

MONTEGO FREEPORT LIMITED
UNAUDITED CONSOLIDATED BALANCE SHEET
NINE (9) MONTHS ENDED 31 DECEMBER 2005

	Unaudited 31 Dec 2005 \$'000	Audited 31 March 2005 \$'000	Unaudited 31 Dec 2004 \$'000
Non- Current Assets			
Investment properties	1,498,015	1,626,732	1,498,517
Property, plant and equipment	5,132	5,455	5,495
Current Assets			
Receivables	8,810	25,751	8,788
Taxation recoverable	12,554	7,830	19,761
Cash and cash equivalents	255,521	150,435	155,184
	276,885	184,016	183,733
Current Liabilities			
Payables	9,179	28,812	5,349
Parent corporation	154	-	88
Taxation payable	12,282	12,080	14,348
	21,615	40,892	19,785
	255,270	143,124	163,948
Net Current Assets	<u>1,758,417</u>	<u>1,775,311</u>	<u>1,667,960</u>
Shareholders' Equity			
Share capital	281,533	281,533	281,533
Capital reserve	1,488,669	1,488,669	1,360,929
(Accumulated losses)/retained earnings	(13,506)	1,082	16,862
	1,756,696	1,771,284	1,659,324
Non- Current Liability			
Deferred tax liabilities	1,721	4,027	8,636
	<u>1,758,417</u>	<u>1,775,311</u>	<u>1,667,960</u>

Approved for issue by:

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Jewell Spencer - Director

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Marjorie Campbell - Director

MONTEGO FREEPORT LIMITED & SUBSIDIARY COMPANIES
UNAUDITED CONSOLIDATED PROFIT & LOSS ACCOUNT
NINE (9) AND THREE (3) MONTHS ENDED 31 DECEMBER 2005

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	3 months ended 31 Dec		9 months ended 31 Dec	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Revenue	131	271	509	1,067
Other operating income	25	30	91	80
Administrative expenses	(3,698)	(3,484)	(9,728)	(8,776)
Other operating expenses	(4,459)	(4,331)	(11,119)	(10,855)
Fair Value Loss	(1,591)	-	(16,246)	-
Operating Loss	<u>(9,592)</u>	<u>(7,514)</u>	<u>(36,493)</u>	<u>(18,484)</u>
Disposal of investment properties	53	-	130	-
Finance income	7,395	3,966	19,671	35,968
(Loss) /Profit before Taxation	<u>(2,144)</u>	<u>(3,548)</u>	<u>(16,692)</u>	<u>17,484</u>
Taxation	(2,173)	(2,367)	(2,104)	7,293
Net (Loss)/Profit	<u><u>29</u></u>	<u><u>(1,181)</u></u>	<u><u>(14,588)</u></u>	<u><u>10,191</u></u>
(LOSSES)/EARNINGS PER STOCK UNIT (\$)	<u><u>0.0001</u></u>	<u><u>(0.0021)</u></u>	<u><u>(0.0259)</u></u>	<u><u>0.0181</u></u>

MONTEGO FREEPORT LIMITED
UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
NINE (9) AND THREE (3) MONTHS ENDED 31 DECEMBER 2005

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	2005 \$'000	2004 \$'000
CASH RESOURCES WERE PROVIDED BY / (USED IN) :		
Net (loss)/ profit	(14,588)	10,191
Items not affecting cash resources	<u>(3,053)</u>	<u>(25,899)</u>
	(17,641)	(15,708)
Changes in non-cash working capital components	(2,702)	(6,751)
Tax paid	(6,827)	(2,509)
Tax refund	<u>-</u>	<u>5,161</u>
Cash used in operating activities	(27,170)	(19,807)
Cash used in financing activity	154	(601,912)
Cash provided by investing activities	<u>131,311</u>	<u>103,879</u>
Increase in cash and cash equivalents	104,295	(517,840)
Cash and cash equivalents at the beginning of the year	150,435	672,425
Exchange and translation gain on net foreign balances	<u>791</u>	<u>599</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>255,521</u></u>	<u><u>155,184</u></u>

MONTEGO FREEPORT LIMITED
STATEMENT OF CHANGES IN EQUITY
NINE (9) AND THREE (3) MONTHS ENDED 31 DECEMBER 2005

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	SHARE CAPITAL \$'000	CAPITAL RESERVE \$'000	RETAINED EARNINGS \$'000	TOTAL \$'000
Balance as at 31 March 2004	281,533	1,912,258	57,304	2,251,095
Net Profit	-	-	10,191	10,191
Dividend Paid	-	-	(50,633)	(50,633)
Capital Distribution	-	(551,329)	-	(551,329)
Balance as at 31 December 2004	<u>281,533</u>	<u>1,360,929</u>	<u>16,862</u>	<u>1,659,324</u>

	SHARE CAPITAL \$	CAPITAL RESERVE \$	RETAINED EARNINGS/ (ACCUMULATED LOSSES) \$	TOTAL \$
Balance as at 31 March 2005	281,533	1,488,669	1,082	1,771,284
Net Loss	-	-	(14,588)	(14,588)
Balance as at 31 December 2005	<u>281,533</u>	<u>1,488,669</u>	<u>(13,506)</u>	<u>1,756,696</u>

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 period to 31 December 2005.

Loss on disposal of Investment Properties is due to cost associated with the sale of the Properties (ie. Transfer tax, stamp duty, registration fee, legal fees etc.) and not as a result of property being sold below market value.

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.