BERGER PAINTS JAMAICA LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE

THREE MONTH PERIOD ENDED MARCH 31,2005

BALANCE SHEET AS AT MARCH 31, 2005

	(Unaudited) March 31, 2005	(Unaudited) March 31, 2004	(Audited) December 31, 2004
	$'000	$'000	$'000
ASSETS			
Non-current assets			
Fixed Assets	97,622	103,842	100,233
Long-term receivables	54	172	100
Post employment benefits	55,063	3,441	53,590
	152,739	107,455	153,923
Current Assets	476,694	473,578	530,184
Total Assets	629,433	581,033	684,107
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	107,161	107,161	107,161
Share premium	34,632	34,632	34,632
Revaluation reserve	41,266	41,066	41,266

Proposed dividends	21,167	43,162	34,291
Revenue reserve			
Profit & loss account	212,060	227,037	200,920
	416,286	453,058	418,270
Non-current liabilities			
Post employment benefits	41,138	-	41,138
Deferred tax liabilities	11,428	7,663	11,428
Provision		4,100	-
	52,566	11,763	52,566
Current Liabilities	160,581	116,212	213,271
Total equity and liabilities	629,433	581,033	684,107

PROFIT AND LOSS ACOUNT

	(Unaudited) March 31,2005	(Unaudited) March 31,2005	(Audited) December 31,2004
	$'000	**$'000**	**$'000**
Sales (net of discount and rebates)	255,337	221,925	1,107,405
Profit from operations	16,300	18,161	103,630
Income from investments	360	924	1,796
Finance Costs	-	(2)	(50)
PROFIT BEFORE TAXATION	16,660	19,083	105,376
Taxation	(5,520)	(6,359)	(38,359)
NET PROFIT	11,140	12,724	67,017
Earnings per stock unit of 50 cents	5.2c	5.9c	31 c

STATEMENT OF CHANGES IN EQUITY

	Share Capital $'000	Share Premium $'000	Revaluation reserve $'000	Proposed Dividends $'000	Revenue Reserve - Profit & Loss Account $'000	Total $'000
Balance at January 1, 2004	107,161	34,632	41,066	43,162	189,626	415,647
Net profit for the year					67,017	67,017
Dividends approved at Annual General Meeting				(43,162)		(43,162)
Interim Dividends					(21,432)	(21,432)
Proposed Dividends				34,291	(34,291)	-
Deferred tax adjustment	-	-	200	-	-	200
Balance at December 31, 2004	107,161	34,632	41,266	34,291	200,920	418,270
Net profit for the year					11,140	11,140
Interim Dividends				(13,124)		(13,124)
Balance at March 31, 2005	107,161	34,632	41,266	21,167	212,060	416,286

STATEMENT OF CASHFLOWS

	(Unaudited) March 31, 2005 $'000	(Unaudited) March 31, 2004 $'000	(Audited) December 31, 2004 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit	11,140	12,724	103,630
Non-cash items included in net profit	3,044	2,684	14,493
	14,184	15,408	118,123
(Increase) decrease in operabng assets	1,637	20,630	(20,426)
Decrease in operating liabilities	(52,690)	(92,544)	(73,088)
Cash used in operating activities	(36,869)	(56,506)	24,609
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash used in investing activities	(387)	(3,896)	(9,533)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash used in financing acfivities	(13,124)	-	(60,033)
NET (DECREASE) INCREASE IN CASH AND BANK BALANCES	(50,380)	(60,402)	(44,957)
OPENING CASH AND BANK BALANCES	77,889	122,846	122,846
CLOSING CASH AND BANK BALANCES	27,509	62,444	77,889

1. IDENTIFICATION

The main activity of the company, which is incorporated in Jamaica, is the manufacture and distribution of industrial and decorative paints and paint-related processed materials.

The company which is listed on the Jamaica Stock Exchange, is a 51% subsidiary of Lewis Berger (Overseas Holdings) Limited, which is incorporated in the United Kingdom. The ultimate holding company is Asian Paints (India) Limited, which is incorporated in India. The registered office of the company is 256 Spanish Town Road, Kingston 11.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The company's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS).

The financial statements have been prepared under the historical cost basis.

These financial statements are expressed in Jamaican dollars.

(b) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

(c) Property, plant and equipment

All property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets other than land, over the estimated useful lives, using the straight-line method, on the following bases:

	Per annum
Freehold buildings	2%
Plant and machinery	8%-15%
Other fixed assets	12%-25%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

(d) Long-term receivables

These recoverable consumption taxes are shown at nominal values.

(e) Inventories

These are stated at the lower of cost (first-in, first-out) and net realisable value. The cost of finished goods comprises direct materials and labour plus an appropriate proportion of overhead expenses that have been incurred in bringing inventory to its present location. The cost of work-in-progress comprises direct materials, and an appropriate proportion of labour and overhead expenses in bringing the inventory to its present location. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(f) Accounts receivable

These amounts, which are expected to be settled within a year of inception, are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts where necessary. The allowance for irrecoverable amounts is determined by reference to past default experience.

(g) Cash and bank deposits

For the purposes of the cash flow statement, cash and bank balances comprises cash at bank and in hand, net of bank overdraft. Bank deposits have an original maturity of three months or less.

(h) Retirement benefit costs

The company operates a defined benefits pension plan and provides post retirement medical benefits. The plans are funded by contributions from employees and employer. In respect of the pension plan, the employees contribute at the rate of 5% of pensionable salaries (with the option of contributing an additional 5%). The post retirement medical plan is funded entirely by the company. The company's rate of contribution is determined by independent actuaries.

The cost of providing benefits is determined using the Projected Unit Credit Method with independent actuarial valuations being carried out each balance sheet date. Actuarial gains and losses that exceed 10% of the greater of the present value of the company's obligation and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight_ line basis over the average period until the amended benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognized past service costs, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

(i) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates currently enacted, which rates are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also charged or credited in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

(j) Due from (to) group companies

Two parties are considered to be related when:

(a) one party uis able to exercise control or significant influence over the other party; or

(b) both parties are subject to common control or significant influence from the same source.

Intergroup transactions are recorded at pre-determined group rates and are settled quarterly.

(k) Dividends payable

These are recognized as a liability in the period in which they are approved by the shareholders in the annual general meeting.

(l) Accounts payable
Trade payables are stated at their nominal value.

(m) Provisions

Provisions are recognised when the company 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 determined.

(n) Revenue recognition

Sale of goods is recognized where goods are delivered and title has passed and is recorded at the fair value of the consideration receivable net of discount, rebates and consumption taxes.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(o) Foreign currencies

Transactions in currencies other than the Jamaican dollar are initially recorded at the rates of exchange prevailing at the dates of those transactions. Monetary assets and liabilities denominated in such currencies are re-translated to Jamaican dollars at exchange rates current at balance sheet date. All resulting gains and losses are credited to, or charged against, net profit or loss for the year.

(p) Borrowing costs

Borrowing costs are recognised in the net profit or loss in the period in which they are incurred.

(q) Financial instruments

Financial instruments include transactions that give rise to both financial assets and financial liabilities.

Financial assets and liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets include cash and bank deposits, accounts receivable, long-term receivables and other current assets except inventories and any prepayments.

Financial liabilities include current liabilities except accruals and income tax payable.

The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

(r) Impairment

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

(s) Comparative information

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