

LASCELLES, deMERCADO & CO. LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

QUARTER ENDED DECEMBER 31, 2002

Group Balance Sheet

	Unaudited Three Months 31/12/2002 \$000s	Audited Twelve Months 30/9/2002 \$000s
Current assets:		
Cash resources	2,837,702	2,903,802
Accounts receivable	1,718,535	1,644,014
Current portion of long term loan	148,947	142,250
Taxation recoverable	62,709	57,737
Inventories	2,814,659	2,867,136
	<u>7,582,552</u>	<u>7,614,939</u>
Current liabilities:		
Bank loans & overdrafts	429,920	609,881
Unsecured loans	578,382	610,007
Current maturities of long term liabilities	659,134	593,597
Accounts payable	1,410,795	1,320,851
Taxation payable	2,971	6,008
	<u>3,081,202</u>	<u>3,140,344</u>

Net current assets	4,501,350	4,474,595
Investments	805,385	697,478
Interest in associated companies	6,853	6,853
Long-term receivables	19,949	19,497
Trademarks	11,239	11,239
Fixed assets	<u>2,689,360</u>	<u>2,695,492</u>
	8,034,136	7,905,154
	=====	=====
 Financed by:		
Stockholders' equity	7,251,218	7,044,278
Minority interests	12,399	12,162
Insurance funds	451,316	437,828
Long term liabilities	<u>319,203</u>	<u>410,886</u>
	8,034,136	7,905,154
	=====	=====

Group Statement of Operations

	Unaudited Three Month 31/12/2002 \$000s	Unaudited Three Months 31/12/2001 \$000s
Operating revenue	2,693,152	2,563,410
Operating expenses		
Cost of operating revenue	1,638,238	1,723,777
Administrative, marketing & selling expenses	<u>897,131</u>	<u>674,628</u>
Total operating expenses	<u>2,535,369</u>	<u>2,398,405</u>
Operating profit	157,783	165,005
Other income	<u>(22,542)</u>	<u>8,428</u>

Profit before net finance costs & taxation	135,241	173,433
Net finance costs	<u>(16,345)</u>	<u>(58,532)</u>
Profit before taxation	118,896	114,901
Taxation	<u>(6,016)</u>	<u>(13,788)</u>
Profit after taxation but before minority interests	112,880	101,113
Minority interests of results of subsidiaries	<u>(237)</u>	<u>(729)</u>
Profit attributable to ordinary stockholders	112,643	100,384
	=====	=====
Earnings per ordinary stock unit	\$1.17	\$1.05
	=====	=====

Statement of Changes in Stockholders' Equity

	Share capital	Capital reserve	Unaudited Unappropriated profits	Total
	\$000s	\$000s	\$000s	\$000s
September 30, 2002	20,400	2,191,274	4,832,604	7,044,277
Net profit attributable to members			112,643	112,643
Dividends and distributions paid				
Transfers, net				
Bonus share issues in subsidiaries				
Translation adjustment arising on consolidation of foreign subsidiaries		94,297		94,297
December 31, 2002	<u>20,400</u>	<u>2,285,571</u>	<u>4,945,247</u>	<u>7,251,218</u>
	=====	=====	=====	=====

September 30, 2001	20,400	1,746,793	3,918,340	5,685,533
Net profit attributable to members			100,383	100,383
Dividends and distributions paid				
Transfers, net				
Bonus share issues in subsidiaries				
Translation adjustment arising on consolidation of foreign subsidiaries		63,319		63,319
December 31, 2001	<u>20,400</u>	<u>1,810,112</u>	<u>4,018,723</u>	<u>5,849,235</u>
	=====	=====	=====	=====

Group Statement of Cash Flows

	Unaudited 31/12/2002 \$000s	Unaudited 31/12/2001 \$000s
Cash flows from operating activities:		
Profit for the period attributable to the group	112,643	100,383
Items not affecting cash	<u>171,399</u>	<u>129,275</u>
	284,042	229,658
Increase / (Decrease) in non-cash working capital	<u>53,193</u>	<u>(6,312)</u>
Cash provided by operating activities	337,235	223,346
Cash used by investing activities	(165,604)	(154,772)
Cash (used) / provided by financing activities	<u>(237,731)</u>	<u>102,616</u>
Net (decrease) / increase in cash	(66,100)	171,190
Cash resources at beginning of year	<u>2,903,802</u>	<u>1,839,399</u>
Cash resources at end of period	<u>2,837,702</u>	<u>2,010,589</u>
	=====	=====

Notes to the Interim Financial Report

1. Lascelles deMercado & Company Limited is incorporated under the Laws of Jamaica. The activities of the Group include 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, manufacturing 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 by those used for the year ended September 30, 2002 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. Operating revenue represents the price of goods and services sold to external customers after deducting returns and discounts and includes consumption taxes.
 5. The earnings per ordinary stock unit is computed by dividing the net profit attributable to members before and after extraordinary items, less fixed preference dividends, by the 96,000,000 issued and fully paid ordinary stock units in both years.
-