



DATABANK RESEARCH

INITIAL PUBLIC OFFERING

NOV 2006

OFFER PRICE: ₦1,000: US\$0.10

P/E: 10x

BUY

TRANSACTION SOLUTIONS (GH) LTD [TRANSOL]

Highlights

- Market Leader for Electronic Recharge Vouchers [ERV] and Visa Platform ATM deployment.
- Operates Ezi Shops
- High Level of Innovation
- Average three-year turnover growth of 38%
- Has a Price/Earnings multiple of 10x, at a discount to that of both its listed ICT counterpart, Clydestone (20x) and the market P/E of 15x. TranSol's forward P/E is 8x.
- IPO price of ₦1,000 is at a marginal discount to our assessed value using the dividend discount model.

Selected Summary of Audited Results (2003 – 2005)

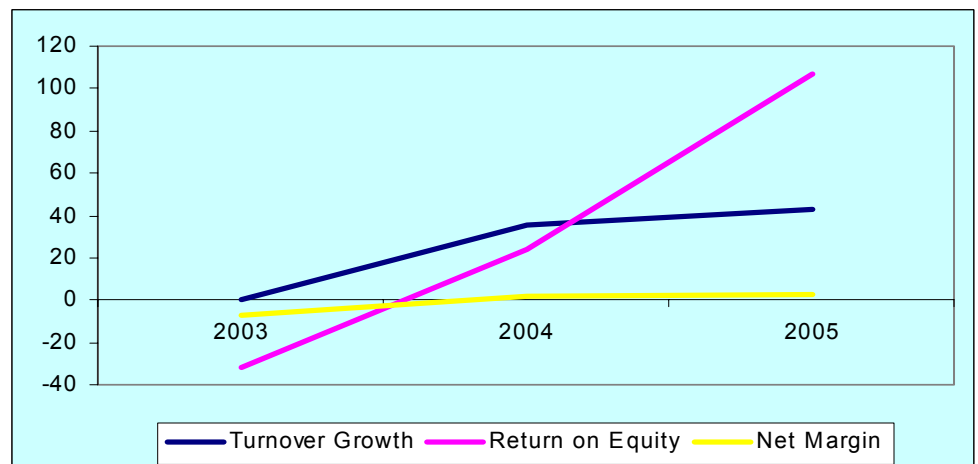
	2003	2004	2005
Turnover (₦'000)	8,057,000	36,728,000	193,020,000
% Growth	NA	36	43
Operating Profit (₦'000)	-584,000	865,000	8,449,000
% Growth	NA	13	1,071
Profit After Tax (₦'000)	-598,000	570,000	5,989,000
% Growth	NA	193	976

Selected Ratios

Operating Margin (%)	-7	2	4
Net Profit Margin (%)	-7	2	3
Return on Equity (%)	-32	24	107

Offer Time Table

Offer Starts	Oct 31, 2006
Offer Ends	Nov 30, 2006
Allotment begins	Dec 12, 2006
Allotment Ends, Dispatch of Certificates	Dec 15, 2006
Trading Commences	Dec 27, 2006



COMPANY PROFILE

Transactions Solutions (Ghana) Limited (TRANSOL) as its name suggests, provides IT based solutions for settling transactions. TranSol was incorporated on July 8, 2002 as a limited liability company but commenced business in 2003. The company's license permits dealing in the following revenue generating businesses; Transaction Switching and Processing using Terminals, Electronic Funds Transfer Support Services using ATMs, Electronic Bill Payment Service through Terminals, Electronic Payroll Services, Prepaid Utility and Telecommunication Services and Information Technology Consultancy. Mr. Paul Tse Jacquaye, the founder and sole owner of the company, doubles up as the founder and CEO of Clydestone Ghana Limited. TranSol's performance has been remarkable, recovering from an initial loss of ₵597.8 million [Dec 2003] in its first year to a profit after tax of ₵6 billion [Dec. 2005] while assets have steadily increased from ₵2.5 billion in 2003 to ₵21.1 billion in 2005.

TRANSOL'S OPERATIONS

The company commenced its operations in January 2003 using an ISO 8583 switch which allows data to be transformed from one state to another for efficient use and distribution. The switch enabled TranSol to serve Areeba customers [constituting an estimated 52 per cent of the Ghanaian mobile phone market] with Electronic Recharge Vouchers [ERV] through the transformation of air-time data provided by Areeba. TranSol entered into an agreement with Areeba as a service provider and also serves as a distributor to Areeba.

TranSol provides electronic recharge and payment services. As a service provider to Areeba, TranSol generates Electronic Recharge Vouchers (ERV). TranSol also distributes Areeba products for a commission through its Ezi Shops (There are currently 23 located at Shell Stations in Accra, Tema, Kumasi and Tamale). Distribution is also facilitated by agreements with certain banks to transfer credits through electronic banking or regular ATMs. TranSol additionally provides ATM services (Ezi Cash) for Visa Cards in partnership with Ecobank (provides switching).

TranSol transforms credit provided by Areeba on diskettes, through connection to special terminals, into paper units presented as the ERV. TranSol sells: Ezi Snap, Terminals, Terminal Rolls, Fwap Phones, Fwap Units, Transfer Units, Mobile Phones and also provides Switching services.

Whereas recharge card production required using the technological assistance of some overseas companies, the ERV is generated by TranSol in Ghana and is therefore more cost efficient and reliably faster to generate and deploy in required volumes to meet demand in time. ERVs are relatively easier to store as well.

TRANSOL'S OPERATIONS (CONT'D)

TranSol, in addition to providing the ERV service to Areeba, doubles up as a distributor of other Areeba products. TranSol competes with Microcell, Mobile Choice, Foncards Express, Mobile R Us, I-TEL and a few others for the customer's money as distributors of Areeba products. It must however be noted that all the above listed companies in addition to selling Areeba products, also sell TranSol's ERV [itself a product made for Areeba].

The ERV is generated by TranSol in Ghana and is therefore more cost efficient and reliably faster to generate and deploy in required volumes to meet demand in time. The ERV is deployed in all units, that is, it is presented for the entire range from 150 units and 600 units. Units up to 600 can be purchased from the Ezi Shops. Some banks are also authorized to sell electronic units. They are SG-SSB through Sikatext and Standard Trust Bank and Cal Bank through electronic banking on regular ATMs.

TranSol purchases ATMs which are deployed on the Visa Platform in collaboration with Ecobank. These ATMs enable any user of a Visa Electronic Card to cash money from their accounts. Currently there are about six banks in Ghana that issue the Visa Electronic Cards namely Ecobank Ghana, SG-SSB, Standard Chartered Bank, Stanbic Bank, Barclays Bank and GT Bank. A customer from any of these banks could therefore be served by the ATMs deployed by TranSol at offsite locations.

The ownership of these ATMs remains vested in TranSol which finances, services and depreciates them on its accounts (Income Statements and Balance Sheets). Commissions for using the ATMs are shared by TranSol and the banks. There are currently 9 functional ATMs while 7 are about to be installed. TranSol aims at mounting a total of 25 ATMs by the end of 2006. TranSol's ATM service permits electronic funds transfers and militates against the risks and challenges prevalent in cash-based economies such as Ghana.

TranSol's other income generators are Fwap Phones and Fwap Units (which were associated with the space-to-space business) which are gradually being phased out due to the invention of a newer and less expensive technology. The newer technology which runs on Terminals will be acquired using proceeds from the IPO. Consequently it may be observed from the financials that contribution to turnover from these two has declined over the past year.

TranSol has therefore created a unique niche for itself against this backdrop, to meet identified needs arising from economic development and trends in the ICT industry, using ICT to meet these needs such as providing support services for telecom operators.

OFFER STATISTICS

Authorized Shares	1,000,000,000	
Current Issued Shares	60,000,000	75%
Ordinary shares on Offer	20,000,000	25%
Total Post IPO Issued Shares	80,000,000	100%
Offer Price	¢1,000	
Expected Total Market Cap.	¢80,000,000,000	

THE OFFER

The TranSol IPO period begins from October 31, 2006 and ends on November 30, 2006. The objective of the offer is to raise ¢20 billion from 20 million shares at an offer price of ¢1,000 per share to expand its operations.

For the IPO to be successful, a minimum subscription threshold of ¢10 billion must be met by successfully selling 10 million shares. Should the shares be undersubscribed, Ecobank Stockbrokers Limited and Worldwide Securities Limited, the lead managers will underwrite 75 per cent and 5 per cent respectively. And in the event that the offer is oversubscribed, the existing shareholder is willing to offload up to 20 per cent of his shareholding, equivalent to 12,000,000 shares.

The minimum number of shares an investor could buy is 500 shares for ¢500,000. Subsequently, investors could buy in lots of 100 shares for ¢100,000. Successful applications may however be allot-

All monies [applications successful in part or wholly unsuccessful] will be refunded to applicants within ten working days after the closing date for the offer without interest while later refunds merit interest rates at the prevailing BoG prime rate.

Should this offer be unsuccessful, that is, should it be impossible to raise the minimum said amount of ¢10 billion, all monies received from applicants will be returned without interest within 21 days of the close of the offer.

Upon a successful offer, the total post offer issued shares will be admitted to the first official list of the Ghana Stock Exchange and commence trading on the 27th of December, 2006.

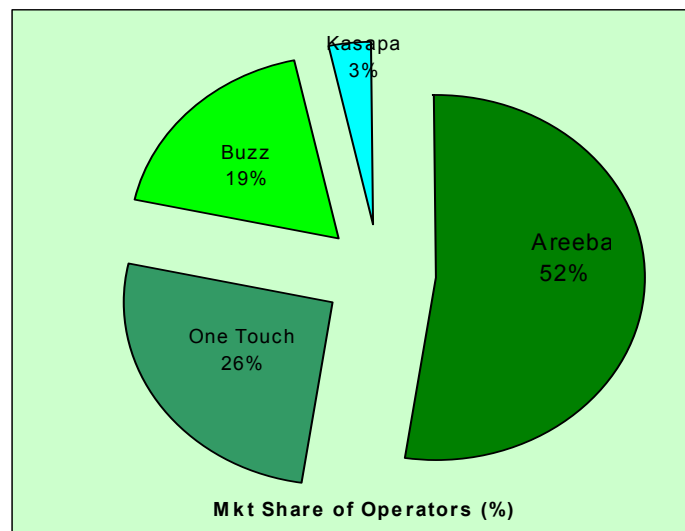
USE OF PROCEEDS:

INVESTMENT	(¢m)
25 ATMs	¢5,700
Working Capital	¢7,500
500 Terminals	¢1,520
Computers	¢430
100 GPRS [Modems]	¢330
Motor Vehicle	¢810
Office Equipment	¢280
Furniture	¢640
10 Ezi Shops	¢570
2 Flagship Ezi Shops	¢120
Ezi Travel	¢500
Floatation and Incidental Costs	¢1,600
Total	¢20,000

INDUSTRY AND MARKET ANALYSIS

TranSol belongs to the ICT Industry, ICT being critical to Ghana's accelerated growth. On the Ghana Stock Exchange, its sister company, Clydestone, is the other industry representative. Ghana's current stable macro-economic environment coupled with the growth gear engaged has created a pressing need for swift business transactions. Consequently, Ghana's telecom sector has become very vibrant and competitive. Telephone penetration¹ for instance grew from 4.7 per cent in 2003 to 20 per cent in 2006 while the telecom sector's contribution to GDP increased from 1.8 per cent in 2000 to 5.3 per cent in 2004.

The telecom sector has four major players Scancom Limited (Areeba) with about 52 per cent market share, One Touch with 26 per cent, Millicom Ghana (Tigo) with 19 per cent and Kasapa with 3 per cent. Although competition in this field has been vigorous, Scancom has maintained a strong lead with a current customer base of approximately 2 million people compared to One Touch's 1 million as the immediate competitor. This leaves about 80 per cent of Ghana's entire population (estimated at 22 million as at 2004) and about 10 million adults without mobile phone connections. It must be noted that accessibility² is greater in the southern half of Ghana than in the northern half where poverty is more endemic.



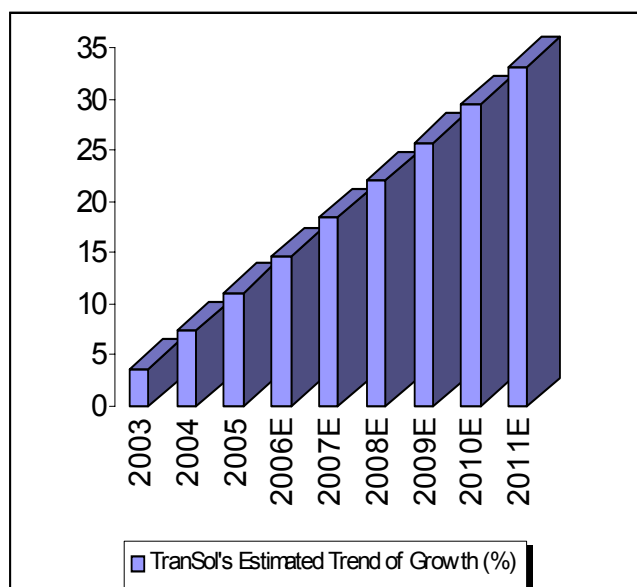
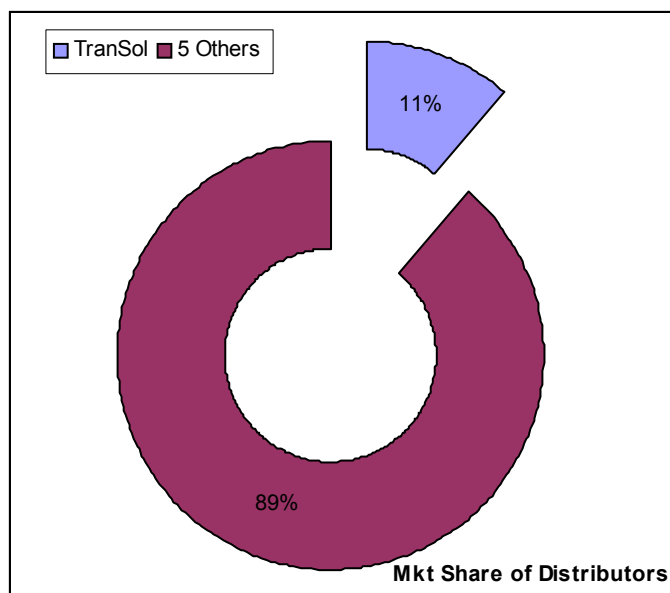
The rapid growth in the telecom sector ignited by current government ICT policy, has given rise to the need for support services such as development and distribution of prepaid units. TranSol has positioned itself to provide the vital link as a service provider, generating ERVs and distributing products for the market leader, Areeba.

1. Penetration is measured by the number of houses with phones.

2. The number of persons in every hundred that have a phone they can use within a 5 kilometre radius

INDUSTRY AND MARKET ANALYSIS

Areeba currently has about 6 officially recognized distributors of its products competing in the phone card and pre-paid units market. These are TranSol, Microcell, Mobile Choice, Foncards Express, Mobile R Us and I-TEL. TranSol's share of this market is about estimated at 11 per cent. This is significant because TranSol has been in this market for barely three years. Until TranSol's entry, it was only cards that were available. Growing at this rate of 3.7 per cent per annum, TranSol could average a market share of 30 per cent in the next 5 years, serving a customer base in excess of 2.1 million³ people.



Westel has been issued with a GSM license, bringing the total number of mobile operators to 5. Interest in the ICT sector continues to be great as more investors discover the untapped potential that exists in Ghana's ICT industry and awareness creation of the usefulness of ICT increases. The continued economic stability is anticipated to attract more investments especially in this sector because of its crucial role in accelerated development in an environment with poor road infrastructure. Consequently, competition which has been non-existent or negligible is expected to increase steadily while teledensity⁴ is expected to improve further from the current 6.7 per cent as per capita income and general individual disposable income continue to grow at current trends averaging 5 per cent per annum.

3. Penetration grew at an average of 5% per annum between 2003 and 2006, while mobile phone users nearly doubled from 820,000 in 2003 to 1,600,000 in 2004. Estimating the current base of 2 million to grow at a steady 25% per annum for the next 5 years: to 6.3 million, TranSol's share could rise to 33% [2.1 million], growing at the current rate of 3.7% per annum.

4. Teledensity is the number of persons in every hundred of the population that have a phone.

INDUSTRY ANALYSIS

Comparative Growth Rates

Growth Items (%)	2003	2004	2005	2006*	2007*	2008*
Turnover						
TranSol	na	35.58	43	40	27	25
Clydestone	40.47	43.53	43.92	30	29	28
Operating Profit						
TranSol	na	112.78	1,071	10	28	2
Clydestone	88.46	39.91	44.88	36	36	35
Net Profit						
TranSol	na	193.15	976	18	28	30
Clydestone	59.59	82.94	35.92	31	27	33
Operating Cost						
TranSol	na	456	526	42	27	25
Clydestone	62.81	46.25	60.16	66.69	10.57	10.93
Shareholders Funds						
TranSol	na	23	142	485	25	29
Clydestone	540	326	-6	3	7	8
Assets						
TranSol	na	118	294	151	47	34
Clydestone	24	294	-6	3	7	8

*Databank Estimates used because it forms the basis of this recommendation.

EARNINGS MODEL

TranSol's major contributors to revenue are Ezi Snap, Fwap Units and Fwap Phones. Ezi Snap is basically ERVs available at Ezi Shops. Ezi Snap has contributed an annual average of 75 per cent to turnover for the past three years. TranSol's future profitability will therefore depend to a large extent on ERV generation and distribution while exploring the viability of other income.

TranSol's operations yield a rather small net margin due to its high cost of operation. TranSol has an operating margin of between 2 and 3 per cent while net margin is between 2 and 3 per cent. Consequently, a very high turnover and working capital are required to earn enough profit in absolute terms for dividend.

Fwap products have become an obsolete technology as a superior one has been introduced through the use of terminals. This explains the declining contribution of this item to revenue. Transfer units and switching fee which were only introduced in 2005 contributed a total of 9 per cent to TranSol's revenue and this is expected to increase with the deepening of the mobile market.

Revenue Item	2003	2004	2005	Average Annual Contribution
Ezi Snap	81%	61%	83%	75%
Fwap Units	7%	20%	2%	10%
Fwap Phones	12%	11%	0%	8%
Transfer Units	na	na	5%	5%
Switching Fee	na	na	4%	4%
	100	92	94	

FINANCIALS	DEC. 2003 ¢'000.	DEC. 2004 ¢'000.	DEC. 2005 ¢'000.
Ezi Snap	6,544,002.35	22,463,282.18	159,509,618
Ezi Shop Snap			1,599,486
Other Cards		1,620,152.67	7,005,351
Terminal Rolls	2,400.00	20,710.00	106,378
Terminals	7,000.00	973,913.04	962,109
Fwap Phones	976,897.60	4,012,547.79	112,683
Fwap Units	526,878.00	7,216,740.00	4,755,100
Transfer Units			9,140,070
Transfer SIM Units			99,130
Starter Pack Snap		640,181.00	1,815,116
Ezi Shop GT Chip			481,908
Ezi Shop Buzz Chip			101,904
Mob Fons		54,930.00	455,986
Switching Fee			6,875,586
Total	8,057,177.95	37,002,456.69	193,020,425

INCOME STATEMENT

	2004	2005	2006*	2006†	2007*	2007†	2008*	2008†
	¢'000	¢'000	¢'000	¢'000	¢'000	¢'000	¢'000	¢'000
Turnover	36,727,828	193,020,425	345,163,955	270,228,595	520,341,225	343,190,316	714,926,009	428,987,895
PBITD	1,505,789	9,230,449	16,072,688	10,214,641	22,999,082	12,972,594	32,013,392	16,629,404
Depreciation	608,610	748,720	3,445,740	889,326	4,738,815	1,055,241	5,565,600	1,251,021
Amortization	32,425	32,425	32,425	32,425	0	32,425	0	32,425
PBIT	864,754	8,449,304	12,594,523	9,292,890	18,260,267	11,884,928	26,447,792	15,345,958
Int. Charges	189,960	548,384	0	0	0	0	0	0
Other Income	2,207	31,352	0	156,760	0	235,140	0	352,710
PBT	677,001	7,932,272	12,594,523	9,449,650	18,260,267	12,120,068	26,447,792	15,698,668
Tax	120,183	1,943,521	2,459,619	2,362,412	3,612,530	3,030,017	5,187,064	3,924,667
PAT	556,818	5,988,751	10,134,904	7,087,237	14,647,737	9,090,051	21,260,728	11,774,001

*TranSol's Forecast

†Databank Research's Forecast

Given what we consider to be overoptimistic projections, Databank Research generated its own forecast figures on the basis of current trends in the economy [average GDP growth rate of 5 per cent over the past five years, population growth of 2.2 per cent] and telecommunications industry [Westel's anticipated operation of mobile telephony following the issue of a GSM license to the company, anticipated increase in competition], historic trend observed in TranSol's financial results and its relatively short history of operation [3 years against the usual trend of 5 years makes it more unreliable and volatile].

Growth Rates (%)

Growth Rates (%)	2004	2005	2006*	2006†	2007*	2007†	2008*	2008†
Turnover	35.58	43	79	40	51	27	37	25
Operating Profit	112.78	1,071	49	10	45	28	45	29
Net Profit	193.15	976	69	18	45	28	45	30
Operating Cost	456	526	78	42	52	27	37	25
Interest Charges	1,303	189	-100	-100	na	na	na	na
Profit Before Tax	213	1,072	59	19	45	28	45	30
Other Income	2,207	1,321	-100	400	na	50	na	50

Selected Ratios

	2003	2004	2005	2006†	2007†	2008†
PBIT Margin	-7%	2%	4%	3.4	35	3.6
PAT Margin	-7%	2%	3%	2.6	2.7	2.7
EPS	-9.96	9.28	99.81	89	114	147
DPS	0	0	30	43	72	104
P/E* (x)	nm	108	10	11	9	7
ROE	-32%	24%	107%	22	22	22
ROCE	-24%	10%	28%	13	12	11

PROSPECTS & RISK FACTORS

TranSol's growth in the future will be buttressed by;

- ◆ Sustaining an excellent historic performance.
- ◆ Renewal of agreement with the market leader in telecom industry, Areeba and Partnership with key institutions such as Ecobank and Shell and others.
- ◆ Efficient exploration of the existing vast untapped market and low competition.
- ◆ Qualified and innovative professional team of employees.
- ◆ Forge and maintain a close ties of trust and dependability with the financial and utilities institutions.
- ◆ Availability of adequate funds for investment and day to day operations. This will be amply supplied by additional capital raised through the IPO.
- ◆ Close relationship with the growing banking industry.
- ◆ Technological advances and growing sophistication and income of the Ghanaian

Potential risks investors should consider while investing in TranSol include Liquidity, Political and Economic risks, Rapid Technological changes and Competition.

- ◆ **Liquidity:** Prospective investors should consider the risk of a possible absence of a liquid market for TranSol's shares on the Ghana Stock Exchange. This is a general risk associated with investment in shares. Ghana's stock market has not been very liquid, though it has been improving steadily. Current liquidity stands at 269,057 shares per day. Star stocks have better liquidity, while non-performing ones such as PBC have been difficult to dispose off.
 - ◆ **Political and Economic Risks:** TranSol's business viability is integrated with the economy's robustness and political stability. Stable macro-economic indicators will positively affect TranSol's operations while any volatility would adversely affect the company's profitability. As indicated earlier, the prevailing political and economic stability in Ghana currently has ignited a robust growth in the telecommunication sector. The current government is also promoting ICT as a catalyst to economic development. TranSol stands to suffer should there be a deterioration of the underlying factors of stability and growth.
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PROSPECTS & RISK FACTORS CONT'D

- ◆ **Competition & Cost:** TranSol currently competes in the ERV business with Stud Telecom which generates ERV for the other mobile phone networks. Other competitors may enter into the ERV business and compete to serve the existing operators. There is also the risk of technological breakthroughs that may result in increased competition. Competition in the ATM service may be delayed because the capital intensive nature of the ATM deployment makes the entry barrier rather high and therefore serves as a major check to competition. It costs between \$24,000 and \$30,000 to procure an ATM.

 - ◆ **Technology risk:** New superior performing ICT equipment and technology are churned out at a very fast rate. In future, technology could advance to make it irrelevant to use the technologies being used today for cash dispensing and unit sales and transfers. This would render current equipment obsolete, and potentially pull income from the service originally rendered on that obsolete technology or equipment down and require investment in the newer technology. Thus, the short life span of technology and ICT equipment could spell unpleasant cost consequences.

 - ◆ **Cost Of Operation:** TranSol's cost margin is rather high, ranging between 92 per cent and 95 per cent. Any unanticipated cost items, as may result from a sudden change in technology could result in TranSol posting a loss. With such a high cost margin, turnover ought to be very high to be able to realize significant absolute growth in earnings. This could affect the company's cashflow and ability to pay dividends.

 - ◆ **Other Risks** that may be anticipated are: Corporate Governance and Management Risks, Risk arising from Debt Contracting, Industrial Relations risks, Abrogation of contracts (the ECG example), system failures resulting in network failures and Cash-flow risks.
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FINANCIAL STRENGTH

TranSol has been operating for only three years and therefore has a considerably short period of historic performance. Nonetheless the company has reported impressive growth in returns. Return on equity (ROE) for the company in its first year of operations was a lackluster -32 per cent. This improved to 24 per cent in 2004 and was 107 per cent for 2005. Return on equity is thus advancing steadily and promises to be sustained.

Return on Capital Employed (ROCE) followed a trend similar to that of the ROE. ROCE for 2003 was -24 per cent, recovering by 10 percent in 2004. At the close of 2005, ROCE was 28 per cent.

TranSol's asset base has grown from ₪2.5 billion at inception to ₪21 billion at the end of 2005. This trend of growth in assets is expected to be sustained. Of this, shareholders' funds constitutes ₪1.9 billion (80%) in 2003 and has grown to ₪5.6 billion (30%) in 2005.

Debt to equity ratio for TranSol increased from 0.23 in 2003 to 2.58 in 2005. The funds from the IPO is expected to improve gearing to 0.61.

TranSol's stock level is acceptable and averages 3 per cent of turnover over the past three years. There is thus no indication of a threat of stock piling or overstocking.

Receivables for TranSol have also been maintained over its initial three years at an average of 3 per cent. This is acceptable for a company of this kind since it will not be in its own interest to have high trade receivables.

TranSol was initially able to cover its current liabilities with current assets including stocks 2.6 times but presently has a current ratio of 1 times. Using the more efficient quick ratio, TranSol can pay its current liabilities by less than 1 times (0.6 times) compared to 2.6 times that was recorded in 2003. These ratios are expected to improve with the injection of new equity funds which could retire some of its liabilities to make it even more stable and attractive.

TranSol's net cash from operating activities has improved from a negative ₪846 million in 2003 to ₪8.6 billion in 2005. Net change in cash for the company has improved from ₪50 million in its first year to ₪4.6 billion while cash and bank balances stood at ₪5.2 billion at the end of 2005.

Though the company's cashflow position is solidly in black, its high cost margin makes it necessary to have more funds for operations. The company's intention to use ₪7.5 billion of funds raised through the IPO as working capital seems to be in order. Investment in fixed assets will also be given a boost with funds from the IPO without any constraints whatsoever on working capital. Net cash for financing activities dipped from ₪2.7 billion in 2003 to a negative ₪339 million in 2004, and closed 2005 at ₪1.7 billion, still below the 2003 level and accentuating the need to inject more equity funds into the business as opposed to the relief afforded by shareholders loans and bank loan facilities.

FINANCIAL STRENGTH

Balance Sheet Summary	2003	2004	2005	2006F	2007F	2008F
	€'000	€'000	€'000	€'000	€'000	€'000
Cash & Bank Balances	49,986	660,487	5,255,636	na	na	na
Trade Accounts Receivable	242,432	1,134,142	3,877,113	na	na	na
Other Accounts Receivable	870,535	1,174,652	276,123	na	na	na
Inventory	0	1,176,228	5,443,958	na	na	na
Development Expenditure	129,700	97,275	64,850	na	na	na
Fixed Assets	1,159,505	1,104,466	6,135,171	12,071,504	13,635,939	12,344,033
Total Assets	2,452,157	5,347,249	21,052,851	52,875,912	77,522,529	103,527,424
Total Liabilities	443,870	3,026,145	14,518,137	20,020,727	36,417,739	50,394,146
Long-term Debt	118,669	0	915,440	0	0	0
Stated Capital	10,000	10,000	1,500,000	21,500,000	21,500,000	21,500,000
Income Surplus	-597,793	-40,977	4,119,274	10,514,283	19,184,355	31,633,309
Shareholders' / Term Loan	2,477,412	2,352,081	0	840,932	420,466	0
Shareholders' Funds	1,889,619	2,321,104	5,619,274	32,855,215	41,104,790	53,133,278

Selected Ratios

	2003	2004	2005	2006F	2007F	2008F
EPS (€)	-9.96	9.28	99.81	89	114	147
DPS (€)	0	0	30	43	72	104
P/E* (x)	nm	108	10	11	9	7
ROE (%)	-32	24	107	22	22	22
ROC (%)	-24	10	28	13	12	11
Debt/Equity	0.23	1.30	2.58	0.6	0.9	0.9
Current Ratio (x)	2.6	1.4	1.0	2.0	1.8	1.8
Quick (x)	2.6	1.0	0.6	1.7	1.5	1.5

BOARD OF DIRECTORS

Paul Tse Jacquaye - Chairman

Mr. Jacquaye is the Founder, and Chairman of Transaction Solutions (Ghana) Limited. He was educated at the North Herts College in Hitchin, Herts UK, where he obtained a Diploma in Business Studies in 1982 and at West London College where he obtained an Advanced Diploma in Business and Management Studies in 1983. He has 17 years of management experience in the Ghanaian IT Industry including founding Clydestone in 1989, Remittance Processing Ghana Limited in 1999 and Transaction Solutions in 2002. He was an adviser to the Interbank Committee on Clearing Automation for Ghana and helped deploy Ghana and Africa's first Image Based Interbank Clearing and Settlement System. He helped several other banks in Ghana to deploy their MICR Document Processors.

Jonathan Sam - Non-Executive Director

Mr. Jonathan Sam is the Financial Controller of Clydestone Ghana Limited. He joined the Board on the 29th of December, 2005. He holds a BSc. Administration and Masters of Business Administration from the University of Ghana. He is a Chartered Accountant (ICA) with 16 years of experience in various senior positions including Deputy Manager at SSB Bank (now SG-SSB Limited) from 1992 - 1999, Head of Finance at Stanbic Bank from 1999-2003 and the Financial Controller of Panbros Salt Industries from 2003 to 2005.

George Prah - Non Executive Director

Mr. George Prah was appointed to the Board on December 30, 2005. He is a Business Executive with over 25 years of experience and accomplishments. He is currently an Executive Director at Ikon Limited and the Board Chairman of Clydestone Ghana Limited. He holds Directorship positions in a number of companies including Massily Ghana Limited, and Franpac Ghana Limited. He was the Managing Director of South Akim Manufacturing Limited for sixteen (16) years. Mr. Prah holds Bsc. Degree in International Finance and Banking from the City University, London - UK.

Raziel Obeng-Okon - Non Executive Director

Mr. Raziel Obeng-Okon was appointed Director of TRANSOL on March 11, 2005. He is the Managing Director of Med-X Ghana Limited, a leading private health insurance company in Ghana. Prior to this, he was the Head of Corporate Finance and Research at NTHC, Head of Corporate Finance at Sterling Financial Services Group, Business Consultant with EMPRETEC and a Senior Financial Analyst with Databank Financial Services. He has about 14 years working experience in various fields including Economic Analysis, investment banking, Financial Risk Management and Consulting. Mr. Obeng-Okon holds a Masters degree in Economics with specialization in Quantitative Analysis and Financial Modelling from the Graduate School of Development, the Hague (Netherlands) (1996) and a B.A degree in Economics from the University of Ghana, Legon (1992). He is a member of the fol-

lowing Professional Associations: Chartered Financial Analyst (CFA) Institute, Virginia - USA; Global Association of Risk Professionals (GARP) - New Jersey, USA; International Research Association (IRA), USA; Ghana Institute of Management (GIM) - Accra, Ghana. He is currently pursuing a PhD Programme in Administration with specialization in Financial Management at the North Central University in Arizona, USA. Mr. Obeng-Okon is also the chairman of CIDAN Investment & Advisory Services and acted as the Financial Advisor for the Transol Project.

Gaylord Sedofia Kemevor - Non Executive Director

Mr. Gaylord Sedofia Kemevor joined the Board on September 26, 2005. He is a Principal Partner at Mawuena Law Chambers, a private legal firm specialising in Corporate and Investment Law. Prior to this, he worked with the Ghana Commercial Bank for over 22 years in various senior management positions including the Solicitor and Board Secretary. Mr. Kemevor has over 40 years of rich experience spanning banking, legal consulting and general business. Mr. Kemevor holds an LLB (Hons) and Bsc. (Economics) from the University of Ghana, BL from the Ghana Law School, ACIB (Part II) and a Diploma in Banking from the University of Beconi (Finafrica). He is a member of the Amnesty International Ghana and the Ghana Bar Association.

Eric Abeku Coffie - Non Executive Director

Mr. Eric Abeku Coffie joined the Board on December 29, 2005. He is the Head of Consumer Banking at Ecobank, a leading universal publicly listed bank in Ghana. Prior to this position, he was the Head of Marketing and Card Centre with the same Bank. Before he joined Ecobank, he worked with the then Meridian BIAO Bank (now The Trust Bank) as the Head of Marketing and Card Services and he had a stint with the United States Information Services as the Acting Information Specialist. Mr. Coffie has accumulated 12 years of management experience in banking, communication and marketing.

Mr. Coffie holds an MBA with Marketing option from the Leeds Business School, UK, Post Graduate Diploma in Communication Studies from the School of Communication, University of Ghana, and BA Degree from the University of Ghana.

SENIOR MANAGEMENT

TranSol is managed by a young and energetic management team with ages ranging from 30 years to 40 years. Through their dedicated service and expertise, the company recovered quickly from its initial loss to robust profitability.

Frank Kofi-Opata (37 Yrs) - General Manager

Frank Kofi-Opata has been the General Manager of Transaction Solutions Ghana Limited since October 2004. He was educated at Greenwich School of Management, where he obtained a Masters degree in Business Administration with a concentration in Finance in 2004 and at London Business School where he obtained a Post Graduate Diploma in Marketing in 2000. He is a product of the University of Ghana where obtained a Bachelors Degree in Economics and Statistics. Before joining Transaction Solutions Ghana Limited, he was the Marketing Executive for British Airways West Africa and Angola from 1998 to 2002.

Catherine Geyi (38 Yrs) - Operations Manager

Catherine Ama Geyi is the Operations Manager, a position she has occupied since March 2004. She is a product of the University of Science and Technology and obtained a joint Masters degree from the University of Ghana and the Free University of Brussels in 1998 respectively with a focus on Management Information Systems. Catherine worked with Mastrex Africa Ltd, a money transfer management company where she was the Product Manager from 2001 to 2003. Prior to this, she worked as a consultant with Deloitte and Touche from 1998 to 2001.

Mrs. Clara Arthur (30 Yrs) - Admin. & Business Development Manager

Mrs. Clara Arthur is a Chartered Company Secretary by profession and a member of the Chartered Institute of Secretaries and Administrators (UK). She holds a B.A in Social Sciences (Law) from the Kwame Nkrumah University of Science and Technology and a MSc. in Finance and Administration from Thames Valley University, London. Prior to joining Transactions Solutions Ghana Limited, she worked with Infrastructure Projects Development Co. Limited, a project financing company as Business Development Manager from 2003 -2004, NTHC Limited as Deputy Registrar from June 2004 to December 2004.

Edward Abbey (40 Yrs) - Accounts & Finance Manager

Edward Abbey has been working with Transol since its inception. Mr. Abbey holds a Bachelor of Commerce degree. He is currently pursuing a Master of Business Administration (Finance option) at University of Ghana, Legon. His previous experiences include working with Clydestone (Ghana) Limited from 1996 until 2003. Prior to this he was at Tema Lube Oil Co. from 1992 to 1995 as Accounts Officer and Ridge Alumental Co. as an Accountant from 1995-1996.

VALUATION

The Initial Public Offer price for TranSol is ₺1,000 per share, translating into a price/earnings multiple of 10x, based on year end earnings figures for 2005. This is at a discount to the P/E of its listed ICT industry counterpart, Clydestone Ghana Limited (20x) and the Market P/E of 15x. TranSol has a forward price/earnings multiple of 8x. TranSol's price to book ratio of 2.85x is nearly at par with Clydestone's price to book ratio of 2.87x but is below the Market's price to book ratio of 4.13x.

The Dividend Discount Model was employed in discounting the company's projected dividends and estimated terminal value, using a discount rate of 23.5% (one-year note plus 8% risk premium). This resulted in an intrinsic value nearly at par [7 per cent above] with the initial public offer price of ₺1,000. It is our objective opinion that TranSol is selling at par to its intrinsic value. **BUY.**

Selected Ratios

	Price to Bk (x)	P/E (x)	Yield (%)	Earnings Per Share (₺)	Dividend Per Share (₺)	Mkt Cap. ₺billion
TRANSOL	2.85	10	3.04	100	30	60
ICT/CLYD	2.87	19.77	2.5	40	20	27
Market	4.13	15	6.43	453	211	108,125



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