

Kingston Wharves Limited

Unaudited Financial Statements

for the nine months ended September 30, 2002

CHAIRMAN'S STATEMENT 3rd QUARTER 2002

GROUP RESULTS

Group profit attributable to stockholders amounted to \$26.77 Million for the 3rd quarter 2002, compared with \$28.91 Million for the 3rd quarter 2001.

For the nine-month period ending 2002 September 30, profit attributable to stockholders was \$81.05 Million compared to \$96.75 Million for the similar nine-month period 2001.

This performance underscores the solid and pre-planned recovery in profitability arising from the loss of the KTO Management Contract and the termination of the lease of Berths 8 & 9.

KINGSTON WHARVES LIMITED

Shareholders/Directorships

Two major shareholders of long standing disposed of their holdings during the quarter: Furness Withy & Co. Ltd. 11.76% and Lascelles deMercado & Co. Ltd. 18.77% of the share capital of the Company.

Mr. W. McConnell a Director of Lascelles, resigned in September. Mr. Peter Bitter, a senior executive of Lascelles was requested to continue as an independent Director. Messrs. John Allgrove and Anthony Chang were appointed to the Board in September as independent Directors. Mr. St. Clair Shirley has also been appointed an independent Director at the October Board meeting. These appointments are in line with modern corporate governance practice.

It appears from the recent large increases in shareholdings by certain existing shareholders, together with their connections to purchasers of the Lascelles shares, that a group of investors has acted in concert to gain control of the company. The Board has decided to notify the Financial Services Commission of these facts of which the Board is aware, in order to protect the rights of the minority shareholders.

Profitability

Profits were \$17.13 Million for the 3rd quarter 2002, compared with the 2nd quarter profit of \$23.5 Million. This reduction was as a result of increased finance cost arising from the purchase of the Gottwald Crane and dredging works carried out at Berths 1 - 9.

The acquisition of this Crane has brought about a significant improvement in the quality of customer service to shipping line customers.

Capital Investment

Investment in refurbishment and new container-handling equipment year to date amounted to JA\$204.3Million and will approximate JA\$240 Million for the year.

Wharf Revenue Tons

448,684 tons were handled for 1st quarter 2002, 488,261 for 2nd quarter 2002, and 491,662 tons for 3rd quarter 2002. This represents an 8.24% increase compared with the first nine months of 2001.

Container-Handling Equipment

Our state-of-the-art 300E Gottwald Harbour Mobile Crane, has been in use since 2002 September. The company also acquired its first Reach Stacker during the 3rd quarter, which is being commissioned. This will achieve effective control of most yard activities and revenues not associated with stevedoring.

Dredging

Capital and maintenance dredging alongside Berths 1 - 9 to a depth of 10.5 metres completed. The Harbour Master has published revised vessel draughts from 8.9 to 9.5 meters alongside the Berths.

Stevedoring Litigation

The company has filed defences at the Supreme Court and has replied to the Fair Trading Commission.

HARBOUR COLD STORES LIMITED

This company manages 40,330 sq.ft. of cold storage capacity.

Tonnage handled for 2nd quarter 2002 was 2,685 tons and 2,845 tons for the 3rd quarter 2002

This company recorded pre-tax profit of \$30.6 Million year-to-date and handled 8,917 tons year-to-date.

SECURITY ADMINISTRATORS LIMITED

The company continued to have diminished profitability but has maintained quality service levels. Post 9/11 requirements by the USA are expected to further diminish profitability.

We are working with the Port Authority of Jamaica and other shipping interests to have the Port of Kingston certified by United States Customs as a matter of critical priority.

ACKNOWLEDGEMENTS

I wish to reiterate appreciation for the continued encouragement, support and advice of our customers, suppliers and stakeholders, and to acknowledge the committed support and dedicated service of our team of directors, management and staff.

A.R. DIAZ
Chairman

2002 November 5

**The Directors are pleased to present the Results of the Group
for the nine months period ended September 30, 2002
(Unaudited)**

	3 MONTHS PERIOD TO 30/09/02	9 MONTHS PERIOD TO 30/09/02	3 MONTHS PERIOD TO 30/09/01	9 MONTHS PERIOD TO 30/09/01
Tonnages - Domestic (Berths 1-9)	491,622	1,428,567	462,753	1,331,307
	=====	=====	=====	=====
	\$'000s	\$'000s	\$'000s	\$'000s
Revenues	258,164	750,970	268,576	812,265
Cost of Sales	<u>(110,792)</u>	<u>(324,220)</u>	<u>(128,800)</u>	<u>(378,457)</u>

Gross Profit	147,372	426,750	139,776	433,808
Other Operating Income	2,492	6,823	1,878	6,965
Administrative Expenses	(113,113)	(323,741)	(106,742)	(313,194)
Operating Profit	36,751	109,832	34,912	127,579
Finance Income	3,489	11,821	8,460	17,553
Profit Before Taxation	40,240	121,653	43,372	145,132
Taxation	13,462	40,599	14,457	48,377
Net Profit Attributable to Stockholder*	26,770	81,054	28,915	96,755
Earnings Per Stock Unit of 200	2.50c	7.57c	2.70c	9.03c

Note: * Included in this balance is an amount to be reserved for Asset Replacement Rehabilitation.

These interim Financial Statements have been prepared in compliance with Jamaican Accounting Standards and the accounting policies followed are consistent with those used in the Audited Financial Statements for the year ended December 31, 2001.

GROUP BALANCE SHEET-UNAUDITED

	UNAUDITED NINE MONTHS 30th September 2002	AUDITED YEAR ENDED 31st DECEMBER 2001	UNAUDITED NINE MONTHS 30th September 2001
	J\$'000	J\$'000	J\$'000
NET ASSETS EMPLOYED			
FIXED ASSETS	2,509,723	2,355,109	2,294,432
NATIONAL HOUSING TRUST	308	407	497
LONG TERM RECEIVABLES	57,765	75,325	81,352
CURRENT ASSETS			
Inventories	3,073	2,498	3,835
Related Companies	129,531	151,349	127,173

Receivables and Prepayments	205,968	153,845	148,090
Taxation Recoverable	8,160	8,160	-
Short Term Deposits	283,602	219,844	231,151
Cash	1,725	7,355	4,312
	<u>632,059</u>	<u>543,051</u>	<u>514,561</u>
CURRENT LIABILITIES			
Payables	132,915	162,642	103,736
Taxation	36,958	7,868	36,467
Dividends Payable	382	382	382
Bank Overdraft	8,263	3,596	-
Current Portion of Long Term Loans	21,937	24,855	16,686
Current Portion of Finance Lease	3,440	-	360
	<u>203,895</u>	<u>199,343</u>	<u>157,631</u>
NET CURRENT ASSETS	<u>428,164</u>	<u>343,708</u>	<u>356,930</u>
	<u>2,995,960</u>	<u>2,774,549</u>	<u>2,733,211</u>
	=====	=====	=====
FINANCED BY:			
SHARE CAPITAL	214,173	214,173	175,077
SHARE PREMIUM	75,180	75,180	74,401
CAPITAL RESERVES	1,981,262	1,961,823	1,830,995
ASSET RESERVE FUND	31,462	21,844	124,278
RETAINED EARNINGS	484,449	422,834	437,967
	<u>2,786,526</u>	<u>2,695,854</u>	<u>2,642,718</u>
LONG TERM LOANS	193,446	66,278	77,118
DEFERRED INCOME	6,698	6,532	8,960
FINANCE LEASE OBLIGATIONS	9,290	5,885	4,415
	<u>2,995,960</u>	<u>2,774,549</u>	<u>2,733,211</u>
	=====	=====	=====

A.R. Diaz
Chairman

R. Kinlocke
Director

STATEMENT OF CHANGES IN EQUITY- UNAUDITED

FOR PERIOD ENDED 30 SEPTEMBER 2001

	Share Capital	Share Premium	Capital Reserves	Asset Replacement/ Rehabilitation and Depreciation Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2001	175,077	74,401	1,830,995	92,812	360,651	2,533,936
Depreciation Reserves	-	-	-	12,027	-	12,027
Net gains not recognised in income statement	-	-	-	12,027	-	12,027
Net profit for the year	-	-	-	-	96,755	96,755
Depreciation Reserves	-	-	-	19,439	(19,439)	-
Balance at 30 September 2001	175,077	74,401	1,830,995	124,278	437,967	2,642,718

STATEMENT OF CHANGES IN EQUITY- UNAUDITED

FOR PERIOD ENDED 30 SEPTEMBER 2002

	Share capital	Share Premium	Capital Reserves	Asset Replacement/ Rehabilitation and Depreciation Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2002	214,173	75,180	1,961,823	21,844	422,834	2,695,854
Depreciation Reserves	-	-	-	9,618	-	9,618

Net gains not recognised in income statement	-	-	-	9,618	-	9,618
Net profit for the year	-	-	-	-	81,054	81,054
Depreciation Reserves	-	-	-	19,439	(19,439)	-
Depreciation Reserves	-	-	19,439	(19,439)	-	-
Balance at 30 September 2002	214,173	75,180	1,981,262	31,462	484,449	2,786,526

CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

	UNAUDITED	UNAUDITED
	NINE MONTHS	NINE MONTHS
	30-Sep-02	30-Sep-01
	J\$'000	J\$'000
<u>SOURCES/(USE) OF CASH</u>		
Operating Activities		
Net Profit	81,054	96,755
Items not affecting Cash	68,679	31,266
	<u>149,733</u>	<u>128,021</u>
Changes in non-cash Working Capital Components	(31,519)	27,424
Cash provided by operating activities	118,214	155,445
Cash provided by financing activities	140,713	35,675
Cash used in investing activities	<u>(205,467)</u>	<u>(168,321)</u>
Increase in cash and cash equivalent	53,460	22,799
Net cash and cash equivalents at the beginning of year	223,603	212,664
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>277,063</u>	<u>235,463</u>