

Consolidated Interim Financial Statements

(for the three months ended 30 June 2011)

National Enterprises Limited (NEL) reported an after-tax profit of **\$114.7 million** for the three months ended **30 June 2011**. For the corresponding period in **2010** NEL reported an after-tax profit of **\$137.3 million**, implying a comparative decline of **\$22.6 million** or **16.5 percent** in the current period. The earnings per share stood at **19 cents**, reflecting a **13.6%** decline from the corresponding **2010** figure.

NEL's consolidated results for the period under review were indicative of the mixed performances of its investee companies in terms of their after-tax profits. Two of these companies reported improved profits over the corresponding period in **2010**. Telecommunications Services of Trinidad and Tobago (TSTT) saw its after-tax profits increase by **\$6.9 million** or **28.5%** while NGC NGL recorded an increase of **\$68.6 million** or **33.6%**. On the other hand, Tringen's profits declined by **\$51.0 million** or **36.8%** and NGC LNG's profits in the corresponding period of **2010** were transformed into a small loss position in the current period. National Flour Mills experienced a similar shift from profits of **\$6.1 million** to a loss of **\$2.5 million**.

NEL is forecasting a strengthening of its performance in the remainder of the **2011-2012** financial year.

Kenny Lue Chee Lip
Chairman

Chairman's Report



Kenny Lue Chee Lip
(Chairman)

Consolidated Statement of Financial Position (Expressed in Thousands of Trinidad and Tobago Dollars)

	Unaudited Three months ended 30 June 2011 \$'000	Unaudited Three months ended 30 June 2010 \$'000	Audited Year ended 31 March 2011 \$'000
Assets			
Equity accounted investments	2,632,123	2,563,439	2,548,043
Property, plant and equipment	162,425	161,201	165,550
Other non-current assets	107,831	108,082	108,142
Total non-current assets	2,902,379	2,832,722	2,821,735
Current assets	903,553	818,507	892,086
Total assets	3,805,932	3,651,229	3,713,821
Equity			
Stated capital	1,736,632	1,736,632	1,736,632
Translation reserve	28,779	24,814	26,786
Retained earnings	1,725,564	1,578,157	1,609,654
Total equity attributable to equity shareholders	3,490,975	3,339,603	3,373,072
Non-controlling interest	96,809	92,050	98,046
Total equity	3,587,783	3,431,653	3,471,118
Liabilities			
Non-current liabilities	30,419	35,605	37,263
Current liabilities	187,730	183,971	205,440
Total liabilities	218,149	219,576	242,703
Total equity and liabilities	3,805,933	3,651,229	3,713,821

Consolidated Statement of Comprehensive Income (Expressed in Thousands of Trinidad and Tobago Dollars)

	Unaudited Three months ended 30 June 2011 \$'000	Unaudited Three months ended 30 June 2010 \$'000	Audited Year ended 31 March 2011 \$'000
Revenue	104,277	109,428	439,326
Cost of sales	(91,084)	(88,380)	(346,750)
Gross profit	13,193	21,048	92,576
Other income	1,906	-	12,524
Operating expenses	(14,615)	(12,592)	(68,196)
Operating profit	484	8,456	36,904
Finance income	3,252	5,318	12,511
Finance costs	(3,141)	(4,027)	(13,279)
Net finance income	111	1,291	(768)
Share of profit of equity accounted investees (net of tax)	114,909	128,473	507,338
Profit before tax	115,504	138,220	543,474
Tax expense	(832)	(969)	(10,306)
Profit for the period	114,672	137,251	533,168
Profit attributable to:			
Equity shareholders	115,910	134,243	524,164
Non-controlling interest	(1,238)	3,008	9,004
Profit for the period	114,672	137,251	533,168
Basic Earnings per share	\$0.19	\$0.22	\$0.87

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(for the three months ended 30 June 2011)

Consolidated Statement of Changes in Equity (Expressed in Thousands of Trinidad and Tobago Dollars)

	Shared Capital \$'000	Translation Reserve \$'000	Retained Earnings \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Three months ended 30 June 2011					
Balance as at 1 April 2011	1,736,632	26,786	1,609,654	98,046	3,471,118
Profit for the period	-	-	115,910	(1,238)	114,672
Share of translation reserve	-	1,993	-	-	1,993
Balance as at 30 June 2011	1,736,632	28,779	1,725,564	96,808	3,587,783
Three months ended 30 June 2010					
Balance as at 1 April 2010	1,736,632	24,814	1,443,914	89,042	3,294,402
Profit for the period	-	-	134,243	3,008	137,251
Balance as at 30 June 2010	1,736,632	24,814	1,578,157	92,050	3,431,653
Year ended 31 March 2011					
Balance as at 1 April 2010	1,736,632	24,814	1,443,914	89,042	3,294,402
Profit for the period	-	-	524,164	9,004	533,168
Share of deferred tax on actuarial gain	-	-	(10,424)	-	(10,424)
Share of translation reserve	-	1,972	-	-	1,972
Dividend paid	-	-	(348,000)	-	(348,000)
Balance as at 31 March 2011	1,736,632	26,786	1,609,654	98,046	3,471,118

Consolidated Statement of Cash Flows (Expressed in Thousands of Trinidad and Tobago Dollars)

	Unaudited Three months ended 30 June 2011 \$'000	Unaudited Three months ended 30 June 2010 \$'000	Audited Year ended 31 March 2011 \$'000
Cash flows from operating activities	15,990	27,747	21,255
Net cash flows from operating activities	15,990	27,747	21,255
Cash flows from investing activities			
Dividends received	32,831	6	385,807
Other investing activities	(42)	78	(3,057)
Net cash flows from investing activities	32,789	84	382,750
Cash flows from financing activities			
Dividends paid	-	-	(348,000)
Finance lease liability payments	(182)	-	(182)
Repayment of borrowings	(5,518)	(4,959)	(21,501)
Net cash flows from financing activities	(5,700)	(4,959)	(369,683)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	43,079	22,872	34,322
Cash, cash equivalents and bank overdrafts at start of period	551,145	516,827	516,827
Cash, cash equivalents and bank overdrafts at end of period	594,224	539,699	551,149

Notes to the Consolidated Interim Financial Statements

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34 - "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2011. These condensed consolidated interim financial statements have not been audited and were approved by the Board of Directors on 22 July 2011.

2. Significant accounting policies

The accounting policies applied in these unaudited condensed consolidated interim financial statements are consistent with those applied in the audited consolidated financial statements for the year ended 31 March 2011.