

# Grace, Kennedy & Company Limited

Unaudited Results For quarter ended

30 June 2003

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## CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Unaudited)

	3 months to 30/06/2003	6 months to 30/06/2003	3 months to 30/06/2002	6 months to 30/06/2002
	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>	5,394,477	10,644,619	4,500,685	9,047,943
Expenses	4,987,277	9,963,376	4,198,688	8,520,950
<b>Operating Income</b>	407,200	681,243	301,997	526,993
Other Income	76,200	229,100	147,035	268,089
Share of results of associated companies	18,217	88,605	14,273	94,878
Exceptional items	-	-	(249)	(5,970)
<b>Profit before Taxation</b>	501,617	998,948	463,056	883,990
Taxation	125,512	274,711	133,471	255,541
<b>Profit after Taxation</b>	376,105	724,237	329,585	28,449
Minority interest in results				

of subsidiaries	<u>17,215</u>	<u>29,871</u>	<u>8,289</u>	<u>17,366</u>
<b>Net Profit Attributable to the Stockholders of Grace, Kennedy &amp; Company Limited</b>	358,890	694,366	321,296	611,083
<b>Earnings per Stock Unit of \$1.00</b>	<u>1.11</u>	<u>2.15</u>	<u>0.99</u>	<u>1.89</u>

Adjusted to reflect issue of new and bonus shares

**Note:**

As a result of the adoption of International Financial Reporting Standards, there have been significant changes in the accounting policies followed in these interim financial statements compared with those used in the audited financial statements for the year ended 31 December 2002 which have been restated. Details of these changes are outlined in the accompanying notes.

**CONSOLIDATED BALANCE SHEET**

**QUARTER ENDED 30 JUNE 2003**

**(Unaudited)**

	<b>JUNE 2003 \$'000</b>	<b>DECEMBER 2002 \$'000</b>	<b>JUNE 2002 \$'000</b>
<b>NET ASSETS EMPLOYED</b>			
Fixed Assets	1,898,564	1,930,878	1,801,891
Goodwill	41,618	46,291	-
Investments	3,183,451	2,904,406	2,856,756
Long Term Receivables	782,805	514,827	228,005
Deferred Tax Assets	112,704	112,606	82,916
Pension Plan Surplus	3,246,553	3,246,553	2,900,971
<b>Current Assets:</b>			
Inventories	1,885,589	1,555,629	1,403,095
Receivables	3,862,200	3,072,450	3,479,084
Long term receivable	775,456	611,266	574,190
Taxation recoverable	258,903	291,791	263,745
Cash and short term	<u>24,511,709</u>	<u>20,937,751</u>	<u>17,191,550</u>
	<u>31,293,857</u>	<u>26,468,887</u>	<u>22,911,664</u>
<b>Current Liabilities:</b>			

Payables	4,658,799	5,223,597	4,593,762
Bank and short term	2,629,163	1,254,117	1,145,458
Long term liabilities	95,335	133,530	71,645
Deposits	3,186,806	2,140,778	1,570,887
Securities sold under agreement to the repurchase	17,010,341	14,308,297	12,275,345
Taxation	297,055	230,256	351,592
	<u>27,877,499</u>	<u>23,290,575</u>	<u>20,008,689</u>
Net Current Assets	<u>3,416,358</u>	<u>3,178,312</u>	<u>2,902,975</u>
	<u>12,682,053</u>	<u>11,933,873</u>	<u>10,773,514</u>
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**FINANCED BY**

<b>Share Capital</b>	323,111	323,075	268,320
<b>Capital and Fair Value Reserve</b>	3,186,313	3,093,567	2,743,869
<b>Reserve Fund</b>	321,936	321,936	106,659
<b>Retained Earnings</b>	5,860,474	5,574,313	5,305,336
<b>Translation Gains</b>	1,040,849	684,994	619,615
	<u>10,732,683</u>	<u>9,997,885</u>	<u>9,043,799</u>
<b>Minority Interest</b>	192,725	164,103	161,358
<b>Long Term Liabilities</b>	598,725	613,998	554,240
<b>Deferred Tax Liabilities</b>	375,782	375,749	298,234
<b>Employee Benefit Obligations</b>	782,138	782,138	715,883
	<u>12,682,053</u>	<u>11,933,873</u>	<u>10,773,514</u>
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On behalf of the Board

D.R. Orane  
Chairman

D.G. Wehby  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**QUARTER ENDED 30 JUNE 2003**

**(Unaudited)**

	No. of Shares \$'000	Share Capital \$'000	Capital and Fair Value Reserve \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total \$'000
Balance at 1 January 2002						
- as previously reported	266,887	266,887	2,779,571	2,712,458	674,971	6,433,887
- effect of adopting IFRS						
IAS 12 - Income Taxes	-	-	(91,421)	156,992	(8)	(248,421)
IAS 16 - Property, Plant and Equip	-	-	(169,493)	1,224	-	(168,269)
IAS 19 - Employee Benefits	-	-	-	2,185,088	-	2,185,088
IAS 37 - Provisions, Contingent Liabilities and Contingent Asse	-	-	-	30,000	-	30,000
IAS 39 - Financial Instruments: Recognition and Measurement	-	-	56,706	(6)	-	56,700
- as restated	266,887	266,887	2,575,363	4,771,772	674,963	8,288,985
Net gains/(losses) not recognised in the profit and loss account:						
Foreign currency translation adjustment	-	-	-	-	51,311	51,311
Fair value adjustments	-	-	148,757	-	-	148,757
Revaluation surplus	-	-	-	-	-	-
Net excess of investments	-	-	-	-	-	-
Total	-	-	148,757	-	51,311	200,068
Restated Net profit	-	-	-	611,083	-	611,083
Issue of bonus shares	-	-	-	-	-	-
Issue of shares at a premium	1,433	1,433	14,621	-	-	16,054
Par value of bonus shares received	-	-	-	-	-	-
Transfers between reserves	-	-	5,128	(5,128)	-	-
Dividends	-	-	-	(72,391)	-	(72,391)
Withholding tax	-	-	-	-	-	-

Balance at 30 June 2002	268,320	268,320	2,743,869	5,305,336	726,274	9,043,799
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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

QUARTER ENDED 30 JUNE 2003  
(Unaudited)

	No. of Shares \$'000	Share Capital \$'000	Capital and Fair Value Reserve \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total \$'000
Balance at 1 January 2003						
- as previously reported	323,075	323,075	3,239,828	3,263,261	1,006,699	7,832,863
- effect of adopting IFIRS						
IAS 12 - Income Taxes	-	-	(111,509)	(189,494)	231	(300,772)
IAS 16 - Property, Plant and Equip	-	-	(164,636)	6,137	-	(158,499)
IAS 19 - Employee Benefits	-	-	-	2,464,415	-	2,464,415
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets	-	-	-	30,000	-	30,000
IAS 39 - Financial Instruments: Recognition and Measurement	-	-	129,884	(6)	-	129,878
- as restated	323,075	323,075	3,093,567	5,574,313	1,006,930	9,997,885
Net gains/(losses) not recognised in the profit and loss account:						
Foreign currency translation adjustment	-	-	-	-	355,855	355,855
Fair value adjustments	-	-	(219,241)	-	-	(219,241)
Revaluation surplus	-	-	-	-	-	-
Net excess of investments	-	-	-	-	-	-
Total	-	-	(219,241)	-	355,855	136,614
Net profit	-	-	-	694,366	-	(694,366)
Issue of bonus shares	-	-	-	-	-	-
Issue of shares at a premium	36	36	715	-	-	751

Par value of bonus shares received	-	-	-	-	-	-
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Transfers between reserves	-	-	311,272	(311,272)	-	-
Dividends	-	-	-	(96,933)	-	(96,933)
Withholding tax	-	-	-	-	-	-
Balance at 30 June 2003	323,111	323,111	3,186,313	5,860,474	1,362,785	10,732,683

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## CONSOLIDATED STATEMENT OF CASH FLOWS

### QUARTER ENDED 30 JUNE 2003

(Unaudited)

	<u>30/06/2003</u>	<u>30/06/2002</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>SOURCES/(USES) OF CASH:</b>		
<b>Operating Activities</b>		
Net profit	694,366	611,083
Items not affecting	83,429	125,136
	<u>777,795</u>	<u>736,219</u>
Changes in non-cash	(1,236,815)	(34,553)
Cash (used in)/provided by operating activity	459,020	701,666
Cash provided by financing activity	377,992	227,691
Cash used in investing activities	<u>(3,936,582)</u>	<u>(1,075,954)</u>
Decrease in cash and cash equivalents	(4,017,610)	(146,597)
Cash and cash equivalents at beginning of year	7,162,463	2,003,388
Exchange and translation gains on net foreign cash balances	176,428	7,246
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>3,321,281</u>	<u>1,864,037</u>

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