

SUGAR TERMINALS LIMITED ABN 17 084 059 601
Half-year report – 31 DECEMBER 2010

Contents	Page
Directors' report	2
Auditor's independence declaration	3
Interim financial report – 31 DECEMBER 2010	4
Notes to the financial statements	9
Directors' declaration	12
Independent auditor's review report to the members of Sugar Terminals Limited	13

SUGAR TERMINALS LIMITED

Directors' report

31 December 2010

Your directors present their report on the entity of Sugar Terminals Limited for the half-year ended 31 December 2010.

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 Mark R Day
Mr Stephen Guazzo
Mr Constantine Christofides

Mr Michael D Brown was a director from the beginning of the financial year until his retirement on 29 October 2010
Mr James F Hesp was a director from the beginning of the financial year until his retirement on 29 October 2010
Mr Stuart Gregory was appointed a director on 13 August 2010 and continues in office at the date of this report
Mr Andrew Cappello was appointed a director on 29 October 2010 and continues in office at the date of this report

Review of operations

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 2010 was \$10,710,000 (2009, \$31,447,000, including \$20,925,000 profit on the sale of the Brisbane terminal).

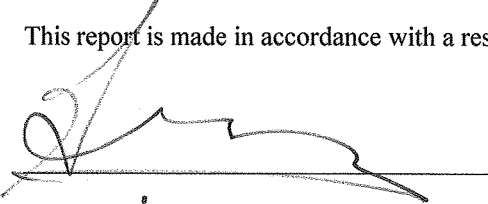
Auditor's independence declaration

A copy of the auditor's 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 and financial report. Amounts in the directors' report and financial 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.



SC Gregory
Brisbane
16 March 2011



S Guazzo
Brisbane
16 March 2011

PricewaterhouseCoopers
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Auditor's Independence Declaration

As lead auditor for the review of Sugar Terminals Limited for the half year ended 31 December 2010, 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 during the period.



Timothy J Allman
Partner
PricewaterhouseCoopers

Brisbane
16 March 2011

SUGAR TERMINALS LIMITED ABN 17 084 059 601

Half-year report – 31 DECEMBER 2010

Contents	Page
Half-year report – 31 DECEMBER 2010	
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	12
Independent auditor's review report to the members of Sugar Terminals Limited	13

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 2010 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
Level 3
348 Edward Street
BRISBANE QLD 4000

SUGAR TERMINALS LIMITED
Statement of Comprehensive Income
For the half-year ended 31 DECEMBER 2010

	Half-year	
	2010	2009
	\$'000	\$'000
Revenue from continuing operations	21,833	21,600
Other income	-	26,380
Depreciation expense	(5,375)	(5,412)
Professional fees expense	(107)	(232)
Insurance expense	(515)	(657)
Other expenses	(376)	(404)
Profit before income tax	15,460	41,275
Income tax expense	(4,750)	(9,828)
Total comprehensive income	10,710	31,447

	2010	2009
	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	2.97	8.74

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

SUGAR TERMINALS LIMITED**Balance Sheet**

As at 31 DECEMBER 2010

	31 Dec 2010 \$'000	30 Jun 2010 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	17,889	11,689
Trade and other receivables	18	8
Prepayments	515	-
Total current assets	18,422	11,697
Non-current assets		
Investment properties	325,459	329,286
Total non-current assets	325,459	329,286
Total assets	343,881	340,983
LIABILITIES		
Current liabilities		
Trade and other payables	5,615	3,418
Dividend payable	10,440	-
Current tax liabilities	3,273	3,213
Total current liabilities	19,328	6,631
Non-current liabilities		
Deferred tax liabilities	6,391	6,380
Total non-current liabilities	6,391	6,380
Total liabilities	25,719	13,011
Net assets	318,162	327,972
EQUITY		
Contributed equity	317,628	317,628
Retained profits	534	10,344
Total equity	318,162	327,972

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 2010

	Half-year	
	2010	2009
	\$'000	\$'000
Total equity at the beginning of the half year	327,972	341,923
Total comprehensive income	10,710	31,447
	338,682	373,370
Transactions with equity holders in their capacity as equity holders:		
Dividends provided for or paid (Note 3)	(20,520)	(32,400)
Capital Return (Note 4)	-	(12,600)
Total equity at the end of the half-year	318,162	328,370
 Total recognised income and expenses for the year attributable to the members of Sugar Terminals Limited	 10,710	 31,447

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 2010

		Half-year	
	Notes	2010	2009
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		27,817	27,262
Payments to suppliers and employees (inclusive of goods and services tax)		(3,596)	(7,295)
		<u>24,221</u>	<u>19,967</u>
Interest received		385	316
Income taxes paid		(4,679)	(4,890)
Net cash inflow from operating activities		<u>19,927</u>	<u>15,393</u>
Cash flows from investing activities			
Payments for investment properties		(3,647)	(2,357)
Proceeds from sale of investment property		-	37,506
Net cash inflow / (outflow) from investing activities		<u>(3,647)</u>	<u>35,149</u>
Cash flows from financing activities			
Dividends paid to Company's shareholders	3	(10,080)	(32,400)
Capital returned to Company's shareholders	4	-	(12,600)
Net cash (outflow) from financing activities		<u>(10,080)</u>	<u>(45,000)</u>
Net increase/(decrease) in cash and cash equivalents		6,200	5,542
Cash and cash equivalents at the beginning of the half-year		<u>11,689</u>	<u>10,453</u>
Cash and cash equivalents at the end of the half-year		<u>17,889</u>	<u>15,995</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 2010

Note	Contents	Page
Note 1	Basis of preparation of half-year report	10
Note 2	Segment information	10
Note 3	Dividends	10
Note 4	Capital Return	11
Note 5	Events occurring after the balance sheet date	11
Note 6	Economic Dependency	11

SUGAR TERMINALS LIMITED

Notes to the financial statements

31 DECEMBER 2010

Note 1 Basis of preparation of half-year report

This general purpose financial report for the half-year reporting period ended 31 December 2010 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 2010 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	
	2010	2009
	\$'000	\$'000
Ordinary shares		
Final dividend for the year ended 30 June 2010 of 2.8 cents (2009 – 3.2 cents) per share paid on 30 September 2010.		
Fully franked based on tax paid @ 30%	10,080	11,520
Special dividend out of profit on the sale of the Brisbane terminal of 5.8 cents per share paid on 16 October 2009		
50% franked based on tax paid @ 30%	-	20,880
Interim dividend for the year ending 30 June 2011 of 2.9 cents (2009 – nil) per share paid on 21 January 2011		
Fully franked based on tax paid @ 30%	10,440	-
	20,520	32,400

SUGAR TERMINALS LIMITED**Notes to the financial statements**

31 DECEMBER 2010

Note 4 Capital Return

	2010	Half-year	2009
	\$'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
	-		12,600

Note 5 Events occurring after the balance sheet date

On 3 February 2011, Cyclone Yasi caused significant damage at the Lucinda terminal. The company is working with its insurers and engineers to assess the damage. The property is insured and the financial impact on the company is not expected to be material.

Note 6 Economic Dependency

The Company depends on Queensland Sugar Limited (QSL) for most of its revenue. During the half-year ended 31 December 2010, 98% (2009 – 98%) of the Company's revenue from continuing operations was sourced from QSL under the Company's sublease agreement with that company.

SUGAR TERMINALS LIMITED

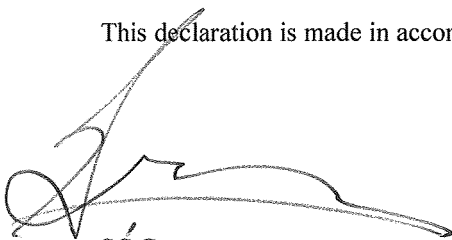
Directors' declaration

31 DECEMBER 2010

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 2010 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.



SC Gregory
Director
Brisbane
16 March 2011



S Guazzo
Director
Brisbane
16 March 2011

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Independent auditor's review report to the members of Sugar Terminals Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sugar Terminals Limited, which comprises the balance sheet as at 31 December 2010, 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.

Directors' responsibility for the half-year financial report

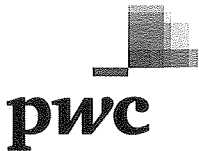
The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors 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 an Interim 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 2010 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.



Independent auditor's review report to the members of Sugar Terminals Limited (continued)

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

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of Sugar Terminals Limited for the half-year ended 31 December 2010 included on Sugar Terminals Limited's web site. The company's directors are responsible for the integrity of the Sugar Terminals Limited's web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

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 2010 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 2011