



PADENGA

HOLDINGS LIMITED

THE DIRECTORS ARE PLEASED TO PRESENT **The Unaudited Results for Padenga Holdings Limited** for the five months ended 31 December 2010

SALIENT FEATURES

USD

Revenue	4 082 336
Operating loss	(409 578)
Loss before tax	(2 508 759)
Basic loss per share (cents)	(0.34)

FINANCIAL

Due to the seasonal nature of the company's business, the first half of the financial year is a period of costs only. Culling and turnover are recorded in the second half of the year. As planned, there was no culling during the period under review. A total of 17,495 small skins from prior year culling were sold in the half year and achieved a turnover slightly ahead of expectations. The company recorded an operating loss before depreciation, amortization, fair value adjustments and interest of \$409,578 and a loss before tax of \$2,508,759 for the five months to 31 December 2010. The loss attributable to shareholders for the period under review amounted to \$1,867,085. These results reported are in line with budget and the company is still expecting to attain the full year profit targets set.

The trading environment was improving but still difficult, during the five months under review, with the dollar depreciating by 14% against the Rand. Despite this creating significant cost pressure on inputs imported from South Africa, the impact on costs was minimized through aggressive price negotiations.

The money market remained illiquid during the period under review and thus borrowing costs were high, with an average interest rate on borrowings recorded of 16% per annum. This illiquidity has continued into the third quarter, but the company has managed to reduce borrowing costs to an average of 13% per annum.

Costs of several inputs, in particular soya and diesel have escalated as a result of regional and international price movements. Strategies are being implemented to either substitute or reduce usages in order to remain within budget.

OPERATIONS

A total of 165,609 animals were on the ground at 31 December 2010. Egg collection and incubation yielded a total of 45,887 new hatchlings which was consistent with the operational objective. This hatchling crop is now stocked at the lowest densities ever achieved, in line with the strategy to produce bigger, premium quality skins. The quality of this new crop is exceptional and we look forward to improving on growth rates and efficiencies going forward.

The Breeder herd of 5,000 crocodiles is consistently producing more eggs. The objective of being self-sufficient in egg production within three years is realistic.

Major pen floor re-surfacing was undertaken during the period under review. New materials were used in this exercise which will result in less frequent resurfacing going forward contributing to significant cost savings. The integrity of the new pen floors impacts positively on skin quality by minimizing skin damage and disease and eliminates the necessity for chemical treatments, further reducing operating expenses.

New breeder pens were built at Ume farm to house crocodiles reaching reproductive maturity. This extra space for these breeders will have a positive impact on egg production.

PROSPECTS

The global market for crocodile skins has improved and for big skins of premium quality it is strong. The new diets introduced this year together with reduced stocking densities have resulted in growth rates in line with expectations. Culling commenced in January 2011 and the quality and sizes recorded in the first cycle confirm that the annual off-take target of 45,305 skins will be achieved. There is a constant focus on quality and only crocodiles with skins that meet the very stringent quality criteria of the high end, premium market are being culled.

Despite cost pressures on feed, fuel and energy, staff and other overheads, these will be managed to ensure that Padenga remains an efficient cost producer. Padenga will achieve its forecast profit for the financial year to June by focusing on producing big, high quality skins and by effecting stringent cost controls.

DIVIDEND

Given the seasonality of the company's business, it is inappropriate to declare a dividend at the half year.

A K Calder
Chairman
11 March 2011

ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	5 Months Ended 31 Dec 2010 Unaudited USD
Revenue	4 082 336
Operating loss before depreciation and amortisation	(409 578)
depreciation and amortisation	(510 620)
Operating loss before interest and fair value adjustments	(920 198)
fair value adjustments on biological assets	(1 184 144)
Loss before interest and tax	(2 104 342)
net interest	(404 417)
Loss before tax	(2 508 759)
tax	641 674
Loss for the period attributable to shareholders	(1 867 085)
EARNINGS PER SHARE (CENTS)	
Basic Loss per Share	(0.34)

ABRIDGED STATEMENT OF FINANCIAL POSITION

	At 31 Dec 2010 unaudited USD
ASSETS	
Non-current assets	
property, plant and equipment	14 035 471
non-current biological assets	1 222 024
	15 257 495
Current assets	
trade and other accounts receivable	712 142
current biological assets	17 119 573
tax asset	1 434 876
	19 266 591
Total assets	34 524 086
EQUITY AND LIABILITIES	
Capital and reserves	
ordinary share capital	54 159
non-distributable reserves	28 205 175
distributable reserves	(1 867 085)
Total shareholders' equity	26 392 249
Non-current liabilities	
deferred tax liability	2 826 579
interest bearing borrowings	2 982 456
	5 809 035
Current liabilities	
overdrawn cash balances	1 069 158
trade and other payables	1 253 644
	2 322 802
Total liabilities	8 131 837
Total equity and liabilities	34 524 086

STATEMENT OF CASH FLOWS

	5 Months Ended 31 Dec 2010 Unaudited USD
Cash generated from operating activities	3 672 817
net interest paid	(404 417)
tax	(31 512)
Total cash available from operations	3 236 888
Investing activities	588 043
Net cash outflow before financing activities	3 824 932
Financing activities	(4 894 090)
Net increase / (decrease) in cash	(1 069 158)
Cash and cash equivalents at 1 August 2010	-
Cash and cash equivalents at 31 December 2010	(1 069 158)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	5 Months Ended 31 Dec 2010 Unaudited USD
Changes in share capital	54 159
Issued to shareholders on 1 August 2010	54 159
Adjustment to share capital	-
Changes in non-distributable reserves	28 205 175
Issued to shareholders on 1 August 2010	28 567 002
Pre-incorporation costs	(361 827)
Changes in distributable reserves	(1 867 085)
net loss attributable to equity holders of the company from continuing operations	(1 867 085)
Shareholders' equity at 31 December 2010	26 392 249

SUPPLEMENTARY INFORMATION

	5 Months Ended 31 Dec 2010 Unaudited USD
1 Depreciation	510 620
2 Capital expenditure for the year	275 572
3 Future lease commitments	
Payable within one year	94 500
Payable two to five years	378 000
Payable after five years	472 500
	945 000
4 Commitments for capital expenditure	
Contracts and orders placed	-
Authorised by directors but not contracted	462 470
	462 470

The capital expenditure will be financed from the Company's own resources and existing borrowing facilities.