



CAVE SHEPHERD & CO. LIMITED

Consolidated Statement of Income

For the Six Months Ended June 30, 2008

(UNAUDITED)

(With comparatives for the six months ended June 30, 2007)

	2008 \$	2007 \$
Income		
Gross profit from retail operations	3,700,532	3,984,716
Investment and interest income	11,821,250	4,326,774
Total Income	<u>15,521,782</u>	<u>8,311,490</u>
Net Operating Profit	8,453,498	1,003,913
Share of Results of Associates	5,472,060	5,986,333
Income Before Taxation	13,925,558	6,990,246
Corporation Tax	453,727	763,382
Net Income for the Period	<u>13,471,831</u>	<u>6,226,864</u>
Attributable to:		
Equity holders of the parent	13,174,497	6,226,864
Minority interest	297,334	0
	<u>13,471,831</u>	<u>6,226,864</u>
Earnings per share	<u>\$0.70</u>	<u>\$0.33</u>

Net income for the period was \$13.5 million, which equates to an earnings per share (EPS) of \$0.70 (including United Insurance gain of \$0.34 EPS) compared to an EPS of \$0.33 for the same period in the prior year. This improvement is attributable to a realized gain on the sale of our 5% interest in United Insurance Company Limited of \$6.4 million. As part of this agreement, the company purchased BS&T's interest in Fortress Fund Managers Ltd thereby increasing its shareholding from 37.5% to 60%. Therefore, as of the month of June, Fortress' results are consolidated rather than included in "Share of Results of Associates".

Shareholders are reminded that the company changed its financial year end from September 30 to December 31 with effect from the 2007 financial year. We have therefore shown comparatives for the six months ended June 30, 2007 to correspond with the current reporting period.

With the prevailing economic uncertainty in the world which is affecting spending by tourists in the Caribbean, we expect a difficult period for our retail operations during the remainder of the financial year and beyond. We therefore expect our financial results for the second half of the year to be below that of the prior year, but we are confident that we will still report a creditable performance for this year.



R. Geoffrey Cave
Chairman



John M. B. Williams
Chief Executive Officer

15 August 2008