



The Directors of
LASCELLES deMERCADO & CO. LIMITED
are pleased to report the consolidated unaudited
results as follows:

MH 6/2/09

LASCELLES, deMERCADO & COMPANY LIMITED

Group Balance Sheet

December 31, 2008

	Unaudited 31/12/2008	Unaudited 31/12/2007	Audited 30/9/2008
	\$000s	\$000s	\$000s
Current assets:			
Cash and cash equivalents	3,884,018	2,779,947	3,641,558
Short-term investments	1,283,455	1,362,791	1,887,409
Accounts receivable	4,107,861	4,012,048	3,639,098
Reinsurance assets	1,170,296	1,016,636	1,091,341
Taxation recoverable	314,181	304,226	165,909
Inventories	6,951,265	5,669,184	7,379,722
Biological assets	162,168	183,809	131,103
	<u>17,873,244</u>	<u>15,328,641</u>	<u>17,936,140</u>
Current liabilities:			
Bank loans & overdrafts	169,502	332,453	340,345
Unsecured loans	304,018	474,901	320,844
Current maturities of long term liabilities	32,364	50,847	49,043
Accounts payable	2,834,090	2,465,738	3,327,591
Insurance contract provisions	3,096,298	2,679,818	2,893,451
Taxation payable	378,895	319,421	231,038
	<u>6,815,167</u>	<u>6,323,178</u>	<u>7,162,312</u>
Net current assets	11,058,077	9,005,463	10,773,828
Non-current assets:			
Employee benefits assets	2,802,900	2,405,900	2,802,900
Investments	6,734,064	10,656,877	9,873,222
Interest in associated companies	13,610	10,752	13,610
Intangible assets	105,481	105,481	105,481
Property, plant & equipment	3,632,640	3,380,429	3,634,239
Deferred tax assets	24,276	41,490	22,499
	<u>13,312,971</u>	<u>16,600,929</u>	<u>16,451,951</u>
	<u>24,371,048</u>	<u>25,606,392</u>	<u>27,225,779</u>
Financed by:			
Stockholders' equity	22,819,386	24,140,493	25,695,806
Non-current liabilities:			
Employee benefits liabilities	412,227	394,916	398,100
Long term liabilities	37,608	48,424	27,845
Deferred tax liabilities	1,101,827	1,022,559	1,104,028
	<u>1,551,662</u>	<u>1,465,899</u>	<u>1,529,973</u>
	<u>24,371,048</u>	<u>25,606,392</u>	<u>27,225,779</u>

Approved for release to the Jamaica Stock Exchange by the Board of Directors on February 5, 2009 and signed on its behalf by:


 _____ Director
 William A. McConnell


 _____ Director
 Anthony J. Bell

LASCELLES, deMERCADO & COMPANY LIMITED

Statement of Changes in Stockholders' Equity

December 31, 2008

	Share capital	Capital reserve	Unappropriated profits	Total
	\$000s	\$000s	\$000s	\$000s
Unaudited				
Balances at September 30, 2008 (audited)	20,400	15,996,757	9,678,649	25,695,806
Net profit attributable to members			415,822	415,822 (a)
Changes in fair value of investments		(3,600,755)		(3,600,755) (a)
Released on sale of investments		-		- (a)
Translation adjustment arising on consolidation of foreign subsidiaries		308,513		308,513 (a)
December 31, 2008	<u>20,400</u>	<u>12,704,515</u>	<u>10,094,471</u>	<u>22,819,386</u>
Unaudited				
Balances at September 30, 2007 (audited)	20,400	14,849,636	7,661,995	22,532,031
Net profit attributable to members			935,755	935,755 (a)
Changes in fair value of investments		654,502		654,502 (a)
Released on sale of investments		(367)		(367) (a)
Translation adjustment arising on consolidation of foreign subsidiaries		18,572		18,572 (a)
December 31, 2007	<u>20,400</u>	<u>15,522,343</u>	<u>8,597,750</u>	<u>24,140,493</u>
Recognised gains:				
	Unaudited	Unaudited		
	<u>31/12/2008</u>	<u>31/12/2007</u>		
(a) Total recognised (losses)/gains for the period (\$' 000)	<u>(2,876,420)</u>	<u>1,608,462</u>		
(b) Recognised (losses)/gains per ordinary stock unit (\$)	<u>(29.96)</u>	<u>16.75</u>		

LASCELLES, deMERCADO & COMPANY LIMITED

Group Income Statement

Three Months Ended December 31, 2008

	Unaudited		Audited
	Three Months Ended		Year Ended
	31/12/2008	31/12/2007	30/09/2008
	\$000s	\$000s	\$000s
Continuing Operations:			
Operating revenue	5,726,645	5,479,610	22,963,136
Cost of operating revenue	<u>3,556,300</u>	<u>3,005,622</u>	<u>13,683,093</u>
Gross profit	2,170,345	2,473,988	9,280,043
Administrative, marketing and selling expenses	<u>1,830,053</u>	<u>1,487,969</u>	<u>6,204,974</u>
Operating profit	340,292	986,019	3,075,069
Other income	<u>25,973</u>	<u>23,443</u>	<u>112,791</u>
Profit before net finance income and taxation	366,265	1,009,462	3,187,860
Net finance income	<u>141,826</u>	<u>116,276</u>	<u>355,652</u>
Profit before taxation	508,091	1,125,738	3,543,512
Taxation	<u>(92,269)</u>	<u>(189,085)</u>	<u>(643,490)</u>
Net profit for the period from continuing activities	415,822	936,653	2,900,022
Discontinued Operations:			
(Loss)/Profit for the period from discontinued operations	-	(898)	115,109
Net profit for the period attributable to members	415,822	935,755	3,015,131
Preference dividends, gross	-	-	(162)
Net profit attributable to ordinary stockholders	<u>415,822</u>	<u>935,755</u>	<u>3,014,969</u>
Earnings per ordinary stock unit	<u>\$4.33</u>	<u>\$9.75</u>	<u>\$31.41</u>

LASCELLES, deMERCADO & COMPANY LIMITED

Group Statement of Cash Flows

Three Months Ended December 31, 2008

	Unaudited	
	31/12/2008	31/12/2007
	\$000s	\$000s
Cash flows from operating activities:		
Net profit for the period attributable to members	415,822	935,755
Items not affecting cash	447,584	277,555
	<u>863,406</u>	<u>1,213,310</u>
Decrease in non-cash working capital	(490,142)	(1,460,127)
Cash provided by operating activities	<u>373,264</u>	<u>(246,817)</u>
Cash provided/(used) by investing activities	63,783	(298,557)
Cash (used)/provided by financing activities	<u>(19,768)</u>	<u>27,574</u>
Net increase/(decrease) in cash and cash equivalents	<u>417,279</u>	<u>(517,800)</u>
Net cash and cash equivalents at beginning of year	3,451,781	3,120,936
Net cash and cash equivalents at end of period	<u><u>3,869,060</u></u>	<u><u>2,603,136</u></u>
Comprised of:		
Cash and bank balances	1,757,108	1,559,504
Short term deposits and monetary instruments	<u>2,126,910</u>	<u>1,220,443</u>
	<u>3,884,018</u>	<u>2,779,947</u>
Less: Bank overdrafts	(14,958)	(176,811)
	<u><u>3,869,060</u></u>	<u><u>2,603,136</u></u>

LASCELLES, deMERCADO & CO. LIMITED

Notes to the Financial Statements
December 31, 2008

1. General

The company is incorporated in Jamaica under the Companies Act and is domiciled in Jamaica. Its ordinary and preference stock units are listed on the Jamaica Stock Exchange. The registered office of the company is situated at 23 Dominica Drive, Kingston 5, Jamaica, West Indies. Effective July 28, 2008, pursuant to a public offer initiated in December 2007 by its fellow subsidiary, CL Spirits Limited (immediate holding company), a company incorporated in St. Lucia and a wholly owned subsidiary of CL Financial Limited (ultimate holding company), a company incorporated in Trinidad and Tobago, together with other subsidiaries of the ultimate holding company acquired, 86.89% of the ordinary stock units and 97.15% of the preference stock units aggregating 92.01% of the voting rights of the company.

The principal activities of the company are the provision of management services to its subsidiaries and the holding of investments. The company and its subsidiaries are collectively referred to as "group".

The activities of the group are organised 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 the manufacture and distribution of pharmaceutical preparations and agricultural chemicals. Additionally, the merchandising of electronic telephone cards was discontinued during our last financial year arising from the sale of the Telecoms Division of Lascelles Limited.
- (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 services: This includes aircraft handling, distribution of motor vehicles and spares, servicing and repair of motor vehicles.

Segment information is set out in note 6.

2. Statement of compliance and basis of preparation

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB), and comply with the provisions of the Jamaican 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, 2008.

LASCELLES, deMERCADO & CO. LIMITED

Notes to the Financial Statements (Continued)
December 31, 2008

2. Statement of compliance and basis of preparation, cont'd.

(b) Basis of preparation

The financial statements are presented in Jamaica dollars (\$), which is the functional currency of the company.

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 group entities. Where necessary, prior year comparatives have been restated and reclassified to conform to current presentation.

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date, and the income and expense for the period then ended. Actual amounts could differ from these estimates.

The consolidated financial statements comprise the financial results of the company and its subsidiaries prepared to December 31, 2008 and include the group's share in associates, of the total recognised gains and losses on an equity accumulated basis.

3. Revenue recognition

Revenue from the sale of goods is recognised in the group 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.

Premium and commission income is recognised over the period of insurance policies written. Unearned premiums and commissions are calculated on the twenty-fourths method in accordance with industry practice.

Interest and other investment income are recognized on the accrual basis on the effective interest rate basis, except when collectibility is considered doubtful.

Dividend income is recognized in the income statement on the date of declaration.

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.

LASCELLES, deMERCADO & CO. LIMITED

Notes to the Financial Statements (Continued)
December 31, 2008

6. 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:

	December 31, 2008						
	Liquors, Rums Wines and Sugar	General Merchandise	General Insurance	Investments	Transportation Services	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External	3,574,261	1,130,512	572,133	75,418	374,321		
Inter segment	-	16,701	113,786	-	9,696		
Total revenue	<u>3,574,261</u>	<u>1,147,213</u>	<u>685,919</u>	<u>75,418</u>	<u>384,017</u>	(140,183)	<u>5,726,645</u>
Segment results	<u>(30,189)</u>	<u>42,853</u>	<u>181,568</u>	<u>325,833</u>	<u>(11,974)</u>		<u>508,091</u>
Segment assets							
Unallocated assets	<u>12,895,619</u>	<u>2,020,947</u>	<u>5,280,296</u>	<u>9,957,901</u>	<u>679,385</u>		<u>30,834,148</u>
							<u>352,067</u>
							<u>31,186,215</u>
Segment liabilities							
Unallocated liabilities	<u>2,987,580</u>	<u>268,465</u>	<u>3,252,597</u>	<u>90,783</u>	<u>285,871</u>		<u>6,885,296</u>
							<u>1,481,533</u>
							<u>8,366,829</u>
Other segment items:							
Additions to property, plant and equipment	<u>92,271</u>	<u>6,802</u>	<u>698</u>	<u>1,683</u>	<u>9,422</u>		<u>110,876</u>
Depreciation, amortisation and impairment	<u>89,190</u>	<u>11,173</u>	<u>1,166</u>	<u>3,030</u>	<u>6,821</u>		<u>111,380</u>
Other non-cash items	<u>167,577</u>	<u>58,661</u>	<u>81,705</u>	<u>29,771</u>	<u>(1,510)</u>		<u>336,204</u>

LASCELLES, deMERCADO & CO. LIMITED

Notes to the Financial Statements (Continued)
December 31, 2008

6. Segment financial information, cont'd.

Business segments:

	December 31, 2007						Total \$'000
	Liquors, Rums Wines and Sugar \$'000	General Merchandise \$'000	General Insurance \$'000	Investments \$'000	Transportation Services \$'000	Eliminations \$'000	
Revenue							
External	3,665,977	888,684	504,610	77,100	343,239		
Inter segment	-	67,751	118,844	-	9,439		
Total revenue	<u>3,665,977</u>	<u>956,435</u>	<u>623,454</u>	<u>77,100</u>	<u>352,678</u>	(196,034)	<u>5,479,610</u>
Segment results	<u>756,002</u>	<u>48,957</u>	<u>187,251</u>	<u>117,363</u>	<u>16,165</u>		<u>1,125,738</u>
Segment assets	<u>11,454,479</u>	<u>1,519,150</u>	<u>4,589,396</u>	<u>13,385,496</u>	<u>624,580</u>		<u>31,573,101</u>
Unallocated assets							<u>356,469</u>
							<u>31,929,570</u>
Segment liabilities	<u>2,702,745</u>	<u>336,687</u>	<u>2,877,650</u>	<u>282,633</u>	<u>246,571</u>		<u>6,446,286</u>
Unallocated liabilities							<u>1,342,791</u>
							<u>7,789,077</u>
Other segment items:							
Additions to property, plant and equipment	<u>91,921</u>	<u>11,191</u>	<u>1,543</u>	<u>1,345</u>	<u>3,246</u>		<u>109,246</u>
Depreciation and amortisation	<u>82,004</u>	<u>8,887</u>	<u>204</u>	<u>4,778</u>	<u>6,195</u>		<u>102,068</u>
Other non-cash items	<u>151,035</u>	<u>(18,441)</u>	<u>66,417</u>	<u>(23,148)</u>	<u>(377)</u>		<u>175,486</u>