Pacific Green Limited – 12 months ended 31 December 2008

	Dec-08	Dec-07	Dec-06
PROFIT & LOSS (F$000)			
Total Operating Revenue	**7,636**	**7,358**	**9,111**
Net Profit/Loss before Tax	**(346)**	**741**	**(198)**
Income Tax	-	-	-
Net Profit/Loss after Tax before Minority Interest	**(346)**	**741**	**(198)**
Minority Interest	**(67)**	**(328)**	**(142)**
Net Profit/Loss after Tax	**(413)**	**413**	**(340)**
BALANCE SHEET (F$000)			
Current Assets	4,283	4,361	4,457
Non - Current Assets	3,193	3,146	3,754
Total Assets	**7,476**	**7,507**	**8,211**
Current Liabilities	1,512	1,380	2,532
Non – Current Liabilities	1,073	1,246	1,435
Total Liabilities	**2,585**	**2,626**	**3,967**
Net Assets	**4,891**	**4,881**	**4,244**
Contributed Equity	7,619	7,619	7,619
Reserves	622	372	433
Retained Profits/Loss	(4,258)	(3,844)	(4,258)
Outside Equity Interest	908	734	450
Total Equity	**4,891**	**4,881**	**4,244**
CASHFLOW (F$000)			
Net cashflow from Operating Activities	259	990	1,171
Net cashflow from Investing Activities	(86)	253	(800)
Net cashflow from Financing Activities	(312)	(392)	(395)
Net Increase/(Decrease) in Cash held	**(139)**	**851**	**(24)**
Cash / (Overdraft) at year end.	**450**	**589**	**(262)**

Comments

- Over the year, the Company's profit after tax and minority interests has declined by 200.0% to $(413k) for the year ended 31 December 2008; a complete opposite situation when compared with 2007.
- This decline was due to the significant fall in its revenue from USA and a surge in the manufacturing costs for its subsidiary Golden Palmwood. Though the overall Group managed to increase sales by 3.8% through increased advertising and continued push for growth in Eastern Europe and China, it was not sufficient to absorb the abnormal non-manufacturing related losses.
- The abnormal costs since the fire in November 2004 include the legal expenses and losses of non-operational Fiji manufacturing plant and the Company will continue to lose money until the insurance case is finalized and the primary manufacturing plant is rebuilt.
- Overall, total Assets decline attributed to the decline in its cash at bank balance, tangibles, trade and other receivables. At the same time, the Company acquired more fixed assets, inventories, prepayments and other deposits also increased during the year.
- The Company managed to reduce its bank overdraft and long-term borrowings while its trade creditors and short-term borrowings increased.
- The increase in Shareholder's Equity to $4,891k attributed to the increase in its foreign currency translation reserve.

	Dec-08	Dec-07	Dec-06
PROFITABILITY RATIOS (%)			
ROE	(7.03)	25.78	(1.49)
ROA	(4.52)	15.33	0.16
Net Profit Margin	(4.54)	10.07	(2.18)
MARKET PERFORMANCE RATIOS			
Earnings per share (cents)	(4.55)	9.73	(2.60)
Price Earnings Ratio (times)	(46.19)	22.10	(82.65)
Dividend per share ($)	0.00	0.00	0.00
Dividend Yield (%)	0.00	0.00	0.00
Net Tangible Asset per share ($)	0.52	0.54	0.50
Price to Book (times)	4.02	3.95	4.32
Cash flow per share ($)	0.03	0.13	0.15

Profitability

All the three profitability ratios (ROE, ROA & Net Profit Margin) experienced a decline when compared with previous years as a result of the significant decline in profits.

Market Performance

The earnings per share (EPS) dropped and stood at negative 4.55 cents per share due to decline in reported profits. The price earnings ratio (PER) has also declined to negative 46.19 times. Cash flow per share deteriorated to $0.03 per share. No dividends had been declared by the Company since the fire in November 2004.

Conclusion

Overall, the Company performed poorly due to tough economic conditions which affected the performance of its subsidiary. Despite this, the Company managed to reduce its debts. The Company is looking forward to stabilization in manufacturing costs in China and a successful outcome of its insurance case in Fiji in 2009. The share price dropped to $2.10 from $2.15 in December 2007.