



CEIBA INVESTMENTS Ltd

Unaudited Interim Condensed
Consolidated Financial Statements
At 30 September 2010

Cover artwork: José Emilio Fuentes Fonseca,
from the series *Homenaje a las masas*, 2010,
Acrylic on canvas, 10 canvases 150 x 150 cm each.

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DIRECTORS AND MANAGEMENT

DIRECTORS

Sir John Morgan (Chairman)
Colin Kingsnorth
Sebastiaan A.C. Berger
Jaime García-Andrade
Enrique Rottenberg
Peter Fletcher
John Anthony Herring
Manuel Roumain

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INVESTMENT MANAGER

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REGISTRATION NUMBER

30083

ADMINISTRATION AND KEY ADVISORS

ADMINISTRATOR, CUSTODIAN AND SECRETARY

Ardel Fund Services Limited
Frances House, Sir William Place
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Channel Islands

LEGAL ADVISORS (AS TO GUERNSEY LAW)

Carey Olsen
PO Box 98, Carey House, Les Banques
St. Peter Port, Guernsey, GY1 4BZ
Channel Islands

LEGAL ADVISORS (AS TO UK LAW)

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REGISTRAR

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INDEPENDENT AUDITORS

Ernst & Young
PO Box 261, Bridgetown, BB11000
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Barbados, W.I.

SPONSOR

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Channel Islands

CHAIRMAN'S STATEMENT

Dear Shareholders,

Please find enclosed the unaudited interim condensed consolidated financial statements of CEIBA Investments Limited (the "Company") for the period of 6 months ending 30 September 2010. Given the continuing efforts of the Company to seek a listing on the Toronto Stock Exchange, these financial statements have been reviewed by our auditors, Ernst & Young.

Within the next few weeks, the Company will convene an extraordinary Shareholders meeting and distribute a Circular to Shareholders in which the detailed proposals relating to the corporate restructuring, the internalization of management, the possible acquisition of the further interests in the four operating hotels in which the Company is already invested and certain other matters directly related to the intended listing of the securities of the Company on the Toronto Stock Exchange will be set out.

We look forward to a very exciting year for the Company.

SIR JOHN MORGAN
CHAIRMAN

THE COMPANY

Introduction

CEIBA Investments Limited (“CEIBA” or the “Company”) is a closed-ended investment company registered with limited liability under the laws of Guernsey, Channel Islands under registration number 30083.

The principal investment objective of CEIBA Investments Limited is to achieve long-term capital growth from direct and indirect investment in or with Cuban businesses, balanced by current income from interest-bearing financial instruments and other financial transactions and revenue-generating investments primarily related to Cuba.

On 30 September 2010, the Company had in issue 132,212,352 Shares having a nominal value of € 0.10 per Share, 122,870,644 Warrants 2007 having an exercise price of € 1.20 and expiring on 8 November 2010 and 2,568,883 IM Warrants having an exercise price of € 0.8406 and expiring on 31 March 2014.

Shares and Warrants 2007 in the Company are issued in certificated or uncertificated form and may be held and settled through Clearstream or the CREST system for paperless settlement of trades in securities operated by Euroclear UK & Ireland Limited. US Persons may not hold Shares or Warrants 2007 through Clearstream, CREST or otherwise. Shares and Warrants 2007 may be purchased and sold through non-US brokers.

The Annual General Meeting of Shareholders of the Company held in December 2007 approved a proposal to extend the life of CEIBA Investments to 2015. The Shareholders have the power to extend the life of the Company every 10 years.

Investment Manager

The Company is managed by CEIBA International Management Ltd. (“CEIBA Management” or the “Investment Manager”) since July 2002.

The Investment Manager is responsible for the selection and implementation of investments and generally for managing the acquisition, holding and disposal of investments in accordance with the investment policies and restrictions established by the Board of Directors of the Company. CEIBA Management operates out of a representative office of CEIBA Property Corporation Limited (“CPC”), a wholly-owned subsidiary of the Company. Its directors are Sebastiaan A.C. Berger, Cameron Young, Colin Kingsnorth, Andrew Pegge and Enrique Rottenberg. The directors, officers and advisers of CEIBA Management collectively possess high-level skills, experience and contacts particularly relevant to investments in Cuba.

Sebastiaan A.C. Berger, Cameron Young and Enrique Rottenberg are responsible for the day-to-day management activities of CEIBA Management and all three have lived and worked in Havana for over 10 years.

Investment Policies

At a meeting of the Board of Directors of the Company held on 21 February 2007, the following investment policies of the Company were adopted:

- The Company may make any investment primarily related to Cuba, but the primary focus of the Company will be to:
 - make long-term investments in Cuba's real estate sector;
 - take participations in listed and unlisted companies, joint ventures and other foreign investment vehicles and entities generating substantially all of their revenues from activities related to Cuba, whether incorporated in Cuba or elsewhere;
 - participate in development projects in Cuba;
 - arrange and invest in interest-bearing financial instruments and other financial transactions related to Cuba.
- The Company may invest with Cuban partners in Cuban and non-Cuban companies, joint ventures and other entities that earn all or a substantial part of their revenues from activities outside Cuba, although such investments will normally be limited to less than 10% of the total assets of the Company, unless with prior Shareholder approval.
- All investment decisions relating to the portfolio of the Company will be made by the Investment Manager under the supervision of the Board of Directors of the Company.
- In the case of direct or indirect equity investments, preference will be given to projects where:
 - there is an experienced foreign or foreign-trained management team;
 - the Company will have a sufficient interest that will allow the Company to influence management decisions;
 - accounting, auditing and financial reporting are carried out to an internationally acceptable standard; and
 - a suitable exit strategy has been identified.
- Investments and financial participations may be made in conjunction with Cuban or foreign partners, strategic investors, international banks and financial institutions, without limitation.

THE COMPANY

- The Company may acquire a majority interest in any vehicle or entity. Where the Company holds a significant interest in a company or entity, the Company and the Investment Manager will normally have the power to influence management. Such influence will generally be confined to the provision of strategic advice for the purpose of enhancing the value of the Company's investments, but may extend to day-to-day management functions where appropriate.
- The Company should not knowingly or intentionally invest in any entity that owns or uses property in respect of which there is a material risk of significant liability resulting from an outstanding claim that has been certified by the US Foreign Claims Settlement Commission, or invest directly in any such property.
- Liquidity may be maintained at any time in short-term bank deposits, government obligations and other liquid financial instruments, in any currency.
- It will not be the policy of the Company to engage in derivatives trading, except if practicable and considered appropriate for the purposes of efficient portfolio management and/or currency hedging.
- The Company will not make any investment that exposes the Company to unlimited liability.
- The Company will hedge the currency exposure of its secured and unsecured financial instruments and other liquid financial assets. The Company may, but will not be obliged to, hedge its other investments.

Structure and Realization of Investments

All direct equity investments of the Company in Cuban joint ventures and all major finance transactions in favour of Cuban borrowers require the prior approval of the relevant Cuban government authorities and will be governed by the terms of any such approval and the prevailing laws and regulations in Cuba. This may have an effect on the speed and efficiency with which investments may be concluded and implemented.

Wherever possible and appropriate, the Investment Manager structures the investments of the Company so that each individual investment in Cuba is made through a separate holding company established outside Cuba, although investments within the same or similar sectors are also generally grouped in sector-specific holding companies with a view to facilitating the management and realization of such investments. An additional advantage of structuring investments through wholly or partially-owned holding companies incorporated outside Cuba is that the Company may be able to realize its interest in such companies without being required to obtain the prior approval from the Cuban government, which is required for the disposal of any direct interest in a Cuban joint venture or other foreign investment vehicle.

If possible, the Investment Manager may in the future seek to realize equity investments of the Company by making disposals through a public securities market. It should be noted, however, that there is currently no stock exchange or other public

securities market in Cuba. Where no public securities market exists for the sale of the equity investments that the Company wishes to exit, the Company is likely to seek to sell such investments on a private basis to institutional, corporate or individual investors. The relative attractiveness of these different realization routes is likely to be influenced significantly by any future relaxation or change in the US Cuban embargo rules presently in force.

Net Asset Valuation

The Net Asset Value of the Shares of the Company is calculated in respect of the last day of every calendar month.

Compulsory Share Transfer Mechanism

As a result of the existing US Cuban embargo regulations, securities in the Company may not be held, directly or indirectly, by or for the benefit of any US Person. Consequently, holders of securities in the Company should at all times take appropriate precautions so as to ensure that their securities or certificates thereof are not held or transferred through custodians, depositaries, or other intermediaries that may in any way be considered a US Person within the meaning of the US Cuban Assets Control Regulations.

The Articles of the Company explicitly provide that, in the event that the Board becomes aware that securities of the Company are held by a US Person, the Board may serve a compulsory transfer notice upon such US Person requiring the compulsory transfer of the relevant securities of the Company to another person that is not a US Person. If such transfer is not completed within the period specified in the Articles, the Board has the power to cause the compulsory transfer of the relevant securities.

Risk Factors

Shareholders, holders of Warrants 2007 and potential investors in the Company should be aware that investment in Cuba involves a high degree of risk and that trading in the securities of the Company is likely to be limited. Investment in the Company is only suitable for sophisticated investors who understand the nature of these risks. Investors should also consider the following risks.

Country Risk

Cuba remains a socialist country where the government maintains a very high degree of control over economic matters. Cuban government policies may have a significant impact on business in general and the prospects of the Company in particular. There remain a large number of restrictions on the operations of foreign companies and foreign investment vehicles in Cuba and future changes in government policy may adversely affect the Company or its investments in Cuba.

THE COMPANY

Cuba's Economy

Although the Cuban economy has shown growth in recent years, continued growth appears to have stagnated and future growth and development will depend, amongst other factors, upon the ability of the Cuban government and people to successfully adapt to new circumstances, upon government support of foreign investments and upon external factors such as world oil and nickel prices, the state of the world tourism market, Cuba's relationships with its allies Venezuela and China, its relationship with the United States and the US Cuban embargo, which has had, and is expected to continue to have, a significant adverse effect on the Cuban economy.

Cuban Law and Commercial Practice

Cuba has adopted a legal and regulatory system that on its face encourages and protects foreign investments. However, Cuba's legal system and the institutions that implement it are not characteristic of a parliamentary democracy or market economy. As in many other pre-emerging markets, Cuba's legal and regulatory system is in a formative stage and lacks independent institutional history and regularly observed procedural safeguards. There can be no assurance that previously relaxed controls or regulations will not be re-imposed or that new restrictions will not be imposed in the future. Legal rights of foreign investors may not be enforceable in Cuba to the same extent as they would be in fully developed industrialized states. There is no applicable regulatory regime governing the investment management sector in Cuba.

Accounting Standards and Audits

The consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS) as prescribed by the International Accounting Standards Board (IASB). Where possible, the Company applies IFRS to all subsidiary companies, which are audited by an international audit firm applying these standards to the financial statements. However, a number of companies in which the Company holds a participation are subject to Cuban accounting standards, which differ from internationally-recognized standards. Consequently, the financial information provided by these companies may not be as reliable as financial information prepared by companies in other countries.

Liquidity of Investments and Deadlock

All investments in Cuban joint venture companies and other foreign investment vehicles will generally be illiquid. Significant legislative changes will be required before direct interests in Cuban foreign investment vehicles can be held in a form that can be freely traded. Although the Company generally tries to balance its investment portfolio between debt and equity instruments and generally tries to structure its equity investments in Cuban foreign investment vehicles so as to include a viable exit strategy, this factor

may limit the ability of the Company to formulate and execute appropriate realization strategies or to realize investments in the short or medium term. The fact that most of the Cuban foreign investment vehicles are structured as 50/50 partnerships where the Cuban and foreign parties have equal representation on management and other decision-making bodies may give rise to deadlock situations which may have a material adverse effect on the ability of such partnerships to make key decisions affecting operations.

US Cuban Embargo Regulations

The (US) Cuban Assets Control Regulations prohibit US Persons from involvement in any transaction connected with property in which Cuba or a national thereof has any interest of any kind. The use of bank or custody accounts in the US or non-US branches of US banks or custodians for payments or receipts of funds or for the custody of certificates relating to the Shares and Warrants 2007 of CEIBA Investments is therefore not allowed.

It is the policy of the Board that the Company should not knowingly and intentionally invest in a business or venture which owns, uses or controls property in respect of which there is a significant risk of liability as a result of an outstanding claim which has been certified by the US Foreign Claims Settlement Commission.

Currency and Transfer Risks

The Share capital of the Company is denominated in Euros. However, the accounts and net asset value of the Company are calculated and reported in US Dollars since the majority of the Company's investments are denominated in US Dollars. In order to mitigate currency risk and any negative effect resulting from movements in the exchange rate between the Euro and the US Dollar, the Company may hedge its liquid investments in Euros.

The Cuban Convertible Peso ("CUC") is the single currency for all hard currency transactions in Cuba. Its value is presently pegged to the US Dollar at a rate of 1.08. All Cuban State owned companies operate in CUCs and Cuban Pesos ("CUP"). Foreign companies are presently not allowed to operate in CUCs. The fixed exchange rate between the US Dollar and the CUC may be revalued by the Cuban Central Bank and the CUC may be imposed in all transactions in Cuba. Such an extension of the use of the CUC as the single currency for all transactions and operations in Cuba may adversely affect the direct investments of the Company in Cuba, although Cuba's Foreign Investment Act guarantees the free repatriation of profits in freely convertible currency.

Since the first half of 2009, significant delays were reported in the transfer of hard currency (from Cuban to foreign bank accounts), a number of Cuban government bonds and other financial instruments were rescheduled to later dates and certain defaults under finance facilities were reported. The Company believes that the level of transfer risk associated with the repatriation of hard currency from Cuba has increased and should be taken into account in all operations.

THE COMPANY

Dependence on Investment Manager and Key Officers

All investment decisions relating to the portfolio of the Company will be made by the Investment Manager under the supervision of the Board of Directors of the Company. Key officers of the Investment Manager have significant experience in the structuring, execution and implementation of direct investments and finance transactions in Cuba. The success of the investments of the Company in Cuba may depend to a large extent on such key officers. There can be no assurance that the key officers of the Investment Manager will remain with the Investment Manager or that adequate replacement personnel may be recruited in the event of their departure. The key officers of the Investment Manager include in particular Sebastiaan A.C. Berger, Cameron Young and Enrique Rotenberg.

Tropical Storms and Hurricanes

Cuba is located in an area which is subject to frequent tropical storms and hurricanes that may cause damage to property, infrastructure and crops, and that may have a negative impact on the country's economy. Properties in which the Company invests may be subject to damage. The principal assets of the Company, including the Miramar Trade Center and the operating hotel properties in which the Company holds interests have been insured against natural disasters including tropical storms and hurricanes.

During 2008, Cuba was affected by four major tropical cyclones, three of which hit the island directly. The assets in which the Company has invested suffered no damages.

The Directors present their interim condensed consolidated financial statements for the six months ended 30 September 2010.

ACTIVITIES

The principal investment objective of CEIBA Investments Limited (“CEIBA” or the “Company”) is to achieve long-term capital growth from direct and indirect investment in or with Cuban businesses, balanced by current income from interest-bearing financial instruments and other financial transactions and revenue-generating investments primarily related to Cuba.

The Company is managed out of the Havana offices of CEIBA Property Corporation Limited (“CPC”), a wholly-owned subsidiary of the Company. CPC has a professional team of 15 members and has a proven track record of successful negotiation, acquisition, development and implementation of projects in Cuba. In particular, the following activities are carried out from the Havana office:

- (i) The monitoring and supervision of the activities of the operating assets that the Company is invested in;
- (ii) The sourcing, analysis and negotiation of potential acquisitions and new development projects and;
- (iii) The structuring and implementation of treasury and finance operations.

RESULTS

The net loss for the six months ended 30 September 2010 amounted to US\$ 532,800 (2009 loss: US\$ 260,218). There was no charge for taxation.

PERFORMANCE

During the current financial period, the net asset value of the Company decreased by US\$ 456,244. Interest income consists primarily of interest earned from the participation by the Company in facilities provided to Casa Financiera FINTUR S.A. The Company also earned dividend income from its hotel investments. The most significant expenses of the Company were the management fees paid to CEIBA International Management Ltd. (the “Investment Manager”).

DIVIDENDS

No dividends were declared during the period. However, on 3 December 2010, the Company distributed an interim dividend to all ordinary Shareholders at a rate of US\$ 0.087 per Share payable in its € equivalent, or in Shares at a rate of 1 ordinary € 0.10 Share per every 12.5 Shares held. As a result of this dividend, US\$ 11,473,926 was paid by the Company in cash and 26,248 ordinary shares were issued totalling US\$ 28,545 (see note 18).

DIRECTORS AND THEIR INTERESTS

Except as stated in note 15 to the interim condensed consolidated financial statements, no Director has had an interest in any transaction which, during the reporting period, has been effected by the Company, or any interest, direct or indirect, in the promotion of the Company or in any assets which have been acquired or disposed of or leased to the Company or are proposed to be acquired, disposed of by or leased to the Company. The names of the Directors and their interest in the share capital of the Company as at 30 September 2010 are shown in note 15.

AUDITORS

The appointment of Ernst & Young as the Company's auditors was approved at the Annual General Meeting of the Shareholders held on 20 December 2010.

Approved by Board of Directors on 20 January 2011 and signed on its behalf:



Sebastiaan A.C. Berger
Director



Jaime García-Andrade
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Directors have elected to prepare interim condensed consolidated financial statements of the Company for the six months ended 30 September 2010, which give a true and fair view of the state of affairs of the Company and of the profit for the period then ended. In preparing these interim condensed consolidated financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the interim condensed consolidated financial statements; and
- prepare the interim condensed consolidated financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors have assumed responsibility for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the interim condensed consolidated financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
CEIBA Investments Limited

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of CEIBA Investments Ltd. and its subsidiaries (hereinafter “the Company”) as at 30 September 2010, comprising of the interim consolidated statement of financial position as at 30 September 2010 and the related interim consolidated statements of comprehensive income, changes in equity and cash flow for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material aspects, in accordance with IAS 34 and the Companies (Guernsey) Law, 2008.

20 January 2011



ERNST & YOUNG

UNAUDITED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2010

	Note	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
NON-CURRENT ASSETS			
Loans and advances	3	16,325,294	21,640,973
Unlisted investments	4	106,650,298	106,650,298
Accounts receivable and accrued income	6	94,085	85,867
Property, plant and equipment	5	409,663	429,625
		<u>123,479,340</u>	<u>128,806,763</u>
CURRENT ASSETS			
Accounts receivable and accrued income	6	1,566,912	1,633,223
Loans and advances	3	13,053,428	17,254,498
Cash and cash equivalents	7	5,600,082	1,523,996
		<u>20,220,422</u>	<u>20,411,717</u>
TOTAL ASSETS		<u>143,699,762</u>	<u>149,218,480</u>
CURRENT LIABILITIES			
Accounts payable and accrued expenses	8	(159,997)	(711,491)
Short-term borrowings	9	-	(4,510,980)
		<u>(159,997)</u>	<u>(5,222,471)</u>
TOTAL LIABILITIES		<u>(159,997)</u>	<u>(5,222,471)</u>
TOTAL NET ASSETS		<u>143,539,765</u>	<u>143,996,009</u>
REPRESENTED BY:			
EQUITY			
Share capital	10	16,361,411	16,361,411
Share premium	10	49,632,507	49,632,507
Special reserve	10	51,620,287	51,620,287
Revaluation reserve		99,599	99,599
Retained profits	11	25,825,961	26,358,761
Foreign currency translation reserve	12	-	(76,556)
		<u>143,539,765</u>	<u>143,996,009</u>
Net asset value per share		1.0857	1.0891
Shares in issue	10	132,212,352	132,212,352

Notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Approved by Board of Directors on 20 January 2011 and signed on its behalf:



Sebastiaan A.C. Berger
Director



Jaime García-Andrade
Director

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010**

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	Note	6 months ended 30 Sept 2010 (unaudited) US\$	6 months ended 30 Sept 2009 (unaudited/restated) US\$
INCOME			
Dividend income	4	988,077	734,241
Interest income		1,136,646	1,867,973
Other income		155,653	210,226
		<hr/> 2,280,376	<hr/> 2,812,440
EXPENSES			
Management fees		(1,741,567)	(1,820,088)
Staff costs		(335,151)	(352,575)
Administration fees and expenses		(130,965)	(117,808)
Travel		(110,368)	(56,200)
Selling and operational costs		(227,207)	(285,114)
Legal expenses		(96,799)	(35,575)
Director fees and expenses	15	(83,483)	(82,048)
Interest expense		(59,505)	(279,910)
Audit fee		(52,303)	(36,365)
Depreciation	5	(41,926)	(46,550)
Amortization		-	(51,967)
Miscellaneous expenses		(32,909)	(50,222)
Custodian fees		(4,447)	(7,985)
		<hr/> (2,916,630)	<hr/> (3,222,407)
Currency exchange income		103,454	149,749
		<hr/> (532,800)	<hr/> (260,218)
NET LOSS FOR THE PERIOD			
Loss per share	16	(0.0040)	(0.0020)
OTHER COMPREHENSIVE INCOME			
Foreign exchange differences of translation of foreign operations	12	76,556	1,017,432
		<hr/> (456,244)	<hr/> 757,214
TOTAL COMPREHENSIVE (LOSS) INCOME			

Notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010**

**UNAUDITED
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	6 months ended 30 Sept 2010 (unaudited) US\$	6 months ended 30 Sept 2009 (unaudited/restated) US\$
OPERATING ACTIVITIES		
Net loss for the period	(532,800)	(260,218)
Items that do not generate cash flow:		
Depreciation	41,926	46,550
Amortization	-	51,967
Movements in operating activities:		
Decrease in accounts receivable	58,093	2,155,109
(Decrease) increase in accounts payable	(551,494)	6,673,851
NET CASH FLOWS FROM OPERATING ACTIVITIES	(984,275)	8,667,259
INVESTING ACTIVITIES		
(Purchase) disposal of property, plant & equipment (net)	(21,964)	(63,781)
Investments in unlisted companies	-	(29,814,636)
Loans and advances issued	-	8,208
Loans and advances repaid	9,096,518	7,437,993
CASH FLOWS FROM INVESTING ACTIVITIES	9,074,554	(22,432,216)
FINANCING ACTIVITIES		
Short-term borrowings	-	6,344,151
Short-term borrowings repaid	(4,312,370)	-
CASH FLOWS FROM FINANCING ACTIVITIES	(4,312,370)	6,344,151
Net foreign exchange differences	298,177	107,999
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,076,086	(7,312,807)
Cash and cash equivalents at start of the period	1,523,996	12,826,351
NET CASH FLOWS	4,076,086	(7,312,807)
Cash and cash equivalents at end of the period	5,600,082	5,513,544
SUPPLEMENTARY INFORMATION:		
Interest collected	1,213,306	1,855,635
Interest paid	(587,540)	-

Notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

**UNAUDITED
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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010**

	6 months ended 30 Sept 2010 (unaudited) US\$	6 months ended 30 Sept 2009 (unaudited) US\$
SHARE CAPITAL		
Initial balance	16,361,411	15,861,376
Equity shares issued during the year (note 10)	-	500,035
Final balance	16,361,411	16,361,411
SHARE PREMIUM		
Initial balance	49,632,507	45,929,247
Equity shares issued during the year (note 10)	-	3,703,260
Final balance	49,632,507	49,632,507
SPECIAL RESERVE (NOTE 10)		
Initial balance	51,620,287	51,620,287
Final balance	51,620,287	51,620,287
REVALUATION RESERVE		
Initial balance	99,599	99,599
Final balance	99,599	99,599
RETAINED PROFITS (NOTE 11)		
Initial balance	26,358,761	25,425,206
Net loss for the period	(532,800)	(260,218)
Final balance	25,825,961	25,164,988
FOREIGN CURRENCY TRANSLATION RESERVE (NOTE 12)		
Initial balance	(76,556)	4,126,739
Exchange differences of translation of foreign operations	76,556	1,017,432
Final balance	-	5,144,171
TOTAL EQUITY	143,539,765	148,022,963

Notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

CONDENSED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

1. CORPORATE INFORMATION

CEIBA Investment Limited (the “Company” or “CEIBA Investments”) is an investment company incorporated with limited liability in Guernsey, Channel Islands on 10 October 1995. The Company was listed on the Channel Islands Stock Exchange (CISX) on 13 May 2004 (trading symbol CBA). The address of the registered office is Frances House, Sir William Place, St. Peter Port, Guernsey, GY1 4HQ.

The principal investment objective of the Company is to achieve long-term capital growth from direct and indirect investment in or with Cuban businesses, balanced by current income from interest-bearing financial instruments and other financial transactions and revenue-generating investments primarily related to Cuba.

At the Annual General Meeting of the Company held on 20 December 2007, it was resolved to revise the provision of the Articles of Association of the Company that requires the shareholders to extend the life of the Company every 5 years so that such extension will be valid for 10 year periods. The next vote concerning the extension of the life of the Company will be in 2015.

These interim condensed consolidated financial statements were authorised by the Board of Directors for publication on 20 January 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 September 2010 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for the full annual financial statements, and should be read in conjunction with the Annual Report and Consolidated Financial Statements of the Company as at and for the year ended 31 March 2010.

2.2 Accounting policies

The accounting policies applied in the preparation of the interim condensed consolidated financial statements are consistent with those of the annual consolidated financial statements for the year ended 31 March 2010.

The following amended IFRS and interpretation (IFRIC) effective from 1 January 2010, do not have an effect on the Company's financial statement:

IFRS 1 First-Time Adoption of International Financial Reporting Standard (effective from 1 January 2010)

- IFRS 2 Group Cash-settled Share-based Payment Arrangements (effective from 1 January 2010)
- IFRS 3 Business Combinations (effective from 1 July 2009)
- IAS 27 Consolidated and Separate Financial Statements (effective from 1 July 2009)
- IAS 39 Financial Instruments (effective from 1 July 2009)
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective from 1 July 2009)
- Improvements to IFRSs (Issued May 2008 and April 2009)

2.3 Foreign currency translation

Transactions denominated in foreign currencies during the period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate prevailing at the end of the period. Profits or losses thus arising are dealt with in the consolidated statement of comprehensive income.

The financial statements of foreign subsidiaries included in the consolidation are translated into the reporting currency in accordance with the method established by IAS 21. Assets and liabilities are translated at the closing rates at the statement of financial position date, and income and expense items at the average rates for the period. Translation differences are taken to equity and shown separately as foreign exchanges reserves on consolidation without affecting income.

The exchange rate used in these interim condensed consolidated financial statements at 30 September 2010 is 1 Euro = 1.3621 US\$.

2.4 Consolidation

The Company had direct and indirect equity interests in the following entities as at 30 September and 31 March 2010:

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Entity Name	Country of Incorporation	Equity interest held by the Company or holding entity	
		30 Sept 2010	31 March 2010
1. CEIBA Property Corporation Limited (a) (i)	Guernsey	100%	100%
1.1. CEIBA Publications Limited (a) (ii)	Guernsey	100%	100%
1.2. GrandSlam Limited (a) (iii)	Guernsey	100%	100%
1.3. CEIBA Leisure Limited (a) (iv)	Guernsey	50%	50%
1.4. Antilles Property Limited (a) (iv)	Guernsey	100%	100%
1.5. CEIBA MTC Properties Inc. (a) (iv)	Panama	100%	100%
1.5.1. Inmobiliaria Monte Barreto S.A. (b) (v)	Cuba	49%	49%
1.6. Mosaico Hoteles S.A. (a) (iv)	Switzerland	100%	100%
1.6.1. TosCuba S.A. (b) (vi)	Cuba	50%	50%
1.7. CEIBA Tourism Coöperatief U.A. (a) (iv)	Holland	100%	100%
1.7.1. Corporación Interinsular Hispana S.A. (b) (iv)	Spain	15%	15%
1.7.1.1. Cuba Canarias S.A. (b) (vii)	Cuba	50%	50%
1.7.2. HOMASI S.A. (b) (iv)	Spain	45%	45%
1.7.2.1. Miramar S.A. (b) (viii)	Cuba	50%	50%
2. Industrias Antillanas Limited (a) (iv)	Guernsey	100%	100%
2.1. Caricel Inc. (c) (iv)	Barbados	10%	10%
2.1.1. Intercan Inc. (c) (iv)	Barbados	100%	100%
2.1.1.1. Caripap Inc. (c) (ix)	Barbados	50%	50%
2.1.1.2. Productos Sanitarios S.A. (c) (x)	Cuba	50%	50%
3. CEIBA Finance Corporation Limited (a) (xi)	Guernsey	100%	100%

- a) Company consolidated at 30 September and 31 March 2010.
- b) Company accounted at fair value at 30 September and 31 March 2010 on the basis of the exception contemplated in IAS 31.1.
- c) Company accounted at fair value at 30 September and 31 March 2010.
- (i) Holding company for the Company's interests in real estate investments in Cuba that are facilitated by a representative office in Havana.
- (ii) Publication company dedicated to publications related to Cuba.
- (iii) Operates a travel agency that provides services to international clients for travel to Cuba.
- (iv) Holding company for underlying investments, conducting no operating activity and with no other significant assets.
- (v) Joint venture company that holds the Miramar Trade Center as its principal asset.
- (vi) Joint venture company incorporated to build a beach hotel in Trinidad, Cuba.
- (vii) Joint venture company that holds as its principal assets the Meliá Las Americas Hotel, Meliá Varadero Hotel and Sol Palmeras Hotel.
- (viii) Joint venture company that holds the Meliá Habana Hotel as its principal asset.
- (ix) Trading company that imports and exports paper products primarily to/from Cuba.
- (x) Company that operates a paper mill in Cuba producing tissue paper products.
- (xi) Finance company that invests primarily in short-term financing instruments related to Cuba.

During the period FDI Holdings Limited, a wholly owned subsidiary of CEIBA Property Corporation Limited (“CPC”), was liquidated and as a result, its 100% interest in the equity of CEIBA MTC Properties Inc. was transferred to CPC.

2.5 Reporting and functional currency

At 1 April 2010, the functional currency of the Company has been changed from Euro (€) to United States Dollars (US\$) due to the majority of the Company's assets being denominated in US\$ and that the Company receives dividend income from its principal investments also denominated in US\$.

At 31 March 2010, the reporting currency of the Company was changed from Euro to US\$. The comparative figures of 30 September 2009, which have also been translated to US\$ in accordance with IAS 21, included expenses related to foreign exchange (€/US\$) in the “Changes in fair value of investments” account, which was previously reported correctly in Euro, but has been adjusted for reporting in US\$. As a consequence of the adjustment in foreign exchange to redenominated the comparative figures to US\$, the “changes in fair value of investment” account is no longer applicable, therefore the loss for the period ended at 30 September 2009 has been adjusted from € (6,585,827) as reported in the prior year to US\$ (260,218).

3. LOANS AND ADVANCES

	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
CASA FINANCIERA FINTUR S.A.		
€ 50 million facility – 2008 Tranche A	2,156,651	6,428,146
€ 50 million facility – 2008 Tranche B	23,836,700	28,419,174
BANCO INTERNACIONAL DE COMERCIO S.A.		
€ 3 million facility – 2008	3,064,718	3,721,559
OTHER LOANS AND ADVANCES (US\$)	<u>320,653</u>	<u>326,592</u>
TOTAL	<u>29,378,722</u>	<u>38,895,471</u>
CURRENT PORTION	<u>(13,053,428)</u>	<u>(17,254,498)</u>
NON-CURRENT PORTION	<u>16,325,294</u>	<u>21,640,973</u>

The loans and advances portfolio has the following maturities:

	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
Up to 30 days	2,383,670	2,368,265
Between 31 and 90 days	2,497,175	2,481,039
Between 91 and 180 days	2,724,194	4,849,303
Between 181 and 365 days	5,448,389	7,555,891
Between 1 and 2 years	10,896,777	10,826,353
Between 2 and 3 years	5,107,864	10,488,028
No specific dates of repayment	<u>320,653</u>	<u>326,592</u>
	<u>29,378,722</u>	<u>38,895,471</u>

The above gross amounts are split into the following industry groupings:

	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
Tourism financing	25,993,351	34,847,320
Banking	3,064,718	3,721,559
Other	320,653	326,592
	<u>29,378,722</u>	<u>38,895,471</u>

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4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
UNLISTED INVESTMENTS		
Inmobiliaria Monte Barreto S.A. (Related party)	72,975,496	72,975,496
Corporación Interinsular Hispana S.A. (Related party) (i)	15,557,608	15,557,608
HOMASI S.A. (Related party) (i)	13,875,341	13,875,341
TosCuba S.A. (Related party)	3,226,882	3,226,882
Caricel Inc. (Related party)	1,014,971	1,014,971
	<u>106,650,298</u>	<u>106,650,298</u>

(i) The investments in Corporación Interinsular Hispana S.A. ("CIHSA") and HOMASI S.A. ("HOMASI") are comprised of equity interests and contractual interests in their net earnings as per participation agreements. The net economic interests of the Company in CIHSA and HOMASI are 27.75% and 51.55%, respectively.

The movements and profit on the revaluation of investments are as follows:

	6 months ended 30 Sept 2010 (unaudited) US\$	12 months ended 31 March 2010 (audited) US\$
UNLISTED INVESTMENTS		
Initial balance	106,650,298	76,814,477
Movement during the period:		
Investment TosCuba S.A.	-	381,687
Acquisition Corporación Interinsular Hispana S.A.	-	15,557,608
Acquisition HOMASI S.A.	-	13,875,341
Fair value adjustments:		
Currency exchange income variation	-	21,185
Revaluation of investment – Inmobiliaria Monte Barreto S.A.	-	1,029,000
Revaluation of investments – CIHSA and HOMASI	-	1,056,258
Dividends received	-	(2,085,258)
Carrying amount at fair value	<u>106,650,298</u>	<u>106,650,298</u>
LISTED INVESTMENTS		
Initial balance	-	24,134
Movement during the period:		
Disposal of Thundermin Resources Limited	-	(43,521)
Gain on sale	-	19,387
Carrying amount at fair value	<u>-</u>	<u>-</u>
TOTAL	<u>106,650,298</u>	<u>106,650,298</u>

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Dividends declared during the period from the investments above were as follows:

	6 months ended 30 Sept 2010 (unaudited) US\$	12 months ended 31 March 2010 (audited) US\$
Inmobiliaria Monte Barreto S.A. (Related party)	-	1,029,000
CIHSA – Dividends	488,077	-
CIHSA – Participation Agreement distributions	400,000	800,984
HOMASI – Participation Agreement distributions	100,000	255,274
	<u>988,077</u>	<u>2,085,258</u>

Dividends during the six month period ended 30 September 2009 were US\$ 734,241, declared by Inmobiliaria Monte Barreto S.A.

5. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles US\$	Leasehold improvement US\$	Furniture / Equipment US\$	Works of art US\$	Total US\$
COST:					
At 1 April 2009	273,624	92,468	81,713	234,200	682,005
Additions	125,238	-	2,763	-	128,001
Disposals	(72,364)	-	(630)	-	(72,994)
At 31 March 2010	326,498	92,468	83,846	234,200	737,012
Additions	-	-	21,964	-	21,964
Disposals	-	-	-	-	-
At 30 September 2010	326,498	92,468	105,810	234,200	758,976
ACCUMULATED DEPRECIATION:					
At 1 April 2009	154,992	51,867	53,255	-	260,114
Additions	46,604	33,442	11,276	-	91,322
Disposals	(43,419)	-	(630)	-	(44,049)
At 31 March 2010	158,177	85,309	63,901	-	307,387
Additions	28,706	7,159	6,061	-	41,926
Disposals	-	-	-	-	-
At 30 September 2010	186,883	92,468	69,962	-	349,313
NET BOOK VALUE:					
At 30 September 2010	139,615	-	35,848	234,200	409,663
At 31 March 2010	168,321	7,159	19,945	234,200	429,625

During the period of six months ended 30 September 2010, the Company acquired assets with a cost of US\$ 21,964 (30 September 2009: US\$ 63,781). Depreciation of Property, plant and equipment for the period of six months ended 30 September 2010 was US\$ 41,926 (30 September 2009: US\$ 46,550).

6. ACCOUNTS RECEIVABLE AND ACCRUED INCOME

	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
Dividends receivable – Inmobiliaria Monte Barreto S.A.	629,000	1,029,000
Dividends receivable – CIHSA	488,077	-
Accrued interest income	428,916	505,576
Other account receivable	115,004	184,514
	<u>1,660,997</u>	<u>1,719,090</u>
CURRENT PORTION	(1,566,912)	(1,633,223)
NON-CURRENT PORTION	94,085	85,867

Accounts receivable and accrued income have the following maturities:

	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
Up to 30 days	783,623	527,685
Between 31 and 90 days	758,806	69,000
Between 91 and 180 days	9,360	1,034,967
Between 181 and 365 days	15,123	1,571
Over 365 days	94,085	85,867
	<u>1,660,997</u>	<u>1,719,090</u>

7. CASH AND CASH EQUIVALENTS

	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
Bank current accounts (i)	5,600,082	1,523,996
	<u>5,600,082</u>	<u>1,523,996</u>

(i) Balance without restriction

8. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
Accrued interest payable	-	(528,035)
Accrued expenses	(126,757)	(134,101)
Other accounts payable	(33,240)	(49,355)
	<u>(159,997)</u>	<u>(711,491)</u>

Maturity profile of accounts payable and accrued expenses based on contractual undiscounted payments:

	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
Up to 30 days	(117,920)	(400,801)
Between 31 and 90 days	(7,207)	(310,690)
Between 181 and 365 days	(34,870)	-
	<u>(159,997)</u>	<u>(711,491)</u>

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9. SHORT-TERM BORROWINGS

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	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
Corporación Financiera Habana S.A. (i)	-	(4,510,980)
	-	(4,510,980)

(i) Short-term borrowings have been secured by future principal payments receivable from FINTUR S.A. and bear an annual interest rate of 14%.

Short-term borrowings have the following maturities:

	30 Sept 2010 (unaudited) US\$	31 March 2010 (audited) US\$
Up to 30 days	-	(2,255,490)
Between 31 and 90 days	-	(2,255,490)
	-	(4,510,980)

10. SHARE CAPITAL, SHARE PREMIUM AND SPECIAL RESERVE

Authorised

As at 30 September 2010 and 2009, the authorized share capital amounted to € 40,000,000, consisting of 400,000,000 ordinary shares with a nominal value of € 0.10 each.

Issued

The following table shows the movement of the issued shares during the period:

	Number of ordinary shares	Share capital US\$	Share premium US\$
At 31 March 2009	128,438,638	15,861,376	45,929,247
Issuance of shares – Performance fee (Note 13)	3,773,714	500,035	3,703,260
At 30 September and 31 March 2010	<u>132,212,352</u>	<u>16,361,411</u>	<u>49,632,507</u>

Special reserve

The special reserve was created by the conversion of the share premium account to allow for the distribution of dividends. Dividends paid by the Company may be accounted for as a reduction in the special reserve.

11. RETAINED PROFITS

The movements of the retained profits for the six months ended 30 September 2010 and the year ended 31 March 2010 are as follow:

	6 months ended 30 Sept 2010 (unaudited) US\$	12 months ended 31 March 2010 (audited) US\$
Initial balance	26,358,761	25,425,206
Net (loss) profit for the period	(532,800)	528,258
Share-based payments recognition (Note 13)	-	405,297
Final balance	<u>25,825,961</u>	<u>26,358,761</u>

12. FOREIGN CURRENCY TRANSLATION RESERVE

The movements of the foreign currency translation reserve for the six months ended 30 September 2010 and the year ended 31 March 2010 are as follow:

	6 months ended 30 Sept 2010 (unaudited) US\$	12 months ended 31 March 2010 (audited) US\$
Initial balance	(76,556)	4,126,739
Exchange differences of translation of foreign operations	76,556	(4,203,295)
Final balance	-	(76,556)

13. SHARE BASED PAYMENTS

The Investment Manager received fees and compensation in the form of share based payments, whereby the Investment Manager or Directors render services as consideration for equity instruments.

The cost of equity-settled transactions with the Investment Manager is measured by reference to the fair value at the date on which they are granted. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in the statement of comprehensive income.

As at 31 March 2010 the Company recognised share based payments related to IM Warrants totalling US\$ 405,297, with a fair value of US\$ 0.1533 per warrant, estimated by using the Black-Scholes option-pricing model.

The share based payments related to the performance fees for the financial year ended 31 March 2009 were issued in September 2009 in the amount of US\$ 4,203,296.

14. SEGMENT REPORTING

The primary segment reporting format is determined to be business segments as the Company's risks and returns are affected by the differences in investment activities. No geographical information is reported since all investment activities are located in Cuba. The operating businesses are organised and managed separately through different companies. For management purposes, the Company is organised into five business segments:

- **Commercial property:** Activities concerning the Company's interests in commercial real estate investments in Cuba that are facilitated by a representative office in Havana.
- **Financing:** Financing activities consisting in medium-term secured facilities and short-term financial instruments related to Cuba.
- **Paper:** The Company's interest in Cuban joint venture company that operates a paper mill in Cuba producing tissue paper products.

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- **Publication:** Publishing activities related to Cuba.
- **Tourism / Leisure:** Activities concerning the Company's interests in hotel investments in Cuba and operations of a travel agency that provides services to international clients for travel to Cuba.

No operating segments have been aggregated to form the above reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

	30 September 2010 US\$					
	Commercial property	Tourism / Leisure	Financing	Paper	Publication	Total
Allocated assets	74,922,047	33,595,690	34,166,356	1,014,971	698	143,699,762
Unallocated assets	-	-	-	-	-	-
Total assets	74,922,047	33,595,690	34,166,356	1,014,971	698	143,699,762
Allocated liabilities	(9,200)	(20,743)	(128,554)	-	(1,500)	(159,997)
Unallocated liabilities	-	-	-	-	-	-
Total liabilities	(9,200)	(20,743)	(128,554)	-	(1,500)	(159,997)

	6 months ended 30 September 2010 US\$					
	Commercial property	Tourism / Leisure	Financing	Paper	Publication	Total
Allocated income	-	1,110,682	1,169,694	-	-	2,280,376
Unallocated income	-	-	-	-	-	-
Total income	-	1,110,682	1,169,694	-	-	2,280,376
Allocated expenses	(539,079)	(151,855)	(474,673)	(1,350)	(8,106)	(1,175,063)
Unallocated expenses (1)	-	-	-	-	-	(1,741,567)
Total expenses	(539,079)	(151,855)	(474,673)	(1,350)	(8,106)	(2,916,630)
Allocated (loss) profit	(539,079)	958,827	695,021	(1,350)	(8,106)	1,105,313
Unallocated loss	-	-	-	-	-	(1,741,567)
Currency exchange income	-	-	-	-	-	103,454
Total (loss) profit	(539,079)	958,827	695,021	(1,350)	(8,106)	(532,800)
Other segment information:						
Property, plant & equipment expenditure	21,964	-	-	-	-	21,964
Depreciation	(40,652)	(438)	-	-	(836)	(41,926)

	31 March 2010 US\$					
	Commercial property	Tourism / Leisure	Financing	Paper	Publication	Total
Allocated assets	74,990,170	33,110,330	40,101,474	1,014,971	1,535	149,218,480
Unallocated assets	-	-	-	-	-	-
Total assets	74,990,170	33,110,330	40,101,474	1,014,971	1,535	149,218,480
Allocated liabilities	(19,866)	(39,781)	(5,160,324)	-	(2,500)	(5,222,471)
Unallocated liabilities	-	-	-	-	-	-
Total liabilities	(19,866)	(39,781)	(5,160,324)	-	(2,500)	(5,222,471)

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	Commercial property	Tourism / Leisure	Financing	Paper	Publication	Total
Allocated income	21,867	886,849	1,903,678	-	46	2,812,440
Unallocated income	-	-	-	-	-	-
Total income	21,867	886,849	1,903,678	-	46	2,812,440
Allocated expenses	(502,630)	(170,078)	(663,528)	-	(66,083)	(1,402,319)
Unallocated expenses (1)	-	-	-	-	-	(1,820,088)
Total expenses	(502,630)	(170,078)	(663,528)	-	(66,083)	(3,222,407)
Allocated profit (loss)	(480,763)	716,771	1,240,150	-	(66,037)	1,410,121
Unallocated profit (loss)	-	-	-	-	-	(1,820,088)
Currency exchange income (loss)	-	-	-	-	-	149,749
Total profit (loss)	(480,763)	716,771	1,240,150	-	(66,037)	(260,218)
Other segment information:						
Property, plant & equipment expenditure	63,781	-	-	-	-	63,781
Depreciation	(44,503)	(1,076)	-	-	(971)	(46,550)

(1) Unallocated expenses: Management fees for the period ended 30 September 2010 of US\$ 1,741,567 (30 September 2009: US\$ 1,820,088).

15. RELATED PARTIES DISCLOSURES

Compensation of Directors

Each Director receives a fee of € 9,000 (US\$ 12,259) per annum with the Chairman receiving € 25,000 (US\$ 34,052). The Chairman and Directors also receive € 1,700 (US\$ 2,316) in attendance fees per quarterly meeting and are reimbursed other expenses properly incurred by them in attending meetings and other business of the Company. No other compensation or post employment benefits are established with Directors.

Transactions with Directors and shareholders

The Value Catalyst Fund Limited and Northview Investment Fund Limited are shareholders of the Company and are also participants in the syndicated facilities with Casa Financiera FINTUR S.A. Enrique Rottenberg and Sebastiaan A.C. Berger are directors of the Company and also directors of various subsidiaries of the Company and Enrique Rottenberg, Sebastiaan A.C. Berger and Colin Kingsnorth are directors of the Company and also directors and shareholders of the Investment Manager, CEIBA International Management Ltd.

Transactions with related parties

During the year there were a number of transactions involving the issuance of shares of the Company and related parties. For additional information see notes 3, 4, and 6.

Directors' interests in the share capital

Sir John Morgan does not have any interest in the share capital of the Company.

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Colin Kingsnorth is a director and shareholder of Laxey Partners Limited (Laxey). Laxey holds 257,489 shares and 244,929 Warrants 2007. Funds managed by Laxey hold 26,599,223 shares and 25,305,628 Warrants 2007.

Sebastiaan A.C. Berger is a director and shareholder of companies that hold 1,109,887 Shares and 1,109,887 Warrants 2007, and 750,000 Shares, respectively.

Jaime García-Andrade has an interest in 177,333 Shares and 177,333 Warrants 2007.

Enrique Rottenberg has an interest in a company that holds 3,400,000 Shares and 3,400,000 Warrants 2007.

Peter Fletcher is managing director of an investment advisory firm that advises an investment company that holds 21,206,419 Shares and 18,315,932 Warrants 2007.

Manuel Roumain is a member of an investment advisory firm that provides advice to investment companies that hold 10,466,431 Shares and 10,368,560 Warrants 2007.

John Herring is the principal of an investment advisory firm that provides advice to a private investment company that holds 20,828,852 Shares and 19,943,852 Warrants 2007.

Colin Kingsnorth, Sebastiaan A.C. Berger and Enrique Rottenberg also hold interests in and are directors of the Investment Manager, CEIBA International Management Ltd., which holds 5,584,445 Shares and 100,012 Warrants 2007, as well as 2,568,883 Investment Manager Warrants of the Company. For the year ended 31 March 2010, the Company recorded an expense of US\$ 405,297 relating to 2,644,247 IM Warrants whose issuance to the Investment Manager remains pending.

16. LOSS PER SHARE

The loss per share has been calculated on a weighted-average basis and is arrived at by dividing the net loss for the period attributable to shareholders by the weighted-average number of shares in issue. Warrants issued and outstanding at 30 September 2010 and 2009 are anti-dilutive; therefore fully diluted earnings per share have not been calculated.

	6 months ended 30 Sept 2010 (unaudited) US\$	6 months ended 30 Sept 2009 (unaudited) US\$
Weighted average of ordinary shares in issue	132,212,352	128,459,259
Net loss for the period	(532,800)	(260,218)
Basic loss per share	(0.0040)	(0.0020)

17. INVESTORS HOLDING GREATER THAN 10%

As at 30 September and 31 March 2010, Northview Investment Fund Limited held 19,943,852 shares, the Absolute Return Fund held 19,206,419 shares and the Value Catalyst Fund Limited held 18,417,110 shares in the Company, representing 15.08%, 14.53% and 13.93%, respectively, of the total shares outstanding of 132,212,352.

18. POST BALANCE SHEET EVENTS

Dividend distribution

On 3 December 2010, the Company distributed an interim dividend to all ordinary Shareholders at a rate of US\$ 0.087 per Share payable in its € equivalent, or in Shares at a rate of 1 ordinary € 0.10 Share per every 12.5 Shares held. As a result of this dividend, US\$ 11,473,926 was paid by the Company in cash and 26,248 ordinary shares were issued totalling US\$ 28,545.

Hotel acquisition

At the Annual General Meeting of the Company held on 20 December 2010, the Shareholders approved the strategy of the Company to increase its holdings in the four operating hotels in Cuba in which it already owns interests by acquiring an additional equity interest in 383 rooms in these hotels by authorizing the Board of Directors to issue to the sellers up to 47,000,000 new Shares of the Company in consideration for such acquisition.

Stock exchange listing

At the Annual General Meeting of the Company, the Shareholders approved the cancellation of the listing of the Shares of the Company on the Channel Islands Stock Exchange and the cessation of trading thereof on the SETSqx trading platform of the London Stock Exchange which occurred on 22 December 2010.

The purpose of the de-listing of the Shares of the Company is to allow the restructuring of the Company in preparation for the intended listing of its Shares on the Toronto Stock Exchange. The Company estimates that the period between the de-listing from the Channel Islands Stock Exchange and the planned listing on the Toronto Stock Exchange will be no more than 4–6 months. During this period, Shares of the Company may be traded on a private basis.

Current financial statements issue

These unaudited condensed interim consolidated financial statements have been authorized for issue by the Board of Directors on 20 January 2011. The Company's shareholders have the power to amend the consolidated financial statements after issuance.



Sebastiaan A.C. Berger
Director



Jaime García-Andrade
Director

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