

Six-Year Financial Highlights

KEY INDICATORS		2005	2004	2003	2002	2001	2000
Operating Results	Rs. Million						
Sales revenue		54,376	47,355	36,163	32,235	25,430	20,171
Gross profit		5,890	6,087	6,776	6,299	5,889	6,254
Profit before tax		1,589	1,572	2,049	2,154	1,975	1,509
Profit after tax		1,013	997	1,448	1,435	1,292	793
Operating Ratios	%						
Gross margin		10.83	12.85	18.74	19.54	23.16	31.00
Pre tax margin		2.92	3.32	5.67	6.68	7.76	7.48
Net margin		1.86	2.10	4.00	4.45	5.08	3.93
Financial position	Rs. Million						
Shareholders funds		10,366	10,354	10,512	10,173	9,717	8,425
Property, plant & equipment		21,641	17,497	17,223	18,083	17,947	19,650
Net current assets		2,889	3,747	4,560	3,723	3,096	379
Long term assets		360	345	302	443	320	325
Long term liabilities		14,524	11,235	11,572	12,075	11,646	11,930
Performance							
Capital expenditure	Rs. Million	6,220	2,214	1,727	2,697	778	979
Return on assets	%	5.25	5.98	8.72	8.79	7.66	4.45
Asset turnover ratio		1.44	1.49	1.20	1.04	0.80	0.67
Fixed assets turnover ratio		2.82	2.84	2.18	1.97	1.51	1.13
Return on equity	%	9.77	9.48	14.23	14.76	15.34	10.38
Return on capital employed	%	8.35	9.41	11.81	12.23	11.63	8.82
Valuation and Other ratios							
Earnings per share	Rs.	1.51	1.49	2.16	2.14	1.93	1.36
Cash dividend / bonus % - per share		1.50	1.50	1.80	1.75	1.50	15%
Dividend payout ratio	%	99	101	83	82	78	-
Net assets per share (breakup value)	Rs.	15.44	15.43	15.66	15.16	14.48	12.55
Market value per share at 30 June	Rs.	23.15	32.80	21.05	12.05	10.30	16.45
Price earnings ratio		15.33	22.01	9.75	5.63	5.34	12.10
Market price to breakup value		1.50	2.13	1.34	0.79	0.71	1.31
Dividend yield	%	6.48	4.57	8.55	14.52	14.56	9.12
Market capitalization	Rs. Million	15,538	22,015	14,128	8,088	6,913	11,041
Debt : Equity ratio		41:59	31:69	37:63	40:60	38:62	43:57
Current ratio		1.23	1.37	1.36	1.25	1.19	1.04
Debt service coverage ratio		1.91	1.42	1.91	2.97	1.39	1.73

The Company demonstrated its capability to achieve a very substantial increase in capital expenditure which at Rs.6.2 billion in 2005, significantly exceeds the average of Rs.1.7 billion and the maximum of Rs.2.7 billion ever achieved in the previous five years. This bodes well for the future where the Company has a rolling five year plan to incur substantial capital expenditure averaging around Rs 8 billion per annum. With a debt : equity ratio of 41% : 59%, the Company has sufficient room on its balance sheet to meet its near term borrowing needs, and with strong debt service coverage.



Sales revenue has increased in value by 170% over the past six years with a corresponding increase in volume of 70%, the latter at a CAGR of 18%. However, due to the deterioration in gross margin, the profit before tax has increased only marginally. The cost of gas increased substantially by 246% over the six year period, which is beyond the control of the Company. The impact of disallowance for excess unaccounted for gas by the Oil and Gas Regulatory Authority in the past two years has also been a factor in the reducing profit. As a result of this disallowance, despite a substantial increase in the asset base on which the Company's return is calculated, the profit after tax increased by a small amount in 2005.



The operating cost excluding depreciation, as a percentage of Revenues, decreased to 7.07% from 11.85% over six years. The current ratio has remained robust since 2001. The cash dividend payout has remained high reflecting optimism about the future.

