



# SUGAR TERMINALS LIMITED

ABN 17 084 059 601

11 March 2014

## 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 results of the Company during the six months to 31 December 2013.

Total comprehensive income for the half-year to 31 December 2013 was \$10.55 million (after tax), an increase of \$150,000 or 1.4% over the same period to 31 December 2012.

### Terminals

The roof replacement program continues to progress well. The Board has approved the replacement of the roofs on sheds 1 and 2 at Lucinda at a budgeted cost of \$9.9 million. Preliminary works will commence on site soon and the project will be completed by September 2014. Because Lucinda is a remote location and the sheds are relatively small, it was considered to be more efficient and cost effective to replace the roofs of the two sheds in the same year, instead of one, as we have done at Mackay. There will be no material impact on terminal operations. The expenditure will be funded from cash flows and we expect to be able to maintain or slightly increase the level of dividend.

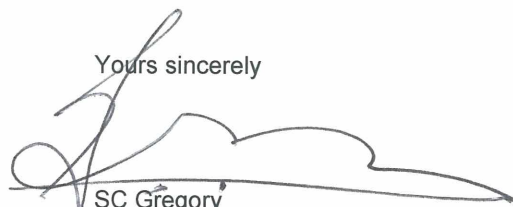
Under the new Workplace Health and Safety laws, STL is required to take a more proactive role to ensure that the terminals are a safe workplace. We continue to work with Queensland Sugar Limited (QSL) to ensure that our obligations are met.

Under the terms of the Sublease, QSL must ensure that the terminals are at all times maintained to their optimum use and is required to install a maintenance system that ensures safe and dependable plant, equipment and structures that meet their required availability and to extend the estimated useful life of terminal assets so as to achieve the lowest total whole of life cost. QSL has been installing a new maintenance system over the last 3 years to improve its compliance with this requirement. Earlier this year STL appointed an external consultant to review the maintenance system and carry out inspections at two of the terminals. I am pleased to report that the external consultant considers the new system to be adequate and is impressed with the progress made by QSL in implementing the system to date. It should be fully operational in about two years. Apart from a couple of issues which were already being addressed by QSL, he was satisfied with the state of repair of the terminals he inspected.

### Dividends

In accordance with Board policy, dividends are declared biannually in March and September. The final dividend for the year ended 30 June 2013 of \$10.8 million (3 cents per share) fully franked based on tax paid of 30% was paid on 30 September 2013. On 26 February 2013 Directors determined that an interim dividend of \$10.8 million (3 cents per share) fully franked based on tax paid of 30% will be paid on 28 March 2014.

Yours sincerely



SC Gregory  
Chairman