

Richard Pieris Exports PLC

Interim Financial Statements

Nine months ended 31st December 2015

Consolidated Income Statements

	3 months ended 31st December			9 months ended 31st December		
	2015 Rs. '000	2014 Rs. '000	Change %	2015 Rs. '000	2014 Rs. '000	Change %
Continuing Operations						
Revenue	725,050	588,666	23	2,323,941	1,914,775	21
Cost of Sales	(495,360)	(414,212)	20	(1,593,374)	(1,311,945)	21
Gross Profit	229,690	174,454	32	730,567	602,830	21
Other Operating Income	1,535	814	89	7,893	5,986	32
Distribution Costs	(55,716)	(44,560)	25	(160,979)	(134,408)	20
Administrative Expenses	(45,676)	(37,231)	23	(130,767)	(115,205)	14
Profit from Operations	129,833	93,477	39	446,714	359,203	24
Finance Income	6,143	5,997	2	15,525	15,000	4
Finance Cost	(3,740)	(4,282)	(13)	(10,998)	(12,682)	(13)
Other Financial Items	(224)	852	(126)	7,189	(1,703)	(522)
Share of Profit of Associate	1,698	2,257	(25)	16,403	6,568	150
Profit Before Tax	133,710	98,301	36	474,833	366,386	30
Taxation	(13,177)	(8,591)	53	(46,322)	(36,055)	28
Profit for the Period from Continuing Operations	120,533	89,710	34	428,511	330,331	30
Discontinued Operations						
Loss after tax for the period from discontinued operations	(18)	(18)	-	(60)	(54)	11
Profit for the period	120,515	89,692	34	428,451	330,277	30
Attributable to:						
Equity Holders of the Parent	71,393	54,224	32	289,908	227,446	27
Non Controlling Interest	49,122	35,468	38	138,543	102,831	35
	120,515	89,692	34	428,451	330,277	30
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	6.39	4.86		25.97	20.37	
Earnings Per Share from Continuing Operations	6.40	4.86		25.97	20.38	
Dividend Per Share	-	6.40		-	6.40	

Figures in brackets indicate deductions.
The above figures are subject to audit.

Company Income Statements

	3 months ended 31st December			9 months ended 31st December		
	2015 Rs. '000	2014 Rs. '000	Change %	2015 Rs. '000	2014 Rs. '000	Change %
Revenue	229,019	191,892	19	864,865	780,504	11
Cost of Sales	(167,436)	(144,507)	16	(618,166)	(547,605)	13
Gross Profit	61,583	47,385	30	246,699	232,899	6
Other Operating Income	1,549	712	118	7,975	5,386	48
Distribution Costs	(10,223)	(10,759)	(5)	(33,440)	(38,382)	(13)
Administrative Expenses	(12,021)	(9,184)	31	(32,473)	(31,255)	4
Profit from Operations	40,888	28,154	45	188,761	168,648	12
Finance Income	2,184	2,861	(24)	6,476	5,622	15
Finance Cost	(2,935)	(2,809)	4	(7,828)	(8,239)	(5)
Other Financial Items	(1,087)	819	(233)	8,509	(1,512)	(663)
Profit before Tax	39,050	29,025	35	195,918	164,519	19
Taxation	(6,192)	(3,976)	56	(25,685)	(20,240)	27
Profit Attributable to Ordinary Shareholders	32,858	25,049	31	170,233	144,279	18
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	2.94	2.24		15.25	12.92	
Dividend Per Share	-	6.40		-	6.40	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Statement of Financial Position

	As at 31st December		As at 31st March
	2015	2014	2015
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	456,829	361,100	474,162
Investment in Associate	160,142	132,346	135,213
Other Investment	72,283	-	-
Leasehold Land Prepayment	12,517	6,014	6,007
Deferred Tax Assets	23,520	37,615	23,520
	725,291	537,075	638,902
Assets of Arpico Natural Latex Foams (Pvt) Ltd	315	3,487	315
Current Assets			
Inventories	240,627	258,947	302,077
Trade & Other Receivables	521,265	534,405	505,445
Short Term Investments	303,629	183,592	192,668
Leasehold Land Prepayment	262	89	76
Amounts Due from Related Parties	50,248	63,404	62,825
Cash and Bank Balances	103,787	81,238	31,389
	1,219,818	1,121,675	1,094,480
Total Assets	1,945,424	1,662,237	1,733,697
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	415,181	178,340	169,563
Foreign Currency Translation	58,020	44,291	45,697
Equity Attributable to Equity Holders of the Parent	693,463	442,893	435,522
Non Controlling Interest	503,920	379,252	382,298
Total Equity	1,197,383	822,145	817,820
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	32,820	73,214	57,979
Deferred Tax Liabilities	1,913	3,013	1,913
Retirement Benefit Obligation	59,193	53,599	59,345
	93,926	129,826	119,237
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd	226,904	230,162	226,845
Current Liabilities			
Trade and Other Payables	246,626	252,793	263,488
Income Tax Payable	22,975	15,081	18,066
Amounts Due to Related Parties	4,617	11,196	40,914
Interest Bearing Loans & Borrowings	152,993	201,034	247,327
	427,211	480,104	569,795
Total Liabilities	748,041	840,092	915,877
Total Equity and Liabilities	1,945,424	1,662,237	1,733,697

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 11th February 2016 in Colombo.



W R Abeysirigunawardena
Director



W.J. Viville P. Perera
Director

Company Statement of Financial Position

	As at 31st December		As at 31st March
	2015	2014	2015
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	63,406	70,589	69,666
Long Term Investments	535,306	463,023	463,023
	598,712	533,612	532,689
Current Assets			
Inventories	94,786	111,071	123,198
Trade & Other Receivables	217,650	211,974	241,409
Short Term Investment	87,200	80,000	83,836
Amounts Due from Related Parties	53,914	64,645	62,555
Cash and Bank Balances	49,700	34,649	14,898
	503,250	502,339	525,896
Total Assets	1,101,962	1,035,951	1,058,585
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	607,973	480,108	467,197
Total Equity	828,235	700,370	687,459
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	24,973	57,804	49,110
Deferred Tax Liability	638	1,763	638
Retirement Benefit Obligation	47,506	45,844	48,117
	73,117	105,411	97,865
Current Liabilities			
Trade and Other Payables	76,315	88,610	89,740
Income Tax Payable	13,402	13,123	16,248
Amounts Due to Related Parties	16,393	19,687	42,870
Interest Bearing Loans & Borrowings	94,500	108,750	124,403
	200,610	230,170	273,261
Total Liabilities	273,727	335,581	371,126
Total Equity and Liabilities	1,101,962	1,035,951	1,058,585

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

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Approved and Signed for and on behalf of the Board on 11th February 2016 in Colombo.



W R Abeysirigunawardena
Director



W.J. Viville P. Perera
Director

Statement of Changes in Equity

Consolidated	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			
Balance as at 1st April 2014	220,262	219,250	(196,908)	42,432	276,507	561,543
Profit for the period	-	-	227,446	-	102,831	330,277
Other Comprehensive Income	-	-	-	1,859	-	1,859
Total Comprehensive Income	-	-	227,446	1,859	102,831	332,136
Dividend Paid	-	-	(71,448)	-	-	(71,448)
Dividend paid by subsidiary company to outside shareholders	-	-	-	-	(86)	(86)
Balance as at 31st December 2014	220,262	219,250	(40,910)	44,291	379,252	822,145
Balance as at 1st April 2015	220,262	219,250	(49,687)	45,697	382,298	817,820
Super Gain Tax (2013/14)	-	-	(44,290)	-	(16,778)	(61,068)
Profit for the period	-	-	289,908	-	138,543	428,451
Other Comprehensive Income	-	-	-	12,323	-	12,323
Total Comprehensive Income	-	-	289,908	12,323	138,543	440,774
Dividend paid by subsidiary company to outside shareholders	-	-	-	-	(143)	(143)
Balance as at 31st December 2015	220,262	219,250	195,931	58,020	503,920	1,197,383

Company	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000	
Balance as at 1st April 2014	220,262	219,250	188,027	627,539
Profit for the period	-	-	144,279	144,279
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	144,279	144,279
Dividend Paid	-	-	(71,448)	(71,448)
Balance as at 31st December 2014	220,262	219,250	260,858	700,370
Balance as at 1st April 2015	220,262	219,250	247,947	687,459
Super Gain Tax (2013/14)	-	-	(29,457)	(29,457)
Profit for the period	-	-	170,233	170,233
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	170,233	170,233
Balance as at 31st December 2015	220,262	219,250	388,723	828,235

Statements of Comprehensive Income

	3 months ended 31st December		9 months ended 31st December	
	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Consolidated				
Profit for the period	120,515	89,692	428,451	330,277
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other Comprehensive Income / (Expenses) to be reclassified to profit or loss in subsequent periods				
Share of Other Comprehensive Income of Associate				
Translation of Associate using foreign functional currency	1,546	1,576	12,323	1,859
Other comprehensive income for the period	1,546	1,576	12,323	1,859
Total comprehensive income for the period	122,061	91,268	440,774	332,136
Attributable to				
Equity Holder of the Parent Company	72,939	55,800	302,231	229,305
Non Controlling Interest	49,122	35,468	138,543	102,831
	122,061	91,268	440,774	332,136

	3 months ended 31st December		9 months ended 31st December	
	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Company				
Profit for the period	32,858	25,049	170,233	144,279
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income / (Expenses) to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	32,858	25,049	170,233	144,279

Figures in brackets indicate deductions.

Cash Flow Statements

	Consolidated		Company	
	For the 9 months period ended		For the 9 months period ended	
	31st Dec 2015	31st Dec 2014	31st Dec 2015	31st Dec 2014
	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	474,833	366,386	195,918	164,519
Loss from discontinued Operations	(60)	(54)	-	-
Adjustment to reconcile profit before tax to net cash flows	38,258	30,816	18,910	15,061
Operating profit before working capital changes	513,031	397,148	214,828	179,580
Changes in Working Capital adjustments	8,832	(111,247)	24,634	17,479
Cash generated from operations	521,863	285,901	239,462	197,059
Interest Paid	(11,644)	(13,405)	(8,474)	(8,792)
Income and Super Gain Tax Paid	(98,686)	(27,991)	(57,989)	(14,242)
Defined Benefit plan costs paid	(7,547)	(2,403)	(6,718)	(2,336)
Net cash flows from Operating activities	403,986	242,102	166,281	171,689
Net cash flows from / (used in) investing activities	(125,924)	(271,798)	5,184	(77,764)
Net cash inflow before financing	278,062	(29,696)	171,465	93,925
Net cash used in financing activities	(103,401)	(89,271)	(121,132)	(106,592)
Net Increase / (Decrease) in cash and cash equivalents	174,661	(118,967)	50,333	(12,667)
Cash and cash equivalents at the beginning of the period	(71,623)	178,065	(939)	47,316
Cash and cash equivalents at the end of the period	103,038	59,098	49,394	34,649
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing operations	103,787	81,238	49,700	34,649
From Discontinuing operations	315	3,487	-	-
	104,102	84,725	49,700	34,649
Bank Overdraft	(1,064)	(25,627)	(306)	-
	103,038	59,098	49,394	34,649

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Segmental Information

09 months ended 31st December	Turnover		Profit from operations		Net Assets	
	2015	2014	2015	2014	2015	2014
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	48,173	45,397	1,943	934	31,967	30,147
Latex Based Segment	1,436,562	1,101,541	256,292	189,790	640,057	422,301
Hard Rubber Segment	864,865	780,504	188,761	168,648	828,235	700,370
	2,349,600	1,927,442	446,996	359,372	1,500,259	1,152,818
Adjustment for Inter Group Transactions	(25,659)	(12,667)	(282)	(169)	(806,796)	(709,925)
	2,323,941	1,914,775	446,714	359,203	693,463	442,893

Figures in brackets indicate deductions.

The above figures are subject to audit.

Notes to the Financial Statements

1 The figures given above for the nine months ended 31st December 2015 and 31st December 2014 are subject to audit.

The Interim Financial Statements of Richard Pieris Exports PLC for the nine months ended 31st December 2015 have been prepared in accordance with LKAS 34, Interim Financial Reporting. There were no changes to the Accounting Policies and methods of Computation since the publication of the Annual Report for the year ended 31st March 2015. 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 Figures for the corresponding period have been re-arranged where ever necessary to confirm to the current presentation. The figures in brackets indicate deductions.

3 Stated Capital

	As at 31.12.2015	As at 31.03.2015
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

4 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 2015.

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

6 Capital and Lease Commitments

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 31.12.2015, approved by the board are as follows.

	Group		Company	
	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Contracted but not provided for	-	89,304	-	-
Approved but not contracted for	-	38,397	-	-
	<u>-</u>	<u>127,701</u>	<u>-</u>	<u>-</u>
Lease Commitments				
	Group		Company	
	2015 Rs.'000	2015 USD	2014 Rs.'000	2014 USD
Within one year	3,269	23,112	2,384	18,034
After one year but not more than five years	13,077	92,447	9,536	72,136
More than five years	227,276	1,606,759	171,655	1,298,448
	<u>243,622</u>	<u>1,722,318</u>	<u>183,575</u>	<u>1,388,618</u>

7 Discontinued operations comprise the results of Subsidiary of the Group whose Commercial operations have been discontinued.

8 Net asset value per Share

	31st Dec 2015 Rs.	31st Dec 2014 Rs.	31st March 2015 Rs.
Consolidated (in Rs.)	62.12	39.67	39.01
Company (in Rs.)	74.19	62.73	61.58

9 Market Price Per Share

	31st Dec 2015 Rs.	31st Dec 2014 Rs.	31st March 2015 Rs.
Highest for the Quarter (in Rs.)	329.90	184.00	173.90
Lowest for the Quarter (in Rs.)	230.00	139.50	129.50
Last Traded Price for the Year / Quarter (in Rs.)	298.80	158.50	130.30

10 All values included in this financial statements, are in Rupees 000's unless otherwise stated.

11 As per the provisions of Part III of the Finance Act, No. 10 of 2015 which was certified on 30th October 2015, the Group is liable for Super Gain Tax of 61.068 Million (including Share of Associate). According to the Act, the super gain tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards, hence the expense of Super Gain Tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24th November 2015.

Shareholder Information

1. Major Shareholders as at 31st December 2015

	<u>As at 31st Dec 2015</u>		<u>As at 31st March 2015</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	365,000	3.27%	275,977	2.47%	89,023
3 Mr.Astrue Alpha	174,853	1.57%			174,853
4 Mr. M.M.Fuad	63,534	0.57%	62,001	0.56%	1,533
5 Mr.P.Vijendran	59,477	0.53%			59,477
6 E-Tech Corporation (Pvt) Limited	53,857	0.48%	48,396	0.43%	5,461
7 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
8 Mr.K.A.S.R.Nissanka	53,397	0.48%			53,397
9 Mr. T.T.T.Al-Nakib	52,000	0.47%			52,000
10 Mr.A.A.A Noorudin	50,000	0.45%			50,000
11 Mr.M.Z.Rasheed	43,722	0.39%			43,722
12 Ransiri Enterprises (Pvt) Ltd	41,572	0.37%	41,572	0.37%	-
13 Mr. Sithampalam	35,000	0.31%			35,000
14 Mr.H.A. Pieris	30,932	0.28%	30,932	0.28%	-
15 Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,000	0.27%	-
16 Mr.A.S.Weerasinghe	29,993	0.27%			29,993
17 Union Investments(Pvt) Ltd	27,800	0.25%	27,800	0.25%	-
18 Mrs M.Y.Amerasinghe	26,000	0.23%			26,000
19 Mr.M.S.P.Fernando	25,008	0.22%			25,008
20 Mr.N.A.Withana	25,000	0.22%			25,000
Total	10,200,541	91.4%	9,530,074	85.4%	670,467

2. Public & Parent Shareholding

As at 31st December 2015, the public held 19.74% (2014 : 19.74%) of the stated capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 80.26%. (2014-80.26%).

As at 31st December 2015 no of public holders are 1,486 (2014 : 1,414)

3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 31st December 2015	No of Shares as at 31st March 2015
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
Mr. J.H.P .Ratnayake (resigned w.e.f. 12th January 2016)	-	-
Mr. Sunil S.G. Liyanage	203	203
Mr. W.J. Viville P Perera	100	100
Mr. Wasantha Rukmal Abeysirigunawardena	-	-
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 (resigned w.e.f.12th January 2016)

Sunil S G Liyanage

W.J.Viville P Perera

W R Abeysirigunawardena

Dr.L.M.K.Tillekeratne

Angelo Maharajah Patrick

REGISTERED OFFICE

No. 310, High Level Road, Nawinna,

Maharagama.

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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