



Interim Financial Report
for the Second Quarter Ended
31 December 2012

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LION FOREST INDUSTRIES BERHAD (82056-X)
(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2012
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	<u>Note</u>	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
		<u>31.12.2012</u> RM'000	<u>31.12.2011</u> RM'000	<u>31.12.2012</u> RM'000	<u>31.12.2011</u> RM'000
Revenue		242,687	216,549	553,125	422,851
Operating expenses		(237,108)	(212,703)	(542,009)	(415,747)
Other operating income		10,303	6,307	17,352	12,987
Profit from operations		15,882	10,153	28,468	20,091
Finance costs		(95)	(180)	(207)	(285)
Share in results of associated companies		743	12,213	1,633	13,789
Exceptional items	22(k)	-	(11,056)	(3,174)	(11,056)
Profit before tax	22	16,530	11,130	26,720	22,539
Income tax expense	16	(3,701)	(2,048)	(8,223)	(5,473)
Profit for the period		<u>12,829</u>	<u>9,082</u>	<u>18,497</u>	<u>17,066</u>
Profit attributable to :					
- Owners of the Company		12,424	674	17,901	8,258
- Non-controlling interests		405	8,408	596	8,808
Profit for the period		<u>12,829</u>	<u>9,082</u>	<u>18,497</u>	<u>17,066</u>
Earnings per share attributable to owners of the Company (sen) :	21				
- Basic		<u>5.37</u>	<u>0.29</u>	<u>7.73</u>	<u>3.57</u>
- Diluted		<u>5.37</u>	<u>0.29</u>	<u>7.73</u>	<u>3.57</u>

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

LION FOREST INDUSTRIES BERHAD (82056-X)
(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2012
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Profit for the period	12,829	9,082	18,497	17,066
<u>Other comprehensive income/(loss)</u>				
Foreign currency translation differences arising from foreign operations & other movements	(1,832)	(2,798)	(5,472)	1,470
Changes in fair value of available-for-sale financial assets and asset classified as held for sale	(147)	118	(909)	(195)
Changes in fair value on disposal of asset classified as held for sale	(1,220)	-	(1,220)	-
Other comprehensive (loss)/income for the period	<u>(3,199)</u>	<u>(2,680)</u>	<u>(7,601)</u>	<u>1,275</u>
Total comprehensive income for the period	<u><u>9,630</u></u>	<u><u>6,402</u></u>	<u><u>10,896</u></u>	<u><u>18,341</u></u>
Total comprehensive income attributable to:				
- Owners of the Company	9,124	(3,020)	10,214	8,513
- Non-controlling interests	506	9,422	682	9,828
	<u><u>9,630</u></u>	<u><u>6,402</u></u>	<u><u>10,896</u></u>	<u><u>18,341</u></u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

LION FOREST INDUSTRIES BERHAD (82056-X)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 31.12.2012 RM'000	AS AT 30.6.2012 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		27,763	26,456
Investment properties		1,232	1,247
Investment in associated companies		73,306	74,816
Other investments		21,160	24,990
Deferred tax assets		766	766
Total Non-current Assets		<u>124,227</u>	<u>128,275</u>
Current Assets			
Inventories		72,412	39,516
Other investments		11,609	10,573
Trade receivables		505,115	530,409
Other receivables and prepayments		403,576	336,562
Tax recoverable		2,870	2,353
Fixed deposits, cash and bank balances		248,479	296,755
		<u>1,244,061</u>	<u>1,216,168</u>
Asset classified as held for sale		-	21,989
Total Current Assets		<u>1,244,061</u>	<u>1,238,157</u>
Total Assets		<u>1,368,288</u>	<u>1,366,432</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		231,572	231,572
Reserves		981,236	975,631
Equity attributable to owners of the Company		<u>1,212,808</u>	<u>1,207,203</u>
Non-controlling interests		32,292	32,423
Total Equity		<u>1,245,100</u>	<u>1,239,626</u>
Non-Current and Deferred Liabilities			
Hire-purchase payables		754	1,468
Deferred tax liabilities		1,018	1,082
Total Non-current and Deferred Liabilities		<u>1,772</u>	<u>2,550</u>
Current Liabilities			
Trade payables		34,100	41,576
Other payables and accrued expenses		47,432	43,728
Provisions		15,000	15,000
Redeemable cumulative convertible preference shares		12,388	12,388
Hire-purchase payables		1,988	2,364
Bank borrowings	18	1,644	3,954
Tax liabilities		8,864	5,246
Total Current Liabilities		<u>121,416</u>	<u>124,256</u>
Total Liabilities		<u>123,188</u>	<u>126,806</u>
Total Equity and Liabilities		<u>1,368,288</u>	<u>1,366,432</u>
Net assets per share attributable to owners of the Company (RM)		<u>5.24</u>	<u>5.21</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

LION FOREST INDUSTRIES BERHAD (82056-X)
(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2012
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000			
<u>31 December 2012</u>							
At 1 July 2012	231,572	689,330	12,645	273,656	1,207,203	32,423	1,239,626
Total comprehensive (loss)/ income for the period	-	-	(7,687)	17,901	10,214	682	10,896
Dividends paid	-	-	-	(4,631)	(4,631)	(786)	(5,417)
Acquisition of non-controlling interests	-	-	-	22	22	(27)	(5)
At 31 December 2012	231,572	689,330	4,958	286,948	1,212,808	32,292	1,245,100
<u>31 December 2011</u>							
At 1 July 2011	231,572	689,330	(16,796)	315,512	1,219,618	29,121	1,248,739
Total comprehensive income for the period	-	-	255	8,258	8,513	9,828	18,341
Dividend paid	-	-	-	(5,210)	(5,210)	-	(5,210)
Disposal of an associated company	-	-	12,805	(17,847)	(5,042)	5,042	-
Acquisition of non-controlling interests	-	-	-	442	442	(914)	(472)
At 31 December 2011	231,572	689,330	(3,736)	301,155	1,218,321	43,077	1,261,398

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

LION FOREST INDUSTRIES BERHAD (82056-X)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>YEAR-TO-DATE ENDED</u>	
	<u>31.12.2012</u>	<u>31.12.2011</u>
	RM'000	RM'000
<u>OPERATING ACTIVITIES</u>		
Profit before tax	26,720	22,539
Adjustments for:		
Non-cash items	3,689	(3,838)
Non-operating items	(15,520)	(10,591)
	<u>14,889</u>	<u>8,110</u>
Operating profit before changes in working capital		
Changes in working capital:		
Net changes in current assets	(53,575)	(8,403)
Net changes in current liabilities	(9,616)	(46,282)
Others	1,307	(6,724)
	<u>(46,995)</u>	<u>(53,299)</u>
<u>INVESTING ACTIVITIES</u>		
Purchase of property, plant and equipment	(3,271)	(1,008)
Additions of other investments	-	(431)
Acquisition of non-controlling interests	(5)	(472)
Proceeds from disposal of property, plant and equipment	289	821
Proceeds from redemption of investments	-	245
Dividend received from an associated company	1,853	1,778
Net cash inflow from disposal of a subsidiary company	-	54,623
Cash at banks held under Escrow Account and fixed deposits pledged	1,881	20,072
Others	6,676	6,697
	<u>7,423</u>	<u>82,325</u>
<u>FINANCING ACTIVITIES</u>		
(Decrease)/Increase in bank borrowings excluding bank overdrafts	(2,310)	1,561
Dividends paid	(4,631)	-
Dividends paid to non-controlling interests of a subsidiary company	(786)	-
Others	(1,295)	(1,029)
	<u>(9,022)</u>	<u>532</u>
Net changes in cash and cash equivalents	(48,594)	29,558
Effect of exchange differences	39	(6)
Cash and cash equivalents at beginning of the period	131,224	158,314
Cash and cash equivalents at end of the period	<u>82,669</u>	<u>187,866</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)

LION FOREST INDUSTRIES BERHAD (82056-X)
(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2012
(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Accounting policies and methods of computation

The interim financial statements are unaudited and have been prepared in accordance with the Financial Reporting Standard ("FRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2012. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2012.

The significant accounting policies adopted in the interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2012 except for the adoption of the following FRSs effective for the financial period beginning 1 July 2012:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments)
FRS 7	Financial Instruments: Disclosures (Amendments)
FRS 101	Presentation of Financial Statements (Amendments)
FRS 112	Income Taxes (Amendments)
FRS 124	Related Party Disclosure (Revised)

The adoption of the above mentioned FRSs did not have any significant effect on the financial performance, position or presentation of the financials of the Group.

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on 1 January 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also include those entities that consolidate, equity account or proportionately consolidate an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2012. However, on 30 June 2012, the MASB decided to extend the aforementioned transitional period for another one year. Thus, Transitioning Entities are given an additional option to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2013. Consequently, the MFRS Framework will be mandatory for application for annual periods beginning on or after 1 January 2014.

Accordingly, the Group, being a Transitioning Entity, has availed itself of this transitional arrangement and will continue to apply FRSs in its next two sets of financial statements. Therefore, the Group will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards in its financial statements for the financial year ending 30 June 2015, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

2. Comments about seasonal or cyclical factors

The Group's performance is not affected by any material seasonal or cyclical factors.

3. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year-to-date, except as disclosed in the Interim Financial Report.

4. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter and financial year-to-date results.

5. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial year-to-date.

6. Dividend paid

During the current quarter, a final dividend of 2.0 sen per ordinary share, tax exempt, amounting to RM4.6 million in respect of the previous financial year ended 30 June 2012 was paid by the Company.

7. Segmental information

The Group's segmental report for the financial year-to-date was as follows :

	Building materials and steel products	Petroleum, lubricants and automotive products	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External customers	505,046	38,676	9,403	-	553,125
Inter-segment sales	-	8	-	(8)	-
Total revenue	<u>505,046</u>	<u>38,684</u>	<u>9,403</u>	<u>(8)</u>	<u>553,125</u>
Results					
Segment results	16,353	5,844	6,271	-	28,468
Finance costs					(207)
Share in results of associated companies	-	-	1,633	-	1,633
Exceptional items	(666)	(917)	(1,591)	-	(3,174)
Profit before tax					<u>26,720</u>
Income tax expense					(8,223)
Profit for the period					<u>18,497</u>
Assets					
Segment assets	760,268	73,854	211,061	-	1,045,183
Investment in associated companies	-	-	73,306	-	73,306
Unallocated corporate assets					249,799
					<u>1,368,288</u>

8. Subsequent events

Other than as disclosed in Note 17, there were no material events subsequent to the end of the current quarter.

9. Changes in composition of the Group

There were no changes in the composition of the Group during the financial year-to-date.

10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since 30 June 2012.

11. Performance review

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue					
Building materials and steel products		218,801	194,931	505,046	378,881
Petroleum, lubricants and automotive products		18,982	17,072	38,676	35,190
Others		4,904	4,546	9,403	8,780
		<u>242,687</u>	<u>216,549</u>	<u>553,125</u>	<u>422,851</u>
Segment results					
Building materials and steel products		8,354	4,280	16,353	8,898
Petroleum, lubricants and automotive products		2,907	2,262	5,844	4,971
Others		4,621	3,611	6,271	6,222
Profit from operations		<u>15,882</u>	<u>10,153</u>	<u>28,468</u>	<u>20,091</u>
Finance costs		(95)	(180)	(207)	(285)
Share in results of associated companies		743	12,213	1,633	13,789
Exceptional items	22(k)	-	(11,056)	(3,174)	(11,056)
Profit before tax		<u>16,530</u>	<u>11,130</u>	<u>26,720</u>	<u>22,539</u>
Income tax expense		(3,701)	(2,048)	(8,223)	(5,473)
Profit for the period		<u>12,829</u>	<u>9,082</u>	<u>18,497</u>	<u>17,066</u>

For the first six months of the financial year 2013, the Group posted a revenue of RM553.1 million, representing a growth of 31% over RM422.9 million in the preceding year corresponding period, resulting in a higher operating profit of RM28.5 million compared to RM20.1 million mainly due to higher sales of building materials.

The Building Materials and Steel Products Division recorded a revenue of RM505.0 million, a 33% increase compared to RM378.9 million a year ago, and profit increased to RM16.4 million from RM8.9 million.

Revenue of the Petroleum, Lubricants and Automotive Products Division increased by 10% to RM38.7 million largely due to the higher sales volume from the increase in demand and number of customers. Accordingly, the Division's profit for the quarter was higher at RM5.8 million compared to RM5.0 million a year ago.

Associated companies contributed a profit of RM1.6 million. Higher profit of RM13.8 million recorded in the preceding year corresponding period was largely attributable to a capital gains tax refunded to Lion Asiapac Limited, a 36.7% owned associated company.

There was no other impairment except for the impairment loss of RM3.2 million on quoted investments due to the decline in share price.

The Group posted a higher profit for the period of RM18.5 million compared with RM17.1 million in the preceding year corresponding period.

12. Comment on material change in profit

	Current Year Quarter	Immediate Preceding Quarter
	31.12.2012	30.9.2012
	RM'000	RM'000
Revenue	242,687	310,438
Profit from operations	15,882	12,586
Profit before tax	16,530	10,190

For the quarter under review, Group revenue was 22% lower at RM242.7 million compared to RM310.4 million in the immediate preceding quarter. The decrease was mainly attributable to the lower sales of building materials and steel related products. However, the Group recorded a higher profit before tax of RM16.5 million against RM10.2 million in the immediate preceding quarter mainly due to the absence of impairment loss of RM3.2 million.

13. a) Prospects

The Group will continue to make efforts to strengthen and expand business network and increase its product range. Hence, both the Building Materials and the Petroleum Products Divisions are expected to contribute positively to the results of the Group. The Group will also remain vigilant and take proactive steps to sustain profitable operating results in the next quarter amidst the challenging operating environment.

b) Forecast or target previously announced

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

14. Statement of the Board of Directors' opinion on achievement of forecast or target

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

15. Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

16. Income tax expense

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
- estimated tax payable	3,765	2,387	8,287	5,812
In respect of prior year:				
- deferred tax	(64)	(339)	(64)	(339)
	<u>3,701</u>	<u>2,048</u>	<u>8,223</u>	<u>5,473</u>

After excluding the results of associated companies, the effective tax rate of the Group for the current quarter was lower than the statutory tax rate principally due to non-taxable income. The effective tax rate for the year-to-date was higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

17. Corporate proposalsStatus of corporate proposals

No	Date of Announcements	Subjects	Status
1.	18.3.2005 20.4.2006	Proposed joint-venture between the Company and the Pemerintah Kabupaten Malinau (the Regency Government of Malinau) for the proposed development of 40,000 hectares of oil palm plantation and the construction of 2 crude palm oil mills in Malinau Regency, Kalimantan Timur, Republic of Indonesia ("Indonesia").	Pending approvals from: i) Ministry of Forestry, Indonesia; ii) Ministry of Agriculture, Indonesia; and iii) any other relevant authorities in Indonesia and Malaysia. Approval was obtained from Bank Negara Malaysia.
2.	3.3.2011 2.6.2011 3.8.2011 26.8.2011 31.10.2011 2.3.2012 28.8.2012 30.8.2012	(i) Proposed joint venture between the Company, Lion Diversified Holdings Berhad ("LDHB") and Lion Industries Corporation Berhad ("LICB") in Lion Blast Furnace Sdn Bhd ("LBF") in the shareholding of 20%, 51% and 29% respectively; and (ii) Proposed provision of financial assistance by the Company in the form of a corporate guarantee and pledge of security proportionate to its shareholding in LBF for the latter and its subsidiary company to secure a loan facility in relation to the Blast Furnace Project.	Pending approvals of: i) Shareholders of the Company, LDHB and LICB; and ii) any other relevant authorities.
3.	5.10.2012 27.12.2012 11.1.2013 18.2.2013	Proposed acquisition of the entire 100% equity interest in PT Varita Majutama ("PT Varita"), a company incorporated in Indonesia, for a cash consideration of USD63.75 million (equivalent to approximately RM197.63 million); and the subsequent disposal to an Indonesian investor of 5% of the issued capital of PT Varita.	i) Pending completion; and ii) Pending approvals of relevant authorities in Indonesia and Malaysia.

18. Borrowings

The Group's borrowings as at end of the reporting period were as follows :

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Bank borrowings</u>			
Unsecured	1,644	-	1,644
	<u>1,644</u>	<u>-</u>	<u>1,644</u>

19. Changes in material litigation

There was no material litigation since 30 June 2012.

20. Dividend proposed

The Board of Directors does not recommend any dividend for the current quarter and financial year-to-date.

21. Earnings per share ("EPS")**Basic**

Basic EPS is calculated by dividing the Group's profit attributable to owners of the Company for the period by the weighted average number of ordinary shares of the Company in issue during the financial period as follows:

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>31.12.2012</u>	<u>31.12.2011</u>	<u>31.12.2012</u>	<u>31.12.2011</u>
Profit attributable to owners of the Company (RM'000)	<u>12,424</u>	<u>674</u>	<u>17,901</u>	<u>8,258</u>
Weighted average number of shares in issue ('000)	<u>231,572</u>	<u>231,572</u>	<u>231,572</u>	<u>231,572</u>
Basic EPS (sen)	<u>5.37</u>	<u>0.29</u>	<u>7.73</u>	<u>3.57</u>

The basic EPS and the diluted EPS are the same for the period as the Company has no dilutive potential ordinary shares as of the end of the reporting period.

22. Profit before tax

Profit before tax is arrived at after crediting/(charging) the following:

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
a) Interest income	8,840	5,321	15,728	10,875
b) Other income including investment income	103	175	129	276
c) Interest expense	(95)	(180)	(207)	(285)
d) Depreciation and amortisation	(940)	(922)	(1,877)	(1,843)
e) Provision for and write off of receivables	(801)	(772)	(1,680)	(1,544)
f) Provision for and write off of inventories	-	-	-	-
g) Gain or loss on disposal of				
- quoted or unquoted investments or properties	68	310	203	440
- asset classified as held for sale	1,220	-	1,220	-
h) Impairment of assets (refer to item (k))	-	-	-	-
i) Foreign exchange gain or (loss)	72	501	72	1,396
j) Gain or (loss) on derivatives	-	-	-	-
k) Exceptional items	-	(11,056)	(3,174)	(11,056)
- impairment loss on quoted investments	-	-	(3,174)	-
- settlement arising from litigation claim against a former subsidiary company	-	(40,000)	-	(40,000)
- gain on disposal of an associated company	-	32,329	-	32,329
- log extraction premium paid to State Government of Sabah	-	(3,385)	-	(3,385)

23. Realised and Unrealised Earnings/Losses Disclosure

	AS AT 31.12.2012 RM'000	AS AT 30.6.2012 RM'000
Retained earnings/(accumulated losses) of the Company and its subsidiary companies:		
- Realised	230,638	218,001
- Unrealised	(26,951)	(25,973)
	203,687	192,028
Share of retained earnings from associated companies:		
- Realised	29,952	28,154
- Unrealised	2,690	2,855
	32,642	31,009
Consolidation adjustments	50,619	50,619
Consolidated retained earnings	286,948	273,656

24. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2012 was not qualified.