

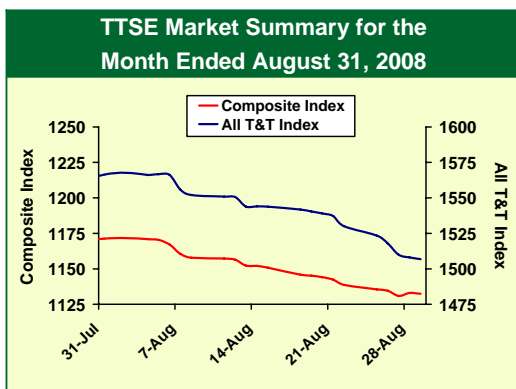


Securing Your Future Is Our Main Investment

THE WISE CHRONICLE August 2008

Local Market Summary

The local equity market showed negative strides for the month of August as both the Composite Index and the All T&T Index trended downward. The Composite Index fell 38.8564 points or 3.32 per cent to 1,132.4280 while the All T&T Index ended the month at 1,506.8942, down 59.4669 points or 3.80 per cent. Advances were outnumbered by declines by a ratio of 4 to 22.



August's market activity resulted in 6,124,036 shares crossing the floor which fell below last month's volume of 17,640,191 shares traded by an outstanding 65.28 per cent. Additionally, when compared to the corresponding period in 2007, volumes were down by a significant 49.25 per cent from 12,068,241 shares traded.

The value of shares traded for the month under review was \$116,968,930.44, down a substantial 57.85 per cent from the \$277,488,327.12 in the previous month

and a minimal increase of 0.93 per cent from the \$115,894,615.77 in August 2007.

Volume Leaders

Barbados based Sagcor Financial Corporation (SFC) was the volume leader for the month with 1,379,557 shares traded or 22.53 per cent of the market. Readymix (West Indies) Limited (RML) followed with 722,231 shares changing ownership which accounted for 11.79 per cent of the total volume traded. Next was Angostura Holdings Limited (AHL) which saw 521,450 shares change hands or 8.51 per cent of all trades.

Major Advances & Declines

RML was the major advance for the month, up 18.71 per cent or \$4.98 to end at \$31.60. Flavorite Foods Limited (FFL) was next in line, moving up 10.12 per cent or \$0.59 to \$6.42. Point Lisas Industrial Port Development Corporation Limited (PLD), followed as the third major advance up 4.33 per cent or \$0.42 to close the month at \$10.12.

Leading the declines was Prestige Holdings Limited (PHL) which dropped a significant 17.05 per cent or \$0.75 to close at \$3.65. Scotia DBG Investments Limited (SDBG) followed declining 16.39 per cent or \$0.49 to \$2.50 while Trinidad Cement Limited (TCL) was the third major decline, down 13.87 per cent or \$1.49 to \$9.25.

Jamaica Market Summary

Indices in Jamaica ended in negative territory for the month of August. The Market Index fell 3,167.78 points or 2.97 per cent to close at 106,735.75; the Select Index declined 63.34 points or 2.15 per cent to 2,953.24 and the All Jamaican Composite dropped 1,909.51 points or 1.78 per cent to 107,490.13. Advances were outnumbered by declines by a ratio of 16 to 23.

Trading activity resulted in 103,751,447 shares changing hands valued at over JMD1,075,552,438.83. Cable and Wireless Jamaica Limited (CWJA) took the title of volume leader with 25.79 per cent of the market or 26,761,139 shares traded. The major advance was Palace Amusement Company Limited (PAL) up 22.00 per cent or JMD11.00 to close at JMD61.00 while the major decline was Scotia DBG Investments Limited (SDBG), down 10.35 per cent or JMD3.00 to JMD26.00.

NCBJ Releases Nine Months Results Results for the Nine Months Ended June 30, 2008

All figures quoted in Jamaica Dollars unless otherwise stated

Earnings Per Share

National Commercial Bank Jamaica Limited (NCBJ) had a commendable Third Quarter performance with a reported Earnings Per Share (EPS) of 91 cents, which was up a significant 26.4 per cent or 19 cents on Q307.

For the Nine Months Ended June 30, 2008, the Group's EPS grew an outstanding 38.4 per cent or 76 cents from \$1.98 (NM07) to \$2.74 (NM08). The results for the Nine Month period, however, included a one-off gain of \$517 million that was earned in the Second Quarter. Excluding this gain, the Bank's EPS was still up an admirable 27.8 per cent from \$1.98 (NM07) to \$2.53 (NM08).

Financial Highlights (NM08 on NM07)

- Total Interest Income, up 16 per cent or \$3 billion to \$21.4 billion. Interest Income from Loans increased 24.8 per cent due to continued growth in the loan portfolio
- Net Interest Income, up 22.3 per cent or \$2.1 billion to \$11.6 billion
- Net Fee and Commission Income, up 21.1 per cent or \$585.2 million to \$3.4 billion
- Operating Revenue, up 17.8 per cent or \$2.7 billion to \$18.1 billion
- Operating Expenses, up 4.4 per cent or \$404.1 million to \$9.5 billion
- Operating Profit, up a noteworthy 37.5 per cent or \$2.3 billion to \$8.6 billion
- Net Profit, up an exceptional 38.4 per cent or \$1.9 billion to \$6.8 billion. Excluding the one-off gain, Net Profit was up 27.8 per cent from \$4.9 billion to \$6.2 billion.

Dividends

The Board declared an Interim Dividend of \$0.30 per share which was paid on August 27, 2008 for stockholders on record as at August 14, 2008.

Recommendation

The shares of NCBJ are currently trading at a price of TT\$2.00 on the local exchange. At our forecasted EPS of TT\$0.28 and the current price, NCBJ is trading at a price to earnings multiple of 7.1 times. Additionally using a multiple of 9 times and the forecasted EPS of

TT\$0.28, NCBJ has an expected return of approximately 26 per cent or a Target Price of TT\$2.52. We continue to recommend a **BUY** on this share.

SFC Releases Half Year Results

Results for the Half Year Ended June 30, 2008

All figures quoted in United States Dollars unless otherwise stated

Earnings Per Share

Sagicor Financial Corporation (SFC), for the Half Year Ended June 30, 2008, reported a diluted Earnings Per Share (EPS) of 12.0 cents. This represented an increase of 26.3 per cent or 2.5 cents on the corresponding EPS of 9.5 cents in HY07. Q208 on Q207, the Group's EPS rose 22.4 per cent or 1.3 cents from 5.8 cents to 7.1 cents. Included in the Half Year results was a gain arising on acquisition of \$4.6 million. Excluding this gain, the Group's EPS was up approximately 16 per cent, from 9.5 cents (HY07) to 11 cents (HY08).

Financial Highlights:

- Net Premium Revenue, up an outstanding 47.9 per cent or \$92.5 million to \$285.8 million. According to the Chairman, the Sagicor at Lloyd's business contributed significantly to this growth.
- Net Investment and Other Income, up 17.5 per cent or \$25.5 million to \$171.3 million
- Total Revenue, up 36.2 per cent or \$122.6 million to \$461.7 million
- Net Benefits, up 33.3 per cent or \$60.5 million to \$242.2 million
- Expenses, up 44.6 per cent or \$50.8 million to \$164.5 million
- Total Benefits and Expenses, up 37.7 per cent or \$111.3 million to \$406.7 million
- Group Net Income, up a significant 25.4 per cent or \$9.2 million to \$45.4 million
- Net Income Attributable to Shareholders, up 31.2 per cent or \$7.9 million to \$33.3 million

Dividends

The Board of Directors has approved an interim dividend of US 3 cents per share payable on October 15, 2008.

Recommendation

In light of these results we are revising our forecasted EPS for FY08 upwards to TT\$2.25. At the current price

of TT\$18.52, SFC is trading at a P/E multiple of 8.2 times. Additionally, using a multiple of 11 times and the revised forecasted EPS, this share has an expected return of approximately 34 per cent or a target price of TT\$24.75. We currently recommend a **BUY** on this share.

RML Releases Half Year Results

Results for the Half Year Ended June 30, 2008

Earnings Per Share

For the Half Year Ended June 30, 2008, Readymix (West Indies) Limited (RML) reported Earnings Per Share (EPS) of \$1.85. This represented an increase of 15.6 per cent or 25 cents on the comparable period of fiscal 2007. Q208 on Q207, RML's EPS grew an outstanding 31.3 per cent or 25 cents from \$0.80 to \$1.05.

Financials

- Revenue, up 3.3 per cent or \$5.0 million to \$158.9 million
- Operating Profit, up 14.3 per cent or \$4.0 million to \$31.9 million
- Net Finance Costs, down 36.2 per cent or \$0.7 million to \$1.2 million
- Profit After Taxation, up a significant 16.0 per cent or \$3.1 million to \$22.3 million

Recommendation

The Directors expect a good second half performance and continued profitability for the remainder of the year.

We have forecasted an EPS of \$3.80 for FY08. At the current price of \$31.60 and this forecasted EPS, RML is trading at a price to earnings multiple of 8.3 times. While we continue to recommend a **BUY** on this share, we remind clients that approximately 80 per cent of the issued share capital of this company is secured by substantial interests. Hence it may be difficult to obtain this share.

A Member of the  FINANCIAL GROUP

West Indies Stockbrokers Limited (WISE) is a subsidiary of RBTT Financial Group. From time to time WISE and/or its staff may take positions in some or all of the shares mentioned in our report. WISE welcomes your comments. Please e-mail us at info@wisett.com.

WISE STOCK MARKET QUOTATIONS AS AT AUGUST 31, 2008

	Hist Eps	Est Eps	Est Div	Curr Price	Est Yield %	Est P/E Ratio
Bank						
FirstCaribbean	107.0	73.0	28.0	11.44	2.45	15.67
NCB Jca	25.0	28.0	7.0	2.00	3.50	7.14
Republic Bank	834.0	780.0	300.0	102.07	2.94	13.09
Scotiabank	210.4	255.0	100.0	41.55	2.41	16.29
Non-Bank Fin						
ANSA Fin & Merch	207.0	235.0	95.0	36.59	2.60	15.57
Capital & Credit	2.8	7.0	0.0	0.80	0.00	11.43
Scotia DBG	29.0	30.0	12.0	2.50	4.80	8.33
Guardian Holdings	59.0	310.0	80.0	27.00	2.96	0.00
JMMB	7.0	7.0	1.8	0.97	1.86	13.86
National Enterprises	89.0	89.0	67.0	11.74	5.71	13.19
Sagicor Financial Corp	203.0	225.0	50.0	19.00	2.63	8.44
Conglomerates						
Ansa Mcal Ltd	351.0	420.0	108.0	59.94	1.80	14.27
Bdos Ship & Trad	150.0	165.0	66.0	27.93	2.36	16.93
GraceKennedy	91.7	75.0	8.0	7.70	1.04	10.27
Neal and Massy	415.0	515.0	155.0	60.00	2.58	11.65
Trading						
Agostini's Ltd	103.0	115.0	46.0	10.35	4.44	9.00
Furness Trinidad	68.0	80.0	0.0	6.15	0.00	7.69
L J Williams Ltd. - 'A'	0.8	0.5	0.2	0.60	0.33	120.00
L J Williams Ltd. - 'B'	48.0	60.0	0.0	1.88	0.00	3.13
Prestige Holdings	24.4	10.0	6.0	3.65	1.64	36.50
Property						
PLIPDECO	105.0	0.0	0.0	10.12	0.00	0.00
Valpark	138.0	138.0	0.0	5.00	0.00	3.62
Manufacturing						
Angostura Holdings	-67.0	0.0	0.0	7.60	0.00	0.00
Berger Paints	-5.0	7.0	19.0	3.25	5.85	46.43
Flavorite Foods	83.0	100.0	42.0	6.42	6.54	6.42
National Flour Mills	-45.0	0.0	0.0	0.89	0.00	0.00
One Caribbean Media	133.0	140.0	77.0	18.30	4.21	13.07
Readymix WI	316.0	380.0	24.0	31.60	0.76	8.32
Trinidad Cement	77.0	85.0	8.0	9.25	0.86	10.88
Trinidad Publishing	120.0	140.0	55.0	22.98	2.39	16.41
Unilever Caribbean Ltd	138.0	140.0	100.0	21.06	4.75	15.04
WITCO	186.0	215.0	211.0	31.01	6.80	14.42

Head Office

St. Clair Place, 8 Sweet Briar Road, Port of Spain
Tel: 628-WISE (9473) • Fax: 622-5002
Email: info@wisett.com • Website: www.wisett.com