

WISE
WEEKLY MARKET UPDATE

March 19, 2004

Main Board

Market Data

Volume: 10,817,977
Value \$62,611,823.44
Advances/Declines: 19/4
Composite Index: 830.52
Nominal Change in Index: + 9.0198
Percentage Change in Index: + 1.10 per cent
All T&T Index: 1,115.38
Nominal Change in All T&T Index: + 7.8366
Percentage Change in All T&T Index: +0.71 per cent

Volume Leaders by Company:

National Commercial Bank – 6,246,122 (57.74 per cent)
Jamaica Money Market Brokers – 1,771,465 (16.38 per cent)
Trinidad Cement – 695,370 (6.43 per cent)
RBTT Financial Holdings – 371, 108 (3.43 per cent)

Major Advances.

Capital & Credit Merchant Bank Limited up 15 cents (23.08 per cent)
PLIPDECO up \$1.37 (8.84 per cent)
Agostini's up 40 cents (5.10 per cent)
Jamaica Money Market Brokers up 7 cents (4.58 per cent)
Guardian Holdings up \$1.31 (4.12 per cent)
National Commercial Bank Jamaica up 7 cents (4.05 per cent)

Major Declines.

Trinidad Cement down 30 cents (5.08 per cent)
National Flour Mills down 20 cents (5.00 per cent)
BWIA (WI) Airways down 2 cents (0.99 per cent)
Lever Brothers down 20 cents (0.66 per cent)

Exchange Rate

US\$1 = TT\$6.2999

Second Tier Market

Mora-Ven Holdings and FNCU closed unchanged at \$2.70 and \$1.05 respectively with no trades.

Mutual Fund Market

The price of Praetorian Property held at \$5.00 with a total of 105,730 shares traded.

Weekly Summary

A total of 10,817,977 shares crossed the floor of the exchange this week valued at \$62,611,823.44.

The volume leader was yet again National Commercial Bank Jamaica (NCJB) with 6,246,122 shares traded or 57.74 per cent of all trades. Jamaica Money Market Brokers (JMMB) followed with a total of 1,771,465 shares traded or 16.38 per cent of total volume. In a distant third was Trinidad Cement with 695,370 shares traded or 6.43 per cent of all trades.

Trading continued to be high in the Banking sector. The total volume of shares traded in this sector was 6,774,920 shares or 62.63 per cent of total volume. Most of the trading activity was however concentrated in NCJB which accounted for 92.19 per cent of the trades in this sector. The Non-Banking Finance Co. was next with 2,168,718 shares traded accounting for 20.05 per cent of all trades.

The Composite Index increased by 9.0198 points (1.10 per cent) to close at 830.52. The All T&T Index grew at a slower pace, up 7.8366 points (0.71 per cent) to 1,115.38.

Advances outstripped declines by a nineteen (19) to four (4) margin. Capital & Credit Merchant Bank (CCMB) made the biggest percentage jump for the week. The share moved up 15 cents or 23.08 per cent to close at \$0.80. PLIPDECO followed, moving up \$1.37 or 8.84 per cent to close at \$16.87. JMMB rounded off the top three moving up 7 cents or 5.10 per cent to close at \$1.60.

Trinidad Cement took the biggest percentage fall for the week. The share moved down 30 cents or 5.08 per cent to \$5.60. The other major declines were National Flour Mills down 20 cents or 5.00 per cent to \$3.80, BWIA down 2 cents or 0.99 per cent to \$2.00 and Lever Brothers down 20 cents or 0.66 per cent to \$30.00. The price of National Flour Mills and Lever Brothers are currently under some downward pressure due to the release of disappointing financial year end results by both these companies.

Sagicor Financial Corporation

The price of Sagicor closed the trading week unchanged at Bds \$4.20. A total of 1,029,209 shares were traded.

Barbados Shipping & Trading

For the three months ended December 31, 2003

Expressed in BDS. Dollars

There was an overall improvement in the company's financial performance for the first quarter ended December 31, 2003 compared to the similar period in 2002. Group net trading profit increased by 17.4% from \$12.479 million in 2002 to \$14.656 million in 2003. This increase was achieved despite a marginal improvement in total revenue of 2.9%, from \$165.455 million in 2002 to \$170.243 million in 2003.

Profit before taxation increased by 43% to \$11.794 million in 2003 from \$8.245 million in 2002 due to a decline in interest expense of 21.2% to \$2.939 million in 2003 compared to \$3.730 million in 2002. Additionally the Group was able to generate other income in 2003 of \$0.077 million as against other expenses of \$0.504 million in 2002.

Profits from associated companies decreased by 48.9% to \$2.072 million in 2003 compared to \$4.057 million in 2002 as a result of the Group's decreased shareholdings in Neal & Massy.

Profit after taxation increased by 24.7% from \$10.314 million in 2002 to \$12.858 million in 2003 due to a reduction in taxation of 49.3% to \$1.008 million in 2003 from \$1.988 million in the similar period in 2002. The Group's effective tax rate fell to 7.27% in 2003 compared to 16.16% in the similar 2002 period. Net profit after minority interest moved up by 25.7% to \$11.720 in 2003 from \$9.326 million in 2002 and earnings per share moved to \$0.16 in 2003, a growth of \$0.03 or 23.1% compared to \$0.13 earned in 2002.

Guardian Holdings Limited

Results for the year ended December 31, 2003.

Guardian Holdings' results for the year ended December 31, 2003 were by all accounts excellent. There were non recurring gains in the income statement which impacted on the 85.8 per cent growth in revenues for 2003 but even so the operating performance was still impressive. Overall in 2003 revenues grew to \$2.827 billion from the 2002 level of \$1.522 billion. The operating profit in 2003 of \$545.6 million was more than one-and-a half times that of the previous year of \$212.5 million.

Negative goodwill arising from the purchase of Fatum Holding NV contributed \$57.4 million to the income statement over the same period and the sale of RBTT

shares resulted in a further one-off gain of \$680.8 million. This gain comprised a realised amount of \$194.6 million and a mark to market adjustment of \$486.2 million. GHIL is required under International Accounting Standards to adjust the value of their RBTT share holding to reflect the current share price.

On the expense side finance charges increased in 2003 by 38.5 per cent to \$118.7 million, compared to \$85.7 million in 2002 and the Company was able to reduce the effective tax rate over the same period from 13.2 percent to 12.7 percent.

Profit attributable to shareholders in 2003 was \$1.056 billion, more than four and a half times that of the previous year's \$0.184 billion. These results now gives GHIL the distinction of being the first Trinidad and Tobago company listed on the stock exchange to post after tax profits of over \$1 billion.

In order to compare GHIL's results to prior years and across industries we have adjusted for the effect of the non-recurrent items described above. The adjusted profit after tax figure of \$411.3 million still represents a 123.8 per cent improvement over the 2002 performance. At the end of 2003 there were 190.7 million shares outstanding and using the adjusted profit gives fully-diluted earnings per share (EPS) of \$2.15. The resulting price earnings (P/E) ratio is 15.4X based on a current share price of \$33.11. Book value per share using shareholders equity of \$2.501 billion would be \$13.11.

Our review suggests that GHIL stacks up well against industry benchmarks for US companies. Included in this industry group is American International Group Incorporated (AIG), the parent company of ALGICO. GHIL's operating margin of 19.3 per cent in 2003 exceeds AIG's last year's performance of 12.5 per cent and the industry average of 15.0. While the industry average of effective tax rates was 28.7 per cent and AIG's was 28.8 per cent, GHIL's comparable rate was lower than both at 12.7 per cent. GHIL's current P/E ratio of 15.4 is lower than AIG's current measure of 20.4, with the industry average at 17.8. The price to book multiple, a good proxy for companies in the industry, is 2.1 times for the US industry, AIG has a price to book of 2.7, and GHIL in the middle at 2.5 times.

GHIL revealed another acquisition in the form of Link Underwriting Agency Limited a UK-based company. This company was purchased in September 2003 and

gives GHL access to the European market. The aforementioned acquisitions coupled with the consolidation of the operations of Nemwil and Caribbean Home Insurance Company Limited into the single entity, Guardian General Limited suggests that GHL has the capacity to improve both the revenue line as well as reduce its operating costs.

The Directors have decided to pay a final dividend 42 cents per share, which comprises an ordinary dividend of 36 cents and a special dividend of 6 cents. Using our fully diluted EPS of \$2.15 and the current trading price of \$33.11, with the resultant P/E of 15.4, we anticipate some capital appreciation and therefore recommend a buy on GHL.

Grace Kennedy and Company Limited
Results for the year ended December 31, 2003.
Amounts translated into TT\$ at J\$9.6 to TT\$1.

Grace Kennedy and Company Limited (GKC) recorded a 23.5 per cent increase in profit attributable to shareholders in the year ended December 31, 2003. In 2003 profit was \$206.3 million compared to the 2002 amount of \$167.0 million. Revenue increased by 26.0 per cent in 2003 to \$2.580 billion from the 2002 level of \$2.048 billion. Expenses rose 23.9 per cent in 2003 to \$2.373 billion in comparison to the \$1.915 billion incurred in 2002. Operating income was 55.3 per cent higher in 2003 at \$206.9 million

when compared with the corresponding 2002 figure of \$133.2 million. The operating margin improved in 2003 to 8.0 per cent from the 2002 level of 6.5 per cent.

GKC sought to rationalise its operations across its divisions in 2003, with the merger of Rapid and Sheffield Limited, Agro-Grace Limited, and Hardware and Lumber Limited in the Retail Division. The Food Division also did well as Grace-owned brands recorded sales of US\$33 million internationally. In the first quarter of 2004, GKC acquired a Toronto-based beverage wholesaler, which the company stated would 'more than double' the market currently being served there. The Financial Services Division also saw some consolidation, with First Global Bank absorbing George and Brandy Limited into its operations. The securities companies the above named banks, Global Capital Services, First Global Stockbrokers, and Grace Pension Management have merged to form First Global Financial Services Limited.

Translated earnings per share reached TT63.7 cents in 2003, an improvement of 23.3 per cent over the 2002 figure of TT51.7 cents. At the current price of \$7.50 gives a P/E of 11.8X.

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Member of the Trinidad and Tobago Stock Exchange Ltd.

VOLUME 10,817,977
 VALUE \$ 62,611,823.44

WEEKLY MARKET UPDATE

as at : Friday March 19, 2004

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COMPOSITE INDEX 830.5180 ALL T&T INDEX 1,115.3800 Adv./Dec. Ratio 19/4
 CHANGE 9.0198 CHANGE 7.8366
 % CHANGE 1.10% % CHANGE 0.71%

Security	Fiscal Yr. End	Hist. EPS	Hist. Div.	Est. EPS	Est. Div	Hist. Yield	Hist. P/E	Est. Yield	Est. P/E	Last Quote	Price Change	% Change	Running EPS	Running P/E	52 Week High	52 Week Low
Banks																
FirstCaribbean Intl.	Oct-31	29.1	15.8	29.1	15.8	1.84%	29.55	1.84%	29.55	8.60	0.05	0.58%	29.1	29.55	9.35	7.85
National Commercial Bank Jamaica	Sep-03	12.0	5.4	12.0	5.4	0.00%	15.00	3.00%	14.55	1.80	0.07	4.05%	12.0	15.00	1.80	1.55
RBTT Financial Holdings	Mar-31	169.0	70.0	230.0	98.0	1.55%	26.80	2.16%	19.70	45.30			209.0	21.67	45.30	21.05
Republic Bank	Sep-30	367.0	180.0	367.0	180.0	2.70%	18.19	2.70%	18.19	66.75	0.25	0.38%	367.0	18.19	66.75	42.00
Scotiabank	Oct-31	165.6	70.0	190.0	80.0	2.38%	17.75	2.72%	15.47	29.40			165.8	17.73	29.40	21.36
Non-Banking/Finance																
ANSA Fin. & Merch. Bank	Dec-31	68.0	30.0	80.0	40.0	2.29%	19.26	3.05%	16.38	13.10	0.10	0.77%	75.0	17.47	13.10	8.00
Capital & Credit Merchant Bank	Dec-31	5.2	0.8	7.5	1.1	1.00%	15.38	1.38%	10.67	0.80	0.15	23.08%	6.1	13.11	0.90	0.65
Guardian Holdings	Dec-31	215.0	54.0	215.00	54.0	1.63%	15.40	1.63%	15.40	33.11	1.31	4.12%	215.0	15.40	33.11	19.70
JMMB	Feb-28	4.7	0.7	10.5	1.5	0.44%	34.04	0.94%	15.24	1.60	0.07	4.58%	6.0	26.67	1.60	0.64
National Enterprises	Mar-31	55.0	27.0	60.0	42.0	2.68%	18.29	4.17%	16.77	10.06	0.04	0.40%	55.0	18.29	10.06	4.70
Conglomerates																
ANSA Mc Al	Dec-31	123.0	62.0	135.0	67.0	2.30%	21.95	2.48%	20.00	27.00	0.50	1.89%	128.0	21.09	27.00	17.00
B'dos Shipping & Trading	Sep-30	135.5	47.5	140.0	47.5	2.65%	13.21	2.65%	12.79	17.90	0.55	3.17%	135.5	13.21	17.90	11.20
Grace, Kennedy & Co.	Dec-31	63.7	7.1	63.7	7.1	0.95%	11.77	0.95%	11.77	7.50			63.7	11.77	7.50	4.50
Neal & Massy Holdings	Sep-30	190.0	67.0	190.00	67.0	2.25%	15.68	2.25%	15.68	29.80	0.20	0.68%	185.00	16.11	29.80	19.56
Trading																
Agostini's	Sep-30	34.9	12.0	34.9	16.0	1.45%	23.64	1.94%	23.64	8.25	0.40	5.10%	43.1	19.14	8.25	6.00
BWIA	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	2.00	-0.02	-0.99%	0.0	0.00	3.00	#REF!
Furness T'dad	Dec-31	25.0	5.0	25.0	5.0	0.89%	22.40	0.89%	22.40	5.60			25.0	22.40	5.60	3.15
LJ Williams A	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	0.56			0.5	112.00	0.67	0.50
LJ Williams B	Dec-31	0.0	0.0	0.0	0.0	0.00%	0.00	0.00%	0.00	1.50			4.80	31.25	2.60	1.20
Prestige Holdings	Nov-30	27.4	17.0	27.4	20.0	2.54%	24.45	2.99%	24.45	6.70	0.05	0.75%	27.6	24.28	6.70	3.60
Property																
PLIPDECO	Dec-31	99.00	27.0	60.00	21.0	1.60%	17.04	1.24%	28.12	16.87	1.37	8.84%	99.0	17.04	16.87	9.50
Valpark Shopping Plaza	Mar-31	47.3	0.0	47.3	0.0	0.00%	10.57	0.00%	10.57	5.00			47.3	10.57	5.00	5.00
Manufacturing																
Angostura Holdings	Dec-31	28.0	11.0	28.0	11.0	2.20%	17.86	2.20%	17.86	5.00			28.0	17.86	6.30	4.25
Berger Paints Trinidad	Dec-31	39.0	17.0	39.0	17.0	2.83%	15.38	2.83%	15.38	6.00	0.15	2.56%	39.0	15.38	6.00	3.00
Caribbean Comm Network	Dec-31	54.0	25.0	54.0	25.0	3.47%	13.35	3.47%	13.35	7.21	0.16	2.27%	61.0	11.82	7.21	3.30
Flavorite Foods	Dec-31	24.0	10.5	24.0	10.5	2.63%	16.67	2.63%	16.67	4.00	0.15	3.90%	24.0	16.67	4.00	3.45
Lever Brothers WI	Dec-31	142.0	170.0	142.0	170.0	5.67%	21.13	5.67%	21.13	30.00	-0.20	-0.66%	142.0	21.13	30.31	27.01
National Flour Mills	Dec-31	23.0	16.0	23.0	16.0	4.21%	16.52	4.21%	16.52	3.80	-0.20	-5.00%	33.0	11.52	4.00	3.00
Readymix (West Indies)	Dec-31	28.0	9.0	40.0	13.0	1.33%	24.11	1.93%	16.88	6.75			35.0	19.29	6.75	6.05
Trinidad Cement	Dec-31	50.0	18.0	50.0	20.0	3.21%	11.20	3.57%	11.20	5.60	-0.30	-5.08%	42.0	13.33	6.30	5.04
Trinidad Publishing Co.	Dec-31	31.0	21.0	40.0	25.0	2.82%	24.03	3.36%	18.63	7.45	0.04	0.54%	36.0	20.69	7.45	4.00
West Indian Tobacco Co.	Dec-31	104.5	103.0	104.5	103.0	5.05%	19.52	5.05%	19.52	20.40	0.09	0.44%	98.4	20.73	20.40	18.00