

Montego Freeport Limited & Subsidiaries

Unaudited Consolidated Profit & Loss Account

Three months ended June 30, 2004

UNAUDITED CONSOLIDATED PROFIT & LOSS ACCOUNT

	3 months ended 30 June	
	2004 \$'000	2003 \$'000
Revenue	302	4,203
Other operating income	136	197
Administrative expenses	(2,612)	(2,408)
Other operating expenses	(3,073)	(3,335)
Operating Loss	(5,247)	(1,343)

Finance income	13,872	17,735
Profit before Taxation	8,625	16,392
Taxation	3,372	4,486
Net Profit	5,253	11,906
	=====	=====
EARNINGS PER STOCK UNIT (\$)	0.01	0.02
	=====	=====

UNAUDITED CONSOLIDATED BALANCE SHEET

	Unaudited 30 June 2004 \$'000	Audited 31 March 2004 \$'000	Unaudited 30 June 2003 \$'000
Non- Current Assets			
Investment properties	1,514,973	1,514,973	1,853,063
Property, plant and equipment	5,754	5,887	6,951
Current Assets			
Receivables	8,832	10,286	70,103
Taxation recoverable	16,102	17,162	19,322
Short term investments	-	57,890	173,125
Cash and cash equivalents	738,867	672,425	88,957
	<u>763,801</u>	<u>757,763</u>	<u>351,507</u>
Current Liabilities			
Payables	9,099	9,765	80,729

Parent corporation	18	38	41
Taxation payable	9,402	7,777	4,984
	<u>18,519</u>	<u>17,580</u>	<u>85,754</u>
	<u>745,282</u>	<u>740,183</u>	<u>265,753</u>
Net Current Assets	<u>2,266,009</u>	<u>2,261,043</u>	<u>2,125,767</u>
	=====	=====	=====
Shareholders' Equity			
Share capital	281,533	281,533	281,533
Capital reserve	1,912,258	1,912,258	1,815,733
Retained earnings/(Accumulated losses)	<u>62,557</u>	<u>57,304</u>	<u>(4,432)</u>
	<u>2,256,348</u>	<u>2,251,095</u>	<u>2,092,834</u>
Non- Current Liability			
Deferred tax liabilities	9,661	9,948	32,933
	<u>2,266,009</u>	<u>2,261,043</u>	<u>2,125,767</u>
	=====	=====	=====

STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL \$'000	CAPITAL RESERVE \$'000	ACCUMULATED LOSSES \$'000	TOTAL \$'000
Balance at 31 March 2003	281,533	1,815,733	(16,338)	2,080,928
Net Profit	-	-	11,906	11,906
Balance as at 30 June 2003	<u>281,533</u>	<u>1,815,733</u>	<u>(4,432)</u>	<u>2,092,834</u>
	=====	=====	=====	=====
	SHARE CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	TOTAL

	\$'000	\$'000	\$'000	\$'000
Balance as at 31 March 2004	281,533	1,912,258	57,304	2,251,095
Net Profit	-	-	5,253	5,253
Balance as at 30 June 2004	<u>281,533</u>	<u>1,912,258</u>	<u>62,557</u>	<u>2,256,348</u>
	=====	=====	=====	=====

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

	2004 \$'000	2003 \$'000
CASH RESOURCES WERE PROVIDED BY / (USED IN) :		
Net Profit	5,253	11,906
Items not affecting cash resources	<u>(10,366)</u>	<u>(13,102)</u>
	(5,113)	(1,196)
Changes in non-cash working capital components	(1,846)	(60,697)
Tax paid	(6,135)	(2,160)
Tax refund	<u>5,161</u>	<u>-</u>
Cash used in operating activities	(7,933)	(64,053)
Cash used in financing activity	(20)	41
Cash provided by/(used in) investing activities	<u>74,296</u>	<u>(97,468)</u>
Increase/(decrease) in cash and cash equivalents	66,343	(161,480)
Cash and cash equivalents at the beginning of the year	672,425	246,957
Exchange and translation gain on net foreign balance	<u>99</u>	<u>3,480</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>738,867</u>	<u>88,957</u>
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Notes to report

Accounting Policies

a) Basis of preparation

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS).

b) Property, plant and equipment

Land and buildings are recorded at valuation or deemed cost, less accumulated depreciation for buildings. Other fixed assets are stated at cost less accumulated depreciation.

c) Investment properties

Investment properties which are not occupied by the Group, are treated as a long-term investments and carried at fair value, representing open market value determined annually by external valuers in the case of land and by the directors in the case of buildings. Changes in fair values are recorded in the profit and loss account. Investment properties were not revalued in the quarter to 30 June 2004.

d) 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 recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

e) Earnings per stock unit

Earnings per stock unit is based on the group net profit for the period divided by the average number of stock units in issue during the period.

f) Comparative information

Where necessary, comparative figures have been reclassified and/or restated to conform with changes in presentation in the current year. In particular the comparatives have been adjusted or extended to reflect the requirements of International Financial Reporting Standards.
