



West Indies Stockbrokers Ltd.
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Readymix (West Indies) Limited (RML)

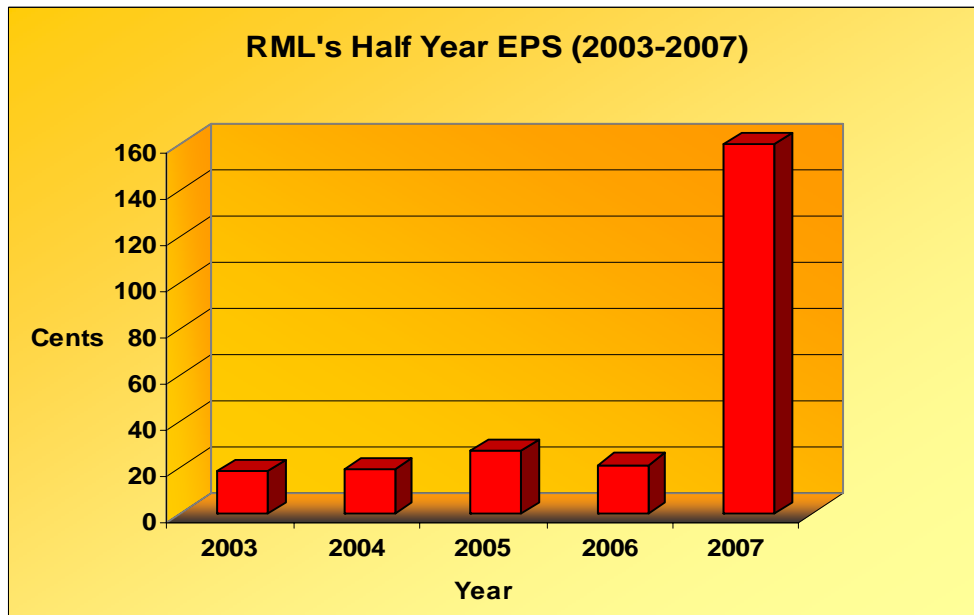
	<u>RML</u>
RECOMMENDATION	BUY
Current Price	\$7.15
Running EPS	\$2.68
Projected EPS	\$3.00
P/E at Projected EPS	2.38 times
Estimated Dividend	\$0.03
Dividend Yield @ Estimated Dividend	0.42%
Return on Assets	26.03%
Return on Equity	105.62%

Results for the Half Year Ended June 30, 2007

Earnings Per Share

For the Half Year Ended June 30, 2007, Readymix (West Indies) Limited reported impressive Earnings Per Share (EPS) of \$1.60. This figure was up by a noteworthy 661.90 per cent or \$1.39 on the corresponding period in FY06. Comparing Q207 on Q206, the Group's EPS was up 361.11 per cent from 18 cents (Q206) to 83 cents (Q207) while Q207 on Q107, this figure was up 7.79 per cent or 6 cents. **Graph 1** shows RML's Half Year EPS over the period 2003-2007. As can be seen clearly from the graph, the Company's performance for 2007 was outstanding when compared to previous years.

Graph 1





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Financials

Revenue for the period under review amounted to \$153.93 million, up a considerable 30.19 per cent or \$35.69 million on the comparable period in FY06. According to the Directors, this increase in the Group's revenue is due to higher volumes in all the subsidiaries, as the increased demand for concrete remains strong.

HY07 on HY06, Operating Profit increased a significant 269.07 per cent or \$20.34 million to \$27.90 million while Finance Costs fell 34.29 per cent or \$1.02 million to \$1.95 million. As a result, Profit Before Tax rose an outstanding 465.29 per cent, an increase of \$21.36 million to end the six-month period at \$25.95 million.

The Effective Tax Rate was 25.90 per cent for HY07 compared to a Tax Rate of 41.94 per cent for the same period in FY06. Thus, Profit After Tax increased by a substantial 621.43 per cent or \$16.56 million from \$2.67 million in HY06 to \$19.23 million in HY07.

Table 1 shows RML's Financial Data for HY07 and HY06 in addition to Q207 and Q206.

Table 1

Readymix Financial Data Half Year 2007 on 2006 and Q207 on Q206								
	HY 07 \$'000	\$ Change HY07 on HY06	% Change HY07 on HY06	HY 06 \$'000	Q2 07 \$'000	\$ Change Q207 on Q206	% Change Q207 on Q206	Q2 06 \$'000
Revenue	153,926	35,690	30.19%	118,236	82,646	15,858	23.74%	66,788
Operating Profit/Loss	27,898	20,339	269.07%	7,559	14,329	9,056	171.74%	5,273
Finance Cost	(1,951)	1,018	-34.29%	(2,969)	(1,001)	596	-37.32%	(1,597)
Profit/Loss Before Tax	25,947	21,357	465.29%	4,590	13,328	9,652	262.57%	3,676
Provision for Tax	(6,721)	(4,796)	249.14%	(1,925)	(3,332)	(1,901)	132.84%	(1,431)
Profit/Loss After Tax	19,226	16,561	621.43%	2,665	9,996	7,751	345.26%	2,245
EPS (cents)	160	139	661.90%	21	83	65	361.11%	18



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Table 2 shows RML's Year End Financial Data over the period 2003-2006.

Table 2

Readymix Year End Financial Data (2003-2006)							
	YE 2006 \$'000	% Change '05-'06	YE 2005 \$'000	% Change '04-'05	YE 2004 \$'000	% Change '03-'04	YE 2003 \$'000
Revenue	258,611	40.59%	183,943	20.97%	152,053	9.98%	138,258
Operating Profit/Loss	27,933	203.52%	-26,982	-721.13%	4,344	-75.82%	17,968
Finance Cost	-4,933	4.96%	-4700	55.63%	-3,020	47.46%	-2,048
Profit Before Tax	23,000	172.60%	-31,682	2492.90%	1,324	-83.81%	8,178
Provision for Tax	-6,826	230.67%	5,224	4603.45%	-116	-95.38%	-2,512
Profit After Tax	16,174	161.13%	-26,458	2290.23%	1,208	-78.68%	5,666
EPS (Cents)	129	160.28%	-214	2477.78%	9	-79.55%	44
Market Price @ Financial Year End	\$4.22	11.05%	\$3.80	-45.32%	\$6.95	14.88%	\$6.05
P/E Ratio @ Financial Year End	3.27		***		77.22		13.75
Dividend (Cents)	0	-100.00%	3	-66.67%	9	-40.00%	15
Dividend Payout Ratio	0.00%		-1.40%		100.00%		34.09%
Dividend Yield	0.00%		0.80%		1.29%		2.48%
Net Asset Value	\$2.23	237.88%	\$0.66	-77.16%	\$2.89	-12.42%	\$3.30
Market to Book Ratio	1.89		5.76		2.4		1.83
Return on Equity	87.17%		***		3.59%		14.23%
Return on Assets	11.02%		***		0.96%		5.30%
Shares Outstanding	12,000,000		12,000,000		12,000,000		12,000,000



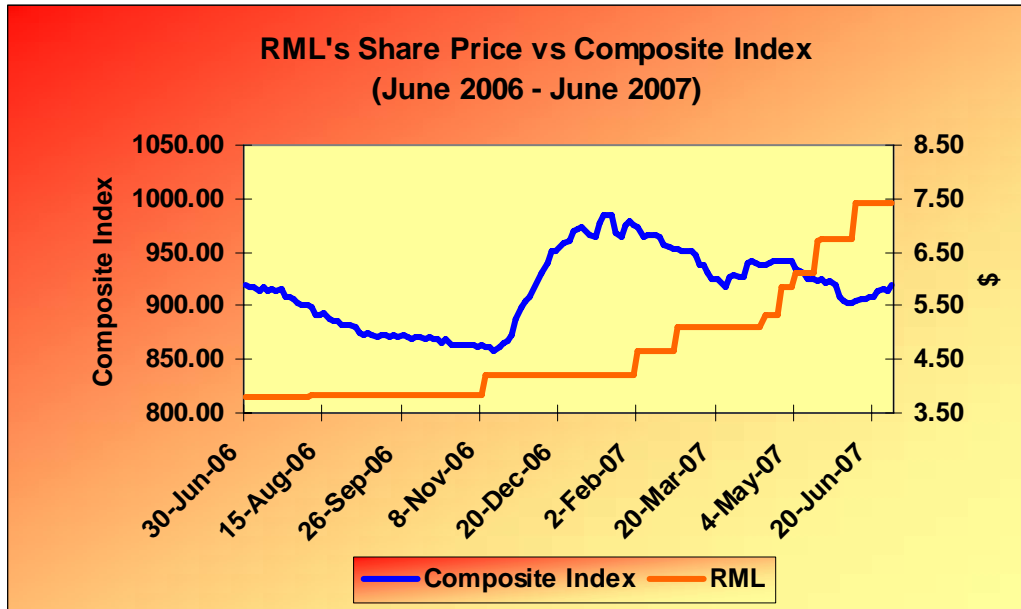
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Share Price

Over the 12 month period ended June 30, 2007, RML's share price saw an upward movement from a low of \$3.80 to a high of \$7.42. Even when the Composite Index was on a decline, the share was able to maintain its momentum, not giving into the pressures which depressed the rest of the market. (See Graph 2)

Graph 2





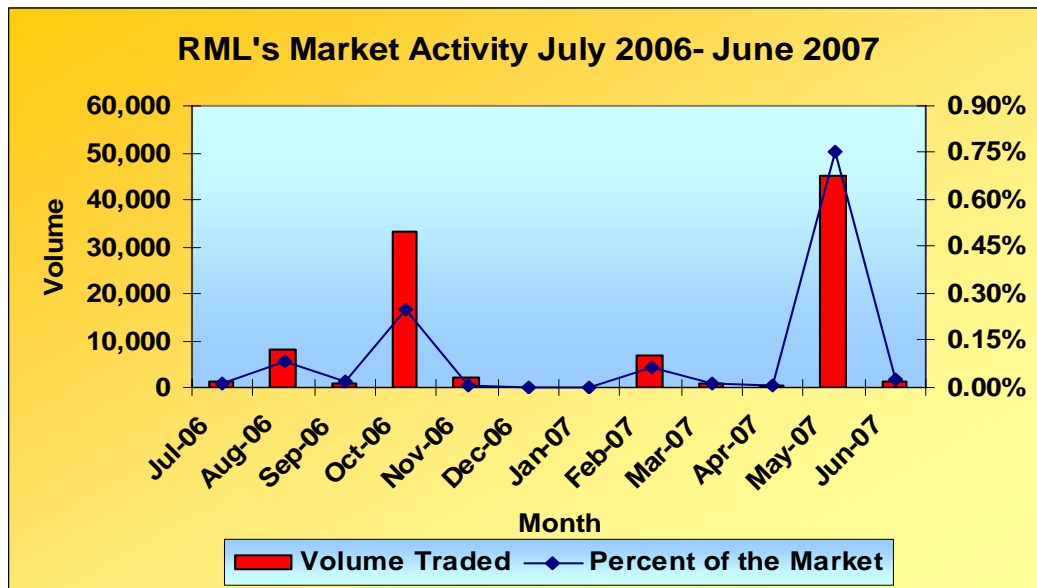
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Volumes Traded

Over the period July 2006 to June 2007, RML saw a total of 98,999 shares traded with May 2007 being the most active as 44,949 shares changed hands, this month also saw the largest percentage (0.75 per cent) of shares traded when compared to the rest of the market. December 2006 and January 2007 were the slowest months for this share as no shares were traded. (See Graph 3).

Graph 3



Recommendation

The Directors have stated that going forward, the improved profitability is expected to continue. Based on these results, we are revising our forecasted EPS upwards to \$3.00 for FY07. At the current price of \$7.15 and this forecasted EPS, this share is trading at a very low price to earnings multiple of 2.38 times. While this multiple is very attractive and we continue to recommend a **BUY**, we would also like to remind investors that approximately 80 per cent of the issued share capital of this company is held by substantial interests. As such, acquiring this share will most likely be difficult.

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