

**CAVE SHEPHERD & CO. LIMITED****Consolidated Statement of Income****For the Three Months Ended March 31, 2008****(UNAUDITED)**

(With comparatives for the three months ended March 31, 2007)

	<b>Three months ended March 31, 2008 \$</b>	<b>Three months ended March 31, 2007 \$</b>
<b>Income</b>		
Gross profit from retail operations	2,488,450	2,692,316
Investment and interest income	941,600	1,056,492
<b>Total Income</b>	3,430,050	3,748,808
<b>Net Operating Profit/(Loss)</b>	(207,192)	(461,590)
Share of Results of Associates	5,562,852	4,275,605
<b>Income Before Taxation</b>	5,355,660	3,814,015
Corporation Tax	735,105	388,826
<b>Net Income for the Period</b>	4,620,555	3,425,189
Earnings per share	\$0.24	\$0.18

Shareholders are reminded that the company changed its financial year end from September 30<sup>th</sup> to December 31<sup>st</sup> with effect from the 2007 financial year. We have therefore shown comparatives for the three months ended March 31, 2007 to correspond with the current reporting period.

Net income for the period was \$4.6 million, which equates to an earnings per share (EPS) of \$0.24 compared to an EPS of \$0.18 for the same period in the prior year. This improvement is attributable to an increase in our "Share of Results of Associates" of \$1.3 million or 30% resulting from the better performance of the Duty Free Caribbean Group together with a net gain arising out of the restructuring of our Colombian Emeralds International franchisor operations.

With the prevailing economic uncertainty in the world it is difficult to predict the business environment which our financial services and retail operations will experience during the remainder of the financial year. We are however confident that we have the financial strength, management experience, and quality of product to meet these challenges and we still expect to report a creditable performance during this year.

**R. Geoffrey Cave**  
Chairman

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

14 May 2008