

CARRERAS GROUP LIMITED & SUBSIDIARIES

Unaudited Results for six months ended: 30/09/2003

GROUP PROFIT & LOSS ACCOUNT

	UNAUDITED 6 months to		UNAUDITED 3 months to		RESTATED 12 months
	September-03	September-02	September-03	September-02	March-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross operating revenue	2,692,612	2,263,198	1,496,602	1,181,081	4,972,405
Cost of operating revenue	(1,425,168)	(965,838)	(789,279)	(499,220)	(2,114,956)
Gross operating profit	1,267,444	1,297,360	707,323	681,861	2,857,449
Interest and other investment income	1,044,726	609,283	506,928	308,627	1,349,153
Other operating income:					
Exchange gains	384,463	206,111	75,344	88,206	1,052,054
Other income	61,989	38,294	10,539	25,069	52,081
Administrative and marketing expenses	(599,647)	(532,304)	(285,085)	(259,761)	(1,086,815)
Profit before exceptional items	2,158,975	1,618,744	1,015,049	844,002	4,223,922
Exceptional items	(3,347)	(3,899)	-	(3,640)	(26,472)
Profit before income tax	2,155,628	1,614,845	1,015,049	840,362	4,197,450
Income tax	(544,666)	(293,216)	(282,559)	(97,454)	(827,496)

Profit after income tax but before minority interests	1,610,962	1,321,629	732,490	742,908	3,369,954
Minority interests	(1,801)	(1,695)	(944)	(1,081)	(3,634)
Net profit attributable to stockholders	<u>1,609,161</u>	<u>1,319,934</u>	<u>731,546</u>	<u>741,827</u>	<u>3,366,320</u>
Earnings per ordinary stock unit of 25c each	331.5¢	271.9¢	150.7¢	152.8¢	693.5¢

GROUP BALANCE SHEET

	Unaudited 30-Sep-03 \$000	Restated 31-Mar-03 \$000	Restated 30-Sep-02 \$000	Restated 31-Mar-02 \$000
Current Assets				
Cash and short-term deposits	5,102,762	4,994,249	3,426,855	4,771,860
Repurchase Agreements	5,395,034	5,356,894	5,450,822	3,546,350
Short-term investments	1,117,698	1,358,103	1,192,193	1,346,691
Accounts receivable	424,814	397,350	352,199	449,508
Income tax recoverable	501,969	280,802	411,086	668,030
Inventories	147,032	151,991	119,611	123,263
	<u>12,689,309</u>	<u>12,539,389</u>	<u>10,952,766</u>	<u>10,905,702</u>
Current Liabilities				
Accounts payable	553,453	578,881	432,423	417,932
Income tax payable	1,214,388	855,541	789,375	1,114,876
Dividend payable	485,440	-	485,440	-
	<u>2,253,281</u>	<u>1,434,422</u>	<u>1,707,238</u>	<u>1,532,808</u>
Net Current Assets	10,436,028	11,104,967	9,245,528	9,372,894
Long-term Investments	2,885,627	1,934,318	2,058,935	2,511,920

Investment Properties, at Valuation	153,000	153,000	156,000	156,000
Fixed Assets	562,577	545,961	549,537	549,762
Deferred Tax Asset	125,459	92,171	88,910	84,671
	14,162,691	13,830,417	12,098,910	12,675,247
	=====	=====	=====	=====
Financed by:				
Share Capital	121,360	121,360	121,360	121,360
Reserves:				
Capital	359,838	359,838	359,103	359,103
Investments Revaluation	138,030	99,381	111,260	95,349
Other	3,864,172	3,741,002	3,069,919	3,030,849
Revenue	9,497,356	9,344,515	8,269,280	8,891,106
	<u>13,859,396</u>	<u>13,544,736</u>	<u>11,809,562</u>	<u>12,376,407</u>
Stockholders' Equity	13,980,756	13,666,096	11,930,922	12,497,767
Minority Interests	26,791	25,040	23,100	21,408
Deferred Taxation	91,744	75,881	77,988	89,172
Employee Benefit Obligation	63,400	63,400	66,900	66,900
	14,162,691	13,830,417	12,098,910	12,675,247
	=====	=====	=====	=====
(96,048)	(64,702)			

ON BEHALF OF THE BOARD

William Telling	Marlene Sutherland
Chief Executive Officer	Group Finance Director

GROUP STATEMENT OF CHANGES IN EQUITY

for the Six Months ended SEPTEMBER 30, 2002

Share	<u>Capital Reserves</u>	Investment		Revenue Reserves		Total
		Revaluation	Other	Replacement	Unappropriated Insurance	

	Capital \$'000	Realised \$'000	Unrealised \$'000	Reserves \$'000	Reserves \$'000	Reserve \$'000	Profits \$'000	Claims \$'000	\$'000
Balance at March 31, 2002 - audited	121,360	74,304	2,053,248	-	-	49,200	10,130,432	142,830	12,571,374
- Effect of adopting IFRS									
IAS 16 - Property Plant & Equipment			(1,586,349)				(94,902)		(1,681,251)
IAS 21 - Effect of changes in foreign exchange			(87,756)		179,194			(142,830)	-
IAS 40 - Investment Property			(94,344)				108,465		14,121
IAS 37 - Provisions, Contingent Liabilities and Assets						(49,200)	140,891		91,691
IAS 19 - Employee Benefits							(78,832)		(78,832)
IAS 10 - Events after Balance Sheet date							1,456,320		1,456,320
IAS 12 - Income Taxes							29,298		29,298
IAS 38 - Intangible Assets							(303)		(303)
IAS 39 - Financial Instruments: Recognition and Measurement				95,349					95,349
Reserves arising on consolidation					2,851,655		(2,851,655)		-
Transfer between reserves		(7)	7						-
Restated balance at 31.03.2002	121,360	74,927	284,806	95,349	3,030,849	-	8,891,106	-	12,497,767
Change in fair values of Available For Sale Investments				15,911					15,911
Foreign currency translation adjustments					39,070				39,070
Total net (losses) and gains not recognised in the profit and loss account	-	-	-	15,911	39,070	-	-	-	54,981
Net profit for the period atributable to stockholders							1,319,934		1,319,934
Dividends				-					
							(1,941,760)		(1,941,760)
Balance at September 30, 2002 unaudited	121,360	74,927	284,806	111,260	3,069,919	-	8,269,280	-	11,930,922

GROUP STATEMENT OF CHANGES IN EQUITY

for the Six Months ended SEPTEMBER 30, 2003

	Share Capital	Capital Reserves		Investments		Revenue Reserves			Total
	Capital	Realised	Unrealised	Revaluation Reserves	Other Reserves	Replacement Reserve	Unappropriated Profits	Insurance Claims	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at March 31, 2003 - audited	121,360	75,013	1,714,294	-	-	64,505	11,517,404	56,237	13,548,813
(as previously reported)									
- Effect of adopting IFRS									
IAS 16 - Property, Plant & Equipment			(1,044,082)				(104,913)		(1,148,995)
IAS 21 - Effect of changes in foreign exchange rates			(294,043)		399,716		(49,436)	(56,237)	-
IAS 40 - Investment Property			(91,344)				105,465		14,121
IAS 37 - Provisions, Contingent Liabilities & Assets						(64,505)	266,468		201,963
IAS 10 - Events after Balance Sheet date							970,880		970,880
IAS 12 - Income Taxes							43,636		43,636
IAS 38 - Intangible Assets		-					(303)		(303)
IAS 19 - Employee Benefits							(63,400)		(63,400)
IAS 39 - Financial Instruments : Recognition and Measurement				99,381					99,381
Reserves arising on consolidation					3,341,286		(3,341,286)		-
Restated balance at 31.03.2003	121,360	75,013	284,825	99,381	3,741,002	-	9,344,515	-	13,666,096
Change in fair values of Available For Sale Investments				38,649					38,649
Foreign currency translation adjustments					123,170				123,170
Total net (losses) and gains not recognised in the profit and loss account	-	-	38,649		123,170				161,819
Net profit for the period attributable to stockholders							1,609,161		1,609,161
Dividends							(1,456,320)		(1,456,320)
Balance at September 30, 2003-unaudited	121,360	75,013	284,825	138,030	3,864,172	-	9,497,356	-	13,980,756

Group Statement of Cash Flows

	6 months 30-Sep-03 \$'000	12 months 31-Mar-03 \$'000	6 months 30-Sep-02 \$'000
Cash flows from operating activities:			
Net profit for the period attributable	1,609,161	3,366,320	1,319,934
Items not affecting cash	<u>140,454</u> 1,749,615	<u>250,329</u> 3,616,649	<u>60,530</u> 1,380,464
Changes in working capital	<u>89,747</u>	<u>312,293</u>	<u>46,895</u>
Cash provided by operating activities	1,839,362	3,928,942	1,427,359
Cash (used)/provided by investing activities	(759,969)	(1,279,352)	(1,316,044)
Cash used by financing activities	<u>(970,880)</u>	<u>(2,427,201)</u>	<u>(1,456,320)</u>
Increase/(Decrease) in cash and short-term deposits	108,513	222,389	(1,345,005)
Cash and short-term deposits, at beginning of period - audited	<u>4,994,249</u>	<u>4,771,860</u>	<u>4,771,860</u>
Cash and short-term deposits, at end of period - unaudited	<u>5,102,762</u> =====	<u>4,994,249</u> =====	<u>3,426,855</u> =====

Financial Information By Business Segment

	Tobacco \$'000	Hospitality \$'000	GROUP \$'000
Six Months to September 30, 2003			
Total Revenue	<u>2,569,642</u>	<u>122,970</u>	<u>2,692,612</u>
Results			
Segment operating result	924,406	(157,113)	767,293
Investment income	=====	=====	1,044,726
Exchange gains			384,463
Other income			61,989
Corporate expenses			<u>(99,496)</u>
Profit before income tax and exceptional items			2,158,975
Exceptional items			<u>(3,347)</u>
Profit before income tax			2,155,628
Income tax			<u>(544,666)</u>
Profit after income tax			1,610,962
Minority interest			<u>(1,801)</u>
Net profit			<u>1,609,161</u> =====

Six Months to September 30, 2002

	Tobacco \$'000	Printing \$'000	Hospitality \$'000	GROUP \$'000
Total Revenue	<u>2,031,790</u>	<u>(131)</u>	<u>231,539</u>	<u>2,263,198</u>
Results				
Segment result	865,353	(7,212)	(14,639)	843,502
Investment income	=====	=====	=====	609,283
Exchange gains				206,111
Other income				38,294
Corporate expenses				<u>(78,446)</u>
Profit before income tax and exceptional items				1,618,744
Exceptional items				<u>(3,899)</u>

Profit before income tax	1,614,845
Income tax	<u>(293,216)</u>
Profit after income tax	1,321,629
Minority interest	<u>(1,695)</u>
Net profit	1,319,934
	=====

NOTES:

1. Accounting policies:

(a) Basis of preparation

The group adopted International Financial Reporting Standards (IFRS) as at April 1, 2003. These financial statements are, therefore, prepared in accordance with and comply with IFRS. Consequently, there have been significant changes in the accounting policies followed in these the financial statements compared with those followed in previous periods. The comparative figures have been restated accordingly. The financial effects of adopting IFRS are reported in the statement of changes in equity.

The financial statements have been prepared under the historical cost convention, modified for the inclusion of investment properties and available-for-sale investments at valuation.

(b) Investments

Investments are classified as available-for-sale and originated loans and receivables and initially recorded at cost. Originated loans and receivables are subsequently measured at amortised cost. Available-for-sale investments are measured at fair value with changes in fair value taken to the reserves.

(c) Deferred taxation

Deferred taxation is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial

reporting purposes and the amounts used for income tax purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be realised.

(d) **Provisions**

A provision is recognised in the balance sheet when the group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(e) **Employee benefits**

(i) Defined benefit plan:

The group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in return for their service in the current and prior periods, discounting it to determine its present value, and deducting the fair value of the plan assets. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

Under Paragraph 58a of IAS 19 actuarial gains or losses are recognised immediately in the income statement.

Where the calculation results in a benefit to the group, the recognised asset is restricted to the net total of any unrecognised actuarial losses and past service costs and the present value of any reductions in future contributions to the plan.

(ii) Other post retirement benefits:

The group's net obligation in respect of other post retirement benefits (i.e. medical and life insurance) is the amount of the future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated the Projected Unit Credit Method and is discounted to its present value using a discount rate similar to that for pension obligation (see 1 (i) above).

2. Gross operating revenue

Gross operating revenue represents the invoiced value of products and services sold by the group, inclusive of special consumption taxes amounting to \$675.841 million (2002: \$672.551 million) and new excise taxes of \$462.236 million (2002:\$nil).

3. Earnings per stock unit

Earnings per stock unit is based on the net profit for the period attributable to stockholders divided by 485,440,000 stock units in issue.

4. Dividends

At the Annual General Meeting held on Monday, September 29, 2003, the stockholders approved:

- (a) a final dividend of \$1.00 per stock unit; and
- (b) payment of the said final dividend of \$1.00 per stock unit on October 15, 2003 out of accumulated unfranked profits to stockholders listed in the register of members on October 3, 2003.

5. Segment reporting

The group has two business segments which provides products and services with risks and rewards that are different from each other. Segment revenue and results are stated in the report headed Financial Information by Business Segment. The expenses and income of the parent company are included in the total for the Group.
