

MUMIAS SUGAR COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE 6 MONTHS ENDED 31 DECEMBER 2011

The directors present their report together with the unaudited condensed interim financial statements of the company for the 6 months ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activities of the company are the production and sale of sugar and the generation and sale of electricity.

	Shs'000
RESULTS	
Profit before taxation	1,259,010
Taxation charge	(377,703)
Profit for the period	<u>881,307</u>

DIVIDENDS

The directors have not recommended an interim dividend.

PRODUCTION

The following are the comparative statistics of cane processed and sugar produced for the last five interim periods:

	Cane Processed (Tonnes)	Sugar production (Tonnes)
2011	803,345	64,435
2010	1,094,053	113,521
2009	1,143,268	123,183
2008	961,596	104,686
2007	<u>1,220,031</u>	<u>132,838</u>

DIRECTORS

The current directors of the company are listed on page 2.

MUMIAS SUGAR COMPANY LIMITED

**INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE 6 MONTHS ENDED 31 DECEMBER 2011**

	Note	2011 Shs'000	2010 Shs'000
Revenue		6,921,870	7,318,671
Cost of sales		(4,666,144)	(4,777,390)
Gross profit		2,255,726	2,541,281
Other operating income		93,858	56,037
Marketing and distribution costs		(224,107)	(463,721)
Administrative expenses		(602,888)	(623,543)
Other operating expenses		(441,080)	(313,401)
Finance income	5(a)	291,431	120,670
Finance costs	5(b)	(134,843)	(132,902)
Profit before taxation		1,238,097	1,184,421
Taxation charge		(341,429)	(355,326)
Profit for the year		866,668	829,095
OTHER COMPREHENSIVE INCOME			
Fair value gain net of taxes		14,639	542
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		881,307	829,637
		Shs	Shs
Earnings per share - basic & diluted		0.57	0.54

MUMIAS SUGAR COMPANY LIMITED

**INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 31 DECEMBER 2011**

	Share capital	Revaluation surplus	Retained earnings	Total
	Shs'000	Shs'000	Shs'000	Shs'000
At 1 July 2010	3,060,000	1,535,848	6,404,006	10,999,852
Total comprehensive income for the year				
Profit for the year	-	-	829,095	829,095
Other comprehensive income				
Fair value gain on assets, net of tax	-	-	542	542
At 31 December 2010	<u>3,060,000</u>	<u>1,535,848</u>	<u>7,233,643</u>	<u>11,829,491</u>
At 1 July 2011	3,060,000	3,552,456	7,863,551	14,476,007
Total comprehensive income for the year				
Profit for the year	-	-	866,668	866,668
Other comprehensive income				
Fair value gain on assets, net of tax	-	14,639	14,639	
Final dividend declared - 2011	-	-	(765,000)	(765,000)
At 31 December 2011	<u>3,060,000</u>	<u>3,552,456</u>	<u>7,979,859</u>	<u>14,592,315</u>