



West Indies Stockbrokers Limited
Trinidad, West Indies.
THE WISE CHRONICLE

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Stock Market activity picked up during the month of July, after a somewhat lethargic showing for the month of June. The total volume of shares traded reached 22,959,741 shares valued \$501,668,549.05, up 62.34 per cent compared with 14,143,346 shares traded in the preceding month. Most of this month's activity was concentrated in the Banking Sector and Non-Banking Finance Companies, respectively accounting for 66.65 per cent and 24.42 per cent of the total volume.

The top three volume leaders accounted for a total of 73.76 per cent of all trades. RBTT Financial Holdings had the largest volume of 7,600,338 shares for 33.10 per cent, followed by National Commercial Bank Jamaica with 6,841,376 shares or 29.80 per cent and Sagicor Financial Corporation with 2,493,078 shares or 10.86 per cent.

Both market indices were down as 16 shares declined compared to 10 advances. The Composite index dropped 25.1321 points in July to 1145.1232 points, down 2.15 per cent and the All T&T index fell 50.0172 points or 3.38 per cent to 1429.9607 points.

Caribbean Communications Network share price registered the highest percentage gain during the month, increasing by 15.50 per cent to \$19.00 per share, up \$2.55. Jamaica Money Market Brokers Ltd was second with a 9.59 per cent increase, up 14 cents to \$1.60 per share, followed by RBTT Financial

Holdings, up 7.53 per cent or \$2.80 to \$40.00 per share.

On the decline side, National Flour Mills share price suffered the greatest loss, falling 21.64 per cent to close at \$2.10 per share, down 58 cents. Other major declines include National Enterprises Ltd, down 14.47 per cent or \$2.20 to \$13.00 per share and Readymix Ltd, down 14.29 percent or \$1.00 to \$6.00 per share.

RBTT Financial Holdings Ltd

Results for the quarter ended June 30, 2005

WISE IS A SUBSIDIARY OF RBTT FINANCIAL HOLDINGS LIMITED

RBTT Financial Holdings Ltd posted earnings of 59 cents per share for its first quarter of the 2005/2006 financial year. This represents a 15.69 per cent increase over the 51 cents posted for the comparative period last year.

Net interest income rose 10.32 per cent to \$430.16 million over last year and other income climbed 14.91 per cent to \$268.92 million. The total effect was a 12.04 per cent increase in total net income, from \$623.93 million to \$699.08 million. Non interest expenses were up 7.20 per cent to \$439.29 million and resulted in operating profit of \$259.79 million, which was 21.30 per cent higher than the last comparable first quarter results. Operating profit margin rose from 34.35 per cent to 37.16 per cent. Whereas 48.85 per cent of total revenue originates in Trinidad and Tobago and 51.15 per cent in other Caribbean Territories, this country accounts for 58.55 per cent of the Group's operating profit.

There was a significant reduction in the share of profit from associate companies and joint ventures from \$4.38 million to \$1.57 million, down 64.05 per cent. This is a direct result of the reduction of the 20 per cent stake in Guardian Holdings Ltd (GHL) with the sale of 9 million GHL shares in the last financial year which resulted in the reclassification in RBTT books from an associate company to an investment company.

Group profit before tax reached \$261.36 million, up 19.59 per cent, while profit after tax was \$206.78 million, up 15.53 per cent.

The Chairman reported that the core business across all the Bank's markets continued to perform well and the strong earnings momentum is expected to continue. We are therefore forecasting year end earnings of \$3.12 per share, which at the current price of \$40 give a multiple of 12.82 times.

Caribbean Communications Network

Results for the half year to June 30, 2005

Caribbean Communications Network (CCN) recorded a 14.67 per cent growth in sales for the first six months of 2005, when compared with the similar period in 2004. Sales increased from \$82.8 million in the first half of 2004 to reach \$95 million in 2005. Costs incurred to achieve this level of sales grew from \$63.67 million to \$70.81 million, up 11.20 per cent, resulting in an improved gross profit from \$19.14 million to \$24.16 million, up 26.22 per cent. Gross profit margin rose from 23.11 per cent to 25.44 per cent.

A 5.23 per cent reduction in administrative expenses to \$6.6 million together with relatively flat marketing expenses of just over \$600,000, served to push operating profit to \$16.94 million, up 46.63 per cent from 2004. Operating profit was 17.84 per cent of sales, compared with 13.95 per cent one year ago.

After accounting for other income, the Group recorded profit before tax of \$22.6 million, which represents a 31.10 per cent or \$5.36 million increase over the same period last year. CCN also benefited from a reduction in the effective tax rate from 32.74 per cent to 28.08 per cent as taxation rose from \$5.64 million to \$6.35 million. The Group posted profit after tax of \$16.25 million, up 40.18 per cent and earnings per share of 36 cents, up 38.46 per cent or 10 cents. An interim dividend of 20 cents per share has been

declared, a 66.67 per cent increase over the 12 cents paid for the same period last year.

The Chairman highlighted the continued dominance of The Express in copy sales and newspaper readership on all publishing days, while TV6 remains the dominant market player with the most watched programmes in Trinidad and Tobago.

Based on these results we are forecasting \$1.12 total earnings per share for 2005, which is up 40 per cent and at the current price of \$19.00 per share, gives a multiple of 16.96 times.

Prestige Holdings Limited Results for the six months ended May 31, 2005

Prestige Holdings continued to show impressive growth as it benefited from a buoyant economy in Trinidad and Tobago and improved performances across its other geographies and brands. The Group as whole achieved sales of \$269.968 million for the six months ended May 31, 2005, an increase of 23.33% over the corresponding figure in 2004 of \$218.895 million. The KFC operation in Trinidad and Tobago continued to be the engine of growth with double digit same store sales increase. A significant change was that the KFC operations in the Dominican Republic continued to show improvement and actually recorded a profit as compared to a loss in the corresponding period in 2004. The three TGIF restaurants in Trinidad continued to perform ahead of the previous year and better than plan. The Pizza Hut sales momentum continues to grow in Trinidad. In this period the Group operated an average of 74 restaurants as compared to 65 for the same period in 2004, by the end of the period the Group had 77 restaurants in operation.

Cost of sales increased by 21.43% moving from \$149.078 million in 2004 to \$181.032 million in 2005. Gross profit increased by an impressive 27.38% moving from \$69.817 million in 2004 to \$88.936 million in 2005. Operating restaurants expenses increased from \$49.816 million in 2004 to \$62.831

million in 2005, an increase of 30.52%. There was only a slight increase in finance costs moving from \$4.382 million in 2004 to \$4.644 million in 2005. Profit before taxation and pre-opening expenses increased by 37.40% moving from \$15.619 million in 2004 to \$21.461 million in 2005. There were \$1.462 million in pre-opening expenses for the opening of new TGIF restaurants in Gulf City and Jamaica. Equity settlements arrangements increased by 62.16% moving from \$0.370 million in 2004 to \$0.600 million in 2005. Overall profit before tax increased by 27.21% moving from \$15.249 million in 2004 to \$19.399 million in 2005. Taxation increased by a smaller 20.71% moving from \$6.108 million in 2004 to \$7.373 million in 2005. Profit after tax and before minority interest increased by 31.56% moving from \$9.141 million in 2004 to \$12.026 million in 2005. However as a consequence of the move from a loss making position in the KFC operations in the Dominican Republic to a profit meant that minority interest moved from a credit to a debit which translated into a negative turn in profits of \$1.527 million. As a consequence profit attributable to shareholders increased by a much lower 12.86% moving from \$10.557 million in 2004 to \$11.915 million in 2005. Diluted earnings per share increased from 17 cents in 2004 to 19.20 cents in 2005 an increase of 12.94%.

In our report on Prestige Holdings results for the three months ended February 28, 2005 we incorrectly inferred that the Company had a cash crunch and was in need of either refinancing or an equity injection. The fact is that the opposite is true in that the Company's debt/equity ratio has been strengthened to 54:46 at the end of the period which is in keeping with its peers and much better than many other growth companies. Further the Company has recently agreed with its bankers to a \$100 million financing facility.

We have revised our forecast for the 2005 financial year ending November 30, 2005 to 45 cents per share.

STOCK MARKET QUOTATIONS AS AT JULY 31, 2005

	Hist Eps	Est Eps	Est Div	Curr Price	Est Yield %	Est P/E Ratio
Bank						
FirstCaribbean	32.5	107.0	25.0	13.45	1.86	12.57
NCB Jca	13.0	13.0	4.8	2.09	2.30	16.08
RBTT Fin Hold	268.0	312.0	135.0	40.00	3.38	12.82
Republic Bank	417.0	470.0	230.0	96.89	2.37	20.61
Scotiabank	173.1	168.0	78.0	39.50	1.97	23.51
Non-Bank Fin						
ANSA Merchant Bank	106.0	106.0	32.0	22.20	1.44	20.94
Capital & Credit	14.7	14.7	1.0	2.20	0.45	14.97
DB&G	26.5	26.5	2.0	2.25	0.89	8.49
Guardian Holdings	300.0	384.0	70.0	40.00	1.75	10.42
JMMB	11.3	11.3	1.5	1.60	0.94	14.16
National Enterprises	76.0	76.0	48.0	13.00	3.69	17.11
Sagicor Financial Corp	78.0	78.0	30.0	15.10	1.99	19.36
Conglomerates						
Ansa Mcal Ltd	182.0	182.0	65.0	48.50	1.34	26.65
Bdos Ship & Trad	179.1	195.0	51.0	25.25	2.02	12.95
Grace, Kennedy	67.2	75.0	8.0	11.89	0.67	15.85
Neal and Massy	243.0	279.0	76.0	54.48	1.40	19.53
Trading						
Agostini's Ltd	18.6	55.0	25.0	10.48	2.39	19.05
BWIA	0.0	0.0	0.0	0.33	0.00	0.00
Furness Trinidad	33.0	33.0	0.0	6.15	0.00	18.64
L J Williams Ltd. - 'A'	1.4	1.4	0.5	0.60	0.83	0.00
L J Williams Ltd. - 'B'	14.0	14.0	5.0	1.50	3.33	0.00
Prestige Holdings	39.1	45.0	27.0	12.00	2.25	26.67
Property						
PLIPDECO	126.0	126.0	21.0	21.90	0.96	17.38
Valpark	47.3	47.3	0.0	5.00	0.00	10.57
Manufacturing						
Angostura Holdings	29.0	29.0	12.0	6.00	2.00	20.69
Berger Painst	0.0	0.0	17.0	3.40	5.00	0.00
CCN	80.0	112.0	60.0	19.00	3.16	16.96
Flavorite Foods	24.0	41.0	13.0	4.81	2.70	11.73
National Flour Mills	13.6	13.6	13.0	2.10	6.19	15.44
Readymix WI	24.0	24.0	9.0	6.00	1.50	25.00
Trinidad Cement	67.0	67.0	20.0	12.00	1.67	17.91
Trinidad Publishing	50.0	50.0	28.0	10.60	2.64	21.20
Unilever Caribbean Ltd	119.0	119.0	110.0	28.59	3.85	24.03
WITCO	116.6	120.0	114.0	18.40	6.20	15.33

West Indies Stockbrokers Limited is a subsidiary of RBTT Financial Holdings Limited. From time to time West Indies Stockbrokers Limited and/or its staff may take positions in some or all of the shares mentioned in our report. West Indies Stockbrokers Limited welcomes your comments. E-mail: info@wisett.com

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