

# Richard Pieris Exports PLC

Interim Financial Statements  
Six Months  
Ended 30th September , 2012

Consolidated Income Statements						
	Provisional Financial Statements					
	3 months ended 30th September			6 months ended 30th September		
	2012	2011	Change	2012	2011	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Continuing Operations						
Revenue	693,255	515,859	34	1,298,899	874,396	49
Cost of Sales	(525,478)	(455,667)	(15)	(1,001,649)	(777,690)	(29)
Gross Profit	167,777	60,192	179	297,250	96,706	207
Other Operating Income	1,301	2,242	(42)	6,102	4,701	30
Distribution Costs	(38,446)	(23,061)	(67)	(73,878)	(41,796)	(77)
Administrative Expenses	(14,833)	(14,779)	(0)	(32,624)	(29,247)	(12)
Other Operating Expenses	(4,784)	(484)	(888)	(4,784)	(541)	(784)
Profit / (Loss) from Operations	111,015	24,110	360	192,066	29,823	544
Finance Cost	(6,301)	(10,860)	42	(16,796)	(21,211)	21
Share of Profit / (Loss) of Associate	(3,295)	260	(1,367)	(6,459)	(5,075)	(27)
Profit / (Loss) Before Tax	101,419	13,510	651	168,811	3,537	4,673
Income Tax	(10,261)	(574)	(1,688)	(17,196)	(574)	(2,896)
Profit / (Loss) for the Period from Continuing Operations	91,158	12,936	605	151,615	2,963	5,017
Discontinued Operations						
Loss after tax for the period from discontinued operations	(27)	(42)	35	(54)	(111)	51
Profit / (Loss) for the period	91,131	12,894		151,561	2,852	
Attributable to:						
Equity Holders of the Parent	51,626	8,632	498	87,911	(2,400)	3,763
Minority Interest	39,505	4,262	827	63,650	5,252	1,112
	91,131	12,894	607	151,561	2,852	5,214
Earnings / (Loss) Per Share	4.62	0.77		7.87	(0.21)	
Earnings / (Loss) Per Share from Continuing Operations	4.63	0.78		7.88	(0.21)	
Figures in brackets indicate deductions.						
The above figures are subject to audit.						

## Company Income Statements

## Provisional Financial Statements

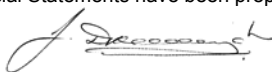
	Provisional Financial Statements					
	3 months ended 30th September			6 months ended 30thSeptember		
	2012 Rs. '000	2011 Rs. '000	Change %	2012 Rs. '000	2011 Rs. '000	Change %
<b>Revenue</b>	<b>261,870</b>	<b>243,891</b>	7	<b>513,044</b>	<b>393,139</b>	30
Cost of Sales	(204,612)	(218,578)	6	(407,017)	(355,407)	(15)
<b>Gross Profit</b>	<b>57,258</b>	<b>25,313</b>	126	<b>106,027</b>	<b>37,732</b>	181
Other Operating Income	1,432	1,617	(11)	4,641	2,802	66
Distribution Costs	(12,188)	(8,440)	(44)	(24,995)	(15,747)	(59)
Administrative Expenses	(10,342)	(8,104)	(28)	(18,192)	(16,674)	(9)
Other Operating Expenses	(1,778)	(484)	(267)	(1,778)	(541)	(229)
<b>Profit / (Loss) from Operations</b>	<b>34,382</b>	<b>10,386</b>	231	<b>65,703</b>	<b>7,572</b>	768
Finance Cost	(4,955)	(5,640)	12	(12,754)	(9,816)	(30)
<b>Profit / (Loss) before Tax</b>	<b>29,427</b>	<b>4,746</b>	520	<b>52,949</b>	<b>(2,244)</b>	2,460
Income Tax	(4,072)	-		(6,895)	-	
<b>Profit / (Loss) Attributable to Ordinary Shareholders</b>	<b>25,355</b>	<b>4,746</b>	434	<b>46,054</b>	<b>(2,244)</b>	2,152
<b>Earnings Per Share</b>	<b>2.27</b>	<b>0.43</b>		<b>4.13</b>	<b>(0.20)</b>	
<b>Figures in brackets indicate deductions. The above figures are subject to audit.</b>						

## Consolidated Balance Sheet


	Provisional Financial Statements		
	As at 30th Sep		As at 31st March
	2012	2011	2012
	Rs. 000	Rs. 000	Rs. 000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	227,411	228,456	240,356
Investment in Associate	25,281	39,029	30,907
Leasehold Land Prepayment	4,721	4,781	4,751
Deferred Tax Assets	207	58	207
	257,620	272,324	276,221
Assets of Arpico Natural Latex Foams (Pvt ) Ltd	3,610	3,917	3,610
<b>Current Assets</b>			
Inventories	231,539	260,742	252,131
Trade & Other Receivables	477,809	431,964	425,806
Leasehold Land Prepayment	59	59	59
Income Tax Receivable	-	2,668	-
Amounts Due from Related Parties	130,342	112,204	127,191
Cash and Bank Balances	66,657	35,204	14,805
	906,406	842,841	819,992
<b>Total Assets</b>	<b>1,167,636</b>	<b>1,119,082</b>	<b>1,099,823</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	(225,761)	(356,436)	(313,672)
Foreign Currency Translation	36,752	25,495	35,919
<b>Equity Attributable to Equity Holders of the Parent</b>	<b>31,253</b>	<b>(110,679)</b>	<b>(57,491)</b>
Minority Interest	93,328	26,242	29,786
<b>Total Equity</b>	<b>124,581</b>	<b>(84,437)</b>	<b>(27,705)</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans & Borrowings	151,397	-	-
Retirement Benefit Obligation	35,259	30,903	31,602
	186,656	30,903	31,602
Liabilities of Arpico Natural Latex Foams (Pvt ) Ltd	230,214	230,437	230,160
<b>Current Liabilities</b>			
Trade and Other Payables	229,471	253,282	146,595
Income Tax Payable	19,478	-	4,937
Amounts Due to Related Parties	141,466	70,239	140,073
Interest Bearing Loans & Borrowings	143,537	266,184	163,062
Bank Overdraft	92,233	352,474	411,099
	626,185	942,179	865,766
<b>Total Liabilities</b>	<b>1,043,055</b>	<b>1,203,519</b>	<b>1,127,528</b>
<b>Total Equity and Liabilities</b>	<b>1,167,636</b>	<b>1,119,082</b>	<b>1,099,823</b>


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 06th November 2012, Colombo.

  
 Kumar Abeyasinghe  
 Director

  
 W.J. Viville P. Perera  
 Director

## Company Balance Sheet

	Provisional Financial Statements		
	As at 30th Sep		As at 31st March
	2012	2011	2012
	Rs. 000	Rs. 000	Rs. 000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	52,795	41,197	58,306
Investment in Subsidiaries	291,094	291,094	291,094
Investment in Associate	119,950	159,933	119,950
Deferred Tax Assets	385	297	385
	<b>464,224</b>	<b>492,521</b>	<b>469,735</b>
<b>Current Assets</b>			
Inventories	99,534	142,703	145,285
Trade & Other Receivables	285,191	260,443	281,195
Income Tax Receivable	-	2,885	-
Amounts Due from Related Parties	129,873	115,630	126,788
Cash and Bank Balances	24,280	13,143	6,019
	<b>538,878</b>	<b>534,804</b>	<b>559,287</b>
<b>Total Assets</b>	<b>1,003,102</b>	<b>1,027,325</b>	<b>1,029,022</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	343,478	293,889	297,424
<b>Total Equity</b>	<b>563,740</b>	<b>514,151</b>	<b>517,686</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans & Borrowings	122,746	-	-
Retirement Benefit Obligation	29,914	26,793	26,927
	<b>152,660</b>	<b>26,793</b>	<b>26,927</b>
<b>Current Liabilities</b>			
Trade and Other Payables	56,700	67,245	67,163
Income Tax Payable	6,852	9,194	2,153
Amounts Due to Related Parties	81,469	242,973	84,720
Interest Bearing Loans & Borrowings	127,571	-	148,999
Bank Overdraft	14,110	166,969	181,374
	<b>286,702</b>	<b>486,381</b>	<b>484,409</b>
<b>Total Liabilities</b>	<b>439,362</b>	<b>513,174</b>	<b>511,336</b>
<b>Total Equity and Liabilities</b>	<b>1,003,102</b>	<b>1,027,325</b>	<b>1,029,022</b>


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 6th November 2012, Colombo.

  
.....  
**Kumar Abeysinghe**  
Director

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

## Statement of Changes in Equity

### Provisional Financial Statements

Consolidated	Stated Capital Rs. '000	Revenue Reserves		Foreign Currency Translation Rs. '000	Minority Interest Rs. '000	Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000			
Balance as at 01st April 2011	220,262	219,250	(573,286)	25,660	21,070	(87,044)
Profit / (Loss) for the Period			(2,400)		5,252	2,852
Dividend paid to Minority Shareholders					(80)	(80)
Effect of Foreign Currency Translation			-	(165)		(165)
<b>Balance as at 30th Sep 2011</b>	<b>220,262</b>	<b>219,250</b>	<b>(575,686)</b>	<b>25,495</b>	<b>26,242</b>	<b>(84,437)</b>
Balance as at 01st April 2012	220,262	219,250	(532,922)	35,919	29,786	(27,705)
Profit / (Loss) for the Period			87,911		63,650	151,561
Dividend paid to Minority Shareholders					(108)	(108)
Effect of Foreign currency Translation				833		833
<b>Balance as at 30th Sep 2012</b>	<b>220,262</b>	<b>219,250</b>	<b>(445,011)</b>	<b>36,752</b>	<b>93,328</b>	<b>124,581</b>

Company	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000	
Balance as at 1st April 2011	220,262	219,250	76,883	516,395
Profit / (Loss) for the Period			(2,244)	(2,244)
<b>Balance as at 30th Sep 2011</b>	<b>220,262</b>	<b>219,250</b>	<b>74,639</b>	<b>514,151</b>
Balance as at 1st April 2012	220,262	219,250	78,174	517,686
Profit / (Loss) for the Period			46,054	46,054
<b>Balance as at 30th Sep 2012</b>	<b>220,262</b>	<b>219,250</b>	<b>124,228</b>	<b>563,740</b>

## Cash Flow Statements

### Provisional Financial Statements

	Consolidated		Company	
	for the 6 months period ended		for the 6 months period ended	
	30th Sep 2012	30th Sep 2011	30th Sep 2012	30th Sep 2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flows from / (used in) Operating Activities</b>				
Group Profit / (Loss) before Tax and Minority Interest				
From Continuing Operations	168,811	3,537	52,949	(2,244)
Loss before Tax from discontinued Operations	(54)	(111)	-	-
Adjustment to reconcile profit/ (loss) before tax to net cash flows	48,714	51,850	23,652	18,168
<b>Operating profit / (Loss) before working capital changes</b>	<b>217,471</b>	<b>55,276</b>	<b>76,601</b>	<b>15,924</b>
Changes in Working Capital adjustments	49,762	(68,436)	24,956	(5,584)
<b>Cash generated from operations</b>	<b>267,233</b>	<b>(13,160)</b>	<b>101,557</b>	<b>10,340</b>
Interest Paid	(16,796)	(21,211)	(12,754)	(9,816)
Income Tax Paid	(2,655)	(301)	(2,196)	-
Defined Benefit plan costs paid	(41)	(1,167)	-	(1,167)
<b>Net cash flows from / (used in) Operating activities</b>	<b>247,741</b>	<b>(35,839)</b>	<b>86,607</b>	<b>(643)</b>
Net cash flows from / (used) in investing activities	(6,350)	(2,071)	(96)	189
<b>Net cash inflow/ (outflow) before financing</b>	<b>241,390</b>	<b>(37,910)</b>	<b>86,511</b>	<b>(454)</b>
<b>Net cash flows from / (used) in financing activities</b>	<b>129,328</b>	<b>(98,758)</b>	<b>99,014</b>	<b>(94,664)</b>
Net Increase /(Decrease) in cash and cash equivalents	370,718	(136,668)	185,525	(95,118)
Cash and cash equivalents at the beginning of the period	(392,684)	(176,795)	(175,355)	(58,708)
<b>Cash and cash equivalents at the end of the period</b>	<b>(21,966)</b>	<b>(313,463)</b>	<b>10,170</b>	<b>(153,826)</b>
<b>Analysis of Cash and Cash Equivalents</b>				
Cash at Bank & in Hand				
From Continuing operations	66,657	35,204	24,280	13,143
From Discontinuing operations	3,610	3,807	-	-
	70,267	39,011	24,280	13,143
Bank Overdraft	(92,233)	(352,474)	(14,110)	(166,969)
	<b>(21,966)</b>	<b>(313,463)</b>	<b>10,170</b>	<b>(153,826)</b>

Figures in brackets indicate deductions.

The above figures are subject to audit.

## Consolidated Segmental Information

Six months ended 30th September	Provisional Financial Statements					
	Turnover		Profit / (Loss) from operations		Net Assets	
	2012	2011	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	21,131	26,303	1,540	2,750	20,959	19,584
Latex Based Segment	767,698	456,745	125,036	19,659	(74,360)	(191,217)
Hard Rubber Segment	513,044	393,139	65,703	7,572	563,740	514,151
	<b>1,301,873</b>	<b>876,187</b>	<b>192,279</b>	<b>29,981</b>	<b>510,339</b>	<b>342,518</b>
Adjustment for Inter Group Transactions	(2,974)	(1,791)	(213)	(158)	(479,086)	(453,197)
	<b>1,298,899</b>	<b>874,396</b>	<b>192,066</b>	<b>29,823</b>	<b>31,253</b>	<b>(110,679)</b>

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 2012 and 30th September 2011 are provisional and subject to audit. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard 35 – Interim Financial Reporting. The accounting policies and methods of computation disclosed in the Annual Report for the year ended 31st March 2012 were consistently followed during the period. Further, 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.

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

**3** Application of new/revised Sri Lanka Financial reporting Standards (SLFRS/LKAS)

The Institute of Chartered Accountants of Sri Lanka has issued a new volume of Sri Lanka Accounting Standards (SLFRS/LKAS) which has become applicable for financial periods commenced after 1st January 2012. However, we have not applied the said new/ revised Accounting Standards in preparation of these Interim Financial Statements. Instead, we have opted to apply the Option 2 given by the Institute of Chartered Accountants of Sri Lanka in their "Ruling on the Comparative Figures in the Interim Financial Statements" issued on 2nd March 2012.

Accordingly, these Interim Financial Statements have been prepared in line with the accounting policies applied during the financial year ended 31st March 2012 which are in line with Sri Lanka Accounting Standards (SLAS).

### **4 Stated Capital**

	<b>As at 30.09.2012</b>	<b>As at 30.09.2011</b>	<b>As at 31.03.2012</b>
Issued & fully paid Number of shares (Ordinary Shares)	11,163,745	11,163,745	11,163,745
 Stated Capital ( Rs )	 220,262,000	 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 2012.

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

**7** Discontinued operations Comprise the results of Subsidiaries of the Group whose Commercial operations have been discontinued

<b>8</b> Net asset value per Share	<b><u>30th Sep 12</u></b>	<b><u>30th Sep 11</u></b>	<b><u>31st March 12</u></b>
Consolidated ( in Rs. )	2.80	(9.91)	(5.15)
Company ( in Rs. )	50.50	46.05	46.37

<b>9</b> Market Price Per Share	<b><u>30th Sep 12</u></b>	<b><u>30th Sep 11</u></b>	<b><u>31st March 12</u></b>
Highest for the Year / Quarter (in Rs.)	34.60	49.10	57.80
Lowest for the Year / Quarter (in Rs.)	18.40	29.50	16.00
Last Traded Price for the Year / Quarter (in Rs.)	33.00	30.80	22.00

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

## Shareholder Information

### 1. Major Shareholders as at 30th September 2012

	As at 30th September 2012		As at 31st March 2012		Change
	No of Shares	Holding %	No of Shares	Holding %	
1 Richard Pieris & Company Plc.	8,959,997	80.26%	8,959,997	80.26%	-
2 Mr. T.L.M.Imitiaz	287,978	2.58%	278,400	2.49%	9,578
3 Mr. D.F.G.Dalpethado	161,829	1.45%	161,521	1.45%	308
4 Employees Trust Fund Board	123,309	1.10%	123,309	1.10%	-
5 Mr.H.A. Pieris	117,533	1.05%	65,033	0.58%	52,500
6 T R L Holdings(Pvt) Ltd	98,870	0.89%	56,400	0.51%	42,470
7 Mr. D.F.G.Dalpethado	75,836	0.68%			75,836
8 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
9 Corporate Holdings (Pvt) Ltd	45,095	0.40%	45,095	0.40%	-
10 Ransiri Enterprises ( Pvt ) Ltd	41,572	0.37%	41,572	0.37%	-
11 Mr. K.Satgunarajah	37,000	0.33%	37,000	0.33%	-
12 Mr. R.M.P.Rajapakshe Mohottige	36,300	0.33%	37,700	0.34%	(1,400)
13 Mr. M.M.Fuad	33,090	0.30%			33,090
14 Mr.M.De Saram	31,200	0.28%	31,200	0.28%	-
15 Mr.S.M.A.G.Perera	29,200	0.26%	29,200	0.26%	-
16 Union Investments Ltd	27,800	0.25%	27,800	0.25%	-
17 Mr.V.E.Santiapillai	17,475	0.16%	17,475	0.16%	-
18 Emerging Markets Investment Management (Pvt) Ltd	14,300	0.13%	14,300	0.13%	-
19 MAAF Holdings ( Pvt) LTD	13,800	0.12%			13,800
20 Merchant Bank of Sri Lanka Limited/ Union	12,800	0.11%	12,800	0.11%	-
Total	10,218,383	91.53%	10,044,201	89.97%	174,182

### 2. Public & Parent Shareholding

As at 30th September 2012, the public held 19.74% (2011 : 19.74%) of the share capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 80.26%. (2012-80.26%)

### 3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 30th September 2012	No of Shares as at 31st March 2012
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	-	-

## **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 Ratnayeke

Sunil S G Liyanage

W.J.Viville P Perera

W R Abeysirigunawardena

Kumar Abeysinghe

### **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 Ratnayeke Associates**

International Legal Consultants, Solicitors & Attorneys-at-Law