Kingston Wharves Limited

Unaudited Financial Statements

for the nine months period ended September 30, 2003

Chairman's Statement

The Directors present the following unaudited results of the Group for the third quarter ended September 2003.

GROUP RESULTS

The Group's financial performance in the third quarter was impacted adversely by declining volumes and by several non-recurring expenses, the primary being the necessary payment of redundancy to the staff of Harbour Cold Storage Ltd. Profit attributable to stockholders was a negative $6.6 Million, down from $30.1 Million profit in the second quarter. Year to date profit now stands at $28.2 Million, which is $52.8 Million behind the corresponding period last year. Earnings per stock unit are now at 2.63 cents against 7.56 cents for the same period in 2002.

The new board, confirmed in the second quarter, continues to identify and examine opportunities for growth and development of the Company. Most significant is that there is unanimity among the Directors, Management and Staff to work relentlessly and assiduously to ensure that the Company continues to be the premier multi-purpose, multi-user, public marine terminal in the region, and rebounds quickly from the several setbacks experienced in recent times.

KINGSTON WHARVES LIMITED

The volume handled by this Company decreased by 15.6% when compared to the second quarter of 2003 and by 15.1% over the same quarter last year.

Operating profits increased from $56.7 Million in the second quarter to $66.6 Million in the third quarter. The Company's net profits also improved to $24.9 Million, from $17.3 Million in the second quarter. This Company is expecting soft volumes to persist through the remainder of the year, in keeping with the general economic outlook.

While the trial of the stevedoring litigation has concluded there has not yet been a judgment in that matter.

During the latter part of the second quarter and throughout the third quarter the Directors have been developing a new business plan, which they expect to finalize with partial implementation by the end of this year.

HARBOUR COLD STORAGE LIMITED

While this Company experienced only a marginal decline in revenues, the profit attributable to stockholders decreased by $6.1 Million to a total year to date, at the end of the third quarter, of $10.4 Million. This is primarily the result of the extraordinary expense of $24.5 Million resulting from the necessity to make the entire staff redundant in keeping with the Company's contractual obligation to Grace, Kennedy and Company Ltd. that previously employed the staff. The Company continues to benefit from increasing interest income.

The demand for cold storage space showed some improvement at the end of the third quarter, and there continued to be a marginal increase in the refrigeration services provided to shipping line customers. The Company however expects to see improved levels of performance through the end of the year and beyond.

SECURITY ADMINISTRATORS LIMITED

Revenues declined by $6.3Million during the third quarter, when compared to the second quarter, which reflects the softness in domestic cargo volumes passing over the port. The profit attributable to stockholders posted in the third quarter amounted to $1.8 Million, compared to $6.4 Million in the second.

As previously reported, one third of the shares in this Company have been transferred to the Port Authority of Jamaica at nominal value. This decision was against the background of the objective of harmonizing security across Port Bustamante. The negative impact on our consolidated balance sheet amounts to $19 Million.

This Company is now exploring options for offering consultative services regionally, and is optimistic of its future success as Jamaica and other countries in the region prepare for International Security Certification that must be in place by July 2004.

ACKNOWLEDGEMENTS

I wish to express on behalf of all the stakeholders in Kingston Wharves Limited special acknowledgement and thanks to Mr. Philip Alexander who acted briefly during the present transition period as the Company's CEO, and to now welcome aboard Mr. Grantley Stephenson, the Company's newly appointed Managing Director. Additionally, I wish to thank Mr. A. R. Diaz from whom I assumed the Chairmanship, for his wise council and support during the transition period and wish him good health and happiness in his retirement.

Brian Young
Chairman
2003 November 7

The Directors are pleased to present the Results of the Group
for the nine months period ended September 30, 2003
(Unaudited)

	Notes	3 MONTHS PERIOD TO 30/09/03	9 MONTHS PERIOD TO 30/09/03	3 MONTHS PERIOD TO 30/09/02	9 MONTHS PERIOD TO 30/09/02
Tonnages - Domestic (Berths 1-9)		417,455	1,366,008	491,622	1,428,567
		$'000s	**$'000s**	**$'000s**	**$'000s**
Revenues		280,700	854,875	258,164	750,970
Cost of Sales		(143,629)	(410,042)	(110,792)	(324,220)
Gross Profit		**137,071**	**444,833**	**147,372**	**426,750**
Other Operating Income		1,790	5,808	2,492	6,823
Administrative Expenses		(102,370)	(305,218)	(113,113)	(323,741)
Operating Profit		**36,491**	**145,423**	**36,751**	**109,832**
Finance Income/(Cost) Net	**1**	4,995	(14,500)	3,489	11,821
Exceptional Item	**2**	(40,229)	(83,679)	-	-
Profit Before Taxation		**1,257**	**47,244**	**40,240**	**121,653**
Taxation		(4,574)	(15,748)	(13,462)	(40,599)
Net Profit After Taxation		(3,317)	31,496	26,778	81,054
Minority Interest in Subsidiary		(3,302)	(3,302)	-	-
Net Profit Attributable to Stockholders	**3**	**(6,619)**	**28,194**	**26,778**	**81,054**
Earnings Per Stock Unit of 20c		(0.62c)	2.63c	2.50c	7.56c

Notes

1. This amount include foreign exchange losses of $19.7 Million.

2. This includes legal fees in connection with the stevedoring litigation, the costs associated with the Extra- ordinary General Meeting and termination payments to Management. The amount also includes redundancy payments to Harbour Cold Stores Ltd. and the loss incurred in transferring one-third of the company's interest in Security Administrators Ltd. to Port Authority of Jamaica.

3. This balance includes an amount for asset replacement/rehabilitation reserves deaft with in the statement of changes in equity.

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 December 31, 2002. Details of these changes are outlined in the accompanying notes.

GROUP BALANCE SHEET- UNAUDITED

	NINE MONTHS 30th September 2003	YEAR ENDED * 31ST DECEMBER 2002	NINE MONTHS * 30th September 2002
	J$'000	J$'000	J$'000
NET ASSETS EMPLOYED			
FIXED ASSETS	3,349,435	3,376,869	3,130,614
NATIONAL HOUSING TRUST	-	-	308
LONG TERM RECEIVABLES	33,669	51,149	57,765
PENSION PLAN SURPLUS	166,770	166,770	148,428
CURRENT ASSETS			
Inventories	2,646	1,743	3,073
Related Companies	-	68,830	129,531
Receivables and Prepayments	189,635	172,202	205,968
Taxation Recoverable	5	-	8,160
Short Term Deposits	489,578	310,156	283,602
Cash	7,221	44,896	1,725
	689,085	597,827	632,059
CURRENT LIABILITIES			
Payables	126,749	131,594	132,915
Taxation	21,855	22,741	36,958
Dividends Payable	382	382	382
Bank Overdraft	-	1,667	8,263
Current Portion of Long Term Loans	69,829	56,408	25,377
	218,815	212,792	203,895
NET CURRENT ASSETS	470,270	385,035	428,164
	4,020,144	3,979,823	3,765,279
	==========	==========	==========

FINANCED BY:			
SHARE CAPITAL	214,530	214,519	214,173
SHARE PREMIUM	76,962	76,911	75,180
CAPITAL RESERVES	2,307,287	2,293,962	2,115,276
ASSET RESERVE FUND	65,024	37,980	31,462
RETAINED EARNINGS	531,086	516,217	560,028
	3,194,889	3,139,589	2,996,119
MINORITY INTEREST	19,031		
LONG TERM LOANS	179,007	212,990	193,445
DEFERRED INCOME	4,342	4,342	6,698
FINANCE LEASE OBLIGATIONS	6,283	6,301	9,290
EMPLOYEE BENEFIT OBLIGATIONS	33,708	33,708	31,461
DEFERRED TAX LIABILITY	582,884	582,893	528,266
	4,020,144	3,979,823	3,765,279
	==========	==========	==========

STATEMENT OF CHANGES IN EQUITY - UNAUDITED

	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						
as previously reported	**214,173**	**75,180**	**1,961,823**	**21,844**	**422,834**	**2,695,854**
effect of adopting IFRS						
IAS 12 - Income Taxes			(498,778)		(29,487)	(528,265)

IAS 16 - Property,Plant and Equipment			632,792	-	(11,901)	620,891
						-
-						
IAS 19 - Employee Benefits					116,967	116,967
as restated	**214,173**	**75,180**	**2,095,837**	**21,844**	**498,413**	**2,905,447**
Net interest on Asset Replacement/Rehabilitation and 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
Prior Year Adjustment						
Issue of shares:						
Bonus	-				-	-
Other	-	-				-
Dividends	-	-	-	-	-	-
Withholding tax	-	-	-	-	-	-
Transfer to Asset Replacement/ Rehabilitation and Depreciation Reserves	-	-	-	19,439	(19,439)	-
Transfer from Asset Replacement/Rehabilitation and Depreciation Reserves	-	-	19,439	(19,439)	-	-
Reserves arising on acqusition	-	-			-	-
Balance at 30 September 2002	214,173	75,180	2,115,276	31,462	560,028	2,996,119

	Share Capital	Share Premium	Capital Reserves	Asset Replacement/ Rehabilitation and Depreciation Reserves	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1st January,2003						
-as previously reported	**214,519**	**76,911**	**2,003,462**	**37,980**	**445,278**	**2,778,150**
-effect of adopting IFRS						
IAS 12 - Income Taxes			(532,218)		(50,673)	(582,891)
IAS 16 - Property,Plant and Equipment	-	-	822,718		(11,450)	811,268
IAS 19 - Employee Benefits					133,062	133,062
-as restated	**214,519**	**76,911**	**2,293,962**	**37,980**	**516,217**	**3,139,589**
Net reduction on investment						
Net interest on Asset Replacement/Rehabilitation and Depreciation Reserves				27,044	-	- 27,044
Net gains not recognised in income statement				27,044		27,044
Net profit for the year	-	-	-	-	28,194	28,194
Issue of shares:	11	51				62
Transfer to Asset Replacement/ Rehabilitation and Depreciation Reserves	-	-		13,325	(13,325)	-
Transfer from Asset Replacement/ Rehabilitation and Depreciation Reserves			13,325	(13,325)		-
Balance at 30 September 2003	**214,530**	**76,962**	**2,307,287**	**65,024**	**531,086**	**3,194,889**
	========	======	=========	======	=======	=========

CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

	UNAUDITED NINE MONTHS 30-Sep-03	UNAUDITED NINE MONTHS 30-Sep-02
	J$'000	J$'000
SOURCES/(USE) OF CASH		
Operating Activities		
Net Profit	28,194	81,054
Items not affecting Cash	117,066	68,680
	145,260	149,734
Changes in non-cash Working Capital Components	44,760	(31,519)
Cash provided by operating activities	190,020	118,215
Cash provided by financing activities	(17,140)	140,713
Cash used in investing activities	(29,466)	(205,467)
Increase in cash and cash equivalent	143,414	53,461
Net cash and cash equivalents at the beginning of year	353,385	223,603
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	496,799	277,064

SEGMENT REPORTING FOR NINE MONTHS

	Wharf Operations $'000s	Cold Storage Operations $'000s	Security Operations $'000s	Eliminations $'000s	Group $'000s
Revenues	583,406	103,413	147,381	(83,229)	750,971
Segment Results	90,921	16,128	2,784		109,833
Finance (net)	(5,688)	16,087	1,421		11,820
Exceptional					
Profit before tax	**85,233**	**32,215**	**4,205**		**121,653**
Taxation					(40,599)
Net Profit					**81,054**

	Wharf Operations $'000s	Cold Storage Operations $'000s	Security Operations $'000s	Eliminations $'000s	Group $'000s
Revenues	615,525	111,723	158,955	(31,328)	854,875
Segment Results	121,499	13,133	10,791		145,423
Finance (net)	(46,582)	28,013	4,069		(14,500)
Exceptional	(59,179)	(24,500)	-		(83,679)
Profit before tax	**15,738**	**16,646**	**14,860**		**47,244**
Taxation					(15,748)
					31,496
Minority Interest					(3,302)
Net Profit					**28,194**

Notes

1. Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets.

The Group adopted International Financial Reporting Standards as at 2003 January 1. The financial effect of adopting these standards is reported in the Statement of Changes in Equity.

(b) Fixed Assets

Freehold land and buildings are initially recorded at cost and subsequently shown at market valuation based on valuations by external independent valuers, less subsequent depreciation of buildings less any impairment losses. Other fixed assets are stated at cost
less accumulated depreciation less any impairment losses.

(c) Investments

Investments are classified as originated or held-to-maturity and are initially recorded at cost. Management at the time of purchase determines an appropriate classification and re-evaluates such designation on a regular basis.

Originated and held-to-maturity investments are subsequently measured at amortized cost.

(d) Employee Benefit Costs

(i) Pension Plan Assets

The Group participates in a defined benefit pension plan, The asset in respect of the plan is the fair value of plan assets at the balance sheet date minus the present value of the defined benefit obligation, together with any adjustments for actuarial gains/losses and past services costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using the interest rates of government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to the pension plan are charged or credited to income over the average remaining service lives of the related employees.

(ii) Other Employee Benefit Obligations

The Group provides post-retirement healthcare benefits and group life benefits to its retirees. The entitlement of these benefits is usually based on the employee remaining in service up to the retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that of defined benefit pension plans. These obligations are valued annually by independent actuaries.

(e) Deferred Taxation

Deferred income tax is provided in full, using the liability method on all temporary, differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(f) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(g) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, and deposits held at call with banks, net of bank and short term loans.

(h) Segment Reporting

The Group is organized into three business segments, which provide services that are subject to risks and returns dissimilar to each other.

Wharf Operations
To operate public wharf by providing services to receive, store and deliver cargoes.

Cold Storage and Refrigeration Services
The installation and provision of cold storage facilities and the maintenance of external facilities.

Security Operations
The provision of security services at various ports.

(i) Comparative Information

Where necessary, comparative figures have been reclassified and/or restated to conform with changes in presentation in the current year.