

**CAVE SHEPHERD & CO. LIMITED****(UNAUDITED)****Consolidated Statement of Income****For the Nine Months Ended June 30, 2007**

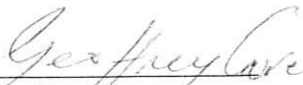
(With comparatives for the nine months ended June 30, 2006)

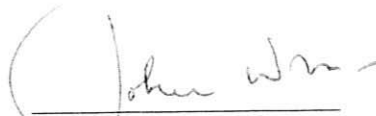
	2007 \$	2006 \$
Income		
Gross profit from retail operations	5,968,456	5,861,340
Investment, interest income and building appreciation	7,354,500	5,143,442
Gains from business re-organisation	0	13,252,373
Total Income	<u>13,322,956</u>	<u>24,257,155</u>
Net Operating Profit	2,529,675	13,993,180
Share of Results of Associates	10,488,583	7,676,996
Income Before Taxation	<u>13,018,258</u>	<u>21,670,176</u>
Corporation Tax	1,922,450	1,428,403
Net Income for the Period	<u>11,095,808</u>	<u>20,241,773</u>
Earnings per share	<u>\$0.59</u>	<u>\$1.07</u>
Earnings per share (excluding business re-organisation gain)	<u>\$0.59</u>	<u>\$0.37</u>

Total income has decreased by \$10.9 million for the first nine months of the financial year 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. In the current period there was a \$1.7 million gain relating to property appreciation.

Our Share of Results of Associates has increased by \$2.8 million or 37% as the majority of our associated companies recorded better performances in 2007. Of particular note was the performance of the Duty Free Caribbean Group where income before tax for the nine months was up 33%. Among our other associated companies, Bridgetown Cruise Terminal, Fortress Fund Managers, GCS - Ganzee and Signia Financial Group all contributed much improved earnings. Net income for the first nine months is \$11.1 million compared to \$20.2 million in the prior period, a decrease of 45% as a result of the one-off gain noted above.

Barring any unforeseen negative events we should achieve effective operational earnings of \$0.60 per Share for the full year which we forecast in our last annual report to shareholders.


R. Geoffrey Cave
Chairman


John M. B. Williams
Chief Executive Officer