

**BERGER PAINTS JAMAICA LIMITED
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED SEPTEMBER 30, 2009**

Berger Paints Jamaica Limited

Notes Board Meeting October '09

Increased productivity, improved efficiencies along with improved Customer Satisfaction levels and tight control over expenses has resulted in an improved 3rd Quarter performance by the Company.

	<u>2008</u>	<u>2009</u>
<u>Third Quarter '09</u>		
PAT J\$ '000 3 rd Qrt.	(4970)	12,539
<u>9 Months</u>		
September YTD Profit J\$'000	(9,358)	17,974

A slowdown in rate of decline in volume sales compared to previous year is evident by the fact that YTD September sales volume was down by 16%, whereas our volumes for the 3rd Quarter was down by 6.5%.

2009 September YTD, PAT of J\$17.974 Million compared favourably to previous year YTD September, which recorded a loss of J\$9.594 Million.

For the third Quarter a Profit (PAT) of J\$12.544 Million was recorded in 2009 compared to loss of J\$4.898 Million in the 3rd Quarter of 2008.

Productivity improved by 37% YTD September 2009 over 2008 (Litres per Man-hour) while customer satisfaction levels achieved was in keeping with internationally accepted standards.

Improvement in Trading Working Capital and control over expenses has resulted in a positive Cash Flow during the period under review with the quarter closing with a positive cash balance.

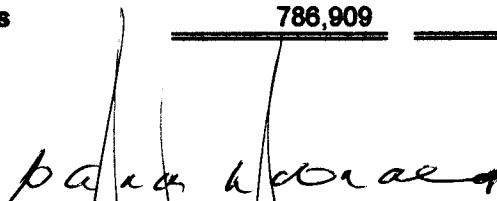
Despite the ongoing recession, Berger Jamaica is hopeful that the Sector's traditional upswing in business at Christmas, when paints play an important role in brightening up lives and lifting the spirits of the Jamaican people, will result in an improved 4th Quarter Company performance.

Warren McDonald
October 23, 2009

BERGER PAINTS JAMAICA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2009

	(Unaudited)	(Unaudited)	(Audited)
	<u>September 30,</u> <u>2009</u> \$'000	<u>September 30,</u> <u>2008</u> \$'000	<u>December 31,</u> <u>2008</u> \$'000
<u>ASSETS</u>			
Non-current assets			
Fixed Assets	161,967	182,119	179,469
Long-term receivables	284	2,668	1,849
Post employment benefits	111,733	105,321	111,420
	<u>273,984</u>	<u>290,108</u>	<u>292,738</u>
Current Assets	<u>512,925</u>	<u>504,706</u>	<u>687,594</u>
Total Assets	<u><u>786,909</u></u>	<u><u>794,814</u></u>	<u><u>980,332</u></u>
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Equity			
Share capital	141,793	141,793	141,793
Revaluation reserve	42,066	41,866	42,066
Revenue reserve			
Profit & loss account	238,214	195,086	220,239
	<u>422,073</u>	<u>378,745</u>	<u>404,098</u>
Non-current liabilities			
Post employment benefits	71,487	62,494	71,487
Deferred tax liabilities	23,627	27,107	23,627
	<u>95,114</u>	<u>89,601</u>	<u>95,114</u>
Current Liabilities	<u>269,722</u>	<u>326,468</u>	<u>481,120</u>
Total equity and liabilities	<u><u>786,909</u></u>	<u><u>794,814</u></u>	<u><u>980,332</u></u>

Approved by:



Approved by:



BERGER PAINTS JAMAICA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2009

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	QUARTER ENDED <u>September 30,</u> <u>2009</u> \$'000	QUARTER ENDED <u>September 30,</u> <u>2008</u> \$'000	NINE MONTHS ENDED <u>September 30,</u> <u>2009</u> \$'000	NINE MONTHS ENDED <u>September 30,</u> <u>2008</u> \$'000	YEAR ENDED <u>December 31,</u> <u>2008</u> \$'000
Sales (net of discount and rebates)	364,177	343,794	993,906	1,020,379	1,527,014
Profit from operations	20,231	4,584	32,010	3,495	29,106
Restructuring Costs	-	(11,675)	-	(11,675)	
Income from investments	108		681	237	292
Finance Costs	<u>(1,529)</u>	<u>(809)</u>	<u>(5,730)</u>	<u>(7,532)</u>	<u>(7,919)</u>
PROFIT / (LOSS) BEFORE TAXATION	18,810	(7,900)	26,961	(15,475)	21,479
Taxation	<u>(6,270)</u>	<u>3,002</u>	<u>(8,987)</u>	<u>5,881</u>	<u>(5,919)</u>
NET PROFIT / (LOSS)	<u>12,540</u>	<u>(4,898)</u>	<u>17,974</u>	<u>(9,594)</u>	<u>15,560</u>
Earnings per stock unit	0.08	(0.02)	0.08	(0.04)	7c

BERGER PAINTS JAMAICA LIMITED
STATEMENT OF CASHFLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2009

	(Unaudited) <u>September 30,</u> 2009 \$'000	(Unaudited) <u>September 30,</u> 2008 \$'000	(Audited) <u>December 31,</u> 2008 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit/(Loss)	17,974	(9,594)	15,560
Non-cash items included in net profit	<u>61,253</u>	<u>69,692</u>	<u>80,382</u>
	79,227	60,098	95,942
Decrease / (Increase) in operating assets	196,508	179,921	(25,812)
(Decrease) / Increase in operating liabilities	<u>(154,158)</u>	<u>(177,982)</u>	<u>11,691</u>
Cash generated from operations	121,577	62,037	81,821
Income tax paid	(3,119)	(26,639)	(27,148)
Interest paid	<u>(5,730)</u>	<u>(7,532)</u>	<u>(7,919)</u>
Net cash provided by operating activities	112,728	27,866	46,754
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities	(6,089)	(44,346)	(45,745)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities	<u>(39,305)</u>	<u>(68,576)</u>	<u>(43,448)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	67,334	(85,056)	(42,439)
OPENING CASH AND CASH EQUIVALENTS	(20,200)	21,184	21,184
Effect of foreign exchange rate changes			1,055
CLOSING CASH AND CASH EQUIVALENTS	<u>47,134</u>	<u>(63,872)</u>	<u>(20,200)</u>
Comprising:			
Cash and Bank Balances	48,010	2,453	26,591
Bank Overdraft	<u>(876)</u>	<u>(66,325)</u>	<u>(46,791)</u>
	<u>47,134</u>	<u>(63,872)</u>	<u>(20,200)</u>

BERGER PAINTS JAMAICA LIMITED
STATEMENT OF CHANGES IN EQUITY

(UNAUDITED)

	<u>Share Capital</u>	<u>Revaluation reserve</u>	<u>Revenue Reserve - Profit & Loss Account</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
Balance at January 1, 2008	<u>141,793</u>	<u>41,866</u>	<u>249,687</u>	<u>433,346</u>
Deferred tax adjustment	<u>-</u>	<u>200</u>	<u>-</u>	<u>200</u>
<i>Net gain recognized directly in equity</i>		200		200
Final Dividend			(45,007)	(45,007)
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>(29,447)</u>	<u>(29,247)</u>
Dividends approved at Annual General Meeting	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2008	141,793	42,066	220,240	404,099
Net Profit for Nine months			17,974	17,974
Balance at September 30, 2009	<u>141,793</u>	<u>42,066</u>	<u>238,214</u>	<u>422,073</u>

BERGER PAINTS JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 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 recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognized past service costs, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

BERGER PAINTS JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2009

2. 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.