



LASCO DISTRIBUTORS LIMITED

UNAUDITED RESULTS

(THREE MONTHS – FIRST QUARTER RESULTS)

JUNE 30, 2011

REPORT TO THE SHAREHOLDERS

The Board of Directors is pleased to report the first quarter results ending June 30, 2011 for Lasco Distributors Limited. Revenue for the company grew to **\$1,706.5B**, an increase of **9.9%** over the corresponding period last year and net profit before taxation was **\$130.4M** up from **\$58.5M**, an increase of **123.1%** over the same period in 2010. Total expense to sales ratio registered **14.5%** versus **14.3%** in the same period 2010.

Inventory value as at June 30, 2011 was **\$874.5M** compared to **\$495.2M** on June 30, 2010 this difference was primarily due to the timing of the supply chain for that period last year. Trade and other receivables were reduced by **\$379.3M** due to the more efficient collections. For Trade and other payables this was reduced by **\$203.5M** compared with the corresponding period due to faster payment to our suppliers.

The management team and staff continue to strive to ensure that the overall organisational objectives are met. In the midst of increased competitive activity and current economic environment the management team and staff remains focused on increasing efficiencies, product innovation and service delivery. With this resolve and strategic direction we are moving to increase our market presence.

The company continues to play its role in corporate social responsibility. On March 29, 2011 in collaboration with the Jamaica Constabulary Force (JCF) we had another successful annual Police of the Year function (POY) which recognises the hard work and dedication of the members of the JCF. At the function it was a proud moment as Sgt. Marcus Bennett POY 2010-2011 passed the baton to Constable Neil Anthony Brown Lasco Police of the Year 2011-2012.

In April 2011 Lasco Distributors Limited partnered with the Jamaica Dental Association (JDA) in the book launching of Dentistry in Jamaica 1905-2009 authored by Dr. James Monteith a member and past president of the JDA. The book marks a milestone in the research and documentation of dentistry in Jamaica and it would have beneficial information to health care providers, administrators, educators, students and general readers. Lasco Distributors Limited, as an organisation, we are proud to have been a part of this.

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



Peter M. Chin
Managing Director (Acting)

Lasco Distributors Ltd.
Statement of Comprehensive Income

Three Months Ended June 30,2011

(Unaudited)

| | Note | 3 months to June 30 2011 \$'000 | 3 months to June 30 2010 \$'000 |
|---|------|---------------------------------------|---------------------------------------|
| Revenue | | 1,706,483 | 1,552,434 |
| Cost of Sales | | (1,329,629) | (1,259,449) |
| Gross Profit | | 376,854 | 292,985 |
| Other Operating Income | 7 | 1,808 | 2,764 |
| Operating Expenses | | (247,311) | (221,275) |
| Profit from Operations | | 131,351 | 74,474 |
| Finance Cost | | (910) | (16,018) |
| Profit before Taxation | | 130,441 | 58,456 |
| Taxation | 6 | - | (19,485) |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD | | 130,441 | 38,971 |
| Number of Stocks Issued | | 336,643 | 268,881 |
| Earnings per Stock Unit During the Period | 4 | \$0.39 | \$0.15 |

Lasco Distributors Ltd.
Statement of Financial Position

June 30, 2011

(Unaudited)

| | Note | Period ended June 30 2011 \$'000 | Period ended June 30 2010 \$'000 | Year ended March 31 2011 \$'000 |
|--------------------------------|------|---|---|--|
| NET ASSETS EMPLOYED | | | | |
| Non-Current Assets | | | | |
| Property, Plant & Equipment | | 188,743 | 183,832 | 190,934 |
| Investment Property | | 0 | 10,766 | 0 |
| Deferred Tax Asset | | 1,037 | 15,916 | 1,037 |
| | | <u>189,780</u> | <u>210,514</u> | <u>191,971</u> |
| Current Assets | | | | |
| Inventories | | 874,522 | 495,262 | 633,843 |
| Trade and Other Receivables | | 783,926 | 1,163,237 | 790,505 |
| Due from Directors | | 519 | 108,807 | 0 |
| Related Companies | | 6,852 | 0 | 5,535 |
| Taxation/GCT Recoverable | | 37,578 | 8,540 | 0 |
| Cash and Bank Balances | | 245,026 | 138,356 | 229,413 |
| | | <u>1,948,423</u> | <u>1,914,202</u> | <u>1,659,296</u> |
| Current Liabilities | | | | |
| Trade and Other Payables | | 998,438 | 1,201,938 | 808,845 |
| Due to Directors | | 0 | 6,350 | 17,305 |
| Related Companies | | 941 | 19,324 | 1,967 |
| Bank Overdraft | | 0 | 0 | 2,812 |
| Short Term Borrowings | | 16,666 | 22,411 | 0 |
| Corporation Tax Payable | | 30,543 | 25,307 | 59,164 |
| | | <u>1,046,588</u> | <u>1,275,330</u> | <u>890,093</u> |
| Net Current Assets | | <u>901,835</u> | <u>638,872</u> | <u>769,203</u> |
| | | <u>1,091,615</u> | <u>849,386</u> | <u>961,174</u> |
| Financed by: | | | | |
| Share Capital | 3 | 219,191 | 74,072 | 219,191 |
| Capital Reserves | | 83,068 | 82,364 | 83,068 |
| Retained Earnings | | 658,915 | 352,517 | 658,915 |
| Current Earnings | | 130,441 | 58,456 | 0 |
| | | <u>1,091,615</u> | <u>567,409</u> | <u>961,174</u> |
| Non-Current Liabilities | | | | |
| Long Term Debt | 5 | 0 | 281,977 | 0 |
| | | <u>1,091,615</u> | <u>849,386</u> | <u>961,174</u> |
| | | 0 | 0 | |

Approved for issue by the Board of Directors on July 26, 2011 and signed on its behalf by:



Lascelles Chin Chairman



Peter Chin Acting Managing Director

Lasco Distributors Limited

Statement of Cash Flows

Three Months ended June 30, 2011

(Unaudited)

| | June 30 2011 | June 30 2010 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| SOURCES/(USES) OF CASH | | |
| Operating Activities | | |
| Profit for the Period | 130,441 | 58,456 |
| Items not affecting cash and changes in non-cash working capital components | (125,583) | (90,679) |
| Cash provided by/used in Operating Activities | 4,858 | (32,223) |
| Cash used in Investing Activities | (2,397) | (1,054) |
| Cash used in Financing Activities | (20,738) | (10,622) |
| Net Decrease in Cash | (18,277) | (43,899) |
| Cash at the beginning of Period | 263,303 | 182,255 |
| CASH AT THE END OF PERIOD | 245,026 | 138,356 |

Lasco Distributors Limited

Statement of Changes in Stockholders' Equity

Three Months ended June 30, 2011

(Unaudited)

| | 2011 | | | |
|---|-------------------------|---------------------------|-----------------------------|-----------------|
| | Share Capital \$'000 | Capital Reserve \$'000 | Retained Earnings \$'000 | Total \$'000 |
| Balance at April 1, 2011 | 219,191 | 83,068 | 658,915 | 961,174 |
| Total Comprehensive Income for the Period | 0 | 0 | 130,441 | 130,441 |
| Balance at June 30, 2011 | 219,191 | 83,068 | 789,356 | 1,091,615 |

| | 2010 | | | |
|---|-------------------------|---------------------------|-----------------------------|-----------------|
| | Share Capital \$'000 | Capital Reserve \$'000 | Retained Earnings \$'000 | Total \$'000 |
| Balance at April 1, 2010 | 74,072 | 82,364 | 352,517 | 508,953 |
| Total Comprehensive Income for the Period | 0 | 0 | 58,456 | 58,456 |
| Balance at June 30, 2010 | 74,072 | 82,364 | 410,973 | 567,409 |

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THREE MONTHS ENDED JUNE 30, 2011

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 31st March 2011.

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
THREE MONTHS ENDED JUNE 30, 2011

3. SHARE CAPITAL

| | <u>2011</u> <u>\$'000</u> | <u>2010</u> <u>\$'000</u> |
|------------------------------|------------------------------|------------------------------|
| Authorised - | | |
| Number of Ordinary Shares | | |
| 74,072,000 - June 30, 2010 | | |
| 363,000,000 - March 31, 2011 | | |
| Issued and fully paid | | |
| Number of Ordinary shares | | |
| 74,072,000 - June 30, 2010 | | |
| 336,643,115 - March 31, 2011 | <u>219,191</u> | <u>74,072</u> |

The authorised share capital is 363,000,000 ordinary shares. The number of issued ordinary shares remained at 336,643,115 as at June 30, 2011. Transaction costs of shares issued amounted to 17,563 as at year end March 31, 2011.

4. EARNINGS PER SHARE

The weighted number of shares was used to calculate the prior year earnings per share. Current year calculation of earnings per stock unit is based on total comprehensive income and 336,643,115 ordinary stock units in issue.

LASCO DISTRIBUTORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THREE MONTHS ENDED JUNE 30, 2011

5. LOAN REPAYMENT

The Company repaid its entire long term loan in prior period.

| | <u>2011</u> | <u>2010</u> |
|---------------|-------------|----------------|
| | \$'000 | \$'000 |
| Balance as at | <u>Nil</u> | <u>281,977</u> |

6. TAX ATION

The company now enjoys a tax remission started from October 12th 2010 when the company first listed on the Jamaica Stock Exchange, 100% for the first five years.

7. OTHER INCOME

Other Income comprises of earned commission from a principal.