

HAREL FRERES LIMITED

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR AND THREE MONTHS ENDED JUNE 30, 2011

CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	UNAUDITED JUNE 30, 2011 MUR'M	AUDITED DECEMBER 31, 2010 MUR'M
ASSETS		
Non-current assets	12,347.9	12,434.5
Current assets	1,821.7	1,960.6
Non-current asset classified as held for sale	10.6	12.4
Total assets	14,180.2	14,407.5
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	11,343.6	11,454.5
Minority interest	890.1	840.7
Total equity	12,233.7	12,295.2
Non-current liabilities	885.2	895.2
Current liabilities	1,061.1	1216.9
Liabilities directly associated with non-current assets classified as held for sale	0.2	0.2
Total equity and liabilities	14,180.2	14,407.5

CONDENSED INCOME STATEMENTS

	THE GROUP			
	UNAUDITED SIX MONTHS TO JUNE 30, 2011 MUR'M	UNAUDITED SIX MONTHS TO JUNE 30, 2010 MUR'M	UNAUDITED THREE MONTHS TO JUNE 30, 2011 MUR'M	UNAUDITED THREE MONTHS TO JUNE 30, 2010 MUR'M
Turnover	1,386.3	1,203.7	711.7	634.3
Operating loss	(14.4)	(0.4)	(0.6)	(24.8)
Finance costs	(41.4)	(109.8)	(8.0)	(33.3)
Share of results of associates	56.7	40.0	42.1	25.2
(Loss) / profit before taxation	0.9	(70.2)	33.5	(32.9)
Taxation	(26.9)	(24.9)	(17.0)	(8.5)
(Loss) / profit for the period	(26.0)	(95.1)	16.5	(41.4)
(Loss) / Profit attributable to:				
Owners of the parent	(73.9)	(118.9)	(21.8)	(46.4)
Minority	47.9	23.8	38.3	5.0
	(26.0)	(95.1)	16.5	(41.4)
DATA PER SHARE				
EARNINGS PER SHARE - MUR	(0.32)	(0.54)	(0.10)	(0.21)
NET ASSETS PER SHARE - MUR	49.85	48.96	49.85	30.72
NUMBER OF ORDINARY SHARES IN ISSUE	227,545,624	220,090,624	227,545,624	220,090,624

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

(Loss) / profit for the period	(26.0)	(95.1)	16.5	(41.4)
Other comprehensive income for the period net of tax	(35.5)	188.6	(108.7)	71.4
Total comprehensive income for the period	(61.5)	93.5	(92.2)	30.0
Total comprehensive income attributable to:				
Owners of the parent	(110.9)	45.7	(119.7)	23.0
Minority	49.4	47.8	27.5	7.0
	(61.5)	93.5	(92.2)	30.0

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the company						Total Equity MUR'M
	Stated Capital MUR'M	Treasury Shares MUR'M	Revaluation and Other Reserves MUR'M	Retained Earnings MUR'M	Total MUR'M	Minority Interests 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	-	-	(37.0)	(73.9)	(110.9)	49.4	(61.5)
Balance at June 30, 2011	3,523.5	(0.6)	5,527.2	2,293.5	11,343.6	890.1	12,233.7
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	-	-	164.6	(118.9)	45.7	47.8	93.5
Balance at June 30, 2010	3,075.5	(0.8)	5,583.2	2,116.9	10,774.8	830.4	11,605.2

CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP			
	UNAUDITED SIX MONTHS TO JUNE 30, 2011 MUR'M	UNAUDITED SIX MONTHS TO JUNE 30, 2010 MUR'M	UNAUDITED THREE MONTHS TO JUNE 30, 2011 MUR'M	UNAUDITED THREE MONTHS TO JUNE 30, 2010 MUR'M
Operating activities				
Net cash (used in) / from operating activities	(51.6)	207.6	(334.4)	(77.9)
Investing activities				
Net cash used in investing activities	(81.0)	(256.0)	(46.7)	(201.6)
Financing activities				
Net cash (used in) / from financing activities	(255.4)	(215.4)	(49.5)	1.8
Decrease in cash and cash equivalents	(388.0)	(263.8)	(430.6)	(277.7)
MOVEMENT IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at the beginning of the period	131.6	404.1	174.2	457.8
Amalgamation adjustment	-	39.8	-	-
Decrease for the period	(388.0)	(263.8)	(430.6)	(277.7)
Cash and cash equivalents at the end of the period	(256.4)	180.1	(256.4)	180.1

NOTES

- The half year 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 31 December 2010, except for the adoption of relevant amendments to published standards, standards and interpretations issued now effective
- The condensed financial statements for the period ended June 30, 2011 are unaudited
- Current tax on the adjusted profit for the period is calculated at 15% (2010: 15%)
- 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 8.5 M (2010: MUR 6.0 M).

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 31 December, 2010 except for the adoption of the relevant amendments to published standards, standards and interpretations issued now effective.

Half year ended June 30, 2011

	SUGAR	ENERGY	COMMERCIAL & ALCOHOL PRODUCTION	OTHERS	ELIMINATIONS	TOTAL
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	29.4	756.5	517.4	83.0	-	1,386.3
Inter-segments revenues	-	5.8	-	-	(5.8)	-
Revenues from external customers	29.4	762.3	517.4	83.0	(5.8)	1,386.3
Segment results	(199.3)	118.4	51.8	14.7	-	(14.4)
Share of results of associates	-	-	3.7	53.0	-	56.7
Finance costs	(17.0)	(19.4)	(4.8)	(0.2)	-	(41.4)
(Loss) / profit before taxation	(216.3)	99.0	50.7	67.5	-	0.9
Taxation	1.7	(19.4)	(6.2)	(3.0)	-	(26.9)
Net (loss) / profit	(214.6)	79.6	44.5	64.5	-	(26.0)

Half year ended June 30, 2010

	SUGAR	ENERGY	COMMERCIAL & ALCOHOL PRODUCTION	OTHERS	ELIMINATIONS	TOTAL
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	13.7	664.7	447.1	78.2	-	1,203.7
Inter-segments revenues	-	-	-	1.4	(1.4)	-
Revenues from external customers	13.7	664.7	447.1	79.6	(1.4)	1,203.7
Segment results	(194.0)	132.4	49.7	11.5	-	(0.4)
Share of results of associates	-	-	4.4	35.6	-	40.0
Finance costs	(28.3)	(79.9)	(1.5)	(0.1)	-	(109.8)
(Loss) / profit before taxation	(222.3)	52.5	52.6	47.0	-	(70.2)
Taxation	0.5	(15.1)	(7.5)	(2.8)	-	(24.9)
Net (loss) / profit	(221.8)	37.4	45.1	44.2	-	(95.1)

	SUGAR	ENERGY	COMMERCIAL & ALCOHOL PRODUCTION	OTHERS	ELIMINATIONS	TOTAL
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total assets	10,021.9	2,140.1	620.6	1,397.6	-	14,180.2
June 30, 2011	9,906.0	2,215.2	508.9	846.2	(155.2)	13,321.1
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 SIX MONTHS ENDED JUNE 30, 2011

Net Asset Value per share increased from MUR 48.96 to MUR 49.85, at June 30, 2011, mainly as a result of the amalgamation with The Saint André Sugar Estates Company Limited. As regards profitability, the focus should remain on the annual rather than the quarterly results on account of the seasonality of most of our activities, more particularly sugar

SUGAR ACTIVITY

As was the case in 2010, a loss was incurred for the first semester. We expect this loss to be mitigated by a higher estimated sugar price for the 2011 crop.

ENERGY ACTIVITY

The energy cluster has performed better during the 1st semester of 2011 compared to that of 2010 due to a higher off-take favourable foreign exchange movements and reduced interest costs.

COMMERCIAL & ALCOHOL PRODUCTION

The cluster is performing satisfactorily with improved sales, which have been partly eroded by higher finance costs

OTHER ACTIVITIES

Our main associates are performing satisfactorily and the improved profitability is mainly attributable to our increased stake in the Swan Group.

PROSPECTS

We expect overall performance for 2011 to be better than last year. The profitability of our energy and commercial activities should improve during the second semester, while losses suffered to date by our sugar activity will be substantially reduced during the crop season.

By order of the Board of Directors
HF Administrative Services Ltd
Secretary

12 August 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 six months and the three months ended June 30, 2011 are available, free of charge, upon request addressed to the Company Secretary, HF Administrative Services Ltd, 18, Edith Cavell Street, Port-Louis.