



11 March 2005

## INTERIM REPORT TO SHAREHOLDERS IN SUGAR TERMINALS LIMITED

On behalf of the Board of Directors of Sugar Terminals Limited, I am pleased to report to shareholders on the financial position of your Company at 31 December 2004 and the outlook for the year ending 30 June 2005.

### Financial results

The profit after tax for the six months ended 31 December 2004 was \$9.559 million. This compares with a net profit after tax of \$7.747 million for the six months ended 31 December 2003. The increase in profit is principally attributable to a full six month's rental received from the Townsville facility in the current year.

At this stage your directors expect the operating net profit for the year ending 30 June 2005 will be at or near budget.

The half yearly financial report has been filed with ASIC and the Newcastle Stock Exchange.

If you wish to inspect the report it is available on the Newcastle Stock Exchange website or STL's website.

### Townsville Shed

As advised previously the construction project of the Townsville Shed, which is being managed by Queensland Sugar Ltd, remains incomplete and practical completion has not been given.

On 10 December 2004, a statement of claim was received from the building contractor, Walter Construction Group, for \$15.01 million as damages pursuant to the Trade Practices Act or, alternatively, various claims for moneys due under the contract amounting to \$18.96 million excluding interest.

Sugar Terminals Limited strongly denies the claim by Walter Construction Group and is presently preparing a defence and counterclaim.

On 2 February 2005 Walter Construction Group appointed administrators following the collapse of its parent Walter Bau in Germany.

At this time it is not practical to estimate the quantum, if any, of any future liability or receivable.

### Directors and Management

Following changes to the composition of the Board of Directors at the Annual General Meeting in 2004, the directors of your Company are Michael Brown, Mark Day, Steve Guazzo, John Grasso and James Hesp. Richard Farquhar is General Manager and Company Secretary.

### Share Registrars

Effective from 14 March 2005, the Share Registrars, ASX Perpetual Registrars, will charge an Indemnity fee on all off market transfers. Previously there have been no fees on such transfers. Details may be obtained from the ASX Perpetual Registrars website.

On behalf of the Board of Directors of Sugar Terminals Limited

MD Brown  
Chairman