

THE BARBADOS SHIPPING & TRADING COMPANY LIMITED

REPORT TO SHAREHOLDERS FOR THE SIX MONTHS ENDED MARCH 31, 2006

Consolidated Statement of Income For the six months ended March 31, 2006 (Expressed in thousands of Barbados dollars)

	Unaudited Six Months To 31/03/06	Unaudited Six Months To 31/03/05	Audited Year To 30/09/05
Revenue	375,578	342,648	679,154
Operating Profit before undermentioned items	27,169	18,503	34,204
Interest Expense	(5,982)	(5,806)	(11,484)
Other Expenses	-	(12,100)	(12,100)
Profit before gains/(losses) on Investments & Amortisation	21,187	597	10,620
Realised gains/(losses) on Investments	-	20,953	26,893
Unrealised (losses)/gains on Investments	(4,353)	16,781	12,292
Amortisation of Intangible Assets	(575)	(1,233)	(1,216)
Profit before Taxation	16,259	37,098	48,589
Parent Company and Subsidiaries	4,672	6,912	6,372
Taxation	(2,995)	(4,225)	(3,669)
Profit after Taxation	17,936	39,785	51,292
Attributable to Minority Interests	(2,285)	(2,477)	(4,018)
Attributable to Shareholders	15,651	37,308	47,274
Basic Earnings per Share	20.8¢	49.8¢	63.0¢

Consolidated Statement of Cash Flow For the six months ended March 31, 2006 (Expressed in thousands of Barbados dollars)

	Unaudited Six Months To 31/03/06	Audited Year To 30/09/05	Unaudited Six Months To 31/03/05
Operating Activities			
Profit before taxation (excluding Associated Companies)	16,258	48,589	37,098
Adjustment for items not involving the movement of funds	8,817	2,792	9,618
Working capital changes	(3,583)	71,535	15,017
Net cash from operating activities	21,492	122,916	61,733
Net cash used in investing activities	(6,484)	(20,948)	(1,278)
Net cash used in financing activities	(26,110)	(57,254)	(28,290)
(Decrease)/Increase in cash and cash equivalents	(11,102)	44,714	32,165
Cash and cash equivalents - beginning of the period	50,699	5,985	5,985
Cash and cash equivalents - end of the period	39,597	50,699	38,150

Consolidated Balance Sheet As At March 31, 2006 (Expressed in thousands of Barbados dollars)

	Unaudited As At 31/03/06	Audited As At 30/09/05	Unaudited As At 31/03/05
CURRENT ASSETS			
Cash and Short-term Deposits	39,597	50,699	38,150
Short-term Investments	92,570	103,771	114,708
Accounts Receivable & Prepayments	126,529	114,114	135,306
Inventories	82,937	74,338	72,627
	341,633	342,922	360,791
CURRENT LIABILITIES			
Accounts Payable & Accruals	82,339	83,354	70,677
Unearned Premiums & Outstanding Claims	70,254	73,831	71,628
	152,593	157,185	142,305
WORKING CAPITAL	189,040	185,737	218,486
Investments in Associated Companies	143,960	142,786	120,823
Long-term investments	55,886	67,322	69,430
Investment Properties	108,758	109,504	109,593
Fixed Assets	166,644	166,475	168,155
Other Assets	13,822	14,382	17,366
Deferred Tax Asset	11,912	12,673	12,798
	690,022	698,879	716,651
Long-term Loans	(149,111)	(157,872)	(189,813)
NET ASSETS EMPLOYED	540,911	541,007	526,838
FINANCED BY			
Share Capital	97,361	96,333	96,186
Proposed Dividend	-	13,575	-
Capital Reserves	89,088	89,083	82,110
Reinvested Earnings	315,793	301,628	309,073
SHAREHOLDERS' EQUITY	502,242	500,619	487,369
Minority Interests	38,669	40,388	39,469
	540,911	541,007	526,838

DIRECTORS' STATEMENT

As compared to the same period last year, Revenue for the six months ending March 31st, 2006 reflects higher sales generally across the Group uplifted somewhat by recent price increases in relation to CESS and the impact of energy prices. Further, as of January we are now consolidating Warrens Motors in our results which was an Associate last year.

We are pleased to report that the trading profits of the Group's subsidiaries have grown by 46% before taking into account the one-time charge which was incurred in the same period of last year. This has been achieved by business growth as well as improved efficiencies and loss reductions in Dacosta Mannings.

We have recorded an unrealised loss in this half year in relation to the decline of Neal & Massy's share price in respect of the 4% shareholding that we have retained. Last year we recognised a significant gain before selling our shareholding of over 9% down to the current level.

Neal & Massy's performance nevertheless continues to be strong and your Directors expect the share value of this investment to reflect this performance in due course.

Income from Associates are lower due in part to a moderate first half for Banks Holdings Ltd. but mainly as a result of our share of pre-opening costs at the hotel properties of Casuarina Barbados and Morgan Bay St Lucia which were not a part of our portfolio at this time last year. Morgan Bay opened for December 2005 and is recording high occupancies while Casuarina remains closed awaiting construction approvals.

Our expectations for the second half is that our subsidiaries will continue on their improved path as budgeted. Investment income will of course be dependent, to a large extent on the movement of Neal & Massy's share price.


Senator Sir Allan Fields
Chairman


G. Anthony King
Chief Executive Officer

**BS
&T**
Let's Grow Together