

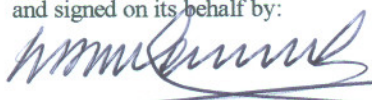


**The Directors of
LASCELLES, deMERCADO & CO. LIMITED
are pleased to report the consolidated unaudited results for
the Six Months Ended March 31, 2007 as follows:**

Group Balance Sheet
March 31, 2007


	Unaudited 31/3/2007 \$000s	Audited 30/9/2006 \$000s
Current assets:		
Cash and cash equivalents	2,890,407	2,196,750
Short-term investments	1,576,431	2,194,949
Accounts receivable	2,761,034	2,757,364
Reinsurance assets	877,857	700,374
Taxation recoverable	239,063	155,334
Inventories	5,076,464	5,248,578
Biological assets	151,094	164,073
	<u>13,572,350</u>	<u>13,417,422</u>
Current liabilities:		
Bank loans & overdrafts	156,381	181,877
Unsecured loans	442,198	420,634
Current maturities of long term liabilities	46,662	72,694
Accounts payable	2,064,684	2,622,180
Insurance contract provisions	2,420,184	2,303,298
Taxation payable	145,537	100,123
	<u>5,275,646</u>	<u>5,700,806</u>
Net current assets	8,296,704	7,716,616
Non-current assets:		
Employee benefits assets	2,150,700	2,150,700
Investments	7,604,017	6,673,618
Interest in associated companies	9,866	9,866
Intangible assets	105,481	105,481
Property, plant & equipment	3,219,640	3,198,350
Deferred tax assets	63,875	63,875
	<u>21,450,283</u>	<u>19,918,506</u>
Financed by:		
Stockholders' equity	20,065,544	18,512,997
Non-current liabilities:		
Employee benefits liabilities	307,900	307,900
Deferred tax liabilities	990,420	981,203
Long term liabilities	86,419	116,406
	<u>21,450,283</u>	<u>19,918,506</u>

Approved for release to the Jamaica Stock Exchange by the Board of Directors on May 8, 2007
and signed on its behalf by:



Director

William A. McConnell



Director

Anthony J. Bell

Statement of Changes in Stockholders' Equity
March 31, 2007

	Unaudited			Total \$000s
	Share capital \$000s	Capital Reserves \$000s	Unappropriated profits \$000s	
Balances at September 30, 2006	20,400	12,910,698	5,581,899	18,512,997
Net profit attributable to members			1,199,301	1,199,301 (a)
Changes in fair value of investments		433,325		433,325 (a)
Released on sale of investments		(4,224)		(4,224) (a)
Transfers, net		36,420	(36,420)	-
Dividends and distributions paid			(96,081)	(96,081)
Translation adjustment arising on consolidation of foreign subsidiaries		20,226		20,226 (a)
March 31, 2007	<u>20,400</u>	<u>13,396,445</u>	<u>6,648,699</u>	<u>20,065,544</u>
Balances at September 30, 2005	20,400	7,452,307	7,592,218	15,064,925
Net profit attributable to members			1,149,959	1,149,959 (a)
Changes in fair value of investments		144,513		144,513 (a)
Released on sale of investments		(24,398)		(24,398) (a)
Transfers, net		2,672,836	(2,672,836)	-
Dividends and distributions paid			(96,081)	(96,081)
Translation adjustment arising on consolidation of foreign subsidiaries		21,290		21,290 (a)
March 31, 2006	<u>20,400</u>	<u>10,266,548</u>	<u>5,973,260</u>	<u>16,260,208</u>

Recognised gains:

	<u>31/3/2007</u>	<u>31/3/2006</u>
(a) Total recognised gains for the period (\$000s)	<u>1,648,628</u>	<u>1,291,364</u>
(b) Recognised gains per ordinary stock unit (\$)	<u>17.17</u>	<u>13.45</u>

Group Income Statement
Six Months Ended March 31, 2007

	Unaudited		Unaudited	
	Six Months Ended		Three Months Ended	
	31/3/2007	31/3/2006	31/3/2007	31/3/2006
	\$000s	\$000s	\$000s	\$000s
Operating revenue	10,176,713	9,181,168 *	5,340,297	4,552,456 *
Cost of operating revenue	6,464,562	5,727,389 *	3,704,914	2,867,473 *
Gross profit	3,712,151	3,453,779	1,635,383	1,684,983
Administrative, marketing & selling expenses	2,531,888	2,417,557	1,365,009	1,202,444
Operating profit	1,180,263	1,036,222	270,374	482,539
Other income	71,193	55,561	52,601	42,305
Profit before net finance income & taxation	1,251,456	1,091,783	322,975	524,844
Net finance income	209,325	185,950	103,169	145,563
Profit before taxation	1,460,781	1,277,733	426,144	670,407
Taxation	(261,480)	(127,774)	(76,280)	(67,041)
Net profit attributable to members	1,199,301	1,149,959	349,864	603,366
Earnings per ordinary stock unit	\$12.49	\$11.98	\$3.64	\$6.29

* Reclassified to conform to current period's presentation

Group Statement of Cash Flows
Six Months Ended March 31, 2007

	Unaudited	
	31/3/2007	31/3/2006
	\$000s	\$000s
Cash flows from operating activities:		
Net profit attributable to members	1,199,301	1,149,959
Items not affecting cash	299,442	227,655
	<u>1,498,743</u>	<u>1,377,614</u>
Decrease in non-cash working capital	(596,861)	(561,898)
Cash provided by operating activities	901,882	815,716
Cash used by investing activities	(52,192)	(248,325)
Cash used by financing activities	<u>(31,205)</u>	<u>(197,691)</u>
	818,485	369,700
Dividends and distributions paid	<u>(96,081)</u>	<u>(96,081)</u>
Net increase in cash and cash equivalents	722,404	273,619
Net cash and cash equivalents at beginning of year	2,140,296	1,982,799
Net cash and cash equivalents at end of period	<u><u>2,862,700</u></u>	<u><u>2,256,418</u></u>
Comprised of:		
Cash and bank balances	937,822	736,526
Short-term deposits and monetary instruments	1,952,585	1,559,045
	<u>2,890,407</u>	<u>2,295,571</u>
Less: Bank overdrafts	<u>(27,707)</u>	<u>(39,153)</u>
	<u><u>2,862,700</u></u>	<u><u>2,256,418</u></u>

Notes to the Abridged Financial Statements (unaudited)
March 31, 2007

1. General

Lascelles, deMercado & Co. Limited is incorporated under the Laws of Jamaica. The activities of the company and its subsidiaries (collectively “the Group”), some of which are domiciled in jurisdictions other than Jamaica, are organized into the following primary segments:

- (i) Liquor, rums, wines and sugar: This includes cane cultivation, sugar manufacturing, distillation, ageing, blending, bottling, distribution and export of alcohol, rums, wines and other liquor based products.
- (ii) General merchandise: This includes the manufacture, the wholesale and retail merchandising of provisions, household goods and electronic telephone cards, and the manufacture and distribution of pharmaceutical preparations and agricultural chemicals.
- (iii) General insurance: This comprises the underwriting of property, casualty and other general insurance risks and the holding of investments.
- (iv) Investments: This primarily comprises the holding of investments.
- (v) Transportation and other: This includes aircraft handling, distribution of motor vehicles and spares, servicing and repair of motor vehicles.

Segment information is set out in note 7 below.

2. Statement of compliance and basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB), and comply with the provisions of the Companies Act.

These financial statements have been prepared using the same accounting policies and methods of computation as compared with the audited financial statements for the year ended September 30, 2006.

These financial statements are presented in Jamaica dollars (\$), which is the functional currency of the company i.e. the currency in which it conducts the majority of its operations and formulates economic decisions.

The financial statements are prepared using the historical cost basis, modified for the inclusion of available-for-sale investments at fair value.

The accounting policies have been applied consistently by the company and its subsidiaries. Where necessary, prior period comparatives have been reclassified to conform to current period presentation.

Notes to the Abridged Financial Statements (unaudited), cont'd
March 31, 2007

3. Revenue recognition

- Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.
- The proceeds from the sale of the sugarcane crop of the group's estates are recognised in accordance with the accounting practices of the Jamaican sugar industry. Revenue relating to the current crop of cane is estimated based on the latest available prices and any differences arising on final settlement are consistently accounted for in subsequent periods.
- Dividend income is recognised in the income statement on the date of declaration.
- Underwriting results including gross written premiums of the general insurance subsidiaries are accounted for in compliance with the recommendations and practices of the Jamaican insurance industry and the provisions of the Insurance Act.
- Interest and other investment income are recognised by the "General Insurance" segment on the accrual basis on the effective interest rate basis, except when collectibility is considered doubtful.

4. Other income

Other Income is comprised mainly of gains and losses on disposal of investments and fixed assets. It also includes rental and other miscellaneous income.

5. Net finance income

This is comprised of interest income, interest expense, bank charges and net gains on foreign exchange.

6. Dividends and distributions

At a meeting of the Board of Directors held on January 5, 2007, an interim dividend of \$1.00 per ordinary stock unit was declared. This dividend was paid on January 26, 2007 to ordinary stockholders on record as at the close of business on January 12, 2007.

Half-yearly dividends were paid to the 6% and 15% Non-redeemable cumulative preference stockholders on March 31, 2007.

Notes to the Abridged Financial Statements (unaudited), cont'd
March 31, 2007

7. Segment financial information

A segment is a distinguishable component of the group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the group's business segments. This format is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments:

	Unaudited March 31, 2007						
	Liquors, Rums Wines and Sugar \$'000	General Merchandise \$'000	General Insurance \$'000	Investments \$'000	Transportation & Other \$'000	Eliminations \$'000	Total \$'000
Revenue							
External	6,107,965	2,103,441	1,087,478	234,982	642,847		
Inter segment	-	19,065	313,888	-	20,057		
Total revenue	<u>6,107,965</u>	<u>2,122,506</u>	<u>1,401,366</u>	<u>234,982</u>	<u>662,904</u>	(353,010)	<u>10,176,713</u>
Segment results	<u>611,298</u>	<u>86,271</u>	<u>316,295</u>	<u>235,375</u>	<u>2,217</u>		<u>1,251,456</u>
Segment assets	<u>12,953,680</u>	<u>1,264,039</u>	<u>4,143,471</u>	<u>7,262,819</u>	<u>789,116</u>		<u>26,413,125</u>
Unallocated assets							<u>312,804</u>
							<u>26,725,929</u>
Segment liabilities	<u>1,963,457</u>	<u>329,741</u>	<u>2,851,508</u>	<u>58,786</u>	<u>320,125</u>		<u>5,523,617</u>
Unallocated liabilities							<u>1,136,768</u>
							<u>6,660,385</u>
Other segment items:							
Additions to property, plant and equipment	<u>73,242</u>	<u>4,431</u>	<u>1,050</u>	<u>108,446</u>	<u>16,420</u>		<u>203,589</u>
Depreciation and amortisation	<u>153,105</u>	<u>14,789</u>	<u>468</u>	<u>5,187</u>	<u>10,995</u>		<u>184,544</u>
Other non-cash items	<u>(92,091)</u>	<u>22,698</u>	<u>50,530</u>	<u>116,592</u>	<u>17,169</u>		<u>114,898</u>

Notes to the Abridged Financial Statements (unaudited), cont'd
March 31, 2007

7. Segment financial information, cont'd

Business segments, cont'd:

	Unaudited March 31, 2006						Total
	Liquors, Rums Wines and Sugar	General Merchandise	General Insurance	Investments	Transportation & Other	Eliminations	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External	4,978,456	1,783,038	1,043,624	493,815	882,235		
Inter segment	-	10,888	426,840	-	15,760		
Total revenue	<u>4,978,456</u>	<u>1,793,926</u>	<u>1,470,464</u>	<u>493,815</u>	<u>897,995</u>	(453,488)	<u>9,181,168 *</u>
Segment results	<u>421,859</u>	<u>(783)</u>	<u>158,986</u>	<u>485,982</u>	<u>25,739</u>		<u>1,091,783</u>
Segment assets	<u>11,429,425</u>	<u>1,217,828</u>	<u>3,664,880</u>	<u>5,918,272</u>	<u>921,584</u>		<u>23,151,989</u>
Unallocated assets							<u>265,684</u>
							<u>23,417,673</u>
Segment liabilities	<u>2,610,159</u>	<u>403,262</u>	<u>2,878,099</u>	<u>47,926</u>	<u>409,681</u>		<u>6,349,127</u>
Unallocated liabilities							<u>808,338</u>
							<u>7,157,465</u>
Other segment items:							
Additions to property, plant and equipment	<u>199,073</u>	<u>33,792</u>	<u>-</u>	<u>344</u>	<u>6,445</u>		<u>239,654</u>
Depreciation and amortisation	<u>145,690</u>	<u>21,635</u>	<u>948</u>	<u>8,194</u>	<u>11,818</u>		<u>188,285</u>
Other non-cash items	<u>(60,600)</u>	<u>60,956</u>	<u>31,984</u>	<u>31,637</u>	<u>(24,606)</u>		<u>39,371 *</u>

* Reclassified to conform to current period's presentation