

Richard Pieris Exports PLC

Interim Financial Statements
Twelve Months
Ended 31st March, 2014

Consolidated Income Statements

	3 months ended 31st March			12 months ended 31st March		
	2014	2013	Change	2014	2013	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Continuing Operations						
Revenue	527,890	478,796	10	2,393,765	2,303,135	4
Cost of Sales	<u>(372,865)</u>	<u>(362,097)</u>	<u>(3)</u>	<u>(1,762,799)</u>	<u>(1,783,476)</u>	<u>1</u>
Gross Profit	155,025	116,699	33	630,966	519,659	21
Other Operating Income	2,646	2,335	13	4,921	6,220	(21)
Distribution Costs	(29,783)	(20,707)	(44)	(150,437)	(124,507)	(21)
Administrative Expenses	(92,755)	(37,206)	(149)	(166,464)	(85,520)	(95)
Other Operating Expenses	<u>(5,400)</u>	<u>(11,591)</u>	<u>53</u>	<u>(5,400)</u>	<u>(11,591)</u>	<u>53</u>
Profit from Operations	29,733	49,530	(40)	313,586	304,261	3
Finance Income	11,725	506	2,217	24,344	5,253	363
Finance Cost	(7,031)	(4,358)	(61)	(18,222)	(29,416)	38
Other Financial Items	(1,114)	(2,834)	61	(9,991)	(5,653)	(77)
Share of Profit / (Loss) of Associate	<u>442</u>	<u>5,868</u>	<u>(92)</u>	<u>2,387</u>	<u>(988)</u>	<u>342</u>
Profit Before Tax	33,755	48,712	(31)	312,104	273,457	14
Taxation	<u>30,405</u>	<u>(5,572)</u>	<u>646</u>	<u>3,836</u>	<u>(29,398)</u>	<u>113</u>
Profit for the Period from Continuing Operations	64,160	43,140	49	315,940	244,059	29
Discontinued Operations						
Profit / (Loss) after tax for the period from discontinued operation	<u>24</u>	<u>40</u>	<u>39</u>	<u>(30)</u>	<u>(41)</u>	<u>27</u>
Profit for the period	<u>64,184</u>	<u>43,180</u>	<u>49</u>	<u>315,910</u>	<u>244,018</u>	<u>29</u>
Attributable to:						
Equity Holders of the Parent	40,975	24,574	67	192,750	140,722	37
Non Controlling Interest	<u>23,209</u>	<u>18,606</u>	<u>25</u>	<u>123,160</u>	<u>103,296</u>	<u>19</u>
	<u>64,184</u>	<u>43,180</u>	<u>49</u>	<u>315,910</u>	<u>244,018</u>	<u>29</u>
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	3.67	2.20		17.26	12.60	
Earnings Per Share from Continuing Operations	3.67	2.20		17.27	12.61	
Dividend Per Share	4.75	-		5.15	-	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Company Income Statements

	3 months ended 31st March			12 months ended 31st March		
	2014	2013	Change	2014	2013	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue	205,308	151,031	36	892,812	844,552	6
Cost of Sales	<u>(149,767)</u>	<u>(108,179)</u>	<u>(38)</u>	<u>(675,430)</u>	<u>(662,458)</u>	<u>(2)</u>
Gross Profit	55,541	42,852	30	217,382	182,094	19
Other Operating Income	930	681	37	3,205	2,581	24
Distribution Costs	(5,626)	(526)	(970)	(41,178)	(34,754)	(18)
Administrative Expenses	(17,546)	(19,516)	10	(50,525)	(42,367)	(19)
Other Operating Expenses	<u>(5,400)</u>	<u>(11,259)</u>	52	<u>(5,400)</u>	<u>(11,259)</u>	52
Profit from Operations	27,899	12,232	128	123,484	96,295	28
Finance Income	3,453	175	1,873	7,679	5,135	50
Finance Cost	(3,086)	(12,887)	76	(13,145)	(41,198)	68
Other Financial Items	<u>(726)</u>	<u>(1,279)</u>	43	<u>(4,815)</u>	<u>(1,015)</u>	(374)
Profit / (Loss) before Tax	27,540	(1,759)	1,666	113,203	59,217	91
Taxation	<u>(5,042)</u>	<u>(1,905)</u>	<u>(165)</u>	<u>(16,169)</u>	<u>(12,059)</u>	<u>(34)</u>
Profit / (Loss) Attributable to Ordinary Shareholders	<u>22,498</u>	<u>(3,664)</u>	<u>714</u>	<u>97,034</u>	<u>47,158</u>	<u>106</u>
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	2.02	(0.33)		8.69	4.22	
Dividend Per Share	4.75	-		5.15	-	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Statement of Financial Position

	As at 31st March	
	2014	2013
	Rs. 000	Rs. 000
ASSETS		
Non-current Assets		
Property, Plant & Equipment	282,054	287,395
Investment in Associate	125,065	118,622
Leasehold Land Prepayment	4,633	4,692
Deferred Tax Assets	37,615	-
	<u>449,367</u>	<u>410,709</u>
Assets of Arpico Natural Latex Foams (Pvt) Ltd	3,487	3,527
Current Assets		
Inventories	264,297	266,074
Trade & Other Receivables	501,890	369,919
Leasehold Land Prepayment	59	59
Short Term Investment	3,592	3,233
Amounts Due from Related Parties	62,794	61,511
Cash and Bank Balances	210,969	92,888
	<u>1,043,601</u>	<u>793,684</u>
Total Assets	<u>1,496,455</u>	<u>1,207,920</u>
EQUITY AND LIABILITIES		
Stated Capital	220,262	220,262
Revenue Reserves	22,342	(111,880)
Foreign Currency Translation	42,432	37,848
Equity Attributable to Equity Holders of the Parent	285,036	146,230
Non Controlling Interest	276,507	153,288
Total Equity	<u>561,543</u>	<u>299,518</u>
Non-Current Liabilities		
Interest Bearing Loans & Borrowings	97,379	133,870
Deferred Tax Liabilities	3,013	3,227
Retirement Benefit Obligation	48,181	40,184
	<u>148,573</u>	<u>177,281</u>
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd	230,108	230,119
Current Liabilities		
Trade and Other Payables	279,419	246,238
Income Tax Payable	8,163	13,604
Amounts Due to Related Parties	65,096	77,802
Interest Bearing Loans & Borrowings	203,553	163,358
	<u>556,231</u>	<u>501,002</u>
Total Liabilities	<u>934,912</u>	<u>908,402</u>
Total Equity and Liabilities	<u>1,496,455</u>	<u>1,207,920</u>


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.



.....
Jagath Dissanayake
Group Chief Financial Officer

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 29th May 2014, Colombo.


.....
Kumar Abeysinghe
Director


.....
W.J. Viville P. Perera
Director

Company Statement of Financial Position

	As at 31st March	
	2014	2013
	Rs. 000	Rs. 000
ASSETS		
Non-current Assets		
Property, Plant & Equipment	71,502	77,379
Long Term Investments	463,023	463,023
	<u>534,525</u>	<u>540,402</u>
Current Assets		
Inventories	109,930	107,795
Trade & Other Receivables	220,225	189,770
Amounts Due from Related Parties	67,688	61,883
Cash and Bank Balances	47,316	17,891
	<u>445,159</u>	<u>377,339</u>
Total Assets	<u>979,684</u>	<u>917,741</u>
EQUITY AND LIABILITIES		
Stated Capital	220,262	220,262
Revenue Reserves	407,277	368,521
Total Equity	<u>627,539</u>	<u>588,783</u>
Non-Current Liabilities		
Interest Bearing Loans & Borrowings	82,141	112,729
Deffered Tax Liability	1,763	2,303
Retirement Benefit Obligation	41,627	35,084
	<u>125,531</u>	<u>150,116</u>
Current Liabilities		
Trade and Other Payables	87,968	73,089
Income Tax Payable	7,125	6,203
Amounts Due to Related Parties	13,003	17,226
Interest Bearing Loans & Borrowings	118,518	82,324
	<u>226,614</u>	<u>178,842</u>
Total Liabilities	<u>352,145</u>	<u>328,958</u>
Total Equity and Liabilities	<u>979,684</u>	<u>917,741</u>


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.




Jagath Dissanayake
Group Chief Financial Officer

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 29th May 2014, Colombo.



.....
Kumar Abeyasinghe
Director



.....
W.J. Viville P. Perera
Director

Statement of Comprehensive Income

FOR THE YEAR ENDED 31ST MARCH	Group		Company	
	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000
Profit for the year	315,910	244,018	97,034	47,158
Other comprehensive income				
Actuarial gains/(losses) on defined benefit plans	(761)	(2,927)	(892)	(3,721)
Deferred Tax effect on actuarial gains/(losses) on defined benefit plans	91	422	107	446
Share of Other Comprehensive Income of Associate				
Actuarial gains/(losses) on defined benefit plans	(306)	253		
Translation of Associate using foreign functional currency	4,584	(898)	-	-
Total other comprehensive income for the year	3,608	(3,150)	(785)	(3,275)
Total comprehensive income for the year	319,518	240,868	96,249	43,883
Attributable to				
Equity Holder of the Parent Company	196,300	137,169	96,249	43,883
Non Controlling Interest	123,219	103,699	-	-
	319,518	240,868	96,249	43,883

Figures in brackets indicate deductions.

Statement of Changes in Equity

	Revenue Reserves			Foreign Currency Translation	Non Controlling Interest	Total
	Stated Capital Rs. '000	General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000			
Consolidated						
Balance as at 31st March 2012	220,262	219,250	(469,197)	38,746	49,697	58,758
Profit for the year	-	-	140,722	-	103,296	244,018
Other Comprehensive Income	-	-	(2,655)	(898)	403	(3,150)
Total Comprehensive Income	-	-	138,067	(898)	103,699	240,868
Dividend paid by Subsidiary Companies to outside shareholders	-	-	-	-	(108)	(108)
Balance as at 31st March 2013	220,262	219,250	(331,130)	37,848	153,288	299,518
1st Interim dividend paid	-	-	(4,465)	-	-	(4,465)
2nd Interim dividend paid	-	-	(53,028)	-	-	(53,028)
Transactions with owners	-	-	(57,493)	-	-	(57,493)
Profit for the year	-	-	192,750	-	123,160	315,910
Other Comprehensive Income	-	-	(1,035)	4,584	59	3,608
Total Comprehensive Income	-	-	191,715	4,584	123,219	319,518
Balance as at 31st March 2014	220,262	219,250	(196,908)	42,432	276,507	561,543

	Revenue Reserves			Total
	Stated Capital Rs. '000	General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000	
Company				
Balance as at 31st March 2012	220,262	219,250	105,388	544,900
Profit for the year	-	-	47,158	47,158
Other Comprehensive Income	-	-	(3,275)	(3,275)
Total Comprehensive Income	-	-	43,883	43,883
Balance as at 31st March 2013	220,262	219,250	149,271	588,783
1st Interim dividend paid	-	-	(4,465)	(4,465)
2nd Interim dividend paid	-	-	(53,028)	(53,028)
Transactions with owners	-	-	(57,493)	(57,493)
Profit for the year	-	-	97,034	97,034
Other Comprehensive Income	-	-	(785)	(785)
Total Comprehensive Income	-	-	96,249	96,249
Balance as at 31st March 2014	220,262	219,250	188,027	627,539

Cash Flow Statements

	Consolidated		Company	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from / (used in) Operating Activities				
Group Profit before Tax and Minority Interest				
From Continuing Operations	312,104	273,457	113,203	59,217
Loss from discontinued Operations	(30)	(41)	-	-
Adjustment to reconcile profit before tax to net cash flows	<u>14,746</u>	<u>73,293</u>	<u>30,657</u>	<u>59,281</u>
Operating profit before working capital changes	326,820	346,709	143,860	118,498
Changes in Working Capital adjustments	<u>(80,635)</u>	<u>47,690</u>	<u>(30,531)</u>	<u>49,474</u>
Cash generated from operations	246,185	394,399	113,329	167,972
Interest Paid	(16,478)	(26,553)	(11,427)	(22,454)
Income Tax Paid	(39,121)	(6,725)	(15,680)	(5,971)
Defined Benefit plan costs paid	<u>(1,049)</u>	<u>(606)</u>	<u>(1,049)</u>	<u>(509)</u>
Net cash flows from Operating activities	189,537	360,515	85,173	139,038
Net cash flows from / (used) in investing activities	<u>(7,947)</u>	<u>(10,254)</u>	<u>3,790</u>	<u>4,614</u>
Net cash inflow before financing	181,590	350,261	88,963	143,652
Net cash flows from / (used) in financing activities	<u>(60,565)</u>	<u>99,463</u>	<u>(59,538)</u>	<u>49,594</u>
Net Increase in cash and cash equivalents	121,025	449,724	29,425	193,246
Cash and cash equivalents at the beginning of the year	<u>57,040</u>	<u>(392,684)</u>	<u>17,891</u>	<u>(175,355)</u>
Cash and cash equivalents at the end of the year	<u><u>178,065</u></u>	<u><u>57,040</u></u>	<u><u>47,316</u></u>	<u><u>17,891</u></u>
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing operations	210,969	92,888	47,316	17,891
From Discontinuing operations	<u>3,487</u>	<u>3,527</u>	<u>-</u>	<u>-</u>
	214,456	96,415	47,316	17,891
Bank Overdraft	<u>(36,391)</u>	<u>(39,375)</u>	<u>-</u>	<u>-</u>
	<u><u>178,065</u></u>	<u><u>57,040</u></u>	<u><u>47,316</u></u>	<u><u>17,891</u></u>

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Segmental Information

12 months ended 31st March	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	59,843	45,038	2,155	3,198	29,577	28,107
Latex Based Segment	1,456,878	1,420,243	187,947	204,768	242,381	27,026
Hard Rubber Segment	892,812	844,552	123,484	96,295	627,539	588,783
	2,409,533	2,309,833	313,586	304,261	899,497	643,916
Adjustment for Inter Group Transactions	(15,768)	(6,698)	-	-	(614,461)	(497,686)
	2,393,765	2,303,135	313,586	304,261	285,036	146,230

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

Notes to the Financial Statements

- 1 The figures given above for the twelve months ended 31st March 2014 and 31st March 2013 are subject to audit. The Interim Financial Statements of Richard Pieris Exports PLC for the twelve months ended 31st March 2014 have been prepared in accordance with LKAS 34, Interim Financial Reporting. These interim financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2013. 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 31.03.2014	As at 31.03.2013
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

- 5 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 2013.

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

7 Capital and Lease Commitments

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 31.03.2014, approved by the board are as follows.

	Group		Company	
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000
Contracted but not provided for	105,680	-	-	-
Approved but not contracted for	92,722	-	-	-
	<u>198,402</u>	<u>-</u>	<u>-</u>	<u>-</u>

7.1 Lease Commitments

	Group			
	2014 Rs.'000	2014 USD	2013 Rs.'000	2013 USD
Within one year	2,358	18,034	2,289	18,034
After one year but not more than five years	9,430	72,136	9,154	72,136
More than five years	172,104	1,316,482	169,350	1,334,516
	<u>183,892</u>	<u>1,406,652</u>	<u>180,793</u>	<u>1,424,686</u>

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

9 Net asset value per Share

	<u>31st March 2014</u>	<u>31st March 2013</u>
	Rs.	Rs.
Consolidated (in Rs.)	25.53	13.10
Company (in Rs.)	56.21	52.74

10 Market Price Per Share

	<u>31st March 2014</u>	<u>31st March 2013</u>
	Rs.	Rs.
Highest for the Quarter (in Rs.)	60.80	36.10
Lowest for the Quarter (in Rs.)	44.60	24.10
Last Traded Price for the Year / Quarter (in Rs.)	55.10	29.40

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

Shareholder Information

1. Major Shareholders as at 31st March 2014

	<u>As at 31st March 2014</u>		<u>As at 31st March 2013</u>		<u>Change</u>
	<u>No of Shares</u>	<u>Holding %</u>	<u>No of Shares</u>	<u>Holding %</u>	
1 Richard Pieris & Company Plc.	8,959,997	80.26%	8,959,997	80.26%	-
2 Trading Partners (Pvt) Ltd	317,119	2.84%	-	-	317,119
3 T R L Holdings(Pvt) Ltd	220,000	1.97%	127,517	1.14%	92,483
4 Mr.T.R.L.Perera	190,000	1.70%	14,450	0.13%	175,550
5 Mr. D.F.G.Dalpethado	186,924	1.67%	417,841	3.74%	(230,917)
6 Employees Trust Fund Board	123,309	1.10%	123,309	1.10%	-
7 Mr. M.M.Fuad	58,689	0.53%	51,227	0.46%	7,462
8 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
9 Mr.H.A. Pieris	50,033	0.45%	117,533	1.05%	(67,500)
10 Ransiri Enterprises (Pvt) Ltd	41,572	0.37%	41,572	0.37%	-
11 Corporate Holdings (Pvt) Ltd	30,095	0.27%	45,095	0.40%	(15,000)
12 Hi -Line Trading (Pvt) Ltd	30,000	0.27%	-	-	30,000
13 Union Investments Ltd	27,800	0.25%	27,800	0.25%	-
14 Mr. K.Satgunarajah	26,154	0.23%	37,000	0.33%	(10,846)
15 Miss P.G.Nirosha Dilrukshi	25,000	0.22%	-	-	25,000
16 Mrs J.K.P.Singh	25,000	0.22%	-	-	25,000
17 Mr. M.Duraisingam	23,000	0.21%	12,621	0.11%	10,379
18 D.D.Nirmal	18,951	0.17%	-	-	18,951
19 Askold (Private) Ltd	17,908	0.16%	-	-	17,908
20 Mr.M.S.F.Haqqe	15,300	0.14%	-	-	15,300
Total	10,440,250	93.5%	10,029,361	89.84%	410,889

2. Public & Parent Shareholding

As at 31st Mar 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%)

3 Details of Directors Shareholding is given below

<u>Name of the Director</u>	<u>No of Shares</u> <u>as at 31st March</u>	<u>No of Shares</u> <u>as at 31st March</u>
	<u>2014</u>	<u>2013</u>
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

E-mail : rpe@arpico.com

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