

HAREL FRERES LIMITED

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS AND THREE MONTHS ENDED SEPTEMBER 30, 2011

CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	UNAUDITED SEPTEMBER 30, 2011 MUR'M	AUDITED DECEMBER 31, 2010 MUR'M
ASSETS		
Non-current assets	12,272.1	12,434.5
Current assets	1,735.5	1,960.6
Non-current asset classified as held for sale	11.2	12.4
Total assets	14,018.8	14,407.5
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	11,438.5	11,454.5
Minority interest	944.5	840.7
Total equity	12,383.0	12,295.2
Non-current liabilities	865.1	895.2
Current liabilities	770.5	1,217
Liabilities directly associated with non-current assets classified as held for sale	0.2	0.2
Total equity and liabilities	14,018.8	14,407.5

NOTES

- The nine 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.
- The condensed financial statements for the period ended September 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 7.3 M (2010: MUR 7.3 M).
- Comparatives for the quarter ended September 30, 2010 have been amended to reflect the changes in accounting for deferred expenditure.

6: Tax on Gains from Sale on Immovable Property
In the budget speech on November 4, 2011, the Minister of Finance announced the abolition of capital gains tax on immovable property. Consequently the amount of Rs 209.2M with regards to deferred tax on land provided in the Financial Statements for the quarter ended September 30, 2011 will be reversed once enacted.

7: 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.

CONDENSED INCOME STATEMENTS

	THE GROUP			
	UNAUDITED NINE MONTHS TO SEPTEMBER 30, 2011 MUR'M	UNAUDITED NINE MONTHS TO SEPTEMBER 30, 2010 MUR'M Restated	UNAUDITED THREE MONTHS TO SEPTEMBER 30, 2011 MUR'M	UNAUDITED THREE MONTHS TO SEPTEMBER 30, 2010 MUR'M Restated
Turnover				
Operating profit	183.0	155.4	197.4	155.8
Finance costs	(77.7)	(144.4)	(36.3)	(34.6)
Share of results of associates	49.3	42.7	(7.4)	2.7
Profit before taxation	154.6	53.7	153.7	123.9
Taxation	(46.0)	(48.3)	(19.1)	(23.4)
Profit for the period	108.6	5.4	134.6	100.5
Profit/(loss) attributable to:				
Owners of the parent	13.9	(68.0)	87.8	50.9
Minority	94.7	73.4	46.8	49.6
	108.6	5.4	134.6	100.5
DATA PER SHARE				
EARNINGS/(LOSS) PER SHARE - MUR	0.06	(0.31)	0.39	0.23
NET ASSETS PER SHARE - MUR	50.27	50.18	50.27	50.18
NUMBER OF ORDINARY SHARES IN ISSUE	227,545,624	220,090,624	227,545,624	220,090,624

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

Profit for the period	108.6	5.4	134.6	100.5
Other comprehensive income for the period net of tax	(20.8)	292.3	14.7	103.7
Total comprehensive income for the period	87.8	297.7	149.3	204.2
Total comprehensive income attributable to:				
Owners of the parent	(16.0)	194.0	94.9	148.3
Minority	103.8	103.7	54.4	55.9
	87.8	297.7	149.3	204.2

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the company						
	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	Total Equity 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	-	-	(29.9)	13.9	(16.0)	103.8	87.8
Balance at September 30, 2011	3,523.5	(0.6)	5,534.3	2,381.3	11,438.5	944.5	12,383.0
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	2,901.8	(0.2)	1,187.3	-	4,088.9	(184.5)	3,904.4
Total comprehensive income for the period	-	-	262.0	(68.0)	194.0	103.7	297.7
Balance at September 30, 2010	3,075.6	(0.8)	5,802.4	2,167.8	11,045.0	873.4	11,918.4

CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP			
	UNAUDITED NINE MONTHS TO SEPTEMBER 30, 2011 MUR'M	UNAUDITED NINE MONTHS TO SEPTEMBER 30, 2010 MUR'M	UNAUDITED THREE MONTHS TO SEPTEMBER 30, 2011 MUR'M	UNAUDITED THREE MONTHS TO SEPTEMBER 30, 2010 MUR'M
Operating activities				
Net cash from/(used in) operating activities	196.8	193.1	248.4	(14.4)
Investing activities				
Net cash used in investing activities	(104.2)	(310.0)	(23.2)	(54.0)
Financing activities				
Net cash used in financing activities	(378.8)	(316.9)	(123.4)	(101.5)
(Decrease) / Increase in cash and cash equivalents	(286.2)	(433.8)	101.8	(169.9)
MOVEMENT IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at the beginning of the period	131.6	404.2	(256.4)	180.1
Amalgamation adjustment	-	39.8	-	-
(Decrease) / Increase for the period	(286.2)	(433.8)	101.8	(169.9)
Cash and cash equivalents at the end of the period	(154.6)	10.2	(154.6)	10.2

	SUGAR	ENERGY	COMMERCIAL & ALCOHOL PRODUCTION	OTHERS	ELIMINATIONS	TOTAL
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	400.2	1,079.3	815.9	125.1	-	2,420.5
Inter-segments revenues	-	10.8	-	-	(10.8)	-
Revenues from external customers	400.2	1,090.1	815.9	125.1	(10.8)	2,420.5
Segment results	(132.4)	211.4	81.8	22.2	-	183.0
Share of results of associates	-	-	6.6	42.7	-	49.3
Finance costs	(20.0)	(50.6)	(6.9)	(0.2)	-	(77.7)
(Loss)/profit before taxation	(152.4)	160.8	81.5	64.7	-	154.6
Taxation	1.4	(32.1)	(10.7)	(4.6)	-	(46.0)
Net (loss) / profit	(151.0)	128.7	70.8	60.1	-	108.6

Nine months ended September 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	294.3	988.6	723.6	123.1	-	2,129.6
Inter-segments revenues	-	-	-	1.9	(1.9)	-
Revenues from external customers	294.3	988.6	723.6	125.0	(1.9)	2,129.6
Segment results	(188.4)	254.5	71.3	18.0	-	155.4
Share of results of associates	-	-	9.4	33.3	-	42.7
Finance costs	(32.6)	(108.0)	(3.7)	(0.1)	-	(144.4)
(Loss) / profit before taxation	(221.0)	146.5	77.0	51.2	-	53.7
Taxation	0.5	(35.2)	(9.0)	(4.6)	-	(48.3)
Net (loss) / profit	(220.5)	111.3	68.0	46.6	-	5.4

Nine months ended September 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	9,673.1	2,036.1	620.0	1,689.6	-	14,018.8
September 30, 2010	9,245.7	2,157.5	609.9	1,506.5	-	13,519.6
December 31, 2010	9,752.8	2,223.0	732.0	1,699.7	-	14,407.5

COMMENTS ON THE RESULTS FOR THE NINE MONTHS TO SEPTEMBER 30, 2011:

Overall revenue for the nine months period to September 30, 2011 increased by 13.7% to Mur 2,420.5M. All Group segments performed better particularly sugar, and contributed to improve profitability over the period from Mur 5.4M to Mur 108.6M after tax.

SUGAR ACTIVITY

Performance to-date, although still negative on account of seasonality of the sector, has improved by some Mur 69.5M, mainly as a result of a better sugar price and contributions to revenue from distiller bottlers enacted in the 2010 Finance Act.

ENERGY ACTIVITY

Higher cost of coal contributed towards reduced segment results. This impact was compensated by lower finance costs and hence resulted in improved net profits.

COMMERCIAL & ALCOHOL PRODUCTION

This cluster is performing satisfactorily, with profitability at par with that of last year. However, a change in consumption patterns may take place following the recent increase in excise duty.

OTHER ACTIVITIES

Profit for the period has improved mainly on account of our increased stake in the Swan Group.

PROSPECTS

Barring adverse movements in exchange rates and unforeseen circumstances, the overall financial performance of the Group for 2011 is expected to show a significant improvement over that of last year.

The Group has embarked on a scheme of arrangement and rebranding process which requires shareholders approval. A Special Meeting is scheduled for November 23, 2011 in that respect, following which the shares of the company will be exchanged for shares of a newly incorporated company named TERRA Mauricia Ltd ("Terra") in the ratio of 1:1. Subject to the approval of shareholders, the shares of the company will be delisted and those of Terra will be listed on the official list of the SEM under the "Investment" segment on January 03, 2012.

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

November 14, 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 nine months and the three months ended September 30, 2011 are available, free of charge, upon request addressed to the Company Secretary, HF Administrative Services Ltd, 18, Edith Cavell Street, Port-Louis.