

The Board of Directors of PROVEN Investments Limited (“PIL”) is pleased to report our unaudited financial statements for the six months ended September 30, 2011. For the six month period, consolidated Net Profit amounted to US\$1.971 million, translating to earnings per share of \$0.0067 and an annualized return on average equity of 12.33%.

SIX MONTHS ENDED SEPTEMBER 2011 HIGHLIGHTS

- Consolidated Net Profit – US\$1,971,100
- Earnings Per Share – \$0.0067
- Consolidated Total Assets – US\$137 million
- Return on Average Equity –12.33%
- Efficiency Ratio – 48 %
- Net Book Value per share – \$0.101

NET PROFIT

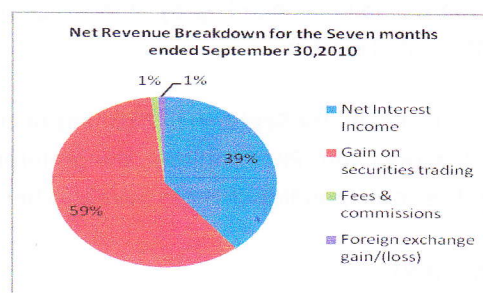
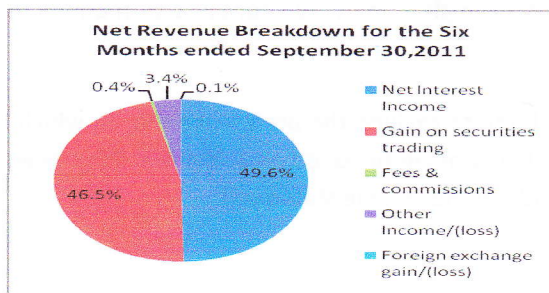
Consolidated Net Profit after tax for the six months ended September 30, 2011 amounted to US\$1,971,100, representing a 56% decrease over the corresponding period last year. This reduction is mainly the result of the inclusion in the consolidated results of September 2010 of the gain from the acquisition of Guardian Asset Management Jamaica Limited (renamed Proven Wealth Limited “PWL”). A comparison of net profit exclusive of the extraordinary gain (net of any associated cost) shows September 2011 increasing by 23% over the corresponding period in 2010. The profit for the six months ended September 30, 2011 translates to a return on average equity of 12.33% after the payment of US\$368,942 in preference share dividend.

NET REVENUE

Increased revenue performance was seen on all major income lines for the six month period ending September 30, 2011.

Consolidated Net Revenue for the six month period amounted to US\$4.03 million. This reflects an increase of 43% when compared with the same period last year.

Net interest income was US\$1.99 million compared to US\$1.04 million for the corresponding period, showing growth of 92%, which resulted from both the inclusion of PWL’s results as well as the active management of our spreads, which have improved gradually during the period under review.



Net realised gains were US\$1.87 million for the six month period, or 20% above the US\$1.5 million in the corresponding period in 2010. This improvement was achieved within the context of a challenging market environment, which saw significant reduction in security prices regionally and internationally during the quarter. We continue to monitor the movement in the markets and to take advantage of trading opportunities as they arise.

Fees and commission income and other income were US\$16,000 and US\$138,000 respectively, or 3.8% of total revenue.

OPERATING EXPENSES

Consolidated operating expenses for the six month period amounted to US\$1,961,243 after preference share dividend, compared to \$1,834,412 for the corresponding period ending September 2010. The increase in expenses is largely due to the inclusion of the subsidiary (PWL) in the consolidated results. The resultant efficiency ratio of 48% underscores our commitment to maintaining an efficient cost structure.

BALANCE SHEET

There has been a US\$ 37.8 million or 22% overall reduction in our asset base over the corresponding period ended September 30, 2010. This reduction flows from a strategic decision to realign the business model of PWL with a view to managing the size of the balance sheet in order to minimize the financial risk of the portfolio. Over the period, PWL has maintained this strategy of constraining the overall size of the balance sheet and focusing on improving the yields on the portfolio while maintaining an optimal risk profile.

Total Consolidated Assets as at September 30, 2011 stood at US\$137 million, with PROVEN Wealth Limited contributing US\$68 million to this figure. These assets were funded mainly by client liabilities in the form of Repurchase Agreements with PWL, which had a balance of US\$42 million as at September 30, 2011 in comparison to US\$ 111.2 million as at September 2010.

SHAREHOLDER'S EQUITY

Shareholder's Equity stood at US\$29.7 million as at September 30, 2011, with a capital to asset ratio of 21.6% and a book value per share of \$0.101. This was a decrease of US\$ 6.1 million or 17% over September 2010, largely as a result of unrealized fair value losses in the downturn currently being experienced in global market prices.

Subsequent to the reporting period market conditions have shown signs of improvement, with prices of securities in the portfolio rebounding by an average of 11% from their lows. We continue to monitor the activities on the global market.

The Shareholder's Equity for September 2010 has been restated to exclude the preference shares, which is the treatment, agreed with PIL's Auditors, the preference shares being reflected as a financial liability and not as equity. The corresponding changes have also been made to the income statement.

DIVIDEND PAYMENT

The Board of Directors has taken a decision not to consider a dividend payment at this time.

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee comprised of the following members:

Mr. John Collins – Chairman; Mr. Yvor Nassief; Mr. Garfield Sinclair

PREFERENCE SHARE ISSUE

Subject to the approval of the shareholders of PIL, the Board of Directors has approved the issuing and listing of PIL Preference Shares on the Jamaica Stock Exchange. Terms and conditions of the issue will be announced shortly.

EXTRAORDINARY GENERAL MEETING

An Extraordinary General Meeting of the shareholders of Proven Investments Limited will be held on November 30th, 2011 at 20 Micoud Street, Castries, St. Lucia. Complete resolutions and proxy forms will be circulated to all shareholders.

UN-AUDITED STATEMENT OF INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Quarter ended September 2011	Quarter ended September 2010	6 Months ended September 2011	7 Months ended September 2010
	US\$	US\$	US\$	US\$
INCOME				
Interest Income	2,041,194	1,663,354	4,013,281	2,079,551
Interest expense	(949,104)	(1,016,508)	(2,015,265)	(1,039,520)
Net Interest income	<u>1,092,090</u>	<u>646,846</u>	<u>1,998,016</u>	<u>1,040,031</u>
Other income				
Gains on securities trading	1,087,259	1,245,951	1,870,509	1,556,875
Fees & Commissions	9,685	5,607	16,075	33,565
Foreign exchange translation gains	5,910	177,584	2,675	179,503
Other Income	89,256	(4,524)	138,007	(4,524)
	<u>1,192,110</u>	<u>1,424,618</u>	<u>2,027,266</u>	<u>1,765,419</u>
NET REVENUE	2,284,200	2,071,464	4,025,282	2,805,450
OPERATING EXPENSES				
Preference dividend	247,960	1,203,935	368,942	1,203,935
Administrative and General Expenses	852,630	450,649	1,592,301	630,477
	<u>1,100,590</u>	<u>1,654,584</u>	<u>1,961,243</u>	<u>1,834,412</u>
OPERATING PROFIT	1,183,610	416,880	2,064,039	971,038
Gain on purchase of Subsidiary	-	3,804,400	-	3,804,400
Profit before income tax	1,183,610	4,221,280	2,064,039	4,775,438
Income tax	(39,599)	(271,233)	(92,939)	(271,233)
NET PROFIT AFTER TAX	<u>1,144,011</u>	<u>3,950,047</u>	<u>1,971,100</u>	<u>4,504,205</u>
EARNINGS PER STOCK UNIT - US cents	0.39	1.74	0.67	1.98

UN-AUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Quarter ended September 2011	Quarter ended September 2010	6 Months ended September 2011	7 Months ended September 2010
	US\$	US\$	US\$	US\$
NET PROFIT	1,144,011	3,950,047	1,971,100	4,504,205
OTHER COMPREHENSIVE INCOME				
Unrealised loss on available-for-sale investments	(4,070,207)	2,400,383	(4,595,724)	1,800,956
Foreign exchange translation reserve	(44,356)	-	(56,233)	-
Total Comprehensive income	<u>(2,970,552)</u>	<u>6,350,430</u>	<u>(2,680,857)</u>	<u>6,305,161</u>

UN-AUDITED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2011

	September 2011 US\$	September 2010 US\$	March 2011 US\$
ASSETS			
Cash and cash equivalents	1,633,306	13,624,919	3,595,350
Available-for-sale investments	108,591,842	133,823,294	109,347,903
Loans Receivable	-	-	7,776,291
Other Receivables	25,882,419	26,680,608	19,634,371
Related Company	237,836	-	-
Intangible Assets	7,410	-	8,666
Property, plant and equipment	306,734	358,807	328,141
Total Assets	136,659,547	174,487,628	140,690,722
LIABILITIES			
Client liabilities	54,193,692	111,248,352	71,267,517
Bank Overdraft	56,160	-	-
Related company	-	131,284	304,939
Notes Payable	47,727,435	15,852,495	33,571,370
Preference shares	1,000	1,000	1,000
Other liabilities	4,996,172	11,448,891	1,298,896
Total Liabilities	106,974,458	138,682,022	106,443,722
SHARE HOLDERS' EQUITY			
Share capital	29,657,087	29,659,338	29,657,087
Investment revaluation reserve	(5,336,176)	1,800,956	(740,452)
Foreign exchange translation	(29,233)	(158,893)	27,000
Retained earnings	5,393,411	4,504,205	5,303,365
Total Shareholder's Equity	29,685,089	35,805,606	34,247,000
Total Shareholder's Equity and Liabilities	136,659,547	174,487,628	140,690,722

UN-AUDITED STATEMENT OF CHANGES IN FINANCIAL EQUITY
SEPTEMBER 30, 2011

	Share capital	Rights Issue	Fair value reserves	exchange translation	Retained earnings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at April 1, 2011	19,877,065	9,780,022	(740,452)	27,000	5,303,365	34,247,000
Total Comprehensive Income for the period			(4,595,724)	(56,233)	1,971,100	(2,680,857)
Dividends to equity holders					(1,881,054)	(1,881,054)
Balance at September 30, 2011	<u>19,877,065</u>	<u>9,780,022</u>	<u>(5,336,176)</u>	<u>(29,233)</u>	<u>5,393,411</u>	<u>29,685,089</u>

UN-AUDITED STATEMENT OF CHANGES IN FINANCIAL EQUITY
SEPTEMBER 30, 2010

	Share capital	Rights Issue	Fair value reserves	Foreign exchange translation	Retained earnings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Proceeds from Issue of Share Capital	19,877,065	9,782,273				29,659,338
Total Comprehensive Income for the period			1,800,956		4,504,205	6,305,161
Loss on Exchange				(158,893)		(158,893)
Balance at September 30, 2010	<u>19,877,065</u>	<u>9,782,273</u>	<u>1,800,956</u>	<u>(158,893)</u>	<u>4,504,205</u>	<u>35,805,606</u>

UN-AUDITED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30 2011

	Quarter ended September 2011	Quarter ended September 2010
	<u>US\$</u>	<u>US\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit	1,971,100	4,504,205
Foreign Exchange Translation	(56,233)	(158,893)
Depreciation	36,062	-
Income Tax Charge	109,274	-
Operating cashflow before movements in working capital	<u>2,060,203</u>	<u>4,345,312</u>
Changes in operating assets and liabilities		
Receivables	(6,248,048)	(26,680,608)
Client Liabilities	(17,073,825)	111,248,352
Payables	3,588,002	14,198,891
Related company	(542,775)	131,284
	<u>(18,216,444)</u>	<u>103,243,231</u>
Dividend Paid	(1,881,054)	-
Net cash provided by operating activities	<u>(20,097,498)</u>	<u>103,243,231</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loans	7,776,291	-
Purchase of property ,plant and equipment	(13,399)	(358,807)
Investments	(3,839,663)	(132,022,338)
Cash used in investing activities	<u>3,923,229</u>	<u>(132,381,145)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Notes payable	14,156,065	13,102,495
Share Capital Increase	-	29,660,338
Net cash provided by financing activities	<u>14,156,065</u>	<u>42,762,833</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,018,204)	13,624,919
Cash and cash equivalents at beginning of period	3,595,350	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>1,577,146</u></u>	<u><u>13,624,919</u></u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

1. STATUS AND PRINCIPAL ACTIVITY:

Proven Investments Limited (the company) is incorporated in St Lucia and its registered office is situated at 20 Micoud Street, Castries, St Lucia. The company's principal place of business is 20 Micoud Street, Castries, St Lucia. The principal activity of the company is the investing of shareholders funds.

2. REPORTING CURRENCY

These financial statements are expressed in United States dollars.

3. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of preparation -

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention.

b. Use of estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

c. Foreign currency translation -

Balances in foreign currencies are translated at the rate of exchange ruling at balance sheet date. Transactions during the year are converted at the exchange rates prevailing at the dates of the transactions. Gains or losses on translation are dealt with in the profit and loss account.

d. Revenue recognition -

Income is recognised in the statement of revenue and expenses for all interest bearing instruments on the accrual basis using the effective yield method based on the actual purchase price.

Fees are recognised on the accrual basis when the service has been provided

e. Fair value of financial instruments -

Financial instruments carried on the balance sheet include cash and bank balances, receivables and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4. INCOME:

Gains on securities trading represents gain realized on investments disposed during the period. Interest income represents interest received and receivable for the period.


5. SHARE CAPITAL:	September 2011 <u>US\$</u>
Authorised share capital: US\$30,000,000	
2,999,990,000 ordinary shares	
10,000 managers preference shares	
Stated capital	
Issued and fully paid	20,000,000
Less: Transaction costs of share issue	<u>-122,935</u>
	19,877,065
Rights Issue	<u>9,780,022</u>
	<u><u>29,657,087</u></u>

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. In the case of its preference share capital, it is classified as:

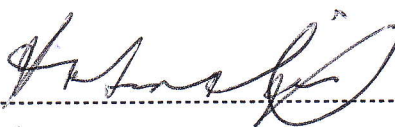
(i) equity if it is non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary; in such a case, dividends thereon are recognised as distributions within equity;

(ii) liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary; in such a case dividends thereon are recognised as interest in profit or loss.

The Group's preference shares bear contractual entitlements to dividends that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as a financial liability.



 Director



 Director