

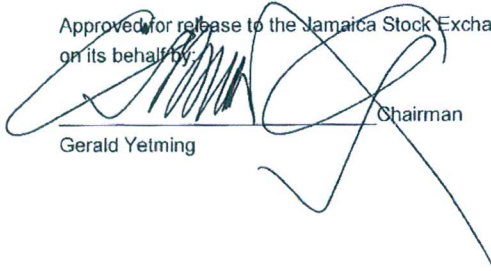


**The Directors of**  
**LASCELLES, deMERCADO & CO. LIMITED**  
**are pleased to report the unaudited consolidated**  
**results for the three months ended December 31, 2011**  
**as follows:**

**LASCELLES, deMERCADO & CO. LIMITED**  
 Consolidated Statement of Financial Position  
 December 31, 2011

	Unaudited 31/12/2011 \$000s	Unaudited 31/12/2010 \$000s	Audited 30/9/2011 \$000s
<b>Assets</b>			
Property, plant & equipment	4,171,267	3,578,012	4,155,491
Intangible assets	104,481	104,481	104,481
Investments	8,050,964	10,085,646	8,253,475
Interest in associated companies	18,458	17,095	18,458
Deferred tax assets	60,374	101,835	54,926
Employee benefits assets	2,433,100	2,414,700	2,433,100
<b>Total non-current assets</b>	<b>14,838,644</b>	<b>16,301,769</b>	<b>15,019,931</b>
Inventories	8,623,874	8,410,499	9,163,513
Biological assets	378,804	191,210	372,534
Reinsurance assets	1,022,725	976,712	1,025,176
Taxation recoverable	427,855	355,209	430,948
Accounts receivable	5,600,083	5,058,975	4,744,414
Short-term investments	106,829	576,426	482,231
Cash and cash equivalents	6,707,388	6,919,188	5,654,909
<b>Total current assets</b>	<b>22,867,558</b>	<b>22,488,219</b>	<b>21,873,725</b>
<b>Total assets</b>	<b>37,706,202</b>	<b>38,789,988</b>	<b>36,893,656</b>
<b>Equity</b>			
Share capital	20,400	20,400	20,400
Reserves	11,166,991	10,212,902	11,330,328
Retained earnings	17,350,202	19,370,926	16,627,203
<b>Total equity attributable to equity holders of the company</b>	<b>28,537,593</b>	<b>29,604,228</b>	<b>27,977,931</b>
<b>Liabilities</b>			
Long-term liabilities	71,727	59,466	80,114
Deferred tax liabilities	813,904	807,135	813,904
Employee benefits obligations	625,500	564,500	625,500
<b>Total non-current liabilities</b>	<b>1,511,131</b>	<b>1,431,101</b>	<b>1,519,518</b>
Bank loans and overdrafts	210,188	154,683	233,918
Other unsecured loans	-	464,113	-
Current maturities of long-term liabilities	31,350	31,314	31,350
Accounts payable	4,193,287	3,810,106	3,865,493
Insurance contracts provisions	2,850,269	2,993,783	2,935,081
Taxation payable	372,384	300,660	330,365
<b>Total current liabilities</b>	<b>7,657,478</b>	<b>7,754,659</b>	<b>7,396,207</b>
<b>Total liabilities</b>	<b>9,168,609</b>	<b>9,185,760</b>	<b>8,915,725</b>
<b>Total equity and liabilities</b>	<b>37,706,202</b>	<b>38,789,988</b>	<b>36,893,656</b>

Approved for release to the Jamaica Stock Exchange by the Board of Directors on February 13, 2012 and signed on its behalf by:

  
 Chairman  
 Gerald Yetming

  
 Managing Director  
 Fraser Thornton

**LASCELLES, deMERCADO & CO. LIMITED**

Consolidated Statement of Changes in Equity

December 31, 2011

	Share capital	Capital reserve	Unappropriated profits	Total
	\$000s	\$000s	\$000s	\$000s
Balance at September 30, 2011 (audited)	20,400	11,330,328	16,627,203	27,977,931
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	722,999	722,999
Other comprehensive income	-	(163,337)	-	(163,337)
Total comprehensive income for the period	-	(163,337)	722,999	559,662
<b>At December 31, 2011 (unaudited)</b>	<b>20,400</b>	<b>11,166,991</b>	<b>17,350,202</b>	<b>28,537,593</b>
Balances at September 30, 2010 (audited)	20,400	9,969,563	18,549,566	28,539,529
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	821,360	821,360
Other comprehensive income	-	243,339	-	243,339
Total comprehensive income for the period	-	243,339	821,360	1,064,699
<b>At December 31, 2010 (unaudited)</b>	<b>20,400</b>	<b>10,212,902</b>	<b>19,370,926</b>	<b>29,604,228</b>
Balances at September 30, 2010 (audited)	20,400	9,969,563	18,549,566	28,539,529
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	2,362,109	2,362,109
Other comprehensive income	-	1,127,655	-	1,127,655
Total comprehensive income for the period	-	1,127,655	2,362,109	3,489,764
Transfers, net		233,110	(233,110)	-
Dividends and distributions paid to stockholders	-	-	(4,051,362)	(4,051,362)
	-	233,110	(4,284,472)	(4,051,362)
<b>At September 30, 2011 (audited)</b>	<b>20,400</b>	<b>11,330,328</b>	<b>16,627,203</b>	<b>27,977,931</b>

**LASCELLES, deMERCADO & CO. LIMITED**

Consolidated Statement of Comprehensive Income

Three Months Ended December 31, 2011

	Unaudited Three Months Ended 31/12/2011 \$000s	Unaudited Three Months Ended 31/12/2010 \$000s	Audited Year Ended 30/9/2011 \$000s
<b>Operating revenue</b>	6,460,748	7,150,688	26,991,376
Cost of operating revenue	3,658,852	4,182,868	15,224,537
Gross profit	2,801,896	2,967,820	11,766,839
Administrative, marketing and selling expenses	1,972,257	2,036,636	9,263,801
<b>Operating profit</b>	829,639	931,184	2,503,038
Other income	23,674	29,957	328,350
<b>Profit before net finance income and taxation</b>	853,313	961,141	2,831,388
Finance cost	(13,304)	(41,904)	(112,602)
Finance income	43,421	84,379	323,788
Net finance income	30,117	42,475	211,186
<b>Profit before taxation</b>	883,430	1,003,616	3,042,574
Taxation	(160,431)	(182,256)	(680,465)
<b>Net profit for the period attributable to members</b>	722,999	821,360	2,362,109
<b>Other comprehensive income</b>			
Translation adjustment arising on consolidation of foreign subsidiaries	10,092	(16,732)	(16,164)
Appreciation in fair value of investments	(174,460)	259,821	1,139,755
Impairment loss transferred to profit or loss	-	-	8,414
Fair value profit released on sale of investments	1,031	250	(4,350)
<b>Other comprehensive income for the period, net of income tax</b>	(163,337)	243,339	1,127,655
<b>Total comprehensive income for the period attributable to owners of the company</b>	559,662	1,064,699	3,489,764
<b>Earnings per ordinary stock unit</b>	\$7.53	\$8.56	\$24.60
<b>Total comprehensive income per ordinary stock unit</b>	\$5.83	\$11.09	\$36.35

**LASCELLES, deMERCADO & CO. LIMITED**

Consolidated Statement of Cash Flows

Three Months Ended December 31, 2011

	Unaudited 31/12/2011 \$000s	Unaudited 31/12/2010 \$000s	Audited 30/9/2011 \$000s
<b>Cash flows from operating activities:</b>			
Net profit for the period attributable to members	722,999	821,360	2,362,109
Items not affecting cash	292,085	201,203	857,234
	<u>1,015,084</u>	<u>1,022,563</u>	<u>3,219,343</u>
(Decrease) / Increase in non-cash working capital	(206,720)	525,643	(799,574)
<b>Net cash provided by operating activities</b>	<u>808,364</u>	<u>1,548,206</u>	<u>2,419,769</u>
<b>Net cash provided / (used) by investing activities</b>	276,231	(295,006)	1,984,711
<b>Net cash used by financing activities</b>	<u>(14,767)</u>	<u>(38,150)</u>	<u>(415,029)</u>
<b>Net cash provided before dividend and distribution payments</b>	1,069,828	1,215,050	3,989,451
<b>Dividends and distributions paid</b>	-	-	(4,051,362)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>1,069,828</u>	<u>1,215,050</u>	<u>(61,911)</u>
Net cash and cash equivalents at beginning of year	<u>5,637,541</u>	<u>5,699,452</u>	<u>5,699,452</u>
<b>Net cash and cash equivalents at end of period</b>	<u><u>6,707,369</u></u>	<u><u>6,914,502</u></u>	<u><u>5,637,541</u></u>
Comprised of:			
Cash and bank balances	4,638,928	3,197,300	3,485,540
Short-term deposits and monetary instruments	2,068,460	3,721,888	2,169,369
	<u>6,707,388</u>	<u>6,919,188</u>	<u>5,654,909</u>
Less: Bank overdrafts	(19)	(4,686)	(17,368)
	<u><u>6,707,369</u></u>	<u><u>6,914,502</u></u>	<u><u>5,637,541</u></u>

# LASCELLES, deMERCADO & CO. LIMITED

Notes to the Financial Statements  
December 31, 2011

## 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. In July 2009, the Government of Trinidad and Tobago effectively assumed control and direction of the ultimate holding 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 operating 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.
- (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, 2011.

## **LASCELLES, deMERCADO & CO. LIMITED**

Notes to the Financial Statements (Continued)  
December 31, 2011

### **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, 2011 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 sugar cane 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, 2011

### 6. Segment financial information

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Reportable segments:

	December 31, 2011						Total \$'000
	Liquors, Rums Wines and Sugar \$'000	General Merchandise \$'000	General Insurance \$'000	Investments \$'000	Transportation Services \$'000	Eliminations \$'000	
<b>Revenue</b>							
External	4,302,032	1,054,634	617,945	109,018	377,119		
Inter segment	-	10,276	160,880	-	8,787		
Total revenue	<u>4,302,032</u>	<u>1,064,910</u>	<u>778,825</u>	<u>109,018</u>	<u>385,906</u>	(179,943)	<u>6,460,748</u>
<b>Segment results</b>	<u>525,983</u>	<u>28,227</u>	<u>371,228</u>	<u>(14,307)</u>	<u>(27,701)</u>		<u>883,430</u>
<b>Segment assets</b>	<u>17,255,910</u>	<u>2,713,275</u>	<u>6,322,688</u>	<u>9,841,313</u>	<u>1,066,331</u>		<u>37,199,517</u>
Unallocated assets							<u>506,685</u>
							<u>37,706,202</u>
<b>Segment liabilities</b>	<u>3,800,929</u>	<u>374,887</u>	<u>3,154,510</u>	<u>87,147</u>	<u>564,037</u>		<u>7,981,510</u>
Unallocated liabilities							<u>1,187,099</u>
							<u>9,168,609</u>
<b>Other segment items:</b>							
Additions to property, plant and equipment	<u>183,011</u>	<u>58,338</u>	<u>-</u>	<u>1,061</u>	<u>21,515</u>		<u>263,925</u>
Depreciation, amortisation and impairment	<u>97,771</u>	<u>10,989</u>	<u>9,613</u>	<u>91</u>	<u>10,110</u>		<u>128,574</u>
Other non-cash items	<u>44,255</u>	<u>2,152</u>	<u>119,957</u>	<u>(1,911)</u>	<u>(942)</u>		<u>163,511</u>



**LASCELLES, deMERCADO & CO. LIMITED**

Notes to the Financial Statements (Continued)  
December 31, 2011

**6. Segment financial information, cont'd.**

Reportable segments:

	December 31, 2010						Total \$'000
	Liquors, Rums Wines and Sugar \$'000	General Merchandise \$'000	General Insurance \$'000	Investments \$'000	Transportation Services \$'000	Eliminations \$'000	
<b>Revenue</b>							
External	4,779,669	1,221,496	599,554	113,384	436,585		
Inter segment	-	9,117	98,674	-	11,046		
Total revenue	<u>4,779,669</u>	<u>1,230,613</u>	<u>698,228</u>	<u>113,384</u>	<u>447,631</u>	(118,837)	<u>7,150,688</u>
<b>Segment results</b>	<u>623,348</u>	<u>77,965</u>	<u>187,977</u>	<u>98,734</u>	<u>15,592</u>		<u>1,003,616</u>
<b>Segment assets</b>	<u>16,349,661</u>	<u>2,283,657</u>	<u>6,199,545</u>	<u>12,603,142</u>	<u>879,844</u>		<u>38,315,849</u>
Unallocated assets							<u>474,139</u>
							<u>38,789,988</u>
<b>Segment liabilities</b>	<u>3,747,169</u>	<u>155,301</u>	<u>3,295,230</u>	<u>472,026</u>	<u>407,427</u>		<u>8,077,153</u>
Unallocated liabilities							<u>1,108,607</u>
							<u>9,185,760</u>
<b>Other segment items:</b>							
Additions to property, plant and equipment	<u>52,644</u>	<u>22,176</u>	<u>2,173</u>	<u>-</u>	<u>366</u>		<u>77,359</u>
Depreciation and amortisation	<u>87,312</u>	<u>10,302</u>	<u>3,166</u>	<u>11</u>	<u>5,007</u>		<u>105,798</u>
Other non-cash items	<u>92,052</u>	<u>12,747</u>	<u>63,049</u>	<u>(71,605)</u>	<u>(838)</u>		<u>95,405</u>

**STOCKHOLDINGS OF DIRECTORS AND OFFICERS AND THEIR CONNECTED PERSONS  
OF LASCELLES, deMERCADO & CO. LIMITED AT DECEMBER 31, 2011**

<b><u>Directors (together with their connected persons, where applicable)</u></b>	<b>Number of Ordinary Stock Units held</b>
Mr. G. Yetming	Nil
Mr. W. Yip Choy	Nil
Mr. F. Thornton	Nil
Mr. S. Castagne	Nil
Mr. M. Holder	Nil
Mr. A. R. Mitchell	Nil
Mr. R. Downer	Nil
Mr. M. Bernard	Nil
Mr. C. George	Nil
Mr. R. Ramchand	Nil
Mr. D. P. O. McBean	6,921

**Officers (together with their connected persons, where applicable)**

Mr. M. A. Braham	Nil
Mrs. J. E. Shaw	Nil
Mrs. J. George	Nil
Miss M. J. Williams	Nil

**STOCKHOLDERS HOLDING THE TEN LARGEST BLOCKS OF ORDINARY STOCK UNITS**

<b><u>STOCKHOLDERS</u></b>	<b>Number of Ordinary Stock Units Held</b>
CL Spirits Limited	68,620,190
Calla Lilly Holdings Limited	9,515,980
Angostura Limited	2,845,074
Colonial Life Insurance (Trinidad) Limited	2,494,310
NCB Insurance Co. Ltd. A/c WT109	1,457,287
FCIB (Barbados) Limited A/c C1191	1,355,824
NCB Insurance Co. Ltd. A/c WT013	1,140,574
National Insurance Fund	1,099,429
NCB Insurance Co. Limited A/c WT089	640,165
NCB Insurance Co. Ltd. A/c WT157	332,205