FINANCIAL PERFORMANCE

SUMMARY OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

Unaudited Unaudited Audited
Year 6 months 6 months 30 Sept 2011 30 Sept 2010 31 Mar 2011
Revenue 18 134 16 744 30 809
Profit from operations 5 708 5 535 9 736
Net finance cost (252) (172) (957)
Profit before taxation 5 456 5 263 9 179
T axation (1 866) (1 604) (2 754)
Profit for the period 3 590 3 659 6 425
Other comprehensive income (272)
Total comprehensive income 3 318 3 387 5 653
Loss on sale of property, plant and equipment (6) (7) (11)
Headline earnings 3 797 3 659 6 414
Number of shares in issue (‘000) 713 444 713 444 713 444
Weighted average number of shares on which profit per share is based (‘000) 713 444 713 444 713 444
Profit per share (tambala) 532 513 901
Dividend per share (tambala) 300 287 630

Business segmental analysis

Unaudited Unaudited Audited
Year 6 months 6 months 30 Sept 2011 30 Sept 2010 31 Mar 2011
Revenue Sugar production 9 596 8 327 16 135
Cane growing 6 538 6 417 14 954
Total revenue 16 134 16 744 30 809
Profit from operations Sugar production 3 589 3 347 5 978
Cane growing 2 119 2 188 3 758
Total profit from operations 5 708 5 535 9 736

Unaudited Unaudited Audited
Year 6 months 6 months 30 Sept 2011 30 Sept 2010 31 Mar 2011
Operating profit before working capital changes 5 727 6 311 8 512
Working capital requirements (598) (3 361) (2 800)
Interest, taxation & dividend (4 021) (4 169) (7 221)
Purchase of property, plant & equipment (288) (535) (1 246)
Disposal of property, plant & equipment - 6 12 20
Reduction in investments - 49 563
Borrowings repaid - - (47)
Net increase/ (decrease) in cash and cash equivalents 866 (1 683) 301

Unaudited Unaudited Audited
Year 6 months 6 months 30 Sept 2011 30 Sept 2010 31 Mar 2011
Share capital and premium Balance at beginning/end of period 782 782 782
Retained earnings Balance at beginning/end of period 16 399 14 968 14 968
Profit for the period 3 793 3 659 6 425
Dividends declared (2 304) (2 733) (4 994)
Balance at end of period 17 888 15 694 16 399
Capital and reserves 18 670 16 676 17 181

Unaudited Unaudited Audited
Year 6 months 6 months 30 Sept 2011 30 Sept 2010 31 Mar 2011
Abridged group statement of financial position

ASSETS
Property, plant & equipment 9 988 9 304 9 789
Cane stocks 7 971 8 712 9 230
Investment and loans 8 456 8 806 9 951
Non-current assets 17 769 16 530 17 219
Total assets 25 681 2 188 15 905

Total assets 43 360 35 718 33 124

EQUITY AND LIABILITIES
Capital and reserves 18 670 16 676 17 181
Deficit taxation 9 547 9 547 9 547
Other non-current liabilities 1 135 1 016 1 016
Current liabilities 14 008 11 140 7 042
Total equity and liabilities 43 360 35 718 33 124

Unaudited Unaudited Audited
Year 6 months 6 months 30 Sept 2011 30 Sept 2010 31 Mar 2011
Depreciation (MK’m) 249 362 396
Capital expenditure (MK’m) 236 315 1 246

Notice is hereby given that an interim dividend of 300 tambala per share (2010: 270 tambala per share) has been declared in respect of the ordinary shares of the company for the year ending 30 September 2011. This dividend is payable on 30 December 2011 to shareholders on the register at the close of business on 30 November 2011.

BASIS OF PREPARATION

As the sugar season runs from 1 April to 31 March, the earnings from cane growing and sugar production incorporated in the abridged group statement are for the 6 months ended 30 September 2011.

Abridged group statement of comprehensive income

Unaudited Unaudited Audited
Year 6 months 6 months 30 Sept 2011 30 Sept 2010 31 Mar 2011
Revenue 16 399 14 968 14 968
Profit from operations 3 793 3 659 6 425
Depreciation (MK’m) 9 736 8 327 5 978
Interest, taxation & dividend - 1 663 - 7 221
Loss on sale of property, plant and equipment - 272 - 1 246
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Reduction in investments - 49 563
Borrowings repaid - - (47)
Net increase/ (decrease) in cash and cash equivalents 866 (1 683) 301

BASIS OF PREPARATION

The financial results for the second half of the current financial year are expected to be better than the previous year and the year. High priced regional sales demand continues. Contracted sugar sales into Europe will be fully supplied, albeit limiting the company’s ability to further exploit good sales opportunities on offer within the regional markets, which are over 10% above last year. This has impacted current sales growth, although a section of these volumes not saleable domestically have been directed to regional markets at favourable prices.

Operating profit for the half year to 30 September 2011 reflects improved growth over the corresponding period of the previous year, retaining a 1.4% growth compared to the previous year’s 0.5% growth. Overall cane yields and thus cane sugar production has been in line with expectations for the full year, with high priced sugar sales on offer within the regional markets, which are over 10% above last year. This has impacted current sales growth, although a section of these volumes not saleable domestically have been directed to regional markets at favourable prices. Operating costs have been well controlled in the period under review.

In terms of sugar sales for the full year it is expected that sales into the domestic market will be below last year achieved in the previous year, with high priced regional sales demand continuing. Contracted sugar sales into Europe will be fully supplied. A decrease in sucrose percent cane and lower average cane yields compared to expectations.

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UNAUDITED FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

Abridged group statement of cash flows

Notice is hereby given that an interim dividend of 300 tambala per share (2010: 270 tambala per share) has been declared in respect of the ordinary shares of the company for the year ending 30 September 2011. This dividend is payable on 30 December 2011 to shareholders on the register at the close of business on 30 November 2011.

BASIS OF PREPARATION

As the sugar season runs from 1 April to 31 March, the earnings from cane growing and sugar production incorporated in the abridged group statement are for the 6 months ended 30 September 2011.

Abridged group statement of changes in equity

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Abridged group statement of changes in equity

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