**N.V. VERENIGDE SURINAAMSE HOLDINGMIJ.-
UNITED SURINAME HOLDING COMPANY**

VSH UNITED

First Half Year Report 2013

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N.V. Verenigde Surinaamse Holdingmij.-
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Report of the Management

Introduction
The VSH-United Group comprises a Holding Company and ten operating subsidiaries; nine (9) are operating in Suriname and one (1) in Miami, Florida, USA.

The Company
In the Annual Meeting of Shareholders held on 24 May 2013, the financial statements 2012 and a cash dividend of SRD 2,979,507 (2011: SRD 3,468,869) or SRD 1.50 (2011: SRD 1.92) per share were approved.

After having served the Company for 40 years, Managing Director Mr. J.J. Healy, Jr., retired effective 1 July 2013. To fill this position the Annual Meeting of Shareholders approved the appointment of:
- Mr. P. Healy as Managing Director, CEO and
- Mrs. M. Ramsundersingh as Managing Director, Chief Legal & HR, Deputy CEO.

The Annual Meeting of Shareholders re-elected Mr. R. Khodadin, Mrs. D.R. Halfhide, Mr. R. Elias, Mr. A. Kluijver and Mr. R. M. Hahn as members of the Supervisory Board. Additionally Mr. J.J. Healy, Jr. was appointed a member of the Supervisory Board of Directors effective 1 July 2013.

In the Meeting of the Supervisory Board of Directors of 13 June 2013 the members appointed Mr. R. Khodadin as Chairman, Mrs. D.R. Halfhide as Vice-Chairperson and Mrs. M. Ramsundersingh as Secretary.

The Business Environment
The Suriname economy continued to perform well during the first half year 2013 driven by investments in the oil refinery expansion and gold mining activities, in spite of the recent drop in gold prices. Inflation, on a year to year basis was relatively stable at 3.6% at the end of June 2013 (12-month June 2012: 3.5%). A positive balance of trade continued but reduced revenues due to lower gold prices effected overall income. Ratings from international rating agencies remained stable.

Passenger/tourist arrivals improved slightly in comparison to the same period last year.
The expected deal between the Government of Suriname and Newmont to build a large scale goldmine in eastern Suriname has still not been finalized. Delay in parliamentary approval of the mineral agreement and concerns about the reduced gold prices has postponed the final decision making process to the fourth quarter 2013.

Economic activities in the second half of the year will be largely driven by activities related to the State Oil Refinery Project.

Financial Overview
Consolidated Group revenue from continuing operations for the first half year 2013 amounted to SRD 28,940,610 (first half year 2012: SRD 28,509,763). Shipping revenue was 7.4% higher compared to the first half year 2012 due to higher freight volumes and number of vessels handled. Trading revenue was 24.9% lower in the first half year 2013 due to less trading activity of VSH Steel. The revenue of the core trading business in personal protective equipment and office machines was 3.4% higher in the first half year 2013. VSH Steel performed under budget due to some delays in project delivery and/or final contract approvals. A number of projects were subsequently contracted for production and delivery in the second half of 2013. Improved margins at VSH Foods and CIC contributed to higher income in both the Food and Detergents segments. Real estate improved because of a higher occupancy rate compared to the same period last year.

Costs for the first half year 2013 amounted to SRD 22,564,668 (first half year 2012: SRD 19,851,202) an increase of 13.7%. Personnel expenses in the first half of 2013 were 13.9% higher compared to the first half of 2012 mainly due to higher salaries and higher bonuses at the Holding, the Shipping Group and VSH Foods.
Administrative expenses posted at SRD 8,200,491 (first half year 2012: SRD 7,301,134). The higher administrative expenses are attributable to higher maintenance expenses at CIC and VSH Real Estate, higher advertising and promotion expenses at

CIC and VSH Foods and several IT project development related expenses at the Shipping Group.
The Group's profit from continuing operations for the first half year 2013 amounted to SRD 6,375,942 (first half year 2012: SRD 8,658,561).
The effects of the increase in overall cost and under budget income are the combined factors that contributed to the lower profit from continuing operations.

The associated company Assuria N.V. (Assuria) performed well during the first half year 2013. Our share of profit as reflected in the condensed statement of income amounted to SRD 5,885,360 (first half year 2012: SRD 4,176,242). Investment income in the first half year 2013 amounted to SRD 75,018 (first half year 2012: SRD 57,404). The companies in which we hold shares performed well and we expect income for the year to be higher compared to 2012.
Net profit after tax for the first half year 2013 amounted to SRD 10,111,519 (first half year 2012: SRD 9,806,433).

After deduction of non-controlling interest the profit attributable to Shareholders amounted to SRD 9,211,081 (first half year 2012: SRD 8,862,791). Earnings per share increased from SRD 4.67 to SRD 4.86 for the first half year 2013.

Profit attributable to Shareholders which has been realized in the period is used as the bench mark for determining dividend policy.
Unrealized profit is the portion of consolidated profit not received in cash (dividend) from group companies during the period.
Realized profit attributable to Shareholders amounted to SRD 3,442,363 (first half year 2012: SRD 4,701,624). Realized earnings per share amounted to SRD 1.82 (first half year 2012: SRD 2.48).

Interim dividend for the first and second quarter amounted to SRD 0.20 per share (2012: SRD 0.20 per share).
The share price during the last trading session on the Suriname Stock Exchange in June 2013 amounted to SRD 37.50 compared to SRD 37.50 at 31 December 2012.

Outlook
Concerns about government spending, currency stability, inflation and delays in finalizing decision making in major mining projects will effect overall economic performance.
We expect our core shipping business to continue to improve in the wake of increased vessel handling and increased cargo volumes. With firm orders in hand production volume in VSH Steel is expected to improve significantly during the second half of 2013. Food and Detergent volumes are expected to improve as both traditionally do better in the second half of the year. Trading is expected to consolidate their position in personal protective equipment and office machines.
VSH United Group results for the second half year will improve due to improved performance of our industrial subsidiaries.

Paramaribo, 22 August 2013.

The Management
Mr. P. Healy, *CEO*
Mrs. M. Ramsundersingh, *Chief Legal & HR*

Condensed Company statement of income
for the six months ended 30 June 2013

	1 January - 30 June 2013	1 January - 30 June 2012
	SRD	SRD
Income from		
Subsidiaries	**3,135,326**	4,571,428
Share of profit in Associate	**5,885,360**	4,176,242
Investments	**66,676**	50,247
Other	**193,310**	101,365
	9,280,672	8,899,282
Profit		
Profit before tax	**9,280,672**	8,899,282
Income tax	**69,591**	36,491
Net profit for the period	**9,211,081**	8,862,791
Division of Profit		
Interim dividend	**397,268**	397,268
Surplus	**8,813,813**	8,465,523
	9,211,081	8,862,791

Paramaribo, 22 Augustus 2013

Supervisory Board
R. Khodadin, Chairman
D. Halfhide, Vice Chairman
R. Hahn
A. Kluijver
R. Elias
J.J. Healy Jr.

Management
P. Healy, CEO
M. Ramsundersingh, Chief Legal & HR

Condensed Company balance sheet
at 30 June 2013

ASSETS	At 30 June 2013	At 31 December 2012
	SRD	SRD
Non-current assets		
Property, plant and equipment	**263,740**	272,441
Financial assets	**13,709,136**	12,761,688
Subsidiary interest	**60,694,279**	52,955,437
Investment in Associate	**68,549,412**	60,138,489
Total non-current assets	**143,216,567**	126,128,055
Current assets		
Subsidiary receivables	**1,315,774**	6,057,580
Trade and other receivables	**231,620**	2,800,167
Cash and cash equivalents	**7,485,101**	10,003,269
Total current assets	**9,032,495**	18,861,016
Total assets	**152,249,062**	144,989,071

EQUITY AND LIABILITIES		
EQUITY		
Issued capital	**19,863**	19,863
Capital in excess of par value	**240,425**	240,425
Retained earnings	**58,578,740**	44,636,831
Results for the period	**9,211,081**	16,431,570
Revaluation reserves	**67,120,684**	64,019,007
Total equity	**135,170,793**	125,347,696
LIABILITIES		
Non-current liabilities		
Deferred tax	**5,392,362**	5,051,280
Current liabilities		
Subsidiary payables	**9,402,601**	13,369,559
Trade and other payables	**2,241,277**	1,177,626
Current tax payable	**42,029**	42,910
Total current liabilities	**11,685,907**	14,590,095
Total equity and liabilities	**152,249,062**	144,989,071

Paramaribo, 22 Augustus 2013

Supervisory Board
R. Khodadin, Chairman
D. Halfhide, Vice Chairman
R. Hahn
A. Kluijver
R. Elias
J.J. Healy Jr.

Management
P. Healy, CEO
M. Ramsundersingh, Chief Legal & HR

Condensed consolidated statement of income
for the six months ended 30 June 2013

	1 January - 30 June 2013	1 January - 30 June 2012
	SRD	SRD
Revenue		
Trading	**2,085,760**	2,776,312
Industry	**17,168,659**	16,374,579
Shipping	**8,722,906**	8,121,031
Real estate	**664,873**	584,993
Other	**298,412**	652,848
	28,940,610	28,509,763
Costs		
Personnel expenses	**11,057,944**	9,706,048
Administrative expenses	**8,200,491**	7,301,134
Interest	**276,665**	249,181
Depreciation	**2,893,828**	2,594,839
Provisions	**135,740**	-
	22,564,668	19,851,202
Profit from continuing operations	**6,375,942**	8,658,561
Other Income		
Share of profit in Associate	**5,885,360**	4,176,242
Investments	**75,018**	57,404
	5,960,378	4,233,646
Profit		
Profit before tax	**12,336,320**	12,892,207
Income tax	**2,224,801**	3,085,774
Net profit for the period	**10,111,519**	9,806,433
Attributable to:		
Non-controlling interests	**900,438**	943,642
Equity holders of the Parent Company	**9,211,081**	8,862,791
Number of weighted average shares outstanding	**1,896,050**	1,896,050
Earnings per share	**4.86**	4.67

The accompanying notes on pages 14 to 19 are an integral part of these condensed interim financial statements.

Paramaribo, 22 Augustus 2013
Supervisory Board
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D. Halfhide, Vice Chairman
R. Hahn
A. Kluijver
R. Elias
J.J. Healy Jr.

Management
P. Healy, CEO
M. Ramsundersingh, Chief Legal & HR

Condensed consolidated balance sheet
at 30 June 2013

ASSETS	At 30 June 2013	At 31 December 2012
	SRD	SRD
Non-current assets		
Property, plant and equipment	**56,070,111**	51,313,723
Intangible assets	**25,814**	45,822
Financial assets	**14,438,188**	13,472,167
Investment in associate	**68,549,412**	60,138,489
Total non-current assets	**139,083,525**	124,970,201
Current assets		
Inventories	**29,926,546**	27,321,623
Trade and other receivables	**23,543,571**	27,821,280
Cash and cash equivalents	**10,903,923**	13,807,798
Total current assets	**64,374,040**	68,950,701
Total assets	**203,457,565**	193,920,902

EQUITY AND LIABILITIES		
EQUITY		
Issued capital	**19,863**	19,863
Capital in excess of par value	**240,425**	240,425
Retained earnings	**58,578,740**	44,636,831
Results for the period	**9,211,081**	16,431,570
Revaluation reserves	**67,120,684**	64,019,007
Equity attributable to equity holders of the Parent Company	**135,170,793**	125,347,696
Non-controlling interests	**16,528,565**	16,147,755
Total equity	**151,699,358**	141,495,451
LIABILITIES		
Non-current liabilities		
Long-term borrowings	**3,637,187**	3,739,643
Long-term provisions	**5,278,129**	5,743,378
Deferred tax	**12,754,796**	12,443,843
Total non-current liabilities	**21,670,112**	21,926,864
Current liabilities		
Trade and other payables	**26,320,311**	26,338,518
Current tax payable	**873,482**	1,251,767
Short-term borrowings	**2,321,767**	2,320,545
Short-term provisions	**572,535**	587,757
Total current liabilities	**30,088,095**	30,498,587
Total equity and liabilities	**203,457,565**	193,920,902

The accompanying notes on pages 14 to 19 are an integral part of these condensed interim financial statements.

Paramaribo, 22 Augustus 2013

Supervisory Board
R. Khodadin, Chairman
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R. Hahn
A. Kluijver
R. Elias
J.J. Healy Jr.

Management
P. Healy, CEO
M. Ramsundersingh, Chief Legal & HR

Condensed consolidated statement of changes in equity
for the six months ended 30 June 2013

in SRD	SHARE CAPITAL	CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	REVALUATION RESERVE	TOTAL	NON-CONTROLLING INTERESTS	TOTAL
Equity at 1 January 2012	**18,058**	**240,425**	**45,677,651**	**58,522,987**	**104,459,121**	**15,298,557**	**119,757,678**
Shares issued	1,805	-	-	-	1,805	-	1,805
Net profit	-	-	8,862,791	-	8,862,791	943,642	9,806,433
Profit distributions	-	-	-	-	-	(87,482)	(87,482)
Revaluation	-	-	-	3,812,027	3,812,027	48,283	3,860,310
Realized revaluation	-	-	68,276	(68,276)	-	-	-
Interim dividend	-	-	(397,268)	-	(397,268)	-	(397,268)
Equity at 30 June 2012	19,863	240,425	54,211,450	62,266,738	116,738,476	16,203,000	132,941,476
Profit after tax	-	-	7,979,373	-	7,979,373	145,807	8,125,180
Profit distributions	-	-	(1,188,496)	-	(1,188,496)	(214,055)	(1,402,551)
Revaluation	-	-	-	1,807,106	1,807,106	13,003	1,820,109
Realized revaluation	-	-	54,837	(54,837)	-	-	-
Correction previous year	-	-	11,237	-	11,237	-	11,237
Equity at 31 December 2012 before appropriation of profit	**19,863**	**240,425**	**61,068,401**	**64,019,007**	**125,347,696**	**16,147,755**	**141,495,451**
Appropriation of profit							
Final dividend			(2,184,972)		(2,184,972)	(420,999)	(2,605,971)
Equity at 31 December 2012 after appropriation of profit	**19,863**	**240,425**	**58,883,429**	**64,019,007**	**123,162,724**	**15,726,756**	**138,889,480**
Net Profit	-	-	9,211,081	-	9,211,081	900,438	10,111,519
Profit distributions	-	-	-	-	-	(101,843)	(101,843)
Revaluation	-	-	-	3,194,256	3,194,256	3,214	3,197,470
Realized revaluation	-	-	92,579	(92,579)	-	-	-
Interim dividend 1st and 2nd quarter	-	-	(397,268)	-	(397,268)	-	(397,268)
Equity at 30 June 2013	**19,863**	**240,425**	**67,789,821**	**67,120,684**	**135,170,793**	**16,528,565**	**151,699,358**

The accompanying notes on pages 14 to 19 are an integral part of these condensed interim financial statements.

Paramaribo, 22 Augustus 2013
Supervisory Board
R. Khodadin, Chairman
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R. Hahn
A. Kluijver
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J.J. Healy Jr.

Management
P. Healy, CEO
M. Ramsundersingh, Chief Legal & HR

Condensed consolidated statement of cash flows
for the six months ended 30 June 2013

Cash flows from operating activities	1 January - 30 June 2013
	SRD
Profit before tax	12,336,320
Adjusted for:	
Depreciation	2,893,828
Unrealized share of profit associate	(5,885,360)
Revaluation results	(86,646)
Investment income	(75,018)
Interest expense	276,665
Provisions	135,740
Cash flow from operations before changes in working capital	**9,595,529**
Changes in working capital:	
Change in inventories	(2,604,923)
Change in trade and other receivables	4,277,709
Change in trade and other payables	(18,207)
Adjustments regarding payables	(198,814)
Cash generated from operations	**11,051,294**
Claims paid	(22,806)
Paid interest	(276,665)
Paid income tax	(2,637,326)
Net cash from operating activities	**8,114,497**
Cash flows from investing activities	
Purchase of property, plant and equipment	(7,985,979)
Disposal of property, plant and equipment	355,771
Purchase of non-current financial assets	(5,400)
Dividends received	75,018
Net cash used in investing activities	**(7,560,590)**
Cash flows from financing activities	
Proceeds and repayments of loans	(101,234)
Payments pensions	(551,609)
Redundancy payments	(24,066)
Dividend paid	(2,780,873)
Net cash used in financing activities	**(3,457,782)**
Net cash flow for the year	(2,903,875)
Cash and cash equivalents at 1 January	13,807,798
Cash and cash equivalents at 30 June	**10,903,923**

The accompanying notes on pages 14 to 19 are an integral part of these condensed interim financial statements.

Paramaribo, 22 Augustus 2013

Supervisory Board
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Management
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M. Ramsundersingh, Chief Legal & HR

Business segment report

x SRD 1,000	Shipping		Trading		Food		Detergents		Steel	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012	**30 June 2013**	30 June 2012	**30 June 2013**	30 June 2012	**30 June 2013**	30 June 2012
Income	**8,864**	8,280	**2,052**	1,985	**4,593**	4,351	**10,541**	9,898	**2,393**	3,370
Inter-segment income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Associate income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Investment Income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Segment operating income	**8,864**	8,280	**2,052**	1,985	**4,593**	4,351	**10,541**	9,898	**2,393**	3,370
Reportable segment results	**4,385**	5,097	**901**	779	**1,366**	1,450	**1,427**	1,478	**(457)**	866
Unallocated amounts:										
- Litigation settlement paid	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Operating results	**4,385**	5,097	**901**	779	**1,366**	1,450	**1,427**	1,478	**(457)**	866
	30 June 2013	31 Dec 2012	**30 June 2013**	31 Dec 2012	**30 June 2013**	31 Dec 2012	**30 June 2013**	31 Dec 2012	**30 June 2013**	31 Dec 2012
Assets	**22,780**	26,894	**7,306**	7,926	**13,913**	13,869	**42,924**	42,320	**15,898**	15,285
Liabilities	**9,012**	11,309	**1,888**	2,865	**4,504**	5,234	**21,382**	21,592	**7,434**	6,145
Investments	**943**	4,492	**35**	131	**176**	1,386	**1,249**	1,308	**68**	2,187
Depreciation	**347**	556	**62**	105	**295**	589	**1,464**	3,007	**295**	524
Employees per segment	**48**	48	**18**	19	**61**	60	**122**	124	**52**	56

Business segment report

x SRD 1,000	Real estate		Other		Elimination		Consolidation	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012	**30 June 2013**	30 June 2012	**30 June 2013**	30 June 2012
Income	**1,864**	1,544	**443**	282	**-**	-	**30,750**	29,710
Inter-segment income	**(657)**	(547)	**(249)**	(98)	**(906)**	(555)	**(1,812)**	(1,200)
Associate income	**-**	-	**5,885**	4,176	**-**	-	**5,885**	4,176
Investment Income	**-**	-	**77**	57	**-**	-	**77**	57
Segment operating income	**1,207**	997	**6,157**	4,417	**(906)**	(555)	**34,901**	32,743
Reportable segment results	**205**	304	**4,509**	2,918	**-**	-	**12,336**	12,892
Unallocated amounts:								
- Litigation settlement paid	**-**	-	**-**	-	**-**	-	**-**	-
Operating results	**205**	304	**4,509**	2,918	**-**	-	**12,336**	12,892
	30 June 2013	31 Dec 2012	**30 June 2013**	31 Dec 2012	**30 June 2013**	31 Dec 2012	**30 June 2013**	31 Dec 2012
Assets	**16,463**	11,717	**84,174**	75,910	**-**	-	**203,458**	193,921
Liabilities	**1,284**	5,615	**6,254**	(335)	**-**	-	**51,758**	52,425
Investments	**5,077**	6,542	**88**	238	**-**	-	**7,636**	16,284
Depreciation	**339**	482	**92**	204	**-**	-	**2,894**	5,467
Employees per segment	**9**	10	**17**	16	**-**	-	**327**	333

Notes to the condensed interim consolidated financial statements as at and for the six months ended 30 June 2013

1.) Corporate information

N.V. Verenigde Surinaamse Holdingmij.-/United Suriname Holding Company, (the Company) is registered and domiciled in Suriname. The Company's registered office is at Van 't Hogerhuysstraat 9-11 Paramaribo City, Suriname. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2013 comprise the Company, its subsidiaries and its associate (together referred to as the Group).

The subsidiaries are:
1. **N.V. VSH Shipping**
2. **N.V. VSH Transport**
3. **N.V. VSH Trading**
4. **N.V. VSH Steel**
5. **N.V. VSH Real Estate**
6. **N.V. VSH Investment**
7. **VSH Marketing Company Ltd.**
8. **N.V. VSH Logistics**
9. **VSH-UNITED (USA) L.L.C.**
10. **N.V. VSH Foods (56.01%)**
11. **N.V. Consolidated Industries Corporation (CIC) (43.87%)**

The associate is:

1. Assuria N.V./ Assuria (24.63%)

In the notes the subsidiaries and associate are referred to by using the parts of their names stated above in bold.
The VSH-United Group is involved in: shipping, logistics, transport, port operating, steel fabrication, manufacturing of butter, margarine and shortening, manufacturing of household cleaning products and packaging material, trading, insurance, real estate and investment.

These condensed interim consolidated financial statements were authorized for issue by the Supervisory Board on 22 August 2013.

2.) Basis of preparation

2.1) Statement of compliance
These condensed interim consolidated financial statements as at and for the six months ended 30 June 2013 have been prepared in accordance with generally accepted accounting principles for interim financial reporting.
These condensed interim consolidated financial statements do not include all the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2012, which have been prepared in accordance with generally accepted accounting principles.

2.2) Basis of Measurement
Property is valued at costs adjusted for hyperinflation less accumulated depreciation. Plant and equipment are valued at cost less accumulated depreciation. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Financial assets are presented at fair value. Other assets and liabilities are stated at face value using the historical cost method. The methods used to measure fair value are discussed further in note 3.

2.3) Functional and presentation currency
These condensed interim consolidated financial statements are presented in Suriname Dollars (SRD), which is the Company's functional currency. All financial information presented in SRD has been rounded to the nearest dollar.

2.4) Application of IFRS standards

Certain provisions from the following IFRS standards were applied to these condensed interim consolidated financial statements:

IAS 1: Presentation of Financial Statements
IAS 7: Statement of Cash Flows
IAS 16: Property, Plant and Equipment
IAS 17: Leases
IAS 18: Revenue
IAS 19: Employee Benefits
IAS 24: Related Party Disclosures
IAS 27: Separate Financial Statements
IAS 28: Investments in Associates and Joint Ventures
IAS 29: Financial Reporting in Hyperinflationary Economies
IAS 33: Earnings per Share

3.) Accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Subsidiaries

Subsidiaries are those companies over which the Company has control, defined as the power to govern the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are fully consolidated and the financial statements of the subsidiaries are prepared for the same reporting period as the parent company. All balances, transactions, income and expenses between Group companies are eliminated. Non-controlling interest represent the portion of profit and net assets not held by the Group and are presented separately in the consolidated statement of income and within equity in the condensed consolidated balance sheet.

CIC is consolidated as subsidiary within the Group. Under IFRS 10 and IAS 27 it can clearly be demonstrated that “control” exists over CIC by virtue of:

1. The share position of 43.87% in CIC.
2. The share position of 12.70% in CIC owned by Assuria Beleggingsmaatschappij N.V., a subsidiary of Assuria. The Company has significant influence (IAS 28) over Assuria by virtue of VSH’s 24.63% share position in Assuria and holds two of the six positions on the Assuria Supervisory Board of Directors including the Chair.
3. The Company and Assuria holds three of the five positions on the Supervisory Board of Directors of CIC.
4. The attendance at the CIC Annual General Meeting of Shareholders does not rise above 85.00%. In the years 2002 to 2012 the attendance was between 56.42% and 75.24%.
5. There has been no instance in recent years, in any case not since 1986, where CIC Shareholders have voted against proposals of the Company.

Associate

Within the framework of IAS 28 associates are those companies over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company’s share of the profit or loss of the associate after the date of acquisition. The Company’s share in the profit or loss of the associate is recognized in the Company’s statement of income Dividend received reduces the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Company’s proportional interest in the associate arising from changes in the revaluation of property, plant, equipment and other assets.

As of 2010 Assuria is presented as an associate.

Under IAS 28.6 the Company meets the requirement of significant influence by virtue of:

1. The share position of 24.63% in Assuria.
2. The Company holds two out of six positions on the Assuria Supervisory Board of Directors including the Chair.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated to the functional currency at the exchange rate at that date. Exchange differences arising are charged or credited to the condensed consolidated statement of income.

The exchange rates used for the US Dollar and the EURO at balance sheet date are:

in SRD	30 June 2013	31 December 2012
USD	3.35	3.35
EURO	4.38	4.42

Foreign operations
The assets and liabilities of foreign operations on consolidation are translated to the SRD at the exchange rates at the balance sheet date. The revenue's and expenses of foreign operations are translated to the SRD at the exchange rates at the date of the transactions. The Company's shares in foreign operations are valued at the exchange rates at balance sheet date.

Property, plant and equipment (PP&E)
Land is carried at cost adjusted for hyperinflation. Land improvements and buildings are carried at cost adjusted for hyperinflation less accumulated depreciation. All other property, plant and equipment are carried at costs less accumulated depreciation. Depreciation is calculated using the straight-line method to write off the costs of individual assets to their residual values over their estimated useful lives as follows:

Buildings	20 - 40 years
Land improvements	5 - 10 years
Machinery and equipment	5 - 10 years
Other assets	3 - 5 years
Land is not depreciated	

When a major repair or maintenance is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement, if the recognition criteria are satisfied. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in the condensed consolidated statement of income. There are no assets held under financial leases, and assets held under operating leases and not recognized in the Group's condensed consolidated balance sheet.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible Assets
Intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized under depreciation in the condensed consolidated statement of income.

Financial Assets
Financial assets consist mostly of shares in companies that are not subsidiaries or associates, and term deposits. The shares are measured at their fair value, which is the closing price of the last trading session of the stock exchange at balance sheet date, where the shares are listed.

Inventories
Inventories are stated at cost, less the write down of unmarketable inventories if applicable. Cost is calculated using the last in first out method. Costs comprise direct materials and all costs incurred to bring inventories to their present location and condition net of discounts, rebates and bonuses.

Finished products and work in progress
Finished products and work in progress are valued based on the raw and packaging materials used.

Trade and other receivables
Trade and other receivables are stated at nominal value less an allowance for uncollectible amounts, if there is objective evidence that the Group will not be able to collect the receivable. Trade receivables do not carry interest.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash in banks and cash on hand.

Share Capital
Ordinary shares are classified as equity.

Earnings per share
Earnings per share is calculated by dividing the profit or loss attributable to ordinary Shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Bank debt
Interest bearing bank debt is recorded at the fair value of the consideration received net of transaction costs. After the initial recognition interest bearing loans are subsequently measured at amortized cost using the effective interest method.

Provisions
Provisions are recognized for actual (legal or constructive) obligations, existing at balance sheet date and arising from past events, for which it is probable that an outflow economic benefits will be required to settle the obligation. Some of the Company's subsidiaries provide warranties on products sold. Provisions are made for the estimated costs arising under these warranties upon the date of sale of the relevant products.

Trade and other payables
Trade and other payables are stated at nominal value. Trade payables do not carry interest.

Employee benefits
The Group employees participate in a defined benefit pension plan. Some of the pensions are insured while other employees participate in a pension fund foundation which is a separate legal entity.

The Group's contribution is recorded under personnel expenses in the consolidated income statement.

The Group, except for CIC, has no obligations for long term employee benefits. CIC has the obligation to pay medical benefits to pensioners. A provision based on actuarial calculations is recognized for long term employee benefit obligations.

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Revenue
Revenue from the sale of products in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of turnover and sales taxes, customer discounts and other sales related discounts. Revenue from the sale of products is recognized in the condensed consolidated statement of income when the amount of revenue can be measured reliably, the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably, and there is no continuing management involvement with the products. Revenue from services rendered is recognized in proportion to the stage of completion of the transaction at the balance sheet date. Revenue from operating leases is recognized on a straight-line basis over the term of the relevant lease. Interest income is recognized when earned.

Other revenue comprises of gains on exchange, income from previous years, gain on revaluation of inventories, transfer fees, broker provisions, proceeds from sales of empty drums, proceeds from promo activities and fees for consulting and other services.

Other income
Other income comprises of the Company's share in the profit or loss of the associate and dividend payments received from financial assets.

Expenses

Borrowing costs
All borrowing costs are recognized as an expense when incurred.

Leases
Payments made under operating leases are recognized in the condensed consolidated statement of income on a straight-line basis over the term of the lease.

Segments reporting
A segment is a distinguishable component of the Group that is a separate legal entity or a group of separate legal entities, which are subject to risks and rewards that are different from those of other segments.

4.) Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods if affected.

5.) Income tax
Taxes on income are accrued in the same period as the revenues and expenses to which they relate. Current tax receivables or payables for the current and prior periods are measured at the amount expected to be recovered from the Tax Authorities. The tax rates and the tax laws used are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

6.) Operating segments

Operating results of the segments is reported before distribution of costs of the Company and income taxes.

The shipping segment comprises shipping activities of the following subsidiaries:
VSH Shipping
VSH Transport
VSH Logistics
VSH-United (USA)

The trading segment comprises of trading activities of the following subsidiary:
VSH Trading

The food segment comprises of food production and distribution of the following subsidiary:
VSH Foods

The detergent segment comprises of production and distribution of detergents and packaging material by the following subsidiary:
CIC

The steel segment comprises steel fabrication of the following subsidiary:
VSH Steel

The real estate segment comprises real estate rental and service income of the following subsidiaries:
VSH Real Estate
VSH Trading

Other income, assets and liabilities not included in segment reporting are related to the subsidiary VSH Investment, VSH Marketing, the associate Assuria, the strategic investment Torarica and other shares held in local companies.

7.) Dividend declaration and payment

The proposed total dividend 2012 of SRD 1.50 per share was adopted in the Annual General Meeting of Shareholder's of 24 May 2013.
The first quarter interim dividend 2013 was declared and paid by the Company of SRD 0.10 per share (2012: SRD 0.10).

8.) Related party disclosure

Financial- and IT services are provided by the Company to VSH Foods, VSH USA and CIC. These services are provided against market prices and conditions. For the six months ended 30 June 2013 total amount billed and posted to other income in the condensed statement of income was SRD 151,372 (2012: SRD 65,102).
The Company also purchases goods from other subsidiaries of VSH United.

The Group except for the associate participates in the VSH Community Fund.
This non-profit foundation was established on 22 August 2008 to finance and coordinate community projects on behalf of the Group. The Group except for the associate contributes on a final monthly basis 1.5% of the profit before tax to the VSH Community Fund. For the six months ended 30 June 2013 a total amount of SRD 79,863 (2012: SRD 107,983) was contributed by the Group.

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