

**BERGER PAINTS JAMAICA LIMITED  
UNAUDITED FINANCIAL STATEMENTS  
QUARTER ENDED MARCH 31, 2009**

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The results of the quarter were severely impacted by the general adverse economic climate and more specifically, the sharp 10% deterioration in the value of the Jamaican dollar relative to its US counterpart and the downturn in the construction sector.

For the three months ended March 31, 2009 revenues and net losses were \$303.467 million and \$8.252 million respectively, compared to revenues of \$336.299 million and net loss of \$3.023 million for the comparative period in 2008. (Turnover down 9.7%)

There was a 28% reduction in operating expenses when compared to the first quarter of last year. This primarily resulted from restructuring, costs rationalization measures and improvements in productivity levels, including implementation of a four day work week for staff and a 20% reduction in salaries for managers in February 2009. These measures are working well so far and are expected to save some J\$50 million dollars. The company is in the process of establishing productivity norms and associated incentives to further improve productivity and internal efficiencies.

Notwithstanding the difficult environment we will continue to manage costs and with the expected benefits to accrue from increased efficiencies improve the performance of the company.

We wish to thank our customers, employees and other stakeholders for their continued commitment and support.

*Warren McDonald*

Warren McDonald  
Regional Managing Director



	(Unaudited) March 31, 2009 (J\$'000)	(Unaudited) March 31, 2008 (J\$'000)	(Audited) December 31 2008 (J\$'000)
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, Plant and Equipment	179,469	161,130	179,469
Long term receivables	1,695	832	1,849
Post employment benefits	<u>111,420</u>	<u>105,321</u>	<u>111,420</u>
<b>Total non-current assets</b>	<b>292,584</b>	<b>267,283</b>	<b>292,738</b>
Current Assets	<u>541,293</u>	<u>525,113</u>	<u>687,594</u>
<b>Total Assets</b>	<b><u>833,877</u></b>	<b><u>792,396</u></b>	<b><u>980,332</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Revaluation reserve	141,793	141,793	141,793
Revenue reserve	42,066	41,866	42,066
Profit & Loss account	<u>211,987</u>	<u>246,664</u>	<u>220,239</u>
<b>Total shareholders' Equity</b>	<b><u>395,846</u></b>	<b><u>430,323</u></b>	<b><u>404,098</u></b>
<b>Non current liabilities</b>			
Post employment benefits	71,487	62,466	71,487
Deferred tax liabilities	<u>23,627</u>	<u>27,108</u>	<u>23,627</u>
<b>Total non-current liabilities</b>	<b>95,114</b>	<b>89,574</b>	<b>95,114</b>
Current Liabilities	<u>342,917</u>	<u>272,499</u>	<u>481,120</u>
<b>Total Equity and Liabilities</b>	<b><u>833,877</u></b>	<b><u>792,396</u></b>	<b><u>980,332</u></b>

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Approved by:

*Simon Chumwani*  
Approved by:

**BERGER PAINTS JAMAICA LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**

	(Unaudited) Quarter Ended March 31, 2009 (J\$'000)	(Unaudited) Quarter Ended March 31, 2008 (J\$'000)	(Audited) Year Ended December 31 2008 (J\$'000)
Sales (net of discount and rebates)	303,467	336,299	1,527,014
Operating (Loss) / profit	(9,448)	(2,460)	29,106
Investment revenues	226	153	292
Finance costs	(1,387)	(2,228)	(7,919)
<b>(Loss)/Profit before taxation</b>	<b>(10,609)</b>	<b>(4,535)</b>	<b>21,479</b>
Taxation	2,357	1,512	(5,919)
<b>Net (Loss)/Profit</b>	<b>(8,252)</b>	<b>(3,023)</b>	<b>15,560</b>
Earnings per stock unit	0c	0c	7c

**BERGER PAINTS JAMAICA LIMITED  
STATEMENT OF CHANGES IN EQUITY  
QUARTER ENDED MARCH 31, 2009**

	<b>Share Capital (J\$'000)</b>	<b>Revaluation Reserve (J\$'000)</b>	<b>Revenue reserve - Income Statement (J\$'000)</b>	<b>Total (J\$'000)</b>
Balance at January 1, 2008	141,793	41,866	249,687	433,346
Deferred Tax adjustment	<u>-</u>	<u>200</u>	<u>-</u>	<u>200</u>
Net gain recognised directly in equity	-	200	-	200
Net profit for the year	<u>-</u>	<u>-</u>	<u>15,560</u>	<u>15,560</u>
Total recognised income	<u>-</u>	<u>200</u>	<u>15,560</u>	<u>15,760</u>
Dividends approved at Annual General Meeting	<u>-</u>	<u>-</u>	<u>(45,008)</u>	<u>(45,008)</u>
Balance at December 31, 2008	<u>141,793</u>	<u>42,066</u>	<u>220,239</u>	<u>404,098</u>
Net Loss for the quarter	-	-	(8,252)	(8,252)
Balance at March 31, 2009	<u>141,793</u>	<u>42,066</u>	<u>211,987</u>	<u>395,846</u>

**BERGER PAINTS JAMAICA LIMITED**  
**STATEMENT OF CASH FLOWS**

	(Unaudited) March 31, 2009 (J\$'000)	(Unaudited) March 31, 2008 (J\$'000)	(Audited) December 31 2008 (J\$'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (Loss)/Profit	(8,252)	(3,023)	15,560
non cash items included in net profit	<u>20,268</u>	<u>28,957</u>	<u>80,382</u>
	12,016	25,934	95,942
Operating cash flows from movement in working capital:			
(Increase)/Decrease in operating assets	127,623	147,823	(25,812)
Increase/(Decrease) in operating liabilities	<u>(112,452)</u>	<u>(189,588)</u>	<u>11,691</u>
Cash generated from operations	27,187	(15,831)	81,821
Income tax paid	(1,040)	-	(27,148)
Interest paid	<u>(1,387)</u>	<u>(1,869)</u>	<u>(7,919)</u>
Net cash provided by operating activities	24,760	(17,700)	46,754
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash used in investing activities	(7,902)	(9,656)	(45,745)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities	(14,551)	21,765	(43,448)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	2,307	(5,591)	(42,439)
<b>OPENING CASH AND CASH EQUIVALENTS</b>	(20,200)	21,184	21,184
Effect of foreign exchange rate changes			<u>1,055</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u>(17,893)</u>	<u>15,593</u>	<u>(20,200)</u>

**BERGER PAINTS JAMAICA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED MARCH 31, 2009**

**1. IDENTIFICATION**

The main activity of the company, which is incorporated in Jamaica, is the manufacture and distribution of industrial and decorative paints and paint-related processed materials.

The company, which is listed on the Jamaica Stock Exchange, is a 51% subsidiary of Lewis Berger (Overseas Holdings) Limited, which is incorporated in the United Kingdom. The ultimate holding company is Asian Paints (India) Limited, which is incorporated in India. The registered office of the company is 256 Spanish Town Road, Kingston 11.

These financial statements are expressed in Jamaican dollars.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared under the historical cost basis. The principal accounting policies are set out below:

**Property, plant and equipment**

All property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. No depreciation is provided on freehold land.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Long-term receivables**

These recoverable consumption taxes are shown at nominal values.

**Employee benefits**

*Pension obligations*

The company operates a defined benefit pensions plan. The plan is funded by contributions from employees and employer. The employees contribute at the rate of 5% of pensionable salaries (with the option of contributing an additional 5%). The company's rate of contribution is determined by independent actuaries. The contributions are recognized as an expense when employees have rendered service entitling them to the contributions.

The cost of providing benefits is determined using the Projected Unit Credit Method with independent actuarial valuations being carried out each balance sheet date. Actuarial gains and losses that exceed 10% of the greater of the present value of the company's obligation and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit

**BERGER PAINTS JAMAICA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED MARCH 31, 2009**

**3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Inventories**

These are stated at the lower of cost and net realisable value. The cost of finished goods comprises direct materials and labour plus an appropriate proportion of fixed and variable overhead expenses that have been incurred in bringing inventory to its present location and condition. The cost of work-in-progress comprises direct materials and an appropriate proportion of labour and overhead expenses (fixed and variable) in bringing the inventory to its present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs necessary to make the sale.

**Revaluation reserve**

This represents revaluation surplus on property, plant and equipment net of annual deferred tax charges.

**Provisions**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.