



FOCOL HOLDINGS LTD.

CHAIRMAN'S REPORT

For the quarter ended October 31, 2012



On behalf of the Board of Directors, I am pleased to report the first quarter results for FOCOL Holdings. The net income for the quarter ended October 31, 2012 was \$3.38 million compared to \$4.43 million last year. Despite this decrease in earnings we are confident that FOCOL has established a business model that is strong enough to endure these challenging economic times.

As we move forward into 2013 we will continue to ensure that we achieve maximum efficiency in our operations. Management will also focus on our retail operations in the upcoming year in order to achieve the maximum benefit from that sector for our shareholders. Additionally we will continue to evaluate new business, strategic acquisitions and partnerships that will be beneficial to our business. Among these is the recent four million dollar expansion of our propane gas terminal at Clifton Pier. As a result of this expansion we have doubled our storage capacity and improved our ability to meet future demand and better supply our current customers.

The Board of Directors wishes to thank our loyal shareholders and dedicated staff for their continued confidence in FOCOL Holdings.

Sir Albert J. Miller, KCMG
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) (B \$000)

	October 31, 2011	July 31, 2012
Assets	\$ 168,515	\$ 170,005
Liabilities	43,938	45,974
Shareholders' equity	124,577	124,031
Total Liabilities & shareholders' equity	\$ 168,515	\$ 170,005

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) (B \$000)

	Three months ended October 31, 2012	Three months ended October 31, 2011
Sale & revenues	\$ 91,008	\$ 90,972
Cost of sales	(78,432)	(77,901)
Gross profit	12,575	13,071
Marketing, administrative and general	(8,130)	(7,843)
Depreciation	(974)	(748)
Finance cost	(60)	(58)
Other income (expense)	(35)	5
Net and comprehensive income	3,376	4,427

Basic earnings per share \$ 0.08 \$ 0.12

Dividends per share \$ 0.07 \$ 0.07

Copies of a full set of the unaudited financial statements can be obtained from Stephen Adderley (sadderley@focol.com), at the Freeport Oil Company located on Queens Highway, Freeport, Grand Bahama, Monday through Friday from 8:30 AM TO 5:00 PM.

FOCOL Holdings Ltd