

Agostini's Limited

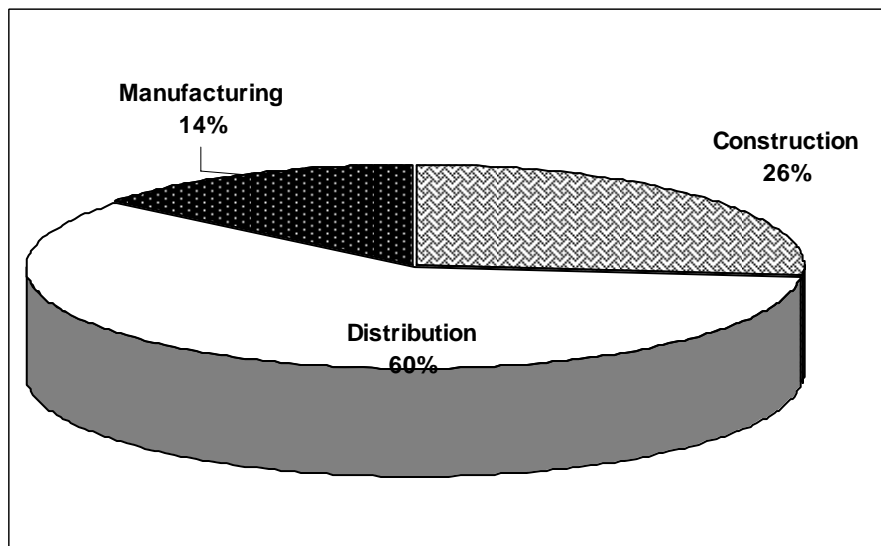
	AGL
RECOMMENDATION	HOLD
Current Price	TT\$10.75
Current Running P/E	10.53 times
Running EPS	\$1.02
Projected EPS	93 cents
Dividend Yield (FY 2005)	3.47%
Return on Assets	8.24%
Return on Equity	16.16%

Half Year ended March 31, 2006

Agostini's Limited reported Earnings Per Share of 35 cents for the half year ended March 31, 2006. This was 40 per cent more than 2005's figure of 25 cents. Of the 35 cents earned for the half year, 21 cents was earned from the first quarter meaning that the second quarter brought in 14 cents or 40.00 per cent of the Company's profit for the half year.

The Company's Distribution Segment continues to drive Revenue (see Figure 1) contributing approximately 60 per cent to Revenue leading to an overall 28.10 per cent increase to \$185.432 million for the half year. Though the Housing Division has experienced challenges common to the construction sector at this time, this segment nevertheless grew impressively by 61.29 per cent in terms of Revenue. Quarter on quarter the total increase in Revenue was 27.33 per cent.

Figure 1





The Company's Profit Before Tax figure increased 38.31 per cent to \$12.961 million while the effective tax rate moved favourably from 29.28 per cent in 2005 to 26.82 per cent in 2006 no doubt aided in part by the reduction in the Corporate Tax Rate. Profit After Tax was up 43.13 per cent to \$9.485 million (16.51 per cent quarter on quarter) while Net Profit For the Period increased 42.45 per cent to \$9.403 million from \$6.601 million in 2005.

The current buoyancy of the Trinidad & Tobago Economy should translate into sustained positive results for the Company's Distribution Segment. In addition, the Company's Construction arm should also continue to perform well as the island's ongoing development continues and the fact that material and labour shortages are being addressed by the Company.

Agostini's Limited is currently trading at a running price earnings ratio of 10.53. At the target Earnings Per Share of 93 cents it is currently trading at 11.51 times earnings. Given that Agostini's usually trades between 10 to 12 times earnings, and the fact that approximately 80 per cent of these shares are held by majority shareholders, we currently recommend a HOLD on this share.

Figure 2

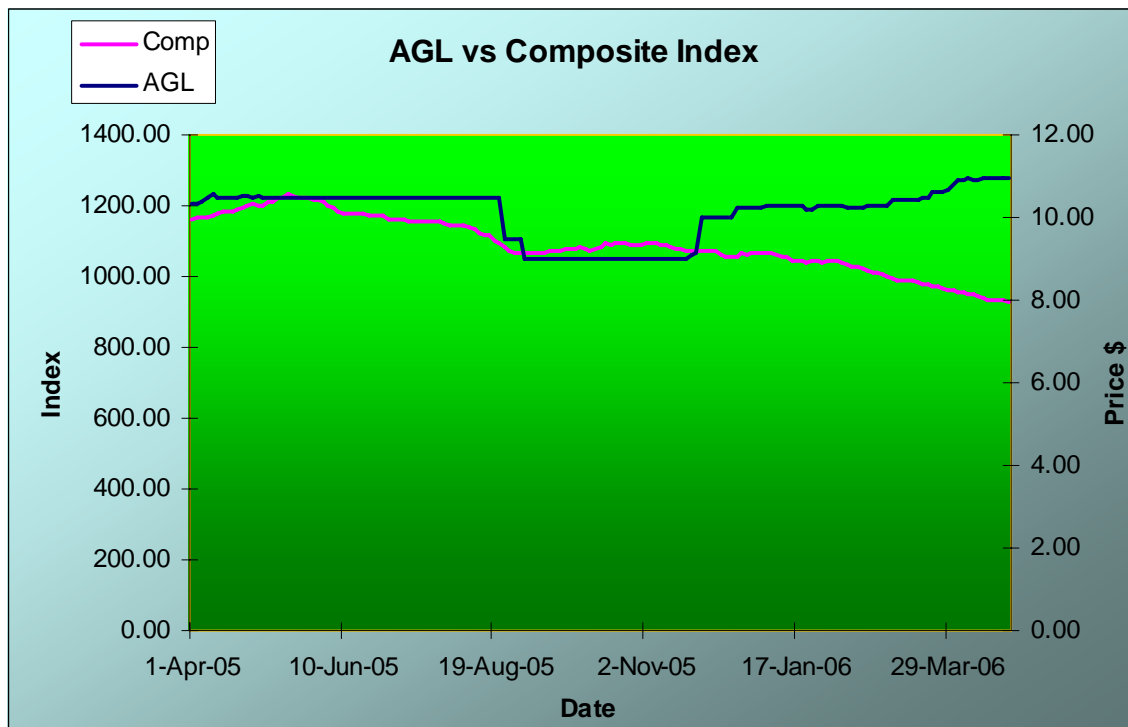
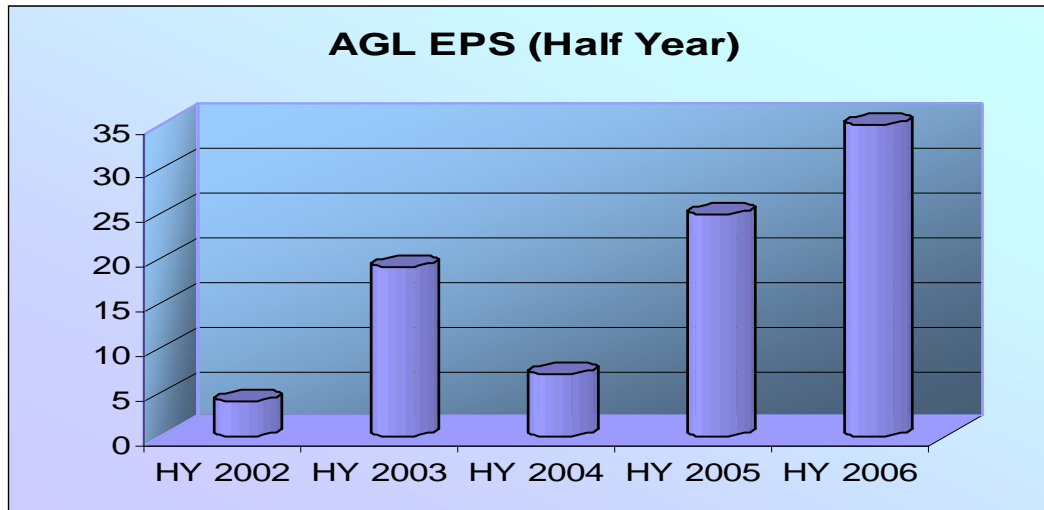


Figure 3



Half Year End Mar 31	F.Y 2003	F.Y 2004	F.Y 2005	HY 2006
Profit Before Tax \$M	17.3	19.0	32.0	13.0
% Change Per Period	68%	10%	68%	38%
Profit After Tax \$M	12.7	13.5	24.7	9.5
% Change Per Period	79%	6%	83%	43%
Profit Attributable to Shareholders \$M	9.4	5.0	24.5	9.4
% Change Per Period	32%	-47%	390%	42%
EPS	34.9	18.6	92.0	35.0
% Change Per Period	29%	-47%	395%	40%
Price / Earnings Multiple	21.1	55.4	9.8	10.5 (running)
Dividend per Share	15	9	33	10
Dividend Payout Ratio %	43%	48%	36%	
Dividend Yield %	2.0%	0.9%	3.7%	
Net Asset Value	4.23	4.31	5.66	5.77
Market to Book	1.7	2.4	1.6	1.9
Shares Outstanding '000	26,843	26,843	26,843	26,843

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