

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS ENDED JUNE 30, 2011.

Chairman's Statement

Barita continues the improvement, posting \$232m profit before taxes

Barita Investments Limited posted yet another profitable quarter as it continued on its trend of continuous improvement. Compared to the prior year's 9-month performance of \$24 million, which coincided with the introduction of the JDX, the company registered a pretax profit of \$232 million for the period ending June 30, 2011.

Despite the interest rate regime consistently trending downwards, albeit at a slower rate, we have managed our business to the extent that our interest income revenues of \$1.037 billion are marginally lower than the prior period levels of \$1.048 billion. Additionally improvements in our non-interest income at \$ 157M compared to prior period \$82m have seen our gross revenues increase from \$275M prior period to \$485M for the nine-month period.

The relative stability of the local currency has allowed us to properly leverage our asset base with a minimal translation impact of \$2m loss compared to \$ 58M loss prior period.

Asset trading revenues are 31% above prior period recording gains of \$107m versus \$80m prior. This is one of the areas of emphasis as we try to reconfigure our business to ensure greater contributions from our non interest income revenue streams. Bolstered by the performance of the Tuition Builder product introduced in October 2010, Barita Unit Trusts revenues were 15% better than prior year.

Operational expenses to June 30, 2011, reflect our continuing successes in management of our costs. Our operating expenses for the period remained flat amounting to \$253 million versus prior year of \$251 million.

We will continue to aggressively manage our operating expenses while

constantly seeking to ensure that we manage the environmental issues to improve our revenues. This approach has so far resulted in net profits amounting to \$182m for the nine months to June 2011.

Income Statement

Financial year-to-date reflects net interest income at \$135 million above prior-year-to date performance of \$193 million. Non interest income exceeded prior year by \$75 million.

Total revenues for the 9 months to June 30, 2011 were \$485 million, compared to \$275 million for the corresponding period last year.

Operating Expenses totaled \$253 million compared to \$250 million prior year.

Financial year to date net profit stands at \$182 million compared to prior year net profit of \$20 million for the prior period. The prior period was severely affected by the JDX as well as currency exchange losses, although this was reversed in the last quarter of 2010.

Balance Sheet

Our asset base showed a \$3 billion or 26% increase over prior year, from \$11.5 billion to \$14.5 billion, while our liabilities also increased by \$2.4 billion or 24%. These increases were primarily due to increases in Repo trading activities. Consequently, we recorded an increase in shareholders equity of approximately \$550 million to \$1.7 billion.

Capital Adequacy

The Capital Base requirements have changed significantly, since the

introduction of the JDX, and higher Capital requirements are needed from all financial institutions going forward, as required by the IMF. This is to foster more protection for all institutions, as well as their clients.

The Capital base of Barita Investments Limited remains significantly above regulatory requirements as the following key ratios indicate:

	FSC Requirement	Barita Achievement
Capital to Risk weighted Asset	10%	23.4%
Capital to Total Asset	6%	9%
Capital Base to Tier 1 Capital	50%	100%

Outlook

We strive to improve our performance quarter over quarter in order to provide sustainable returns for our stakeholders. As we continue to manage in a challenging environment, we persist in the active management of our costs, and the enhancement of our revenue streams.



Rita Humphries-Lewin
Chairman
July 20, 2011

CONSOLIDATED PROFIT & LOSS STATEMENT

FOR THE MONTH ENDED JUNE 30, 2011

	UNAUDITED 3 Months Ended June 30 2011 \$,000	UNAUDITED 3 Months Ended June 30 2010 \$,000	UNAUDITED 9 Months Ended June 30 2011 \$,000	UNAUDITED 9 Months Ended June 30 2010 \$,000
Net Interest Income and Other Revenue				
Interest Income	343,596	280,446	1,037,202	1,048,440
Interest cost of Repurchase Agreements	(230,951)	(220,095)	(709,140)	(855,357)
Net Interest Income	112,645	60,351	328,062	193,083
Fees and Commission Income	13,282	12,111	36,446	40,462
Foreign Exchange Trading and translation gains	946	(50,174)	7,477	(47,027)
Gain/Loss on Sale of Investment	61,940	31,617	106,982	79,528
Dividend Income	2,615	2,052	3,890	5,466
Other Income	285	424	2,129	3,567
Net operating revenue	191,712	56,383	484,987	275,079
Operating Expenses				
Staff Costs	47,094	39,081	143,801	136,860
Administration	39,399	36,176	109,535	114,056
	86,494	75,257	253,336	250,916
Profit before Taxation	105,219	(18,874)	231,650	24,163
Taxation	(22,525)	5,379	(49,561)	(4,236)
Profit for the year	82,694	(13,496)	182,089	19,927
Other Comprehensive income				
Unrealised gains on available-for-sale investments, net of taxes	150,198	123,530	562,724	323,365
Gains recycled to profit or loss on disposal and maturity of available-for-sale investments	(61,940)	(31,617)	(106,982)	(79,528)
	88,258	91,912	455,741	243,837
Total Comprehensive income	170,952	78,417	637,831	263,764
Number of shares in Issue	445877	445877	445877	445877
Basic Earnings per Share	0.19	(0.03)	0.41	0.04

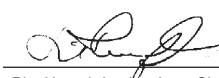
Basis of Preparation:

These consolidated financial statements have been prepared in accordance with the accounting policies set out in note 2 of the audited financial statements for the year ended 30 September 2010. The group has adopted IAS1 (revised) which is effective for accounting periods commencing January 1, 2009.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2011

Note	Unaudited JUNE 2011 \$,000	Unaudited JUNE 2010 \$,000	Audited September 2010 \$,000
ASSETS			
Cash and bank balances	269,754	73,433	263,309
Securities purchased under resale agreements	1,382,651	1,094,072	1,880,251
Marketable securities	11,650,648	9,506,856	9,355,896
Receivables	648,611	436,437	436,737
Loan receivable	66,978	64,624	59,424
Interest receivables	339,211	248,834	179,623
Due from related parties	4,191	103	11,853
Property, plant and equipment	129,593	142,920	133,482
Intangible Assets	26,952		16,172
Investments	2	2	2
Deferred tax assets	0	0	
Total assets	14,518,590	11,567,281	12,336,749
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdraft	34,749	70,039	4,042
Securities sold under repurchase agreements	11,946,138	9,847,709	10,687,488
Payables	90,059	76,422	91,152
Interest Payable	133,232	150,854	149,921
Redeemable Preference Shares	164,100	162,540	164,100
Convertible preference shares	3,460		3,460
Due to related parties	0	3,551	767
Taxation	4,526	0	4,526
Deferred tax liabilities	385,892	42,595	112,689
Total Liabilities	12,762,155	10,353,709	11,218,145
Shareholders' Equity			
Stated capital	765,154	754,998	765,154
Treasury shares	(10,145)	(9,500)	(10,145)
Preference Shares	0	13,620	
Capital reserve	1,103	5,219	1,103
Fair value reserve	482,761	190,828	26,787
Retained earnings	517,561	258,406	335,705
Total shareholders' equity	1,756,434	1,213,571	1,118,604
Total liabilities and shareholders' equity	14,518,590	11,567,281	12,336,749



Rita Humphries-Lewin – Chairman



Carl Domville – Director

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS ENDED JUNE 30, 2011 CONT'D

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 9 MONTHS ENDED JUNE 30, 2011

	Stated Capital \$,000	Preference Shares	Treasury Shares \$,000	Capital Reserve \$,000	Fair Value Reserve \$,000	Retained Earnings \$,000	Total \$,000
Balance at 30 September 2009	667,550		(9,500)	1,103	(49,033)	238,619	848,739
Profit for the period						19,927	19,927
Other Comprehensive Income:							
Unrealised losses on available-for sale investments net of taxes					323,365		323,365
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(79,528)		(79,528)
							0
					243,837		243,837
							0
Total Comprehensive income					243,837	19,927	263,764
Transactions with owners:							
Issue of ordinary shares	87,448						87,448
Issue of preference shares		13,620					13,620
Balance at 30 June 2010	754,998	13,620	(9,500)	1,103	194,804	258,546	1,213,572
Balance at 30 September 2010	765,154		(10,145)	1,103	26,787	335,705	1,118,604
Profit for the period						182,089	182,089
Other Comprehensive Income:							
Unrealised losses on available-for sale investments net of taxes					562,724		0
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(106,982)		
							0
					455,741		455,741
Total Comprehensive income				0	455,741	182,089	637,831
							0
Balance at 30 June 2011	765,154	0	(10,145)	1,103	482,528	517,794	1,756,435

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT JUNE 30, 2011

	Unaudited 9 Months Ended June 30, 2011 \$,000	Unaudited 9 Months Ended June 30, 2010 \$,000
Cash Flows from Operating Activities		
Net Profit	182,089	19,927
Adjusted for:		
Depreciation	7,605	10,433
Effect of exchange gain/loss on foreign balances	1,868	58,367
Interest income	(1,037,202)	(1,048,440)
Interest expense	709,140	855,357
Income tax expense	49,561	4,236
Gain on the disposal of property, plant and equipment		
	(86,939)	(100,121)
Changes in operating assets and liabilities		
Marketable securities	(1,564,005)	(1,974,724)
Securities purchased under resale agreements	497,600	2,492,445
Securities sold under repurchase agreements	1,241,961	(820,638)
Receivables	(211,874)	(115,063)
Loans receivable	(7,554)	(25,129)
Payables	3,433	23,548
Due from related companies	3,424	(4,279)
	(37,015)	(423,839)
Interest received	859,148	1,325,263
Interest paid	(725,830)	(1,086,464)
Income tax paid		2,174
Cash provided by operating activities	133,318	240,973
Cash Flows from Investing/financing Activities		
Proceeds from sale of ordinary shares and irredeemable preference shares		101,068
Proceeds from sale of redeemable preference shares		162,540
Interest paid on preference shares	(21,392)	(14,330)
Purchase of property, plant and equipment	(14,495)	(19,252)
Cash provided by investing/financing activities	(35,888)	230,026
Effect of exchange rate on cash and cash equivalents	2,262	(76)
Decrease/(increase) in net cash and cash equivalents	(24,262)	(53,036)
Net cash and cash equivalents at beginning of year	259,267	56,430
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	235,005	3,394