

Aitken Spence

Interim Statement

for the three months ended 30th June 2007

Aitken Spence[®] 

Aitken Spence PLC



Aitken Spence PLC

INCOME STATEMENTS

For the three months ended 30th June	Group			Company		
	2007	2006	Change	2007	2006	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue	5,833,036	4,388,190	32.9	78,658	59,572	32.0
Revenue tax	(72,599)	(44,337)	63.7	–	–	–
Net revenue	5,760,437	4,343,853	32.6	78,658	59,572	32.0
Other operating income	39,810	27,848	43.0	223,982	15,370	1,357.3
Changes in inventories of finished goods and work-in-progress	28,391	47,457	(40.2)	–	–	–
Raw materials and consumables used	(2,518,628)	(1,996,733)	26.1	–	–	–
Employee benefits expense	(506,286)	(335,433)	50.9	(27,295)	(23,315)	17.1
Depreciation and amortisation expense	(259,991)	(230,195)	12.9	(4,796)	(4,583)	4.6
Other operating expenses – direct	(1,032,711)	(764,310)	35.1	–	–	–
Other operating expenses – indirect	(779,607)	(437,008)	78.4	(26,304)	(22,296)	18.0
Operating profits before financing cost	731,415	655,479	11.6	244,245	24,748	886.9
Financial income	78,384	38,687	102.6	136,380	21,549	532.9
Financial costs	(252,336)	(201,706)	25.1	(124,388)	(27,742)	348.4
Net financing cost	(173,952)	(163,019)	6.7	11,992	(6,193)	(293.6)
Share of associate companies profit before tax	27,397	31,463	(12.9)	–	–	–
Profit before tax	584,860	523,923	11.6	256,237	18,555	1,281.0
Taxation	(70,734)	(33,155)	113.3	(3,060)	323	(1,047.4)
Net profit for the period	514,126	490,768	4.8	253,177	18,878	1,241.1
Attributable to:						
Equity holders of the parent	340,895	336,070	1.4	253,177	18,878	1,241.1
Minority interest	173,231	154,698	12.0	–	–	–
	514,126	490,768	4.8	253,177	18,878	1,241.1
Earnings per share						
– Basic/Diluted (Rs.)	12.59	12.42	1.4	9.35	0.70	1,236.3

The above figures are provisional and subject to audit.

The Chief Financial Officer certifies that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.
D.H.S. Jayawardena
Chairman

Sgd.
J. M. S. Brito
Deputy Chairman &
Managing Director

Sgd.
Ms. N. Sivapragasam
Chief Financial Officer

Colombo,
02nd August, 2007



Aitken Spence PLC

CONSOLIDATED BALANCE SHEET

As at	30.06.2007 Rs. '000	30.06.2006 Rs. '000	31.03.2007 Rs. '000
ASSETS			
Non-current assets			
Property, plant and equipment	16,936,686	15,736,250	16,770,495
Intangible assets	152,405	191,811	159,407
Investments in associates	761,619	719,265	697,111
Long term investments	170,348	204,534	170,098
Investment property	28,936	28,936	28,936
	<u>18,049,994</u>	<u>16,880,796</u>	<u>17,826,047</u>
Current assets			
Inventories	863,501	888,284	872,227
Amount due from associates	118,976	112,971	115,133
Trade and other receivables	4,953,731	4,356,726	4,257,000
Current investments	4,554	4,268	4,266
Deposits and prepayments	531,211	498,135	516,953
Short-term deposits	2,916,115	462,484	2,202,740
Cash & cash equivalents	601,938	593,693	533,517
	<u>9,990,026</u>	<u>6,916,561</u>	<u>8,501,836</u>
TOTAL ASSETS	<u>28,040,020</u>	<u>23,797,357</u>	<u>26,327,883</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated Capital	2,135,138	2,135,138	2,135,108
Reserves	2,717,103	2,376,567	2,673,512
Retained earnings	5,408,641	4,310,297	5,122,472
	<u>10,260,882</u>	<u>8,822,002</u>	<u>9,931,122</u>
Minority interest	3,276,983	2,832,916	3,193,710
Total equity	<u>13,537,865</u>	<u>11,654,918</u>	<u>13,124,832</u>
Non-current liabilities			
Interest bearing liabilities	6,610,398	5,241,182	6,423,906
Deferred tax	218,608	200,502	231,124
Retirement benefit obligations	183,696	161,692	177,082
	<u>7,012,702</u>	<u>5,603,376</u>	<u>6,832,112</u>
Current liabilities			
Trade payables	1,169,569	1,260,762	1,204,913
Provisions and other payables	2,111,262	1,164,209	2,033,723
Interest bearing liabilities repayable within one year	1,960,857	1,528,312	1,824,022
Amount due to associates	3,270	29,510	1,528
Provision for taxation	102,758	71,640	93,996
Interim/final dividend declared	94,732	-	81,199
Short-term bank borrowings	2,047,005	2,484,630	1,131,558
	<u>7,489,453</u>	<u>6,539,063</u>	<u>6,370,939</u>
TOTAL EQUITY AND LIABILITIES	<u>28,040,020</u>	<u>23,797,357</u>	<u>26,327,883</u>

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Chief Financial Officer

Colombo,
02nd August, 2007



Aitken Spence PLC

COMPANY BALANCE SHEET

As at	30.06.2007 Rs. '000	30.06.2006 Rs. '000	31.03.2007 Rs. '000
ASSETS			
Non-current assets			
Property, plant and equipment	42,888	43,738	46,419
Investments in subsidiaries and joint ventures – unquoted	3,965,512	4,119,092	3,965,512
Investments in subsidiaries – quoted	679,300	679,300	679,300
Investments in associates	398,441	398,441	398,441
Long term investments	162,933	196,431	162,932
Investment property	715,542	719,848	716,604
	<u>5,964,616</u>	<u>6,156,850</u>	<u>5,969,208</u>
Current assets			
Inventories	1,890	1,366	1,420
Amount due from subsidiaries	1,635,434	2,291,553	2,209,426
Amount due from associates	115,155	97,805	108,731
Trade and other receivables	335,894	86,903	348,249
Current investments	435	139	147
Deposits and prepayments	20,614	4,507	28,119
Short-term deposits	2,150,936	52,252	1,333,645
Cash & cash equivalents	100,898	85,826	28,214
	<u>4,361,256</u>	<u>2,620,351</u>	<u>4,057,951</u>
TOTAL ASSETS	10,325,872	8,777,201	10,027,159
EQUITY AND LIABILITIES			
Equity			
Stated capital	2,135,138	2,135,138	2,135,138
Reserves	1,228,870	1,007,891	1,228,870
Retained earnings	2,375,679	1,872,028	2,217,234
Total equity	5,739,687	5,015,057	5,581,242
Non-current liabilities			
Interest bearing liabilities	2,185,000	500,000	2,310,000
Deferred tax	7,328	9,174	7,047
Retirement benefit obligations	23,306	18,156	22,975
	<u>2,215,634</u>	<u>527,330</u>	<u>2,340,022</u>
Current liabilities			
Provisions and payables	395,071	290,614	346,852
Interest bearing liabilities repayable within one year	275,000	200,000	250,000
Amount due to subsidiaries	1,171,936	1,701,881	1,388,687
Amount due to associates	6	–	34
Provision for taxation	9,529	9,224	16,540
Interim/final dividend declared	94,732	–	81,199
Short-term bank borrowings	424,277	1,033,095	22,583
	<u>2,370,551</u>	<u>3,234,814</u>	<u>2,105,895</u>
TOTAL EQUITY AND LIABILITIES	10,325,872	8,777,201	10,027,159

The above figures are provisional and subject to audit.

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02nd August, 2007

STATEMENT OF CHANGES IN EQUITY

Group

For the three months ended 30th June 2007

	Attributable to equity holders of the parent				Minority interest	Total Equity
	Stated capital	Reserves	Retained Earnings	Total		
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01st April 2007	2,135,138	2,673,512	5,122,472	9,931,122	3,193,710	13,124,832
Associate company share of net assets	-	-	40,006	40,006	-	40,006
Currency translation difference	-	43,591	-	43,591	25,327	68,918
Net income directly recognised in the equity statement	-	43,591	40,006	83,597	25,327	108,924
Net profit for the period	-	-	340,895	340,895	173,271	514,126
Total recognised income and expenses for the period	-	43,591	380,901	424,492	198,558	623,050
Final dividend 2006/2007	-	-	(94,732)	(94,732)	-	(94,732)
Subsidiary dividend to minority share holders	-	-	-	-	(115,285)	(115,285)
Balance as at 30th June 2007	2,135,138	2,717,103	5,408,641	10,260,882	3,276,983	13,537,865

For the three months ended 30th June 2006

	Attributable to equity holders of the parent				Minority interest	Total Equity
	Stated capital	Reserves	Retained Earnings	Total		
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01st April 2006-Restated	2,135,138	2,370,385	4,029,744	8,535,267	2,681,032	11,216,299
Negative goodwill written back	-	-	39,215	39,215	-	39,215
Adjusted balance	2,135,138	2,370,385	4,068,959	8,574,482	2,681,032	11,255,514
Currency translation difference	-	6,182	-	6,182	(2,814)	3,368
Net income directly recognised in the equity statement	-	6,182	-	6,182	(2,814)	3,368
Net profit for the period	-	-	336,070	336,070	154,698	490,768
Total recognised income and expenses for the period	-	6,182	336,070	342,252	151,884	494,136
Final Dividend 2005/2006	-	-	(94,732)	(94,732)	-	(94,732)
Balance as at 30th June 2006	2,135,138	2,376,567	4,310,297	8,822,002	2,832,916	11,654,918



Aitken Spence PLC

STATEMENT OF CHANGES IN EQUITY

Company
For the three months ended 30th June 2007

	Stated Capital Rs. '000	Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 01st April 2007	2,135,138	1,228,870	2,217,234	5,581,242
Net profit for the period	—	—	253,177	253,177
Total recognised income and expenses for the period	—	—	253,177	253,177
Final dividend 2006/2007	—	—	(94,732)	(94,732)
Balance as at 30th June 2007	<u>2,135,138</u>	<u>1,228,870</u>	<u>2,375,679</u>	<u>5,739,687</u>

For the three months ended 30th June 2006

	Stated Capital Rs. '000	Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 01st April 2006	2,135,138	1,007,891	1,947,882	5,090,911
Net profit for the period	—	—	18,878	18,878
Total recognised income and expenses for the period	—	—	18,878	18,878
Final dividend 2005/2006	—	—	(94,732)	(94,732)
Balance as at 30th June 2006	<u>2,135,138</u>	<u>1,007,891</u>	<u>1,872,028</u>	<u>5,015,057</u>

CASH FLOW STATEMENTS

For the three months ended 30th June

	Group		Company	
	2007 Rs. '000	2006 Rs. '000	2007 Rs. '000	2006 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before taxation	584,860	523,923	256,237	18,555
Adjustment for				
Depreciation & amortisation	259,991	230,195	4,795	4,583
Interest expense	252,336	192,497	124,314	27,657
(Profit)/Loss on sale of property plant & equipment	(7,832)	(19)	(17)	-
Interest income	(78,384)	(38,687)	(136,380)	(21,549)
Share of associate companies' profit before tax	(27,397)	(31,463)	-	-
Provision/write-off for bad and doubtful debts	-	6,230	-	-
Foreign exchange (profit)/loss	(27,519)	(8,774)	-	(2,898)
Gratuity provision	12,972	9,131	1,620	1,004
	<u>384,167</u>	<u>359,110</u>	<u>(5,668)</u>	<u>8,797</u>
Operating profit before working capital changes	969,027	883,033	250,569	27,352
(Increase)/decrease in trade and other receivables	(700,593)	76,262	579,923	(87,765)
(Increase)/decrease in inventories	8,726	(193,545)	(470)	(383)
Increase/(decrease) in trade & other payables	44,008	(93,898)	(168,669)	(33,953)
(Increase)/decrease in deposits & prepayments	(14,258)	(151,809)	7,505	(1,644)
	<u>(662,117)</u>	<u>(362,990)</u>	<u>418,289</u>	<u>(123,745)</u>
Cash generated from operations	306,910	520,043	668,858	(96,393)
Interest paid	(252,336)	(192,497)	(124,314)	(27,657)
Income tax paid	(71,754)	(10,208)	(9,789)	(8)
Gratuity payment	(6,358)	(2,095)	(1,289)	(181)
	<u>(330,448)</u>	<u>(204,800)</u>	<u>(135,392)</u>	<u>(27,846)</u>
Net cash flow from operating activities	(23,538)	315,243	533,466	(124,239)
Cash flow from investing activities				
Investments made during the year	(538)	-	(289)	(250)
Purchase of property, plant & equipment	(323,066)	(417,079)	(302)	(276)
Proceeds from sale of property, plant & equipment	12,481	3,703	116	-
Proceeds from sale of investments	-	8,700	-	8,700
Dividends and dividend taxes paid by subsidiary companies to outside shareholders	(115,285)	(4,902)	-	-
	<u>(426,408)</u>	<u>(409,578)</u>	<u>(475)</u>	<u>8,174</u>



Aitken Spence PLC

CASH FLOW STATEMENTS – CONTD.

For the three months ended 30th June

	Group		Company	
	2007 Rs. '000	2006 Rs. '000	2007 Rs. '000	2006 Rs. '000
Cash flow from financing activities				
Interest received from deposits	78,384	38,687	136,380	21,549
Proceeds from interest bearing liabilities	845,642	40,788	–	–
Repayment of interest bearing borrowings	(612,481)	(683,499)	(100,000)	(300,000)
Dividends paid	(81,090)	(152,160)	(81,090)	(152,160)
Net cash from financing activities	230,455	(756,184)	(44,710)	(430,611)
Net increase/(decrease) in cash and cash equivalents	(219,491)	(850,519)	488,281	(546,676)
Cash and cash equivalents at the beginning of the period (Note A)	1,690,539	(577,934)	1,339,276	(348,341)
Cash and cash equivalents at the end of the period	1,471,048	(1,428,453)	1,827,557	(895,017)
Cash and cash equivalents at end of period				
Cash at bank & in hand	601,938	593,693	100,898	85,826
Short-term deposits	2,916,115	462,484	2,150,936	52,252
Short-term bank borrowings	(2,047,005)	(2,484,630)	(424,277)	(1,033,095)
Cash and cash equivalent at end of period	1,471,048	(1,428,453)	1,827,557	(895,017)
Note A - Cash and cash equivalents at the beginning of the period				
Cash at bank and in hand	533,517	418,055	28,214	19,869
Short-term deposits	2,202,740	616,495	1,333,645	69,330
Short-term bank borrowings	(1,131,558)	(1,593,312)	(22,583)	(440,438)
Cash & cash equivalent as previously reported	1,604,699	(558,762)	1,339,276	(351,239)
Effect of exchange rate changes	85,840	(19,172)	–	2,898
Cash & cash equivalents as restated	1,690,539	(577,934)	1,339,276	(348,341)

NOTES TO THE FINANCIAL STATEMENTS

1. Segment Analysis of Group Revenue and Profit

1.1 Business Segment

(a) Revenue

For the three months ended 30th June	Total Revenue Generated		Inter-Segmental Revenue		Intra-Segmental Revenue		Revenue from External customers	
	2007	2006	2007	2006	2007	2006	2007	2006
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Tourism Sector *	1,433,111	990,969	6,228	4,380	72,527	54,230	1,354,356	932,359
Cargo Logistics Sector *	990,584	699,004	73,162	66,827	55,504	54,723	861,917	577,454
Strategic Investments *	3,853,675	3,119,137	3,414	56,469	4,265	15,827	3,845,996	3,046,841
Total revenue with associates	6,277,370	4,809,110	82,804	127,676	132,296	124,780	6,062,269	4,556,654
Share of associate company revenue	(229,233)	(168,464)	-	-	-	-	(229,233)	(168,464)
Total Revenue	6,048,137	4,640,646	82,804	127,676	132,296	124,780	5,833,036	4,388,190

* Includes Associate Companies

(b) Profit

For the three months ended 30th June	Operating profit before financing cost		Profit before tax		Non-Cash Expenses		Income Tax	
	2007	2006	2007	2006	2007	2006	2007	2006
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Tourism Sector *	76,637	30,716	8,308	(16,298)	7,487	6,106	8,288	19,489
Cargo Logistics Sector *	80,616	56,551	77,817	52,964	17,250	6,735	38,493	13,369
Strategic Investments *	574,162	568,212	498,735	487,257	7,374	2,520	23,953	297
	731,415	655,479	584,860	523,923	32,111	15,361	70,734	33,155

* Includes Associate Companies

1.2 Geographical Segment

For the three months ended 30th June	Total Revenue Generated		Profit before tax	
	2007	2006	2007	2006
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Sri Lanka	4,986,853	4,002,510	512,454	459,753
South Asia (Maldives, Bangladesh & India)	1,061,284	638,136	72,406	64,170
	6,048,137	4,640,646	584,860	523,923

NOTES TO THE FINANCIAL STATEMENTS - CONTD.

1. The Financial Statements of the company and those consolidated with such for the interim period have been prepared on the same basis as the most recent audited financial statements and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.
2. The Company redeemed unquoted debentures to the value Rs. 100 million during the period under review.
3. The company paid on 05th July 2007 the recommended Rs. 3.50 per share as a final ordinary dividend for the year ended 31st March 2007, after it was approved at the Annual General Meeting on the 28th June 2007. The total final dividend payment amounted to Rs. 94,732,411/-.

NON FINANCIAL INFORMATION

	30-06-2007	30-06-2006	31-03-2007
Shares traded			
Market Price per Share – Last traded (Rs.)	336.00	270.25	380.00
Market Price per Share – Highest (Rs.)	380.00	345.00	400.00
Market Price per Share – Lowest (Rs.)	330.00	270.00	270.00
Net Asset Value per Share – Group (Rs.)	498.70	325.94	366.92
Dividend per share (Rs.)	-	-	6.50
Debt/Equity Ratio	0.64	0.45	0.49
Quick Asset Ratio (times)	1.22	0.92	1.33
Interest Cover	4.37	4.20	4.93

DIRECTORS

D. H. S. Jayawardena – *Chairman*

J. M. S. Brito – *Deputy Chairman & Managing Director*

Dr. R. M. Fernando

G. C. Wickremasinghe

R. Sivaratnam

C. H. Gomez

N. J. de S. Deva Aditya

SECRETARY

R. E. V. Casie Chetty

REGISTERED OFFICE

Aitken Spence Towers
305, Vauxhall Street,
Colombo 2,
Sri Lanka.

