

CAVE SHEPHERD & CO. LIMITED
Consolidated Statement of Income

For the Fifteen Months Ended December 31, 2007
 (With comparatives for the twelve months ended September 30, 2006)

	2007	2006
	\$	\$
Income		
Income from operations	27,286,082	13,967,292
Gains from business re-organisation	0	13,252,373
Total Income	<u>27,286,082</u>	<u>27,219,665</u>
Net Operating Profit	10,089,163	13,596,018
Share of Results of Associates	16,376,224	6,556,379
Income Before Taxation	26,465,387	20,152,397
Corporation Tax	2,532,334	1,263,779
Net Income for the Period	<u>23,933,053</u>	<u>18,888,618</u>
Earnings per share	<u>\$1.27</u>	<u>\$1.00</u>

The Directors are pleased to report an excellent financial performance for the fifteen month period ended 31st December 2007. Shareholders are reminded that the company decided to change its financial year end from 30th September to 31st December to coincide with that of its largest associate, Duty Free Caribbean (Holdings) Ltd.

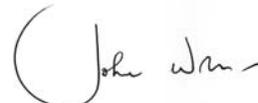
Net profit after tax attributable to shareholders was \$23.9 million, equivalent to an Earning Per Share (EPS) of \$1.27. The extended reporting period encompasses the 2006 and 2007 Christmas seasons and, understandably, this provides a significant boost to the results of our retail operations and hence to our Cave Shepherd Group consolidated financial performance. Notwithstanding this benefit, we are pleased to advise that the underlying comparable financial performance of the Group was strong with improved performances in almost all areas of the business. Specifically, for the twelve month period to 30th September 2007, the Group achieved EPS of \$0.81 which was in excess of the \$0.60 forecasted in our last annual report.

Investors are reminded that the major affiliates which contribute to the group's earnings, including the Duty Free Caribbean Group, Fortress Fund Managers and Signia Financial Group, are accounted for as associated companies. Hence our share of their earnings is reported as Share of Results of Associates in the Consolidated Statement of Income, but their sales revenues are not reflected in that Statement.

At present there is considerable uncertainty regarding the economic outlook in the world, but we are confident we have the financial strength, management experience, and quality of product to weather events that may occur.



R. Geoffrey Cave
 Chairman



John M. B. Williams
 Chief Executive Officer