



LASCO MANUFACTURING LIMITED

INTERIM REPORT

(NINE MONTHS)

31 DECEMBER 2011

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Director's Report

Lasco Manufacturing Limited's board of directors is pleased to report the third quarter results ending on December 31, 2011. Year to date the company's turnover has grown by \$124m or 6% from \$2.2b during the same period in 2010 to \$2.3b in 2011. Gross Profit increased by 3%, from \$655m in 2010 to \$672m in 2011. However, Net Profit increased by 46% over previous year, increasing from \$291m as at December 2010 to \$425m in 2011, which illustrates the company's commitment to cost management.

Our management team is mindful of the challenging economic times we continue to face. However, we continue to focus our efforts to achieve greater efficiency and performance ensuring reward for our stakeholders. Our goal is to build a sustainable and profitable business by positioning ourselves to maintain revenue and profit growth.

To date the balance sheet reflects \$533.6m as Work In Progress toward the internal financing for the acquisition of machinery and laboratory equipment as well as down payment for the start-up of the buildings in the expansion project previously announced. This project is expected to cost US\$24m and will be financed through internally generated cash flow and debt financing. The payback period is projected to be 5 years and is not expected to negatively impact the company's profitability during build-out and first year of operations. Once completed this will lead to improve efficiencies and productivity, reduce operational costs, increase product portfolio, sales and profitability.

On Thursday January 12, 2012, Lasco Manufacturing Limited had the ground breaking ceremony for the new manufacturing facility in White Marl. It is expected that construction of the 147,000 square feet facility will be completed by July 2012.

Lasco Manufacturing continues to be committed to the development of our country and the education of our children; during this quarter the

company sponsored the Lasco/Ministry of Education Teacher and Principal of the Year Programme. The ceremony celebrated on November 19, rewarded two of our most committed educators. The management of Lasco Manufacturing wishes to congratulate our Principal of the Year Errol Johnson and Teacher of the Year Tracy-Ann Beckford for their dedication to our children's education and wishes them continued success.

"Lasco Food Drink Megamillion\$ Funanza" competition which culminated in the month of October, was implemented with the support of the marketing team from affiliated company Lasco Distributors Limited. The competition was geared to increase market share and build brand recognition and traction as a preamble for the introduction of new products into the market. We wish to congratulate all our winners, especially Mr. Richard Taylor the first place winner.

We believe that although, the economy in Jamaica will remain relatively stagnant during 2012, the expansion of Lasco Manufacturing Ltd. manufacturing facility will strategically position Lasco to take advantage of the current economic environment as well as prepare the company to continue thriving in the global competitive market for future economic changes. We at Lasco Manufacturing Limited are committed to our Strategic Plan, competitive products and prices for our customers and strong financial performance for our shareholders.



Dr. Eileen Chin MBA

Managing Director

Lasco Manufacturing Limited

Statement of Comprehensive Income

Nine Months Ended 31 December 2011


(Unaudited)

	3 months to 31 Dec 2011 \$'000	3 months to 31 Dec 2010 \$'000	9 months to 31 Dec 2011 \$'000	9 months to 31 Dec 2010 \$'000
Revenue	750,599	775,716	2,329,985	2,206,401
Cost of Sales	541,360	547,986	1,657,268	1,551,492
Gross Profit	209,239	227,730	672,717	654,909
Other Income	14,250	6,710	27,833	20,369
Operating Expenses	(104,076)	(107,615)	(275,051)	(267,235)
Profit from Operations	119,413	126,825	425,499	408,043
Finance Cost	(508)	(8,054)	(434)	(28,345)
Profit Before Taxation	118,905	118,771	425,065	379,698
Taxation	-	(25,000)	-	(88,400)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	118,905	93,771	425,065	291,298
Number of stock units issued	4 408,713	408,713	408,713	408,713
Earnings per Stock Unit During the Period	0.29	0.23	1.04	0.71

Lasco Manufacturing Limited
Statement of Financial Position
31-Dec-2011
(Unaudited)

	Period ended DEC-11 \$'000	Period ended DEC-10 \$'000	Year ended MAR-11 \$'000
NET ASSETS EMPLOYED			
Non-Current Assets			
Property, Plant & Equipment	169,107	202,959	192,055
Capital Work in Progress	533,675	3,513	9,195
Current Assets			
Inventories	446,887	482,225	503,649
Trade and other receivables	372,341	548,217	400,660
Director's current account			
Related companies	12,049	0	10,493
Taxation recoverable			
Cash	70,418	58,827	217,535
	901,695	1,089,269	1,132,337
Current Liabilities			
Trade and Other Payables	349,937	374,129	412,082
Related Companies	0		0
Director's current account	0	99,208	0
Corporation Tax Payable	28,936	87,051	59,661
	378,873	560,388	471,743
Net Current Assets	522,822	528,881	660,594
	1,225,604	735,353	861,844
Financed by:			
Share Capital	4	305,298	305,298
Capital Reserves	924	924	924
Retained Earnings	462,719	122,247	122,248
Current Earnings	425,065	291,298	401,776
	1,194,006	719,767	830,246
Non-Current Liabilities			
Deferred Taxation	31,598	15,586	31,598
Long Term Debt	0	0	0
	1,225,604	735,353	861,844

Approved for issue by the Board of Directors on 06 February 2012 and signed on its behalf by:


Lascelles Chin Chairman


Eileen Chin Director

Lasco Manufacturing Limited
Statement of Cashflows
Nine Months ended 31 December 2011
(Unaudited)

	DEC-11 \$'000	DEC-10 \$'000
SOURCES/(USES) OF CASH		
Operating Activities		
Profit for the period	425,065	291,298
Items not affecting cash	24,441	141,775
Changes in non-cash working capital	(533,825)	(391,488)
Items not affecting cash and changes in non-cash working capital components	(509,384)	(249,713)
Cash provided by Operating Activities	(84,319)	41,585
Cash used in Investing Activities	(4,334)	(95,903)
Cash used in Financing Activities	(58,464)	(104,610)
Increase in Cash	(147,117)	(158,928)
Cash at the beginning of the period	217,535	217,755
Cash at the end of the period	70,418	58,827
Comprised of:		
Fixed Deposit	139,686	107,034
Cash at Bank	5,997	9,796
Bank Overdraft	(75,265)	(58,003)
	70,418	58,827

Lasco Manufacturing Limited

Statement of Changes in Shareholders' Equity

Nine Months ended 31 December 2011

(Unaudited)

2011				
	Share Capital	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2011	305,298	924	524,024	830,246
Dividend	0	0	(61,305)	(61,305)
Total Comprehensive Income for the period	0	0	425,065	425,065
Balance at 31 December 2011	305,298	924	887,784	1,194,006

2010				
	Share Capital	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2010	128,990	924	122,247	252,161
Shares Issued	176,308	0	0	176,308
Total Comprehensive Income for the period	0	0	291,298	291,298
Balance at 31 December 2010	305,298	924	413,545	719,767

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
NINE MONTHS ENDED 31 DECEMBER 2011

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) Lasco Manufacturing Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 27 Red Hills Road, Kingston 10, and it currently operates from leased premises at 38½ Red Hills Road, Kingston 10.

- (b) The principal activities of the company are the manufacturing of soy based products and packaging of milk based products. Distribution of these products is done in the local and export markets.

2. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board, and have been prepared under the historical cost convention. They are also prepared in accordance with provisions of the Jamaican Companies Act.

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.

3. AMALGAMATION OF THE BUSINESS OF LASCO FOODS:

Lasco Manufacturing Limited formerly known as Lasco Foods (Successors) amalgamated the business of LASCO Foods Limited (“LASCO Foods”) with that of its own.

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
NINE MONTHS ENDED 31 DECEMBER 2011

4. SHARE CAPITAL:

	2011	2010
	<u>\$'000</u>	<u>\$'000</u>
Authorised -		
Number of Ordinary shares		
442,750,000 - 31 December 2011		
442,750,000 - 31 December 2010		
Issued -		
Number of Ordinary shares		
408,713,017 - 31 December 2011		
408,713,017 - 31 December 2010	<u>305,298</u>	<u>305,298</u>