



FIRST QUARTER UNAUDITED FINANCIAL REPORT JUNE 2013

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The board of directors of LASCO Manufacturing Limited's is pleased to report the first quarter unaudited results for the period April 01 to June 30, 2013.

Financial Performance

Whilst the Jamaican economy is still trying to emerge from the adverse recessionary trends, the company displayed slight revenue growth from \$835.4M in 2012 to \$842.7M during the same period in 2013. During this period there was volatility in the foreign exchange rate; however, the company was able to maintain and control its costs of sales, thus achieving gross profit of \$250.3M, 5.3% above the first quarter of 2012.

Our management team is mindful of the challenging economic times, thus we continue to focus our efforts on achieving greater efficiency and performance. Our goal remains building a sustainable and profitable business by positioning ourselves to maintain revenue and profit growth. And yet, the first quarter operating expenses increased due to an under-accrual for a promotional expense during the last quarter of 2012-2013, which was brought to account in the current quarter. In addition, the company had to honor a retroactive duty, charged by customs on the disposal of damaged raw material, which consequently impacted on the profitability for the period. Net profit declined by \$14.7M.

Balance Sheet

Trade payables increased from \$258.8M at the end of 2012-2013 financial year to \$333.8M in June 2013, due to increased purchased of raw materials, which is typical for the period in anticipation of the summer, back to school and hurricane season. This was affected also by the exchange rate fluctuations during the first three months of the financial year. The receivable surge was due to extended credit terms offered to our major distributor.

Marketing Activities

In its continued drive to promote the well known and loved LASCO Food Drink brand, LASCO Manufacturing rewarded its loyal consumers through the LASCO Food Drink Mix & Win consumer promotion. The competition was geared to increase market share and build brand recognition and traction for the products. The successful Mix & Win promotion spanned the period of February to May 2013 and gave LASCO Food Drink consumers the opportunity to enter to win over \$2.6 million in cash prizes using their product sachets. The third place winner received \$250,000, second place received \$500,000 and the first place winner walked away with \$1.5 million. All the winners expressed surprise and gratitude for their good fortune in the LASCO Food Drink Mix and Win competition.

We want to thank our loyal Jamaican customers for believing in LASCO and for their lasting support which enables us to continue offering high quality nutritious products and supporting communities and the wider society.

Other Events

An Extraordinary General Meeting was held on June 26, 2013, where the Shareholders of LASCO Manufacturing Limited approved a resolution allowing each share of no par value whether issued or un-issued to be sub-divided into 10 shares of no par value. The exchange date was July 5 and the Record date July 9 at which time the shares began trading at \$1.50.

Outlook

The focus areas in our company continue to be growth through our anticipated expansion of our product range and our efficiency drive, which collectively will impact positively on margin and profit. The development of a new product range has become an important facet in our strategic plan and every effort is being made by the team to ensure the margin required is obtained. With much to look forward to, LASCO Manufacturing remains well prepared for the manufacturing expansion currently being built at the White Marl location. This new facility will undoubtedly unlock potential in the company for our consumers, shareholders and other stakeholders.

With the expansion project near completion we expect that LASCO Manufacturing financial performance will improve. The next quarter will be pivotal in the company's future and I look forward to being able to make further positive announcements.



Dr. Eileen Chin
Managing Director

LASCO Manufacturing Limited

Statement of Comprehensive Income

Three Months Ended 30 June 2013


(Unaudited)

	3 months to June 30 2013 \$'000	3 months to June 30 2012 \$'000
Revenue	842,742	835,413
Cost of Sales	592,355	590,361
Gross Profit	250,387	245,052
Other Income	1	6,776
Operating Expenses	(108,167)	(92,185)
Profit from Operations	142,221	159,643
Finance Cost	(3,470)	(6,107)
Profit Before Taxation	138,751	153,536
Taxation	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	138,751	153,536
Number of stock units issued	3 4,087,130	4,087,130
Earnings per Stock Unit During the Period	0.03	0.04

LASCO Manufacturing Limited
Statement of Financial Position
30-Jun-13
(Unaudited)

	Period ended <i>JUN-13</i> \$'000	Period ended <i>JUN-12</i> \$'000	Year ended <i>MAR-13</i> \$'000
NET ASSETS EMPLOYED			
Non-Current Assets			
Property, Plant & Equipment	194,008	207,326	197,885
Capital Work in Progress	2,045,257	1,135,432	1,707,853
Current Assets			
Inventories	452,438	194,022	489,860
Trade and other receivables	640,819	596,470	628,938
Director's current account	7,521	10,358	6,069
Taxation recoverable	12,618	12,511	12,591
Short term investment	69,214	0	69,214
Cash	41,333	38,418	122,959
	1,223,943	851,779	1,329,631
Current Liabilities			
Trade and Other Payables	333,838	308,600	258,853
Bank Overdraft	45,628	25,700	30,958
Current portion of long term loan	0	0	201,707
Corporation Tax Payable	0	0	0
	379,466	334,300	491,518
Net Current Assets	844,477	517,479	838,113
	3,083,742	1,860,237	2,743,851
Financed by:			
Share Capital	305,298	305,298	305,298
Capital Reserves	924	924	0
Retained Earnings	1,632,914	1,050,479	994,185
Current Earnings	138,751	153,536	640,220
	2,077,887	1,510,237	1,939,703
Non-Current Liabilities			
Long Term Debt	1,005,855	350,000	804,148
	3,083,742	1,860,237	2,743,851

Approved for issue by the Board of Directors on 29 July 2013 and signed on its behalf by:


 Lascelles Chin Chairman


 Eileen Chin Director

LASCO Manufacturing Limited
Statement of Cashflows
Three Months ended 30 June 2013
(Unaudited)

	30-Jun-13 \$'000	30-Jun-12 \$'000
SOURCES/(USES) OF CASH		
Operating Activities		
Profit for the period	138,751	153,536
Items not affecting cash	4,808	4,936
Changes in non-cash working capital	(238,924)	(326,719)
Cash provided by Operating Activities	(95,365)	(168,247)
Cash used in Investing Activities	(485)	2,582
Cash used in Financing Activities	(446)	348,146
Increase in Cash	(96,296)	182,481
Cash at the beginning of the period	161,215	(169,763)
Cash at the end of the period	64,919	12,718
Comprised of:		
Fixed Deposit	101,408	28,238
Cash at Bank	9,139	10,180
Bank Overdraft	(45,628)	(25,700)
	64,919	12,718

LASCO Manufacturing Limited

Statement of Changes in Stockholders' Equity

Three Months ended 30 June 2013

(Unaudited)

2013				
	Share Capital	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2013	305,298	924	1,632,914	1,939,136
Total Comprehensive Income for the period	0	0	138,751	138,751
Balance at 30 June 2013	305,298	924	1,771,665	2,077,887

2012				
	Share Capital	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2012	305,298	924	1,050,479	1,356,701
Total Comprehensive Income for the period	0	0	153,536	153,536
Balance at 30 June 2012	305,298	924	1,204,015	1,510,237

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THREE MONTHS ENDED 30 JUNE 2013

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 the adopted interpretation of those standards 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 2013.

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

LASCO MANUFACTURING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THREE MONTHS ENDED 30 JUNE 2013

3. SHARE CAPITAL:

	2013	2012
	<u>\$'000</u>	<u>\$'000</u>
Authorised -		
Number of Ordinary shares		
4,427,500,000 - 30 June 2013		
442,750,000 - 30 June 2012		
Issued -		
Number of Ordinary shares		
4,087,130,170 - 30 June 2013		
408,713,017 - 30 June 2012	<u>305,298</u>	<u>305,298</u>

At an Extraordinary General Meeting held on 26 June 2013, it was agreed that each share be subdivided into ten (10) new shares.