

Financial Performance of Commercial Public Enterprises - 2003

1 Name & Address of the Enterprise:

Lanka Mineral Sands Ltd.
356, Union Place
Colombo 02.

2 Mission:

"To extract all the valuable beach minerals at the highest recovery level in the purest form and to be in the forefront in the world mineral sands industry, offering guaranteed quality and quantity, gaining valuable foreign exchange to our country while serving the interests of company's stakeholders."

3 Major Activities:

Mining, Separation, refining and processing of heavy mineral sands
Manufacture and sale of any product of commercial or industrial value from heavy beach sands and product derived there from
Manufacture and sale of any product which may be produced as a result of the refining and processing heavy beach mineral sands.

4 Brief comments on financial performance

Although the production is on hold and the Company is selling the existing stocks.
The sales operations in 2003 has resulted in profits despite the marginal decline in total revenue with a substantial increase in gross margins.
After six years of losses, the Company has been able to earn a profit of Rs.29.6mn in the current year.

Although there has been a marginal decline in the total assets the reduction in liabilities have increased the equity during the year.
Gross Profit had increased significantly mainly due to a change in the product mix and pricing formula.

The company contributed Rs.9mn to the Consolidated Fund as dividends for the year 2003.
The company is undergoing a restructuring process with the assistance of PERC.

5 Performance Trend

ABSOLUTE VALUES			2000	2001	2002	2003	2004 B
1	Total Non-Current Assets (WDV) as at end of yr.	(Rs.' 000)	40,991	34,684	28,093	20,662	1,267,000
2	Total Current Assets as at end of year	(Rs.' 000)	823,127	825,906	807,174	778,867	527,000
3	Total Equity as at end of year	(Rs.' 000)	745,238	731,649	699,438	722,820	1,266,734
4	Total Non-Current Liabilities as at end of year	(Rs.' 000)	104,136	111,549	117,296	38,239	179,000
5	Total Current Liabilities as at end of year	(Rs.' 000)	14,744	17,392	18,533	38,470	348,266
6	Total Revenue for the year	(Rs.' 000)	30,203	125,486	247,413	243,811	1,588,884
7	Gross Profit for the year	(Rs.' 000)	17,166	96,196	118,259	181,626	865,293
8	Net Profit bef. Tax for the year	(Rs.' 000)	(101,395)	(15,712)	(34,149)	29,602	701,892
9	Financial Charges for the year	(Rs.' 000)	-	-	-	-	-
10	Total Capital Expenditure for the year	(Rs.' 000)	4,408	7,478	689	3,971	957,345
11	Total Cost of Employment for the year	(Rs.' 000)	84,449	85,449	119,341	91,493	123,837
12	Total Number of Employees as at end of year	(Nos.)	545	530	527	494	687
RATIOS							
a)	Net Profit bef. Tax to total Equity	(%)	-13.61%	-2.15%	-4.88%	4.10%	55.41%
b)	Net Profit before tax & Fin. Charges to Tot. Assets	(%)	-11.73%	-1.83%	-4.09%	3.70%	39.12%
c)	Total Cost of Employment per employee	(Rs.' 000)	154.95	161.22	226.45	185.21	180.26

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