

LASCELLES, deMERCADO & COMPANY LIMITED

UNAUDITED STATEMENT OF CONSOLIDATED REVENUE AND OPERATING RESULTS

FOR THE SIX MONTHS MARCH 31, 2002

Group Balance Sheet

March 31, 2002

	Unaudited Six Months 31/03/2002 \$000s	Audited Twelve Months 30/9/2001 \$000s
Current Assets		
Cash resources	1,892,893	1,839,399
Accounts receivable	1,839,409	1,592,851
Current portion of long term loan	218,127	194,383
Taxation recoverable	64,248	26,931
Inventories	2,635,392	2,775,309
	<u>6,650,069</u>	<u>6,428,873</u>
Current liabilities:		
Bank loans & overdrafts	529,332	384,355
Unsecured loans	502,352	432,604
Current maturities of long term liabilities	299,898	325,409

Accounts payable	1,550,019	1,396,701
Due to associated companies	184	184
Taxation payable	23,070	20,245
	<u>2,904,855</u>	<u>2,559,498</u>

Net current assets 3,745,214 3,869,375

Investments	872,304	683,389
Interest in associated companies	5,006	5,006
Long-term receivables	19,286	17,190
Trademarks	12,981	12,981
Fixed assets	2,453,292	2,165,047
	<u>7,108,083</u>	<u>6,752,988</u>
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Financed by:		
Stockholders' equity	5,894,174	5,685,533
Minority interests	15,449	13,054
Insurance funds	408,436	360,799
Long term liabilities	790,024	693,602
	<u>7,108,083</u>	<u>6,752,988</u>
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Group Statement of Operations

Six Months Ended March 31, 2002

	Unaudited Six Months Ended		Unaudited Three Months Ended	
	31/03/2002	31/03/2001	31/03/2002	31/03/2001
	\$000s	\$000s	\$000s	\$000s
Operating revenue	5,251,243	4,601,386*	2,687,833	2,524,848
Operating expenses				
Cost of operating revenue	3,349,871	2,828,923	1,626,093	1,502,568
Administrative, marketing & selling expenses	1,731,309	1,633,300	1,056,681	989,573
Total operating expenses	<u>5,081,180</u>	<u>4,462,223</u>	<u>2,682,774</u>	<u>2,492,141</u>
Operating profit	170,063	139,163	5,059	32,707
Other income	27,711	47,261	19,283	24,314
Profit before net finance costs & taxation	197,774	186,424	24,342	57,021
Net finance costs	(52,576)	(41,379)	5,956	(18,432)
Profit before taxation	145,198	145,045	30,298	38,589
Taxation	(17,424)	(20,306)	(3,636)	(5,402)
Profit after taxation but before minority interest	127,774	124,739	26,662	33,187
Minority interests of results of subsidiaries	(2,301)	(2,160)	(1,572)	(1,449)
Net profit attributable to members	125,473	122,579	25,090	31,738
Preference dividends, gross	(81)	(81)	(81)	(81)
Profit attributable to ordinary stockholders	<u>125,392</u>	<u>122,498</u>	<u>25,009</u>	<u>31,657</u>
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Earnings per ordinary stock unit:	\$1.31	\$1.28	\$0.26	\$0.33
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*Restated to eliminate the same categories of intercompany sales as in the current year

Statement of Changes in Stockholders' Equity

March 31, 2002

	Share capital	Unaudited Capital reserve	Unappropriated profits	Total
	\$000s	\$000s	\$000s	\$000s
September 30, 2000	20,400	1,710,664	2,936,840	4,667,904
Net profit attributable to members			122,578	122,578
Dividends and distributions paid			(2,001)	(2,001)
Transfers, net				0
Bonus share issues in subsidiaries		34,000	(34,000)	0
Translation adjustment arising on consolidation of foreign subsidiaries		49,042		49,042
March 31, 2001	<u>20,400</u>	<u>1,793,706</u>	<u>3,023,417</u>	<u>4,837,523</u>
	=====	=====	=====	=====
September 30, 2001	20,400	1,746,793	3,918,340	5,685,533
Net profit attributable to members			125,473	125,473
Dividends and distributions paid			(2,001)	(2,001)
Transfers, net				0
Bonus share issues in subsidiaries		38,000	(38,000)	0
Translation adjustment arising on consolidation of foreign subsidiaries		85,169		85,169
March 31, 2002	<u>20,400</u>	<u>1,869,962</u>	<u>4,003,812</u>	<u>5,894,174</u>
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Group Statement of Cash Flows

Six Months Ended March 31, 2002

	Unaudited 31/03/2002 \$000s	Unaudited 31/03/2001 \$000s
Cash flows from operating activities:		
Profit for the period attributable to the group	125,473	122,579
Items not affecting cash	276,313	245,223
	<u>401,786</u>	<u>367,802</u>
(Decrease) / Increase in non-cash working capital	(11,559)	619,142
Cash provided by operating activities	390,227	986,944
Cash used by investing activities	(620,368)	(381,358)
Cash provided by financing activities	285,636	156,285
	<u>55,495</u>	<u>761,871</u>
Dividends & distributions paid	(2,001)	(2,001)
Net increase in cash	53,494	759,870
Cash resources at beginning of year	1,839,399	1,249,103
Cash resources at end of period	<u>1,892,893</u>	<u>2,008,973</u>
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Notes to the Interim Financial Report

- 1 Lascelles deMercado & Company Limited is incorporated under the laws of Jamaica. The activities of the Group include the cane cultivation, sugar manufacturing, distillation, blending, bottling, distribution and export of alcohol, rums, wines and other liquor based products. The Group is also involved in holding of investments, general insurance, distribution of food and consumer supplies, aircraft handling, manufacture and distribution of pharmaceutical preparations, tours in the hospitality industry and distribution of motor vehicles and spares and servicing and repairing of motor vehicles.
- 2 The same accounting policies and methods of computation are followed as those used for the September 30, 2001 audited financial statements.
- 3 The interim financial report is in compliance with the Institute of Chartered Accountants of Jamaica's Proposed Statement Standard Accounting Practice, Interim Financial Reporting and the Jamaica Stock Exchange Regulations, wherever applicable.
- 4 There were no significant changes to the Group's operations for the period under review.
- 5 The Group Financial Statements for the six months ended March 31, 2002 show a profit after taxation of \$127.8m compared to a profit of \$124.7m for the comparative period for 2001
- 6 Operating revenue represents the price of goods and services sold to external customers after deducting returns, discounts and applicable taxes.
- 7 Taxation has been computed after taking into account tax losses brought forward.
- 8 The earnings per ordinary stock unit is computed by dividing the net profit attributable to members, less fixed half-yearly preference dividends of \$81,000.00, by the 96,000,000 issued and fully paid ordinary stock units.
- 9 For 2002, your directors have approved the payment of an Ordinary Dividend out of franked income of 2 cents per stock unit payable to stockholders on record at March 19, 2002. Payment was made on April 2, 2002.