



SUGAR INVESTMENT TRUST AND ITS SUBSIDIARIES

UNAUDITED ABRIDGED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2011

STATEMENTS OF COMPREHENSIVE INCOME

|   | THE GROUP          |                    |               | THE COMPANY        |                    |               |
|---|--------------------|--------------------|---------------|--------------------|--------------------|---------------|
|   | Unaudited          | Unaudited          | Audited       | Unaudited          | Unaudited          | Audited       |
|   | September 30, 2011 | September 30, 2010 | June 30, 2011 | September 30, 2011 | September 30, 2010 | June 30, 2011 |
|   | Rs'000             | Rs'000             | Rs'000        | Rs'000             | Rs'000             | Rs'000        |
| Turnover  | 27,588             | 32,133             | 453,476       | -                  | -                  | 142,889       |
| Operating (loss)/profit                                   | (14,900)           | (15,881)           | 183,353       | (3,008)            | (3,193)            | 118,276       |
| Finance costs   | (2,936)            | (836)              | (11,561)      | (2,755)            | (4,321)            | (15,494)      |
| Share of results of associate                             | -                  | -                  | 55,443        | -                  | -                  | -             |
| (Loss)/profit before taxation                             | (17,836)           | (16,717)           | 227,235       | (5,763)            | (7,514)            | 102,782       |
| Taxation  | -                  | -                  | (21,259)      | -                  | -                  | -             |
| (Loss)/profit after taxation                              | (17,836)           | (16,717)           | 205,976       | (5,763)            | (7,514)            | 102,782       |
| <b>Other comprehensive income:</b>                        |                    |                    |               |                    |                    |               |
| (Decrease)/increase in fair value of associate            | -                  | -                  | (35,308)      | (16,477)           | (164,554)          | 30,613        |
| Share of other comprehensive income of associate          | -                  | -                  | (83,656)      | -                  | -                  | -             |
|   | -                  | -                  | (118,964)     | (16,477)           | (164,554)          | 30,613        |
| Total comprehensive (loss)/income for the period/year     | (17,836)           | (16,717)           | 87,012        | (22,240)           | (172,068)          | 133,395       |
| <b>(Loss)/profit attributable to:</b>                     |                    |                    |               |                    |                    |               |
| Owners of the parent                                      | (9,514)            | (14,074)           | 118,689       | (5,763)            | (7,514)            | 102,782       |
| Non-controlling interest                                  | (8,322)            | (2,643)            | 87,287        | -                  | -                  | -             |
|   | (17,836)           | (16,717)           | 205,976       | (5,763)            | (7,514)            | 102,782       |
| <b>Total comprehensive (loss)/income attributable to:</b> |                    |                    |               |                    |                    |               |
| Owners of the parent                                      | (9,514)            | (14,074)           | (275)         | (22,240)           | (172,068)          | 133,395       |
| Non-controlling interest                                  | (8,322)            | (2,643)            | 87,287        | -                  | -                  | -             |
|   | (17,836)           | (16,717)           | 87,012        | (22,240)           | (172,068)          | 133,395       |
| (Loss)/earnings per share (Re.)                           | (0.02)             | (0.04)             | 0.30          | (0.01)             | (0.02)             | 0.26          |
| Number of ordinary shares in issue                        | 389,851,812        | 389,851,812        | 389,851,812   | 389,851,812        | 389,851,812        | 389,851,812   |

STATEMENTS OF FINANCIAL POSITION

|                                     | THE GROUP          |                    |                  | THE COMPANY        |                    |                  |
|-------------------------------------|--------------------|--------------------|------------------|--------------------|--------------------|------------------|
|                                     | Unaudited          | Unaudited          | Audited          | Unaudited          | Unaudited          | Audited          |
|                                     | September 30, 2011 | September 30, 2010 | June 30, 2011    | September 30, 2011 | September 30, 2010 | June 30, 2011    |
|                                     | Rs'000             | Rs'000             | Rs'000           | Rs'000             | Rs'000             | Rs'000           |
| <b>ASSETS</b>                       |                    |                    |                  |                    |                    |                  |
| Non-current assets                  | 3,365,284          | 3,330,847          | 3,317,596        | 2,591,248          | 2,408,347          | 2,608,324        |
| Current assets                      | 467,178            | 343,917            | 505,840          | 240,577            | 242,787            | 245,367          |
| Non current assets held for sale    | 23,171             | 69,129             | 22,797           | -                  | -                  | -                |
| <b>Total assets</b>                 | <b>3,855,633</b>   | <b>3,743,893</b>   | <b>3,846,233</b> | <b>2,831,825</b>   | <b>2,651,134</b>   | <b>2,853,691</b> |
| <b>EQUITY AND LIABILITIES</b>       |                    |                    |                  |                    |                    |                  |
| Capital and reserves                | 2,800,173          | 2,834,873          | 2,809,687        | 2,679,560          | 2,435,322          | 2,701,800        |
| Minority interest                   | 689,370            | 640,264            | 697,692          | -                  | -                  | -                |
| Non-current liabilities             | 82,263             | 58,348             | 72,610           | 983                | 912                | 983              |
| Current liabilities                 | 283,827            | 210,408            | 266,244          | 151,282            | 214,900            | 150,908          |
| <b>Total equity and liabilities</b> | <b>3,855,633</b>   | <b>3,743,893</b>   | <b>3,846,233</b> | <b>2,831,825</b>   | <b>2,651,134</b>   | <b>2,853,691</b> |

STATEMENTS OF CHANGES IN EQUITY

|   | Stated capital | Revaluation and other reserves | Retained earnings | Total            |
|---|----------------|--------------------------------|-------------------|------------------|
|   | Rs'000         | Rs'000                         | Rs'000            | Rs'000           |
| <b>THE COMPANY</b>                      |                |                                |                   |                  |
| At July 1, 2010                         | 403,783        | 1,780,386                      | 423,221           | 2,607,390        |
| Total comprehensive loss for the period | -              | (164,554)                      | (7,514)           | (172,068)        |
| <b>At September 30, 2010</b>            | <b>403,783</b> | <b>1,615,832</b>               | <b>415,707</b>    | <b>2,435,322</b> |
| At July 1, 2011                         | 403,783        | 1,810,999                      | 487,018           | 2,701,800        |
| Total comprehensive loss for the period | -              | (16,477)                       | (5,763)           | (22,240)         |
| <b>At September 30, 2011</b>            | <b>403,783</b> | <b>1,794,522</b>               | <b>481,255</b>    | <b>2,679,560</b> |

| THE GROUP                               | Attributable to owners of the parent |                                |                   |                  |                          |                  |
|---|--------------------------------------|--------------------------------|-------------------|------------------|--------------------------|------------------|
|   | Stated capital                       | Revaluation and other reserves | Retained earnings | Total            | Non-controlling Interest | Total equity     |
|   | Rs'000                               | Rs'000                         | Rs'000            | Rs'000           | Rs'000                   | Rs'000           |
| At July 1, 2010                         | 403,783                              | 1,913,899                      | 531,265           | 2,848,947        | 642,907                  | 3,491,854        |
| Total comprehensive loss for the period | -                                    | -                              | (14,074)          | (14,074)         | (2,643)                  | (16,717)         |
| <b>At September 30, 2010</b>            | <b>403,783</b>                       | <b>1,913,899</b>               | <b>517,191</b>    | <b>2,834,873</b> | <b>640,264</b>           | <b>3,475,137</b> |
| At July 1, 2011                         | 403,783                              | 1,785,603                      | 620,301           | 2,809,687        | 697,692                  | 3,507,379        |
| Total comprehensive loss for the period | -                                    | -                              | (9,514)           | (9,514)          | (8,322)                  | (17,836)         |
| <b>At September 30, 2011</b>            | <b>403,783</b>                       | <b>1,785,603</b>               | <b>610,787</b>    | <b>2,800,173</b> | <b>689,370</b>           | <b>3,489,543</b> |

## STATEMENTS OF CASH FLOWS

|  | THE GROUP                          |                                    |                             | THE COMPANY                        |                                    |                             |
|--|------------------------------------|------------------------------------|-----------------------------|------------------------------------|------------------------------------|-----------------------------|
|  | Unaudited<br>September 30,<br>2011 | Unaudited<br>September 30,<br>2010 | Audited<br>June 30,<br>2011 | Unaudited<br>September 30,<br>2011 | Unaudited<br>September 30,<br>2010 | Audited<br>June 30,<br>2011 |
|  | Rs'000                             | Rs'000                             | Rs'000                      | Rs'000                             | Rs'000                             | Rs'000                      |
| Net cash (used in)/generated from operating activities | (83,053)                           | 87,562                             | 356,394                     | (11,198)                           | 27,018                             | 64,246                      |
| Net cash (used in)/generated from investing activities | (537)                              | (204)                              | (147,043)                   | (270)                              | (108)                              | (25,832)                    |
| Net cash used in financing activities                  | (6,037)                            | -                                  | (32,899)                    | -                                  | -                                  | (42,498)                    |
| (Decrease)/increase in cash and cash equivalents       | (89,627)                           | 87,358                             | 176,452                     | (11,468)                           | 26,910                             | (4,084)                     |
| Cash and cash equivalent at beginning                  | 288,906                            | 112,454                            | 112,454                     | 12,307                             | 16,391                             | 16,391                      |
| Cash and cash equivalent at end                        | 199,279                            | 199,812                            | 288,906                     | 839                                | 43,301                             | 12,307                      |
| <b>Analysis of cash and cash equivalents</b>           |                                    |                                    |                             |                                    |                                    |                             |
| Cash and cash equivalents                              | 255,729                            | 208,251                            | 343,172                     | 1,555                              | 43,301                             | 12,416                      |
| Bank overdrafts  | (56,450)                           | (8,439)                            | (54,266)                    | (716)                              | -                                  | (109)                       |
|  | 199,279                            | 199,812                            | 288,906                     | 839                                | 43,301                             | 12,307                      |

The Unaudited Abridged Interim Financial Statements for the quarter ended 30 September 2011 have been prepared in accordance with International Financial Reporting Standards and using the accounting policies adopted for the year ended 30 June 2011.

**Comments****Turnover**

The main income drivers of the Group are:

- sale of land through residential/agricultural morcellements;
- dividends from investments; and
- sugar proceeds from cane growing activities

The Group registered a fall in turnover for the period to 30 September 2011 as compared to last to the period to 30 September 2010 owing to:

- No dividend income was received during the period under review;
- A fall in the sugar proceeds as a result of lesser area under cane cultivation and a fall in the sugar price; and
- No new morcellements projects were undertaken and revenue from land sales are from previously launched projects.

**Operating loss**

The factors noted above contributed to the loss incurred during the period under review.

For and on behalf of the Board of Directors

SIT Corporate and Secretarial Services Ltd

Date: 11 November 2011