

Montego Freeport Limited & Subsidiaries

Unaudited Consolidated Profit & Loss Account

Six months ended September 2004

	Unaudited 30 Sept 2004 \$'000	Audited 31 March 2004 \$'000	Unaudited 30 Sept 2003 \$'000
Non- Current Assets			
Investment properties	1,502,373	1,514,973	1,853,063
Property, plant and equipment	5,631	5,887	6,939
Current Assets			
Receivables	8,588	10,286	71,372
Taxation recoverable	18,754	17,162	19,557
Short term investments	-	57,890	52,746
Cash and cash equivalents	157,924	672,425	215,931
	<u>185,266</u>	<u>757,763</u>	<u>359,606</u>
Current Liabilities			
Payables	7,359	9,765	79,067
Parent corporation	53	38	82
Taxation payable	15,297	7,777	6,010
	<u>22,709</u>	<u>17,580</u>	<u>85,159</u>
	<u>162,557</u>	<u>740,183</u>	<u>274,447</u>
Net Current Assets	<u>1,670,561</u>	<u>2,261,043</u>	<u>2,134,449</u>
	=====	=====	=====
Shareholders' Equity			

Share capital	281,533	281,533	281,533
Capital reserve	1,360,929	1,912,258	1,815,733
Retained earnings	<u>19,398</u>	<u>57,304</u>	<u>7,605</u>
	<u>1,661,860</u>	<u>2,251,095</u>	<u>2,104,871</u>
	=====	=====	=====
Non- Current Liability			
Deferred tax liabilities	8,701	9,948	29,578
	<u>1,670,561</u>	<u>2,261,043</u>	<u>2,134,449</u>
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Approved for issue by:

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 Dr. Vincent M. Lawrence, OJ - Chairman

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 Jewell Spencer - Director

UNAUDITED CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR SIX AND THREE MONTHS ENDED 30 SEPTEMBER 2004

	3 months ended 30 September		6 months ended 30 September	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Revenue	373	4,163	797	8,366
Other operating income	34	137	49	333
Administrative expenses	(2,613)	(2,267)	(5,291)	(4,816)
Other operating expenses	(3,517)	(3,510)	(6,524)	(6,727)
Operating Loss	(5,723)	(1,477)	(10,969)	(2,844)
Finance income	18,130	12,588	32,002	30,323
Profit before Taxation	12,407	11,111	21,033	27,479
Taxation	5,729	1,504	8,306	3,536
Net Profit	6,678	9,607	12,727	23,943
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EARNINGS PER STOCK UNIT (\$)	0.0118	0.0170	0.0226	0.0425
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STATEMENT OF CHANGES IN EQUITY

SIX (6) MONTHS ENDED 30 SEPTEMBER 2004

	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	0	0	23,943	23,943
Balance as at 30 September 2003	281,533	1,815,733	7,605	2,104,871
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	SHARE CAPITAL \$	CAPITAL RESERVE \$	RETAINED EARNINGS \$	TOTAL \$
Balance as at 31 March 2004	281,533	1,912,258	57,304	2,251,095
Net Profit	0	0	12,727	12,727
Dividend Paid	0	0	(50,633)	(50,633)
Capital Distribution	0	(551,329)	0	(551,329)
Balance as at 30 September 2004	281,533	1,360,929	19,398	1,661,860
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UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

	2004	2003
	\$'000	\$'000
CASH RESOURCES WERE PROVIDED BY / (USED IN) :		
Net Profit	12,727	23,943
Items not affecting cash resources	<u>(22,053)</u>	<u>(29,342)</u>
	(9,326)	(5,399)
Changes in non-cash working capital components	(4,573)	(60,585)
Taxation paid	(478)	(239)
Taxation refund	<u>5,161</u>	<u>0</u>
Cash used in operating activities	(9,216)	(66,223)
Cash (used in)/provided by financing activities	(601,947)	82
Cash provided by investing activities	<u>96,563</u>	<u>13,200</u>
Decrease in cash and cash equivalents	(514,600)	(52,941)
Effect of exchange and translation gain on net foreign balances	<u>99</u>	<u>6,915</u>
	(514,501)	(46,026)
Cash and cash equivalents at the beginning of period	<u>672,425</u>	<u>261,957</u>
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>157,924</u>	<u>215,931</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 September 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.
