

**MONTEGO FREEPORT LIMITED & SUBSIDIARY COMPANIES**  
**UNAUDITED CONSOLIDATED PROFIT & LOSS ACCOUNT**  
**THREE (3) AND NINE (9) MONTHS ENDED DECEMBER 2006**

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	3 months ended 31 Dec	2005 \$'000	2006 \$'000	9 months ended 31 Dec	2005 \$'000
<b>Revenue</b>	90	131	249		509
Other operating income	40	25	167		91
Administrative expenses	(4,777)	(3,698)	(10,970)		(9,728)
Other operating expenses	(3,531)	(4,459)	(11,722)		(11,119)
Fair Value Loss	-	(1,591)	-		(16,246)
<b>Operating Loss</b>	<u>(8,178)</u>	<u>(9,592)</u>	<u>(22,276)</u>		<u>(36,493)</u>
Disposal of Property Plant & Equipm	-	-	2,543		-
Disposal of investment properties	-	53	-		130
Finance income	8,915	7,395	24,300		19,671
<b>(Loss) /Profit before Taxation</b>	<u>737</u>	<u>(2,144)</u>	<u>4,567</u>		<u>(16,692)</u>
Taxation	464	(2,173)	(153)		(2,104)
<b>Net (Loss)/Profit</b>	<u><u>273</u></u>	<u><u>29</u></u>	<u><u>4,720</u></u>		<u><u>(14,588)</u></u>
<b>(LOSSES)/EARNINGS PER STOC</b>	<u><u>0.0005</u></u>	<u><u>0.0001</u></u>	<u><u>0.0084</u></u>		<u><u>(0.0259)</u></u>

**MONTEGO FREEPORT LIMITED**  
**UNAUDITED CONSOLIDATED BALANCE SHEET**  
**NINE (9) MONTHS ENDED 31 DECEMBER 2006**

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	Unaudited 31 Dec 2006 \$'000	Audited 31 March 2006 \$'000	Unaudited 31 Dec 2005 \$'000
<b>Non- Current Assets</b>			
Investment properties	1,557,441	1,557,441	1,498,015
Property, plant and equipment	3,554	5,190	5,132
<b>Current Assets</b>			
Receivables	9,561	6,657	8,810
Taxation recoverable	19,332	13,864	12,554
Cash and cash equivalents	254,961	256,993	255,521
	<u>283,854</u>	<u>277,514</u>	<u>276,885</u>
<b>Current Liabilities</b>			
Payables	10,196	10,059	9,333
Taxation payable	7,197	6,675	12,282
	<u>17,393</u>	<u>16,734</u>	<u>21,615</u>
	<u>266,461</u>	<u>260,780</u>	<u>255,270</u>
<b>Net Current Assets</b>	<u><u>1,827,456</u></u>	<u><u>1,823,411</u></u>	<u><u>1,758,417</u></u>
<b>Shareholders' Equity</b>			
Share capital	281,533	281,533	281,533
Capital reserve	1,548,094	1,548,094	1,488,669
(Accumulated losses)/retained earnings	(2,761)	(7,481)	(13,506)
	<u>1,826,866</u>	<u>1,822,146</u>	<u>1,756,696</u>
<b>Non- Current Liability</b>			
Deferred tax liabilities	590	1,265	1,721
	<u>1,827,456</u>	<u>1,823,411</u>	<u>1,758,417</u>

**MONTEGO FREEPORT LIMITED**  
**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT**  
**NINE (9) MONTHS ENDED 31 DECEMBER 2006**

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	2006 \$'000	2005 \$'000
<b>CASH RESOURCES WERE PROVIDED BY / (USED IN) :</b>		
Net (loss)/ profit	4,720	(14,588)
Items not affecting cash resources	<u>(26,410)</u>	<u>(3,053)</u>
	(21,690)	(17,641)
Changes in non-cash working capital components	(3,092)	(2,702)
Tax paid	(5,619)	(6,827)
Tax refund	<u>-</u>	<u>-</u>
Cash used in operating activities	(30,401)	(27,170)
Cash used in financing activity	-	154
Cash provided by investing activities	<u>25,512</u>	<u>131,311</u>
Increase in cash and cash equivalents	(4,889)	104,295
Cash and cash equivalents at the beginning of the year	256,992	150,435
Exchange and translation gain on net foreign balances	<u>2,858</u>	<u>791</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>254,961</u></u>	<u><u>255,521</u></u>

**MONTEGO FREEPORT LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**NINE (9) MONTHS ENDED 31 DECEMBER 2006**

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	<b>SHARE CAPITAL</b> \$'000	<b>CAPITAL RESERVE</b> \$'000	<b>RETAINED EARNINGS</b> \$'000	<b>TOTAL</b> \$'000
<b>Balance as at 31 March</b>	281,533	1,488,669	1,082	1,771,284
Net Loss	-	-	(14,588)	(14,588)
<b>Balance as at 31 Decem</b>	<u>281,533</u>	<u>1,488,669</u>	<u>(13,506)</u>	<u>1,756,696</u>

	<b>SHARE CAPITAL</b> \$	<b>CAPITAL RESERVE</b> \$	<b>RETAINED EARNINGS/ (ACCUMULATED LOSSES)</b> \$	<b>TOTAL</b> \$
<b>Balance as at 31 March</b>	281,533	1,548,094	(7,481)	1,822,146
Net Profit	-	-	4,720	4,720
<b>Balance as at 31 Decem</b>	<u>281,533</u>	<u>1,548,094</u>	<u>(2,761)</u>	<u>1,826,866</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 quarter to 31 December 2006.

Loss on disposal of Investment Properties in 2005 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.

## **MONTEGO FREEPORT LIMITED**

### **DIRECTORS AND EXECUTIVE MANAGEMENT STOCKHOLDERS**

<b><u>NAMES</u></b>	<b><u>NO. OF STOCK UNITS</u></b>
Jewell Spencer	19,646
Daniel Samuels	7,920

### **TEN MAJOR STOCKHOLDERS**

<b><u>NAMES</u></b>	<b><u>NO. OF STOCK UNITS</u></b>
Urban Development Corporation	287,162,700
National Hotels and Properties Limited (Held in Trust for Urban Development Corporation)	174,293,680
Dr. Irvin Hoo-Fatt and/or Veronica Hoo-Fatt	4,719,902
G. L. Enterprises Limited	2,989,153
Manchester Pension Trust Fund Limited	2,750,000
Peter Lee	2,239,336
Charles Leiba	2,117,336
Samuel Hart & Son Limited	2,033,020
Scotia Jamaica Investment Management Limited – A/C #319	1,724,575
Estate William Taylor	1,430,000