

ANSA McAL Group of Companies Limited (AMCL)

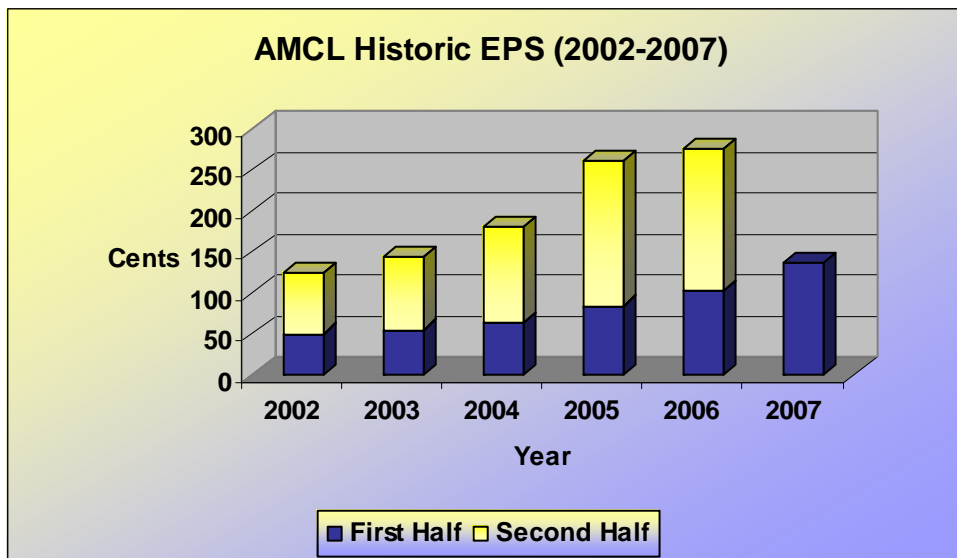
SYMBOL	AMCL
RECOMMENDATION	BUY
Current Price	\$46.98
Running EPS	\$3.12
Projected EPS	\$3.50
P/E at Projected EPS	13.42 times
Estimated Dividend	\$0.95
Dividend Yield at Estimated Dividend	2.02%
Return on Assets	6.76%
Return on Equity	18.91%

Results for the Half Year Ended June 30, 2007

Earnings Per Share

For the Half Year Ended June 30, 2007, ANSA McAL Limited (AMCL) reported Earnings Per Share (EPS) of \$1.37, up an outstanding 35.64 per cent or \$0.36 on the corresponding Half Year in FY06. Q207 on Q206, the Company's EPS was also up significantly, from \$0.49 to \$0.70. **Graph 1** below shows that AMCL's EPS has been growing consistently over the period 2002 to 2007.

Graph 1





Financials

Third Party Turnover for the period under review amounted to \$2.31 billion, up a significant 19.37 per cent or \$375.20 million on the comparable period in the last financial year. Q207 on Q206, this figure grew by 17.78 per cent or \$181.68 million from \$1.02 billion to \$1.20 billion. The Group's Operating Income for the Half Year was \$418.64 million, up a substantial 32.89 per cent or \$103.62 million from \$315.02 million on the same period in FY06. Q207 on Q206, this figure was also up significantly from \$158.32 million to \$216.67 million.

For the Half Year period under review Finance Costs totaled \$58.27 million and was down 8.67 per cent or \$5.53 million on HY06. Q207 on Q206, Finance Costs fell 15.34 per cent or \$5.31 million from \$34.59 million to \$29.29 million.

Share of Results of Associated Companies for HY07 was \$5.42 million, down a substantial 57.01 per cent or \$7.18 million on the corresponding period in the last financial year. Q207 on Q206, this figure was down 40.67 per cent or \$2.38 million from \$5.84 million to \$3.47 million. The Group's Profit Before Taxation ended the period at \$365.79 million compared to \$263.82 million for HY06, a noteworthy increase of 38.65 per cent.

The Effective Tax Rate for the period under review was 24.42 per cent compared to a Tax Rate of 17.31 per cent for the same period in FY06. As a result, Profit After Taxation stood at \$276.46 million, up 26.74 per cent or \$58.32 million on the corresponding figure for HY06.

Table 1 shows AMCL's Financials for HY07 on HY06 and Q207 on Q206

Table 1

AMCL Financial Data (HY07 on HY06 and Q207 on Q206)								
	HY 2007 \$'000	\$ Change HY'07- HY'06	% Change HY'07- HY'06	HY2006 \$'000	Q2 2007 \$'000	\$ Change Q2'07- Q2'06	% Change Q2'07- Q2'06	Q2 2006 \$'000
Third Party Turnover	2,312,590	375,196	19.37%	1,937,394	1,203,775	181,680	17.78%	1,022,095
Operating Income	418,642	103,623	32.89%	315,019	216,668	58,351	36.86%	158,317
Finance costs	(58,271)	5,531	-8.67%	(63,802)	(29,286)	5,306	-15.34%	(34,592)
Share of results of Associated Company/Joint Venture	5,417	-7,184	-57.01%	12,601	3,466	-2,376	-40.67%	5,842
Profit Before Taxation	365,788	101,970	38.65%	263,818	190,848	61,281	47.30%	129,567
Taxation	(89,324)	-43,647	95.56%	(45,677)	(52,349)	-32,752	167.13%	(19,597)
Profit After Taxation	276,464	58,323	26.74%	218,141	138,499	28,529	25.94%	109,970
EPS (Diluted)	\$1.37	\$0.36	35.64%	\$1.01	\$0.70	\$0.21	42.86%	\$0.49



Table 2 below shows the Year End Financial Data for AMCL over the period 2003-2006.

Table 2

AMCL Year End Financial Data (2003-2006)							
	YE 2006 \$'000	% Change '05-'06	YE 2005 \$'000	% Change '04-'05	Restated YE 2004 \$'000	% Change '03-'04	Restated YE 2003 \$'000
Third Party Turnover	4,129,799	18.42%	3,487,465	18.09%	2,953,313	22.17%	2,417,307
Operating Income	811,937	9.57%	741,047	31.40%	563,952	17.28%	480,871
Finance costs	(118,863)	-0.95%	(120,008)	-2.95%	(123,660)	19.45%	(103,523)
Share of results of Associated Company/Joint Ventrue	16,783	-32.10%	24,718	63.85%	15,086	201.30%	5,007
Profit Before Taxation	709,857	9.93%	645,757	41.81%	455,378	19.10%	382,355
Taxation	(130,628)	15.89%	(112,721)	60.42%	(70,266)	-17.95%	(85,639)
Profit After Taxation	579,229	8.67%	533,036	38.41%	385,112	29.79%	296,716
EPS (Diluted)	\$2.76	5.75%	\$2.61	45.00%	\$1.80	25.87%	\$1.43
Market Price @ Financial Year End	\$43.75	8.02%	\$40.50	-3.02%	\$41.76	81.09%	\$23.06
P/E Ratio @ Financial Year End	15.85		15.52		23.20		16.13
Dividend (Cents)	75	15.38%	65	0.00%	65	0.00%	65
Dividend Payout Ratio (%)	27.17%		24.90%		36.11%		45.45%
Dividend Yield	1.71%		1.60%		1.56%		2.82%
Net Asset Value	\$16.22	17.28%	\$13.83	18.41%	\$11.68	14.40%	\$10.21
Market to Book Ratio	2.70		2.93		3.58		2.26
Return on Equity	20.84%		17.22%		15.54%		15.04%
Return on Assets	5.92%		8.40%		5.53%		5.29%
Shares Outstanding	175,289		175,289		175,289		173,609

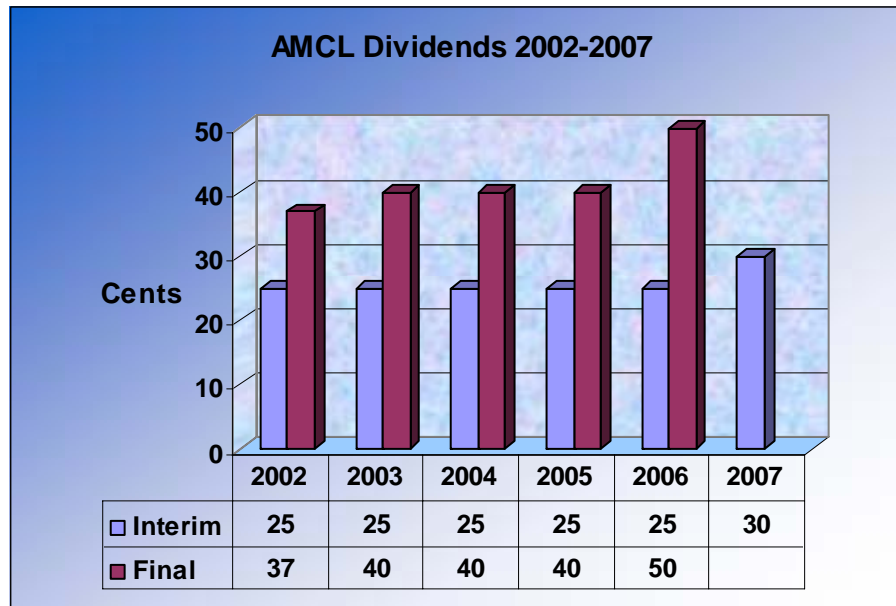
Chairman's Statements

The Directors were pleased to announce that the results for the Half Year Ended June 30, 2007 were the best half year results for the Company to date. Also, they are confident that the trend will continue into the third quarter of 2007.

Dividends

The Board has recommended an interim dividend of 30 cents per share (2006-25 cents) payable on November 16, 2007 to shareholders on the register on November 2, 2007. **Graph 2** below shows the dividends paid by the Group over the period 2002-2007.

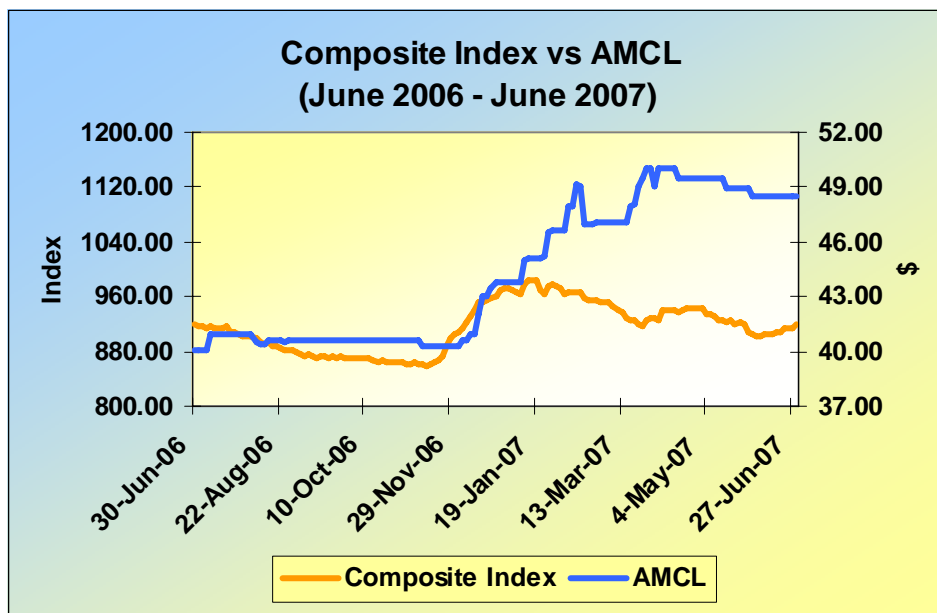
Graph 2



Share Price

The share price of AMCL started the 12-month period ended June 30, 2007 at a low of \$40.03 and traded in the range of \$40.00 to \$41.00 until mid-December before starting on an upward trend to mid-February 2007. The share price then dropped 4.08 per cent from \$49.00 on February 14 to \$47.00 on February 16, the largest decline in one trading day over the 12-month period. AMCL continued to trade around the \$47.00 price until mid-March and then rose to a high of \$50.00 on March 27, 2007. AMCL subsequently closed the period at \$48.45 (See Graph 3).

Graph 3





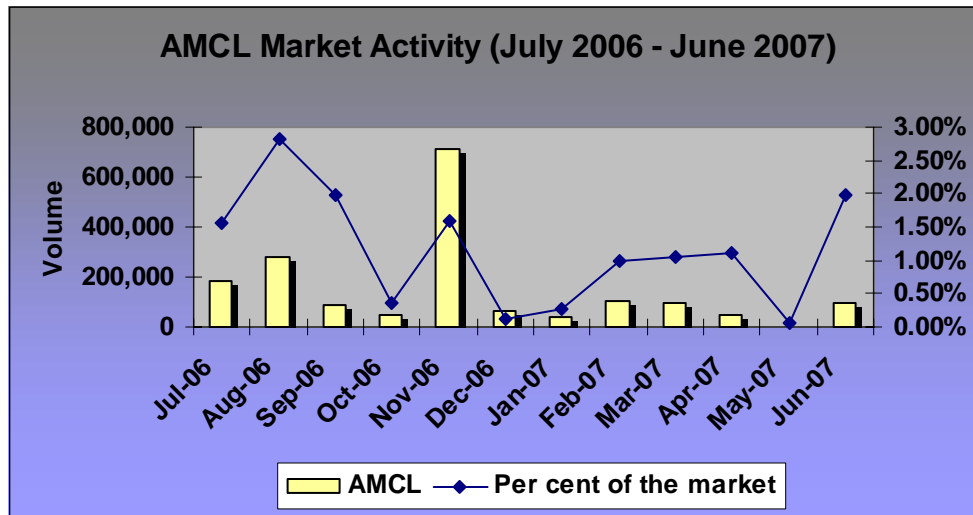
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Market Activity

AMCL saw a total of 1,764,112 shares change hands over the period July 2006 to June 2007. November 2006 had the highest volume traded with 714,077 shares crossing the floor, while May 2007 was the least active with a minimal 2,946 shares changing ownership. August 2006 saw the highest percentage (2.83 per cent) of AMCL shares traded when compared to the rest of the market while May 2007 saw the lowest percentage traded (0.05 per cent). (See Graph 4 below).

Graph 4



Recommendation

AMCL last closed at a price of \$46.98 on the local exchange. In light of the current results and forward looking statements of the Directors, we are revising our forecasted EPS upwards to \$3.50. Using this revised forecast and the current price, this share is trading at a price to earnings multiple of 13.42 times. Additionally, using a multiple of 15 times and the revised forecasted EPS, this share is has an expected return of approximately 12 per cent on the current price or a target price of \$52.50. Thus, we continue to recommend a **BUY** on this share.

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