

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JANUARY 31, 2011**

	31-Jan-11	31-Jan-10	31-Jul-10
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	20,098,986	12,171,877	20,643,668
Accounts receivable, net	18,887,465	19,479,199	16,886,629
Inventories	25,987,517	17,725,171	19,990,399
Current portion of note receivable	52,565	-	52,565
Investments	279,500	279,500	279,500
Prepaid expenses and sundry assets	1,431,382	1,260,526	2,719,409
Total current assets	<u>66,737,415</u>	<u>50,916,273</u>	<u>60,572,170</u>
NON-CURRENT ASSETS:			
Note receivable	251,908	-	260,751
Property, plant and equipment, net	64,696,270	63,321,327	63,360,835
Intangible assets	12,655,020	12,655,020	12,655,020
Total non-current assets	<u>77,603,198</u>	<u>75,976,347</u>	<u>76,276,606</u>
TOTAL ASSETS	<u><u>144,340,613</u></u>	<u><u>126,892,620</u></u>	<u><u>136,848,776</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities	27,481,911	21,398,937	23,698,013
Current portion of long-term debt	-	5,617,000	-
NON-CURRENT LIABILITIES:	<u>27,481,911</u>	<u>27,015,937</u>	<u>23,698,013</u>
Long term debt	-	799,604	-
Total liabilities	<u>27,481,911</u>	<u>27,815,541</u>	<u>23,698,013</u>
SHAREHOLDERS' EQUITY:			
Share capital	85,471	85,978	85,978
Preference shares	500,000	400,000	500,000
Contributed capital	55,565,123	46,685,996	56,580,996
Revaluation surplus	1,300,089	1,326,439	1,300,089
Retained earnings	55,208,202	46,485,069	50,775,437
Equity attributable to shareholders of the company	<u>112,658,885</u>	<u>94,983,482</u>	<u>109,242,500</u>
NON-CONTROLLING INTEREST	<u>4,199,817</u>	<u>4,093,597</u>	<u>3,908,263</u>
Total equity	<u>116,858,702</u>	<u>99,077,079</u>	<u>113,150,763</u>
TOTAL LIABILITIES AND EQUITY	<u><u>144,340,613</u></u>	<u><u>126,892,620</u></u>	<u><u>136,848,776</u></u>

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF INCOME
SIX MONTHS ENDED JANUARY 31, 2011**

	31-Jan-11	31-Jan-10	31-Jul-10
REVENUES	139,969,574	121,204,265	266,919,520
COST OF SALES	<u>(116,115,815)</u>	<u>(97,802,914)</u>	<u>(216,404,769)</u>
Gross profit	23,853,759	23,401,351	50,514,751
Other income	24,457	21,502	44,569
Marketing, administrative and general	(13,588,633)	(12,857,727)	(28,401,666)
Depreciation	(1,403,593)	(1,402,583)	(2,725,590)
Finance costs	-	(226,472)	(405,347)
Unrealized gain (loss) on investments	<u>(8,600)</u>	<u>-</u>	<u>5,000</u>
NET AND COMPREHENSIVE INCOME	8,877,390	8,936,071	19,031,717
NET INCOME ATTRIBUTABLE TO:			
Shareholders of the company	8,585,835	8,668,927	18,549,907
Non-controlling interest	<u>291,554</u>	<u>267,144</u>	<u>481,810</u>
	<u>8,877,389</u>	<u>8,936,071</u>	<u>19,031,717</u>
EARNINGS PER SHARE	<u>0.21</u>	<u>0.22</u>	<u>0.47</u>

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JANUARY 31, 2011**

	31-Jan-11	31-Jan-10	31-Jul-10
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	8,877,390	8,936,071	19,031,717
Adjustments for:			
Depreciation	1,402,593	1,402,583	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	<u>10,280,983</u>	<u>10,333,654</u>	<u>21,750,307</u>
(Increase) Decrease in accounts receivable, net	(1,955,733)	(2,888,780)	(341,161)
Decrease (Increase) in prepaid expenses and deposits	1,288,027	1,593,806	116,522
(Increase) Decrease in inventories	(5,997,118)	(48,371)	(2,313,599)
Increase (Decrease) in accounts payable and accrued expenses	<u>3,783,898</u>	<u>(5,268,836)</u>	<u>(1,936,846)</u>
Net cash from operating activities	<u>7,400,057</u>	<u>3,721,473</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	<u>(2,739,028)</u>	<u>(2,988,873)</u>	<u>(4,332,987)</u>
Net cash used in investing activities	<u>(2,730,185)</u>	<u>(2,988,873)</u>	<u>(4,644,303)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of long-term debt	-	(800,400)	(7,217,004)
Repurchase of ordinary shares	(1,021,475)	(40,014)	(40,014)
Issuance of preference shares	-	881,650	10,881,600
Common share dividends paid	(2,407,394)	(2,063,949)	(7,623,824)
Preference dividends	<u>(1,785,685)</u>	<u>(1,421,153)</u>	<u>(2,871,153)</u>
Net cash used in financing activities	<u>(5,214,554)</u>	<u>(3,443,866)</u>	<u>(6,870,395)</u>
NET DECREASE IN CASH	(544,682)	(2,711,266)	5,760,525
CASH, BEGINNING OF YEAR	<u>20,643,668</u>	<u>14,883,143</u>	<u>14,883,143</u>
CASH, END OF YEAR	<u>20,098,986</u>	<u>12,171,877</u>	<u>20,643,668</u>
	-		
SUPPLEMENTAL INFORMATION :			
Interest paid on bank overdraft and loans	<u>8,600</u>	<u>226,472</u>	<u>404,347</u>
Interest received	<u>24,457</u>	<u>16,502</u>	<u>37,509</u>
Dividends received	<u>-</u>	<u>-</u>	<u>12,000</u>