.58 | 2.2 | 0.2 | 1.00 | 2.0 |
| Standard Chartered | Dec | 170.00 | 6% | 24% | 20% | 9% | 272 | 46,234.5 | 608.3 | 11.34 | 15.0 | 3.81 | 8.60 | 13.52 | 3.5 | 1.4 | 10.00 | 1.1 |
| Co-Operative Bank | Dec | 9.50 | 6% | 3% | 11% | 6% | 3,636 | 34,546.1 | 454.6 | 0.80 | 11.9 | 0.21 | 0.40 | 0.59 | 2.2 | 0.2 | 0.10 | 8.0 |
| CFC Stanbic Holdings | Dec | 45.00 | 0% | -30% | -10% | -7% | 274 | 12,315.6 | 162.0 | 3.35 | 13.4 | - | 1.75 | - | 0.6 | 0.6 | 1.00 | 3.4 |
| Diamond Trust Bank | Dec | 71.50 | 2% | -3% | 3% | 2% | 163 | 11,657.2 | 153.4 | 6.28 | 11.4 | 1.56 | 3.21 | 4.96 | 1.5 | 0.2 | 1.40 | 4.5 |
| NIC Bank | Dec | 34.75 | 11% | -5% | 21% | 9% | 326 | 11,341.1 | 149.2 | 3.49 | 10.0 | 0.77 | 1.62 | 2.51 | 1.7 | 0.2 | 0.50 | 7.0 |
| National Bank | Dec | 38.50 | -1% | -3% | 20% | -1% | 200 | 7,700.0 | 101.3 | 4.50 | 8.6 | 1.11 | 2.66 | 3.59 | 1.1 | 0.1 | 0.00 | - |
| Centum Investments | Mar | 13.30 | 18% | -11% | 26% | 18% | 550 | 7,314.4 | 96.2 | 0.57 | 23.3 | - | 0.13 | - | 1.1 | NA | 0.00 | - |
| City Trust | Jul | 95.00 | -10% | -30% | -2% | -10% | 5 | 494.7 | 6.5 | 5.13 | 18.5 | - | - | - | 1.9 | 0.6 | 1.00 | 5.1 |
| Olympia Holdings | Feb | 7.40 | 14% | 0% | 14% | 19% | 40 | 296.0 | 3.9 | (1.42) | -5.2 | - | 0.42 | - | 0.5 | NA | 0.10 | -14.2 |
| Housing Finance | Dec | 17.55 | -2% | 7% | 21% | -3% | 230 | 4,036.5 | 53.1 | 0.77 | 22.9 | 0.21 | 0.40 | 0.60 | 1.1 | 0.5 | 0.30 | 2.6 |
| Jubilee Holdings | Dec | 144.00 | 25% | 20% | 37% | 23% | 45 | 6,480.0 | 85.3 | 14.14 | 10.2 | - | 5.38 | - | 1.9 | 0.4 | 3.25 | 4.4 |
| Pan African Holdings | Dec | 48.00 | 7% | -4% | 7% | 7% | 48 | 2,304.0 | 30.3 | (2.00) | -24.0 | - | 0.37 | - | 1.9 | 0.8 | 0.00 | - |
| Kenya Reinsurance | Dec | 13.25 | 13% | 12% | 31% | 12% | 600 | 7,950.0 | 104.6 | 1.97 | 6.7 | - | 0.95 | 1.40 | 0.9 | 0.2 | 0.50 | 3.9 |
| Agricultural | | | | | | | | | | | | | | | | | | |
| Sasini Ltd | Sept | 8.20 | 14% | 30% | 19% | 13% | 228 | 1,870.1 | 24.6 | 2.30 | 3.6 | - | - | - | 0.3 | -0.1 | 0.40 | 5.8 |
| Williamson Tea | Mar | 130.00 | -13% | 41% | 48% | -13% | 9 | 1,138.3 | 15.0 | 12.62 | 10.3 | - | 24.18 | - | 0.4 | NA | 4.00 | 3.2 |
| Rea Vipingo Plantation | Sept | 12.50 | 9% | 8% | 4% | 7% | 60 | 750.0 | 9.9 | 2.48 | 5.0 | - | - | - | 0.7 | 0.4 | 0.50 | 5.0 |
| Kakuzi Ltd | Dec | 34.00 | 7% | -3% | 3% | 7% | 20 | 666.4 | 8.8 | 13.12 | 2.6 | - | 1.19 | - | 0.4 | NA | 1.00 | 13.1 |
| Kapchorua Tea | Mar | 94.50 | 10% | 7% | 18% | 0% | 4 | 369.7 | 4.9 | 17.87 | 5.3 | - | 11.45 | - | 0.5 | NA | 2.50 | 7.1 |
| Eaagads Ltd | Dec | 21.00 | 5% | -5% | 5% | 5% | 16 | 337.6 | 4.4 | 1.85 | 11.4 | - | (0.69) | - | 1.9 | NA | 0.00 | - |
| Total NSE Market | | | | | | | 62,481 | 908,759.0 | 11,957.4 | | | | | | | | | |

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