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**Point Lisas Industrial Port Development Corporation Limited (PLIPDECO)**

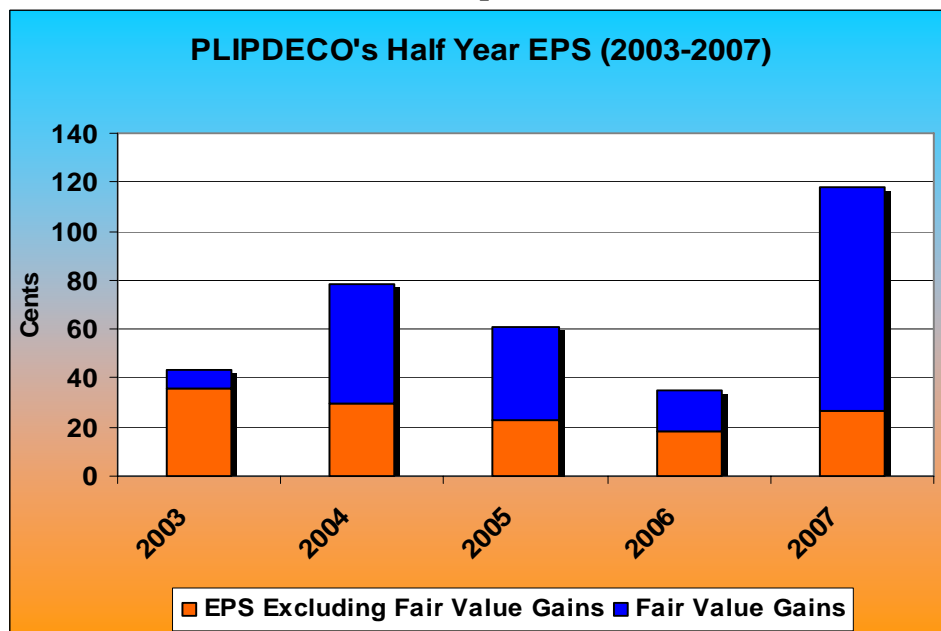
|  | <b>PLD</b>        |
|--|-------------------|
| <b>RECOMMENDATION</b>                      | <b>BUY</b>        |
| <b>Current Price</b>                       | <b>\$8.01</b>     |
| <b>Running EPS</b>                         | <b>\$4.55</b>     |
| <b>Projected EPS</b>                       | <b>\$4.10</b>     |
| <b>P/E at Projected EPS</b>                | <b>1.95 times</b> |
| <b>Estimated Dividend</b>                  | <b>\$0.20</b>     |
| <b>Dividend Yield @ Estimated Dividend</b> | <b>2.50%</b>      |
| <b>Return on Assets</b>                    | <b>5.73%</b>      |
| <b>Return on Equity</b>                    | <b>7.65%</b>      |

*Results for the Half Year Ended June 30, 2007*

*Earnings Per Share*

For the Half Year Ended June 30, 2007, Point Lisas Industrial Port Development Corporation Limited (PLIPDECO) reported Earnings Per Share (EPS) of \$1.18, up an outstanding 237.14 per cent or 83 cents on the corresponding EPS in HY06. However, while the increase is significant, it is important to note that 91 cents of the \$1.18 came from Unrealized Fair Value Gains. If we exclude the unrealized gains, the EPS from core earnings would be up 50 per cent or 9 cents, which is still significant growth for PLIPDECO. **Graph 1** below shows PLIPDECO's Half Year EPS for the period 2003 to 2007, with the lower half of the bar representing the EPS from core earnings while the upper half shows the Fair Value Gains contribution to EPS.

**Graph 1**





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### Financials

Turnover for the Half Year period amounted to \$116.61 million, up a considerable 19.18 per cent or \$18.77 million on the same period in FY06. Q207 on Q206, this figure was up 9.16 per cent from \$50.78 million to \$55.44 million. The Chairman has attributed the improvement in Turnover to an increase in estate and port revenue. Unrealized Fair Value Gains for the period under review stood at \$35.91 million, up a significant 428.09 per cent or \$29.11 million on the same period in FY06. However, Q207 on Q206, Unrealized Fair Value Gains was actually down 29.96 per cent or \$1.02 million, from \$3.40 million to \$2.38 million. Thus, Operating Profit ended the Half Year at \$60.59 million, up by a considerable 132.65 per cent or \$34.55 million.

For HY07 Net Investment Income totaled \$4.08 million, down 15.32 per cent or \$0.74 million from \$4.81 million in HY06. Finance Costs ended at \$13.70 million for HY07 compared to \$13.98 million in HY06, a marginal fall of 2.02 per cent. As such, Profit Before Taxation amounted to \$50.97 million, up a substantial 202.05 per cent or \$34.09 million.

The Effective Tax Rate for the period under review was 7.91 per cent compared to a Tax Rate of 15.89 per cent for the corresponding period in the last financial year. Thus, Profit After Taxation for HY07 was \$46.93 million, up 230.71 per cent or \$32.74 million on the comparable period in FY06.

See Table 1 for PLIPDECO's Financial Data for HY 2007 & HY2006 and Q207 & Q206

Table 1

| PLIPDECO Financial Data for HY 2007 & HY 2006; Q207 & Q206 |                 |                               |                              |                 |                 |                               |                              |                 |
|--|-----------------|-------------------------------|------------------------------|-----------------|-----------------|-------------------------------|------------------------------|-----------------|
|  | HY 07<br>\$'000 | \$ Change<br>HY'07 -<br>HY'06 | % Change<br>HY'07 -<br>HY'06 | HY 06<br>\$'000 | Q2 07<br>\$'000 | \$ Change<br>Q2'07 -<br>Q2'06 | % Change<br>Q2'07 -<br>Q2'06 | Q2 06<br>\$'000 |
| Turnover   | 116,612         | 18,766                        | 19.18%                       | 97,846          | 55,437          | 4,653                         | 9.16%                        | 50,784          |
| Unrealized Fair Value Gains                                | 35,910          | 29,110                        | 428.09%                      | 6,800           | 2,380           | (1,018)                       | -29.96%                      | 3,398           |
| <b>Operating Profit</b>                                    | 60,594          | 34,549                        | 132.65%                      | 26,045          | 7,526           | (6,146)                       | -44.95%                      | 13,672          |
| Net Investment Income                                      | 4,075           | (737)                         | -15.32%                      | 4,812           | 2,075           | (298)                         | -12.56%                      | 2,373           |
| Finance Costs  | (13,701)        | 282                           | -2.02%                       | (13,983)        | (6,255)         | 1,311                         | -17.33%                      | (7,566)         |
| Profit Before Taxation                                     | 50,968          | 34,094                        | 202.05%                      | 16,874          | 3,346           | (5,133)                       | -60.54%                      | 8,479           |
| Taxation   | (4,034)         | (1,352)                       | 50.41%                       | (2,682)         | (144)           | 1,490                         | -91.19%                      | (1,634)         |
| Profit After Taxation                                      | 46,934          | 32,742                        | 230.71%                      | 14,192          | 3,202           | (3,643)                       | -53.22%                      | 6,845           |
| <b>EPS (cents)</b>   | 118             | 83                            | 237.14%                      | 35              | 8               | (9)                           | -52.94%                      | 17              |



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See Table 2 for PLIPDECO's Year End Financial Data over the period 2003-2006

Table 2

| PLIPDECO Year End Financial Data (2003-2006) |            |                  |            |                  |            |                  |            |
|--|------------|------------------|------------|------------------|------------|------------------|------------|
|  | YE 2006    | % Change '05-'06 | YE 2005    | % Change '04-'05 | YE 2004    | % Change '03-'04 | YE 2003    |
| Turnover                                     | 208,981    | 8.18%            | 193,171    | 3.17%            | 187,230    | 24.89%           | 149,918    |
| Gross Profit                                 | 144,543    | 9.01%            | 132,600    | -1.51%           | 134,635    | 17.02%           | 115,056    |
| Unrealized Fair Value Gains                  | 132,180    | 473.95%          | 23,030     | -20.37%          | 28,920     | -31.92%          | 42,480     |
| Expenses                                     | 107,436    | 11.31%           | 96,516     | 7.08%            | 90,132     | 20.93%           | 74,532     |
| Operating Profit                             | 169,287    | 186.37%          | 59,114     | -19.49%          | 73,423     | -11.54%          | 83,004     |
| Profit Before Taxation                       | 151,974    | 250.77%          | 43,326     | -24.30%          | 57,236     | -10.63%          | 64,045     |
| Taxation                                     | (4,492)    | -273.97%         | 2,582      | 135.63%          | (7,246)    | 39.37%           | (5,199)    |
| Profit for the Period                        | 147,482    | 221.26%          | 45,908     | -8.17%           | 49,990     | -15.05%          | 58,846     |
| EPS  | \$3.72     | 220.69%          | \$1.16     | -7.94%           | \$1.26     | -27.17%          | \$1.73     |
| Market Price @ Financial Year End (TT\$)     | \$6.93     | -52.21%          | \$14.50    | -32.87%          | \$21.60    | 93.72%           | \$11.15    |
| P/E Ratio @ Financial Year End               | 1.86       |                  | 12.50      |                  | 17.14      |                  | 6.45       |
| Dividend                                     | \$0.15     |                  | \$0.21     | 0.00%            | \$0.21     | 0.00%            | \$0.21     |
| Dividend Payout Ratio (%)                    | 4.03       |                  | 18.10      |                  | 16.67      |                  | 12.14      |
| Dividend Yield (%)                           | \$2.16     |                  | \$1.45     |                  | 0.97       |                  | 1.88       |
| Net Asset Value                              | \$30.39    |                  | \$26.86    | 3.67%            | \$25.91    | 6.45%            | \$24.34    |
| Market to Book Ratio                         | 0.23       |                  | 0.54       |                  | 0.83       |                  | 0.46       |
| Return on Equity (%)                         | 13.00      |                  | 4.39       |                  | 5.02       |                  | 7.02       |
| Return on Assets (%)                         | 9.48       |                  | 3.15       |                  | 7.29       |                  | 4.76       |
| Shares Outstanding                           | 39,625,684 |                  | 39,625,684 |                  | 39,625,684 |                  | 39,625,684 |

### Chairman's Outlook

The Chairman has stated that Investors should note that the Company is entering another investment cycle in its port operations. This will see increased demand for cash in the short term and further work must also be done to improve the quality of the relationship with the recognized union at PLIPDECO. Additionally, major projects are currently underway, from which the Company expects to see a further increase in productivity thereby improving future returns based on higher efficiency and overall quality of service in port operations.

### Dividends

The Directors have recommended an Interim Dividend of 10 cents (2006- 10 cents) to be paid on September 21, 2007 to all shareholders on record as at August 24, 2007.



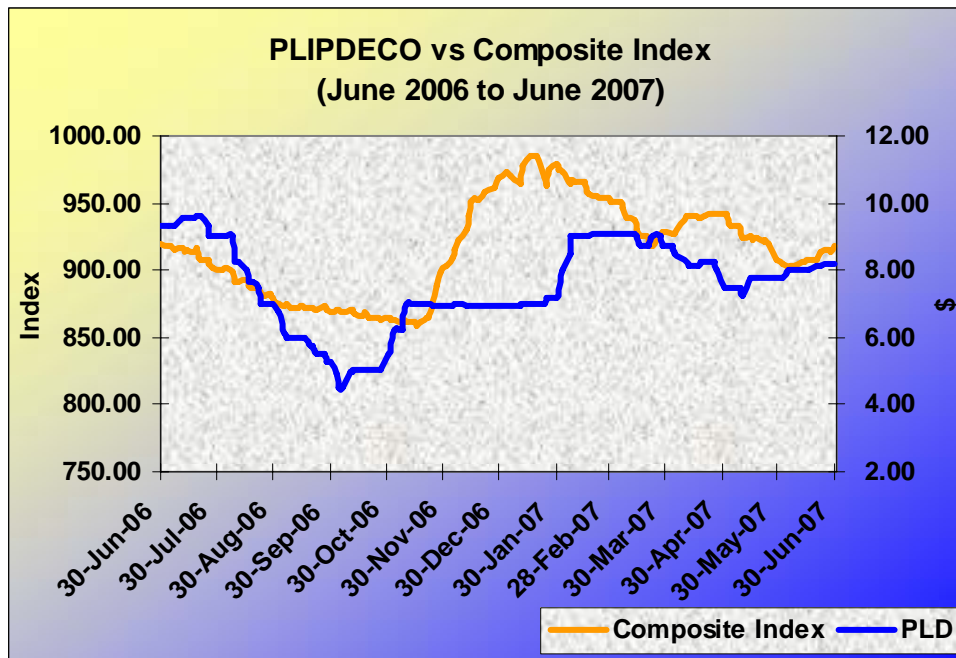
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### Share Price

For the twelve month period ended June 30, 2007, PLIPDECO's share price was fairly volatile. The share started the period at \$9.31, reached its peak of \$9.62 on July 21, 2006 and then slowly began a descent to its twelve month low of \$4.50 on October 4, 2006. After which, the price had a short ascent before trading almost flat at \$6.93 until the middle of January 2007. Subsequent to this, PLIPDECO's price movement continued in a see-saw manner to finally end the period at \$8.18. (See Graph 2)

Graph 2



### Volumes Traded

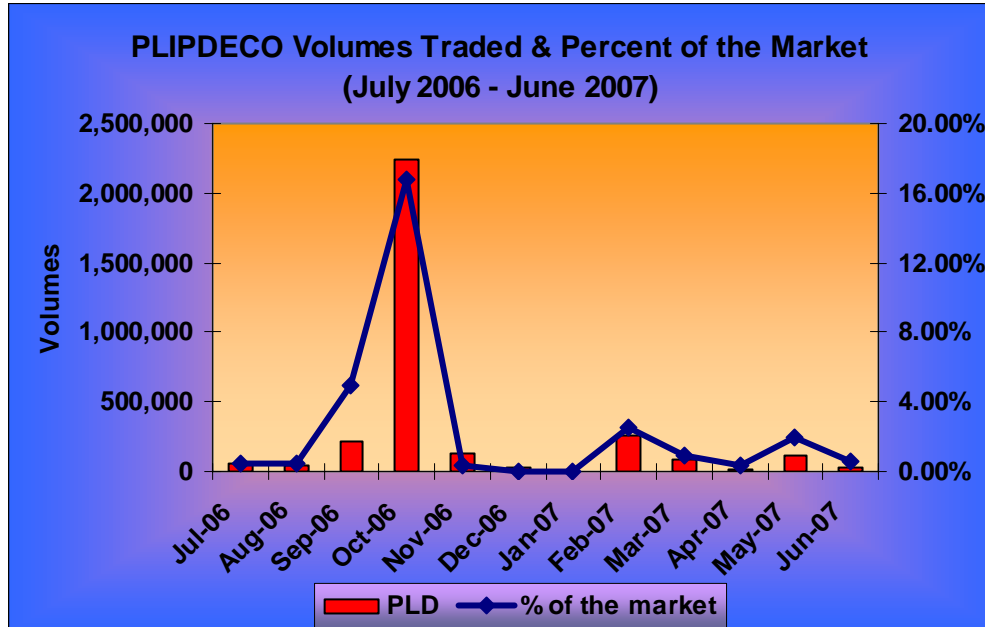
Over the period July 2006 to June 2007, PLIPDECO saw a total of 3,220,921 shares traded with October 2006 being the most active as 2,237,501 shares changed hands, this month also saw the largest percentage (16.79 per cent) of shares traded when compared to the rest of the market. January 2007 was the slowest month for this share with 5,039 shares crossing the floor and this was also the month for the smallest percentage (0.03 per cent) traded in relation to the rest of the market. (See Graph 3)



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Graph 3



### Recommendation

The shares of PLIPDECO are currently trading at a price of \$8.01. We are maintaining our forecasted EPS of \$4.10 for FY07. At this forecast and the current price, this share is trading at an extremely low multiple of 1.95 times. However, it should be noted that a significant amount of the profit of this Company results from unrealized gains. Nevertheless, PLIPDECO has historically traded as high as 24 times, which gives plenty room for growth from the 1.95 multiple. Thus, based on these fundamentals and expected improved performance of the Company for 2007, we recommend a **BUY** at this time.

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