

SUGAR TERMINALS LIMITED ABN 17 084 059 601
Half-year report – 31 DECEMBER 2009

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SUGAR TERMINALS LIMITED

Directors' report

31 December 2009

Your directors present their report on the entity of Sugar Terminals Limited for the half-year ended 31 December 2009.

Directors

The following persons were directors of Sugar Terminals Limited during the whole of the half-year and up to the date of this report:

Mr Michael D Brown

Mr Mark R Day

Mr Stephen Guazzo

Mr James F Hesp

Mr John Grasso (retired 30 October 2009)

Mr Constantine Christofides (appointed 30 October 2009)

Review of operations

Settlement of the sale of the Brisbane terminal for \$34.2 million was completed on 22 September 2009. The after tax profit arising from this sale was \$20,925,000

Directors on the same day declared a special dividend of \$20,880,000 which was 50% franked on tax paid at 30%, and paid on 16 October 2009.

A long term licence agreement was signed with the Department of Defence effective from 1 September 2009 for the Navy to use the Cairns wharf when it is not being used for sugar.

Apart from the items set out above, there were no material changes to the company's operations during the half-year. Profit attributable to members of Sugar Terminals Ltd for the half-year ended 31 December 2009 was \$31,447,000 (2008, \$13,557,000).

Auditors independence declaration

A copy of the Auditors independence declaration is attached on page 3 in accordance with section 307C of the *Corporations Act 2001*.

Rounding of amounts

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the directors.



MD Brown
Brisbane
16 March 2010



S Guazzo
Brisbane
16 March 2010

PricewaterhouseCoopers
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Auditors' Independence Declaration

As lead auditor for the review of Sugar Terminals Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sugar Terminals Limited.



TJ Allman
Partner
PricewaterhouseCoopers

Brisbane
16 March 2010

SUGAR TERMINALS LIMITED ABN 17 084 059 601

Interim financial report – 31 DECEMBER 2009

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This interim financial report does not include all the notes of the type usually included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by SUGAR TERMINALS LIMITED during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Sugar Terminals Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Sugar Terminals Limited
North Podium Level, Mincom Central
192 Ann Street
BRISBANE QLD 4000

SUGAR TERMINALS LIMITED
Statement of Comprehensive Income
For the half-year ended 31 DECEMBER 2009

	Half-year	
	2009	2008
	\$'000	\$'000
Revenue from continuing operations	21,600	26,214
Other income	26,380	-
Depreciation expense	(5,412)	(5,464)
Professional fees expense	(232)	(290)
Insurance expense	(657)	(626)
Finance costs	-	(12)
Other expenses	(404)	(346)
Profit before income tax	41,275	19,476
Income tax expense	(9,828)	(5,919)
Total comprehensive income	31,447	13,557

	2009	2008
	Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company		
Basic and diluted earnings per share	8.74	3.77

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

SUGAR TERMINALS LIMITED**Balance Sheet**

As at 31 DECEMBER 2009

	31 Dec 2009 \$'000	30 Jun 2009 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	15,995	10,453
Trade and other receivables	7	8
Other	657	-
	<u>16,659</u>	<u>10,461</u>
Non-current assets classified as held for sale	-	7,676
Total current assets	<u>16,659</u>	<u>18,137</u>
Non-current assets		
Investment properties	331,965	336,150
Total non-current assets	<u>331,965</u>	<u>336,150</u>
Total assets	<u>348,623</u>	<u>354,287</u>
LIABILITIES		
Current liabilities		
Trade and other payables	6,430	3,479
Current tax liabilities	7,438	2,624
Total current liabilities	<u>13,868</u>	<u>6,103</u>
Non-current liabilities		
Deferred tax liabilities	6,385	6,261
Total non-current liabilities	<u>6,385</u>	<u>6,261</u>
Total liabilities	<u>20,253</u>	<u>12,364</u>
Net assets	<u>328,370</u>	<u>341,923</u>
EQUITY		
Contributed equity	317,628	330,228
Retained profits	10,742	11,695
Total equity	<u>328,370</u>	<u>341,923</u>

The above balance sheet should be read in conjunction with the accompanying notes.

SUGAR TERMINALS LIMITED
Statement of changes in equity
For the half-year ended 31 DECEMBER 2009

	Half-year	
	2009	2008
	\$'000	\$'000
Total equity at the beginning of the half year	341,923	344,516
Total comprehensive income	31,447	13,557
	373,370	358,073
Transactions with equity holders in their capacity as equity holders:		
Dividends provided for or paid (Note 3)	(32,400)	(14,040)
Capital Return (Note 4)	(12,600)	-
Total equity at the end of the half-year	328,370	344,033
 Total recognised income and expenses for the year attributable to the members of Sugar Terminals Limited	 31,447	 13,557

The above statement of changes in equity should be read in conjunction with the accompanying notes.

SUGAR TERMINALS LIMITED
Statement of Cash Flows
For the half-year ended 31 DECEMBER 2009

		Half-year	
	Notes	2009	2008
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		27,262	28,660
Payments to suppliers and employees (inclusive of goods and services tax)		(7,295)	(4,389)
		<u>19,967</u>	<u>24,271</u>
Interest received		316	148
Finance costs paid		-	(12)
Income taxes paid		(4,890)	(5,721)
Net cash inflow from operating activities		<u>15,393</u>	<u>18,686</u>
Cash flows from investing activities			
Payments for investment properties		(2,357)	(1,655)
Proceeds from sale of investment property		37,506	-
Net cash inflow / (outflow) from investing activities		<u>35,149</u>	<u>(1,655)</u>
Cash flows from financing activities			
Dividends paid to Company's shareholders	3	(32,400)	(14,040)
Capital returned to Company's shareholders	4	(12,600)	-
Net cash (outflow) from financing activities		<u>(45,000)</u>	<u>(14,040)</u>
Net increase/(decrease) in cash and cash equivalents		5,542	2,991
Cash and cash equivalents at the beginning of the half-year		<u>10,453</u>	<u>4,709</u>
Cash and cash equivalents at the end of the half-year		<u>15,995</u>	<u>7,700</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

SUGAR TERMINALS LIMITED
Notes to the financial statements
31 DECEMBER 2009

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SUGAR TERMINALS LIMITED

Notes to the financial statements

31 DECEMBER 2009

Note 1 Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Sugar Terminals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Note 2 Segment information

The segment information is prepared in conformity with Accounting Standard AASB 8 "Operating Segments". Sugar Terminals Limited operates in one industry, being the sugar industry, and in one geographical segment, being Queensland, Australia.

Note 3 Dividends

	Half-year	
	2009	2008
	\$'000	\$'000
Ordinary shares		
Final dividend for the year ended 30 June 2009 of 3.2 cents (2008 – 3.9 cents) per share paid on 30 September 2009.		
Fully franked based on tax paid @ 30%	11,520	14,040
Special dividend out of profit on the sale of the Brisbane terminal of 5.8cents per share paid on 16 October 2009		
50% franked based on tax paid @ 30%	20,880	-
	32,400	14,040

Dividends not recognised at the end of the half-year

In addition to the above dividends, since the end of the half-year the directors have resolved that a dividend of 2.9c per fully paid ordinary share will be paid on 31 March 2010, 70% franked based on tax paid at 30%. The aggregate amount of the proposed dividend to be paid is \$10.44 million out of retained profits at 31 December 2009, but is not recognised as a liability at the end of the half-year.

SUGAR TERMINALS LIMITED
Notes to the financial statements
31 DECEMBER 2009

Note 4 Capital Return

	Half-year	
	2009	2008
	\$'000	\$'000
Class meetings of 'G' and 'M' class shareholders held on 30 October 2009 approved a capital return of 3.5cents per share, which was paid on 25 November 2009	12,600	-
	<u>12,600</u>	<u>-</u>

Note 5 Events occurring after the balance sheet date

No significant events have occurred since the balance sheet date.

Note 6 Economic Dependency

The Company depends on Queensland Sugar Limited (QSL) for most of its revenue. During the half-year ended 31 December 2009, 98% (2008 – 99%) of the Company's revenue from continuing operations was sourced from QSL under the Company's sublease agreement with that company.

SUGAR TERMINALS LIMITED

Directors' declaration

31 DECEMBER 2009

In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Sugar Terminals Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



MD Brown
Director
Brisbane
16 March 2010



S Guazzo
Director
Brisbane
16 March 2010

Independent auditors' review report to the members of Sugar Terminals Limited

Report on the Half-Year Financial Report

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We have reviewed the accompanying half-year financial report of Sugar Terminals Limited, which comprises the balance sheet as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Sugar Terminals Limited (the company).

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sugar Terminals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

**Independent auditors' review report to the members of Sugar Terminals Limited
(continued)**

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sugar Terminals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.


PricewaterhouseCoopers



Timothy J Allman

Partner

Brisbane

16 March 2010