

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

	2010	2009
	Shs' 000	Shs' 000
GROSS REVENUE	8,810,091	8,960,824
LESS: TAXES AND LEVIES		
VALUE ADDED TAX	(1,209,650)	(974,824)
SUGAR DEVELOPMENT LEVY	(281,771)	(302,953)
NET REVENUE	<u>7,318,670</u>	<u>7,683,047</u>
PROFIT BEFORE TAXATION	1,185,196	1,526,170
TAXATION CHARGE	(368,873)	(490,000)
PROFIT AFTER TAXATION	<u>816,323</u>	<u>1,036,170</u>
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	<u>816,323</u>	<u>1,036,170</u>
EARNINGS PER SHARE	<u>Shs 0.54</u>	<u>Shs 0.68</u>

### MUMIAS SUGAR COMPANY LIMITED CONDENSED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2010

	Unaudited	Audited
	31 Dec 2010	30 Jun 2010
	Shs '000	Shs '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,269,041	11,585,953
Non-current receivables and intangible assets	6,920	105,303
Development costs	143,236	135,969
	<u>12,419,197</u>	<u>11,827,225</u>
<b>Working capital</b>		
Current assets	6,672,237	6,506,885
Current liabilities	(3,311,459)	(3,250,021)
Net working capital	<u>3,360,778</u>	<u>3,256,864</u>
<b>TOTAL NET ASSETS</b>	<b><u>15,779,975</u></b>	<b><u>15,084,089</u></b>
<b>EQUITY AND NON-CURRENT LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	3,060,000	3,060,000
Revaluation surplus	1,465,146	1,535,846
Retained earnings	<u>7,291,029</u>	<u>6,404,006</u>
	<u>11,816,175</u>	<u>10,999,852</u>
<b>Non-current liabilities</b>		
Long term loan	2,000,204	2,192,476
Deferred income taxation	1,841,830	1,846,201
Other liabilities	<u>121,766</u>	<u>45,560</u>
	<u>3,963,800</u>	<u>4,084,237</u>
<b>TOTAL EQUITY AND NON-CURRENT LIABILITIES</b>	<b><u>15,779,975</u></b>	<b><u>15,084,089</u></b>

### BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting'. They do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2010, which have been prepared in accordance with IFRSs.

The same accounting policies and methods of computation are followed in these interim financial statements as compared with the annual financial statements as at and for the year ended 30 June 2010.

### OVERVIEW

The results for the six months ended 31 December 2010 were below expectation. The company recorded a 22% decrease in earnings over the same period last year.

The adverse weather experienced during the period from August to October 2010, where

there was very heavy rainfall, hampered cane deliveries and depressed sugar production.

### OPERATIONS

Sugar cane crushed was 1,094,053 tonnes which was 4% lower than the 1,143,268 tonnes crushed in the previous year. Sugar produced was 113,521 tonnes which is 7% lower than the 123,183 tonnes produced last year.

The company sold 108,110 tonnes of sugar which is 7% lower than the 117,081 achieved in the same period last year.

The co-generation plant revenue was Shs 161 million in the period which is 7% lower than the Shs 173 million realised last year.

### RESULTS

Net revenue was Shs 7.3 billion which is 5% lower than the Shs 7.7 billion achieved over the same period last year.

### STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2010

	Share capital	Revaluation surplus	Retained earnings	Total
	Shs '000	Shs '000	Shs '000	Shs '000
At 1 July 2009	3,060,000	1,687,251	5,292,218	10,039,469
Total comprehensive income for the year	-	-	1,572,383	1,572,383
Final dividend declared - 2009	-	-	(612,000)	(612,000)
Transfer on disposal of equipment	-	(14,293)	14,293	-
Deferred tax transferred on disposal of equipment	-	4,288	(4,288)	-
Transfer of excess depreciation	-	(202,000)	202,000	-
Deferred taxation on excess depreciation	-	60,600	(60,600)	-
At 30 June 2010	<u>3,060,000</u>	<u>1,535,846</u>	<u>6,404,006</u>	<u>10,999,852</u>
At 1 July 2010	3,060,000	1,535,846	6,404,006	10,999,852
Total comprehensive income for half year	-	-	816,323	816,323
Transfer of excess depreciation	-	(101,000)	101,000	-
Deferred taxation on excess depreciation	-	30,300	(30,300)	-
<b>At 31 DECEMBER 2009</b>	<b><u>3,060,000</u></b>	<b><u>1,465,146</u></b>	<b><u>7,291,029</u></b>	<b><u>11,816,175</u></b>

### CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

	2010	2009
	Shs '000	Shs '000
<b>Operating Activities</b>		
Net cash generated by operating activities	<u>757,679</u>	<u>1,677,000</u>
<b>Investing Activities</b>		
Net cash used in investing activities	<u>(776,198)</u>	<u>(324,901)</u>
<b>Financing Activities</b>		
Net cash used in financing activities	<u>(539,187)</u>	<u>(449,052)</u>
<b>Increase in cash and cash equivalents</b>	<b><u>(557,706)</u></b>	<b><u>903,047</u></b>
Cash and cash equivalents at 1 July	1,346,127	(397,307)
<b>Cash and cash equivalents at 31 December</b>	<b><u>788,421</u></b>	<b><u>505,740</u></b>

Profit before taxation of Shs 1,185 million is 22% lower than the Shs 1,526 million achieved in the same period last year.

Earnings per Share (EPS) is Shs 0.54 compared to Shs 0.68 in the same period last year.

The directors do not recommend the payment of an interim dividend.

### OUTLOOK

The world sugar prices are still bullish in the region of USD 760 per tonne (US 35 cents/lb). This has resulted in favourable sugar selling prices in the period. These are likely to be sustained for the rest of the financial year.

The company has started construction of the ethanol distillery which will have a capacity to produce 22 million litres of ethanol annually. We expect to commission this in January 2012.

The water bottling plant is also undergoing construction for commissioning by September 2011.

The company is refurbishing the old power house and undertaking energy conservation measures to boost the power income. This should see an increase in electricity income in the second half of the year.

The Board of Directors is cautiously optimistic that the second half will be significantly better than the first half, and that the full year results will be better than those achieved in the last financial year.

### BY ORDER OF THE BOARD

**Emily K. Otieno**  
Company Secretary  
28 January 2011