



On behalf of the Board of Directors, I am pleased to report the unaudited financial results for the FIRST QUARTER ended June 30, 2015.

	3 months to 6/30/2015 \$M	3 months to 6/30/2014 \$M	% Change
Gross Operating Revenue	2,620.7	2,589.8	1%
Total Operating Revenue	2,627.2	2,605.9	1%
Interest and Other Investment Income	42.2	51.1	-17%
Net Income	622.9	588.9	6%
EPS	128.3	121.3	6%

Performance Highlights are:

Carreras Limited achieved total operating income of \$2,627.2 million for the first quarter ended June 30, 2015, which represents a marginal increase of 1% when compared to the same period in the prior year. The Company also delivered net income of \$622.9 million, a 6% increase compared to the same period in the prior year; primarily due to a marginal increase in revenue and lower cost.

As a result of the price increase implemented in March 2015 due to the increase in the excise rate which resulted in some additional trade demand in the fourth quarter and lower consumption, cigarette volumes for the first quarter experienced a decline when compared to the same period last year. The company however, anticipates that with the focus on its route to market strategy to drive efficiencies through the supply chain and the authorities continuing their drive to contain the influx of illicitly traded cigarettes into the domestic market; cigarette sales should continue to experience recovery throughout the rest of the year.

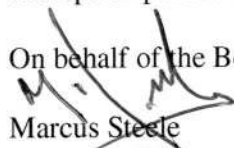
Interest and other investment income decreased by 17% to \$42.2 million for the quarter as the Company was impacted by the lower interest rates in the market when compared to the same period in 2014.

During the quarter, the final amounts totalling \$0.87 billion due from the CCJ tax settlement agreement were recovered.

Notwithstanding the challenging economic environment, the company has continued its focus on cost containment and cost reduction initiatives where possible, resulting in an overall decrease in operating costs over the same period last year.

Shareholders, I am also pleased to report that the Board of Directors has approved an interim dividend payment of \$1.20 per stock unit to be paid out of accumulated profits on September 3, 2015. In addition the Board of Directors has approved an interim special cash distribution of \$0.60 per stock unit to be paid out of the proceeds received from the liquidation of a subsidiary, pending the granting of a transfer tax exemption pursuant to the Transfer Tax Act to be paid on September 10, 2015.

On behalf of the Board


 Marcus Steele
 Managing Director

CARRERAS LIMITED & SUBSIDIARIES

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the Three Months ended June 30, 2015

Group Statement of Comprehensive Income

	Notes	UNAUDITED		AUDITED
		3 months		12 months
		Jun-15 \$'000	Jun-14 \$'000	Mar-15 \$'000
Operating revenue	4	2,620,684	2,589,794	11,208,369
Cost of operating revenue		(1,334,474)	(1,332,624)	(5,867,203)
Gross operating profit		1,286,210	1,257,170	5,341,166
Employee benefit expense		-	-	(11,900)
Interest and other investment income		42,199	51,129	146,141
Other operating income:				
Exchange gains		10,881	16,360	45,591
Other income		6,529	16,133	412,822
Distribution and marketing expenses		(164,265)	(184,718)	(737,032)
Administrative expenses		(356,348)	(371,637)	(1,258,426)
Profit before income tax		825,206	784,437	3,938,362
Income tax	5	(202,312)	(195,547)	(995,402)
Profit for the period		622,894	588,890	2,942,960
Other comprehensive income				
Items that will never be reclassified to profit or loss:				
Remeasurement loss on obligation		-	-	(428,800)
Remeasurement loss on plan assets		-	-	(400)
Change in effect of asset ceiling		-	-	379,000
Income tax on other comprehensive income		(423)	59,477	71,623
Other comprehensive income, net of tax		(423)	59,477	21,423
Total comprehensive income for the year		622,471	648,367	2,964,383
Profit attributable to:				
Minority interests		25	22	46
Stockholders in parent		622,869	588,868	2,942,914
		622,894	588,890	2,942,960
Total comprehensive income attributed to:				
Minority interests		25	22	46
Stockholders in parent		622,446	648,345	2,964,337
		622,471	648,367	2,964,383
Earnings per ordinary stock unit	6	128.31¢	121.31¢	606.24¢

CARRERAS LIMITED & SUBSIDIARIES

GROUP STATEMENT OF FINANCIAL POSITION

As at June 30, 2015

		Group Statement of Financial Position	
		Unaudited	Audited
		30-Jun-15	31-Mar-15
		\$000	\$000
Current Assets	Notes		
Cash and cash equivalents		3,132,822	3,724,749
Accounts receivable		459,632	1,345,353
Income tax recoverable		651,321	422,289
Inventories		261,813	188,572
		4,505,588	5,680,963
Current Liabilities			
Accounts payable		904,162	1,280,569
Income tax payable		983,043	1,218,363
		1,887,205	2,498,932
Net Current Assets		2,618,383	3,182,031
Non-current assets:			
Retirement benefit asset		260,600	260,600
Property, plant and equipment		244,883	248,256
		3,123,866	3,690,887
Equity:			
Share capital	7	121,360	121,360
Reserves:			
Unappropriated profits		2,679,640	3,028,074
Other		22,322	22,322
		2,701,962	3,050,396
Total attributable to stockholders of parent		2,823,322	3,171,756
Minority interests		3,306	3,281
Total equity		2,826,628	3,175,037
Non-current liabilities:			
Deferred taxation liability	8	69,738	288,350
Retirement benefit obligation		227,500	227,500
		3,123,866	3,690,887

Approved for issue by the Board of Directors on 31 July 2015 and signed on its behalf by:

.....
 Marcus Steele
 Managing Director

.....
 Janene Shaw
 Finance Director

CARRERAS LIMITED
Group Statement of Changes in Equity

For the Three Months ended June 30, 2015

	Share Capital \$'000	Unappropriated Profits \$'000	Capital Reserves \$'000	Total \$'000	Minority Interest \$'000	Total \$'000
Balances at March 31, 2014	121,360	4,050,807	22,322	4,194,489	6,734	4,201,223
Profit for the year	-	588,868	-	588,868	22	588,890
Deferred tax on reserves of subsidiaries in liquidation	-	59,477	-	59,477	-	59,477
Total comprehensive income for the period	-	648,345	-	648,345	22	648,367
Transactions with owners						
Transfer tax paid on intra-group distributions	-	(59,861)	-	(59,861)	-	(59,861)
Dividends paid, being total transactions with owners	-	(849,520)	-	(849,520)	(3,499)	(853,019)
Total transactions with owners	-	(909,381)	-	(909,381)	(3,499)	(912,880)
Unaudited Balances at June 30, 2014	121,360	3,789,771	22,322	3,933,453	3,257	3,936,710

Balances at March 31, 2015	121,360	3,028,074	22,322	3,171,756	3,281	3,175,037
Profit for the year	-	622,869	-	622,869	25	622,894
Deferred tax on reserves of subsidiaries in liquidation	-	(423)	-	(423)	-	(423)
Total comprehensive income for the period	-	622,446	-	622,446	25	622,471
Transactions with owners						
Dividends paid, being total transactions with owners	-	(970,880)	-	(970,880)	-	(970,880)
Total transactions with owners	-	(970,880)	-	(970,880)	-	(970,880)
Unaudited Balances at June 30, 2015	121,360	2,679,640	22,322	2,823,322	3,306	2,826,628

CARRERAS LIMITED
Company Statement of Changes in Equity
For the Three Months ended June 30, 2015

	Share Capital \$'000	Revenue Reserves \$'000	Capital Reserves \$'000	Total \$'000
Balances at March 31, 2014	121,360	1,371,813	22,322	1,515,495
Profit for the year	-	2,013,043	-	2,013,043
Total comprehensive income for the period	-	2,013,043	-	2,013,043
Dividends paid, being total transactions with owners	-	(849,520)	-	(849,520)
Unaudited Balances at June 30, 2014	121,360	2,535,335	22,322	2,679,018

Balances at March 31, 2015	121,360	1,760,455	22,322	1,904,137
Profit for the period	-	610,379	-	610,379
Total comprehensive income for the period	-	610,379	-	610,379
Dividends paid, being total transactions with owners	-	(970,880)	-	(970,880)
Unaudited Balances at June 30, 2015	121,360	1,399,954	22,322	1,543,636

CARRERAS LIMITED & SUBSIDIARIES

GROUP STATEMENT OF CASH FLOWS

For the Three Months ended June 30, 2015

Group Statement of Cash Flows

	UNAUDITED		AUDITED
	3 months		12 months
	30-Jun-15 \$'000	30-Jun-14 \$'000	31-Mar-15 \$'000
Cash flows from operating activities:			
Net profit for the period	622,894	588,890	2,942,960
Items not affecting cash	165,450	147,360	583,809
	788,344	736,250	3,526,769
Changes in working capital	(447,902)	142,862	462,351
Cash provided by operating activities	340,442	879,112	3,989,120
Cash provided by investing activities	27,630	55,687	398,712
Cash used by financing activities	(970,880)	(853,019)	(3,930,709)
(Decrease)/Increase in cash and cash equivalents	(602,808)	81,780	457,123
Effect of exchange rate changes on cash and cash equivalents	10,881	13,565	45,591
Cash and cash equivalents, at beginning of period	3,724,749	3,222,035	3,222,035
Cash and cash equivalents, at end of period	3,132,822	3,317,380	3,724,749

CARRERAS LIMITED AND SUBSIDIARIES

Notes to the Unaudited Financial Statements Three Months ended June 30, 2015

1. General

Carreras Limited ("the company") is incorporated and domiciled in Jamaica and is a 50.4% subsidiary of Rothmans Holdings (Caricom) Limited, which is incorporated in St. Lucia. The ultimate parent company is British American Tobacco plc, incorporated in the United Kingdom. The principal activities of the company are the marketing and distribution of cigarettes.

The principal place of business and the registered office of the company is 13A Ripon Road, Kingston 5, Jamaica.

2. (a) Basis of Preparation

The financial statements are presented on the historical cost basis. Unless otherwise stated, the financial statements are presented in thousands of Jamaican dollars (\$'000), which is the functional currency of the company and the group.

(b) Accounting estimates and judgments:

The preparation of the financial statements in conformity with IFRS and the Company's Act requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the period then ended. The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts could differ from these estimates. The unaudited financial results for the three month period have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, the significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognised in the financial statements, or which have a risk of material adjustments in the next year are as follows:

(i) Key source of estimation uncertainty

Employee benefits:

The amounts recognised in the balance sheet and income statement for pension and other post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognized insofar as the defined benefit section of the fund include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-employment obligations and the expected rate of increase in medical costs for post-employment medical benefits.

Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

It is reasonably possible that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(ii) There are no critical accounting judgments in applying the group's and the company's accounting policies.

3. Significant Accounting Policies

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual audited financial statements.

4. Operating Revenue

Operating revenue for the group and the company represents the invoiced value of products and services sold and includes special consumption tax aggregating \$1,113,731,000 (2014: \$1,087,093,000).

5. Income Tax

Income tax for the period comprises current and deferred tax based upon taxable profits. Capital gains, which are not subject to taxation, are excluded.

6. Earnings per Stock Unit

The calculation of earnings per stock unit is based on the net profit for the period attributable to stockholders and the 485,440,000 issued and fully paid ordinary stock units.

7. Share Capital

	<u>2015</u> \$'000	<u>2014</u> \$'000
Authorised: 485,440,000 (2014: 485,440,000) ordinary shares of no par value		
Stated: Issued and fully paid: 485,440,000 (2014: 485,440,000) ordinary shares of no par value	<u>121,360</u>	<u>121,360</u>

8. Deferred Tax

A provision has been made in these financial statements for deferred transfer tax on undistributed reserves of subsidiaries in liquidation.

9. Dividends and Distributions

	<u>2015</u> \$'000	<u>2014</u> \$'000
Declared and paid: First quarter ended June 30, 2015 Ordinary - 200¢ (2014: 175¢)	970,880	849,520
Distribution to non-controlling interests, net	-	3,499
	<u>970,880</u>	<u>853,019</u>

10. Tax Assessment

In 2004, the company's subsidiary, Cigarette Company of Jamaica Limited (in voluntary liquidation) ("CCJ") received assessments for income tax claimed by the Commissioner of Taxpayer Audit and Assessment, subsequently renamed Tax Administration Jamaica (TAJ), for the years 1997 to 2002 amounting to \$5.68 billion. CCJ appealed the assessment. Whilst the appeal was in progress, CCJ paid an amount of \$1.73 billion to TAJ.

On March 13, 2012, after a series of judgements and appeals in lower courts, the Judicial Committee of the Privy Council handed down its decision dismissing the appeal of the TAJ with costs to CCJ. These costs have been taxed and recovered.

On December 30, 2013, the company reached an agreement with the TAJ and the Ministry of Finance & Planning, to recover the \$1.73 billion plus interest of \$1.79 billion on the outstanding sum. At 31 March 2015, a balance of \$0.87 billion was due from the agreement.

During the period, TAJ refunded to CCJ by issuing offsets against the estimated tax liability of Carreras Limited the full amount of \$0.87 billion.

CARRERAS LIMITED

Quarter ended June 30, 2015

SHARE CAPITAL:

Authorised	485,440,000 Shares
Issued:	485,440,000 Shares

CONTROLLING PERSONS

Rothmans Holdings (Caricom) Limited	244,650,826
Sagicor PIF Equity Fund	31,708,975
National Insurance Fund	21,966,721
L.B.J. Overseas Ltd.	10,053,450
SJIML A/C 3119	9,279,436
JCSD Trustee Services Ltd. – SIGMA OPTIMA	6,485,000
Grace Kennedy Limited Pension Scheme	5,850,062
NCB Insurance Co. Ltd. A/c WT109	4,750,000
ATL Group Pension Fund Trustees Nominees Limited	4,300,000
Khrone Fund LP	<u>4,017,576</u>
Total	<u>343,062,046</u>

DIRECTORS & CONNECTED PERSONS

	<u>Stock Units Held</u>
Mr. Michael Bernard	Nil
Mrs. Amanda Cavill de Zavaley	Nil
Mr. Eduardo Castaneda	Nil
Mr. Oliver Holmes	Nil
Hon. William McConnell, O.J.	Nil
Mrs. Janene Shaw	Nil
Mr. Marcus Steele	Nil

Executive & Senior Management:

Mr. Marcus Steele	Nil
Mrs. Janene Shaw	Nil
Mr. Christopher Brown	Nil
Mrs. Monique Blake	Nil
Mr. Rohan Campbell	Nil