



LASCO DISTRIBUTORS LIMITED

UNAUDITED RESULTS

(NINE MONTHS)

DECEMBER 31, 2010

## REPORT TO THE SHAREHOLDERS

The Board of Directors is pleased to report the nine months results for Lasco Distributors Limited.

Revenue for the company grew to **\$4.97B**, an increase of **13%** over the corresponding period last year and net profit of **\$157.60M**, an increase of **76%** over the same period in 2009. Total expense to sales ratio registered **15%** versus **16%** in the same period 2009. The earning per share for the period was **\$0.83**.

Comparing the third quarter results of 2010 to the same quarter in 2009, there was an increase in profit from operations by **\$61M**, the net loss in 2009 of **\$0.75M** was reversed to a profit of **\$60.2M**. Other income of \$41M comprises settlement income from a former supplier and earned commission from a principal.

The management and staff of Lasco Distributors Limited continue to drive the strategic objectives of the company resulting in a credible performance for the period. Despite the increased competition on the retail shelves the company maintained its gains and vibrancy in the market place. Looking ahead, we will continue our focus on building our market presence whilst improving efficiencies.

The company continues to practice corporate social responsibility, and this is reflected in our support of several community activities during October to December. We partnered with the Jamaica Dental Association (JDA) in the observance of October as Oral Health Month, launching the LASCO/JDA Oral Health Month Poster Competition for school, Dunrobin Primary emerged the winner. Additionally with the JDA, we co-hosted a Health Fair for Grade 3 students in Kingston, St. Andrew and St. Catherine. Along with the Jamaica Information Service we hosted a Christmas Treat for Mount Olivet Boys Home, and donated supplies to the institution.

During the December 2010 festive season, the company sponsored programmes at Collins Close and Gwen Neil Basic Schools where the company provided products and manpower. The company hosted on its White Marl property and supported the annual Christmas treat and party for the children in the community of over three thousand (3000) citizens.

We wish to thank our consumers, customers, employees, shareholders and other stakeholders for their continued support.



**Anthony V. Chang**

Managing Director

**Lasco Distributors Ltd.**  
**Statement of Comprehensive Income**

Nine Months Ended December 31,2010

(Unaudited)

		3 months to	3 months to	9 months to	9 months to
	Note	Dec 31 2010	Dec 31 2009	Dec 31 2010	Dec 31 2009
		\$'000	\$'000	\$'000	\$'000
Revenue		1,778,454	1,545,782	4,973,827	4,400,576
Cost of Sales		(1,458,492)	(1,266,159)	(4,070,555)	(3,575,588)
Gross Profit		319,962	279,623	903,272	824,988
Other Operating Income		41,150	585	45,762	4,705
Operating Expenses		(268,901)	(247,396)	(708,048)	(631,356)
Profit from Operations		92,211	32,812	240,986	198,337
Finance Cost		(8,303)	(19,885)	(38,172)	(67,739)
Profit before Taxation		83,908	12,927	202,814	130,598
Taxation		(23,669)	(13,677)	(45,219)	(41,031)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<b>60,239</b>	<b>(750)</b>	<b>157,595</b>	<b>89,567</b>
Number of Stocks Issued	3	336,643	74,072	190,770	74,072
Earnings per Stock Unit During the Period		\$0.18	(\$0.01)	\$0.83	\$1.21

**Lasco Distributors Ltd.**
**Statement of Financial Position**


December 31, 2010

(Unaudited)

	Note	Period ended December 31 2010 \$'000	Period ended December 31 2009 \$'000	Year ended March 31 2010 \$'000
<b>NET ASSETS EMPLOYED</b>				
<b>Non-Current Assets</b>				
Property, Plant & Equipment		182,859	196,234	189,738
Investment Property		10,766	10,766	9,108
Deferred Tax Asset		15,916	(15,908)	15,916
		209,541	191,092	214,762
<b>Current Assets</b>				
Inventories		590,077	579,391	634,284
Trade and Other Receivables		857,918	1,051,432	1,044,111
Due from Directors		19,947	0	101,444
Related Companies		14,253	336,569	35,638
GCT Recoverable		29,010	2,218	0
Cash and Bank Balances		154,319	255,653	171,305
		1,665,524	2,225,263	1,986,782
<b>Current Liabilities</b>				
Trade and Other Payables		1,034,828	1,516,620	1,378,093
Due to Directors		3,104	40,181	0
Related Companies		801	43,887	0
Short Term Borrowings		0	0	25,359
Corporation Tax Payable		48,078	(38,605)	25,392
		1,086,811	1,562,083	1,428,844
<b>Net Current Assets</b>		578,713	663,180	557,938
		788,254	854,272	772,700
<b>Financed by:</b>				
Share Capital	3	216,116	74,072	74,072
Capital Reserves		83,068	57,236	83,068
Retained Earnings		331,475	338,737	352,517
Current Earnings		157,595	89,567	0
		788,254	559,612	509,657
<b>Non-Current Liabilities</b>				
Long Term Debt	5	0	294,660	263,043
		788,254	854,272	772,700
		0		

Approved for issue by the Board of Directors on February 2, 2011 and signed on its behalf by:

  
 Lascelles Chin Chairman

  
 Anthony V. Chang Director

**Lasco Distributors Limited**

## Statement of Cash Flows

Nine Months ended December 31, 2010

(Unaudited)

	Dec. 31 2010 \$'000	Dec. 31 2009 \$'000
<b>SOURCES/(USES) OF CASH</b>		
<b>Operating Activities</b>		
Profit for the Period	157,595	89,567
Items not affecting cash and changes in non-cash working capital components	85,890	235,616
Cash provided by Operating Activities	243,485	325,183
Cash used in Investing Activities	(8,159)	(9,815)
Cash used in Financing Activities	(215,591)	(184,339)
Net Increase in Cash	19,735	131,029
Cash at the beginning of Period	134,584	124,624
<b>CASH AT THE END OF PERIOD</b>	<b>154,319</b>	<b>255,653</b>

**Lasco Distributors Limited**

Statement of Changes in Stockholders' Equity  
Nine Months ended December 31, 2010  
(Unaudited)

	2010			
	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at April 1, 2010	74,072	83,068	331,475	488,615
Share Issued	142,044			142,044
Total Comprehensive Income for the Period	0	0	157,595	157,595
Balance at December 31, 2010	216,116	83,068	489,070	788,254

	2009			
	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at April 1, 2009	74,072	57,236	338,737	470,045
Total Comprehensive Income for the Period	0	0	89,567	89,567
Balance at December 31, 2009	74,072	57,236	428,304	559,612

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED DECEMBER 31, 2010**

**1. 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, as modified by the revaluation of certain fixed and financial assets.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31<sup>st</sup> March 2010.

These financial statements are presented in Jamaican dollars unless otherwise indicated.

**2. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

- (a) Lasco Distributors Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 27 Red Hills Road, Kingston 10.
- (b) The principal activity of the company is the distribution of pharmaceuticals and consumable items.

**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED DECEMBER 31, 2010**

**3. SHARE CAPITAL**

	<u>2010</u> <u>\$'000</u>	<u>2009</u> <u>\$'000</u>
Authorised -		
Number of Ordinary Shares		
363,000,000 - December 31, 2010		
75,000,000 - March 31, 2010		
Issued -		
Number of Ordinary shares		
336,643,166- December 31, 2010		
74,072,000- March 31, 2010	<u>216,116</u>	<u>74,072</u>

The authorised share capital is 363,000,000 ordinary shares. The number of issued ordinary shares increased to 336,643,166 as at December 31, 2010 from 335,999,226, as Mayberry Investments on October 5, 2010 exercised its option of 643,889 shares.

**4. EARNINGS PER SHARE**

The weighted average shares were used to calculate the earnings per share for the current financial period.



**LASCO DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED DECEMBER 31, 2010**

**5. LOAN REPAYMENT**

In December 2010 the Company repaid its entire long term loan.

	<u>2010</u>	<u>2009</u>
	\$'000	\$'000
Balance as at	<u>Nil</u>	<u>294,660</u>

**6. TAX ATION**

An adjustment for corporation tax charge of \$21M was made in the third quarter.

**7. OTHER INCOME**

Comprises settlement income from a former supplier and earned commission from a principal.