



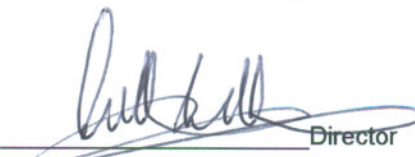
**The Directors of  
LASCELLES, deMERCADO & CO. LIMITED  
are pleased to report the consolidated unaudited results as  
follows:**

**Group Balance Sheet**  
**June 30, 2006**

|   | Unaudited<br>30/6/2006<br>\$000s | Audited<br>30/9/2005<br>\$000s |
|---|----------------------------------|--------------------------------|
| <b>Current assets:</b>                      |                                  |                                |
| Cash and cash equivalents                   | 4,129,953                        | 3,543,654                      |
| Accounts receivable                         | 2,572,643                        | 2,716,589                      |
| Reinsurance recoverable                     | 877,792                          | 784,597                        |
| Taxation recoverable                        | 224,209                          | 294,489                        |
| Inventories                                 | 5,223,451                        | 4,681,270                      |
| Biological assets                           | 134,925                          | 152,159                        |
|   | <u>13,162,973</u>                | <u>12,172,758</u>              |
| <b>Current liabilities:</b>                 |                                  |                                |
| Bank loans & overdrafts                     | 194,488                          | 375,655                        |
| Unsecured loans                             | 440,817                          | 573,012                        |
| Current maturities of long term liabilities | 85,502                           | 110,363                        |
| Accounts payable                            | 2,519,075                        | 2,639,843                      |
| Insurance liabilities                       | 2,476,824                        | 2,117,971                      |
| Taxation payable                            | 20,514                           | 59,318                         |
|   | <u>5,737,220</u>                 | <u>5,876,162</u>               |
| <b>Net current assets</b>                   | 7,425,753                        | 6,296,596                      |
| <b>Non-current assets:</b>                  |                                  |                                |
| Employee benefits assets                    | 1,510,600                        | 1,510,600                      |
| Investments                                 | 5,638,964                        | 5,153,236                      |
| Interest in associated companies            | 9,866                            | 9,839                          |
| Intangible assets                           | 110,558                          | 105,481                        |
| Property, plant & equipment                 | 3,262,825                        | 3,187,214                      |
| Deferred tax assets                         | 33,873                           | 33,624                         |
|   | <u>17,992,439</u>                | <u>16,296,590</u>              |
| <b>Financed by:</b>                         |                                  |                                |
| <b>Stockholders' equity</b>                 | 16,827,909                       | 15,064,925                     |
| <b>Non-current liabilities:</b>             |                                  |                                |
| Minority interests                          | 811                              | 811                            |
| Employee benefits liabilities               | 265,100                          | 265,100                        |
| Deferred tax liabilities                    | 790,808                          | 791,848                        |
| Long term liabilities                       | 107,811                          | 173,906                        |
|   | <u>17,992,439</u>                | <u>16,296,590</u>              |

Approved for release to the Jamaica Stock Exchange by the Board of Directors on July 28, 2006  
and signed on its behalf by:

  
\_\_\_\_\_  
Director  
William A. McConnell

  
\_\_\_\_\_  
Director  
Anthony J. Bell

**Statement of Changes in Stockholders' Equity**  
**June 30, 2006**

Unaudited

|  | Share<br>capital<br>\$000s | Capital<br>reserve<br>\$000s | Unappropriated<br>profits<br>\$000s | Total<br>\$000s   |
|--|----------------------------|------------------------------|-------------------------------------|-------------------|
| Balances at September 30, 2005   | 20,400                     | 7,452,307                    | 7,592,218                           | 15,064,925        |
| Net profit attributable to members   |                            |                              | 1,649,098                           | 1,649,098 (a)     |
| Changes in fair value of investments                                       |                            | 209,638                      |                                     | 209,638 (a)       |
| Released on sale of investments  |                            | (24,599)                     |                                     | (24,599) (a)      |
| Dividends and distributions paid   |                            |                              | (96,081)                            | (96,081)          |
| Transfers, net   |                            | 2,672,295                    | (2,672,295)                         | -                 |
| Translation adjustment arising on consolidation<br>of foreign subsidiaries |                            | 24,928                       |                                     | 24,928 (a)        |
| June 30, 2006  | <u>20,400</u>              | <u>10,334,569</u>            | <u>6,472,940</u>                    | <u>16,827,909</u> |
| <br>   |                            |                              |                                     |                   |
| Balances at September 30, 2004   | 20,400                     | 6,508,201                    | 6,908,031                           | 13,436,632        |
| Net profit attributable to members   |                            |                              | 1,363,943                           | 1,363,943 (a)     |
| Changes in fair value of investments                                       |                            | 456,598                      |                                     | 456,598 (a)       |
| Released on sale of investments  |                            | (157,875)                    |                                     | (157,875) (a)     |
| Dividends and distributions paid   |                            |                              | (292,881)                           | (292,881)         |
| Transfers, net   |                            | 73,279                       | (73,279)                            | -                 |
| Translation adjustment arising on consolidation<br>of foreign subsidiaries |                            | (8,175)                      |                                     | (8,175) (a)       |
| June 30, 2005  | <u>20,400</u>              | <u>6,872,028</u>             | <u>7,905,814</u>                    | <u>14,798,242</u> |

**Recognised gains:**

Unaudited

|  | <u>30/6/2006</u> | <u>30/6/2005</u> |
|--|------------------|------------------|
| (a) Total recognised gains for the period (\$000s) | <u>1,859,065</u> | <u>1,654,491</u> |
| (b) Recognised gains per ordinary stock unit (\$)  | <u>19.37</u>     | <u>17.23</u>     |

**Group Statement of Operations**  
**Nine Months Ended June 30, 2006**

|  | Unaudited         |            | Unaudited          |           |
|--|-------------------|------------|--------------------|-----------|
|  | Nine Months Ended |            | Three Months Ended |           |
|  | 30/6/2006         | 30/6/2005  | 30/6/2006          | 30/6/2005 |
|  | \$000s            | \$000s     | \$000s             | \$000s    |
| <b>Operating revenue</b>   | 16,503,689        | 14,536,404 | 5,741,668          | 4,585,405 |
| Cost of operating revenue  | 11,117,166        | 10,032,061 | 3,808,924          | 3,347,918 |
| Gross profit   | 5,386,523         | 4,504,343  | 1,932,744          | 1,237,487 |
| Administrative, marketing & selling expenses                     | 3,826,549         | 3,209,261  | 1,408,992          | 1,111,737 |
| <b>Operating profit</b>  | 1,559,974         | 1,295,082  | 523,752            | 125,750   |
| Other income / (expense)   | 49,752            | 141,506    | (5,809)            | (16,145)  |
| <b>Profit before net finance income / (costs) &amp; taxation</b> | 1,609,726         | 1,436,588  | 517,943            | 109,605   |
| Net finance income / (costs)                                     | 222,605           | 78,905     | 36,655             | (5,118)   |
| <b>Profit before taxation</b>                                    | 1,832,331         | 1,515,493  | 554,598            | 104,487   |
| Taxation   | (183,233)         | (151,550)  | (55,459)           | 36,537    |
| <b>Net profit attributable to members</b>                        | 1,649,098         | 1,363,943  | 499,139            | 141,024   |
| <br>   |                   |            |                    |           |
| <b>Earnings per ordinary stock unit</b>                          | \$17.18           | \$14.21    | \$5.20             | \$1.47    |

**Group Statement of Cash Flows**  
**Nine Months Ended June 30, 2006**

|   | Unaudited<br>30/6/2006 | Unaudited<br>30/6/2005 |
|---|------------------------|------------------------|
|   | \$000s                 | \$000s                 |
| <b>Cash flows from operating activities:</b>          |                        |                        |
| Profit for the period attributable to the group       | 1,649,098              | 1,363,943              |
| Items not affecting cash                              | 296,413                | 217,592                |
|   | 1,945,511              | 1,581,535              |
| Decrease in non-cash working capital                  | (204,636)              | (216,324)              |
| <b>Cash provided by operating activities</b>          | 1,740,875              | 1,365,211              |
| <b>Cash used by investing activities</b>              | (654,176)              | (380,734)              |
| <b>Cash used by financing activities</b>              | (404,319)              | (294,501)              |
|   | 682,380                | 689,976                |
| <b>Dividends &amp; distributions paid</b>             | (96,081)               | (292,881)              |
| <b>Net increase in cash and cash equivalents</b>      | 586,299                | 397,095                |
| <b>Cash and cash equivalents at beginning of year</b> | 3,543,654              | 3,187,597              |
| <b>Cash and cash equivalents at end of period</b>     | <u>4,129,953</u>       | <u>3,584,692</u>       |

**Notes to the Abridged Financial Statements (unaudited)**  
**June 30, 2006**

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**1. General**

Lascelles, deMercado & Co. Limited is incorporated under the Laws of Jamaica. The activities of the company and its subsidiaries (collectively “the Group”), some of which are domiciled in jurisdictions other than Jamaica, are organized into the following primary 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 electronic telephone cards, and the manufacture and distribution of pharmaceutical preparations, agricultural chemicals and plastic consumables.
- (iii) General insurance: This comprises the underwriting of property, casualty and other general insurance risks.
- (iv) Investments: This primarily comprises the holding of investments.
- (v) Transportation and other: This includes aircraft handling, distribution of motor vehicles and spares, servicing and repair of motor vehicles.

The segment information is contained in note 8 below.

**2. Statement of compliance and basis of preparation**

The financial statements have been 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 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, 2005.

**3. Revenue recognition**

- Revenue from the sale of goods is recognized in the 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.

**3. Revenue recognition, cont'd**

- The proceeds from the sale of the sugarcane crop of the group's estates is 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.
- Dividend income is recognised in the income statement on the date of declaration.
- Underwriting results including gross written premiums of the general insurance subsidiaries are accounted for in compliance with the recommendations and practices of the Jamaican insurance industry and comply with the provisions of the Insurance Act.
- Interest and other investment income are recognised by the "General Insurance" segment on the accrual basis, except when collectibility is considered doubtful.

**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.

In prior period, the Insurance Segment recorded a significant gain on disposal of investments. There was no corresponding activity in the current period.

**5. Net Finance Income**

This is comprised of interest income, interest expense, bank charges and net gains on foreign exchange.

**6. Other Information**

As a part of the ongoing export efforts of J. Wray & Nephew Limited, during the first quarter, new arrangements have been concluded involving the formation of two companies, Wray & Nephew Global Brands Limited and JWN International Limited. These companies will assume the operations amongst other things, of three subsidiaries, which have since been liquidated. The effect of this liquidation is reflected in the movement of Unappropriated Profits into the Capital Reserves, in the Statement of Changes in Stockholders' Equity.

Consequent upon the transfer of the insurance portfolio of Globe Insurance Co. of the West Indies Limited to Globe Insurance Co. of Jamaica Limited, the former company applied to the Financial Services Commission for and obtained de-registration, as an insurance company.

**Notes to the Abridged Financial Statements (unaudited)**  
**June 30, 2006**

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**7. Dividends and distributions**

At a meeting of the Board of Directors held on February 17, 2006, an interim dividend of \$1.00 per ordinary stock unit was approved. This dividend was paid on March 10, 2006 to ordinary stockholders on record as at the close of business on February 24, 2006.

Half-yearly dividends were paid to 6% and 15% cumulative preference stockholders on March 31, 2006.

**8. Segment financial information**

A segment is a distinguishable component of the group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the group's business segments. This format is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.



**Notes to the Abridged Financial Statements (unaudited)**  
**June 30, 2006**

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

**Business segments:**

|   | June 30, 2006                              |                                  |                                |                       |                                     |                        | Total<br>\$'000   |
|---|--|----------------------------------|--------------------------------|-----------------------|-------------------------------------|------------------------|-------------------|
|   | Liquors, Rums<br>Wines and Sugar<br>\$'000 | General<br>Merchandise<br>\$'000 | General<br>Insurance<br>\$'000 | Investments<br>\$'000 | Transportation<br>& Other<br>\$'000 | Eliminations<br>\$'000 |                   |
| <b>Revenue</b>                                |  |                                  |                                |                       |                                     |                        |                   |
| External                                      | 9,841,447                                  | 3,043,820                        | 1,554,457                      | 569,086               | 1,494,879                           |                        |                   |
| Inter segment                                 | -  | 23,830                           | 429,492                        | -                     | 22,982                              |                        |                   |
| Total revenue                                 | <u>9,841,447</u>                           | <u>3,067,650</u>                 | <u>1,983,949</u>               | <u>569,086</u>        | <u>1,517,861</u>                    | <u>(476,304)</u>       | <u>16,503,689</u> |
| <b>Segment results</b>                        | <u>799,628</u>                             | <u>26,907</u>                    | <u>228,489</u>                 | <u>560,956</u>        | <u>(6,254)</u>                      |                        | <u>1,609,726</u>  |
| <b>Segment assets</b>                         | <u>11,978,396</u>                          | <u>1,251,684</u>                 | <u>3,819,721</u>               | <u>5,611,257</u>      | <u>800,653</u>                      |                        | <u>23,461,711</u> |
| Unallocated assets                            |  |                                  |                                |                       |                                     |                        | <u>267,948</u>    |
|   |  |                                  |                                |                       |                                     |                        | <u>23,729,659</u> |
| <b>Segment liabilities</b>                    | <u>2,550,494</u>                           | <u>380,130</u>                   | <u>2,779,501</u>               | <u>40,938</u>         | <u>338,554</u>                      |                        | <u>6,089,617</u>  |
| Unallocated liabilities                       |  |                                  |                                |                       |                                     |                        | <u>812,133</u>    |
|   |  |                                  |                                |                       |                                     |                        | <u>6,901,750</u>  |
| <b>Other segment items:</b>                   |  |                                  |                                |                       |                                     |                        |                   |
| Additions to property,<br>plant and equipment | <u>299,439</u>                             | <u>53,385</u>                    | <u>-</u>                       | <u>3,599</u>          | <u>19,835</u>                       |                        | <u>376,258</u>    |
| Depreciation and<br>amortisation              | <u>211,159</u>                             | <u>34,450</u>                    | <u>1,227</u>                   | <u>12,530</u>         | <u>16,666</u>                       |                        | <u>276,032</u>    |
| Other non-cash items                          | <u>(18,240)</u>                            | <u>1,742</u>                     | <u>29,257</u>                  | <u>9,464</u>          | <u>(1,842)</u>                      |                        | <u>20,381</u>     |

**Notes to the Abridged Financial Statements (unaudited)**  
**June 30, 2006**

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

**Business segments:**

|   | June 30, 2005                    |                        |                      |                  |                           |              | Total             |
|---|----------------------------------|------------------------|----------------------|------------------|---------------------------|--------------|-------------------|
|   | Liquors, Rums<br>Wines and Sugar | General<br>Merchandise | General<br>Insurance | Investments      | Transportation<br>& Other | Eliminations |                   |
|   | \$'000                           | \$'000                 | \$'000               | \$'000           | \$'000                    | \$'000       | \$'000            |
| <b>Revenue</b>                                |                                  |                        |                      |                  |                           |              |                   |
| External                                      | 8,502,274                        | 2,598,777              | 1,338,757            | 878,964          | 1,217,632                 |              |                   |
| Inter segment                                 | -                                | 20,907                 | 371,428              | -                | 17,681                    |              |                   |
| Total revenue                                 | <u>8,502,274</u>                 | <u>2,619,684</u>       | <u>1,710,185</u>     | <u>878,964</u>   | <u>1,235,313</u>          | (410,016)    | <u>14,536,404</u> |
| <b>Segment results</b>                        | <u>420,602</u>                   | <u>5,358</u>           | <u>149,278</u>       | <u>870,269</u>   | <u>(8,919)</u>            |              | <u>1,436,588</u>  |
| <b>Segment assets</b>                         | <u>10,128,611</u>                | <u>1,236,064</u>       | <u>4,183,718</u>     | <u>4,132,279</u> | <u>772,685</u>            |              | <u>20,453,357</u> |
| Unallocated assets                            |                                  |                        |                      |                  |                           |              | <u>459,753</u>    |
|   |                                  |                        |                      |                  |                           |              | <u>20,913,110</u> |
| <b>Segment liabilities</b>                    | <u>2,598,186</u>                 | <u>407,730</u>         | <u>1,888,510</u>     | <u>22,519</u>    | <u>308,616</u>            |              | <u>5,225,561</u>  |
| Unallocated liabilities                       |                                  |                        |                      |                  |                           |              | <u>889,307</u>    |
|   |                                  |                        |                      |                  |                           |              | <u>6,114,868</u>  |
| <b>Other segment items:</b>                   |                                  |                        |                      |                  |                           |              |                   |
| Additions to property,<br>plant and equipment | <u>258,812</u>                   | <u>42,749</u>          | <u>18,831</u>        | <u>-</u>         | <u>8,038</u>              |              | <u>328,430</u>    |
| Depreciation and<br>amortisation              | <u>238,289</u>                   | <u>43,118</u>          | <u>12,910</u>        | <u>64</u>        | <u>17,843</u>             |              | <u>312,224</u>    |
| Other non-cash items                          | <u>52,102</u>                    | <u>(2,364)</u>         | <u>(128,859)</u>     | <u>(15,095)</u>  | <u>(416)</u>              |              | <u>(94,632)</u>   |

**STOCKHOLDINGS OF DIRECTORS AND OFFICERS OF LASCELLES,  
deMERCADO & CO. LIMITED AS AT JUNE 30, 2006**

| <b>DIRECTORS</b>         | <b>NUMBER OF ORDINARY<br/>STOCK UNITS HELD</b> |
|--------------------------|--|
| Mr. G. N. Ashenheim      | Nil  |
| Mr. W. A. McConnell (i)  | Nil  |
| Mr. D. C. Henriques      | Nil  |
| Mr. R. G. Ashenheim (ii) | Nil  |
| Mr. A. J. Bell           | 3,500  |
| Mrs. T. M .P. Sutherland | Nil  |
| Mr. M. A. G. Fraser      | 13,243   |
| Mr. R. K. Powell         | Nil  |

**OFFICERS**

|                     |       |
|---------------------|-------|
| Mr. R. B. Chambers  | 6,500 |
| Mr. M. A. Braham    | 1,770 |
| Miss R. M. Lee      | Nil   |
| Mrs. J. E. Shaw     | Nil   |
| Mrs. J. George      | Nil   |
| Miss M. J. Williams | Nil   |

- (i) Mr. W. A. McConnell owned a substantial interest in a body corporate which held 1,322,520 Ordinary Stock Units.
- (ii) Mr. R. G. Ashenheim owned a substantial interest in a body corporate which held 1,600,000 Ordinary Stock Units.
- (iii) No class of Preference Shares was held by Directors or Officers of the Company.

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

| <b>STOCKHOLDERS<br/>ORDINARY</b>            | <b>NUMBER OF<br/>STOCK UNITS HELD</b> |
|---|---------------------------------------|
| 1) SNOWDON LIMITED                          | 9,515,980                             |
| 2) MEDSALCO LIMITED                         | 6,000,000                             |
| 3) EAGLE HOLDINGS LTD                       | 5,931,315                             |
| 4) LIFE OF JAMAICA POOLED EQUITY FUND NO. 1 | 5,739,394                             |
| 5) JAMAICA NATIONAL BUILDING SOCIETY        | 5,545,188                             |
| 6) SUNDEV LIMITED                           | 5,157,520                             |
| 7) JN FUND MANAGERS LIMITED                 | 3,665,406                             |
| 8) WADHAM LIMITED                           | 3,395,285                             |
| 9) WEST INDIES TRUST CO. LTD. A/C WT 109    | 2,914,574                             |
| 10) SILVER OAKS LIMITED                     | 2,549,060                             |