BERGER PAINTS JAMAICA LIMITED

UNAUDITED FINANCIAL RESULTS MARCH 31, 2006

Berger Jamaica's first quarter performance was negatively affected by the problems associated with cement in the marketplace with sales volume ending 11% below the previous year.

Cement not being available forced the temporary closure of many construction sites, thus deferring the completion of many projects which in turn reduced the need for paint as it did for many other hardware items.

We fully expect normal levels of profitability to return as cement becomes more available in the marketplace.

BERGER PAINTS JAMAICA LIMITED
BALANCE SHEET AS AT MARCH 31, 2006

	(Unaudited)	(Unaudited)	(Audited)
	March 31, 2006 $'000	March 31, 2005 $'000	December 31, 2005 $'000
ASSETS			
Non-current assets			
Fixed Assets	114,592	97,622	116,309
Long-term receivables	108	54	847
Post employment benefits	78,727	55,063	78,727
	193,427	152,739	195,883
Current Assets	460,687	476,694	557,415
Total Assets	654,114	629,433	753,298
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	141,793	141,793	141,793
Revaluation reserve	41,466	41,266	41,466
Revenue reserve			
Profit & loss account	222,348	212,060	245,279
	405,607	395,119	428,538
Non-current liabilities			
Post employment benefits	48,074	41,138	48,074
Deferred tax liabilities	19,262	11,428	19,262
	67,336	52,566	67,336
Current Liabilities	181,171	181,748	257,424
Total equity and liabilities	654,114	629,433	753,298

Approved by: ____________

Approved by: ____________

BERGER PAINTS JAMAICA LIMITED
PROFIT AND LOSS ACCOUNT
THREE MONTHS ENDED MARCH 31, 2006

	(Unaudited) QUARTER ENDED March 31, 2006 $'000	(Unaudited) QUARTER ENDED March 31, 2005 $'000	(Audited) December 31, 2005 $'000
Sales (net of discount and rebates)	241,609	255,337	1,174,469
(Loss)/Profit from operations	(2,416)	16,300	97,257
Income from investments	167	360	993
Finance Costs	-	-	(535)
PROFIT BEFORE TAXATION	(2,249)	16,660	97,715
Taxation	750	(5,520)	(31,924)
NET (LOSS)/ PROFIT	(1,499)	11,140	65,791
Earnings per stock unit of 50 cents	(0.7c)	5.2c	31c

BERGER PAINTS JAMAICA LIMITED
STATEMENT OF CASHFLOWS
THREE MONTHS ENDED MARCH 31, 2006

	(Unaudited) March 31, 2006 $'000	(Unaudited) March 31, 2005 $'000	(Audited) December 31, 2005 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (Loss)/Profit	(1,499)	11,140	97,257
Non-cash items included in net profit	5,080	3,044	11,545
	3,581	14,184	108,802
Decrease/(Increase) in operating assets	75,437	1,637	(75,728)
Decrease in operating liabilities	(86,256)	(52,690)	(20,978)
Cash used in operating activities	(7,238)	(36,869)	12,096
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash used in investing activities	(1,910)	(387)	(29,423)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash used in financing activities	(12,882)	(13,124)	(35,871)
NET (DECREASE) INCREASE IN CASH AND BANK BALANCES	(22,030)	(50,380)	(53,198)
OPENING CASH AND BANK BALANCES	24,691	77,889	77,889
CLOSING CASH AND BANK BALANCES	2,661	27,509	24,691

BERGER PAINTS JAMAICA LIMITED

STATEMENT OF CHANGES IN EQUITY

THREE MONTHS ENDED MARCH 31, 2006

(UNAUDITED)

	Share Capital	Share Premium	Revaluation reserve	Revenue Reserve - Profit & Loss Account	Total
	$'000	$'000	$'000	$'000	$'000
Balance at January 1, 2005	**107,161**	**34,632**	**41,266**	**235,211**	**418,270**
Net profit for the year				65,791	65,791
Transfer to stated capital	34,632	(34,632)			
Interim Dividends				(21,432)	(21,432)
Dividends approved at Annual General Meeting				(34,291)	(34,291)
Deferred tax adjustment	-	-	200	-	200
Balance at December 31, 2005	141,793	-	41,466	245,279	428,538
Net Loss for the Quarter				(1,499)	(1,499)
Interim Dividends				(21,432)	(21,432)
Balance at March 31, 2006	**141,793**	**-**	**41,466**	**222,348**	**405,607**

BERGER PAINTS JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2006

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.

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2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Property, plant and equipment (Cont'd)

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:

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 profit or loss

(d) Long-term receivables

These recoverable consumption taxes are shown at nominal values.

(e) Inventories

These are stated at the lower of cost 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 and condition. Cost is calculated using the weighted average method. 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

Trade receivables are measured at initial recognition at their fair values. Interest is not charged on outstanding balances and these are not generally discounted as they are usually settled within a short period during which market interest rates do not normally move significantly. Appropriate allowances for estimated irrecoverable amounts are recognized in the profit or loss when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flow.

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2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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) Employee benefits.

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 pension able 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.

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2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Taxation (Cont'd)

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) Related party identification

A party is considered to be related if:

(a) directly or indirectly, through one or more intermediaries, one party is able to exercise control or significant influence over the other party;

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

(c) the party is a member of key management personnel of the entity or its parent.

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.

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2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, rebates and consumption taxes.

Sale of goods are recognized when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(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

2 **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

(q) Financial instruments (Cont'd)

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.

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