

The Barbados Shipping & Trading Company Limited (BS&T)

All figures quoted in Barbados Dollars unless otherwise stated

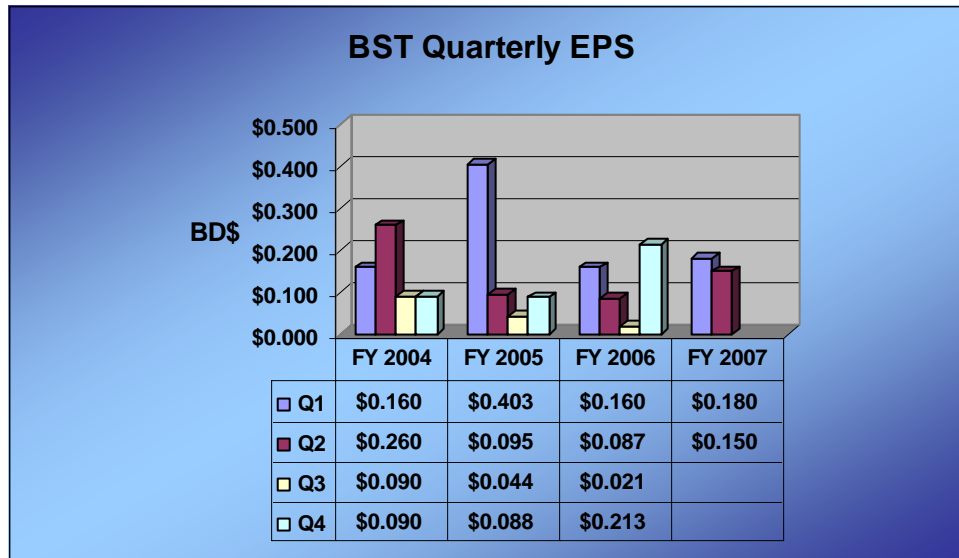
<u>SYMBOL</u>	<u>BST</u>
RECOMMENDATION	HOLD
Current Price	TT\$23.00
Running EPS	TT\$0.50 (BBD0.16)
Projected EPS	TT\$1.65 (BBD0.53)
P/E at Projected EPS	13.94 times
Dividend Yield at Estimated Dividend	3%
*** All statistics above are based on the most current data available	

Results for the Half Year Ended March 31, 2007

Earnings Per Share

For the Half Year Ended March 31, 2007, The Barbados Shipping & Trading Company Limited (BS&T) reported Earnings Per Share (EPS) of 32.6 cents. This was up on the corresponding Half Year period by a significant 22.56 per cent or 6 cents. However, the EPS for Q207 was down by 18.89 per cent or 3.4 cents on the previous quarter-Q107. (See Graph 1)

Graph 1





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Financials

Revenue for the Half Year period was \$398.09 million, up 5.99 per cent or \$22.52 million on the comparable Half Year in fiscal 2006. Operating Profit before Interest Expense was up by a higher margin of 18.11 per cent or \$4.82 million from \$26.59 million (HY06) to \$31.41 million (HY07).

HY07 on HY06, Interest Expense saw a significant increase of 22.67 per cent or \$1.36 million, moving from \$5.98 million to \$7.34 million. Thus Profit Before Taxation ended the period at \$24.07 million, up by a considerable 16.78 per cent or \$3.46 million.

Share of Income after tax from Associated Companies saw substantial growth- up by 70.75 per cent or \$2.70 million to end the six month period at \$6.52 million. The Directors made special mention of this improvement stating that the Associate Companies performed much better during the second quarter. It was also mentioned that the hotel associates benefited from the winter season with Morgan Bay St. Lucia moving into a profitable position while Banks Holdings reported increased earnings on bringing its new Belize associate into account.

The Effective Tax Rate for the period under review was 12.23 per cent compared to a Tax Rate of 8.77 per cent for the corresponding period in fiscal 2006. Thus, Profit After Taxation ended the six month period at \$26.85 million, up by 20.46 per cent or \$4.56 million on HY06.

Profit After Taxation Attributable to Minority Interest stood at \$2.36 million up by 3.41 per cent from \$2.29 million in HY06. As a result, Profit Attributable to Shareholders was \$24.49 million, an increase of 22.41 per cent or \$4.48 million on the same period in fiscal 2006.

Table 1 shows a comparison of Financial Data for HY- FY2007 on HY - FY2006.

Table 1

BST Financial Data Comparison				
	HY- FY2007 BBD'000	\$ Change '07 -'06	% Change '07 -'06	HY- FY2006 BBD'000
Revenue	398,093	22,515	5.99%	375,578
Operating Profit before Interest Expense	31,409	4,815	18.11%	26,594
Interest Expense	(7,338)	(1,356)	22.67%	(5,982)
Profit before Taxation (Parent Company and Subsidiaries)	24,071	3,459	16.78%	20,612
Share of Income after tax- Associated Companies	6,521	2,702	70.75%	3,819
Taxation	(3,742)	(1,600)	74.70%	(2,142)
Profit After Taxation	26,850	4,561	20.46%	22,289
Minority Interest	(2,363)	(78)	3.41%	(2,285)
Attributable to Shareholders	24,487	4,483	22.41%	20,004
Earnings Per Share (cents)	32.6	6	22.56%	26.6



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Table 2 shows Financial Data Comparison for Year End (2004-2006)

Table 2

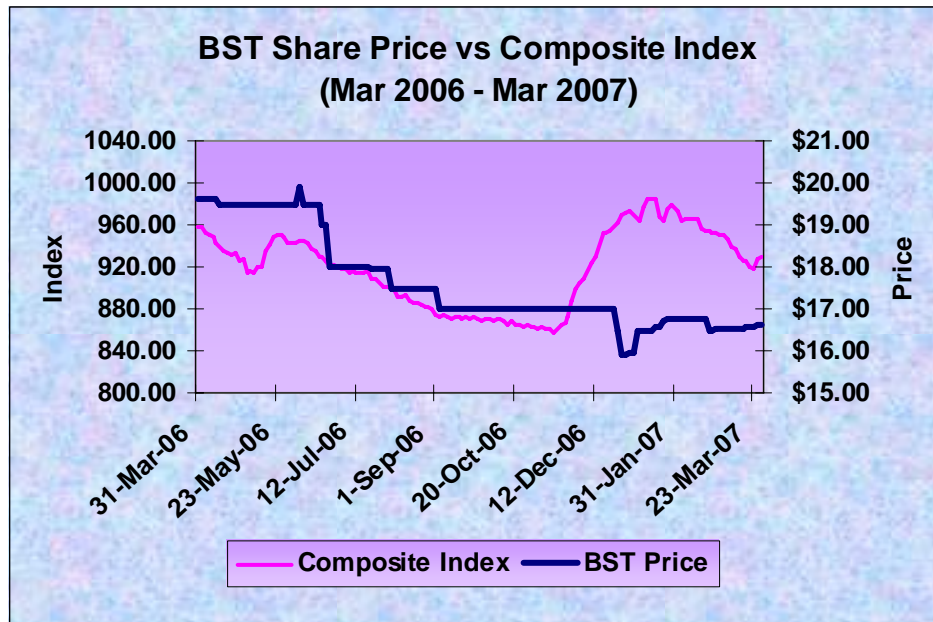
BST Financial Data Comparison for Year End (2004-2006)					
	YE 2006 BBD'000	% Change '05 -'06	YE 2005 BBD'000 Restated	% Change '04 -'05	YE 2004 BBD'000
Revenue	735,882	8.35%	679,154	3.29%	657,514
Trading Profit	47,473	117.12%	21,865	9.20%	20,022
Interest Expense	(12,346)	7.51%	(11,484)	-8.04%	(12,488)
Other Income, net	(485)	-100.88%	55,261	74.90%	31,595
Profit before Taxation	40,635	-42.32%	70,452	46.54%	48,076
Taxation	(4,682)	122.21%	(2,107)	-3862.50%	56
Net Income	35,953	-47.39%	68,345	41.99%	48,132
Attributable to Shareholders	33,233	-48.34%	64,327	44.29%	44,581
Earnings per Share	\$0.44	-48.48%	\$0.86	43.00%	\$0.60
Market Price @ Financial Year End (TT\$)	\$17.00	-23.94%	\$22.35	10.10%	\$20.30
P/E Ratio @ Financial Year End	12.36		8.37		10.87
Dividend	\$0.19	2.78%	\$0.18	5.88%	\$0.17
Dividend Payout Ratio (%)	41.86%		20.98%		28.33%
Dividend Yield	3.39%		2.51%		2.61%
Net Asset Value	\$7.04	5.55%	\$6.67	-0.74%	\$6.72
Market to Book Ratio	0.78		1.08		0.97
Return on Equity	6.45%		9.89%		10.17%
Return on Assets	3.20%		5.54%		5.34%
Shares Outstanding	73,279,335		73,279,335		73,279,335
<i>Exchange Rate used for Calculations: 1BBD: 3.1129TT\$</i>					

Share Price

The share price of BS&T has been on a general decline over the period March 2006 to March 2007. The share reached a high of TT\$19.90 on June 7, 2006 and reached as low as TT\$15.90 on December 29, 2006. After which, the share price started a slow climb to close at a price of TT\$16.63 on March 28, 2007. **Graph 2** below illustrates the share price movement of BS&T versus the Composite Index over the period March 2006 to March 2007.



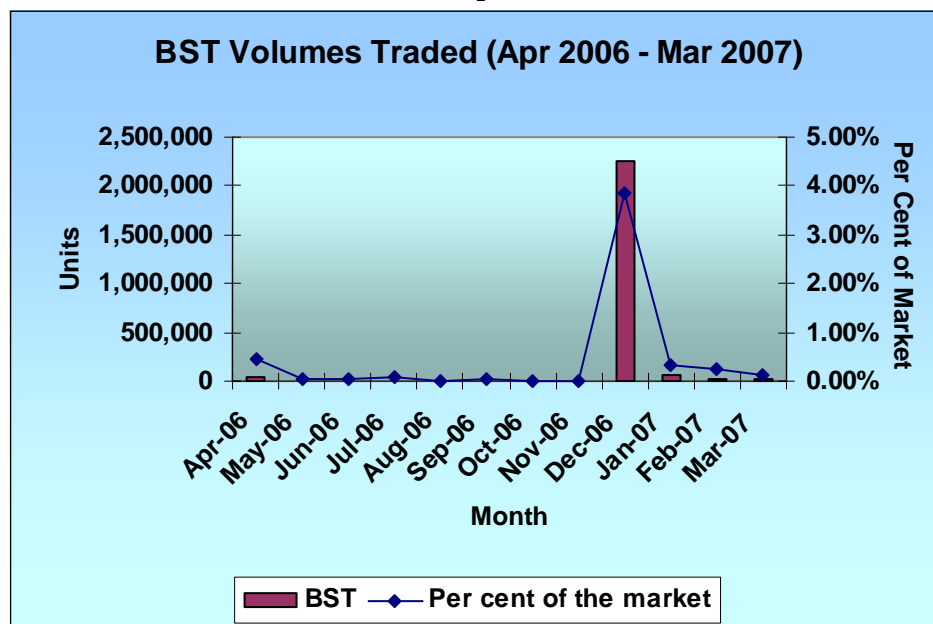
Graph 2



Volumes

With the exception of the month of December, BST saw extremely small volumes traded, commanding less than 1 per cent of the market (see Graph 3). December saw 2,246,936 shares change ownership.

Graph 3





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Dividends

The Directors expect that the results will continue to show reasonable growth in the second half of the year over the comparable period last year. They have also resolved to pay an interim dividend of 9 cents, payable on May 31, 2007 to shareholders on record as of May 23, 2007.

Recommendation

BST's shares last closed at a price of TT\$23.00 on the local market on August 22, 2007. At the current price and our forecasted EPS of TT\$1.65 (BBD0.53) for FY07, this share is trading at a P/E multiple of 13.94 times. Currently there are two Take-Over Bids for this Company; one by Ansa McAl Holdings Limited (AMCL) and the other by Neal and Massy Holdings Limited (NML). At this time, we therefore recommend a **HOLD** on this share.

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