



CARRERAS LIMITED

On behalf of the Board of Directors, I am pleased to report the unaudited financial results for the Third Quarter ended December 31, 2012.

Performance Highlights are:

	Unaudited			Unaudited		
	Cumulative			Discrete		
	Apr - Dec 12/13 \$M	Apr - Dec 11/12 \$M	% Change	Oct - Dec Q3 12/13 \$M	Oct - Dec Q3 11/12 \$M	% Change
Gross Operating Revenue	9,502.8	8,305.9	14.4%	3,744.7	3,086.7	21.3%
Total Operating Income	13,340.9	8,313.1	60.5%	4,221.1	3,089.9	36.6%
Interest and other Investment Income	110.0	93.1	18.2%	45.0	27.0	66.7%
Net income	5,142.5	1,730.6	197.2%	1,166.4	613.6	90.1%
EPS	1,059.3	356.5	197.2%	240.3	126.4	90.1%

Carreras Limited has continued its positive year to date performance with an increase of 14.4% in gross operating revenues over YTD December 2011 driven by underlying improvement in our sales volumes.

Net income increased 197% over prior year primarily due to distribution of funds received from the superannuation scheme. The funds received earned interest prior to being distributed and contributed to the increase in investment income to \$110M for the year to date and \$45M for the quarter. This represents a 18% and 67% increase in investment income for the year to date and discrete quarter, respectively.

Despite the improvement in our underlying performance, we continue to be concerned and watchful of the current economic conditions which are contracting consumers' disposable incomes. The continuing devaluation of the local currency against its United States counterpart will have an impact on our cost base.

I am also pleased to report that the Board of Directors has approved an interim dividend of \$1.40 per stock unit and a special dividend of \$1.20 per stock unit to be paid out of accumulated profits on March 13, 2013.

On behalf of the Board

Richard Lewis
Chairman



CARRERAS LIMITED

CARRERAS LIMITED & SUBSIDIARIES

**Group Statement of Comprehensive Income
Period Ended December 31, 2012**

Group Statement of Comprehensive Income					
	UNAUDITED		UNAUDITED		AUDITED
	9 months to		3 months to		12 months
	December-12 \$'000	December-11 \$'000	December-12 \$'000	December-11 \$'000	March-12 \$'000
Gross operating revenue	9,502,829	8,305,936	3,744,662	3,086,702	11,022,746
Cost of operating revenue	(5,105,603)	(4,431,075)	(2,051,837)	(1,654,648)	(5,847,357)
Gross operating profit	4,397,226	3,874,861	1,692,825	1,432,054	5,175,389
Employee benefit income	-	-	-	-	363,400
Interest and other investment income	110,003	93,089	44,967	26,973	125,672
Other operating income:					
Exchange gains/(Loss)	77,175	8,092	47,147	2,446	19,369
Other income	3,838,098	7,147	476,392	3,244	11,410
Distribution and marketing expenses	(583,973)	(657,536)	(244,414)	(240,648)	(812,198)
Administrative expenses	(998,469)	(723,884)	(466,326)	(305,124)	(956,812)
Profit before income tax	6,840,060	2,601,769	1,550,591	918,945	3,926,230
Income tax	(1,697,520)	(871,218)	(384,223)	(305,370)	(1,329,010)
Profit for the period	5,142,540	1,730,551	1,166,368	613,575	2,597,220
Other comprehensive income					
Defined benefit plan actuarial losses	-	-	-	-	(163,200)
Change in unrecognised employee benefit asset	-	-	-	-	(243,500)
Income tax on other comprehensive income	-	-	-	-	135,567
Deferred tax on subsidiaries	-	-	-	-	146
Other comprehensive income, net of tax	-	-	-	-	(270,987)
Total comprehensive income for the year	5,142,540	1,730,551	1,166,368	613,575	2,326,233
Attributable to:					
Minority interests	98	5	78	12	(9)
Stockholders in parent	5,142,442	1,730,546	1,166,290	613,563	2,597,229
	5,142,540	1,730,551	1,166,368	613,575	2,597,220
Total comprehensive income attributed to:					
Minority interests	98	5	78	12	(9)
Stockholders in parent	5,142,442	1,730,546	1,166,290	613,563	2,326,242
	5,142,540	1,730,551	1,166,368	613,575	2,326,233
Earnings per ordinary stock unit of 25c each	1059.34¢	356.49¢	240.25¢	126.39¢	535.03¢


CARRERAS LIMITED & SUBSIDIARIES

UNAUDITED GROUP FINANCIAL STATEMENTS
As at December 31, 2012

	Group Statement of Financial Position		
	Unaudited 31-Dec-12 \$000	Unaudited 31-Dec-11 \$000	Audited 31-Mar-12 \$000
Current Assets			
Cash and cash equivalents	2,448,988	1,953,739	1,454,575
Resale Agreements	1,459,014	926,674	832,609
Accounts receivable	507,231	318,604	334,013
Income tax recoverable	139,323	136,397	112,523
Inventories	233,381	91,749	227,846
	4,787,937	3,427,163	2,961,566
Current Liabilities			
Accounts payable	1,251,447	1,069,383	978,401
Income tax payable	1,798,185	1,248,456	904,318
	3,049,632	2,317,839	1,882,719
Net Current Assets	1,738,305	1,109,324	1,078,847
Non-current assets:			
Retirement benefit asset	268,200	278,100	268,200
Taxation Recoverable	1,733,137	1,733,137	1,733,137
Fixed Assets	167,739	130,387	145,150
	3,907,381	3,250,948	3,225,394
Equity:			
Share Capital	121,360	121,360	121,360
Reserves:			
Unappropriated profits	1,604,680	960,397	925,111
Capital	22,322	22,322	22,322
Other	1,870,762	1,870,762	1,870,762
	3,497,764	2,853,481	2,818,195
Total attributable to stockholders of parent	3,619,124	2,974,841	2,939,555
Minority interests	4,874	4,790	4,776
Total equity	3,623,998	2,979,631	2,944,331
Non-current liabilities:			
Deferred taxation liability	110,683	115,317	108,303
Retirement benefit obligation	172,700	156,000	172,700
	3,907,381	3,250,948	3,225,394

ON BEHALF OF THE BOARD


Richard Pandohie
Managing Director


Patrice Gray
Finance Director

CARRERAS LIMITED

**Statement of Changes in Equity
For 9 Months ended December 31, 2012**

The Group

Audited balance at March 31, 2011

Profit for the year

Deferred tax on reserves of subsidiaries in liquidation

Dividends paid, being total transactions with owners

Unaudited balance at December 31, 2011

Share Capital \$'000	Unappropriated Profits \$'000	Capital Reserves \$'000	Other Reserves \$'000	Total \$'000	Minority Interest \$'000	Total \$'000
121,360	1,317,333	22,322	1,870,762	3,331,777	4,785	3,336,562
-	1,730,546	-	-	1,730,546	5	1,730,551
-	(90)	-	-	(90)	-	(90)
-	(2,087,392)	-	-	(2,087,392)	-	(2,087,392)
121,360	960,397	22,322	1,870,762	2,974,841	4,790	2,979,631

Audited balance at March 31, 2012

Profit for the year

Deferred tax on reserves of subsidiaries in liquidation

Dividends paid, being total transactions with owners

Unaudited balance at December 31, 2012

121,360	925,111	22,322	1,870,762	2,939,555	4,776	2,944,331
-	5,142,443	-	-	5,142,443	98	5,142,540
-	(1,680)	-	-	(1,680)	-	(1,680)
-	(4,461,194)	-	-	(4,461,194)	-	(4,461,194)
121,360	1,604,680	22,322	1,870,762	3,619,124	4,874	3,623,998

CARRERAS LIMITED

**Statement of Changes in Equity
For 9 Months ended December 31, 2012**

The Company

	Share Capital \$'000	Revenue Reserves \$'000	Capital Reserves \$'000	Total \$'000
Audited balance at March 31, 2011	121,360	1,296,485	22,322	1,440,167
Profit for the year	-	1,728,291	-	1,728,291
Dividends paid, being total transactions with owners		(2,087,392)		(2,087,392)
Unaudited balance at December 31, 2011	121,360	937,384	22,322	1,081,066
Audited balance at March 31, 2012	121,360	907,688	22,322	1,051,370
Profit for the year	-	5,100,437	-	5,100,437
Dividends paid, being total transactions with owners	-	(4,461,194)	-	(4,461,194)
Unaudited balance at December 31, 2012	121,360	1,546,931	22,322	1,690,613

CARRERAS LIMITED & SUBSIDIARIES

UNAUDITED GROUP FINANCIAL STATEMENTS

For 9 Months ended December 31, 2012

	Group Statement of Cash Flows		
	9 Months		12 months
	31-Dec-12 \$'000	31-Dec-11 \$'000	31-Mar-12 \$'000
Cash flows from operating activities:			
Net profit for the period	5,142,541	1,730,551	2,597,220
Items not affecting cash	1,547,382	903,428	853,034
	6,689,923	2,633,979	3,450,254
Changes in working capital	(732,656)	(419,347)	(1,309,933)
Cash provided by operating activities	5,957,267	2,214,632	2,140,321
Cash (used)/provided by investing activities	(578,835)	48,657	243,599
Cash used by financing activities	(4,461,194)	(2,087,392)	(2,718,464)
Increase/(Decrease) in cash and cash equivalents	917,238	175,897	(334,544)
Effect of exchange rate changes on cash and cash equivalents	77,175	8,092	19,369
Cash and cash equivalents, at beginning of period	1,454,575	1,769,750	1,769,750
Cash and cash equivalents, at end of period	2,448,988	1,953,739	1,454,575

CARRERAS LIMITED AND SUBSIDIARIES

Notes to the Financial Statements December 31, 2012

1. General

Carreras Limited ("the company") is incorporated and domiciled in Jamaica and is a 50.4% subsidiary of Rothmans Holdings (Caricom) Limited, which is incorporated in St. Lucia. The ultimate parent company is British American Tobacco plc, incorporated in the United Kingdom. The principal activities of the company are the marketing and distribution of cigarettes.

The principal place of business is Twickenham Park, St. Catherine, Jamaica.

2. (a) Basis of Preparation

The financial statements are presented on the historical cost basis. Unless otherwise stated, the financial statements are presented in thousands of Jamaican dollars (\$'000), which is the functional currency of the company and the group.

(b) Accounting estimates and judgments:

The preparation of the financial statements in conformity with IFRS and the Act requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the period then ended. The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual amounts could differ from these estimates.

The unaudited financial results for the nine month period has been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, the significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognised in the financial statements, or which have a risk of material adjustments in the next year are as follows:

(i) Key source of estimation uncertainty

Employee benefits:

The amounts recognised in the balance sheet and income statement for pension and other post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-employment obligations and the expected rate of increase in medical costs for post-employment medical benefits.

Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

It is reasonably possible that outcomes within the next financial quarter that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(ii) There are no critical accounting judgments in applying the group's and the company's accounting policies.

3. Significant Accounting Policies

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

4. Income Tax

Income tax for the year comprises current and deferred tax based upon taxable profits. Capital gains, which are not subject to taxation, are excluded.

5. Earnings per Stock Unit

The calculation of earnings per stock unit is based on the net profit for the period attributable to stockholders and the 485,440,000 issued and fully paid ordinary stock units.

6. Deferred Tax

A provision has been made in these financial statements for deferred transfer tax on undistributed reserves of subsidiaries in liquidation.

7. Tax Assessment

Cigarette Company of Jamaica Limited (in voluntary liquidation) (CCJ) appealed against an assessment by Commissioner Taxpayer Audit and Assessment (TAJ). The court allowed the Appeal with costs in the Court of Appeal to be CCJ's; such costs to be taxed if not agreed. Based on the judgment of the Court of Appeal, the amount paid of \$1,733.1 million is reflected in the financial statement as taxation recoverable.

After a series of appeals by the TAJ, final leave for them to appeal to the Privy Council was granted on February 28, 2011. On March 13, 2012 the Privy Council handed down its decision dismissing the Appeal of the Commissioner Taxpayer Audit and Assessment with costs to CCJ.

Payment remains outstanding in respect of taxation recoverable in the amount of \$1,733,137,000. Interest and costs awarded, but not paid to date, in relation to the judgment have not been recognised in these financial statements. The company remains in active dialogue with the TAJ in regards to the refund of monies due.

8. Retirement Benefit Asset & Other Income

Having received the appropriate approvals from the Financial Services Commission, the company discontinued its Carreras Superannuation Scheme – a defined benefit pension scheme, replacing it with a defined contribution fund. The company has received interim distributions from the process of the winding up of the Scheme giving rise to income of \$3.8 billion, reflected in the Group Statement of Comprehensive Income.

The amount recognised in the Statement of Financial Position (balance sheet) as retirement benefit asset reflects the value as per the last actuarial valuation and in accordance with the accounting standard that amount was limited to a value that could not exceed the present value of any economic benefits available from the scheme at that time.

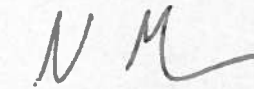
There remains a material item in the pension scheme that is subject to uncertainty. Therefore, Management is unable to estimate the full economic benefit of the retirement asset as at the reporting date.

9. Other contingencies


Sans Souci Limited and VRL Services Limited:

The accounts of the quarter reflect that Sans Souci Limited arrived at an agreement with VRL Services Limited in full and final settlement in regards to previous legal actions between these parties.

ON BEHALF OF THE BOARD



Richard Pandohie
Managing Director



Patrice Gray
Finance Director