

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF OCTOBER 31, 2010**

	31-Oct-10	31-Oct-09	31-Jul-10
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	19,737,261	13,552,491	20,643,668
Accounts receivable, net	19,313,151	19,501,253	16,886,629
Inventories	23,546,830	14,354,767	19,990,399
Current portion of note receivable	52,565	-	52,565
Investments	279,500	279,500	279,500
Prepaid expenses and sundry assets	1,705,706	1,906,341	2,719,409
Total current assets	<u>64,635,013</u>	<u>49,594,352</u>	<u>60,572,170</u>
NON-CURRENT ASSETS:			
Note receivable	251,908	-	260,751
Property, plant and equipment, net	62,983,520	62,720,200	63,360,835
Intangible assets	12,655,020	12,655,020	12,655,020
Total non-current assets	<u>75,890,448</u>	<u>75,375,220</u>	<u>76,276,606</u>
TOTAL ASSETS	<u><u>140,525,461</u></u>	<u><u>124,969,572</u></u>	<u><u>136,848,776</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities	25,435,115	20,398,773	23,698,013
Current portion of long-term debt	-	6,213,004	-
NON-CUF Total current liabilities	<u>25,435,115</u>	<u>26,611,777</u>	<u>23,698,013</u>
Long term debt	-	603,600	-
Total liabilities	<u>25,435,115</u>	<u>27,215,377</u>	<u>23,698,013</u>
SHAREHOLDERS' EQUITY:			
Share capital	85,978	85,978	85,978
Preference shares	500,000	400,000	500,000
Contributed capital	56,580,996	46,685,996	56,580,996
Revaluation surplus	1,300,089	1,326,439	1,300,089
Retained earnings	52,574,880	45,302,979	50,775,437
Equity attributable to shareholders of the company	<u>111,041,943</u>	<u>93,801,392</u>	<u>109,242,500</u>
NON-CONTROLLING INTEREST	<u>4,048,403</u>	<u>3,952,803</u>	<u>3,908,263</u>
Total equity	<u>115,090,346</u>	<u>97,754,195</u>	<u>113,150,763</u>
TOTAL LIABILITIES AND EQUITY	<u><u>140,525,461</u></u>	<u><u>124,969,572</u></u>	<u><u>136,848,776</u></u>

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED OCTOBER 31, 2010**

	31-Oct-10	31-Oct-09	31-Jul-10
REVENUES	68,482,933	59,584,070	266,919,520
COST OF SALES	<u>(56,304,243)</u>	<u>(47,724,759)</u>	<u>(216,404,769)</u>
Gross profit	12,178,690	11,859,311	50,514,751
Other income	13,789	11,347	44,569
Marketing, administrative and general expenses	(6,652,183)	(6,451,906)	(28,401,666)
Depreciation and amortization	(689,854)	(712,066)	(2,725,590)
Finance costs	(1,138)	(118,739)	(405,347)
Unrealized gain (loss) on investments	-	-	5,000
NET AND COMPREHENSIVE INCOME	<u>4,849,304</u>	<u>4,587,947</u>	<u>19,031,717</u>
NET INCOME ATTRIBUTABLE TO:			
Shareholders of the company	4,709,164	4,461,597	18,549,907
Non-controlling interest	<u>140,140</u>	<u>126,350</u>	<u>481,810</u>
	<u>4,849,304</u>	<u>4,587,947</u>	<u>19,031,717</u>
EARNINGS PER SHARE	<u>0.13</u>	<u>0.12</u>	<u>0.47</u>

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
THREE MONTHS ENDED OCTOBER 31, 2010**

	31-Oct-10	31-Oct-09	31-Jul-10
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	4,849,304	4,587,947	19,031,717
Adjustments for:			
Depreciation	689,854	712,066	2,725,590
Unrealized (gain) loss on investments	-	(5,000)	(5,000)
Gain on disposals of property, plant and equipment	-	-	(2,000)
Income from operations before working capital changes	5,539,158	5,295,013	21,750,307
(Increase) Decrease in accounts receivable, net	(2,385,099)	(2,855,793)	(341,161)
Decrease (Increase) in prepaid expenses and deposits	1,013,703	947,991	116,522
(Increase) Decrease in inventories	(3,556,431)	3,322,033	(2,313,599)
Increase (Decrease) in accounts payable and accrued expenses	1,737,102	(6,269,000)	(1,936,846)
Net cash from operating activities	<u>2,348,433</u>	<u>440,244</u>	<u>17,275,223</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) Decrease in notes receivable	8,843	-	(313,316)
Proceeds from disposal of property, plant and equipment	-	-	2,000
Purchase of property, plant and equipment	(312,539)	(1,697,229)	(4,332,987)
Net cash used in investing activities	<u>(303,696)</u>	<u>(1,697,229)</u>	<u>(4,644,303)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of long-term debt	-	(400,400)	(7,217,004)
Repurchase of ordinary shares	-	(40,014)	(40,014)
Issuance of preference shares	-	881,650	10,881,600
Common share dividends paid	(2,407,394)	-	(7,623,824)
Preference dividends	(543,750)	(514,903)	(2,871,153)
Net cash used in financing activities	<u>(2,951,144)</u>	<u>(73,667)</u>	<u>(6,870,395)</u>
NET DECREASE IN CASH	(906,407)	(1,330,652)	5,760,525
CASH, BEGINNING OF YEAR	20,643,668	14,883,143	14,883,143
CASH, END OF YEAR	<u>19,737,261</u>	<u>13,552,491</u>	<u>20,643,668</u>
 SUPPLEMENTAL INFORMATION :			
Interest paid on bank overdraft and loans	<u>1,138</u>	<u>118,739</u>	<u>404,347</u>
Interest received	<u>13,789</u>	<u>6,347</u>	<u>37,509</u>
Dividends received	<u>-</u>	<u>-</u>	<u>12,000</u>