



**CAVE SHEPHERD & CO. LIMITED**  
**Consolidated Balance Sheet**  
**As at June 30, 2009**

(With comparatives as at December 31, 2008 and June 30, 2008)

	(Unaudited) June 30, 2009 \$	(Audited) December 31, 2008 \$	(Unaudited) June 30, 2008 \$
<b>Current Assets</b>			
Cash and cash equivalents	12,597,757	17,142,663	21,362,957
Financial assets held for trading	13,575,629	11,811,902	14,428,275
Trade and other receivables and prepayments	13,967,207	17,603,026	16,207,355
Inventories	6,335,802	6,578,022	5,707,548
Other current assets	8,561,650	7,147,459	6,460,709
	55,038,045	60,283,072	64,166,844
<b>Current Liabilities</b>			
Trade and other payables	3,670,303	3,866,319	3,365,204
Other current liabilities	1,543,507	5,688,595	1,707,257
	5,213,810	9,554,914	5,072,461
<b>Working Capital</b>	49,824,235	50,728,158	59,094,383
Investment in Associates and at Fair Value through Profit and Loss	72,439,973	74,589,161	74,069,123
Intangible Assets and Goodwill	13,945,924	13,348,124	11,921,260
Investment Property	2,519,446	2,519,446	-
Property, Plant and Equipment	2,429,537	2,507,893	2,643,641
Loan due by associate	10,400,000	10,400,000	8,800,000
Other Long Term Assets	627,649	627,649	724,004
Fixed Income Certificates Payable and Other Long Term Liabilities	(20,750,048)	(20,561,676)	(18,000,625)
	131,436,716	134,158,755	139,251,786
<b>Capital and Reserves attributable to the equity holders of the company</b>			
Share capital	39,584,581	39,584,581	39,660,346
Retained earnings	86,342,656	89,380,061	96,834,696
	125,927,237	128,964,642	136,495,042
<b>Non-controlling interest</b>	5,509,479	5,194,113	2,756,744
	131,436,716	134,158,755	139,251,786

**CAVE SHEPHERD & CO. LIMITED**  
**Consolidated Statement of Income**  
**For the Six Months Ended June 30, 2009**  
 (With comparatives for the six months ended June 30, 2008)

	(Unaudited) Six months ended June 30, 2009 \$	(Unaudited) Six months ended June 30, 2008 \$
<b>Income</b>		
Gross profit from retail operations	1,835,074	3,700,532
Investment and interest income	4,244,190	11,821,250
<b>Total Income</b>	6,079,264	15,521,782
<b>Net Operating (Loss)/Profit</b>	(779,818)	8,453,498
Share of Results of Associates	(1,316,253)	5,258,615
<b>(Loss)/Income Before Taxation</b>	(2,096,071)	13,712,113
Corporation Tax	387,020	240,282
<b>(Loss)/Net Income for the Period</b>	(2,483,091)	13,471,831
<b>Attributable to:</b>		
Equity holders of the company	(2,798,457)	13,174,497
Non-controlling interest	315,366	297,334
	(2,483,091)	13,471,831
Earnings per share (EPS) – basic and fully diluted	\$(0.15)	\$0.70

**DIRECTORS' STATEMENT**

The first half of the financial year reflects a continuation of the difficult trading conditions, particularly affecting our retail operations. This is as a result of the economic and financial crisis affecting our main markets and the reduction in spending by visitors to the Caribbean. This can be seen in our Share of Results of Associates which shows a loss of \$1.3 million as compared to a profit of \$5.3 million for the same period in the prior year.

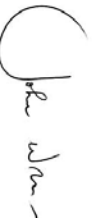
Overall the Group recorded a loss of \$2.5 million for the first half of the year as compared to a profit of \$13.5 million in the prior year. This loss equates to a negative EPS of 15 cents as compared to a positive 70 cents in the prior year. It should be noted that one-off gains of \$6.4 million on the sale of United Insurance shares, and \$0.8 million for the cancellation of a purchase option were recorded in the prior year.

Our financial services businesses have not been as significantly affected by the downturn and continue to operate profitably and remain financially sound.

Management's emphasis upon stringent expense controls, close monitoring of inventory levels, and reducing capital expenditures, have allowed the Group to maintain a strong Balance Sheet with healthy working capital and cash positions. The main reduction in our cash balances from June 2008 is attributable to the purchase of our equity investment in DGM Bank & Trust in the second half of last year.

We expect the remainder of the financial year to be challenging and the financial results to reflect the difficult business conditions. However, we remain confident that we are in a good position to benefit when the economic conditions start to improve.

  
 R. Geoffrey Cave  
 Chairman

  
 John M. B. Williams  
 Chief Executive Officer

24 August 2009