



MAYBERRY

INVESTMENTS LIMITED

Unaudited Financial Results

For the 6 Months Ended 30 June 2008

COMMENTARY ON FINANCIAL RESULTS

PERFORMANCE HIGHLIGHTS

■ Net Profit Increase by 620%

Our net profit for the 6 months ended 30 June 2008 stood at \$670 million, reflecting an increase of 620% over the corresponding period for 2007. This translated in earnings per share of \$0.56 compared to \$0.08 for the corresponding period. This profit growth was due to increase in our total operating income of \$999 million compared to \$317 million for 2007.

Net profit for the quarter was \$39 million compared to \$35 million for the corresponding period. Net interest income and other revenues for the quarter were \$189 million compared to \$147 million in 2007, an overall increase of \$42 million or 29%. We recorded growth in net interest income of 110%, fees and commissions of 20%, dividend income of 22% and trading gains on sale of investments of 401%.

We also recorded unrealised revaluation losses of \$118 million, on our trading securities portfolio, reversing the unrealised gains recorded for the period ended 31 March 2008.

Our loan portfolio has increased by approximately \$400 million or 62% and currently stands at over \$1 billion; as a result of the growth and being prudent, we made a provision for loan impairment of \$15 million.

Our administrative expenses increased by \$19 million or 18% in this quarter.

■ Balance Sheet

Assets and Liabilities

There has been a \$6.4 billion overall increase in our asset base over the corresponding period ended 30 June 2007. This was driven by increases in cash resources, investments, promissory notes, and loans and other receivables.

The growth in assets was funded primarily by institutional lenders; consequently, our liabilities increased by \$5.6 billion.

Regulatory Capital Requirements

Our capital base remains strong. Our capital to risk weighted asset ratio stood at 44% whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 14%. Our capital to total assets ratio was 10% whereas the FSC benchmark is 6%.

■ Mayberry Ranked Number 1 Broker

We continue to maintain our number 1 broker ranking by the Jamaica Stock Exchange. Mayberry was ranked 1st for the largest number of trades, 1st for the largest volume of shares traded and 1st for the highest dollar value of trades executed over the 6 months period ended 30 June 2008. Once again we extend our appreciation to our customers for their continued support and for placing us in this position.

We wish to thank our management and staff for the hard work that they have put in over the period. We also wish to thank our customers for their continued support over the past 23 years.

Gary Peart
Chief Executive Officer

Sharon Harvey-Wilson
Director – Finance, Administration & Compliance

STATEMENT OF REVENUES AND EXPENSES

FOR THE 6 MONTHS ENDED 30 JUNE 2008

	UNAUDITED 3 Months Ended 30 June 2008 \$'000	UNAUDITED 3 Months Ended 30 June 2007 \$'000	UNAUDITED 6 Months Ended 30 June 2008 \$'000	UNAUDITED 6 Months Ended 30 June 2007 \$'000	AUDITED 12 Months Ended 31 December 2007 \$'000
Interest income	744,932	574,653	1,289,939	1,076,796	2,174,517
Interest expense	(533,987)	(474,293)	(1,027,176)	(892,292)	(1,872,816)
Net interest income	210,945	100,360	262,763	184,504	301,701
Fees and commissions	20,032	16,702	118,508	38,384	122,368
Dividend income	34,707	28,550	54,775	39,965	77,966
Gain on sale of investments	39,866	7,954	554,790	70,760	374,678
Net foreign exchange gain/(loss)	(899)	12,113	36,528	18,272	70,576
Unrealised (loss)/gain on investment revaluations	(117,626)	(21,248)	(31,101)	(38,684)	34,208
Loan provision recovered/written back	-	-	-	-	6,037
Other income	1,522	2,970	3,040	4,040	4,288
Net interest income and other operating revenue	188,547	147,401	999,303	317,241	991,822
Provision for credit loss	(15,001)	-	(15,008)	-	-
Administrative expenses	(125,487)	(106,261)	(243,601)	(203,319)	(518,201)
	48,059	41,140	740,694	113,922	473,621
Share of results of associate	(311)	3,954	3,910	6,017	15,956
Profit before taxation	47,748	45,094	744,604	119,939	489,577
Taxation charge	(8,845)	(10,399)	(75,047)	(26,851)	(116,958)
Net Profit	38,903	34,695	669,557	93,088	372,619
Number of Shares in Issue	1,201,149,291	1,201,149,291	1,201,149,291	1,201,149,291	1,201,149,291
Basic and Diluted Earnings Per Share	\$0.03	\$0.03	\$0.56	\$0.08	\$0.31



MAYBERRY INVESTMENTS LIMITED

Unaudited Financial Results

For the 6 Months Ended 30 June 2008 (Cont'd)

BALANCE SHEET

AS AT 30 JUNE 2008

	(UNAUDITED) JUNE 2008 \$'000	(UNAUDITED) JUNE 2007 \$'000	AUDITED DECEMBER 2007 \$'000
ASSETS			
Cash resources	1,105,297	559,880	532,680
Investment securities	8,970,650	6,798,545	9,832,954
Government securities purchased under resale agreements	12,174,583	10,530,791	7,808,513
Capital management funds	2,807,952	2,885,869	2,873,282
Promissory notes	1,044,342	644,757	859,117
Interest receivable	494,345	385,924	281,086
Loans and other receivables	2,338,058	684,361	1,511,642
Deferred taxation	-	40,978	-
Investment property	8,432	-	-
Property, plant and equipment	141,830	144,864	137,046
Investment in Associate	63,015	49,166	59,105
TOTAL ASSETS	29,148,504	22,725,135	23,895,425
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Bank overdraft	206,414	389,113	9,472
Capital management funds obligation	2,807,952	2,885,869	2,873,282
Securities sold under repurchase agreements	18,231,719	13,970,438	13,821,596
Interest payable	329,919	219,230	222,606
Loans	2,990,891	2,241,218	2,138,750
Accounts payable	638,827	442,393	915,449
Redeemable preference shares	501,343	-	501,343
Deferred taxation	33,739	-	47,806
	25,740,804	20,148,261	20,530,304
STOCKHOLDERS' EQUITY			
Share capital	1,582,381	1,582,381	1,582,381
Fair value and other reserve	(61,066)	(183,034)	325,682
Retained earnings	1,886,385	1,177,527	1,457,058
	3,407,700	2,576,874	3,365,121
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	29,148,504	22,725,135	23,895,425

Approve for issue by the Board of Directors on 29 July 2008 and signed on its behalf by:

Gary Peart
Chief Executive Officer

Sharon Harvey-Wilson
Director - Finance, Administration & Compliance

STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTHS ENDED 30 JUNE 2008

	Share Capital \$'000	Fair Value and Other Reserve \$'000	Retained Profits \$'000	Total \$'000
Balance at 1 January 2007	1,582,381	(33,612)	1,204,554	2,753,323
Realized fair value gains transferred to consolidated statement of revenues and expenses	-	(7,843)	-	(7,843)
Unrealised losses on available for sale investments (net of taxes)	-	(141,579)	-	(141,579)
Net losses not recognized in consolidated statement of revenues and expenses	-	(149,422)	-	(149,422)
Dividend	-	-	(120,115)	(120,115)
Net profit	-	-	93,088	93,088
Balance at 30 June 2007	1,582,381	(183,034)	1,177,527	2,576,874
Balance at 1 January 2008	1,582,381	325,682	1,457,058	3,365,121
Realized fair value gains transferred to consolidated statement of revenues and expenses	-	(141,970)	-	(141,970)
Unrealised losses on available for sale investments (net of taxes)	-	(244,778)	-	(244,778)
Net losses not recognized in consolidated statement of revenues and expenses	-	(386,748)	-	(386,748)
Dividend	-	-	(240,230)	(240,230)
Net profit	-	-	669,557	669,557
Balance at 30 June 2008	1,582,381	(61,066)	1,886,385	3,407,700

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 6 MONTHS ENDED 30 JUNE 2008

	Unaudited 3 Months Ended 30 June 2008 \$'000	Unaudited 3 Months Ended 30 June 2007 \$'000	Unaudited 6 Months Ended 30 June 2008 \$'000	Unaudited 6 Month Ended 30 June 2007 \$'000	Audited Year Ended 31 December 2007 \$'000
Profit for the period	47,748	45,094	744,604	119,939	489,577
Adjustment to reconcile profit for the period to net cash used in operating activities	(123,147)	(85,475)	(327,273)	(149,638)	(485,435)
Cash provided by operating activities	635,406	450,180	223,110	450,573	272,321
Net cash provided by operating activities	560,007	409,799	640,441	420,874	276,463
Net cash used in investing activities	(8,159)	(128,287)	(24,535)	(140,112)	(16,442)
Net cash (used in)/from financing activities	-	-	(240,231)	-	381,228
Increase in cash and cash equivalents	551,848	281,512	375,675	280,762	641,249
Effects of change in exchange rate on cash and cash equivalents	-	-	-	-	(8,046)
Cash and cash equivalents at beginning of period	347,035	(110,745)	523,208	(109,995)	(109,995)
Cash and cash equivalents at end of period	898,883	170,767	898,883	170,767	523,208



MAYBERRY INVESTMENTS LIMITED

Unaudited Financial Results

For the 6 Months Ended 30 June 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.