



18 March 2009

INTERIM REPORT TO SHAREHOLDERS OF SUGAR TERMINALS LIMITED

On behalf of the Board of Directors of Sugar Terminals Limited (STL), I am pleased to report to shareholders on the financial position of the Company at 31 December 2008 and the outlook for the year ending 30 June 2009.

Profit attributable to members for the half-year ended 31 December 2008 was \$13.5 million, an increase of 7.5% over the same period to 31 December 2007. Revenue from continuing operations was \$26.2 million, an increase of 4.1% over the same period last year. These results are slightly ahead of budget, excluding the profit on sale of the Brisbane terminal which was originally due to settle on 15 December 2008 and is now due to settle on 31 March 2009.

Rent under the new Sub-lease with QSL (see below) has reduced to \$42 million per annum from 1 January 2009, and this will cause an estimated reduction in revenue for the second half of the year to \$21.3 million, excluding proceeds from the sale of the Brisbane Terminal. Profit for the full year is forecast to be \$23.3 million excluding profit on the sale of the Brisbane terminal, a reduction of \$1.8 million compared to last year.

On 6 January 2009, the company entered into a binding heads of agreement with QSL to sub-lease the terminals for a period of five years, commencing on 1 January 2009 at a fixed annual rental of \$42 million. More details of the Sub-lease arrangement are set out in the announcement to the stock exchange on 6 January 2009. Negotiations are continuing with QSL and it is expected that terms of the Sub-lease will be agreed to by 31 March 2009.

The full half-year report is available for inspection on the Company's website or the National Stock Exchange of Australia website. It should be noted that at this time of global financial uncertainty the company is in a very sound financial position with no debt.

In accordance with Board policy, dividends are declared bi-annually, in March and September. On 5 March, Directors resolved that an interim dividend \$13.32 million (3.7 cents per share), fully franked on tax paid at 30%, will be paid on 31 March 2009 out of retained profits. Your dividend notice is being mailed with this report.

On behalf of the Board of Directors of Sugar Terminals Limited

A handwritten signature in black ink, appearing to read 'Michael Brown', is written over a horizontal line.

MD Brown
Chairman