

Atlantic & Pacific Packaging Ltd – 6 months ended 31 December 2008

	Dec-08	Jun-08	Dec-07
PROFIT & LOSS (F\$000)			
Total Operating Revenue	3,630	5,824	3,040
Net Profit/Loss before Tax	256	354	161
Income Tax	(65)	(116)	0
Net Profit/Loss after Tax	191	238	161
BALANCE SHEET (F\$000)			
Current Assets	2,439	1,787	2,073
Non - Current Assets	2,164	2,311	2,524
Total Assets	4,603	4,098	4,597
Current Liabilities	1,386	1,072	1,577
Non - Current Liabilities	161	161	32
Total Liabilities	1,547	1,233	1,609
Net Assets	3,056	2,865	2,988
Contributed Equity	4,000	4,000	4,000
Retained Profits/Loss	(944)	(1,135)	(1,012)
Outside Equity Interest	0	0	0
Total Equity	3,056	2,865	2,988
CASHFLOW (F\$000)			
Net cashflow from Operating Activities	(178)	1,501	1,173
Net cashflow from Investing Activities	(64)	(3)	(3)
Net cashflow from Financing Activities	0	(200)	0
Net Increase/(Decrease) in Cash held	(242)	1,298	1,170
Cash / (Overdraft) at year end.	(1,143)	(901)	(1,029)

Comments

- Over the year, the Company's profit after tax increased by 18.6% to \$191k for the six months.
- During the review period, there was no dividend paid or provided.
- Total Assets increase attributed to the increase in its inventories and future income tax benefit. From the financials, it is noted that the company acquired some fixed assets and disposed of some.

- The Company reduced its trade payables and other payables by around 74.3% and 46.0% while bank overdraft and current tax liabilities increased.
- Shareholder's Equity increased by \$68k attributed to the reduction in Accumulated Losses due to the increase in profits during the reported period.
- The Company experienced significant increase in cash outflows due to increase in cash payments, interest payments and acquisition of fixed assets. As a result, the bank overdraft at the end of six months further increased by 11% to \$1,143,000.

	Dec-08	Jun-08	Dec-07
PROFITABILITY RATIOS (%)			
Ann. ROE	12.50	8.30	5.39
Ann. ROA	18.82	10.69	4.61
Net Profit Margin	5.26	4.11	5.34
MARKET PERFORMANCE RATIOS			
Earnings per share (cents)	2.39	2.97	2.01
Price Earnings Ratio (times)	36.86	23.54	39.75
Dividend per share (\$)	0.00	0.03	0.00
Dividend Yield (%)	0.00	3.57	0.00
Net Tangible Asset per share (\$)	0.38	0.36	0.37
Price to Book (times)	2.30	1.95	2.14
Cash flow per share (cents)	(0.01)	20.37	15.65

Profitability

The higher profit for the period raised the ROE and ROA to 12.5% and 18.8% respectively over the year. The net profit margin fell when compared with previous periods.

Market Performance

The earnings per share (EPS) rose slightly due to increase in reported profits and it stood at 2.39 cents per share as at December 2008. On the other hand, price earnings ratio (PER) was reduced to 36.86 times. There was no dividend declared for the six months because the Company pays dividends on an annual basis.

Conclusion

Overall, the Company has performed well in the first six months ended December 2008, reporting growth in its assets and profit after tax. The share price rose to \$0.88 from \$0.80 in December 2007. Increase in sales revenue resulted in increase in reported profits for the six months. Funding through the bank overdraft assisted the company in its operation.