

Barita

INVESTMENTS LIMITED

CONSOLIDATED UNAUDITED FINANCIAL REPORT FOR THE SIX MONTHS ENDED MARCH 31, 2010

CHAIRMAN'S STATEMENT

Barita listing on the Jamaica Stock Exchange

Having become a listed company on January 14, 2010, we are pleased to be reporting for the first time, the interim results for the six (6) months ending March 2010.

Barita records net profit of \$33 million for the period

The net profit for the 6 months ended 31 March 2010 was \$33 Million translating to \$0.08 per share. Our profitable performance was achieved despite lower volumes traded in fixed income, the impact of the JDX and a relatively weak stock market. The continued stability of the local currency vis-à-vis other major currencies which although welcomed (from a national perspective) has resulted in a translation loss for the period ending March 31, 2010.

Barita Investments for the period ending 31 March 2010 was operationally more profitable compared to prior year with profits (before tax & excl. currency translation) of \$46 million compared to \$12 million in the previous year.

The impact of the JDX with liabilities paying higher interest rates than their underlying assets, will affect the performance going forward, but will improve towards the second half of the calendar year. The market is now being stabilized returning interest rates to single digits and revaluing securities to more acceptable levels.

Income Statement

There was a \$56 million or 73% increase in net interest income, a \$21 million or 81% increase in asset trading income and an increase in Fees and Commission Income of \$4 million or 17%. Total revenues for the 6 months to March 31, 2010 was \$219 million compared to \$260 million for the corresponding period. This reflected a decrease of \$41 million or 16% due to an \$18 million or 86% reduction in dividend income and a \$105 million reduction in foreign exchange translation.

Operating Expenses totaled \$176 million compared to \$148 million in the previous year. Increases in staff, advertising, promotion and audit costs comprised the majority of the \$28 million or 19% increase.

Balance Sheet

For the benefit of the shareholders, we set out the changes in the Balance Sheet after the Public Offering of Shares in December 2009. The comparisons are between September 2009 and March 2010.

	March 2010	September 2009
Preference Shares	\$162,539,900	-
Ordinary Shares (445,001,824)	\$759,118,376	\$658,050,000
Reserves (profit & revaluations)	\$445,135,000	\$190,689,000
Total Equity Value	\$1,204,253,376	\$848,739,000
Book value /share	\$2.71	\$1.91

Our asset base showed a \$1 billion or 8% reduction from prior year from \$12.5 billion to \$11.5 billion, while our liabilities decreased by \$1.4 billion or 15%. These reductions were primarily due to reduction in Repo trading. Consequently we recorded an increase in shareholders equity of approximately \$500 million to \$1.2 billion or 69%.

Capital Adequacy

The Capital base of Barita Investments remains significantly above regulatory requirements and

the following key ratios are important.

	FSC Requirement	Barita Achievement
Capital to Risk weighted Asset	10%	47%
Capital to Total Asset	6%	10%
Capital Base to Tier 1 Capital	50%	100%

Outlook

As the JDX continues to impact our fixed income revenue streams, we will continue to improve our processes to increase our efficiencies and leverage our other revenue streams and new product offerings to enhance our earnings. The commitment to building a stronger Barita has developed strategies that will no doubt continue to position the company as a major player in the financial services industry.



Rita Humphries-Lewin
Chairman
March 31, 2010

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 MARCH 2010

	UNAUDITED 3 Months Ended March 31, 2010 \$,'000	UNAUDITED 3 Months Ended March 31, 2009 \$,'000	UNAUDITED 6 Months Ended March 31, 2010 \$,'000	UNAUDITED 6 Months Ended March 31, 2009 \$,'000
Net Interest Income and Other Revenue				
Interest Income	370,844	452,492	767,993	836,893
Interest cost of Repurchase Agreements	(291,454)	(416,381)	(635,261)	(760,727)
Net Interest Income	79,390	36,111	132,732	76,166
Fees and Commission Income	17,387	19,619	28,351	24,476
Foreign Exchange Trading and Translation Gains	(2,889)	32,371	3,147	107,859
Gain/Loss on Sale of Investment	47,848	172	47,910	26,418
Dividend Income	2,759	20,208	3,414	21,692
Other Income	1,749	3,613	3,143	3,785
Net Operating Revenue	146,244	112,095	218,696	260,397
Operating Expenses				
Staff Costs	43,059	47,817	97,779	86,055
Administration	42,932	36,587	77,880	62,113
	85,991	84,403	175,659	148,167
Profit before Taxation	60,253	27,691	43,037	112,230
Taxation	(13,746)	(6,294)	(9,614)	(25,041)
NET PROFIT/(LOSS) FOR THE PERIOD	46,506	21,398	33,423	87,189
Number of shares in Issue	445,001,824	445,001,824	445,001,824	445,001,824
Earnings per stock unit	\$0.10	\$0.05	\$0.08	\$0.20

Basis of Preparation

These consolidated financial statements have been prepared in accordance with the accounting policies set out in note 2 of the audited financial statements for the year ended 30 September 2009. The Group has adopted IAS 1 (revised) which is effective for accounting periods commencing January 1, 2009.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2010

	UNAUDITED 6 Months Ended March 31, 2010 \$,'000	UNAUDITED 6 Months Ended March 31, 2009 \$,'000
Profit for period	33,423	87,189
Unrealised gain on available-for resale investments net of taxes	264,958	(52,826)
Total comprehensive income	298,381	34,363

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MARCH 2010

	Stated Capital \$,'000	Preference Shares	Treasury Shares \$,'000	Capital Reserve \$,'000	Fair Value Reserve \$,'000	Retained Earnings \$,'000	Total \$,'000
Balance at 30 September 2008	62,850			86,803	(94,811)	660,777	715,619
Net income/(losses) recognised directly in equity							
Unrealised losses on available-for resale investments net of taxes					(52,826)		(52,826)
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(26,418)		(26,418)
Revaluation surplus, net of taxes					(79,244)		(79,244)
Net profit						87,189	87,189
Total recognised income/(losses) to March 2009					(79,244)	87,189	7,944
Purchase of treasury shares			(9,500)				(9,500)
Balance at 31 March 2009			(9,500)	86,803	(174,055)	747,966	714,063
Balance at 30 September 2009	667,550		(9,500)	1,103	(49,033)	238,479	848,599
Net income/(losses) recognised directly in equity							
Unrealised gain on available-for resale investments net of taxes					264,958		264,958
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(47,910)		(47,910)
Revaluation surplus, net of taxes				4,116			4,116
Net profit						33,423	33,423
Total recognised income/(losses) to March 2010				4,116	217,047	33,423	254,587
Issue of ordinary shares	87,448						87,448
Issue of preference shares		13,620					13,620
Balance at 31 March 2010	754,998	13,620	(9,500)	5,219	168,014	271,902	1,204,254

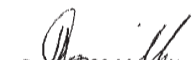
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

	Unaudited MARCH 2010 \$,'000	Unaudited MARCH 2009 \$,'000
ASSETS		
Cash and bank balances	190,485	104,285
Securities purchased under resale agreements	1,222,925	5,009,790
Marketable securities	8,991,234	6,723,775
Receivables	439,059	320,080
Loan receivable	259,376	67,473
Interest receivables	236,208	567,932
Due from related parties	103	103
Property, plant and equipment	138,310	135,201
Deferred tax assets	0	70,369
Total assets	11,477,701	12,999,008
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Bank overdraft	47,814	30,534
Securities sold under repurchase agreements	9,730,671	11,753,247
Payables	49,871	75,378
Interest Payable	205,630	422,304
Redeemable Preference Shares	162,540	0
Due to related parties	3,639	3,482
Deferred tax liabilities	73,282	0
Total Liabilities	10,273,447	12,284,945
Shareholders' Equity		
Stated capital	755,000	62,850
Treasury shares	(9,500)	(9,500)
Preference shares	13,620	0
Capital reserve	5,219	86,803
Fair value reserve	168,014	(174,056)
Retained earnings	271,902	747,966
Total shareholders' equity	1,204,254	714,063
Total liabilities and shareholders' equity	11,477,701	12,999,008



Rita Humphries-Lewin – Chairman



Carl Domville – Director

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2010

	Unaudited 6 Months Ended March 31, 2010 \$,'000	Unaudited 6 Months Ended March 31, 2009 \$,'000
Cash Flows from Operating Activities		
Net Profit	33,423	87,189
Adjusted for:		
Depreciation	6,738	7,911
Effect of exchange gain/loss on foreign balances	3,450	(100,083)
Interest income	(767,993)	(836,893)
Interest expense	635,261	760,727
Income tax expense	9,614	25,041
	(79,506)	(56,109)
Changes in operating assets and liabilities		
Marketable securities	(1,476,105)	(37,927)
Securities purchased under resale agreements	2,361,088	(1,557,340)
Securities sold under repurchase agreements	(882,899)	1,505,460
Receivables	(117,685)	27,186
Loans receivable	(219,881)	107,246
Payables	(3,003)	(6,292)
Due from related companies	(4,279)	-
	(342,764)	38,333
Interest received	1,057,442	634,149
Interest paid	(825,923)	(608,938)
Income tax paid	2,174	-
Cash provided by operating activities	233,693	25,211
Cash Flows from Investing/Financing Activities		
Proceeds from the disposal of property, plant and equipment		
Proceeds from sale of ordinary shares and irredeemable preference shares	101,068	-
Proceeds from sale of redeemable preference shares	162,540	-
Purchase of property, plant and equipment	11,187	8,368
Cash provided by investing/financing activities	274,795	8,368
Effect of exchange rate on cash and cash equivalents	23	1,326
(Decrease)/increase in net cash and cash equivalents	86,241	17,130
Net cash and cash equivalents at beginning of year	56,430	56,621
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	142,671	73,751