



Power Generation
Plantations
Garments Manufacture

Strategic Investments

Power Generation

One of the most telling examples of the diversity to be found in the Aitken Spence portfolio would undoubtedly lie within this sector.

The rapid growth and development both of the Sri Lankan economy and national infrastructure places a heavy demand on a national power grid which is itself in the process of modernization and expansion.

Aitken Spence has actively supported the whole process through a series of highly successful power generation ventures that, individually, represent some of the Group's largest investments, in any sector. Apart from being the lead promoters and developers of its projects, it has partnered with some of the leading international specialists in the field.

In a common thread that runs across the Aitken Spence saga, it is strong testimony to the standing and worth of Aitken Spence that across such a diverse portfolio, the Group's strengths and ethics continue to attract the best and most prestigious of partners.

Currently, the Group operates and maintains two 24 MW power plants at Matara and Horana in southern Sri Lanka, which have been installed and commissioned in partnership with the Finnish firm, Wartsila.

A 100 MW plant commenced operations in Embilipitiya, in April 2005. This plant was set up in partnership with DEG, a fully-owned subsidiary of the German Government's KfW Development Bank.

These two plants together represent a total investment of US \$ 100 million and supply approximately 13% of the nation's demand for electricity.

The Embilipitiya project company is the first Sri Lankan entity to hedge its US Dollar borrowing risks, through the use of a cap-spread solution as a component of effective risk management.

CATERPILLAR®


WÄRTSILÄ


DEG
KfW BANKENGRUPPE



Plantations

Aitken Spence plays an important role in the country's tea industry through its ownership of two plantation companies, as a member of a consortium. These two companies own 33 estates with a land extent of 16,000 hectares...home to some of Sri Lanka's finest tea gardens. The high-grown Talawakelle tea estates are considered to be the 'champagne' of teas and not to be found elsewhere in the world.

Aitken Spence's plantation division owns its own brand - Harrow Ceylon Choice - which is marketed in unique, value added packs to discerning tea fans.

The Group's plantations also cultivate rubber, palm oil and cinnamon and are also intrinsically involved in forestry regeneration.

Aitken Spence Plantations is also a partner in Sri Lanka's newest palm oil processing plant, the produce of which is for export. This is only the second such project to occur in the last 50 years in the country. The Company is exploring more ways to add value to the product.

From a broader perspective, the Group's plantations provide significant opportunities to diversify into eco tourism, real estate development and hydro power projects.

Garments

Aitken Spence has also moved into the business of garment manufacture for export, leveraging Sri Lanka's bilateral trade agreements with the USA.