

Cave Shepherd & Co. Ltd.

CAVE SHEPHERD & CO. LIMITED Consolidated Balance Sheet As at June 30, 2011

(With comparatives as at December 31, 2010 and June 30, 2010)

	(Unaudited) June 30, 2011 \$	(Audited) December 31, 2010 \$	(Unaudited) June 30, 2010 \$
Current Assets			
Cash and cash equivalents	13,668,449	19,168,223	11,021,035
Financial assets held for trading	27,508,454	22,305,382	25,194,863
Trade and other receivables and prepayments	14,945,505	17,191,255	14,036,126
Inventories	4,985,388	4,098,214	4,027,428
Other current assets	4,009,493	4,389,513	7,937,944
	<u>65,117,289</u>	<u>67,152,587</u>	<u>62,217,396</u>
Current Liabilities			
Trade and other payables	4,907,204	4,003,914	3,486,722
Other current liabilities	3,549,401	6,645,437	1,261,054
	<u>8,456,605</u>	<u>10,649,351</u>	<u>4,747,776</u>
Working Capital	56,660,684	56,503,236	57,469,620
Investment in Associates and at Fair Value through Profit and Loss	68,722,990	67,928,896	72,711,356
Intangible Assets and Goodwill	5,840,433	6,262,633	8,881,464
Investment Property	2,560,000	2,560,000	2,560,000
Property, Plant and Equipment	1,151,288	1,285,561	1,638,479
Loan due by associate	8,560,000	8,560,000	8,800,000
Other Long Term Assets	903,242	903,242	627,649
Fixed Income Certificates Payable and Other Long Term Liabilities	<u>(27,554,842)</u>	<u>(25,179,266)</u>	<u>(27,274,405)</u>
	<u>116,843,795</u>	<u>118,824,302</u>	<u>125,414,163</u>
Capital and Reserves attributable to the equity holders of the company			
Share capital	38,896,379	39,113,043	39,572,958
Retained earnings	74,798,962	74,626,932	80,313,216
	<u>113,695,341</u>	<u>113,739,975</u>	<u>119,886,174</u>
Non-controlling interest	3,148,454	5,084,327	5,527,989
	<u>116,843,795</u>	<u>118,824,302</u>	<u>125,414,163</u>

CAVE SHEPHERD & CO. LIMITED Consolidated Statement of Income For the Six Months Ended June 30, 2011

(With comparatives for the six months ended June 30, 2010)

	(Unaudited) June 30, 2011 \$	(Unaudited) June 30, 2010 \$
Income		
Revenue from operations	8,190,616	7,747,079
Other gains	-	967,997
Total Income	<u>8,190,616</u>	<u>8,715,076</u>
Expenses		
Other operating expenses	7,278,336	6,828,897
Depreciation, amortisation and impairment	683,274	2,879,156
	<u>7,961,610</u>	<u>9,708,053</u>
Net Operating Profit/(Loss)	229,006	(992,977)
Share of Results of Associates	1,120,845	771,482
Income/(Loss) Before Taxation	1,349,851	(221,495)
Corporation Tax	(455,693)	(456,349)
Net Income/(Loss) for the Period	<u>894,158</u>	<u>(677,844)</u>
Attributable to:		
Equity holders of the company	430,031	(1,046,995)
Non-controlling interest	464,127	369,151
	<u>894,158</u>	<u>(677,844)</u>
Earnings per share (EPS) - basic and fully diluted	<u>\$0.02</u>	<u>\$(0.06)</u>

DIRECTORS' STATEMENT

For the first six months of the 2011 financial year, the Group recorded a profit attributable to equity holders of the company of \$0.4 million compared to a loss of \$1.0 million for the same period last year. This represents earnings per share (EPS) of \$0.02 compared to a negative \$0.06 for the comparable period in the prior year.

The current half year results include a write-down expense of \$0.7 million resulting from the decline in the stock market value of our investment in Almond Resorts Inc. It should be noted that for same period in the prior year, we recorded a net \$1.1 million expense relating to an impairment of goodwill of \$2 million offset by a \$0.9 million gain on disposal of a property.

Our principal retail associate, Duty Free Caribbean, which has locations throughout the Caribbean has benefited from a moderate improvement in duty free sales to visitors, however local sales continue to be depressed. This business has produced an improved result and this is the main reason for our


Share of Results of Associates reflecting a profit of \$1.1 million compared to a prior period profit of \$0.8 million.

Our financial services businesses continue to perform well with all companies showing acceptable results for the period.

Our Balance Sheet remains strong with healthy reserves and excellent liquidity.

Although the Caribbean region continues to feel the effects of the regional and global economic uncertainty, and is likely to do so for the remainder of 2011, we are pleased with the positive trends which our businesses are reflecting and expect these to continue for the remainder of the year.


R. Geoffrey Cave
Chairman


John M. B. Williams
Chief Executive Officer

8 August 2011