WISE

Equity Research: Trinidad & Tobago

Neal & Massy Holdings Limited
NML

NM08 Results

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)

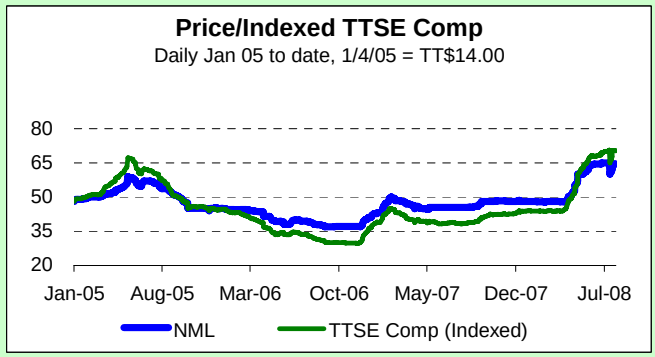
Financial Highlights (Q308 on Q307)

- 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 $64.40. At the current price and our forecasted EPS of $5.15 for fiscal 2008, this share is trading at a P/E multiple of 12.5 times. At this time we recommend a **HOLD** on this share.

Date	6-Aug-08
Recommendation	**HOLD**
Price (TT$)	64.40
Target Price (TT$; 12 months)	66.95
52 week high - low (TT$)	65.00 - 45.48
Market cap. (TT$MM)	6,397.3
Float cap. (TT$MM)	5,611.5



On 12/31/04 the TTSE Comp was at 1,074.

Period	**YE08E**	YE07A	YE06A	Chnge. %
($MM)				
Revenue	**5,900**	5,086	4,202	21.0%
Operating Profit	**583**	474	402	17.9%
Share of Results of Associated Companies	**96**	71	32	121.9%
PAT	**495**	398	318	25.2%
Interest Expense	**(82)**			
97% of BS&T Forecast	**125**			
Revised PAT	**538**			
EPS	**5.15**	4.15	3.37	23.1%
- Q1	**1.15**	0.84	0.64	31.3%
- Q2	**1.18**	0.96	0.72	33.3%
- Q3	**1.23**	0.94	0.71	32.4%
- Q4		1.41	1.30	8.5%

Period	**Q408E**	Q308A	Q307A	Chnge. %
($MM)				
Revenue		2,205	1,217	81.2%
Operating Profit		179	113	58.4%
Share of Results of Associated Companies		6	12	-50.0%
PAT		128	91	40.7%
EPS		1.23	0.94	30.9%

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