

THE PALACE AMUSEMENT COMPANY (1921) LIMITED

Unaudited Group Profit and Loss Account

Nine months ended 31 March 2006

	Note	Period July -Mar. \$'000	Y-T-D Mar-06 \$'000	Period July -Mar. \$'000	Y-T-D Mar-05 \$'000
Revenue		92,438	281,586	104,365	343,872
Direct expenses		-75,554	-239,515	-86,315	-287,131
Gross Profit		16,884	42,071	18,050	56,741
Other operating income		2,695	9,820	1,589	6,679
Administration expenses		-25,167	-78,542	-20,674	-76,720
Other operating expenses		-1,760	-4,529	-1,457	-3,835
Operating Loss		-7,348	-31,180	-2,492	-17,135
Financial income/(cost), net	2	1,322	1,402	-4,535	360
Loss before Minority Interest		-6,026	-29,778	-7,027	-16,775
Minority interest in results of subsidiaries		65	288	137	395
NET LOSS ATTRIBUTABLE TO STOCKHOLDERS		-5,961	-29,490	-6,890	-16,380
Loss per Stock Unit	3	-4.15	-20.52	-4.79	-11.40

THE PALACE AMUSEMENT COMPANY (1921) LIMITED

Unaudited Group Balance Sheet

As At 31 March 2006

	Note	Mar-06 \$'000	Jun-05 \$'000	Mar-05 \$'000
Non-Current Assets				
Fixed assets		194,191	212,804	215,619
Investments		8,197	10,656	9,614
Deferred tax assets		3,916	3,916	758
Pension surplus		20,501	20,501	11,230
Current Assets				
Inventories		12,635	15,733	17,554
Accounts receivable		14,082	22,988	12,847
Taxation recoverable		9,435	9,136	8,979
Cash and bank balances		42,897	56,540	61,753
		79,049	104,397	101,133
Current Liabilities				
Accounts payable		37,564	51,830	51,971
Current portion of long term liabilities		12,190	12,190	13,922
Deferred Income	4	0	0	10,076
Bank overdraft		20,810	12,910	12,189
		70,564	76,930	88,158
Net Current Assets		8,485	27,467	12,975
		235,290	275,344	250,196
Stockholders' Equity				
Share capital		1,437	1,437	1,437
Capital reserve		166,685	166,685	166,685
Fair value reserve		8,011	10,470	9,428
Retained earnings		36,623	66,113	42,350
		212,756	244,705	219,900
Non-Current Liabilities				
Long term liabilities		13,670	21,487	24,380
Deferred tax liabilities		4,126	4,126	5,887
Minority interest		4,738	5,026	29
		235,290	275,344	250,196

Approved for issue by the Board of Directors on 9 May 2006 and signed on its behalf by:

DOUGLAS GRAHAM

DIRECTOR

LLOYD ALBERGA

DIRECTOR

THE PALACE AMUSEMENT COMPANY (1921) LIMITED**Unaudited Group Statement of Changes in Equity****Nine months ended 31 March 2006**

	Number of Shares	Share Capital	Capital Reserve	Fair Value Reserve	Retained Earnings	Total
	'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2004	1,437	1,437	166,685	8,024	58,730	234,876
Net loss	-	-	-	-	-16,380	-16,380
Increase in fair value of investments	-	-	-	1,404	-	1,404
Balance at 31 March 2005	1,437	1,437	166,685	9,428	42,350	219,900
Net profit	-	-	-	-	24,050	24,050
Dividends paid	-	-	-	-	-287	-287
Increase in fair value of investments	-	-	-	1,042	-	1,042
Balance at 30 June 2005	1,437	1,437	166,685	10,470	66,113	244,705
Net loss	-	-	-	-	-29,490	-29,490
Decrease in fair value of investments	-	-	-	-2,459	-	-2,459
Balance at 31 March 2006	1,437	1,437	166,685	8,011	36,623	212,756

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Group Statement of Cash Flows
Nine months ended 31 March 2006

	Mar-06	Mar-05
	\$'000	\$'000
Cash Flows from Operating activities		
Cash used in operating activities	-9,948	-122
Cash Flows from Investing activities		
Purchase of fixed assets	-2,329	-2,826
Long term receivables received	0	1,895
Dividend received	112	83
Interest received	1,389	5,168
Cash (used in)/provided by investing activities	<u>-828</u>	<u>4,320</u>
Cash Flows from Financing activities		
Long term loans repaid	-7,817	-9,163
Interest paid	-2,950	-3,316
Cash used in financing activities	<u>-10,767</u>	<u>-12,479</u>
Decrease in cash and cash equivalents	-21,543	-8,281
Cash and cash equivalents at beginning of period	<u>43,630</u>	<u>57,845</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>22,087</u></u>	<u><u>49,564</u></u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Notes to the Financial Statements
Nine months ended 31 March 2006

Note 1 - The figures are unaudited and accounting policies remain as stated in the 2004/2005 Annual Accounts.

Note 2 - Included in **prior year** was \$4.2M of interest expense provided for, with reference to the C. D. Alexander Suit.

Note 3 - The (loss)/earnings per stock unit is based on 1,437,028 ordinary stock units in issue at the end of the period.

Note 4 - **Prior year figure** represented advances received on peril insurance for Hurricane Ivan damages.

Note 5 - **Segment Report**

Primary Reporting Format - Geographical segments:

	Montego				Total
	Kingston	Bay	Mandeville	Portmore	
	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000	
Revenue	213,133	48,621	17,407	2,425	281,586
Capital Expenditure	2,245	52	0	32	2,329
Depreciation	8,952	7,622	4,263	105	20,942

	Montego				Total
	Kingston	Bay	Mandeville	Portmore	
	2005 \$'000	2005 \$'000	2005 \$'000	2005 \$'000	
Revenue	251,734	59,920	23,808	8,410	343,872
Capital Expenditure	2,222	26	359	219	2,826
Depreciation	9,435	7,514	4,201	79	21,229

Secondary Reporting Format - Business segments:

	2006 \$'000	2005 \$'000
Box Office Receipts	149,224	195,015
Confectionery Sales	74,465	83,410
Film Exchange	47,163	55,211
Other Activities	10,734	10,236
	<u>281,586</u>	<u>343,872</u>