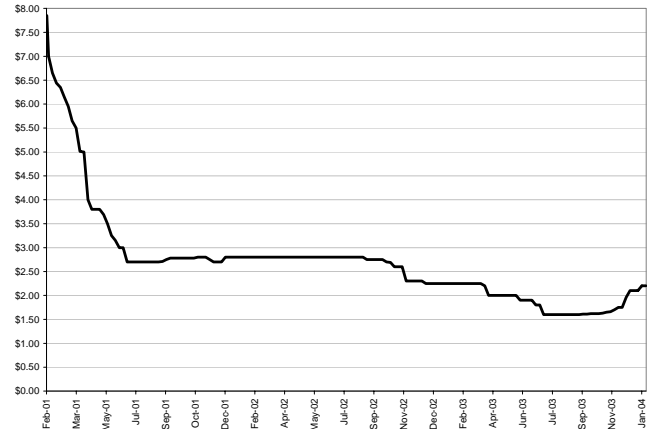




BWIA West Indies Airways Limited

Recent Price	\$ 2.25	EPS(est.2003)	\$ -
52 Wk Range	\$ 1.60 - 2.25	Div.(est.2003)	\$ -
Shares O/s	47,533,856	Yld(est.2003)	0.00%
Float	39,876,152	P/E (est.2003)	N/A
Market Cap.	\$ 106,951,176	Fiscal Yr End	December
ACTUAL	2002	2001	2000
P/E Ratio	N/A	N/A	N/A
EPS	\$ (4.65)	\$ (0.20)	\$ 0.09
Div. Payout	Nil	Nil	Nil
ROE% (Avg)	N/A	N/A	6.85%
ROA% (Avg)	N/A	N/A	0.73%
B.V. / Share	\$ (2.67)	\$ 1.88	\$ 1.96
LT Debt	\$ 252,943,000	\$ 330,862,000	\$ 176,454,000
Pref. Equity	\$ 59,500,000	\$ 59,500,000	\$ 59,500,000
Comm. Equity	-\$ 126,984,000	\$ 89,127,000	\$ 93,140,000



The July to September quarter is the best period for BWIA with the usual two-way passenger traffic. We however remain guarded on the near-term prospects of the Airline, given initiatives by the Government of Trinidad and Tobago (GORTT) and a possible partnership with another regional carrier.

The Company

The Company traces its origins to British West Indian Airways, a privately owned airline serving the routes of Trinidad, Barbados and Tobago. The original airline was founded in 1940, and by the 1950's routes had expanded to include Miami, USA, Venezuela and Jamaica. On January 4, 1995 BWIA International Airways Limited was incorporated following privatisation. The Company is the largest airline in the eastern, western and southern Caribbean in terms of revenue and available seat miles.

The major shareholders are the Ministry of Finance (Corporation Sole) 49.6 per cent, American International Underwriters Overseas Limited 10.0 per cent, Roytrin Securities Limited 10.0 per cent, Gordon A Cain 7.0 per cent, and Lant and Company 5.0 per cent.

**BWIA West Indies Airways Limited****Results for the Six Months ended June 30, 2003**

The National Airline continued to endure some difficult times in the first half ended June 30, 2003. Operating revenue was down by 9.7 per cent in the first half of 2003 to \$705.7 million, compared to the similar period's 2002 figure of \$781.3 million. As a result of some stringent cost cutting, operating expenses declined by 5.0 per cent to \$767.6 million in 2003 from the \$808.3 million incurred in 2002.

The operating loss more than doubled in the first half of 2003 to \$61.9 million in 2003 from the 2002 amount of \$27.0 million. Losses after taxation amounted to \$84.3 million in 2003, while in the corresponding 2002 period, the loss was 54.6 million. BWIA's loss after taxes and minority interest reached \$85.9 million in the first half of 2003. In 2002 the comparable figure was \$54.3 million.

Results for the Year Ended December 31, 2002.

BWIA experienced a delay in releasing financial results for the fiscal year ended December 31, 2002. There was no surprise that the results were down when compared with fiscal 2001.

The airline's operating loss increased to \$116.2 million in 2002, as opposed to a loss of \$16.4 million incurred in 2001. Significantly, extraordinary items, which provided a \$62.1 million income cushion in 2001 in the form of a US\$9.9 million government grant did not recur in 2002. Rather, BWIA was faced with having to provide for restructuring, costing of \$51.7 million. This relates to the retrenchment of employees.

The Group loss after taxation totaled \$216.7 million in 2002. The comparable loss in 2001 was \$4.3 million. The loss per share for fiscal 2002 was \$4.65. The auditors have qualified their report and pointed to the airline's accumulated losses of \$420.9 million, together with a working capital deficit of \$313.8 million as at December 31, 2002.

The airline has recently entered into an agreement with LIAT, another regional carrier. The Government of Trinidad and Tobago also has stepped in and averted the threat of seizure of aircraft by a creditor.

We maintain that any recovery in the airline is contingent upon obtaining of additional financing, worldwide improvement in the industry, and most importantly, better performance from BWIA itself. This would include greater cost controls, and greater efficiency in operations.

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