

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF APRIL 30, 2011**

| | 30-Apr-11 | 30-Apr-10 | 31-Jul-10 |
|--|--------------------|--------------------|--------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 14,663,031 | 17,187,129 | 20,643,668 |
| Accounts receivable, net | 24,860,372 | 21,898,875 | 16,886,629 |
| Inventories | 26,059,706 | 22,752,798 | 19,990,399 |
| Current portion of note receivable | 52,565 | - | 52,565 |
| Investments | 279,500 | 279,500 | 279,500 |
| Prepaid expenses and sundry assets | 1,865,606 | 1,674,627 | 2,719,409 |
| Total current assets | 67,780,780 | 63,792,929 | 60,572,170 |
| NON-CURRENT ASSETS: | | | |
| Note receivable | 251,908 | - | 260,751 |
| Property, plant and equipment, net | 65,294,904 | 62,978,737 | 63,360,835 |
| Intangible assets | 12,655,020 | 12,655,020 | 12,655,020 |
| Total non-current assets | 78,201,832 | 75,633,757 | 76,276,606 |
| TOTAL ASSETS | 145,982,612 | 139,426,686 | 136,848,776 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Accounts payable and accrued liabilities | 29,485,977 | 33,403,883 | 23,698,013 |
| Current portion of long-term debt | - | 4,617,000 | - |
| NON-CURRENT LIABILITIES: | | | |
| Long term debt | - | 399,605 | - |
| Total liabilities | 29,485,977 | 38,420,488 | 23,698,013 |
| SHAREHOLDERS' EQUITY: | | | |
| Share capital | 85,471 | 85,978 | 85,978 |
| Preference shares | 500,000 | 400,000 | 500,000 |
| Contributed capital | 55,565,123 | 46,680,996 | 56,580,996 |
| Revaluation surplus | 1,300,089 | 1,326,439 | 1,300,089 |
| Retained earnings | 54,693,367 | 48,321,324 | 50,775,437 |
| Equity attributable to shareholders of the company | 112,144,050 | 96,814,737 | 109,242,500 |
| NON-CONTROLLING INTEREST | | | |
| Total equity | 4,352,585 | 4,191,461 | 3,908,263 |
| TOTAL LIABILITIES AND EQUITY | 116,496,635 | 101,006,198 | 113,150,763 |
| | 145,982,612 | 139,426,686 | 136,848,776 |

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF INCOME
NINE MONTHS ENDED APRIL 30, 2011**

| | 30-Apr-11 | 30-Apr-10 | 31-Jul-10 |
|---------------------------------------|-------------------|-------------------|-------------------|
| REVENUES | 224,070,075 | 190,862,423 | 266,919,520 |
| COST OF SALES | (188,897,579) | (155,011,627) | (216,404,769) |
| Gross profit | 35,172,496 | 35,850,796 | 50,514,751 |
| Other income | 37,978 | 36,795 | 44,569 |
| Marketing, administrative and general | (20,626,003) | (20,767,134) | (28,401,666) |
| Depreciation | (2,085,223) | (2,009,054) | (2,725,590) |
| Finance costs | - | (326,811) | (405,347) |
| Unrealized gain (loss) on investments | - | - | 5,000 |
| NET AND COMPREHENSIVE INCOME | 12,499,248 | 12,784,592 | 19,031,717 |
| NET INCOME ATTRIBUTABLE TO: | | | |
| Shareholders of the company | 12,033,579 | 12,419,584 | 18,549,907 |
| Non-controlling interest | 444,322 | 365,008 | 481,810 |
| | <u>12,477,901</u> | <u>12,784,592</u> | <u>19,031,717</u> |
| EARNINGS PER SHARE | <u>0.30</u> | <u>0.31</u> | <u>0.47</u> |

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
NINE MONTHS ENDED APRIL 30, 2011

| | 30-Apr-11 | 30-Apr-10 | 31-Jul-10 |
|--|--------------------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net income | 12,499,248 | 12,784,592 | 19,031,717 |
| Adjustments for: | | | |
| Depreciation | 2,085,223 | 2,009,054 | 2,725,590 |
| Unrealized (gain) loss on investments | - | (5,000) | (5,000) |
| Gain on disposals of property, plant and equipment | - | - | (2,000) |
| Income from operations before working capital changes | 14,584,471 | 14,788,646 | 21,750,307 |
| (Increase) Decrease in accounts receivable, net | (7,949,980) | (5,308,454) | (341,161) |
| Decrease (Increase) in prepaid expenses and deposits | 853,803 | 1,179,705 | 116,522 |
| (Increase) Decrease in inventories | (6,069,307) | (5,075,998) | (2,313,599) |
| Increase (Decrease) in accounts payable and accrued expenses | 5,787,964 | 6,736,110 | (1,936,846) |
| Net cash from operating activities | <u>7,206,951</u> | <u>12,320,009</u> | <u>17,275,223</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| (Increase) Decrease in notes receivable | 8,843 | - | (313,316) |
| Proceeds from disposal of property, plant and equipment | - | - | 2,000 |
| Purchase of property, plant and equipment | (4,019,292) | (3,252,754) | (4,332,987) |
| Net cash used in investing activities | <u>(4,010,449)</u> | <u>(3,252,754)</u> | <u>(4,644,303)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Repayment of long-term debt | - | (2,200,399) | (7,217,004) |
| Repurchase of ordinary shares | (1,021,475) | (40,014) | (40,014) |
| Issuance of preference shares | - | 881,650 | 10,881,600 |
| Common share dividends paid | (5,826,229) | (3,439,603) | (7,623,824) |
| Preference dividends | (2,329,435) | (1,964,903) | (2,871,153) |
| Net cash used in financing activities | <u>(9,177,139)</u> | <u>(6,763,269)</u> | <u>(6,870,395)</u> |
| NET DECREASE IN CASH | <u>(5,980,637)</u> | <u>2,303,986</u> | <u>5,760,525</u> |
| CASH, BEGINNING OF YEAR | <u>20,643,668</u> | <u>14,883,143</u> | <u>14,883,143</u> |
| CASH, END OF YEAR | <u>14,663,031</u> | <u>17,187,129</u> | <u>20,643,668</u> |
| SUPPLEMENTAL INFORMATION : | | | |
| Interest paid on bank overdraft and loans | <u>21,346</u> | <u>520,043</u> | <u>404,347</u> |
| Interest received | <u>37,978</u> | <u>24,795</u> | <u>37,509</u> |
| Dividends received | <u>-</u> | <u>7,000</u> | <u>12,000</u> |