

THE PALACE AMUSEMENT COMPANY (1921) LIMITED

Unaudited Group Profit and Loss Account

Six months ended 31 December 2006

	Note	Period Oct. - Dec. \$'000	Y-T-D Dec-06 \$'000	Period Oct. - Dec. \$'000	Y-T-D Dec-05 \$'000
Revenue		90,109	196,150	84,666	168,054
Direct expenses		-74,146	-158,426	-72,373	-143,284
Gross Profit		15,963	37,724	12,293	24,770
Other operating income		3,332	8,501	4,620	10,098
Administration expenses		-24,370	-49,827	-28,334	-53,654
Other operating expenses		-747	-1,263	-1,353	-2,769
Operating Loss		-5,822	-4,865	-12,774	-21,555
Finance costs - interest expense		-1,405	-2,290	-945	-2,197
NET LOSS		-7,227	-7,155	-13,719	-23,752
Attributable to:					
Stockholders of the company		-7,286	-7,152	-13,641	-23,529
Minority interest		59	-3	-78	-223
		-7,227	-7,155	-13,719	-23,752
Earnings per Stock Unit Attributable to Stockholders of the Company	2	-5.07	-4.98	-9.49	-16.37

THE PALACE AMUSEMENT COMPANY (1921) LIMITED
Unaudited Group Balance Sheet
As At 31 December 2006

Note	Dec-06 \$'000	Jun-06 \$'000	Dec-05 \$'000
Non-Current Assets			
Fixed assets	176,543	188,851	200,939
Investments	8,896	7,737	8,914
Deferred tax assets	5,138	5,138	3,916
Pension surplus	25,600	25,600	20,501
Current Assets			
Inventories	13,364	13,363	14,213
Accounts receivable	16,617	14,146	16,534
Taxation recoverable	9,868	9,737	9,400
Cash and bank balances	50,346	47,863	47,153
	<u>90,195</u>	<u>85,109</u>	<u>87,300</u>
Current Liabilities			
Accounts payable	45,566	29,437	46,590
Current portion of long term liabilities	10,049	10,049	12,190
Bank overdraft	7,343	18,479	20,040
	<u>62,958</u>	<u>57,965</u>	<u>78,820</u>
Net Current Assets	<u>27,237</u>	<u>27,144</u>	<u>8,480</u>
	<u>243,414</u>	<u>254,470</u>	<u>242,750</u>
Stockholders' Equity			
Share capital	1,437	1,437	1,437
Capital reserve	166,685	166,685	166,685
Fair value reserve	8,708	7,551	8,728
Retained earnings	52,613	59,765	42,584
	<u>229,443</u>	<u>235,438</u>	<u>219,434</u>
Minority Interest	4,743	4,746	4,803
	<u>234,186</u>	<u>240,184</u>	<u>224,237</u>
Non-Current Liabilities			
Long term liabilities	6,918	11,976	14,387
Deferred tax liabilities	2,310	2,310	4,126
	<u>243,414</u>	<u>254,470</u>	<u>242,750</u>

Approved for issue by the Board of Directors on 13 February 2007 and signed on its behalf by:

DOUGLAS GRAHAM

DIRECTOR

MELANIE GRAHAM

DIRECTOR

THE PALACE AMUSEMENT COMPANY (1921) LIMITED

Unaudited Group Statement of Changes in Equity

Six months ended 31 December 2006

	Attributable to the Company's Stockholders					Minority Interest	Total
	Number of Shares	Share Capital	Capital Reserve	Fair Value Reserve	Retained Earnings		
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 July 2006	1,437	1,437	166,685	10,470	66,113	5,026	249,731
Net loss	-	-	-	-	-23,529	-223	-23,752
Decrease in fair value of investments	-	-	-	-1,742	-	-	-1,742
Balance at 31 December 2005	1,437	1,437	166,685	8,728	42,584	4,803	224,237
Net profit	-	-	-	-	17,181	-57	17,124
Decrease in fair value of investments	-	-	-	-1,177	-	-	-1,177
Balance at 30 June 2006	1,437	1,437	166,685	7,551	59,765	4,746	240,184
Net loss	-	-	-	-	-7,152	-3	-7,155
Increase in fair value of investments	-	-	-	1,157	-	-	1,157
Balance at 31 December 2006	1,437	1,437	166,685	8,708	52,613	4,743	234,186

THE PALACE AMUSEMENT COMPANY (1921) LIMITED**Unaudited Group Statement of Cash Flows**

Six months ended 31 December 2006

	Dec-06	Dec-05
	\$'000	\$'000
Cash Flows from Operating activities:		
Cash provided by/(used in) operating activities	21,727	-5,340
Cash Flows from Investing activities:		
Purchase of fixed assets	-794	-2,184
Dividend received	34	40
Cash used in investing activities	<u>-760</u>	<u>-2,144</u>
Cash Flows from Financing activities:		
Long term loans repaid	-5,058	-7,100
Interest paid	-2,290	-2,197
Cash used in financing activities	<u>-7,348</u>	<u>-9,297</u>
Increase/(Decrease) in cash and cash equivalents	13,619	-16,781
Cash and cash equivalents at beginning of period	<u>29,384</u>	<u>43,894</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>43,003</u>	<u>27,113</u>

THE PALACE AMUSEMENT COMPANY (1921) LIMITED

Unaudited Notes to the Financial Statements

Six months ended 31 December 2006

Note 1 - The figures are unaudited and accounting policies remain as stated in the 2005/2006 Annual Accounts.

Note 2 - The (loss)/earnings per stock unit is based on 1,437,028 ordinary stock units in issue at the end of the period.

Note 3 - Segment Report

Primary Reporting Format - Geographical segments

	Montego				
	Kingston	Bay	Mandeville	Portmore	Total
	2006	2006	2006	2006	2006
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	144,102	37,447	14,601	0	196,150
Capital Expenditure	786	8	0	0	794
Depreciation	5,163	5,082	2,857	0	13,102

	Montego				
	Kingston	Bay	Mandeville	Portmore	Total
	2005	2005	2005	2005	2005
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	121,782	32,845	11,002	2,425	168,054
Capital Expenditure	2,100	52	0	32	2,184
Depreciation	6,056	5,081	2,842	70	14,049

Secondary Reporting Format - Business segments

	2006 \$'000	2005 \$'000
Box Office Receipts	117,307	98,164
Confectionery Sales	58,780	50,214
Film Rental	11,365	11,730
Other Activities	8,698	7,946
	<u>196,150</u>	<u>168,054</u>