

**FOCOL HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF APRIL 30, 2011**

	30-Apr-11	30-Apr-10	31-Jul-10
<b>ASSETS</b>			
CURRENT ASSETS:			
Cash and cash equivalents	14,663,031	17,187,129	20,643,668
Accounts receivable, net	24,860,372	21,898,875	16,886,629
Inventories	26,059,706	22,752,798	19,990,399
Current portion of note receivable	52,565	-	52,565
Investments	279,500	279,500	279,500
Prepaid expenses and sundry assets	1,865,606	1,674,627	2,719,409
Total current assets	<u>67,780,780</u>	<u>63,792,929</u>	<u>60,572,170</u>
NON-CURRENT ASSETS:			
Note receivable	251,908	-	260,751
Property, plant and equipment, net	65,294,904	62,978,737	63,360,835
Intangible assets	12,655,020	12,655,020	12,655,020
Total non-current assets	<u>78,201,832</u>	<u>75,633,757</u>	<u>76,276,606</u>
<b>TOTAL ASSETS</b>	<u><u>145,982,612</u></u>	<u><u>139,426,686</u></u>	<u><u>136,848,776</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities	29,485,977	33,403,883	23,698,013
Current portion of long-term debt	-	4,617,000	-
NON-CURRENT LIABILITIES:	<u>29,485,977</u>	<u>38,020,883</u>	<u>23,698,013</u>
Long term debt	-	399,605	-
Total liabilities	<u>29,485,977</u>	<u>38,420,488</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	46,680,996	56,580,996
Revaluation surplus	1,300,089	1,326,439	1,300,089
Retained earnings	54,693,367	48,321,324	50,775,437
Equity attributable to shareholders of the company	<u>112,144,050</u>	<u>96,814,737</u>	<u>109,242,500</u>
NON-CONTROLLING INTEREST	<u>4,352,585</u>	<u>4,191,461</u>	<u>3,908,263</u>
Total equity	<u>116,496,635</u>	<u>101,006,198</u>	<u>113,150,763</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>145,982,612</u></u>	<u><u>139,426,686</u></u>	<u><u>136,848,776</u></u>

**FOCOL HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF INCOME  
NINE MONTHS ENDED APRIL 30, 2011**

	30-Apr-11	30-Apr-10	31-Jul-10
REVENUES	224,070,075	190,862,423	266,919,520
COST OF SALES	<u>(188,897,579)</u>	<u>(155,011,627)</u>	<u>(216,404,769)</u>
Gross profit	35,172,496	35,850,796	50,514,751
Other income	37,978	36,795	44,569
Marketing, administrative and general	(20,626,003)	(20,767,134)	(28,401,666)
Depreciation	(2,085,223)	(2,009,054)	(2,725,590)
Finance costs	-	(326,811)	(405,347)
Unrealized gain (loss) on investments	<u>-</u>	<u>-</u>	<u>5,000</u>
NET AND COMPREHENSIVE INCOME	12,499,248	12,784,592	19,031,717
 NET INCOME ATTRIBUTABLE TO:			
Shareholders of the company	12,033,579	12,419,584	18,549,907
Non-controlling interest	<u>444,322</u>	<u>365,008</u>	<u>481,810</u>
	<u>12,477,901</u>	<u>12,784,592</u>	<u>19,031,717</u>
 EARNINGS PER SHARE	<u>0.30</u>	<u>0.31</u>	<u>0.47</u>

**FOCOL HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
NINE MONTHS ENDED APRIL 30, 2011**

	30-Apr-11	30-Apr-10	31-Jul-10
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	12,499,248	12,784,592	19,031,717
Adjustments for:			
Depreciation	2,085,223	2,009,054	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>14,584,471</u>	<u>14,788,646</u>	<u>21,750,307</u>
(Increase) Decrease in accounts receivable, net	(7,949,980)	(5,308,454)	(341,161)
Decrease (Increase) in prepaid expenses and deposits	853,803	1,179,705	116,522
(Increase) Decrease in inventories	(6,069,307)	(5,075,998)	(2,313,599)
Increase (Decrease) in accounts payable and accrued expenses	<u>5,787,964</u>	<u>6,736,110</u>	<u>(1,936,846)</u>
Net cash from operating activities	<u>7,206,951</u>	<u>12,320,009</u>	<u>17,275,223</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
(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>(4,019,292)</u>	<u>(3,252,754)</u>	<u>(4,332,987)</u>
Net cash used in investing activities	<u>(4,010,449)</u>	<u>(3,252,754)</u>	<u>(4,644,303)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of long-term debt	-	(2,200,399)	(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	(5,826,229)	(3,439,603)	(7,623,824)
Preference dividends	<u>(2,329,435)</u>	<u>(1,964,903)</u>	<u>(2,871,153)</u>
Net cash used in financing activities	<u>(9,177,139)</u>	<u>(6,763,269)</u>	<u>(6,870,395)</u>
<b>NET DECREASE IN CASH</b>	<u>(5,980,637)</u>	<u>2,303,986</u>	<u>5,760,525</u>
<b>CASH, BEGINNING OF YEAR</b>	<u>20,643,668</u>	<u>14,883,143</u>	<u>14,883,143</u>
<b>CASH, END OF YEAR</b>	<u><u>14,663,031</u></u>	<u><u>17,187,129</u></u>	<u><u>20,643,668</u></u>
<b>SUPPLEMENTAL INFORMATION :</b>			
Interest paid on bank overdraft and loans	<u>21,346</u>	<u>520,043</u>	<u>404,347</u>
Interest received	<u>37,978</u>	<u>24,795</u>	<u>37,509</u>
Dividends received	<u>-</u>	<u>7,000</u>	<u>12,000</u>