

**L.J. Williams Limited (LJWB)**

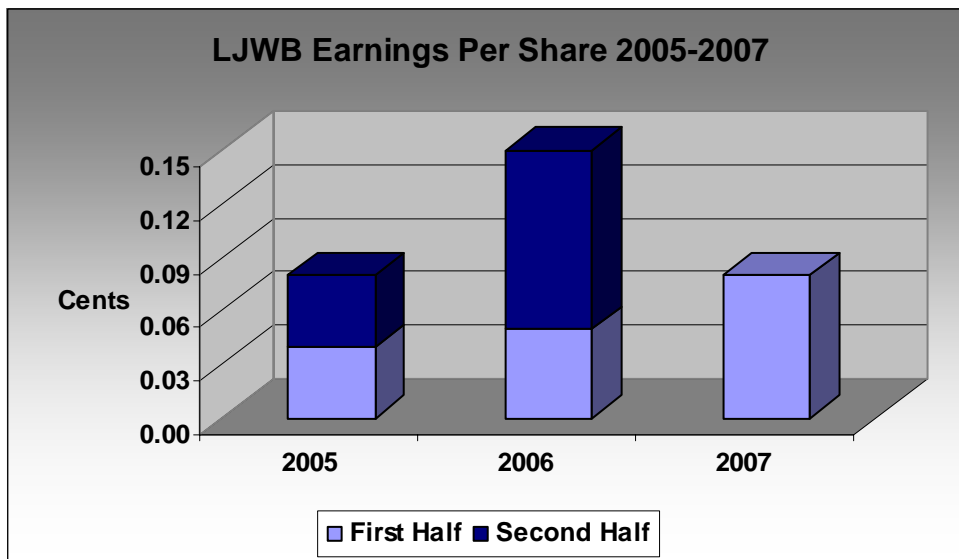
<u>SYMBOL</u>	<u>LJWB</u>
<b>RECOMMENDATION</b>	<b>BUY</b>
<b>Current Price</b>	<b>\$1.40</b>
<b>Running EPS</b>	<b>\$0.18</b>
<b>Projected EPS</b>	<b>\$0.20</b>
<b>P/E at Projected EPS</b>	<b>7 times</b>
<b>Dividend Yield at Estimated Dividend</b>	<b>6.43%</b>
<b>Return on Assets</b>	<b>2.75%</b>
<b>Return on Equity</b>	<b>4.48%</b>

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

**Earnings Per Share**

For the Half Year Ended June 30, 2007, L.J. Williams Limited (LJWB) reported Earnings Per Share (EPS) of 8 cents, up a commendable 60 per cent or 3 cents on the comparable period for fiscal 2006. **Graph 1** below shows LJWB's EPS over the period 2005 to 2007.

**Graph 1**





West Indies Stockbrokers Ltd.  
1<sup>st</sup> Floor, Albion Plaza,  
22-24 Victoria Avenue,  
Port of Spain.  
Tel: 625-9473; Fax: 627-5002

Equity Research Team  
Gia Singh (Ext 2264)  
[gias@wisett.com](mailto:gias@wisett.com)  
Nancy Chen (Ext 2225)  
[nancyc@wisett.com](mailto:nancyc@wisett.com)

## Financials

Sales for the Half Year period amounted to \$63.72 million, up 12 per cent or \$6.83 million when compared to the Half Year period in fiscal 2006. Operating Profit increased an outstanding 41.23 per cent or \$0.67 million to \$2.30 million while Finance Costs was up 10.97 per cent or \$0.06 million to end the Half Year at \$0.61 million.

Half Year on Half Year, Profit Before Taxation increased a substantial 56.59 per cent or \$0.61 million from \$1.08 million in fiscal 2006 to \$1.69 million in fiscal 2007. The Effective Tax Rate for the period under review was 9.95 per cent compared to a Tax Rate of 13.45 per cent in the previous year. Thus, Profit After Taxation rose a considerable 62.92 per cent or \$0.59 million to \$1.52 million.

*Table 1 shows LJWB's Half Year Financials for 2006 and 2007*

**Table 1**

L.J. Williams Limited Half Year Financial Data				
	HY 2007 \$'000	\$ Change HY06-HY07	% Change HY06-HY07	HY 2006 \$'000
<b>Sales</b>	63,717	6,826	12.00%	56,891
<b>Operating Profit</b>	2,295	670	41.23%	1,625
Finance Cost	(607)	(60)	10.97%	(547)
<b>Profit Before Tax</b>	1,688	610	56.59%	1,078
Taxation	(168)	(23)	15.86%	(145)
<b>Group Net Profit After Taxation</b>	1,520	587	62.92%	933
<b>EPS (cents)</b>	\$0.08	\$0.03	60.00%	\$0.05



West Indies Stockbrokers Ltd.  
 1<sup>st</sup> Floor, Albion Plaza,  
 22-24 Victoria Avenue,  
 Port of Spain.  
 Tel: 625-9473; Fax: 627-5002

Equity Research Team  
 Gia Singh (Ext 2264)  
[gias@wisett.com](mailto:gias@wisett.com)  
 Nancy Chen (Ext 2225)  
[nancvc@wisett.com](mailto:nancvc@wisett.com)

Table 2 shows LJWB's Year End Financial Data Comparison from 2005 to 2006

Table 2

L.J. Williams Limited Year End Financial Data				
	YE 2006 \$'000	\$ Change '05-'06	% Change '05-'06	YE 2005 \$'000
<b>Revenue</b>	131,395	16,600	14.46%	114,795
Cost of Sales	(103,001)	(10,665)	11.55%	(92,336)
<b>Gross Profit</b>	28,394	5,935	26.43%	22,459
<b>Expenses</b>				
Distribution Costs	(2,303)	(85)	3.83%	(2,218)
Administrative Expenses	(22,336)	(242)	1.10%	(22,094)
Other Income	956	(5,098)	-84.21%	6,054
	(23,683)	(5,425)	29.71%	(18,258)
<b>Operating Profit from Ordinary Activities</b>	4,711	510	12.14%	4,201
Finance Income	5	(46)	-90.20%	51
Finance Costs	(740)	597	-44.65%	(1,337)
Finance Costs-net	(735)	551	-42.85%	(1,286)
Profit Before Income Tax	3,976	1,061	36.40%	2,915
Income Tax Expense	(250)	610	-70.93%	(860)
<b>Profit for the Year</b>	3,726	1,671	81.31%	2,055
<b>EPS</b>	\$0.15	\$0.07	87.50%	\$0.08
Market Price @ Financial Year End	\$1.35	\$0.01	0.75%	\$1.34
P/E Ratio @ Financial Year End	9.00			16.75
Dividend	\$0.07	\$0.01	16.67%	\$0.06
Dividend Payout Ratio	46.67%			75.00%
Dividend Yield	5.19%			4.48%
Net Asset Value	\$3.40	\$0.11	3.34%	\$3.29
Market to Book Ratio	0.40			0.41
Return on Equity	5.64%			3.50%
Return on Assets	3.53%			2.16%
Shares Outstanding	19,742,074			19,742,074

### Share Price

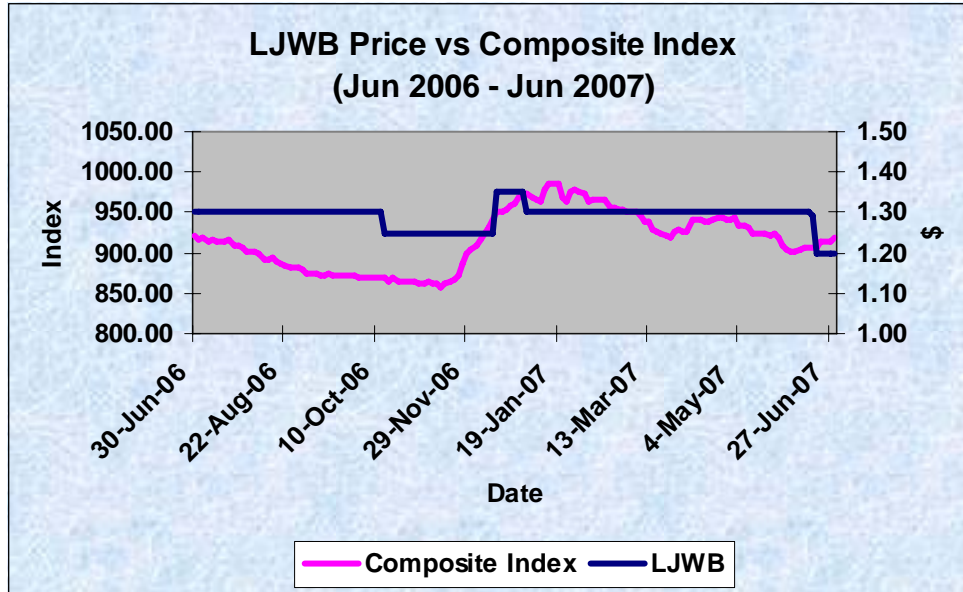
Over the period June 2006 to June 2007, LJWB's share price traded mostly at a price of \$1.30. The share saw a high of \$1.35 on December 15, 2006 and a low of \$1.20 on June 20, 2007. The share closed the 52-week period at its low on June 29, 2007. **Graph 2** below shows LJWB's share price movement relative to the Composite Index.



West Indies Stockbrokers Ltd.  
1<sup>st</sup> Floor, Albion Plaza,  
22-24 Victoria Avenue,  
Port of Spain.  
Tel: 625-9473; Fax: 627-5002

Equity Research Team  
Gia Singh (Ext 2264)  
[gias@wisett.com](mailto:gias@wisett.com)  
Nancy Chen (Ext 2225)  
[nancyc@wisett.com](mailto:nancyc@wisett.com)

Graph 2



### Dividends

The Chairman has stated that the Group is expected to continue this upward trend and to show a solid performance at the end of the year. Additionally, the Board decided to forego an interim dividend.

### Recommendation

Currently the shares of LJWB are trading at a price of \$1.40. At the current price and our forecasted EPS of \$0.20 cents, these shares are trading at a price/earnings ratio of 7 times. Based on this analysis, we recommend a **BUY** on this share, however, we do caution investors that this share may prove difficult to acquire as approximately 57 per cent of the issued share capital is held by substantial interests.

This document is based on information obtained from sources, which we believe to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, West Indies Stockbrokers Limited. Expressions of opinion herein are subject to change without notice. This document is not, and should not be construed as, an offer or the solicitation of an offer to buy or sell securities. West Indies Stockbrokers Limited and or their officers, directors, and employees may own or have positions in any of the securities mentioned herein, and may from time to time add or dispose of any such securities. This document is for the information of clients only and is not for publication in the Press or elsewhere without the permission of West Indies Stockbrokers Limited. WISE is a subsidiary of RBTT Financial Holdings Limited

West Indies Stockbrokers Limited, 1<sup>st</sup> Floor Albion Plaza, 22-24 Victoria Avenue, Port of Spain, Trinidad (868) 623-4861 Fax (868)-627-5002 e-mail: [info@wisett.com](mailto:info@wisett.com) Member of the Trinidad and Tobago Stock Exchange Ltd.