



**CAVE SHEPHERD & CO. LIMITED**

(UNAUDITED)

**Consolidated Statement of Income**

**For the Twelve Months Ended September 30, 2007**

(With comparatives for the twelve months ended September 30, 2006)

	2007 \$	2006 \$
<b>Income</b>		
Gross profit from retail operations	6,577,106	6,231,830
Investment gains, interest income and building appreciation	12,809,150	7,735,462
Gains from business re-organisation	0	13,252,373
<b>Total Income</b>	<u>19,386,256</u>	<u>27,219,665</u>
<b>Net Operating Profit</b>	6,013,753	13,596,018
Share of Results of Associates	10,874,976	6,556,379
<b>Income Before Taxation</b>	<u>16,888,729</u>	<u>20,152,397</u>
Corporation Tax	1,789,474	1,263,779
<b>Net Income for the Period</b>	<u>15,099,255</u>	<u>18,888,618</u>
Earnings per share	<u>\$0.80</u>	<u>\$1.00</u>
Earnings per share (excluding business re-organisation gain)	<u>\$0.80</u>	<u>\$0.30</u>

Cave Shepherd & Co. Limited has changed its financial year end from September 30 to December 31 in 2007 to correspond with its largest associated company, Duty Free Caribbean (Holdings) Ltd. As a result the financial reporting for 2007 will be a fifteen month period compared to a twelve month period in 2006. We are therefore submitting a quarterly report for September 30, 2007.

Total income is \$19.4 million, a decrease of \$7.8 million for the twelve months ended September 2007 as compared to the prior year. This is primarily due to a non-recurring capital gain in 2006 of \$13.3 million on the reduction by 10% of the Group's interest in the Duty Free Caribbean Group, offset by increased investment gains in 2007.

Our Share of Results of Associates is \$10.9 million, an increase of \$4.3 million or 66% over the prior year. We have seen an improved performance from the majority of our associated companies in 2007. Among our associated companies, Duty Free Caribbean, Bridgetown Cruise Terminal, Fortress Fund Managers and Signia Financial Group all contributed much improved earnings.

Net income is \$15.1 million compared to \$18.9 million in the prior year. Earnings per share is \$0.80 for 2007 as compared to \$1.00 in 2006 (\$0.30 excluding the prior year's one-off gain). This exceeds the earnings per share of \$0.60 which we forecast for 2007 in our last Annual Report.



**R. Geoffrey Cave**  
Chairman



**John M. B. Williams**  
Chief Executive Officer