



CARRERAS GROUP LIMITED & SUBSIDIARIES

UNAUDITED GROUP FINANCIAL STATEMENTS

CARRERAS
GROUP LIMITED

For Six Months ended SEPTEMBER 30, 2005

GROUP PROFIT & LOSS ACCOUNT

	UNAUDITED		UNAUDITED		AUDITED
	6 months to		3 months to		12 months
	September-05	September-04	September-05	September-04	March-05
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross operating revenue	3,310,680	2,963,153	1,667,729	1,569,265	6,604,902
Cost of operating revenue	(1,668,502)	(1,545,055)	(837,189)	(814,369)	(3,428,291)
Gross operating profit	1,642,178	1,418,098	830,540	754,896	3,176,611
Interest and other investment income	418,563	685,639	211,102	324,806	1,203,564
Other operating income:					
Exchange gains	59,355	117,398	43,462	107,924	87,216
Other income	594,251	562,906	582,324	557,569	658,596
Marketing expenses	(219,204)	(188,250)	(97,364)	(86,202)	(407,208)
Administrative expenses	(567,697)	(820,585)	(395,996)	(604,690)	(1,184,018)
Profit before income tax	1,927,446	1,775,206	1,174,068	1,054,303	3,534,761
Income tax	(437,984)	(571,238)	(188,931)	(304,329)	(1,075,567)
Profit for the period	1,489,462	1,203,968	985,137	749,974	2,459,194
Attributable to:					
Minority interests	614	653	334	480	1,195
Stockholders in parent	1,488,848	1,203,315	984,803	749,494	2,457,999
Net profit attributable to stockholders	1,489,462	1,203,968	985,137	749,974	2,459,194
Earnings per ordinary stock unit of 25c each	306.7¢	247.9¢	202.9¢	154.4¢	506.3¢



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UNAUDITED GROUP FINANCIAL STATEMENTS

For Six Months ended SEPTEMBER 30, 2005

	GROUP BALANCE SHEET			
	Unaudited	Audited	Unaudited	Audited
	30-Sep-05	31-Mar-05	30-Sep-04	31-Mar-04
	\$000	\$000	\$000	\$000
Current Assets				
Cash and short-term deposits	5,179,456	4,586,553	7,180,201	8,288,762
Repurchase Agreements	2,793,183	2,799,780	2,562,572	1,468,499
Short-term investments	-	-	435,733	533,783
Accounts receivable	1,425,872	331,032	1,131,231	537,137
Income tax recoverable	97,895	313,617	597,193	438,543
Inventories	146,476	135,217	121,526	154,470
	9,642,882	8,166,199	12,028,456	11,421,194
Current Liabilities				
Accounts payable	832,706	818,328	1,372,326	695,375
Provisions	-	450,000	-	40,162
Income tax payable	1,093,466	999,215	1,138,170	1,011,361
Dividend payable	485,440	-	-	-
	2,411,612	2,267,543	2,510,496	1,746,898
Net Current Assets	7,231,270	5,898,656	9,517,960	9,674,296
Long-term investments	1,353,606	1,859,623	2,283,333	4,376,078
Retirement benefit asset	191,600	191,600	-	-
Fixed Assets	102,200	503,503	531,640	544,970
	8,878,676	8,453,382	12,332,933	14,595,344
Financed by:				
Share Capital	121,360	121,360	121,360	121,360
Reserves:				
Unappropriated profits	4,338,581	3,839,153	3,114,633	4,939,876
Capital	95,801	95,801	4,847,703	4,746,900
Investments revaluation	256,741	356,593	273,249	310,078
Other	3,341,286	3,341,286	3,341,286	3,874,204
	8,032,409	7,632,833	11,576,871	13,871,058
Total attributable to stockholders of parent	8,153,769	7,754,193	11,698,231	13,992,418
Minority interests	17,167	16,590	15,960	15,307
Total equity	8,170,936	7,770,783	11,714,191	14,007,725
Deferred taxation liability	621,240	596,099	541,542	510,419
Retirement benefit obligation	86,500	86,500	77,200	77,200
	8,878,676	8,453,382	12,332,933	14,595,344

ON BEHALF OF THE BOARD

Michael Bernard
Managing Director

Reynaldo Callejas
Group Finance Director



CARRERAS GROUP LIMITED & SUBSIDIARIES

INTERIM UNAUDITED GROUP REPORT TO STOCKHOLDERS for the Six Months ended SEPTEMBER 30, 2005

CARRERAS
GROUP LIMITED

Statement of Changes in Stockholders' Equity

	Share Capital \$'000	Revenue Reserves \$'000	Capital Reserves \$'000	Investments Revaluation Reserves \$'000	Other Reserves \$'000	Total attributable to stockholders of the parent \$'000	Minority interests \$'000	Total \$'000
Balance at March 31, 2005 - audited	121,360	3,839,153	95,801	356,593	3,341,286	7,754,193	16,590	7,770,783
Change in fair values of Available For Sale Investments				(99,852)		(99,852)	(37)	(99,889)
Foreign currency translation adjustments						-		
Total net (losses) and gains not recognised in the profit and loss account	-	-	-	(99,852)	-	(99,852)	(37)	(99,889)
Net profit for the period attributable to stockholders		1,488,848				1,488,848	614	1,489,462
Dividends		(970,880)				(970,880)		(970,880)
Transfer of amount equivalent to intra-group capital distribution		-	-			-	-	
Transfer tax on capital distribution			-			-		
Deferred tax on reserves of subsidiaries in liquidation		(18,540)				(18,540)		(18,540)
Transfer of realised gains		-	-			-	-	
Balance at September 30, 2005 - unaudited	121,360	4,338,581	95,801	256,741	3,341,286	8,153,769	17,167	8,170,936



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CARRERAS GROUP LIMITED & SUBSIDIARIES

INTERIM UNAUDITED GROUP REPORT TO STOCKHOLDERS for the Six Months ended September 30, 2004

Statement of Changes in Stockholders' Equity

	Share Capital \$'000	Revenue Reserves \$'000	Capital Reserves \$'000	Investments Revaluation Reserves \$'000	Other Reserves \$'000	Total attributable to stockholders of the parent \$'000	Minority interests \$'000	Total \$'000
Balance at March 31, 2004 - audited	121,360	4,939,876	4,746,900	310,078	3,874,204	13,992,418	15,307	14,007,725
Change in fair values of Available For Sale Investments				(36,829)		(36,829)		
Foreign currency translation adjustments					24,338	24,338		
Total net (losses) and gains not recognised in the profit and loss account	-	-	-	(36,829)	24,338	(12,491)	-	
Gain in reserves released on disposal or liquidation of subsidiary					(557,256)	(557,256)		(557,256)
Net profit for the period attributable to stockholders		1,203,315				1,203,315	653	1,203,968
Dividends		(970,880)	(1,941,760)			(2,912,640)		(2,912,640)
Transfer of amount equivalent to intra-group capital distribution		(119,786)	119,786			-		
Transfer tax on capital distribution			(8,984)			(8,984)		
Deferred tax on reserves of subsidiaries in liquidation		(6,131)				(6,131)		(6,131)
Transfer of realised gains		(1,931,761)	1,931,761			-		
Balance at September 30, 2004 - unaudited	121,360	3,114,633	4,847,703	273,249	3,341,286	11,698,231	15,960	11,714,191



CARRERAS
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CARRERAS GROUP LIMITED & SUBSIDIARIES

UNAUDITED GROUP FINANCIAL STATEMENTS

For Six Months ended SEPTEMBER 30, 2005

Group Statement of Cash Flows

	6 months	12 months	6 months
	30-Sep-05	31-Mar-05	30-Sep-04
	\$'000	\$'000	\$'000
Cash flows from operating activities:			
Net profit for the period attributable to stockholders	1,488,848	2,459,194	1,203,315
Items not affecting cash	(550,036)	(761,382)	(1,183,464)
	938,812	1,697,812	19,851
Changes in working capital	(265,161)	(225,927)	716,550
Cash provided by operating activities	673,651	1,471,885	736,401
Cash (used)/provided by investing activities	404,692	2,991,210	1,076,662
Cash used by financing activities	(485,440)	(8,165,304)	(2,921,624)
Increase/(Decrease) in cash and short-term deposits	592,903	(3,702,209)	(1,108,561)
Cash and short term deposits, at beginning of period	4,586,553	8,288,762	8,288,762
Cash and short term deposits, at end of period	5,179,456	4,586,553	7,180,201



CARRERAS
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CARRERAS GROUP LIMITED & SUBSIDIARIES

**INTERIM UNAUDITED GROUP REPORT
TO STOCKHOLDERS for the Six Months ended SEPTEMBER 30, 2005
FINANCIAL INFORMATION BY BUSINESS SEGMENT**

Six Months to September 30, 2005

	Tobacco \$'000	Hospitality \$'000	GROUP \$'000
Total Revenue	<u>3,023,531</u>	<u>287,149</u>	<u>3,310,680</u>

Results

Segment operating result	<u>889,155</u>	<u>(33,878)</u>	855,277
Investment income			418,563
Exchange gains			59,355
Other income			<u>594,251</u>
Profit before income tax			1,927,446
Income tax			<u>(437,984)</u>
Profit after income tax			1,489,462
Minority interests			<u>(614)</u>
Net profit			<u>1,488,848</u>

Six Months to September 30, 2004

	Tobacco \$'000	Hospitality \$'000	GROUP \$'000
Total Revenue	<u>2,697,639</u>	<u>265,514</u>	<u>2,963,153</u>

Results

Segment operating result	<u>916,681</u>	<u>(507,418)</u>	409,263
Investment income			685,639
Exchange gains			117,398
Other income			<u>562,906</u>
Profit before income tax			1,775,206
Income tax			<u>(571,238)</u>
Profit after income tax			1,203,968
Minority interests			<u>(653)</u>
Net profit			<u>1,203,315</u>



CARRERAS
GROUP LIMITED

CARRERAS GROUP LIMITED AND ITS SUBSIDIARIES
Notes to the Financial Statements
September 30, 2005

1 General

Carreras Group Limited is incorporated under the Laws of Jamaica. The activities of the company and its subsidiaries (collectively "the Group") are organised into the following business segments:

- a) Tobacco segment - this comprises the manufacturing, marketing and distribution of cigarettes.
- b) Hospitality segment - this comprises the operation of a hotel property.

The segment information is contained in a statement attached to these financial statements.

2 Basis of Preparation

The financial statements are prepared on the historical cost basis, except for available -for-sale investments, which are stated at fair value, and are presented in thousands of Jamaican dollars (J\$'000) except where otherwise indicated.

The financial statements comply with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee of the IASB, practice statements issued by the Institute of Chartered Accountants of Jamaica, and the relevant provisions of the Companies Act.

3 Revenue Recognition

Revenue from the sale of goods is recognised in the statement of revenue and expenses when the significant risks and rewards of ownership have been transferred to the buyer. Operating revenue represents the invoiced value of products and services sold by the Group, inclusive of special consumption and excise taxes amounting to approximately \$1,284,829,000 (2004: \$1,197,167,000) and excludes intra-group trading.

4 Income Tax

Income tax for the year comprises current and deferred tax based upon taxable profits. Capital gains, which are not subject to taxation, are excluded.

5 Attributable Profit

Net profit attributable to stockholders for the six months is inclusive of J\$591.98 million capital gain on sale of hotel property to Couples Resorts. This amount is included in other income.

6 Earnings per stock unit

The calculation of earnings per stock unit is based on the net profit for the year attributable to stockholders and the 485,440,000 issued and fully paid ordinary stock units.

7 Deferred tax

A provision has been made in these financial statements for deferred transfer tax on undistributed reserves of subsidiaries in liquidation.

8 Contingencies

A subsidiary, Cigarette Company of Jamaica Limited, has received income tax assessments in respect of the years 1997 to 2002 from the Commissioner, Taxpayer Audit & Assessment totalling \$5,716 million, being income tax of \$2,172 million and penalties of \$3,544 million.

An objection to the assessments was filed and made to the Commissioner, Taxpayer Appeals.

The objection was heard and a ruling was given in favour of the Commissioner. The matter is now under appeal to the Revenue Court.

Counsel for the company has advised that, although the results of litigation are not predictable, it is his opinion that there is no proper basis in law or fact for the assessments, which should therefore be discharged.

The Directors are unanimously of the same view. No provision for this amount has been made in the financial statements.

ON BEHALF OF THE BOARD

Michael Bernard
Managing Director

Reynaldo Callejas
Group Finance Director