

Consolidated Interim Financial Statements

(for the six months ended 30 September 2011)


Chairman’s Report

National Enterprises Limited recorded after-tax profits of **\$267.6 million** for the six months ended **September 30, 2011** compared with after-tax profits of **\$313.5 million** posted for the corresponding six months in 2010. Earnings per share for the period stood at **45 cents** as against **51 cents** in the six months to **September 2010**.

Given the composition of NEL’s investment portfolio, conditions in global energy and commodity markets as well as domestic factors have posed challenges for some of its investee companies resulting in this decline in profitability at the half-year. Notwithstanding this decline, the actual dividend flows received by NEL increased by **75 percent** in the six months to **September 2011** compared with receipts in the corresponding period in **2010** and overall expectations for the second half of the financial year are positive.

NEL has continued to perform strongly on the domestic Stock Exchange. At **September 30, 2011** the share price, after peaking at **\$16.02** two weeks earlier, was **\$15.99** with the share having opened the year on **January 3, 2011** at **\$10.28**. This represents a **55.5 percent** increase.

On the basis of NEL’s performance to date, the directors have declared an interim dividend of **20 cents** a share for the financial year ending **March 31, 2012**. This dividend will be paid on **December 16, 2011**.


Kenny Lue Chee Lip
Chairman

Consolidated Statement of Financial Position

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Unaudited Six months ended 30 September 2011 \$ '000	Unaudited Six months ended 30 September 2010 \$ '000	Audited Year ended 31 March 2011 \$ '000
Assets			
Equity accounted investments	2,593,729	2,602,386	2,548,043
Property, plant and equipment	160,245	158,150	165,550
Other non-current assets	107,524	107,773	108,142
Total non-current assets	2,861,498	2,868,309	2,821,735
Current assets	864,467	719,720	892,086
Total assets	3,725,965	3,588,029	3,713,821
Equity			
Stated capital	1,736,632	1,736,632	1,736,632
Translation reserve	30,426	25,422	26,786
Retained earnings	1,657,720	1,520,759	1,609,654
Total equity attributable to equity Shareholders	3,424,778	3,282,813	3,373,072
Non-controlling interest	95,560	93,311	98,046
Total equity	3,520,338	3,376,124	3,471,118
Liabilities			
Non-current liabilities	29,220	35,536	37,263
Current liabilities	176,407	176,369	205,440
Total liabilities	205,627	211,905	242,703
Total equity and liabilities	3,725,965	3,588,029	3,713,821

Consolidated Statement of Comprehensive Income

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Unaudited Six months ended 30 September 2011 \$ '000	Unaudited Six months ended 30 September 2010 \$ '000	Audited Year ended 31 March 2011 \$ '000
Revenue	214,911	216,386	439,326
Cost of sales	(188,727)	(172,334)	(346,750)
Gross profit	26,184	44,052	92,576
Other income	5,235	6,375	12,524
Operating expenses	(30,425)	(31,014)	(68,196)
Operating profit	994	19,413	36,904
Finance income	5,068	6,838	12,511
Finance costs	(6,367)	(7,293)	(13,279)
Net finance income	(1,299)	(455)	(768)
Share of profit of equity accounted investees (net of tax)	268,898	296,299	507,338
Profit before tax	268,593	315,257	543,474
Tax expenses	(1,013)	(1,743)	(10,306)
Profit for the period	267,580	313,514	533,168
Profit attributable to:			
Equity shareholders	270,066	307,089	524,164
Non-controlling interest	(2,486)	6,425	9,004
Profit for the period	267,580	313,514	533,168
	\$	\$	\$
Basic Earnings per Share	0.45	0.51	0.87

Consolidated Interim Financial Statements

(for the six months ended 30 September 2011)

Consolidated Statement of Changes in Equity

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Share Capital (\$'000)	Translation Reserve (\$'000)	Retained Earnings (\$'000)	Non- controlling Interest (\$'000)	Total Equity (\$'000)
Six months ended 30 September 2011	-	-	-	-	-
Balance as at 1 July 2011	1,736,632	26,786	1,609,654	98,046	3,471,118
Share of translation reserve	-	3,640	-	-	3,640
Dividends Paid	-	-	(222,000)	-	(222,000)
Profits for the period	-	-	270,066	(2,486)	267,580
Balance as at 30 September 2011	1,736,632	30,426	1,657,720	95,560	3,520,338

Six months ended 30 September 2010					
Balance as at 1 July 2010	1,736,632	24,814	1,441,670	86,886	3,290,002
Share of translation reserve	-	608	-	-	608
Dividends Paid	-	-	(228,000)	-	(228,000)
Profit for the period	-	-	307,089	6,425	313,514
Balance as at 30 September 2010	1,736,632	25,422	1,520,759	93,311	3,376,124

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
Dividends 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 Six months ended 30 September 2011 \$ '000	Unaudited Six months ended 30 September 2010 \$ '000	Audited Year ended 31 March 2011 \$ '000
Cash flows from operating activities	32,973	32,657	21,255
Net cash flows from operating activities	32,973	32,657	21,255
Cash flows from investing activities			
Dividends received	226,859	129,492	385,807
Other investing activities	(620)	734	(3,057)
Net cash flows from investing activities	226,239	130,226	382,750
Cash flow from financing activities			
Dividends paid	(222,000)	(228,000)	(348,000)
Finance lease liability payments	(365)	-	(182)
Repayment of borrowings	(10,915)	(11,033)	(21,501)
Net cash flows from financing activities	(233,280)	(239,033)	(369,683)

Net(decrease)/increase in cash, cash equivalents and bank overdrafts	25,932	(76,150)	34,322
Cash, cash equivalents and bank overdrafts at start of period	551,149	516,827	516,827
Cash, cash equivalents and bank overdrafts at end of period	577,081	440,677	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 November 4, 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.