

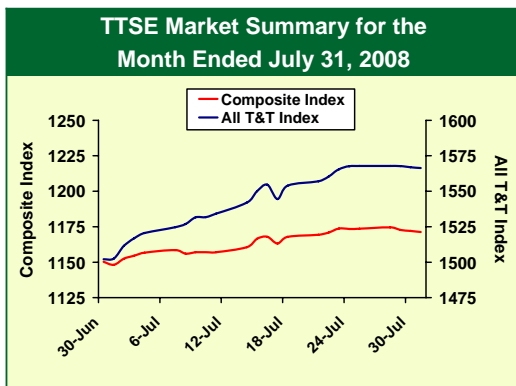


Securing Your Future Is Our Main Investment

THE WISE CHRONICLE July 2008

Local Market Summary

The local equity market showed positive strides for the month of July as both the Composite Index and the All T&T Index trended upward. The Composite Index rose 21.0445 points or 1.83 per cent to 1,171.2844 while the All T&T Index closed the month at 1,566.3611, up 64.2776 points or 4.28 per cent. Advances outnumbered declines by a ratio of 14 to 9.



Market activity for July picked up considerably as a total of 17,640,191 shares changed ownership. This represented a considerable increase of 36.33 per cent when compared to June, which saw a total of 12,939,580 shares change hands. Additionally, when compared to the corresponding period in 2007, volumes were up by an outstanding 239.00 per cent from 5,203,609 shares traded.

The value of shares traded for the month under review was \$277,488,327.12, up a significant 22.72 per cent from the \$226,121,826.54 in the previous month and a

substantial 215.68 per cent from the \$87,902,870.39 in July 2007.

Volume Leaders

This month's top three volume leaders each belonged to one of the three major Caribbean markets. The volume leader for the month was Trinidad Cement Limited (TCL) commanding 33.99 per cent of the market with a total volume of 5,996,728 shares traded. The Jamaican conglomerate, GraceKennedy Limited (GKC) was next with 1,835,093 shares crossing the floor or 10.40 per cent of all trades. Barbados based Sagcor Financial Corporation (SFC) followed with 1,697,918 shares traded or 9.63 per cent of the total volume traded.

Major Advances & Declines

Readymix (West Indies) Limited (RML) emerged as the major advance this month, up an impressive 51.08 per cent or \$9.00 to close at \$26.62. Angostura Holdings Limited (AHL) came in as the second major advance, rising 26.40 per cent or \$1.65 to end the month at \$7.90. Next was L.J. Williams Limited "B" (LJWB), advancing 24.50 per cent or 37 cents to \$1.88.

Declines were led by National Flour Mills Limited (NFM), which fell 13.16 per cent or 15 cents to close the month at \$0.99. Jamaica Money Market Brokers Limited (JMMB) followed declining 9.09 per cent or 10 cents to \$1.00 while SFC was the third major decline, down 8.78 per cent or \$1.90 to \$19.74.

Jamaica Market Summary

Indices in Jamaica ended mixed for the month of July. The Market Index advanced 149.52 points or 0.14 per cent to close at 109,903.53; the Select Index declined 16.68 points or 0.55 per cent to 3,016.58 and the All Jamaican Composite dropped 868.62 points or 0.79 per cent to 109,399.64. Advances were outnumbered by declines by a ratio of 12 to 25.

Trading activity resulted in 153,456,296 shares changing hands valued at over JMD1,557,701,758.08. Supreme Ventures Limited (SVL) took the title of volume leader with 35.90 per cent of the market or 55,096,265 shares traded. The major advance was Salada Foods Limited (SALF), up 22.73 per cent or JMD25.00 to close at JMD135.00 while the major decline was Ciboney Group Limited (CBNY), down 33.33 per cent or JMD0.01 to JMD0.02.

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

Earnings Per Share

The admirable performance of Neal & Massy Holdings Limited (NML) from the First Half of fiscal 2008 continued into the Third Quarter. The Group had an impressive Third Quarter with a reported Earnings Per Share (EPS) of \$1.23, representing an outstanding increase of 30.9 per cent or 29 cents on the comparable quarter's EPS of 94 cents in fiscal 2007. For the Nine Months Ended June 30, 2008, NML's EPS was up a significant 29.9 per cent or 82 cents from \$2.74 (NM07) to \$3.56 (NM08). The Group's earnings were calculated using a weighted average number of shares of 92.2 million as at June 30, 2008 compared with 88.9 million at June 30, 2007.

For the period under review, the Group's results reflected four months (March to June 2008) of its increased shareholding in The Barbados Shipping & Trading Company Limited (BS&T). In addition, Almond Resorts Inc., in which the Group now holds a 51 per cent interest, was treated as a subsidiary for the first time.

Financial Highlights (NM08 on NM07)

- Group Third Party Revenue, up a noteworthy 41.4 per cent or \$1.5 billion to \$5.2 billion
- Operating Profit, up an outstanding 38.5 per cent or \$122.6 million to \$441.2 million
- Share of Results of Associated Companies, up 38.6 per cent or \$17.0 million to \$60.9 million
- Profit After Taxation, up a significant 35.3 per cent or \$93.0 million from \$263.2 million (NM07) to \$356.2 million (NM08)

Financial Highlights (Q308 on Q307)

- Group Third Party Revenue, up 81.2 per cent or \$987.8 million to \$2.2 billion
- Operating Profit, up 58.3 per cent or \$65.9 million to \$178.9 million
- Share of Results of Associated Companies, down 47.1 per cent or \$5.7 million to \$6.5 million
- Profit After Taxation, up 41.2 per cent or \$37.4 million from \$91.0 million (Q307) to \$128.4 million (Q308)

Recommendation

NML is currently trading at a price of \$61.96. At the current price and our forecasted EPS of \$5.15 for fiscal 2008, this share is trading at a P/E multiple of 12.0

times. Additionally at the forecasted EPS and a multiple of 13 times, this share has an expected return of approximately 8 per cent on the current price or a target price of \$66.95. At this time we recommend a **BUY** on this share.

OCM Releases Half Year Results

Results for the Half Year Ended June 30, 2008

Earnings Per Share

For the Half Year Ended June 30, 2008, One Caribbean Media Limited (OCM) reported Earnings Per Share (EPS) (inclusive of ESOP) of \$0.59, up 13.5 per cent or 7 cents on the \$0.52 reported in the same period in FY07. Q208 on Q207, the Group's EPS grew by 12.1 per cent or \$0.04 from \$0.33 to \$0.37.

Financial Highlights:

- Revenue, up 12.1 per cent or \$26.6 million to \$245.5 million
- Cost of Sales, up 6.8 per cent or \$10.0 million to \$158.2 million
- Gross Profit, up a significant 23.4 per cent or \$16.5 million to \$87.3 million
- Administrative Expenses, up 34.0 per cent or \$8.6 million to \$34.0 million
- Marketing Expenses, down 18.3 per cent or \$0.4 million to \$1.8 million
- Operating Profit, up 19.2 per cent or \$8.3 million from \$43.2 million to \$51.5 million
- Dividend Income, up 100.8 per cent or \$0.1 million to \$0.2 million
- Interest Income, down 40.5 per cent or \$1.3 million to \$1.9 million
- Finance Costs, up a considerable 45.6 per cent or \$0.2 million to \$0.7 million
- Profit After Taxation, up 14.3 per cent or \$4.9 million from \$34.5 million to \$39.4 million

Dividends

The Directors approved an Interim Dividend of 26 cents per share (2007: 25 cents) to be paid on August 28, 2008 to shareholders on the close of the Register as at August 18, 2008.

Recommendation

OCM is currently trading at a price of \$18.40. At the current price and our forecasted EPS of \$1.40 for fiscal 2008, this share is trading at a price to earnings multiple of 13.1 times. At the forecasted EPS and a multiple of 14 times, this share has an expected return of approximately 7 per cent on the current price or a

target price of \$19.60. At this time we recommend a **BUY** on this share.

UCL Releases Half Year Results

Results for the Half Year Ended June 30, 2008

Earnings Per Share

For the Half Year Ended June 30, 2008, Unilever Caribbean Limited (UCL) reported Earnings Per Share (EPS) of \$0.56, down 12.5 per cent or \$0.08 on the comparable Half Year period in FY07. According to the Chairman, the business challenge continued to be at the Gross Profit level, where rising global commodity prices continued to impact on raw and packaging material costs as well as increased production costs.

Financials

- Turnover, up 10.1 per cent or \$20.4 million to \$223.4 million
- Cost of Sales, up 13.8 per cent or \$17.1 million to \$141.0 million
- Gross Profit, up 4.2 per cent or \$3.3 million to \$82.4 million
- Operating Profit, down 3.6 per cent or \$0.8 million to \$22.4 million
- Profit After Taxation, down 12.4 per cent or \$2.1 million to \$14.7 million

Dividends

The Board of Directors has declared an interim dividend of \$0.28 per share, payable on September 5, 2008 to all shareholders whose names appear on the Register of Members as at August 15, 2008.

Recommendation

The Chairman stated that taking into account the current uncertain industrial climate, the outlook for the remainder of the year is for some improvement over the first half but significant full year profit growth over last year appears unlikely.

The shares of UCL are currently trading at a price of \$21.03. At our forecasted EPS of \$1.40 and the current price, this share is trading at a price to earnings multiple of 15.0 times. At this time we recommend a **HOLD** on 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 JULY 31, 2008

	Hist Eps	Est Eps	Est Div	Curr Price	Est Yield %	Est P/E Ratio
Bank						
FirstCaribbean	107.0	73.0	28.0	11.50	2.43	15.75
NCB Jca	25.0	28.0	7.0	2.05	3.41	7.32
Republic Bank	834.0	725.0	300.0	102.15	2.94	14.09
Scotiabank	210.4	245.0	95.0	42.91	2.21	17.51
Non-Bank Fin						
ANSA Fin & Merch	207.0	235.0	95.0	36.95	2.57	15.72
Capital & Credit	6.5	7.0	0.0	0.81	0.00	11.57
Scotia DBG	29.0	30.0	12.0	2.99	4.01	9.97
Guardian Holdings	61.0	310.0	80.0	30.95	2.58	0.00
JMMB	7.0	7.0	1.8	1.00	1.80	14.29
National Enterprises	89.0	89.0	67.0	12.50	5.36	14.04
Sagicor Financial Corp	203.0	190.0	42.0	19.74	2.13	10.39
Conglomerates						
Ansa Mcal Ltd	351.0	420.0	108.0	61.00	1.77	14.52
Bdos Ship & Trad	150.0	165.0	66.0	27.93	2.36	16.93
GraceKennedy	91.7	83.0	9.0	8.42	1.07	10.14
Neal and Massy	415.0	515.0	155.0	64.45	2.40	12.51
Trading						
Agostini's Ltd	103.0	115.0	46.0	10.50	4.38	9.13
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'	15.0	25.0	9.0	1.88	4.79	7.52
Prestige Holdings	24.4	10.0	6.0	4.40	1.36	44.00
Property						
PLIPDECO	372.00	410.0	20.0	9.70	2.06	2.37
Valpark	138.0	138.0	0.0	5.00	0.00	3.62
Manufacturing						
Angostura Holdings	-67.0	0.0	0.0	7.90	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	5.83	7.20	5.83
National Flour Mills	-45.0	0.0	0.0	0.99	0.00	0.00
One Caribbean Media	133.0	140.0	77.0	18.49	4.16	13.21
Readymix WI	316.0	380.0	24.0	26.62	0.90	7.01
Trinidad Cement	77.0	95.0	9.0	10.74	0.84	11.31
Trinidad Publishing	121.0	125.0	50.0	22.63	2.21	18.10
Unilever Caribbean Ltd	138.0	140.0	100.0	21.27	4.70	15.19
WITCO	186.0	200.0	196.0	31.50	6.22	15.75

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