

Richard Pieris Exports PLC

Interim Financial Statements

Twelve months ended 31st March 2015

Consolidated Income Statements

	3 months ended 31st March			12 months ended 31st March		
	2015 Rs. '000	2014 Rs. '000	Change %	2015 Rs. '000	2014 Rs. '000	Change %
Continuing Operations						
Revenue	583,365	527,890	11	2,498,140	2,393,765	4
Cost of Sales	(411,561)	(372,865)	(10)	(1,723,506)	(1,762,799)	2
Gross Profit	171,804	155,025	11	774,634	630,966	23
Other Operating Income	2,017	2,646	(24)	8,003	4,921	63
Distribution Costs	(28,495)	(29,783)	4	(162,903)	(150,437)	(8)
Administrative Expenses	(43,357)	(92,755)	53	(158,562)	(166,464)	5
Other Operating Expenses	(5,709)	(5,400)	(6)	(5,709)	(5,400)	(6)
Profit from Operations	96,260	29,733	224	455,463	313,586	45
Finance Income	5,942	11,725	(49)	20,942	24,344	(14)
Finance Cost	(16,762)	(7,031)	(138)	(29,444)	(18,222)	(62)
Other Financial Items	(6,739)	(1,114)	(505)	(8,442)	(9,991)	16
Share of Profit of Associate	1,514	442	242	8,082	2,387	239
Profit Before Tax	80,215	33,755	138	446,601	312,104	43
Taxation	(22,295)	30,405	(173)	(58,350)	3,836	(1,621)
Profit for the Period from Continuing Oper	57,920	64,160	(10)	388,251	315,940	23
Discontinued Operations						
Profit after tax for the period from discontinu	146	24	508	92	(30)	407
Profit for the period	58,066	64,184	(10)	388,343	315,910	23
Attributable to:						
Equity Holders of the Parent	40,230	40,975	(2)	267,676	192,750	39
Non Controlling Interest	17,836	23,209	(23)	120,667	123,160	(2)
	58,066	64,184	(10)	388,343	315,910	23
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	3.60	3.67		23.98	17.26	
Earnings Per Share from Continuing Operati	3.59	3.67		23.97	17.27	
Dividend Per Share	4.00	4.75		10.40	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		
	2015 Rs. '000	2014 Rs. '000	Change %	2015 Rs. '000	2014 Rs. '000	Change %
Revenue	233,938	205,308	14	1,014,442	892,812	14
Cost of Sales	(166,220)	(149,767)	(11)	(713,825)	(675,430)	(6)
Gross Profit	67,718	55,541	22	300,617	217,382	38
Other Operating Income	1,014	930	9	6,400	3,205	100
Distribution Costs	(3,742)	(5,626)	33	(42,124)	(41,178)	(2)
Administrative Expenses	(19,440)	(17,546)	(11)	(50,695)	(50,525)	(0)
Other Operating Expenses	(5,659)	(5,400)	(5)	(5,659)	(5,400)	(5)
Profit from Operations	39,891	27,899	43	208,539	123,484	69
Finance Income	11,806	3,453	242	17,428	7,679	127
Finance Cost	(4,067)	(3,086)	(32)	(12,306)	(13,145)	6
Other Financial Items	(6,118)	(726)	(743)	(7,630)	(4,815)	(58)
Profit before Tax	41,512	27,540	51	206,031	113,203	82
Taxation	(6,408)	(5,042)	(27)	(26,648)	(16,169)	(65)
Profit Attributable to Ordinary Shareholders	35,104	22,498	56	179,383	97,034	85
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	3.14	2.02		16.07	8.69	
Dividend Per Share	4.00	4.75		10.40	5.15	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Statement of Financial Position

	As at 31st March	
	2015	2014
	Rs. 000	Rs. 000
ASSETS		
Non-current Assets		
Property, Plant & Equipment	474,162	282,054
Investment in Associate	135,213	125,065
Leasehold Land Prepayment	6,007	4,633
Deferred Tax Assets	23,520	37,615
	638,902	449,367
Assets of Arpico Natural Latex Foams (Pvt) Ltd	315	3,487
Current Assets		
Inventories	302,077	264,297
Trade & Other Receivables	505,445	501,890
Short Term Investments	192,668	3,592
Leasehold Land Prepayment	76	59
Amounts Due from Related Parties	62,825	62,794
Cash and Bank Balances	31,389	210,969
	1,094,480	1,043,601
Total Assets	1,733,697	1,496,455
EQUITY AND LIABILITIES		
Stated Capital	220,262	220,262
Revenue Reserves	169,563	22,342
Foreign Currency Translation	45,697	42,432
Equity Attributable to Equity Holders of the Parent	435,522	285,036
Non Controlling Interest	382,298	276,507
Total Equity	817,820	561,543
Non-Current Liabilities		
Interest Bearing Loans & Borrowings	57,979	97,379
Deferred Tax Liabilities	1,913	3,013
Retirement Benefit Obligation	59,345	48,181
	119,237	148,573
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd	226,845	230,108
Current Liabilities		
Trade and Other Payables	263,488	279,419
Income Tax Payable	18,066	8,163
Amounts Due to Related Parties	40,914	65,096
Interest Bearing Loans & Borrowings	247,327	203,553
	569,795	556,231
Total Liabilities	915,877	934,912
Total Equity and Liabilities	1,733,697	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 28th May 2015, in Colombo.


 J.H.P. Ratnayake
 Director


 W.J. Viville P. Perera
 Director

Company Statement of Financial Position

	As at 31st March	
	2015	2014
	Rs. 000	Rs. 000
ASSETS		
Non-current Assets		
Property, Plant & Equipment	69,666	71,502
Long Term Investments	463,023	463,023
	532,689	534,525
Current Assets		
Inventories	123,198	109,930
Trade & Other Receivables	241,409	220,225
Short Term Investment	83,836	-
Amounts Due from Related Parties	62,555	67,688
Cash and Bank Balances	14,898	47,316
	525,896	445,159
Total Assets	1,058,585	979,684
EQUITY AND LIABILITIES		
Stated Capital	220,262	220,262
Revenue Reserves	467,197	407,277
Total Equity	687,459	627,539
Non-Current Liabilities		
Interest Bearing Loans & Borrowings	49,110	82,141
Deferred Tax Liability	638	1,763
Retirement Benefit Obligation	48,117	41,627
	97,865	125,531
Current Liabilities		
Trade and Other Payables	89,740	87,968
Income Tax Payable	16,248	7,125
Amounts Due to Related Parties	42,870	13,003
Interest Bearing Loans & Borrowings	124,403	118,518
	273,261	226,614
Total Liabilities	371,126	352,145
Total Equity and Liabilities	1,058,585	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 28th May 2015, in Colombo.


 J.H.P. Ratnayake
 Director


 W.J. Viville P. Perera
 Director

Statements of Comprehensive Income

	3 months ended 31st March		12 months ended 31st March	
	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Consolidated				
Profit for the period	58,066	64,184	388,343	315,910
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods				
Actuarial gains/ (losses) on defined benefit plans	(6,393)	(761)	(6,393)	(761)
Deferred Tax effect on actuarial gains /(losses) on defined benefit plans	770	91	770	91
Other Comprehensive Income / (Expenses) to be reclassified to profit or loss in subsequent periods				
Share of Other Comprehensive Income of Associate				
Actuarial gains/ (losses) on defined benefit plans	(4)	(306)	(4)	(306)
Translation of Associate using foreign functional currency	1,406	(123)	3,265	4,584
Other comprehensive income for the period	(4,221)	(1,099)	(2,362)	3,608
Total comprehensive income for the period	53,845	63,085	385,981	319,518
Attributable to				
Equity Holder of the Parent Company	37,284	39,818	266,589	196,300
Non Controlling Interest	16,561	23,267	119,392	123,219
	53,845	63,085	385,981	319,518

	3 months ended 31st March		12 months ended 31st March	
	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Company				
Profit for the period	35,104	22,498	179,383	97,034
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods				
Actuarial gains/ (losses) on defined benefit plans	(3,818)	(892)	(3,818)	(892)
Deferred Tax effect on actuarial gains /(losses) on defined benefit plans	458	107	458	107
Other comprehensive income / (Expenses) to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income for the period	(3,360)	(785)	(3,360)	(785)
Total comprehensive income for the period	31,744	21,713	176,023	96,249

Figures in brackets indicate deductions.

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 March 2013	220,262	219,250	(331,130)	37,848	153,288	299,518
Profit for the period	-	-	192,750	-	123,160	315,910
Other Comprehensive Income	-	-	(1,035)	-	59	(976)
Total Comprehensive Income	-	-	191,715	-	123,219	314,934
Dividend Paid - 1st Interim Dividend	-	-	(4,465)	-	-	(4,465)
- 2nd Interim Dividend	-	-	(53,028)	-	-	(53,028)
Balance as at 31st March 2014	220,262	219,250	(196,908)	37,848	276,507	556,959
Profit for the period	-	-	267,676	-	120,667	388,343
Other Comprehensive Income	-	-	(4,352)	3,265	(1,275)	(2,362)
Total Comprehensive Income	-	-	263,324	3,265	119,392	385,981
1st Interim Dividend	-	-	(71,448)	-	-	(71,448)
2nd Interim Dividend	-	-	(44,655)	-	-	(44,655)
	-	-	(116,103)	-	-	(116,103)
Dividend Paid by Subsidiary Company to outside shareholders	-	-	-	-	(13,601)	(13,601)
Balance as at 31st March 2015	220,262	219,250	(49,687)	41,113	382,298	813,236
	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000		
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000			
Company						
Balance as at 1st March 2013	220,262	219,250	149,271	588,783		
Profit for the period	-	-	97,034	97,034		
Other Comprehensive Income	-	-	(785)	(785)		
Total Comprehensive Income	-	-	96,249	96,249		
1st Interim Dividend	-	-	(4,465)	(4,465)		
2nd Interim Dividend	-	-	(53,028)	(53,028)		
	-	-	(57,493)	(57,493)		
Balance as at 31st March 2014	220,262	219,250	188,027	627,539		
Profit for the period	-	-	179,383	179,383		
Other Comprehensive Income	-	-	(3,360)	(3,360)		
Total Comprehensive Income	-	-	176,023	176,023		
1st Interim Dividend	-	-	(71,448)	(71,448)		
2nd Interim Dividend	-	-	(44,655)	(44,655)		
	-	-	(116,103)	(116,103)		
Balance as at 31st March 2015	220,262	219,250	247,947	687,459		

Cash Flow Statements

	Consolidated		Company	
	for the 12 months period ended		for the 12 months period ended	
	31st Mar 2015	31st Mar 2014	31st Mar 2015	31st Mar 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	446,601	312,104	206,031	113,203
Profit from discontinued Operations	92	(30)	-	
Adjustment to reconcile profit before tax to net cash flows	55,115	14,746	17,224	30,657
Operating profit before working capital changes	501,808	326,820	223,255	143,860
Changes in Working Capital adjustments	(102,829)	(80,635)	(4,542)	(30,531)
Cash generated from operations	398,979	246,185	218,713	113,329
Interest Paid	(15,599)	(16,478)	(10,328)	(11,427)
Income Tax Paid	(33,459)	(39,087)	(18,192)	(15,680)
WHT Paid	(28)	(34)		
Defined Benefit plan costs paid	(4,745)	(1,049)	(4,603)	(1,049)
Net cash flows from Operating activities	345,148	189,537	185,590	85,173
Net cash flows from / (used in) investing activities	(397,650)	(7,947)	(71,244)	3,790
Net cash inflow/(outflow) before financing	(52,502)	181,590	114,346	88,963
Net cash used in financing activities	(197,187)	(60,565)	(162,601)	(59,538)
Net Increase / (Decrease) in cash and cash equivalents	(249,688)	121,025	(48,255)	29,425
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	(71,623)	178,065	(939)	47,316
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing operations	31,389	210,969	14,898	47,316
From Discontinuing operations	315	3,487	-	-
	31,704	214,456	14,898	47,316
Bank Overdraft	(103,327)	(36,391)	(15,837)	-
	(71,623)	178,065	(939)	47,316

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	
	2015	2014	2015	2014	2015	2014
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	61,006	59,843	1,748	2,155	30,835	29,577
Latex Based Segment	1,441,656	1,456,878	245,176	187,947	427,333	242,381
Hard Rubber Segment	1,014,442	892,812	208,539	123,484	687,459	627,539
	2,517,104	2,409,533	455,463	313,586	1,145,628	899,497
Adjustment for Inter Group Transactions	(18,964)	(15,768)	-	-	(710,106)	(614,461)
	2,498,140	2,393,765	455,463	313,586	435,522	285,036

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 2015 and 31st March 2014 are subject to audit.

The Interim Financial Statements of Richard Pieris Exports PLC for the twelve months ended 31st March 2015 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 2 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 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.

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

4 Stated Capital

	As at 31.03.2015	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

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 2014.

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 31.03.2015, 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	-	105,680	-	-
Approved but not contracted for	-	92,722	-	-
	<u>-</u>	<u>198,402</u>	<u>-</u>	<u>-</u>

Lease Commitments

	Group		Company	
	2015 Rs.'000	2014 USD	2015 Rs.'000	2014 USD
Within one year	2,772	20,790	2,358	18,034
After one year but not more than five years	11,087	83,158	9,430	72,136
More than five years	196,021	1,470,194	172,104	1,316,482
	<u>209,880</u>	<u>1,574,142</u>	<u>183,892</u>	<u>1,406,652</u>

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

9 Net asset value per Share

	31st March 2015 Rs.	31st March 2014 Rs.
Consolidated (in Rs.)	39.01	25.53
Company (in Rs.)	61.58	56.21

10 Market Price Per Share

	31st March 2015 Rs.	31st March 2014 Rs.
Highest for the Quarter (in Rs.)	138.70	60.80
Lowest for the Quarter (in Rs.)	130.00	44.60
Last Traded Price for the Year / Quarter (in Rs.)	130.30	55.10

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

12

As per Finance Bill issued on March 30, 2015, where the aggregate profits (as per audited financial statements) of subsidiaries and the holding company, within a group of Companies, exceed Rs 2Bn for the Year of assessment 2013/14, each company of such group is liable to pay a levy known as Super Gains Tax which is 25% of the taxable income of such company for the Year of assessment 2013/14. The Bill is yet to be enacted.

Shareholder Information

1. Major Shareholders as at 31st March 2015

	<u>As at 31st March 2015</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	275,977	2.47%	220,000	1.97%	55,977
3 Mr.T.R.L.Perera	189,478	1.70%	190,000	1.70%	(522)
4 Mr. D.F.G.Dalpethado	164,439	1.47%	186,924	1.67%	(22,485)
5 Timex Garments (Pvt) Ltd.	66,326	0.59%	-	-	66,326
6 Mr. M.M.Fuad	62,001	0.56%	58,689	0.53%	3,312
7 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
8 E-Tech Corporation (Pvt) Limited	48,396	0.43%	-	-	48,396
9 Askold (Private) Ltd	45,000	0.40%	17,908	0.16%	27,092
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. S.Abishek	35,000	0.31%	-	-	35,000
13 Mr. S.H.Jayasuriya	34,983	0.31%	-	-	34,983
14 Nagoya Ceylon Trading (Pvt) Ltd	33,286	0.30%	-	-	33,286
15 Mr.H.A. Pieris	30,932	0.28%	50,033	0.45%	(19,101)
16 Wintech Holdings (Pvt) Ltd	30,113	0.27%	-	-	30,113
17 Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,095	0.27%	(95)
18 Union Investments Ltd	27,800	0.25%	27,800	0.25%	-
19 Mr. N.A.Withana	25,000	0.22%	-	-	25,000
20 Mr. M.Duraisingam	24,457	0.22%	23,000	0.21%	1,457
Total	10,219,359	91.5%	10,176,536	91.2%	42,823

2. Public & Parent Shareholding

As at 31st March 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 March 2015, no of public holders are 1,443 (2014 : 1,441)

3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 31st March 2,015	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

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