

Richard Pieris Exports PLC

Interim Financial Statements

Six months ended 30th September 2014

Consolidated Income Statements

	3 months ended 30th September			6 months ended 30th September		
	2014 Rs. '000	2013 Rs. '000	Change %	2014 Rs. '000	2013 Rs. '000	Change %
Continuing Operations						
Revenue	686,189	691,496	(1)	1,326,109	1,298,242	2
Cost of Sales	(452,888)	(510,768)	(11)	(897,733)	(971,034)	8
Gross Profit	233,301	180,728	29	428,376	327,208	31
Other Operating Income	3,762	380	890	5,172	1,862	178
Distribution Costs	(49,145)	(43,196)	14	(89,848)	(80,583)	(11)
Administrative Expenses	(37,954)	(24,556)	55	(77,974)	(51,243)	(52)
Profit from Operations	149,964	113,356	32	265,726	197,243	35
Finance Income	5,374	5,057	6	9,003	7,665	17
Finance Cost	(4,021)	(3,559)	(13)	(8,400)	(7,573)	(11)
Other Financial Items	(1,264)	(2,025)	38	(2,555)	(6,425)	60
Share of Profit / (Loss) of Associate	2,708	(533)	608	4,311	1,447	198
Profit Before Tax	152,761	112,296	36	268,085	192,357	39
Taxation	(15,234)	(9,068)	(68)	(27,464)	(17,727)	(55)
Profit for the Period from Continuing Operations	137,527	103,228	33	240,621	174,630	38
Discontinued Operations						
Loss after tax for the period from discontinued operations	(18)	(18)	-	(36)	(36)	-
Profit for the period	137,509	103,210	33	240,585	174,594	38
Attributable to:						
Equity Holders of the Parent	101,475	67,405	51	173,222	111,805	55
Non Controlling Interest	36,034	35,805	1	67,363	62,789	7
	137,509	103,210	33	240,585	174,594	38
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	9.09	6.04		15.52	10.01	
Earnings Per Share from Continuing Operations	9.09	6.04		15.52	10.02	
Dividend Per Share	-	0.40		-	0.40	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Company Income Statements

	3 months ended 30th September			6 months ended 30th September		
	2014 Rs. '000	2013 Rs. '000	Change %	2014 Rs. '000	2013 Rs. '000	Change %
Revenue	320,332	279,350	15	588,612	516,025	14
Cost of Sales	(214,060)	(207,512)	(3)	(403,098)	(393,260)	(3)
Gross Profit	106,272	71,838	48	185,514	122,765	51
Other Operating Income	3,676	380	867	4,674	1,862	151
Distribution Costs	(14,611)	(13,928)	(5)	(27,623)	(24,853)	(11)
Administrative Expenses	(11,696)	(11,364)	(3)	(22,071)	(22,321)	1
Profit from Operations	83,641	46,926	78	140,494	77,453	81
Finance Income	1,593	1,288	24	2,761	2,244	23
Finance Cost	(2,616)	(3,175)	18	(5,430)	(6,796)	20
Other Financial Items	(1,428)	437	(427)	(2,331)	(1,905)	(22)
Profit before Tax	81,190	45,476	79	135,494	70,996	91
Taxation	(8,744)	(4,206)	(108)	(16,264)	(8,017)	(103)
Profit Attributable to Ordinary Shareholders	72,446	41,270	76	119,230	62,979	89
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	6.49	3.70		10.68	5.64	
Dividend Per Share	-	0.40		-	0.40	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Statement of Financial Position

	As at 30th September		As at 31st
	2014	2013	March
	Rs. 000	Rs. 000	2014
			Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	276,176	289,121	282,054
Investment in Associate	128,196	125,783	125,065
Leasehold Land Prepayment	6,036	4,663	4,633
Deferred Tax Assets	37,615	-	37,615
	448,023	419,567	449,367
Assets of Arpico Natural Latex Foams (Pvt) Ltd	3,487	3,527	3,487
Current Assets			
Inventories	232,424	252,352	264,297
Trade & Other Receivables	588,687	495,889	501,890
Leasehold Land Prepayment	89	59	59
Short Term Investment	103,592	3,233	3,592
Amounts Due from Related Parties	63,821	62,304	62,794
Cash and Bank Balances	192,215	185,279	210,969
	1,180,828	999,116	1,043,601
Total Assets	1,632,338	1,422,210	1,496,455
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	195,564	(4,540)	22,342
Foreign Currency Translation	42,715	44,187	42,432
Equity Attributable to Equity Holders of the Parent	458,541	259,909	285,036
Non Controlling Interest	343,870	216,077	276,507
Total Equity	802,411	475,986	561,543
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	80,706	122,831	97,379
Deferred Tax Liabilities	3,013	3,227	3,013
Retirement Benefit Obligation	51,022	44,076	48,181
	134,741	170,134	148,573
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd	230,144	230,154	230,108
Current Liabilities			
Trade and Other Payables	252,751	340,320	279,419
Income Tax Payable	16,581	5,622	8,163
Amounts Due to Related Parties	9,172	56,725	65,096
Interest Bearing Loans & Borrowings	186,538	143,269	203,553
	465,042	545,936	556,231
Total Liabilities	829,927	946,224	934,912
Total Equity and Liabilities	1,632,338	1,422,210	1,496,455

The above figures are subject to audit

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



Palika Chandrajeewa
Sector Finance Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and Signed for and on behalf of the Board on 12th November 2014 Colombo.



Kumar Abeysinghe
Director



W.J. Viville P. Perera
Director

Company Statement of Financial Position

	As at 30th September		As at 31st
	2014	2013	March
	Rs. 000	Rs. 000	2014
			Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	72,835	73,133	71,502
Long Term Investments	463,023	463,023	463,023
	535,858	536,156	534,525
Current Assets			
Inventories	92,956	96,291	109,930
Trade & Other Receivables	273,742	274,192	220,225
Amounts Due from Related Parties	67,833	61,684	67,688
Cash and Bank Balances	117,243	18,600	47,316
	551,774	450,767	445,159
Total Assets	1,087,632	986,923	979,684
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	526,507	427,035	407,277
Total Equity	746,769	647,297	627,539
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	65,424	100,801	82,141
Deferred Tax Liability	1,763	2,303	1,763
Retirement Benefit Obligation	43,690	38,288	41,627
	110,877	141,392	125,531
Current Liabilities			
Trade and Other Payables	101,120	84,535	87,968
Income Tax Payable	12,972	5,291	7,125
Amounts Due to Related Parties	10,221	14,601	13,003
Interest Bearing Loans & Borrowings	105,673	93,807	118,518
	229,986	198,234	226,614
Total Liabilities	340,863	339,626	352,145
Total Equity and Liabilities	1,087,632	986,923	979,684

The above figures are subject to audit

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



Palika Chandrajeewa
Sector Finance Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and Signed for and on behalf of the Board on 12th November 2014 Colombo.



Kumar Abeyasinghe
Director



W.J. Vville P. Perera
Director

Statement of Changes in Equity

	Stated Capital Rs. '000	Revenue Reserves		Foreign Currency Translation Rs. '000	Non Controlling Interest Rs. '000	Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000			
Consolidated						
Balance as at 1st April 2013	220,262	219,250	(331,130)	37,848	153,288	299,518
Profit for the period	-	-	111,805	-	62,789	174,594
Other Comprehensive Income	-	-	-	6,339	-	6,339
Total Comprehensive Income	-	-	111,805	6,339	62,789	180,933
Transaction with Owners						
Dividend Paid	-	-	(4,465)	-	-	(4,465)
Balance as at 30th September 2013	220,262	219,250	(223,790)	44,187	216,077	475,986
Balance as at 1st April 2014	220,262	219,250	(196,908)	42,432	276,507	561,543
Profit for the period	-	-	173,222	-	67,363	240,585
Other Comprehensive Income	-	-	-	283	-	283
Total Comprehensive Income	-	-	173,222	283	67,363	240,868
Balance as at 30th September 2014	220,262	219,250	(23,686)	42,715	343,870	802,411

	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000	
Company				
Balance as at 1st April 2013	220,262	219,250	149,271	588,783
Profit for the period	-	-	62,979	62,979
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	62,979	62,979
Transaction with Owners				
Dividend Paid	-	-	(4,465)	(4,465)
Balance as at 30th September 2013	220,262	219,250	207,785	647,297
Balance as at 1st April 2014	220,262	219,250	188,027	627,539
Profit for the period	-	-	119,230	119,230
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	119,230	119,230
Balance as at 30th September 2014	220,262	219,250	307,257	746,769

Statement of Comprehensive Income

	3 months ended 30th September		6 months ended 30th September	
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000
Consolidated				
Profit for the period	137,509	103,210	240,585	174,594
Other comprehensive income				
Translation of Associate using foreign functional currency	763	1,208	283	6,339
Other comprehensive income for the period	763	1,208	283	6,339
Total comprehensive income for the period	138,272	104,418	240,868	180,933
Attributable to				
Equity Holder of the Parent Company	102,238	68,613	173,505	118,144
Non Controlling Interest	36,034	35,805	67,363	62,789
	138,272	104,418	240,868	180,933
	3 months ended 30th September		6 months ended 30th September	
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000
Company				
Profit for the period	72,446	41,270	119,230	62,979
Total comprehensive income for the period	72,446	41,270	119,230	62,979

Figures in brackets indicate deductions.

Cash Flow Statements

	Consolidated		Company	
	for the 6 months period ended		for the 6 months period ended	
	30th Sep 2014	30th Sep 2013	30th Sep 2014	30th Sep 2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from / (used in) Operating Activities				
Group Profit before Tax and Non-Controlling Interest				
From Continuing Operations	268,085	192,357	135,494	70,996
Loss from discontinued Operations	(36)	(36)	-	-
Adjustment to reconcile profit before tax to net cash flows	18,158	27,278	10,234	17,758
Operating profit before working capital changes	286,207	219,599	145,728	88,754
Changes in Working Capital adjustments	(138,507)	(40,000)	(26,318)	(63,898)
Cash generated from operations	147,700	179,599	119,410	24,856
Interest Paid	(9,123)	(6,875)	(5,983)	(5,954)
Income Tax Paid	(17,583)	(25,085)	(10,417)	(8,929)
Defined Benefit plan costs paid	(2,403)	-	(2,336)	-
Net cash flows from Operating activities	118,591	147,639	100,674	9,973
Net cash flows from / (used in) investing activities	(103,341)	(12,170)	(794)	2,197
Net cash inflow before financing	15,250	135,469	99,880	12,170
Net cash used in financing activities	(26,275)	(27,848)	(29,953)	(11,461)
Net Increase / (Decrease) in cash and cash equivalents	(11,025)	107,621	69,927	709
Cash and cash equivalents at the beginning of the period	178,065	57,040	47,316	17,891
Cash and cash equivalents at the end of the period	167,040	164,661	117,243	18,600
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing operations	192,215	185,279	117,243	18,600
From Discontinuing operations	3,487	3,527	-	-
	195,702	188,806	117,243	18,600
Bank Overdraft	(28,662)	(24,145)	-	-
	167,040	164,661	117,243	18,600

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Segmental Information

06 months ended 30th September	Turnover		Profit from operations		Net Assets	
	2014	2013	2014	2013	2014	2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	30,182	28,705	888	1,674	30,332	29,548
Latex Based Segment	716,523	759,862	124,344	118,116	360,134	136,377
Hard Rubber Segment	588,612	516,025	140,494	77,453	746,769	647,297
	1,335,317	1,304,592	265,726	197,243	1,137,235	813,222
Adjustment for Inter Group Transactions	(9,208)	(6,350)	-	-	(678,694)	(553,313)
	<u>1,326,109</u>	<u>1,298,242</u>	<u>265,726</u>	<u>197,243</u>	<u>458,541</u>	<u>259,909</u>

Figures in brackets indicate deductions.

The above figures are subject to audit.

Notes to the Financial Statements

- 1 The figures given above for the six months ended 30th September 2014 and 30th September 2013 are subject to audit.

The Interim Financial Statements of Richard Pieris Exports PLC for the six months ended 30th September 2014 have been prepared in accordance with LKAS 34, Interim Financial Reporting. There were no changes to the Accounting Policies and methods of Computation other than the changes in Accounting Policies disclosed in Note 3 since the publication of the Annual Report for the year ended 31st March 2014. The provisions of the new Companies Act No.7 of 2007 have been considered in preparing the interim financial statements of the Company and of the Group.

The Interim financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value.

- 2 A first interim dividend of Rs 6.40 per share for the financial year ending 31st March 2015 was declared on 29th October 2014 and will be paid on 18th November 2014

3 Changes in accounting policies

SLFRS 10 Consolidated Financial Statements

SLFRS 10 establishes a single control model that applies to all entities including special purpose entities.

SLFRS 10 replaces the parts of previously existing LKAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. SLFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in SLFRS 10, all three criteria must be met, they include:

- (a) an investor has power over an investee;
- (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

SLFRS 10 has had no impact on the consolidation of investments held by the Group.

SLFRS 12 Disclosure of Interests in Other Entities

SLFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable to the interim condensed consolidated financial statements, unless significant events and transactions in the interim period require that they are disclosed. Accordingly, the Group has not made any such disclosures.

SLFRS 13 Fair Value Measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under SLFRS when fair value is required or permitted. The application of SLFRS 13 has not materially impacted the fair value measurements carried out by the Group.

- 4 Figures for the corresponding period have been re-arranged where ever necessary to confirm to the current presentation. The figures in brackets indicate deductions.

5 Stated Capital

	As at 30.09.2014	As at 31.03.2014
Issued & fully paid Number of shares (Ordinary Shares)	11,163,745	11,163,745
	Rs.	Rs.
Stated Capital (Rs)	220,262,000	220,262,000

- 6 There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the annual report for the year ended 31st March 2014.

- 7 There have been no events subsequent to the interim period, which require disclosure in the Interim Financial Statements.

8 Capital and Lease Commitments

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 30.09.2014, approved by the board are as follows.

	Group		Company
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000
Contracted but not provided for	125,237	-	-
Approved but not contracted for	38,397	-	-
	<u>163,634</u>	<u>-</u>	<u>-</u>

Lease Commitments

	2014 Rs.'000	2014 USD	Group 2013 Rs.'000	2013 USD
Within one year	2,362	18,034	2,358	18,034
After one year but not more than five years	9,446	72,136	9,430	72,136
More than five years	171,213	1,307,465	174,461	1,334,516
	<u>183,021</u>	<u>1,397,635</u>	<u>186,249</u>	<u>1,424,686</u>

- 9 Discontinued operations Comprise the results of Subsidiaries of the Group whose Commercial operations have been discontinued.

10 Net asset value per Share

	30th Sep 2014 Rs.	30th Sep 2013 Rs.	31st March 2014 Rs.
Consolidated (in Rs.)	41.07	23.28	25.53
Company (in Rs.)	66.89	57.98	56.21

11 Market Price Per Share

	30th Sep 2014 Rs.	30th Sep 2013 Rs.	31st March 2014 Rs.
Highest for the Quarter (in Rs.)	149.00	42.40	60.80
Lowest for the Quarter (in Rs.)	71.00	32.60	44.60
Last Traded Price for the Year / Quarter (in Rs.)	140.10	37.90	55.10

- 12 All Values included in this financial statements, are in Rupees 000's unless otherwise stated.

Shareholder Information

1. Major Shareholders as at 30th September 2014

	<u>As at 30th September 2014</u>		<u>As at 31st March 2014</u>		<u>Change</u>
	No of Shares	Holding %	No of Shares	Holding %	
1 Richard Pieris & Company Plc.	8,959,997	80.26%	8,959,997	80.26%	-
2 T R L Holdings(Pvt) Ltd	240,000	2.15%	220,000	1.97%	20,000
3 Mr.T.R.L.Perera	205,000	1.84%	190,000	1.70%	15,000
4 Mr. D.F.G.Dalpethado	186,924	1.67%	186,924	1.67%	-
5 Timex Garments (Pvt) Ltd	66,326	0.59%			66,326
6 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
7 Askold (Private) Ltd	52,908	0.47%	17,908	0.16%	35,000
8 Mr. M.M.Fuad	50,067	0.45%	58,689	0.53%	(8,622)
9 Mr. R.A.Rishard	44,635	0.40%			44,635
10 Ransiri Enterprises (Pvt) Ltd	41,572	0.37%	41,572	0.37%	-
11 Trading Partners (Pvt) Ltd	41,203	0.37%	317,119	2.84%	(275,916)
12 Mr.H.A. Pieris	39,932	0.36%	50,033	0.45%	(10,101)
13 Mr.S.Abishek	35,000	0.31%			35,000
14 Mrs D.C.J.Kalupathirana	31,265	0.28%			31,265
15 Mr.M.Z.Rasheed	31,200	0.28%			31,200
16 Mr. M.Duraisingam	30,003	0.27%	23,000	0.21%	7,003
17 Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,095	0.27%	(95)
18 Mr.K.D.N.Kalupathirana	29,000	0.26%			29,000
19 Union Investments Ltd	27,800	0.25%	27,800	0.25%	-
20 Mr.N.A.Withana	25,000	0.22%			25,000
Total	10,221,231	91.6%	10,176,536	91.2%	44,695

2. Public & Parent Shareholding

As at 30th Sep 2014, the public held 19.74% (2013 : 19.74%) of the stated capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 80.26%. (2013-80.26%).

As at 30th Sep 2014, no of public holders are 1,438 (2013 : 255)

3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 30th September 2014	No of Shares as at 31st March 2014
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
Mr. J.H.P .Ratnayake	-	-
Mr. Sunil S.G. Liyanage	203	203
Mr. W.J. Viville P Perera	100	100
Mr. Wasantha Rukmal Abeysirigunawardena	-	-
Mr Kumar Abeysinghe	-	-
Dr.L.M.K.Tillekeratne	-	-
Mr. Angelo Maharajah Patrick	-	-

CORPORATE INFORMATION

LEGAL FORM

A Quoted Public Company with limited liability
Incorporated in Sri Lanka on 30th June, 1983

PRINCIPAL BUSINESS ACTIVITIES

Manufacture and Export of rubber based products and manufacture of
fillers for the rubber industry

BOARD OF DIRECTORS

Dr. Sena Yaddehige (Chairman)

Shaminda Yaddehige

J. H. Paul Ratnayake

Sunil S G Liyanage

W.J.Viville P Perera

W R Abeysirigunawardena

Kumar Abeysinghe

Dr.L.M.K.Tillekeratne

Angelo Maharajah Patrick

REGISTERED OFFICE

No. 310, High Level Road, Nawinna,
Maharagama.

T.P. 0114 310500

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Web : www.arpicorubber.com

COMPANY SECRETARIES

Richard Pieris Group Services (Private) Limited.

No. 310, High Level Road,
Nawinna,

Maharagama.

T.P. 0114 310500

AUDITORS

M/s Kreston MNS & Company
Chartered Accountants

LEGAL ADVISORS

M/s Paul Ratnayake Associates

International Legal Consultants, Solicitors & Attorneys-at-Law