

Aitken Spence

Interim Statement

for the nine months ended 31st December 2007

Aitken Spence[®] 

Aitken Spence PLC



Aitken Spence PLC

CONSOLIDATED INCOME STATEMENT

	Quarter ended 31st December			Nine months ended 31st December		
	2007 Rs. '000	2006 Rs. '000	Change %	2007 Rs. '000	2006 Rs. '000	Change %
Revenue	6,200,293	4,474,064	38.6	18,687,559	13,836,376	35.1
Revenue tax	(456,516)	(56,512)	707.8	(605,238)	(147,299)	310.9
Net revenue	5,743,777	4,417,552	30.0	18,082,321	13,689,077	32.1
Other operating income	66,206	25,082	164.0	166,031	74,708	122.2
Changes in inventories of finished goods and work-in-progress	26,002	19,640	32.4	34,681	33,758	2.7
Raw materials and consumables used	(1,362,907)	(1,379,134)	(1.2)	(6,934,705)	(5,503,677)	26.0
Employee benefits expense	(397,763)	(446,763)	(11.0)	(1,375,481)	(1,108,798)	24.1
Depreciation and amortisation expense	(283,381)	(211,750)	33.8	(805,367)	(680,871)	18.3
Other operating expenses – direct	(1,569,130)	(1,059,466)	48.1	(3,827,313)	(2,716,721)	40.9
Other operating expenses – indirect	(1,432,748)	(611,630)	134.3	(2,990,269)	(1,659,099)	80.2
Operating profits before financing cost	790,056	753,531	4.8	2,349,898	2,128,377	10.4
Financial income	102,776	28,755	257.4	287,169	51,039	462.6
Financial costs	(301,951)	(232,383)	29.9	(834,403)	(603,638)	38.2
Net financing cost	(199,175)	(203,628)	(2.2)	(547,234)	(552,599)	(1.0)
Share of associate companies profit before tax	29,377	12,768	130.1	65,243	37,838	72.4
Profit before tax	620,258	562,671	10.2	1,867,907	1,613,616	15.8
Income taxation	(68,644)	(89,246)	(23.1)	(188,471)	(171,494)	9.9
Net profit for the period	551,614	473,425	16.5	1,679,436	1,442,122	16.5
Attributable to:						
Equity holders of the parent	342,308	260,719	31.3	1,099,637	910,832	20.7
Minority interest	209,306	212,706	(1.6)	579,799	531,290	9.1
	551,614	473,425	16.5	1,679,436	1,442,122	16.5
Earnings per share						
– Basic/Diluted (Rs.)	12.65	9.63	31.4	40.63	33.65	20.7

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,
08th February 2008



Aitken Spence PLC

CONSOLIDATED BALANCE SHEET

As at

	31.12.2007 Rs. '000	31.12.2006 Rs. '000	31.03.2007 Rs. '000
ASSETS			
Non-current assets			
Property, plant and equipment	18,462,763	16,573,699	16,770,495
Intangible assets	154,587	216,624	159,407
Investments in associates	753,150	699,145	697,111
Long term investments	190,496	174,050	170,098
Investment property	28,936	28,936	28,936
	<u>19,589,932</u>	<u>17,692,454</u>	<u>17,826,047</u>
Current assets			
Inventories	932,589	694,715	872,227
Amount due from associates	141,154	100,083	115,133
Trade and other receivables	5,537,950	3,608,212	4,257,000
Current investments	4,556	4,129	4,266
Deposits and prepayments	617,430	554,000	516,953
Short-term deposits	2,412,113	2,383,224	2,202,740
Cash & cash equivalents	893,994	844,523	533,517
	<u>10,539,786</u>	<u>8,188,886</u>	<u>8,501,836</u>
TOTAL ASSETS	<u>30,129,718</u>	<u>25,881,340</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	2,135,138
Reserves	2,834,302	2,370,385	2,673,512
Retained earnings	6,166,602	4,881,207	5,122,472
	<u>11,136,042</u>	<u>9,386,730</u>	<u>9,931,122</u>
Minority interest	3,546,109	2,929,446	3,193,710
Total equity	<u>14,682,151</u>	<u>12,316,176</u>	<u>13,124,832</u>
Non-current liabilities			
Interest bearing liabilities	7,198,776	6,801,111	6,423,906
Deferred tax	233,449	210,376	231,124
Retirement benefit obligations	194,253	165,734	177,082
	<u>7,626,478</u>	<u>7,177,221</u>	<u>6,832,112</u>
Current liabilities			
Trade payables	1,921,150	1,096,633	1,204,913
Provisions and other payables	2,146,815	1,625,249	2,033,723
Interest bearing liabilities			
Repayable within one year	1,917,099	1,850,257	1,824,022
Amount due to associates	1,774	10,627	1,528
Provision for taxation	61,195	68,802	93,996
Interim/final dividend declared	-	-	81,199
Short-term bank borrowings	1,773,056	1,736,375	1,131,558
	<u>7,849,489</u>	<u>6,387,943</u>	<u>6,370,939</u>
TOTAL EQUITY AND LIABILITIES	<u>30,129,718</u>	<u>25,881,340</u>	<u>26,327,883</u>

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08th February, 2008



Aitken Spence PLC

COMPANY INCOME STATEMENT

	Quarter ended 31st December			Nine months ended 31st December		
	2007	2006	Change	2007	2006	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue	55,066	61,567	(10.6)	193,535	167,374	15.6
Other operating income	231,351	324,374	(28.7)	715,193	456,065	56.8
Employee benefits expense	(31,324)	(28,975)	8.1	(88,300)	(77,945)	13.3
Depreciation and amortisation expense	(5,389)	(4,584)	17.6	(15,133)	(13,751)	10.1
Other operating expenses – indirect	(86,794)	(14,603)	494.4	(192,901)	(75,915)	154.1
Operating profits Before financing cost	162,910	337,779	(51.8)	612,394	455,828	34.3
Financial income	63,664	63,353	0.5	355,857	126,749	180.8
Financial costs	(80,615)	(87,510)	(7.9)	(360,919)	(183,353)	96.8
Net financing cost	(16,951)	(24,157)	(29.8)	(5,062)	(56,604)	(91.1)
Profit before tax	145,959	313,622	(53.5)	607,332	399,224	52.1
Income taxation	6,062	(538)	-	(3,996)	78	-
Net profit for the period	152,021	313,084	(51.4)	603,336	399,302	51.1
Earnings per share – Basic/Diluted (Rs.)	5.62	11.57	(51.4)	22.29	14.75	51.1

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Aitken Spence PLC

COMPANY BALANCE SHEET

As at	31.12.2007 Rs. '000	31.12.2006 Rs. '000	31.03.2007 Rs. '000
ASSETS			
Non-current assets			
Property, plant and equipment	48,355	44,074	46,419
Investments in subsidiaries and joint ventures – unquoted	4,264,155	4,152,137	3,965,512
Investments in subsidiaries – quoted	679,300	679,300	679,300
Investments in associates	392,752	398,441	398,441
Long term investments	159,231	166,631	162,932
Investment property	713,419	717,678	716,604
	<u>6,257,212</u>	<u>6,158,261</u>	<u>5,969,208</u>
Current assets			
Inventories	2,310	727	1,420
Amount due from subsidiaries	1,356,091	2,439,852	2,209,426
Amount due from associates	137,265	98,948	108,731
Trade and other receivables	230,678	97,450	348,249
Current investments	438	139	147
Deposits and prepayments	9,836	2,281	28,119
Short-term deposits	1,629,810	1,304,449	1,333,645
Cash & cash equivalents	177,865	108,390	28,214
	<u>3,544,293</u>	<u>4,052,236</u>	<u>4,057,951</u>
TOTAL ASSETS	<u>9,801,505</u>	<u>10,210,497</u>	<u>10,027,159</u>
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	2,726,072	2,252,452	2,217,234
Total equity	<u>6,090,080</u>	<u>5,395,481</u>	<u>5,581,242</u>
Non-current liabilities			
Interest bearing liabilities	2,025,000	2,335,000	2,310,000
Deferred tax	7,576	8,970	7,047
Retirement benefit obligations	25,417	20,158	22,975
	<u>2,057,993</u>	<u>2,364,128</u>	<u>2,340,022</u>
Current liabilities			
Provisions and other payables	272,207	315,794	346,852
Interest bearing liabilities repayable within one year	310,000	225,000	250,000
Amount due to subsidiaries	1,053,995	1,549,381	1,388,687
Amount due to associates	-	-	34
Provision for taxation	10,110	4,626	16,540
Interim/final dividend declared	-	-	81,199
Short-term bank borrowings	7,120	356,087	22,583
	<u>1,653,432</u>	<u>2,450,888</u>	<u>2,105,895</u>
TOTAL EQUITY AND LIABILITIES	<u>9,801,505</u>	<u>10,210,497</u>	<u>10,027,159</u>

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Chief Financial Officer

Colombo,
08th February, 2008

STATEMENT OF CHANGES IN EQUITY

Group

For the nine months ended 31st December 2007

	Attributable to equity holders of the parent					
	Stated Capital Rs. '000	Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000	Minority interest Rs. '000	Total Equity 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
Unclaimed dividends transferred to reserves	-	-	234	234	-	234
Currency translation difference	-	160,790	-	160,790	78,946	239,736
Effect of changes in percentage holding in subsidiaries	-	-	(1,015)	(1,015)	11,741	10,726
Net income directly recognised in the equity statement	-	160,790	39,225	200,015	90,687	290,702
Net profit for the period	-	-	1,099,637	1,099,637	579,799	1,679,436
Total recognised income and expenses for the period	-	160,790	1,138,862	1,299,652	670,486	1,970,138
Final dividend 2006/2007	-	-	(94,732)	(94,732)	-	(94,732)
Subsidiary dividend to minority share holders	-	-	-	-	(318,087)	(318,087)
Balance as at 31st December 2007	<u>2,135,138</u>	<u>2,834,302</u>	<u>6,166,602</u>	<u>11,136,042</u>	<u>3,546,109</u>	<u>14,682,151</u>

For the nine months ended 31st December 2006

	Attributable to equity holders of the parent					
	Stated Capital Rs. '000	Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000	Minority interest Rs. '000	Total Equity Rs. '000
Balance as at 01st April 2006-Restated	2,135,138	2,370,385	4,022,844	8,523,367	2,679,603	11,202,970
Negative goodwill written back	-	-	36,678	36,678	-	36,678
Adjusted balance	2,135,138	2,370,385	4,059,522	8,565,045	2,679,603	11,244,648
Currency translation difference	-	-	5,586	5,586	18,370	23,956
Effect of changes in percentage holding in subsidiaries	-	-	-	-	(5,923)	(5,923)
Net income directly recognised in the equity statement	-	-	5,586	5,586	12,447	18,033
Net profit for the period	-	-	910,832	910,832	531,290	1,442,122
Total recognised income and expenses for the period	-	-	916,418	916,418	543,737	1,460,155
Final Dividend 2005/2006	-	-	(94,733)	(94,733)	(293,894)	(388,627)
Subsidiary dividend to minority share holders	-	-	-	-	-	-
Balance as at 31st December 2006	<u>2,135,138</u>	<u>2,370,385</u>	<u>4,881,207</u>	<u>9,386,730</u>	<u>2,929,446</u>	<u>12,316,176</u>



Aitken Spence PLC

STATEMENT OF CHANGES IN EQUITY

Company
For the nine months ended 31st December 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
Unclaimed dividends transferred to reserves	—	—	234	234
Net income directly recognised in the equity statement	—	—	234	234
Net profit for the period	—	—	603,336	603,336
Total recognised income and expenses for the period	—	—	603,570	603,570
Final dividend 2006/2007	—	—	(94,732)	(94,732)
Balance as at 31st December 2007	2,135,138	1,228,870	2,726,072	6,090,080

For the nine months ended 31st December 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	—	—	399,302	399,302
Total recognised income and expenses for the period	—	—	399,302	399,302
Final dividend 2005/2006	—	—	(94,732)	(94,732)
Balance as at 31st December 2006	2,135,138	1,007,891	2,252,452	5,395,481



Aitken Spence PLC

CASH FLOW STATEMENTS

For the nine months ended 31st December

	Group		Company	
	2007 Rs. '000	2006 Rs. '000	2007 Rs. '000	2006 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before taxation	1,867,907	1,613,616	607,332	399,224
Adjustment for				
Depreciation & amortisation	805,367	680,871	15,133	13,751
Interest expense	780,668	574,408	360,374	183,353
Profit on sale of property plant & equipment	(22,040)	(13,466)	(53)	-
Effect of changes in percentage holding in subsidiaries	-	(5,923)	-	-
Effect of subsidiaries acquired during the year	-	44,918	-	-
Unclaimed dividends transferred to reserves	234	-	234	-
Profit on sale of investments	(24,635)	(3,374)	(36,598)	-
Provision for fall in value of investments	-	139	(291)	-
Interest income	(290,011)	(51,039)	(355,857)	(126,749)
Share of associate companies' profit before tax	(65,243)	(37,838)	-	-
Provision/write-off for bad and doubtful debts	133,583	21,439	-	-
Foreign exchange profit	(50,106)	(59,932)	-	(11,707)
Gratuity provision	35,511	28,074	4,861	3,012
	<u>1,303,328</u>	<u>1,178,277</u>	<u>(12,197)</u>	<u>61,660</u>
Operating profit before working capital changes	3,171,235	2,791,893	595,135	460,884
(Increase)/decrease in trade and other receivables	(1,440,554)	822,455	942,372	(247,753)
(Increase)/decrease in inventories	(60,362)	24	(890)	255
Increase/(decrease) in trade & other payables	829,160	207,514	(409,789)	(138,131)
(Increase)/decrease in deposits & prepayments	(100,477)	(207,674)	18,283	582
	<u>(772,233)</u>	<u>822,319</u>	<u>549,976</u>	<u>(385,047)</u>
Cash generated from operations	2,399,002	3,614,212	1,145,111	75,837
Interest paid	(780,668)	(574,408)	(360,374)	(183,353)
Income tax paid	(215,565)	(144,605)	(9,897)	(5,056)
Gratuity payment	(18,340)	(17,309)	(2,419)	(187)
	<u>(1,014,573)</u>	<u>(736,322)</u>	<u>(372,690)</u>	<u>(188,596)</u>
Net cash flow from operating activities	1,384,429	2,877,890	772,421	(112,759)
Cash flow from investing activities				
Investments made during the year	(5,909)	(30,000)	(298,643)	(33,050)
Purchase of property, plant & equipment	(2,464,104)	(1,668,881)	(14,051)	(7,610)
Proceeds from sale of property, plant & equipment	31,141	14,255	220	-
Proceeds from sale of investments	46,301	42,558	45,988	38,500
Dividends and dividend taxes paid by subsidiary companies				
Companies to outside shareholders	(318,087)	(293,894)	-	-
Dividends received from associate companies	4,178	18,972	-	-
Net cash used in investing activities	(2,706,480)	(1,916,990)	(266,486)	(2,160)



Aitken Spence PLC

CASH FLOW STATEMENTS – CONTD.

For the nine months ended 31st December

	Group		Company	
	2007 Rs. '000	2006 Rs. '000	2007 Rs. '000	2006 Rs. '000
Cash flow from financing activities				
Interest received from deposits	290,111	51,039	355,857	126,749
Proceeds from interest bearing liabilities	2,349,100	2,581,189	–	1,960,000
Repayment of interest bearing borrowings	(1,468,857)	(1,570,061)	(225,000)	(400,000)
Dividends paid	(175,513)	(175,546)	(175,513)	(175,546)
Net cash from financing activities	994,741	886,621	(44,656)	1,511,203
Net increase/(decrease) in cash and cash equivalents	(327,310)	1,847,521	461,279	1,396,284
Cash and cash equivalents at the beginning of the period (Note A)	1,860,361	(356,149)	1,339,276	(339,532)
Cash and cash equivalents at the end of the period	1,533,051	1,491,372	1,800,555	1,056,752
Cash and cash equivalents at the end of the period				
Cash at bank and in hand	893,994	844,523	177,865	108,390
Short-term deposits	2,412,113	2,383,224	1,629,810	1,304,449
Short-term bank borrowings	(1,773,056)	(1,736,375)	(7,120)	(356,087)
Cash and cash equivalent at end of the period	1,533,051	(1,491,372)	1,800,555	1,056,752
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
Bank loans and overdrafts	(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	255,662	202,613	–	11,707
Cash & cash equivalents as restated	1,860,361	(356,149)	1,339,276	(339,532)



Aitken Spence PLC

NOTES TO THE FINANCIAL STATEMENTS

1. Segment Analysis of Group Revenue and Profit

1.1 Business Segment

(a) Revenue

For the nine months ended 31st December	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 *	5,252,240	3,686,406	18,056	21,598	386,479	122,823	4,847,706	3,541,985
Cargo Logistics Sector *	3,336,244	2,316,774	239,273	177,381	770,775	126,484	2,326,196	2,012,909
Strategic Investments *	12,532,731	9,293,216	122,594	78,494	36,140	33,170	12,373,997	9,181,552
Total revenue with associates	21,121,215	15,296,396	379,922	277,473	1,193,394	282,477	19,547,899	14,736,446
Share of associate company revenue	(860,340)	(900,070)	-	-	-	-	(860,340)	(900,070)
Total Revenue	20,260,875	14,396,326	379,922	277,473	1,193,394	282,477	18,687,559	13,836,376

* Includes Associate Companies

(b) Profit

For the nine months ended 31st December	Operating profits 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 *	586,543	348,444	357,306	176,930	18,276	15,634	37,008	62,865
Cargo Logistics Sector *	311,650	189,952	291,671	156,739	16,196	24,015	81,331	45,272
Strategic Investments *	1,451,704	1,589,981	1,218,930	1,279,947	22,154	9,864	70,132	63,357
	2,349,897	2,128,377	1,867,907	1,613,616	56,626	49,513	188,471	171,494

* Includes Associate Companies

1.2 Geographical Segment

For the nine months ended 31st December	Total Revenue Generated		Profit before tax	
	2007	2006	2007	2006
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Sri Lanka	16,135,462	12,113,780	1,416,178	1,281,392
Asia and Africa	4,125,413	2,282,546	451,729	332,224
	20,260,875	14,396,326	1,867,907	1,613,616



Aitken Spence PLC

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 adjusted for the impact of the revised Sri Lanka Accounting Standards applicable for the period.
2. During the period under review the Group disposed its investment in Aventis Pharma Ltd., an associate Company, and the resulted profit on disposal is included under other operating income.
3. The Company redeemed unquoted debentures to the value Rs. 200 million during the period under review.
4. The company paid 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

	31-12-2007	31-12-2006	31-03-2007
Shares traded			
Market Price per Share – Last traded (Rs.)	400.00	333.75	380.00
Market Price per Share – Highest (Rs.)	400.00	350.00	400.00
Market Price per Share – Lowest (Rs.)	380.00	310.00	270.00
Net Asset Value per Share – Group (Rs.)	542.46	455.04	366.92
Dividend per share (Rs.)	-	-	6.50
Debt/Equity Ratio	0.62	0.48	0.49
Quick Asset Ratio (times)	1.23	1.17	1.33
Interest Cover	4.74	4.04	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.

