

NV VERENIGDE SURINAAMSE HOLDINGMIJ.-  
UNITED SURINAME HOLDING COMPANY

## HALF-YEAR REPORT 2009

Paramaribo, 15 August 2009

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UNITED SURINAME HOLDING COMPANY



## Introduction

The VSH-United Group comprises a Holding Company and ten subsidiaries; nine are operating in Suriname and one in Miami, Florida.

In the Annual Meeting of Shareholders held on 5 June 2009 the accounts for the year 2008 was approved and a dividend of SRD 1,173,250 or SRD 0.65 per share was approved.

### The Business Environment

Suriname has weathered the international economic crises reasonably well. GDP growth is expected to slow to 2% in 2009 (2008: 6.8%) due to a sharp contraction in the bauxite/alumina sector. The gold sector has performed above expectations due to higher volumes and sustained high prices while oil production volume remains steady all be it at lower price levels than in the 1<sup>st</sup> half of last year. Record revenues and profits at the State Oil Company in 2008 boosted contributions to the government budget to US\$ 248 million. This windfall has helped finance infrastructure projects such as road rehabilitation and construction of sea defenses. Credit facilities initiated by the government to stimulate the housing sector have fomented a construction boom and an overhaul of the public servant remuneration system has put more money into the hands of consumers. While the foregoing has helped sustain economic activity, the IMF has warned that the government budget balance is expected to deteriorate from a surplus of 2% in 2008 to a deficit of 3% in 2010. The US dollar has been trading at SRD 2.90 to SRD 2.95, which is above the official rate of SRD 2.80, since the end of last year. This is more likely caused by increased Surinam dollar liquidity than by a decline in the supply of dollars. On the other hand, inflation has remained tame. The June 2008 to June 2009 inflation was -3.4% (2008: 9.4%).

### Financial Overview

Consolidated Group income for the first half of the year 2009 amounted to SRD 11,284,855 or 8% above income in the first half of 2008. Industry's contribution to income increased by 36% and this increase was caused by improved margins as the cost of raw materials declined in the wake of the world economic recession. Other income declined due to non-recurring incidental income in Shipping in 2008 and non-recurring income in 2008 derived from revaluation of inventories. Costs declined by 6% as compared to the first half of 2008 mainly due to cost saving at the Steel Company as a result of improvements in production efficiency. Consolidated profit before tax for the first half of the year amounted to SRD 3,515,619 representing an increase of 59% compared to the first half of 2008.

While the Steel Company finished the first half with an operating loss the performance of the company has improved substantially.

### Outlook

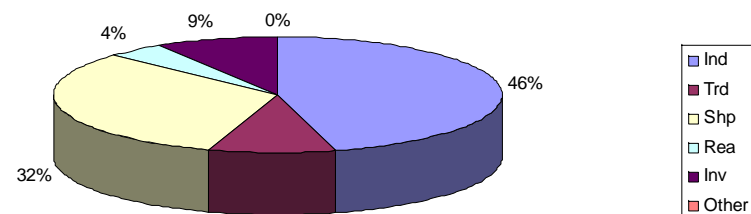
The overall business environment is expected to remain positive for the rest of the year and leading up to general elections in may 2010. As usual elections in Suriname cause a certain amount of uncertainty and this will undoubtedly delay decision making on some private investment initiatives.

Led by improved results in the industry sector and better shipping results in the second half of the year we expect the overall result for the year to improve. Towards the end of the year and into 2010 the construction boom will end as some major infrastructure projects are completed, and the impact of the world recession on Suriname will become more evident.

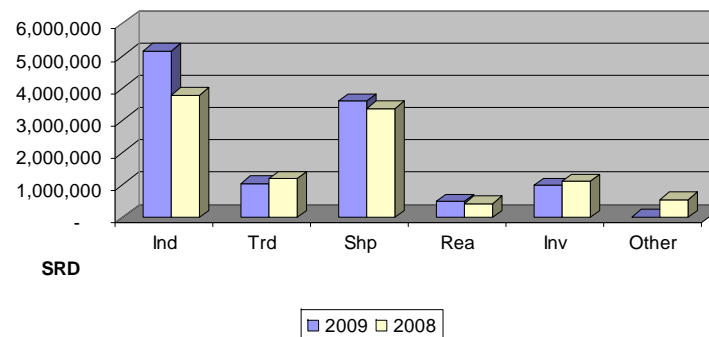
The Management has with the approval of the Supervisory Board of Directors decided to continue payment of a quarterly interim dividend of SRD 0.08 per share.

Managing Director  
James J. Healy Jr.

Contribution to 1st half 09 Consolidated Income



Sector Income half year



**Consolidated Income Statement**

1st half year

in SRD	**2009	2008
<b>INCOME FROM</b>		
Trading	1,052,051	1,187,450
Industry	5,163,116	3,790,186
Shipping	3,595,765	3,374,667
Real estate	479,826	421,785
Investments	988,290	1,101,410
Other	5,808	564,078
	<u>11,284,856</u>	<u>10,439,576</u>
<b>COSTS</b>		
Personnel expenses	4,027,001	3,976,737
Administrative expenses	2,759,540	3,367,729
Interest	61,222	45,902
Depreciation	921,474	840,727
	<u>7,769,237</u>	<u>8,231,096</u>
<b>Profit before tax</b>	<b>3,515,619</b>	<b>2,208,480</b>
Income tax	<u>960,237</u>	<u>327,914</u>
<b>Net profit</b>	<b>2,555,382</b>	<b>1,880,567</b>
Profit from continuing operations	2,555,382	1,880,567
<b>Attributable to:</b>		
Minority interests	361,215	61,521
Equity holder of the parent company	2,194,167	1,819,046
Weighted average number of shares	1,804,999	1,802,744
Earnings per share	1.22	1.01

\*\*Unaudited

**Consolidated Balance Sheet**

in SRD	**at 30 June 2009	at 31 December 2008
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	16,492,022	15,491,064
Financial assets	61,684,256	56,861,818
<b>Total non-current assets</b>	<b>78,176,278</b>	<b>72,352,882</b>
<b>Current assets</b>		
Inventories	10,450,936	11,299,637
Trade and other receivables	7,151,026	6,024,203
Current tax receivables	-	154,220
Investments in progress	-	109,788
Cash and cash equivalents	6,931,378	6,211,154
<b>Total current assets</b>	<b>24,533,340</b>	<b>23,799,002</b>
<b>Total assets</b>	<b>102,709,618</b>	<b>96,151,884</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Issued capital	18,050	18,050
Capital in excess of par value	222,502	222,502
Retained earnings	19,091,343	17,899,812
Revaluation reserves	43,047,186	40,065,231
Equity attributable to equity holders of the parent company	62,379,081	58,205,595
Minority interests	3,066,455	2,720,980
<b>Total Equity</b>	<b>65,445,536</b>	<b>60,926,575</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long-term borrowings	809,096	898,422
Deferred tax	25,492,678	23,822,286
<b>Total non-current liabilities</b>	<b>26,301,774</b>	<b>24,720,708</b>
<b>Current liabilities</b>		
Trade and other payables	9,951,586	9,129,284
Short-term borrowings	153,278	550,651
Current tax payable	314,052	-
Short-term provisions	543,392	824,666
<b>Total current liabilities</b>	<b>10,962,308</b>	<b>10,504,601</b>
<b>Total equity and liabilities</b>	<b>102,709,618</b>	<b>96,151,884</b>

\*\*Unaudited

Consolidated Statement of Changes in Equity

in SRD	Share capital	Capital in excess of par value	Retained earnings	Revaluation reserve	Total	Minority interest	Total
Equity at 31 December 2008 before appropriation of profit	18,050	222,502	17,899,812	40,065,231	58,205,595	2,720,980	60,926,575
Profit after tax	-	-	2,194,167	-	2,194,167	361,215	2,555,382
Dividend from subs.	-	-	102,309	-	102,309	-22,902	79,407
Dividend 2008	-	-	1,173,250	-	1,173,250	-	-1,173,250
Revaluation	-	-	-	3,050,261	3,050,261	7,162	3,057,422
Reclassification realized revaluation	-	-	68,306	-68,306	-	-	-
<b>Equity at 30 June 2009**</b>	<b>18,050</b>	<b>222,502</b>	<b>19,091,343</b>	<b>43,047,186</b>	<b>62,379,081</b>	<b>3,066,455</b>	<b>65,445,536</b>

\*\*Unaudited

Consolidated Cash Flow Statement  
in SRD

	**2009	2008
<b>Operating activities</b>		
Profit attributable to the equity holders of the Parent Company	2,194,167	3,691,929
<b>Adjusted for:</b>		
Depreciation	921,474	1,688,051
Corrections to previous years	75,059	215,890
Loss on exchange	-15,731	-545,611
Provisions	-281,274	-75,264
Investment income	-988,290	-1,763,647
Change in trade and other receivables	-574,015	166,801
Change in inventories	848,701	2,620,906
Change in trade and other payables	1,136,354	-3,928,966
<b>Cash generated from operations</b>	<b>3,316,445</b>	<b>2,070,089</b>
<b>Investing activities</b>		
Purchase of property plant and equipment	-1,924,562	-1,213,581
Wind down of non-current financial assets	-	951,998
Proceeds from sale of non-current financial assets	-	15,000
Purchase of non-current financial assets	-	-1,185
Dividends received	988,290	1,763,647
<b>Cash flow from investing activities</b>	<b>-936,272</b>	<b>1,515,879</b>
<b>Financing activities</b>		
Repayment of loans	-486,699	-178,651
Proceeds from loans	-	550,651
Dividends paid	-1,173,250	-738,495
<b>Cash flow from financing activities</b>	<b>-1,659,949</b>	<b>-366,495</b>
<b>Net cash flow for the year</b>	<b>720,224</b>	<b>3,219,473</b>
Cash and cash equivalents at 1 January	6,211,154	2,991,679
<b>Cash and cash equivalents at 30 June</b>	<b>6,931,378</b>	<b>6,211,152</b>

\*\*Unaudited

**Business Reportings**

X SRD 1,000	Shp		Trd		Food		Steel	
	2009**	2008	2009**	2008	2009**	2008	2009**	2008
Income	3,753	3,726	914	937	3,045	1,854	2,164	2,479
Inter-segment income	-	-	-	-	-	-	-	-
	3,753	3,726	914	937	3,045	1,854	2,164	2,479
Operating results	1,780	2,185	230	266	1,284	219	-115	-731
Assets*	8,975	5,482	2,604	2,449	10,524	9,222	10,574	12,737
Liabilities*	5,762	2,650	227	151	3,547	3,031	5,767	8,088
Investments	1,368	153	-	5	54	106	294	160
Depreciation	89	36	43	44	297	307	186	183
Number of employees	36	36	15	15	41	37	53	53

\*Assets and Liabilities are at balance sheet dates: 30 June 2009 and 31 December 2008 respectively

\*\*Unaudited

2009**	2008	Rea		Other		Elimination		Consolidation	
		2009**	2008	2009**	2008	2009**	2008	2009**	2008
984	1,099	450	320	68	23	-	-	-	-
-	-	549	564	11	9	-653	-575	-	-
984	1,099	999	884	79	32	-653	-575	11,285	10,436
-	-	298	208	39	61	-	-	3,516	2,208
61,465	56,668	6,388	6,587	1,891	3,008	-	-	102,421	96,153
21,865	20,138	1,389	1,653	1,292	-485	-	-	37,265	35,226
-	17	135	772	-	-	-	-	1,851	1,213
20	16	286	255	-	-	-	-	921	841
-	-	14	14	14	16	-	-	173	171

## **Notes to the half year Consolidated Financial Statements**

### **Information on the reporting entity**

N.V. Verenigde Surinaamse Holdingmij.- /United Suriname Holding Company, is company domiciled in Suriname. The address of the Company's registered office is Van 't Hogerhuysstraat 9-11, Paramaribo. The consolidated financial statements of the Company as at and for the half year ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as the Group).

The subsidiaries are:

1. N.V. VSH-Scheepvaartmij.- /**United Suriname Shipping Company**
2. N.V. VSH-Transportmij.- /**United Suriname Transport Company**
3. N.V. VSH-Handelmij.- /**United Suriname Trading Company**
4. N.V. VSH-Staalmij.- /**United Suriname Steel Company**
5. N.V. VSH-Eigendomsnij.- /**United Suriname Real Estate Company**
6. N.V. VSH-Beleggingsmij.- /**United Suriname Investment Company**
7. **VSH Marketing Company LTD.**
8. **N.V. Uniblue Shipping**
9. **VSH-UNITED (USA) L.L.C.**
10. Margarine- en Vettenfabriek N.V./ **Margarine Fats & Oil Co Ltd** (56.05%)

The VSH United Group is involved in: shipping and airline agencies, logistics, transport, steel fabrication, manufacturing of butter, margarine and shortening, trading, real estate and investment.

All other information regarding applicable reporting standards can be found in the VSH UNITED ANNUAL REPORT 2008 ([www.vshunited.com](http://www.vshunited.com)).