



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

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A moderate level of trading occurred during the month of August even as the bears continued to lay hold on the Market. A total of 8,222,280 shares valued \$228,639,618.81 changed hands compared to 22,959,741 shares traded in July. The Composite Index lost 78.83 points, down 6.88 per cent to 1066.29 points, while the All T&T Index dropped 107.13 points or 7.49 per cent to close on 1322.83 points. Three shares advanced while a total of twenty four shares declined.

RBTT Financial Holdings Ltd shares was the most actively traded with a total of 2,570,512 shares crossing the floor which was 31.26 per cent of all trades. Sagicor Financial Corporation shares were second with 12.93 per cent of the total volume or 1,063,473 shares traded, followed by National Commercial Bank Jamaica with 8.42 per cent or 692,323 shares changing hands.

WITCO led advances, climbing 2.23 per cent or 41 cents to \$18.81 per share. Flavorite Foods Ltd's share price appreciated by 1.87 per cent or 9 cents to \$1.49 and Trinidad Publishing Co. share price rose 2.23 per cent to \$18.81 per share, up 41 cents.

On the decline side, National Enterprises showed the biggest loss, dropping 30.69 per cent or by \$3.99 to close at \$9.01 per share. National Commercial Bank Jamaica fell 20.10 per cent or 42 cents to \$1.67 per share and Sagicor Financial Corporation rounded off the top three, falling 10.60 per cent or \$1.60 to \$13.50 per share.

ANSA Mc AL Limited

Results for the Half Year Ended June 30, 2005

The Ansa Mc Al Group recorded excellent results for the half year ended June 30, 2005. This performance was led by top line growth with third party turnover increasing by 24.53 percent moving from \$1.301 billion in 2004 to \$1.620 billion in 2005. The manufacturing and packaging sector regained its dominance in terms of sales contributing 43 percent of total sales after declining to 35 percent in 2004 (mainly due to the strike at Carib). Automotive and distribution receded to its normal second spot with a contribution to total sales of 35 percent in 2005 as compared to 45 percent for the whole of 2004.

Operating income increased by a smaller 13.58 percent moving from \$228.752 million in 2004 to \$259.822 million in 2005. Finance cost increased marginally from \$59.784 million in 2004 to \$61.185 million in 2005. Share of results from associated companies increased by a whopping 618.86 percent moving from \$2.269 million in 2004 to \$16.311 million in 2005. Overall profit before taxation increased by 25.53 percent moving from \$171.237 million in 2004 to \$214.948 million in 2005. Taxation increased from \$42.143 million in 2004 to \$47.277 million in 2005, an increase of 12.18 percent. The effective tax rate moved from 24.61 percent in 2004 to 21.99 percent in 2005. Profit after taxation increased by 29.88 percent moving from \$129.094 million in 2004 to \$167.671 million in 2005. However minority interest increased by a steeper 69.67 percent moving from \$22.478 million in 2004 to \$38.139 million in 2005. As a result profit attributable to shareholders increased by a smaller 21.49 percent moving from \$106.616 million in 2004 to \$129.532 million in 2005.

In terms of earnings per share the Group earned 76 cents per share for the half year ended June 30, 2005 as opposed to 63 cents per share in 2004. The Chairman has indicated that the Group is expected to deliver Vision 2006 results in 2005 and as such we have revised our forecast for 2005 to \$2.20 per share. This is predicated on the fact that Group delivered a very strong performance in the first half which should

continue in the second half. Also in 2004 the Group was badly affected by the industrial action at Carib. In the longer term the Group continues to upgrade its plant and equipment. In the brewing division the line upgrades are well advanced which would address the capacity issues. The construction of the Caribbean Roof Tile plant is progressing with manufacturing expected to commence in January 2006. In the media operations the launch of a cable news channel is imminent. The Barbados Group is performing very well with turnover increasing by 61 percent and the profit before tax by 49 percent.

Overall we expect the Group to continue to produce steady growth in profits. The PE ratio based on our estimate of \$2.20 and the current price of \$47.75 is 21.70 times which is above its peers.

The Directors have recommended an interim dividend of 25 cents which is the same as 2004. The dividend would be paid on September 23, 2005 to shareholders on the register as at September 9, 2005.

GraceKennedy Limited

Results for the period ended 30 June 2005

Amounts in J'ca Dollars

Revenues increased by 10.57 per cent for the half year ended 30 June 2005 to reach \$16.38 billion compared with the corresponding period last year. Expenses however grew by 11.75 per cent to \$15.38 billion resulting in a decline in operating income of 4.95 per cent to \$991.9 million. The second quarter proved to be somewhat challenging for the Group in terms of controlling expenses causing the slender increase in operating profit of 1.34 per cent in the first quarter to be negated.

GraceKennedy achieved \$133.4 million of other income in the second quarter bringing the total for the half year to \$230.6 million, up 50.94 per cent from last year. Finance income also climbed, reaching \$167.6 million, up 197.84 per cent, while associated companies added \$72.47 million to before tax profits, up 26.90 per cent.

The Food Trading Division reported substantial growth in revenues and profits both domestically and internationally and has expanded its product offerings. Both First Global Bank Ltd and First Global Financial Services Ltd continue to produce excellent results and boost profits in the Financial Services Division. A new health insurance company (Medecus Health Insurance Company Ltd.), established in partnership with Guardian Life Ltd, commenced operations during the second quarter.

Mixed results were reported for the Retail & Trading Division with heavy rains affecting Hardware and Lumber's performance but satisfactory results recorded by Fidelity Motor Ltd and Agro-Grace. The Information Services Division experienced improved transaction volumes; however, because of the more competitive customer fees being charged, there was a negative effect on profits from the Division.

Profit Before Tax by Business Segment			
	2005	2004	Change %
Food Trading	313,673	188,214	66.66
Retail Trading	93,689	72,249	29.68
Financial Services	666,807	605,915	10.05
Maritime	-	42,492	(100.00)
Information	265,386	279,632	(5.09)

Total profit before tax for the half year was \$1.46 billion, an increase of \$152.8 million or 11.67 per cent from the same period in 2004. The Group posted net profit of \$1 billion, up 6.84 per cent and diluted earnings per share of \$2.90, up 20 cents. Net profit margin however slipped slightly from 6.34 per cent to 6.12 per cent. GraceKennedy shares are trading at \$10.50 per share and provides an earnings multiple of 14.00 times our forecast full year's earnings of 75 cents per share.

Trinidad Cement Limited

Results for the Six Months Ended June 30, 2005

Trinidad Cement continues to have sequential growth in profitability as it achieved an increase in profit attributable to shareholders of 11.80 percent for the six months ended June 30, 2005. Profit attributable to shareholders moved from \$38.825 million in 2004 to \$43.408 million in 2005.

Revenue increased by 13.49 percent moving from \$339.446 million in 2004 to \$385.221 million in 2005. According to the Chairman the main contributors to this increase were not only buoyant sales in the three domestic markets but also in the export market. The pre-mix concrete market and packaging business also recorded higher revenues.

However, operating profit declined marginally by 0.29 percent moving from \$79.016 million in 2004 to \$78.785 million in 2005. This was mainly on account of significant cost increases for fuel, electricity and labour. Finance cost declined by 9.66 percent moving from \$27.521 million in 2004 to \$24.863 million in 2005. This on account of the debt restructuring in August last year where approximately 43 percent of the debt was refinanced at lower rates. Overall, profit before taxation increased by 4.71 percent moving from \$51.495 million in 2004 to \$53.922 million in 2005. Provision for taxation declined by 25.91 percent from \$8.958 million in 2004 to \$6.637 million in 2005, possibly due to the accelerated capital allowances on the new plant and equipment purchased.

The Group achieved earnings per share of 32 cents. We believe that overall for the year the Group should achieve earnings per share of 80 cents which translates to a PE of 14.38 times. The Group's expansion program continues both in Jamaica and Trinidad. The bagging terminal in Guyana is set for completion by the end of the third quarter. The Group has also increased the price of cement in both Trinidad and Tobago and Jamaica. The demand for cement is expected to remain buoyant in the second half and thus the short to medium term prospects for the Group remain strong.

WEST INDIES STOCKBROKERS LIMITED STOCK MARKET QUOTATIONS

AS AT AUGUST 31, 2005

	Hist Eps	Est Eps	Est Div	Curr Price	Est Yield %	Est P/E Ratio
Bank						
FirstCaribbean	32.5	107.0	25.0	13.40	1.87	12.52
NCB Jca	13.0	13.0	4.8	1.67	2.87	12.85
RBTT Fin Hold	268.0	312.0	135.0	38.75	3.48	12.42
Republic Bank	417.0	470.0	230.0	89.40	2.57	19.02
Scotiabank	173.1	185.0	78.0	39.00	2.00	21.08
Non-Bank Fin						
ANSA Fin & Merch	106.0	100.0	32.0	21.80	1.47	21.80
Capital & Credit	14.7	18.7	1.0	2.18	0.46	11.66
DB&G	26.5	26.5	2.0	2.20	0.91	8.30
Guardian Holdings	300.0	384.0	70.0	36.18	1.93	9.42
JMMB	11.3	11.3	1.5	1.49	1.01	13.19
National Enterprises	76.0	76.0	48.0	9.01	5.33	11.86
Sagicor Financial Corp	78.0	155.0	60.0	13.50	4.44	8.71
Conglomerates						
Ansa Mcal Ltd	182.0	220.0	75.0	47.75	1.57	21.70
Bdos Ship & Trad	179.1	195.0	51.0	24.00	2.13	12.31
GraceKennedy	67.2	75.0	8.0	10.50	0.76	14.00
Neal and Massy	243.0	279.0	76.0	51.00	1.49	18.28
Trading						
Agostini's Ltd	18.6	55.0	25.0	9.50	2.63	17.27
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	0.9	0.4	0.60	0.67	0.00
L J Williams Ltd. - 'B'	14.0	9.0	4.0	1.50	2.67	0.00
Prestige Holdings	39.1	45.0	27.0	11.94	2.26	26.53
Property						
PLIPDECO	126.0	130.0	22.0	21.00	1.05	16.15
Valpark	47.3	47.3	0.0	5.00	0.00	10.57
Manufacturing						
Angostura Holdings	29.0	29.0	12.0	5.45	2.20	18.79
Berger Paints	0.0	0.0	17.0	3.40	5.00	0.00
CCN	80.0	112.0	60.0	17.98	3.34	16.05
Flavorite Foods	24.0	41.0	13.0	4.90	2.65	11.95
National Flour Mills	13.6	11.0	9.0	1.90	4.74	17.27
Readymix WI	24.0	24.0	9.0	5.98	1.51	24.92
Trinidad Cement	67.0	80.0	24.0	11.50	2.09	14.38
Trinidad Publishing	50.0	60.0	33.0	10.70	3.08	17.83
Unilever Caribbean Ltc	119.0	119.0	110.0	28.59	3.85	24.03
WITCO	116.6	120.0	114.0	18.81	6.06	15.68

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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