

SKIL Ports & Logistics Limited
("SPL" or the "Company")

Interim Report for the Period ended 30 June 2012

The Company is pleased to announce its interims results for the period ended 30 June 2012.

SPL Chairman's Statement

I am pleased to report that the Company has made significant progress during the period, particularly since the release of the Company's preliminary results for 2011 on 17 May 2012. Since that time, the major time consuming outstanding permissions and studies have been successfully cleared with the Government. The Company has finalised a shortlist of preferred EPC contractors and will make a further announcement once a contractor is finalised. As such, the Company expects to commence ground work shortly and does not believe that it will be necessary to return cash to shareholders, as referred to in the Company's announcement of 28 February 2012.

We continue to maintain a very conservative cash burn rate position and, as of 30 June 2012, we held £63.2m (31-Dec-11 £63.4m). This policy of cash preservation will continue although the cash burn rate will ramp up by the end of the year and into 2013 as works on the site starts.

We will also be enhancing our team in India with the recruitment of a head of sales and marketing to lead our efforts in selling capacity for the port and logistics facility in the construction phase of the project. We have identified a number of candidates and expect to finalise an appointment in the coming weeks.

Whilst the macro position of India remains positive, the issues impacting the Indian economy have been well documented. Some government delays have increased the challenges coupled with the global slowdown and, in common with the majority of corporate India, our company has had its fair share of political and regulatory hurdles to overcome. However, now that these have been overcome, I remain confident of delivering an operational port and logistics facility by end of 2013, within the timetable we set at the time of the IPO.

The dire need for ports and logistics facilities in India still remains and is not likely to be solved anytime soon and the opportunities for SPL remain vast. As a company we are well positioned to capitalise on this situation and I can assure you that the entire team at SPL and I remain committed to delivering a world-class port and logistics facility for our shareholders, our customers and for India.

Nikhil Gandhi
Chairman
SKIL Ports & Logistics Limited

Enquiries

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SKIL Ports & Logistics Limited

Consolidated Statement of comprehensive Income

	Six month to 30 June 2012 (unaudited) £ 000	Six month to 30 June 2011 (unaudited) £ 000	Year to 31December 2011 (audited) £ 000
CONTINUING OPERATIONS			
Revenue	-	-	-
Cost of Sales	-	-	-
GROSS PROFIT	-	-	-
Administrative expenses	514	1,167	1,609
OPERATING LOSS BEFORE FINANCE COST	(514)	(1,167)	(1,609)
Finance income	2,693	2,759	5,767
Finance expense	-	-	-
NET FINANCING INCOME	2,693	2,759	5,767
PROFIT BEFORE TAX	2,179	1,592	4,158
Income tax expense	(1,226)	(883)	(1,891)
PROFIT FOR THE PERIOD	953	709	2,267
OTHER COMPREHENSIVE EXPENSE			
Exchange differences on translating foreign operations	(1,353)	(971)	(11,824)
Minority Interest	34	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	(366)	(263)	(9,557)

SKIL Ports & Logistics Limited

Consolidated Statement of Financial Position

	<u>Note</u>	Six month to 30 June 2012 (unaudited) £ 000	Six month to 30 June 2011 (unaudited) £ 000	Year to 31December 2011 (audited) £ 000
Assets				
Property, plant and equipment		586	196	328
Total non-current assets		586	196	328
Inventories		-	-	-
Trade and other receivables		346	2,738	64
Cash and cash equivalents		63,187	69,442	63,447
Total current assets		63,533	72,180	63,511
Total assets		64,119	72,376	63,839
Equity				
Share Capital		71,590	71,590	71,596
Retained earnings	6	2,820	709	2,267
Translation Reserve	6	(13,177)	(971)	(11,824)
Total Equity		61,233	71,328	62,039
Liabilities				
Current tax liabilities		2,590	982	1,646
Trade and other payables		131	67	154
Total Current Liabilities		2,721	1,049	1,800
Minority Interest		166	-	-
Total liabilities		2,886	1,049	1,800
Total Equity and Liabilities		64,119	72,376	63,839

SKIL Ports & Logistics Limited**Consolidated Statement of Cash flow**

	Six month to 30 June 2012 (unaudited) £ 000	Six month to 30 June 2011 (unaudited) £ 000	Year to 31December 2011 (audited) £ 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit Before Tax	2,179	1,592	4,158
Adjustments (note 5)	(2,693)	(2,759)	(5,232)
Operating profit before working capital changes	(514)	(1,167)	(1,074)
Net changes in working capital (note 5)	(588)	(2,572)	90
Net cash used in operating activities	(1,102)	(3,739)	(984)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(258)	(196)	(332)
Finance Income	2,693	2,759	5,767
Net cash generated/(used) from investing activities	2,435	2,563	5,435
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital (net of issue costs)	(6)	71,590	71,596
Minority Interest	166	-	-
Net cash generated from financing activities	160	71,590	71,596
Net increase/(decrease) in cash and cash equivalent	1,493	70,414	76,047
Cash balance at the beginning of the period	63,447	-	-
Exchange differences on cash and cash equivalents (note 5)	(1,753)	971	12,600
Cash and Cash Equivalents carried forward	63,187	69,442	63,447

Notes to the condensed interim consolidated financial statements

1. Reporting entity

SKIL Ports & Logistics Limited (the "Company") was incorporated in Guernsey under the Companies (Guernsey) Law 2008 on 24 August 2010. The condensed interim consolidated financial statements of the Company as at and for the period ended 30 June 2012 comprise the Company and its subsidiaries (together referred to as the "Group"). The Company has been established to develop, own and operate port and logistics facilities in India.

2. General information and basis of preparation

The condensed interim consolidated financial statements are for the period ended 30 June 2012. They have been prepared on the historical cost basis. They do not include all of the information required in annual financial statements in accordance with IFRS.

The condensed interim consolidated financial statements are presented in sterling. The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated financial statements, the significant judgments made by management applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied in the first annual IFRS financial statements.

The Company's financing effort to date is considered sufficient to enable the Company to fund all aspects of its operations. As a result, the condensed interim consolidated financial statements have been prepared on a going concern basis.

The condensed interim consolidated financial statements have been approved for issue by the Board of Directors on September 26, 2012.

3. Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2011. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

4. The loss for the period is calculated after charging a loss of £1,352,793 on the retranslation of cash balances held in Indian rupees to sterling.

5. Cash flow adjustments and changes in working capital

The following non-cash flow adjustments and adjustments for changes in working capital have been made to profit before tax to arrive at operating cash flow:

Adjustments	£000
Finance income	<u>2,693</u>
	<u>2,693</u>
Net changes in working capital	£000
Change in trade and other receivables	(282)
Change in trade and other payables	(23)
Change in Taxation	<u>(282)</u>
	<u>(588)</u>

Exchange diff on cash & cash equivalents	£000
Translation Reserve	(1,353)
Minority Interest in Translation Reserves	(12)
Impact in opening balance on consolidation	<u>(388)</u>
	<u>(1,753)</u>

6.

a) **Consolidated statement of changes in equity**

	Retained Earning £ 000
Balance at 1 January 2012	2,267
Profit for the period	953
Minority Interest	(12)
Impact in opening balance on consolidation	(388)
Balance at 30 June 2012	2,820

b)

Consolidated statement of changes in Foreign exchange translation reserves

	Foreign exchange translation reserves £ 000
Balance at 1 January 2012	(11,824)
Exchange difference on translation of foreign operations	(380)
Foreign currency translation differences during the period	(973)
Balance at 30 June 2012	(13,177)

This information is provided by RNS
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