



MAYBERRY

INVESTMENTS LIMITED

Unaudited Financial Results

For the 3 Months Ended 31 March 2008

CHAIRMAN'S STATEMENT

PERFORMANCE HIGHLIGHTS

■ Statement of Revenues and Expenses

Your company increased net profits by 980% for the first quarter of 2008, representing \$630 million dollars or \$.53 per share. About 80% of these profits have been generated from liquidating our Lascelles de Mercado holdings while approximately 20% have been generated from fairly recent investments. Our strategy of pursuing sound growth investments has paid off, contributing to the company's favourable results over the past 23 years.

■ Capitalization

Mayberry Investments Limited is presently among the most highly capitalized companies in our industry and our performance in the first quarter of 2008 has made your company even stronger. We plan to maintain our policy of paying dividends once per year.

Net interest income and other revenues for the quarter were \$811 million compared to \$170 million in 2007, an increase of \$641 million or 377%.

We had record growth in fees and commissions, other revenues and net trading gains.

Fees and commissions increased by \$77 million or 354%, driven by brokerage service fees. Net trading gains for the quarter were \$515 million, an increase of \$452 million or 720%. Net foreign exchange gains increased by \$31 million or 508%. Unrealised gains for the quarter were \$86 million, an increase of \$104 million or 596%, due to positive market price movements of our portfolio holdings. Dividend income grew by \$9 million or 76%. We recorded a 38% decline in our net interest income.

Our operating expenses increased by \$21 million or 22%.

The performance of Access Financials continues to improve and grew by 105%, contributing \$2 million to our earnings for the quarter ended March 31st, 2008.

■ Balance Sheet

Assets and Liabilities

There has been a \$735 million overall increase in our asset base over the corresponding period ended 31 March 2007. This was driven by increases in promissory notes, and loans and other receivables.

Our liabilities increased by \$99 million.

Regulatory Capital Requirements

Our capital base remains strong. Our capital to risk weighted asset ratio stood at 57% whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 14%. Our capital to total assets ratio was 14% whereas the FSC benchmark is 6%.

Future Revenues

Mayberry Investments Limited has plans to increase our revenues from asset management. In keeping with this thrust, we manage pension funds, personal accounts for clients, treasury accounts for corporations and long-term savings accounts for individuals.

We wish to thank our customers and shareholders for their continued support over the past 23 years and we look forward to assisting you in meeting your financial needs and investment objectives throughout 2008 and into the future.

Christopher Berry
CHAIRMAN

STATEMENT OF REVENUES AND EXPENSES

FOR THE 3 MONTHS ENDED 31 MARCH 2008

	UNAUDITED 3 Months Ended 31 March 2008 \$'000	UNAUDITED 3 Months Ended 31 March 2007 \$'000	AUDITED 12 Months Ended 31 December 2007 \$'000
Interest income	545,007	502,143	2,174,517
Interest expense	(493,190)	(417,999)	(1,872,816)
Net interest income	51,817	84,144	301,701
Fees and commissions	98,476	21,682	122,368
Dividend income	20,068	11,415	77,966
Gain on sale of investments	514,924	62,806	374,678
Net foreign exchange gain	37,427	6,159	70,576
Unrealised gain/(loss) on investment revaluations	86,525	(17,436)	34,208
Loan provision recovered/written back	-	-	6,037
Other income	1,518	1,071	4288
Net interest income and other operating revenue	810,755	169,840	991,822
Administrative expenses	(118,120)	(97,058)	(518,201)
	692,635	72,782	473,621
Share of results of associate	4,221	2,063	15,956
Profit before taxation	696,856	74,845	489,577
Taxation charge	(66,202)	(16,452)	(116,958)
Net Profit	630,654	58,393	372,619
Weighted Average Number of Shares in Issue	1,201,149,291	1,201,149,291	1,201,149,291
Earnings Per Share	\$0.53	\$0.05	\$0.31
Diluted Earnings Per Share	\$0.53	\$0.05	\$0.31



MAYBERRY INVESTMENTS LIMITED

Unaudited Financial Results

For the 3 Months Ended 31 March 2008 (Cont'd)

BALANCE SHEET

AS AT 31 MARCH 2008

	(UNAUDITED) MARCH 2008 \$'000	(UNAUDITED) MARCH 2007 \$'000	AUDITED DECEMBER 2007 \$'000
ASSETS			
Cash resources	377,262	164,818	532,680
Investment securities	10,671,841	8,521,177	9,832,954
Government securities purchased under resale agreements	8,085,255	11,646,895	7,808,513
Capital management funds	2,913,966	2,971,673	2,873,282
Promissory notes	1,000,894	704,885	859,117
Interest receivable	309,806	426,983	281,086
Loans and other receivables	2,587,244	769,359	1,511,642
Deferred taxation	-	25,451	-
Investment property	8,432	-	-
Property, plant and equipment	139,861	145,834	137,046
Investment in associate	63,326	45,212	59,105
TOTAL ASSETS	26,157,887	25,422,287	23,895,425
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Bank overdraft	30,227	275,563	9,472
Capital management funds obligation	2,913,966	2,971,673	2,873,282
Securities sold under repurchase agreements	15,990,100	16,812,453	13,821,596
Interest payable	247,711	263,524	222,606
Loans	2,267,096	2,101,298	2,138,750
Accounts payable	781,578	264,228	915,449
Redeemable preference shares	501,343	-	501,343
Deferred taxation	56,161	-	47,806
	<u>22,788,182</u>	<u>22,688,739</u>	<u>20,530,304</u>
STOCKHOLDERS' EQUITY			
Share capital	1,582,381	1,582,381	1,582,381
Fair value reserve	(60,157)	(111,780)	325,682
Retained earnings	1,847,481	1,262,947	1,457,058
	<u>3,369,705</u>	<u>2,733,548</u>	<u>3,365,121</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	26,157,887	25,422,287	23,895,425

Approved for issue by the Board of Directors on 23 April 2008 and signed on its behalf by:


Erwin Angus
Managing Director


Konrad Berry
Vice Chairman

STATEMENT OF CHANGES IN EQUITY

FOR THE 3 MONTHS ENDED 31 MARCH 2008

	Share Capital \$'000	Fair Value Reserve \$'000	Retained Profits \$'000	Total \$'000
Balance at 1 January 2007	1,582,381	(33,612)	1,204,554	2,753,323
Realised fair value gains transferred to consolidated statement of revenues and expenses	-	(5,694)	-	(5,694)
Unrealized losses on available for sale investments; net of taxes	-	(72,474)	-	(72,474)
Net losses not recognized in consolidated statement of revenues and expenses	-	(78,168)	-	(78,168)
Net profit	-	-	58,393	58,393
Balance at 31 March 2007	1,582,381	(111,780)	1,262,947	2,733,548
Balance at 1 January 2008	1,582,381	325,682	1,457,058	3,365,121
Realised fair value gains transferred to consolidated statement of revenues and expenses	-	(147,250)	-	(147,250)
Unrealized losses on available for sale investments; net of taxes	-	(238,589)	-	(238,590)
Net losses not recognized in consolidated statement of revenues and expenses	-	(385,839)	-	(385,840)
Net profit	-	-	630,654	630,654
Dividends	-	-	(240,231)	(240,231)
Balance at 31 March 2008	1,582,381	(60,157)	1,847,481	3,369,705

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 3 MONTHS ENDED 31 MARCH 2008

	Unaudited 3 Months Ended 31 March 2008 \$'000	Unaudited 3 Months Ended 31 March 2007 \$'000	Audited 12 Months Ended 31 December 2007 \$'000
Profit for the period	692,635	72,782	473,621
Adjustment to reconcile profit for the period to net cash used in operating activities	(199,908)	(62,100)	(469,479)
Cash (used in)/provided by operating activities	(412,293)	393	272,321
Net cash provided by operating activities	<u>80,434</u>	<u>11,075</u>	<u>276,463</u>
Net cash used in investing activities	(16,376)	(11,825)	(16,442)
Net cash (used in)/from financing activities	(240,231)	-	381,228
Decrease/(increase) in cash and cash equivalents	(176,173)	(750)	641,249
Effects of change in exchange rate on cash and cash equivalents	-	-	(8,046)
Cash and cash equivalents at beginning of period	523,208	(109,995)	(109,995)
Cash and cash equivalents at end of period	<u>347,035</u>	<u>(110,745)</u>	<u>523,208</u>



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Unaudited Financial Results

For the 3 Months Ended 31 March 2008 (Cont'd)

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of available-for-sale securities and trading securities.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(b) Revenue Recognition

Interest income is recognized in the statement of revenues and expenses for all interest bearing instruments on the accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed investments and discount or premium on financial instruments.

(c) Taxation

Taxation on the profit or loss for the period comprises current and deferred tax. Current and deferred taxes are recognized as income tax expense or benefit in the income statement, except where they relate to items recorded in shareholders' equity, they are also charged or credited to shareholders' equity.

(i) Current Taxation

Current tax is the expected taxation payable on the taxable income for the period, using tax rates enacted at the balance sheet date, and any adjustment to tax payable and tax losses in respect of previous periods.

(ii) Deferred Income Taxes

Deferred tax liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements and their amounts as measured for tax purposes, which result in taxable amounts in future periods. Deferred tax is provided on temporary differences, except where the timing of reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred tax assets are recognized for temporary differences which will result in deductible amounts in future periods, but only to the extent where it is probable that sufficient taxable profits will be available against which these differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realized or the liability will be settled based on enacted rates.

Current and deferred tax assets and liabilities are offset when they arise from the same taxable entity and relate to the same Tax Authority and when the legal right of offset exists.

Deferred tax is charged or credited in the statement of revenues and expenses except where it relates to items charged or credited to equity, in which case deferred tax is also accounted for in equity.

(d) Earnings per Stock Unit

Earnings per stock unit is based on the net profit for the period divided by the weighted average number of stock units in issue during the period.

(e) Investments

The Company classifies its investment securities as fair value through profit and loss and available-for-sale securities. Management determines the appropriate classification of investments at the time of purchase.

Investment securities at fair value through profit and loss are those which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit taking exists. They are initially recognized at cost, which includes transaction costs, and subsequently remeasured at fair value. All related realized and unrealized gains and losses are included in net trading income.

Available-for-sale securities are those intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates, foreign exchange rates or market prices. They are initially recognized at cost, which include transaction costs, and subsequently re-measured at fair value based on quoted bid prices or amounts derived from cash flow models. Unrealized gain and losses arising from changes in fair value of available-for-sale securities are recognized in shareholders' equity. When the securities are disposed of or impaired, the related accumulated unrealized gains or losses included in shareholders' equity are transferred to the statement of revenues and expenses.

All purchases and sales of investment securities are recognized at settlement date.

Where investments are unquoted, the Company determines the fair valuation by using pricing models or discounted cash flow analysis. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimate, discounted using recent arm's length transactions or the market rates at balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at balance sheet date.

(f) Re-purchase and Reverse Repurchase Transactions

Transactions involving purchase of securities under agreements to resell (reverse repurchase agreements ["reverse repos"]) or sale of securities under the agreements to repurchase (repurchase agreements ["repos"]) are accounted for as short-term collateralised financing. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the agreement using the effective yield method. It is the policy of the Company to obtain possession of collateral with a market value equal to or in excess of the principal amount loaned under resale agreements.

(g) Funds Under Discretionary Management

The Company accepts funds from individuals to manage with complete discretion and without reference to the account holders, in accordance with the relevant guidelines issued by the Financial Services Commission, taking into account the investment objective and risk profile of the account holder. These assets and income arising thereon are excluded from the financials statements, as they are not assets of the Company.

(h) Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.