

LASCELLES, deMERCADO & COMPANY LTD.

INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED 30 JUNE, 2003

Group Balance Sheet

	Unaudited Nine Months 30/6/2003 \$000s	Audited Twelve Months 30/9/2002 \$000s
Current assets:		
Cash resources	2,948,988	2,903,802
Accounts receivable	2,187,372	1,644,014
Current portion of long term loan	0	142,250
Taxation recoverable	89,832	57,737
Inventories	<u>3,039,163</u>	<u>2,867,136</u>
	<u>8,265,355</u>	<u>7,614,939</u>
Current liabilities:		
Bank loans & overdrafts	821,979	609,881
Unsecured loans	563,009	610,007
Current maturities of long term liabilities	327,932	593,597
Accounts payable	1,593,753	1,320,851
Taxation payable	11,959	6,008
	<u>3,318,632</u>	<u>3,140,344</u>

Net current assets	4,946,723	4,474,595
Investments	833,187	697,478
Interest in associated companies	6,853	6,853
Long-term receivables	20,617	19,497
Trademarks	11,239	11,239
Fixed assets	<u>2,855,533</u>	<u>2,695,492</u>
	<u>8,674,153</u>	<u>7,905,154</u>
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Financed by:		
Stockholders' equity	7,892,382	7,044,278
Minority interests	14,290	12,162
Insurance funds	482,228	437,828
Long term liabilities	<u>285,253</u>	<u>410,886</u>
	<u>8,674,153</u>	<u>7,905,154</u>
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Group Statement of Operations

	Unaudited		Unaudited	
	Nine Months Ended	30/6/2002	Three Months Ended	30/6/2002
	30/6/2003	30/6/2002	30/6/2003	30/6/2002
	\$000s	\$000s	\$000s	\$000s
Operating revenue	8,491,112	8,114,852	3,009,782	2,863,609
Operating expenses				
Cost of operating revenue	5,751,354	5,684,601	2,049,094	2,043,400
Administrative, marketing & selling expenses	<u>2,470,773</u>	<u>2,225,234</u>	<u>864,470</u>	<u>785,255</u>
Total operating expenses	<u>8,222,127</u>	<u>7,909,835</u>	<u>2,913,564</u>	<u>2,828,655</u>

Operating profit	268,985	205,017	96,218	34,954
Other income	227,293	267,105	177,078	239,394
Profit before net finance costs & taxation	496,278	472,122	273,296	274,348
Net finance costs	(105,071)	(59,459)	(29,147)	(6,883)
Profit before taxation	391,207	412,663	244,149	267,465
Taxation	(38,338)	(40,443)	(20,691)	(23,019)
Profit after taxation and before minority interests	352,869	372,220	223,458	244,446
Minority interests of results of subsidiaries	(2,128)	(3,401)	111	(1,100)
Net profit attributable to members	350,741	368,819	223,569	243,346
Preference dividends, gross	(81)	(81)	0	0
Profit attributable to ordinary stockholders	350,660	368,738	223,569	243,346
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Earnings per ordinary stock unit	\$ 3.65	\$ 3.84	\$ 2.33	\$ 2.53

* Restated for comparative purposes

Statement of Changes in Stockholders' Equity

	Share capital \$000s	Capital reserve \$000s	Unappropriated profits \$000s	Total \$000s
September 30, 2002	20,400	2,191,274	4,832,604	7,044,278
Net profit attributable to members			350,741	350,741
Dividends and distributions paid			(2,001)	(2,001)
Transfers, net				0
Bonus share issues in subsidiaries		45,000	(45,000)	0
Translation adjustment arising on consolidation of foreign subsidiaries		499,364		499,364
June 30, 2003	20,400	2,735,638	5,136,344	7,892,382
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September 30, 2001	20,400	1,746,793	3,918,340	5,685,533
Net profit attributable to members			368,820	368,820
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		192,622		192,622
June 30, 2002	20,400	1,977,415	4,247,159	6,244,974
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Statement of Cash Flows

	Unaudited 30/6/2003 \$000	Unaudited 30/6/2002 \$000
Cash flows from operating activities:		
Profit for the period attributable to the group	350,741	368,819
Items not affecting cash	<u>753,359</u>	<u>455,921</u>
	1,104,100	824,740
Increase / (Decrease) in non-cash working capital	<u>(326,376)</u>	<u>65,523</u>
Cash provided by operating activities	777,724	890,263
Cash used by investing activities	(504,340)	(789,569)
Cash (used) / provided by financing activities	<u>(226,197)</u>	<u>506,443</u>
	47,186	607,137
Dividends & distributions paid	<u>(2,001)</u>	<u>(2,001)</u>
Net (decrease) / increase in cash	45,186	605,136
Cash resources at beginning of year	<u>2,903,802</u>	<u>1,839,399</u>
Cash resources at end of period	<u>2,948,988</u>	<u>2,444,535</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 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 year ended September 30, 2002 Audited Financial Statements.
 3. Operating revenue represents the price of goods and services sold to external customers after deducting returns and discounts and includes consumption taxes.
 4. Subsequent to June 30, 2003 the Lascelles deMercado Group signed a contract to acquire all the issued shares in the Jamaica General Insurance Company Limited.
 5. The earnings per ordinary stock unit is computed by dividing the net profit attributable to members before and after extraordinary item, less fixed preference dividends, by the 96,000,000 issued and fully paid ordinary stock units in both years.
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