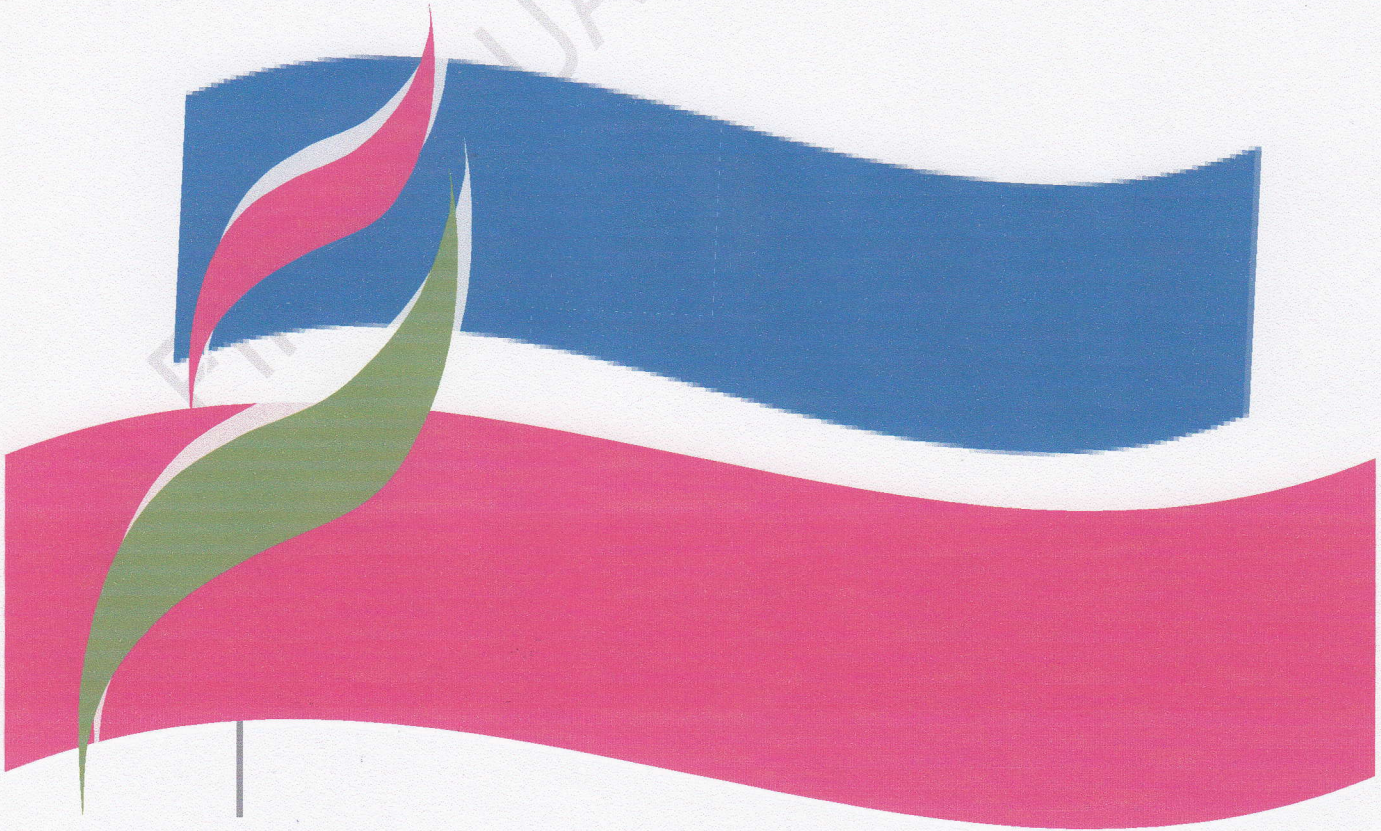




EVERYDAY FAMILY VALUES

LASCO DISTRIBUTORS LIMITED
UNAUDITED 1ST QUARTER FINANCIAL REPORT
FOR PERIOD ENDED JUNE 30 2014

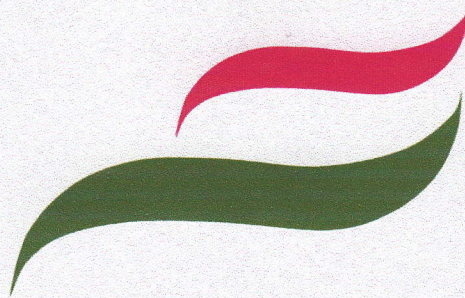




EVERYDAY FAMILY VALUES

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REPORT TO THE SHAREHOLDERS

The Board of Directors presents first quarter unaudited financial results for the period ended June 30, 2014 for LASCO Distributors Limited. Revenues for the company increased to **\$2.39B** an increase of **\$75.3M** compared to the same period last year. We are pleased with this performance given the challenges in the economy.

Gross Profit margin was 18.2% compared to 20.0% of the comparative period last year. There was significant investment in selling and marketing activities to drive demand in trade. We anticipate positive impact of these in future performance.

Operating expenses increased by 19.5% to \$360.8M compared to the same period last year. Net profit was **\$90.9M** compared to **\$164.2M** last year. The operating expenses and net profit performances were anticipated. We planned for increased staff strength and marketing activities in preparation for pending new product rollouts.

The current business environment with a devaluing dollar impacts the trade as there are continuous increases in prices and lower consumer spending power. The company continues to deploy measures to mitigate effects of the volatile market conditions and at the same time maintain its market positioning to provide overall value for consumers. We continue to build our core portfolio and have several new products in the pipeline to ensure long term growth and profitability.

Total Assets grew by 30.0% to \$4.28B compared to \$3.30B in the corresponding period last year. Property, plant and equipment grew by 59.7% to \$312.8M. This is primarily due to increased capacity and improvements in work flow processes in the distribution centres in preparation for new product launches.

Inventories increased by \$331.2M to \$1.30B and this is mainly due additional inventory from new business agreements. Short Term Deposits increased by \$480.3M to \$651.5M and Cash and Bank Balances decreased to \$285.4M from \$496.8M. Trade and Other Receivables was \$1.69B, an increase of \$399.5M over the prior year. We continued with the arrangements to extend credit terms to our key institutions. There was also a related increase in Trade and Other Payables, an increase of \$570.3M to \$1.76B.

In July 2014, LASCO Distributors Limited was successful in the appeal to the Privy Council by Pfizer Limited against the ruling of the Jamaican Court of Appeal. The

Privy Council dismissed the Appeal brought by and affirmed the decision of the Jamaican Court of Appeal. The company is pleased with the decision of the Privy Council and is now free to have the damages caused by the injunction which restrained it from trading in LAS Amlodipine assessed by the court. The company's attorneys will now take steps to proceed with the assessment by the Court as soon as the court calendar allows.

LASCO Distributors continued its sponsorship of Corporate and Community programmes such as the SDC National Twenty/20 Community Cricket, the Re-Leaf Environmental Awareness Program (REAP) and Read Across Jamaica Day. The SDC National T/20 Community Cricket Competition was launched on May 8, 2014 and continues its mandate of advancing local communities through sports. Over 400 teams registered for the competition, which is hosted in over 60 communities.

The second year of the LASCO REAP culminated in an Awards Luncheon held on Thursday, June 5, 2014 at Hope Gardens on World Environment Day. Under the theme '*Eat Locally, Think Globally*', the programme continued with its initiative to encourage students to participate in sustainable environmental practices, which included tree planting, recycling, energy conservation and well-kept school and community environments. St. Jago Cathedral Preparatory School was declared the LASCO REAP champion school and were awarded 10 desktop computers for the school computer lab courtesy LASCO.

We wish to thank our directors, management and staff for their commitment and hard work. We are also appreciative for the confidence and support of our consumers, customers and shareholders.



Peter M. Chin
MANAGING DIRECTOR



Lasco Distributors Ltd.
Statement of Comprehensive Income
Three Months Ended June 30,2014


		(Unaudited)	(Unaudited)
		3 months to	3 months to
	Note	June 30	June 30
		2014	2013
		\$'000	\$'000
Revenue		2,385,127	2,309,761
Cost of Sales		(1,949,870)	(1,846,964)
Gross Profit		435,257	462,797
Other Operating Income	3	18,614	7,096
Operating Expenses		(360,812)	(301,937)
Profit from Operations		93,059	167,956
Finance Cost		(2,156)	(3,771)
Profit before Taxation		90,903	164,185
Taxation	4	0	0
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		90,903	164,185
Number of Stocks Issued		3,366,431	3,366,431
Earnings per Stock Unit During the Period	5	\$0.027	\$0.049

LASCO

Lasco Distributors Ltd.
Statement of Financial Position
 June 30, 2014

		(Unaudited)	(Unaudited)	(Audited)
	Note	Period ended June 30 2014 \$'000	Period ended June 30 2013 \$'000	Year ended March 31 2014 \$'000
NET ASSETS EMPLOYED				
Non-Current Assets				
Property, Plant & Equipment	6	312,730	195,837	272,187
Investments		0	150,000	0
		<u>312,730</u>	<u>345,837</u>	<u>272,187</u>
Current Assets				
Inventories		1,297,844	966,647	1,312,923
Trade and Other Receivables		1,697,091	1,297,593	1,672,774
Due from Directors		0	0	0
Related Companies		24,657	10,103	8,933
Taxation/GCT Recoverable		13,891	7,399	7,979
Short Term Deposits	7	651,482	171,214	583,448
Cash and Bank Balances	8	285,416	496,783	305,079
		<u>3,970,381</u>	<u>2,949,739</u>	<u>3,891,136</u>
Current Liabilities				
Trade and Other Payables		1,762,725	1,192,404	1,766,186
Related Companies		0	316	0
Short Term Borrowings		32,346	23,629	0
Bank Overdraft		0	0	0
GCT Payable		0	27,941	0
		<u>1,795,071</u>	<u>1,244,290</u>	<u>1,766,186</u>
Net Current Assets		<u>2,175,310</u>	<u>1,705,449</u>	<u>2,124,950</u>
		<u>2,488,040</u>	<u>2,051,286</u>	<u>2,397,137</u>
Financed by:				
Share Capital	9	219,191	219,191	219,191
Capital Reserves		75,387	75,387	75,387
Retained Earnings		2,102,559	1,592,523	2,102,559
Current Earnings		90,903	164,185	0
		<u>2,488,040</u>	<u>2,051,286</u>	<u>2,397,137</u>
Non-Current Liabilities				
Long Term Debt		0	0	0
		<u>2,488,040</u>	<u>2,051,286</u>	<u>2,397,137</u>

Approved for issue by the Board of Directors on July 29, 2014 and signed on its behalf by:


 Lascelles Chin Chairman


 Peter Chin Managing Director



Lasco Distributors Limited
Statement of Cash Flows
Three Months ended June 30, 2014
(Unaudited)

	June 30 2014	June 30 2013
	\$'000	\$'000
SOURCES/(USES) OF CASH		
Operating Activities		
Profit for the Period	90,903	164,185
Items not affecting cash and changes in non-cash working capital components	(30,571)	286,838
Cash provided by Operating Activities	60,332	451,023
Cash used in Investing Activities	(119,930)	(151,308)
Cash provided by Financing Activities	39,935	23,864
Net (Decrease)/ Increase in Cash and Cash Equivalents	(19,663)	323,579
Cash and Cash Equivalents at the beginning of Period	305,079	173,204
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	285,416	496,783



Lasco Distributors Limited

Statement of Changes in Stockholders' Equity

Three Months ended June 30, 2014

(Unaudited)

2014

	Share Capital	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at April 1, 2014	219,191	75,387	2,102,559	2,397,137
Total Comprehensive Income for the Period	0	0	90,903	90,903
Balance at June 30, 2014	219,191	75,387	2,193,462	2,488,040

2013

	Share Capital	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at April 1, 2013	219,191	75,387	1,592,523	1,887,101
Total Comprehensive Income for the Period	0	0	164,185	164,185
Balance at June 30, 2013	219,191	75,387	1,756,708	2,051,286

Notes To The Financial Statements

Three Months Ending June 30 2014

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. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The preparation of financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known.

The accounting policies followed in the preparation of the financials are consistent with those used in the audited financial statements for the year ended 31 March 2014.

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 pharmaceutical and consumable items.
- (c) The company's shares were listed on the Junior Market of the Jamaican Stock Exchange on 12 October 2010.

Notes To The Financial Statements Three Months Ending June 30 2014

3. OTHER INCOME

Other Income represents commission earned from services which have been provided and interest income.

4. TAXATION

Remission of income tax:

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange, effective 12 October 2010. Consequently, the company is entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least fifteen (15) years:

Years 1 to 5 100%
Years 6 to 10 50%

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remission.

5. EARNINGS PER STOCK UNIT

Basic earnings per stock unit is calculated by dividing the net profit attributable to stock holders by the number of Ordinary Stock Units in issue during the period.

	<u>2014</u> \$'000	<u>2013</u> \$'000
Net Profit attributable to Stockholders	90,903	164,185
Number of Ordinary Stocks in issue	<u>3,366,431</u>	<u>3,366,431</u>
Basic earnings per stock unit	<u>\$0.027</u>	<u>\$0.049</u>

Notes To The Financial Statements
Three Months Ending June 30 2014

6. PROPERTY, PLANT AND EQUIPMENT - (At Cost Less Depreciation)

	<u>2014</u> \$'000	<u>2013</u> \$'000
	<u>312,730</u>	<u>195,837</u>

The movement in Property, Plant and Equipment represents additions to Computers, Fixtures and Fittings as a result of expansion purposes and the purchase of a Motor Vehicle.

7. SHORT TERM INVESTMENT

	<u>2014</u> \$'000	<u>2013</u> \$'000
Short-term Investment	<u>651,482</u>	<u>171,214</u>

This represents interest bearing amounts invested with financial institutions for a period of no less than three (3) month but no greater than one (1) year.

8. CASH AND BANK BALANCES

	<u>2014</u> \$'000	<u>2013</u> \$'000
Fixed Deposits (Time Deposits)		10,607
Jamaican Currency Current Accounts	233,232	442,100
Jamaican Currency Savings Accounts	2,085	12,622
Foreign Currency Accounts	48,187	29,663
Cash in Transit	0	0
Cash in Hand	<u>1,912</u>	<u>1,791</u>
Cash and Bank Balances	<u>285,416</u>	<u>486,783</u>

**Notes To The Financial Statements
Three Months Ending June 30 2014**

9. SHARE CAPITAL

	<u>2013</u> \$'000	<u>2012</u> \$'000
Authorised - 3,630,000,000 Ordinary Shares of no par value		
Stated Capital- Issued and fully paid- 3,366,431,150 Ordinary Shares of no par value	<u>219,191</u>	<u>219,191</u>

At an Extraordinary General Meeting held on 26 June 2013, the Shareholders of LASCO Distributors Limited approved a resolution allowing each share of no par value whether issued or un-issued to be sub-divided into 10 shares. The Authorised and Issued shares indicated above reflect the stock split approved by the shareholders.