



LASCELLES, deMERCADO & CO. LIMITED

HIGHLIGHTS FOR THE NINE MONTHS ENDED JUNE 30, 2012

The Directors of LASCELLES, deMERCADO & CO. LIMITED are pleased to report the unaudited consolidated results for the nine months ended June 30, 2012.

Results for the Third Quarter Ended June 30, 2012

The Group returned operating revenues of \$7,622m, an operating profit of \$330m and a net profit of \$4,212m for the quarter ended June 30, 2012. These results indicate a 7% increase in operating revenues and a 685% increase in net profit compared to the prior year. The net profit is materially increased with the generation of other income totalling \$4,070m. This primarily represents gains on the sale of equities and reflects the continuing execution of our strategy to release capital from non core activities and investments.

However, operating profits declined by 25% for the quarter reflecting the rising cost of production including fuel and molasses, adverse weather conditions which impacted the last stage of our sugar cane harvesting and increased marketing expenditure.

Looking at our performance by Segment, it is pleasing to note improvements in net profit in the quarter compared to the prior year from our Liquors, Rums, Wines & Sugar and General Insurance Segments. Increases of \$61m and \$76m respectively reflect the underlying strengths of our business and their ability to withstand the continuing challenges of a difficult economic environment which negatively impacted the performance of the General Merchandise and Transportation Services Segments.

It should be noted that with effect from June 1, 2012, a specific rate of Special Consumption Tax (SCT) was imposed on overproof rum to replace the ad valorem rate. Overproof rum now attracts SCT at the rate of \$960 per litre of pure alcohol. This additional tax has resulted in an increase of over 30% in the price of a drink of Wray & Nephew White Overproof Rum, our flagship brand in the domestic market. It is too early to estimate what impact this price change may have on local sales.

For the quarter, liquor sales volumes in the domestic market increased by 7% compared to the prior year. Increased sales volumes of White Overproof Rum contributed significantly to this outturn and also to the growth in operating revenues. With Jamaica celebrating its 50th year of independence on August 6th 2012 and the iconic status that our Company and brands enjoy, Wray & Nephew has participated by launching a commemorative package for Wray & Nephew White Overproof Rum and an Appleton Estate Jamaica Independence Reserve, a 50 year old limited edition of our key international brand. Both initiatives have been well received by the market.

Results for the Nine Months Ended June 30, 2012

For the nine months ended June 2012, operating revenue, operating profit and net profit have increased compared to the prior year. Operating revenue of \$21,846m has increased by 6% whilst operating profit of \$2,176m and net profit totalling \$5,801m show increases of 6% and 179% respectively. Administrative, marketing and selling expenses continue to be rigorously controlled and monitored; accordingly only a 5% increase over the prior year was recorded. Earnings per share for the period amounted to \$60.43 compared to \$21.66 for the prior year.

At June 30, 2012, Shareholders' Equity amounted to \$27,878m, a decrease of \$99m for the nine-month period, reflecting the net profit for the period of \$5,801m adjusted by the amounts released on disposal on equities of \$5,069m and an interim dividend of \$864m. The interim dividend of \$9.00 per ordinary stock unit was paid on May 30, 2012.

The Group generated positive cash flows from operations of \$1,332m for the nine months ended June 2012. Cash and cash equivalents at period end totalled \$10,218m, an increase of 44%.

The Lascelles deMercado Group has performed in line with expectations for the period under review. The Group continues to enjoy a strong financial position and remains committed to growing long term value in our business in line with our strategic objectives.

Signed on behalf of the Board of Directors on July 27, 2012:


Chairman
Gerald Yetming


Managing Director
Fraser Thornton



The Directors of
LASCELLES, deMERCADO & CO. LIMITED
are pleased to report the unaudited consolidated
results for the nine months ended June 30, 2012 as
follows:

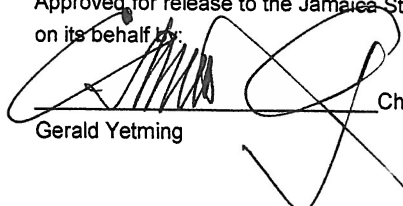
LASCELLES, deMERCADO & CO. LIMITED


Consolidated Statement of Financial Position

June 30, 2012

	Unaudited 30/6/2012 \$000s	Unaudited 30/6/2011 \$000s	Audited 30/9/2011 \$000s
Assets			
Property, plant & equipment	4,287,438	3,803,698	4,155,491
Intangible assets	104,481	104,481	104,481
Investments	2,490,645	9,427,360	8,253,475
Interest in associated companies	18,458	17,095	18,458
Deferred tax assets	55,595	98,711	54,926
Employee benefits assets	2,433,100	2,414,700	2,433,100
Total non-current assets	<u>9,389,717</u>	<u>15,866,045</u>	<u>15,019,931</u>
Inventories	9,428,856	8,815,840	9,163,513
Biological assets	381,829	261,813	372,534
Reinsurance assets	1,027,349	914,049	1,025,176
Taxation recoverable	455,600	414,453	430,948
Accounts receivable	5,480,921	5,060,448	4,744,414
Short-term investments	735,568	535,746	482,231
Cash and cash equivalents	10,220,175	7,152,676	5,654,909
Total current assets	<u>27,730,298</u>	<u>23,155,025</u>	<u>21,873,725</u>
Total assets	<u><u>37,120,015</u></u>	<u><u>39,021,070</u></u>	<u><u>36,893,656</u></u>
Equity			
Share capital	20,400	20,400	20,400
Reserves	6,293,585	11,077,323	11,330,328
Retained earnings	21,564,333	19,607,123	16,627,203
Total equity attributable to equity holders of the company	<u>27,878,318</u>	<u>30,704,846</u>	<u>27,977,931</u>
Liabilities			
Long-term liabilities	55,527	85,187	80,114
Deferred tax liabilities	827,690	814,200	813,904
Employee benefits obligations	625,700	564,500	625,500
Total non-current liabilities	<u>1,508,917</u>	<u>1,463,887</u>	<u>1,519,518</u>
Bank loans and overdrafts	383,648	284,666	233,918
Current maturities of long-term liabilities	37,612	31,314	31,350
Accounts payable	4,001,059	3,380,388	3,865,493
Insurance contracts provisions	2,836,531	2,885,062	2,935,081
Taxation payable	473,930	270,907	330,365
Total current liabilities	<u>7,732,780</u>	<u>6,852,337</u>	<u>7,396,207</u>
Total liabilities	<u>9,241,697</u>	<u>8,316,224</u>	<u>8,915,725</u>
Total equity and liabilities	<u><u>37,120,015</u></u>	<u><u>39,021,070</u></u>	<u><u>36,893,656</u></u>

Approved for release to the Jamaica Stock Exchange by the Board of Directors on July 27, 2012 and signed on its behalf by:


 Chairman
 Gerald Yetming


 Managing Director
 Fraser Thornton

LASCELLES, deMERCADO & CO. LIMITED
Consolidated Statement of Changes in Equity
June 30, 2012

	Share capital \$000s	Capital reserve \$000s	Unappropriated profits \$000s	Total \$000s
Balance at September 30, 2011 (audited)	20,400	11,330,328	16,627,203	27,977,931
Total comprehensive income for the period				
Profit for the period	-	-	5,801,211	5,801,211
Other comprehensive income	-	(5,036,743)	-	(5,036,743)
Total comprehensive income for the period	-	(5,036,743)	5,801,211	764,468
Transactions with owners, recorded directly in equity				
Distributions to owners being dividends to equity holders	-	-	(864,081)	(864,081)
Total transactions with owners	-	-	(864,081)	(864,081)
At June 30, 2012 (unaudited)	<u>20,400</u>	<u>6,293,585</u>	<u>21,564,333</u>	<u>27,878,318</u>
Balances at September 30, 2010 (audited)	20,400	9,969,563	18,549,566	28,539,529
Total comprehensive income for the period				
Profit for the period	-	-	2,079,483	2,079,483
Other comprehensive income	-	1,107,760	34,155	1,141,915
Total comprehensive income for the period	-	1,107,760	2,113,638	3,221,398
Transactions with owners, recorded directly in equity				
Distributions to owners being dividends to equity holders	-	-	(1,056,081)	(1,056,081)
Total transactions with owners	-	-	(1,056,081)	(1,056,081)
At June 30, 2011 (unaudited)	<u>20,400</u>	<u>11,077,323</u>	<u>19,607,123</u>	<u>30,704,846</u>
Balances at September 30, 2010 (audited)	20,400	9,969,563	18,549,566	28,539,529
Total comprehensive income for the period				
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)
At September 30, 2011 (audited)	<u>20,400</u>	<u>11,330,328</u>	<u>16,627,203</u>	<u>27,977,931</u>

LASCELLES, deMERCADO & CO. LIMITED

Consolidated Statement of Comprehensive Income

June 30, 2012

	Unaudited		Unaudited		Audited
	Nine Months Ended		Three Months Ended		Year Ended
	30/6/2012	30/6/2011	30/6/2012	30/6/2011	30/9/2011
	\$000s	\$000s	\$000s	\$000s	\$000s
Operating revenue	21,845,508	20,713,476	7,621,559	7,120,832	26,991,376
Cost of operating revenue	12,549,451	11,874,771	4,639,551	4,234,868	15,224,537
Gross profit	9,296,057	8,838,705	2,982,008	2,885,964	11,766,839
Administrative, marketing and selling expenses	7,119,909	6,791,311	2,652,035	2,445,930	9,263,801
Operating profit	2,176,148	2,047,394	329,973	440,034	2,503,038
Other income	4,219,759	195,059	4,069,849	78,184	328,350
Profit before net finance income and taxation	6,395,907	2,242,453	4,399,822	518,218	2,831,388
Finance cost	(59,963)	(61,398)	(28,103)	(16,805)	(112,602)
Finance income	138,596	359,858	11,481	154,392	323,788
Net finance income	78,633	298,460	(16,622)	137,587	211,186
Profit before taxation	6,474,540	2,540,913	4,383,200	655,805	3,042,574
Taxation	(673,329)	(461,430)	(171,407)	(119,094)	(680,465)
Net profit for the period attributable to members	5,801,211	2,079,483	4,211,793	536,711	2,362,109
Other comprehensive income					
Translation adjustment arising on consolidation of foreign subsidiaries	61,654	(2,124)	19,327	12,340	(16,164)
(Depreciation) / appreciation in fair value of investments, net	(29,778)	1,145,840	49,485	266,285	1,139,755
Impairment loss transferred to profit or loss	-	-	-	-	8,414
Fair value profit released on sale of investments	(5,068,619)	(1,801)	(5,036,062)	-	(4,350)
Other comprehensive income for the period, net of income tax	(5,036,743)	1,141,915	(4,967,250)	278,626	1,127,655
Total comprehensive income for the period attributable to owners of the company	764,468	3,221,398	(755,457)	815,337	3,489,764
Earnings per ordinary stock unit	\$60.43	\$21.66	\$43.87	\$5.59	\$24.60
Total comprehensive income per ordinary stock unit	\$7.96	\$33.56	(\$7.87)	\$8.49	\$36.35

LASCELLES, deMERCADO & CO. LIMITED

Consolidated Statement of Cash Flows

June 30, 2012

	Unaudited 30/6/2012 \$000s	Unaudited 30/6/2011 \$000s	Audited 30/9/2011 \$000s
Cash flows from operating activities:			
Net profit for the period attributable to members	5,801,211	2,079,483	2,362,109
Items not affecting cash	(2,928,158)	592,189	857,234
	2,873,053	2,671,672	3,219,343
Decrease in non-cash working capital	(1,541,226)	(865,420)	(799,574)
Net cash provided by operating activities	1,331,827	1,806,252	2,419,769
Net cash provided by investing activities	3,966,114	1,044,929	1,984,711
Net cash provided / (used) by financing activities	146,678	(378,689)	(415,029)
Net cash provided before dividend and distribution payments	5,444,619	2,472,492	3,989,451
Dividends and distributions paid	(864,081)	(1,056,081)	(4,051,362)
Net increase / (decrease) in cash and cash equivalents	4,580,538	1,416,411	(61,911)
Net cash and cash equivalents at beginning of year	5,637,541	5,699,452	5,699,452
Net cash and cash equivalents at end of period	10,218,079	7,115,863	5,637,541
Comprised of:			
Cash and bank balances	8,357,036	2,575,683	3,485,540
Short-term deposits and monetary instruments	1,863,139	4,576,993	2,169,369
	10,220,175	7,152,676	5,654,909
Less: Bank overdrafts	(2,096)	(36,813)	(17,368)
	10,218,079	7,115,863	5,637,541

LASCELLES, deMERCADO & CO. LIMITED

Notes to the Financial Statements
June 30, 2012

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)
June 30, 2012

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 June 30, 2012 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 profit or loss of comprehensive income 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.

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)
 June 30, 2012

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:

	June 30, 2012						
	Liquors, Rums Wines and Sugar	General Merchandise	General Insurance	Investments	Transportation Services	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External	15,101,442	3,319,753	1,873,752	213,683	1,336,878		
Inter segment	-	48,799	256,089	-	27,646		
Total revenue	<u>15,101,442</u>	<u>3,368,552</u>	<u>2,129,841</u>	<u>213,683</u>	<u>1,364,524</u>	(332,534)	<u>21,845,508</u>
Segment results	<u>1,936,127</u>	<u>99,502</u>	<u>619,874</u>	<u>3,923,097</u>	<u>(104,060)</u>		<u>6,474,540</u>
Segment assets	<u>17,355,251</u>	<u>3,129,645</u>	<u>6,429,015</u>	<u>8,526,625</u>	<u>1,149,827</u>		<u>36,590,363</u>
Unallocated assets							<u>529,652</u>
							<u>37,120,015</u>
Segment liabilities	<u>3,556,030</u>	<u>446,624</u>	<u>3,191,126</u>	<u>68,443</u>	<u>677,043</u>		<u>7,939,266</u>
Unallocated liabilities							<u>1,302,431</u>
							<u>9,241,697</u>
Other segment items:							
Additions to property, plant and equipment	<u>473,063</u>	<u>143,296</u>	<u>13,873</u>	<u>4,519</u>	<u>41,060</u>		<u>675,811</u>
Depreciation, amortisation and impairment	<u>328,033</u>	<u>39,534</u>	<u>16,482</u>	<u>1,421</u>	<u>36,624</u>		<u>422,094</u>
Other non-cash items	<u>405,777</u>	<u>108,730</u>	<u>170,649</u>	<u>(4,034,307)</u>	<u>(1,101)</u>		<u>(3,350,252)</u>

LASCELLES, deMERCADO & CO. LIMITED

Notes to the Financial Statements (Continued)
June 30, 2012

6. Segment financial information, cont'd.

Reportable segments:

	June 30, 2011						
	Liquors, Rums <u>Wines and Sugar</u>	General <u>Merchandise</u>	General <u>Insurance</u>	<u>Investments</u>	Transportation <u>Services</u>	<u>Eliminations</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External	13,464,375	3,717,063	1,786,259	410,245	1,335,534		
Inter segment	-	34,400	188,819	-	41,448		
Total revenue	<u>13,464,375</u>	<u>3,751,463</u>	<u>1,975,078</u>	<u>410,245</u>	<u>1,376,982</u>	(264,667)	<u>20,713,476</u>
Segment results	<u>1,427,169</u>	<u>299,885</u>	<u>357,545</u>	<u>397,753</u>	<u>58,561</u>		<u>2,540,913</u>
Segment assets	<u>16,262,445</u>	<u>2,449,545</u>	<u>6,177,038</u>	<u>12,758,812</u>	<u>842,972</u>		<u>38,490,812</u>
Unallocated assets							<u>530,258</u>
							<u>39,021,070</u>
Segment liabilities	<u>3,141,877</u>	<u>403,821</u>	<u>3,173,495</u>	<u>42,367</u>	<u>468,745</u>		<u>7,230,305</u>
Unallocated liabilities							<u>1,085,919</u>
							<u>8,316,224</u>
Other segment items:							
Additions to property, plant and equipment	<u>445,204</u>	<u>37,726</u>	<u>39,859</u>	<u>72</u>	<u>46,651</u>		<u>569,512</u>
Depreciation and amortisation	<u>292,303</u>	<u>32,384</u>	<u>11,134</u>	<u>32</u>	<u>32,939</u>		<u>368,792</u>
Other non-cash items	<u>264,481</u>	<u>53,527</u>	<u>106,914</u>	<u>(197,108)</u>	<u>(4,417)</u>		<u>223,397</u>

**STOCKHOLDINGS OF DIRECTORS AND OFFICERS AND THEIR CONNECTED PERSONS
OF LASCELLES, deMERCADO & CO. LIMITED AT JUNE 30, 2012**

Directors (together with their connected persons, where applicable)	Number of Ordinary Stock Units held
Mr. G. Yetming	Nil
Mr. F. Thornton	Nil
Mr. S. Castagne	Nil
Mr. M. Holder	Nil
Mr. A. R. Mitchell	Nil
Mr. R. Downer	5,500
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

STOCKHOLDERS	Number of Ordinary Stock Units Held
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	1,353,224
NCB Insurance Co. Ltd. A/c WT 13	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