



16 March 2010

## INTERIM REPORT TO SHAREHOLDERS OF SUGAR TERMINALS LIMITED

On behalf of the Board of Directors of Sugar Terminals Limited (STL), I am pleased to report to shareholders on the results of the Company during the six months to 31 December 2009

Total comprehensive income for the half-year to 31 December 2009 was \$31.4 million, and increase of \$17.9million or 132% over the same period to 31 December 2008.

Excluding net profit arising from the sale of the Brisbane terminal of \$20.9 million, the net income amounts to \$10.5 million, a reduction of 3 million or 22%. This reduction is principally due to the reduction in rental received under the new Sublease agreement with Queensland Sugar Ltd.

Settlement of the sale of the Brisbane terminal was completed on 22 September 2009, and on the same day Directors declared a special dividend to distribute all of the net profit arising on the sale. This dividend was 50% franked based on tax paid of 30%. A long term licence agreement with the Department of Defence for the Navy to use the Cairns wharf when it is not being used for sugar was executed during the half year and is effective from 1 September 2009.

Class meetings of 'G' and 'M' class shareholders were held after the AGM on 30 October 2009 to approve a capital return of \$12.6 million (3.5cents per share). This was paid on 25 November 2009.

In accordance with Board policy, dividends are declared biannually in March and September. The final dividend for the year ended 30 June 2009 of \$11.52 million (3.2cents per share) fully franked based on tax paid of 30% was paid on 30 September 2009. On 26 February 2010, Directors resolved that an interim dividend of \$10.44 million (2.9 cents per share) 70% franked based on tax paid of 30% will be paid on 31 March 2010 out of retained profits. Your dividend notice is being mailed with this report.

On behalf of the Board of Directors of Sugar Terminals Limited

A handwritten signature in black ink that reads "Michael Brown". The signature is written in a cursive, flowing style.

MD Brown  
Chairman