

# HAREL FRERES LIMITED

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED MARCH 31, 2011

## CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	UNAUDITED MARCH 31, 2011 MUR'M	AUDITED DECEMBER 31, 2010 MUR'M
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>12,440.4</b>	12,434.5
<b>Current assets</b>	<b>1,807.7</b>	1,960.6
<b>Non-current asset classified as held for sale</b>	<b>12.4</b>	12.4
<b>Total assets</b>	<b>14,260.5</b>	14,407.5
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Owners' interest	11,463.3	11,454.5
Minority interest	862.6	840.7
Total equity	12,325.9	12,295.2
<b>Non-current liabilities</b>	<b>896.2</b>	895.2
<b>Current liabilities</b>	<b>1,038.2</b>	1,216.9
<b>Liabilities directly associated with non-current assets classified as held for sale</b>	<b>0.2</b>	0.2
<b>Total equity and liabilities</b>	<b>14,260.5</b>	14,407.5

## CONDENSED INCOME STATEMENTS

	THE GROUP	
	UNAUDITED THREE MONTHS TO MARCH 31, 2011 MUR'M	UNAUDITED THREE MONTHS TO MARCH 31, 2010 MUR'M
Turnover	674.6	638.7
Operating (loss)/profit	(13.8)	24.4
Finance costs	(33.4)	(76.5)
Share of results of associates	14.6	14.8
Loss before taxation	(32.6)	(37.3)
Taxation	(9.9)	(16.4)
Loss for the period	(42.5)	(53.7)
<b>Loss attributable to:</b>		
Owners of the parent	(52.1)	(72.5)
Minority	9.6	18.8
	(42.5)	(53.7)

## DATA PER SHARE

LOSS PER SHARE - MUR	(0.23)	(0.33)
NET ASSETS PER SHARE - MUR	50.39	48.85
NUMBER OF ORDINARY SHARES IN ISSUE	227,545,624	220,090,624

## CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

Loss for the period	(42.5)	(53.7)
Other comprehensive income for the period net of tax	73.2	117.2
Total comprehensive income for the period	30.7	63.5
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	8.8	22.7
Minority	21.9	40.8
	30.7	63.5

## CONDENSED STATEMENTS OF CHANGES IN EQUITY THE GROUP

	Stated Capital MUR'M	Treasury Shares MUR'M	Attributable to equity holders of the company			Minority Interests MUR'M	Total Equity MUR'M
			Revaluation and Other Reserves MUR'M	Retained Earnings MUR'M	Total MUR'M		
Balance at January 1, 2011	3,523.5	(0.6)	5,564.2	2,367.4	11,454.5	840.7	12,295.2
Total comprehensive income for the period	-	-	60.9	(52.1)	8.8	21.9	30.7
<b>Balance at March 31, 2011</b>	<b>3,523.5</b>	<b>(0.6)</b>	<b>5,625.1</b>	<b>2,315.3</b>	<b>11,463.3</b>	<b>862.6</b>	<b>12,325.9</b>
Balance at January 1, 2010	173.8	(0.6)	4,353.1	2,235.8	6,762.1	954.2	7,716.3
Amalgamation adjustments	2,901.7	(0.2)	1,065.5	-	3,967.0	(171.6)	3,795.4
Total comprehensive income for the period	-	-	95.2	(72.5)	22.7	40.8	63.5
<b>Balance at March 31, 2010</b>	<b>3,075.5</b>	<b>(0.8)</b>	<b>5,513.8</b>	<b>2,163.3</b>	<b>10,751.8</b>	<b>823.4</b>	<b>11,575.2</b>

## CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP	
	UNAUDITED THREE MONTHS TO MARCH 31, 2011 MUR'M	UNAUDITED THREE MONTHS TO MARCH 31, 2010 MUR'M
<b>Operating activities</b>		
Net cash from operating activities	282.8	285.5
<b>Investing activities</b>		
Net cash used in investing activities	(34.3)	(54.4)
<b>Financing activities</b>		
Net cash used in financing activities	(205.9)	(217.2)
Increase in cash and cash equivalents	42.6	13.9

## MOVEMENT IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the beginning of the period	131.6	404.1
Amalgamation adjustment	-	39.8
Increase for the period	42.6	13.9
Cash and cash equivalents at the end of the period	174.2	457.8

## NOTES

1: The three months and quarterly condensed financial statements have been prepared on the same basis of the accounting policies set out in the statutory financial statements of the group for the year ended December 31, 2010, except for the adoption of relevant amendments to published standards, standards and interpretations issued now effective.

2: The condensed financial statements for the period ended March 31, 2011 are unaudited.

3: Current tax on the adjusted profit for the period is calculated at 15% (2010: 15%).

4: Share of results of associates is after taxation and minority interests in the associates. The taxation on the share of results of associates amounts to MUR 3.2M (2010: 2.2M).

## 5: SEGMENT INFORMATION

Harel Frères Limited segments are strategic business units that offer different products and services. The accounting policies of the operating segments are the same as those described in the statutory financial statements of the group for the year ended December 31, 2010 except for the adoption of the relevant amendments to published standards, standards and interpretations issued now effective.

## Three months ended March 31, 2011

	SUGAR MUR'M	ENERGY MUR'M	COMMERCIAL & ALCOHOL PRODUCTION MUR'M	OTHERS MUR'M	ELIMINATIONS MUR'M	TOTAL MUR'M
Total segment revenues	15.7	387.7	234.3	36.9	-	674.6
Inter-segments revenues	-	3.1	-	0.9	(4.0)	-
Revenues from external customers	15.7	390.8	234.3	37.8	(4.0)	674.6
Segment results	(81.4)	44.8	16.2	6.6	-	(13.8)
Share of results of associates	-	-	3.2	11.4	-	14.6
Finance costs	(8.3)	(22.5)	(2.6)	-	-	(33.4)
(Loss)/profit before taxation	(89.7)	22.3	16.8	18.0	-	(32.6)
Taxation	0.8	(7.3)	(2.2)	(1.2)	-	(9.9)
Net (loss) / profit	(88.9)	15.0	14.6	16.8	-	(42.5)

## Three months ended March 31, 2010

	SUGAR MUR'M	ENERGY MUR'M	COMMERCIAL & ALCOHOL PRODUCTION MUR'M	OTHERS MUR'M	ELIMINATIONS MUR'M	TOTAL MUR'M
Total segment revenues	32.9	375.0	195.2	35.6	-	638.7
Inter-segments revenues	-	-	-	0.3	(0.3)	-
Revenues from external customers	32.9	375.0	195.2	35.9	(0.3)	638.7
Segment results	(105.0)	110.2	13.3	5.8	-	24.4
Share of results of associates	-	-	3.9	10.9	-	14.8
Finance costs	(18.6)	(56.6)	(1.3)	-	-	(76.5)
(Loss)/profit before taxation	(123.6)	53.65	15.9	16.7	-	(37.3)
Taxation	1.2	(14.9)	(1.5)	(1.2)	-	(16.4)
Net (loss) / profit	(122.4)	38.75	14.4	15.5	-	(53.7)

## Total assets

March 31, 2011	10,472.2	2,200.8	576.4	1,016.2	(5.1)	14,260.5
March 31, 2010	9,702.0	2,286.2	581.5	958.4	(154.8)	13,373.3
December 31, 2010	10,220.7	2,223.0	777.0	1,341.1	(154.3)	14,407.5

## COMMENTS ON THE RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2011

The increase in the number of shares in issue is due to the amalgamation of The Saint André Sugar Estate Company Limited with the company.

The first quarter results for the Group are not very meaningful, mainly on account of seasonality of our sugar activity. Nevertheless, results show an improvement on last year, with losses after tax being contained to Mur 42.5 M, down from Mur 53.7 M for the first quarter of 2010, as explained below:

## SUGAR

Due to the seasonality of the sugar activity, the focus should be on the annual rather quarterly results. As was the case in 2010, a loss was incurred for the first quarter of this year. This loss was however mitigated by a higher estimated sugar price for the 2011 crop.

## ENERGY

The drop in profitability is attributable to a temporary mismatch between tariffs and cost of coal and higher maintenance costs of an exceptional nature, which were only partially mitigated by reduced finance costs.

## COMMERCIAL & ALCOHOL PRODUCTION

Improved sales translated into a marginal increase in profitability.

## OTHERS

The other activity results are almost at par with last year.

## PROSPECTS

While Group segments are performing satisfactorily to-date, and although the effects of seasonality on the sugar sector should even out as the year progresses, the damage which unfavourable exchange rate movements could cause to overall Group performance remains a source of concern.

By order of the Board of Directors  
HF Administrative Services Ltd

Secretary

13 May 2011

This communiqué is published pursuant to Listing Rule 12.20 and Securities Act 2005. The Board of Directors of Harel Frères Limited accepts full responsibility for the accuracy of the information contained in this communiqué.

The statement of direct and indirect interests of officers of the company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available, free of charge, upon request addressed to the Company Secretary, HF Administrative Services Ltd, 18, Edith Cavell Street, Port-Louis.

Copies of the unaudited condensed financial statements for the three months ended March 31, 2011 are available, free of charge, upon request addressed to the Company Secretary, HF Administrative Services Ltd, 18, Edith Cavell Street, Port-Louis.