

CARRERAS LIMITED & SUBSIDIARIES

Group Statement of Comprehensive Income

Period Ended September 30, 2012

Group Statement of Comprehensive Income					
	UNAUDITED		UNAUDITED		AUDITED
	6 months to		3 months to		12 months
	September-12	September 11	September-12	September 11	March 12
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross operating revenue	5,758,167	5,219,234	2,670,345	2,640,233	11,022,746
Cost of operating revenue	(3,053,766)	(2,776,427)	(1,424,490)	(1,400,496)	(5,847,357)
Gross operating profit	2,704,401	2,442,807	1,245,855	1,239,737	5,175,389
Employee benefit income	-	-	-	-	363,400
Interest and other investment income	65,036	66,116	41,234	30,867	125,672
Other operating income:					
Exchange gains/(Loss)	30,028	5,646	15,154	4,514	19,369
Other income	3,381,706	3,903	3,359,066	756	11,410
Distribution and marketing expenses	(339,559)	(416,888)	(187,791)	(185,748)	(812,198)
Administrative expenses	(532,143)	(418,760)	(253,784)	(196,511)	(956,812)
Profit before income tax	5,289,469	1,682,824	4,219,733	893,615	3,926,230
Income tax	(1,313,297)	(565,848)	(1,049,272)	(300,071)	(1,329,010)
Profit for the period	3,976,173	1,116,976	3,170,464	593,544	2,597,220
Other comprehensive income					
Defined benefit plan actuarial losses	-	-	-	-	(163,200)
Change in unrecognised employee benefit asset	-	-	-	-	(243,500)
Income tax on other comprehensive income	-	-	-	-	135,567
Deferred tax on subsidiaries	-	-	-	-	146
Other comprehensive income, net of tax	-	-	-	-	(270,987)
Total comprehensive income for the year	3,976,173	1,116,976	3,170,464	593,544	2,326,233
Attributable to:					
Minority interests	20	(7)	9	(7)	(9)
Stockholders in parent	3,976,153	1,116,983	3,170,455	593,551	2,597,229
Total comprehensive income attributed to:	3,976,173	1,116,976	3,170,464	593,544	2,597,220
Minority interests	20	(7)	9	(7)	(9)
Stockholders in parent	3,976,153	1,116,983	3,170,455	593,551	2,326,242
Earnings per ordinary stock unit of 25c each	819.08c	230.10c	653.11c	122.27c	535.03c

CARRERAS LIMITED & SUBSIDIARIES

UNAUDITED GROUP FINANCIAL STATEMENTS

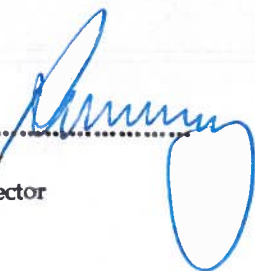
As at September 30, 2012

Group Statement of Financial Position		
	Unaudited	Audited
	30-Sep-12	31-Mar-12
	\$000	\$000
Current Assets		
Cash and cash equivalents	3,187,174	1,454,575
Resale Agreements	2,447,593	832,609
Accounts receivable	430,109	334,013
Income tax recoverable	126,813	112,523
Inventories	226,827	227,846
	6,418,516	2,961,566
Current Liabilities		
Accounts payable	1,191,229	978,401
Income tax payable	1,482,261	904,318
	2,673,490	1,882,719
Net Current Assets	3,745,026	1,078,847
Non-current assets:		
Retirement benefit asset	268,200	268,200
Taxation Recoverable	1,733,137	1,733,137
Fixed Assets	143,159	145,150
	5,889,522	3,225,334
Equity:		
Share Capital	121,360	121,360
Reserves:		
Unappropriated profits	3,590,234	925,111
Capital	22,322	22,322
Other	1,870,762	1,870,762
	5,483,318	2,818,195
Total attributable to stockholders of parent	5,604,678	2,939,555
Minority interests	4,796	4,776
Total equity	5,609,474	2,944,331
Non-current liabilities:		
Deferred taxation liability	107,348	108,303
Retirement benefit obligation	172,700	172,700
	5,889,522	3,225,334

ON BEHALF OF THE BOARD



Richard Pandohie
Managing Director



Patrice Gray
Finance Director

CARRERAS LIMITED

Statement of Changes in Equity

For 6 Months ended September 30, 2012

The Group

	Share Capital \$'000	Unappropriated Profits \$'000	Capital Reserves \$'000	Other Reserves \$'000	Total \$'000	Minority Interest \$'000	Total \$'000
Audited balance at March 31, 2011	121,360	1,317,333	22,322	1,870,762	3,331,777	4,785	3,336,562
Profit for the year	-	1,116,982	-	-	1,116,982	(7)	1,116,975
Deferred tax on reserves of subsidiaries in liquidation	-	116	-	-	116	-	116
Dividends paid, being total transactions with owners	-	(1,456,320)	-	-	(1,456,320)	-	(1,456,320)
Unaudited balance at September 30, 2011	121,360	978,111	22,322	1,870,762	2,992,555	4,778	2,997,333

Audited balance at March 31, 2012	121,360	925,111	22,322	1,870,762	2,939,555	4,776	2,944,331
Profit for the year	-	3,976,153	-	-	3,976,153	20	3,976,173
Deferred tax on reserves of subsidiaries in liquidation	-	(342)	-	-	(342)	-	(342)
Dividends paid, being total transactions with owners	-	(1,310,688)	-	-	(1,310,688)	-	(1,310,688)
Unaudited balance at September 30, 2012	121,360	3,590,234	22,322	1,870,762	5,604,678	4,796	5,609,474

CARRERAS LIMITED
Statement of Changes in Equity
For 6 Months ended September 30, 2012

The Company

Audited balance at March 31, 2011

Profit for the year

Dividends paid, being total transactions with owners

Unaudited balance at September 30, 2011

Share Capital \$'000	Revenue Reserves \$'000	Capital Reserves \$'000	Total \$'000
121,360	1,296,485	22,322	1,440,167
-	1,119,883	-	1,119,883
-	(1,456,320)	-	(1,456,320)
121,360	960,048	22,322	1,103,730

Audited balance at March 31, 2012

Profit for the year

Dividends paid, being total transactions with owners

Unaudited balance at September 30, 2012

Share Capital \$'000	Revenue Reserves \$'000	Capital Reserves \$'000	Total \$'000
121,360	907,688	22,322	1,051,370
-	3,967,613	-	3,967,613
-	(1,310,688)	-	(1,310,688)
121,360	3,564,613	22,322	3,708,295

CARRERAS LIMITED & SUBSIDIARIES

UNAUDITED GROUP FINANCIAL STATEMENTS

For 6 Months ended September 30, 2012

	Group Statement of Cash Flows		
	6 Months		12 months
	30-Sep-12	30-Sep-11	31-Mar-12
	\$'000	\$'000	\$'000
Cash flows from operating activities:			
Net profit for the period	3,976,173	1,116,975	2,597,220
Items not affecting cash	1,243,255	523,750	853,034
	5,219,428	1,640,725	3,450,254
Changes in working capital	(625,311)	(524,117)	(1,309,933)
Cash provided by operating activities	4,594,117	1,116,608	2,140,321
Cash (used)/provided by investing activities	(1,580,858)	127,597	243,599
Cash used by financing activities	(1,310,688)	(1,456,320)	(2,718,464)
Increase/(Decrease) in cash and cash equivalents	1,702,571	(212,115)	(334,544)
Effect of exchange rate changes on cash and cash equivalents	30,028	5,646	19,369
Cash and cash equivalents, at beginning of period	1,454,575	1,769,751	1,769,750
Cash and cash equivalents, at end of period	3,187,174	1,563,282	1,454,575

CARRERAS LIMITED AND SUBSIDIARIES

Notes to the Financial Statements September 30, 2012

1. General

Carreras Limited ("the company") is incorporated and domiciled in Jamaica and is a 50.4% subsidiary of Rothmans Holdings (Caricom) Limited, which is incorporated in St. Lucia. The ultimate parent company is British American Tobacco plc, incorporated in the United Kingdom. The principal activities of the company are the marketing and distribution of cigarettes.

The principal place of business is Twickenham Park, St. Catherine, Jamaica.

2. (a) Basis of Preparation

The financial statements are presented on the historical cost basis. Unless otherwise stated, the financial statements are presented in thousands of Jamaican dollars (\$'000), which is the functional currency of the company and the group.

(b) Accounting estimates and judgments:

The preparation of the financial statements in conformity with IFRS and the Act requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the period then ended. The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts could differ from these estimates.

The unaudited financial results for the six month period has been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, the significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognised in the financial statements, or which have a risk of material adjustments in the next year are as follows:

(i) Key source of estimation uncertainty

Employee benefits:

The amounts recognised in the balance sheet and income statement for pension and other post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-employment obligations and the expected rate of increase in medical costs for post-employment medical benefits.

Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

It is reasonably possible that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(ii) There are no critical accounting judgments in applying the group's and the company's accounting policies.

3. Significant Accounting Policies

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

4. Income Tax

Income tax for the year comprises current and deferred tax based upon taxable profits. Capital gains, which are not subject to taxation, are excluded.

5. Earnings per Stock Unit

The calculation of earnings per stock unit is based on the net profit for the period attributable to stockholders and the 485,440,000 issued and fully paid ordinary stock units.

6. Deferred Tax

A provision has been made in these financial statements for deferred transfer tax on undistributed reserves of subsidiaries in liquidation.

7. Tax Assessment

Cigarette Company of Jamaica Limited (in voluntary liquidation) (CCJ) against the assessment by Commissioner Taxpayer Audit and Assessment. The court allowed the Appeal with costs in the Court of Appeal and the Court below to be CCJ's; such costs to be taxed if not agreed. Based on this judgment of the Court of Appeal, the amount paid of \$1,733.1 million is reflected in the financial statement as taxation recoverable, with interest, as determined by the Court to be payable thereon.

On April 26, 2010 the Court of Appeal granted the application by the Commissioner for leave to appeal to the Privy Council; however, the application for a stay of execution was refused.

Final leave to Appeal to the Privy Council was granted on February 28, 2011. On March 13, 2012 the Privy Council handed down its decision dismissing the Appeal of the Commissioner Taxpayer Audit and Assessment with costs to CCJ. No notice of dispute has been given with respect to the bill of costs delivered to the solicitors for Commissioner TAAD and it is proposed to request the Registrar to set the matter down for taxation which it is expected will take place in about November of this year.

Payment remains outstanding in respect of taxation recoverable in the amount of \$1,733,137,000 and interest payable thereon, and in respect of costs awarded to CCJ to be taxed.

Interest and costs awarded in relation to the judgment have not been recognised in these financial statements.

8. Other contingencies

On July 16, 2004 an award was made against Sans Souci Limited in arbitration proceedings between it and VRL Services Limited whereby Sans Souci Limited was ordered to pay VRL Services Limited the sum of J\$370,705,264.40 together with interest of 21% per annum and costs. The sum was paid in full.

After a series of court actions, Sans Souci appealed to the Privy Council and the appeal was heard between February 1st and 3rd 2012. However, that appeal was dismissed. The parties filed submissions on costs and the Privy Council awarded costs to VRL on our appeal but made no order as to costs in relation to VRL's cross-appeal, which was unsuccessful.

On January 4, 2010 Sans Souci Limited filed an action challenging the award made against Sans Souci Limited in arbitration proceedings between it and VRL Services Limited whereby Sans Souci Limited was ordered to pay VRL Services Limited the sum of J\$370,705,264.40 together with interest of 21% per annum and costs, on the basis that the arbitrators had no jurisdiction to make the award of interest that it did. The matter was heard on May 28, 2012 but was struck out with costs to the Defendant to be taxed if not agreed.

The company will be seeking to close the matter expeditiously. No provision has been made for any costs associated with the closure.

ON BEHALF OF THE BOARD


Richard Pandohie
Managing Director


Patrice Gray
Finance Director