

DIPPED PRODUCTS PLC

INTERIM REPORT FOR THE QUARTER ENDED 30TH JUNE 2013

CORPORATE INFORMATION

LEGAL FORM

A Public Limited Company
Incorporated in Sri Lanka in 1976

COMPANY NUMBER

PQ60

DIRECTORS

A.M. Pandithage – *Chairman*
Dr. K. I. M. Ranasoma - *Managing Director*
G.K. Seneviratne - retired on April 8, 2013
N.Y. Fernando
R. Seevaratnam
F. Mohideen
K.A.L.S. Fernando
L.G.S.Gunawardena
S.C.Ganegoda
K.D.D.Perera
M. Bottino
R. M. T. Premarathna - appointed May 1, 2013
V. R. Gunasekara - appointed May 1, 2013

REGISTERED OFFICE

400, Deans Road, Colombo 10, Sri Lanka
Telephone: 2683964-7 (4 Lines), 2698354
Fax: 2699018 & 2699299
E-mail: postmast@dplgroup.com
Website: www.dplgroup.com

PRINCIPAL LINES OF BUSINESS

Manufacture and marketing of industrial, general purpose and medical rubber gloves, Management of tea and rubber plantations.

SUBSIDIARIES

Hand Protection

Palma Limited
Grossart (Private) Limited
Venigros (Private) Limited
Neoprex (Private) Limited
Texnil (Private) Limited
Feltex (Private) Limited
Dipped Products (Thailand) Limited
ICOGUANTI S.p.A
Hanwella Rubber Products Limited

Plantations

DPL Plantations (Private) Limited
Kelani Valley Plantations PLC
Kalupahana Power Company (Private) Limited
Kelani Valley Instant Tea (Private) Limited
Mabroc Teas (Private) Limited
Hayleys Plantation Services (Private) Limited
Talawakelle Tea Estates PLC
TTEL Hydro Power Company (Pvt) Limited
TTEL Somerset Hydro Power (Pvt) Limited

SECRETARIES

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Telephone: 2627650-6 (7 Lines)
Fax: 2627645
E-mail: info.sec@hayleys.com

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka

DIPPED PRODUCTS PLC

INCOME STATEMENTS

Group		Company		Group			Company		
Audited year to 31.03.2013 Rs.'000	Audited year to 31.03.2013 Rs.'000			Unaudited 03 months to 30.06.2013 Rs.'000	(Restated) Unaudited 03 months to 30.06.2012 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 30.06.2013 Rs.'000	(Restated) Unaudited 03 months to 30.06.2012 Rs.'000	Increase/ (Decrease) %
23,657,743	2,018,710	Turnover		6,329,003	5,603,962	13	494,610	447,726	10
(19,079,931)	(1,524,208)	Cost of sales		(5,090,888)	(4,568,496)	11	(390,992)	(336,448)	16
4,577,812	494,502	Gross profit		1,238,115	1,035,466	20	103,618	111,278	(7)
126,808	592,994	Other income and gains		14,537	9,086	60	2,793	2,793	-
(489,042)	(15,502)	Distribution costs		(126,746)	(119,732)	6	(8,304)	(7,823)	6
(1,777,854)	(304,665)	Administrative expenses		(484,228)	(423,444)	14	(87,148)	(78,380)	11
(21,350)	(16,075)	Other expenses		(3,026)	(7,705)	(61)	(2,613)	(6,744)	(61)
(348,097)	(28,422)	Finance costs		(68,406)	(84,767)	(19)	(3,432)	(10,561)	(68)
106,939	60,542	Finance income		70,206	44,023	59	7,327	16,121	(55)
2,175,216	783,374	Profit before tax		640,452	452,927	41	12,241	26,684	(54)
(390,943)	(29,537)	Tax expense		(110,111)	(73,738)	49	(2,110)	2,227	(195)
1,784,273	753,837	Profit for the period		530,341	379,189	40	10,131	28,911	(65)
		Attributable to :							
1,417,888	753,837	Equity holders of the parent		413,876	321,082	29	10,131	28,911	(65)
366,385	-	Non-controlling interest		116,465	58,107	100	-	-	-
1,784,273	753,837	Profit for the period		530,341	379,189	40	10,131	28,911	(65)
23.69	12.59	Basic earnings per ordinary share for the period (Rs.) *		6.91	5.36		0.17	0.48	
23.69	12.59	Diluted earnings per ordinary share for the period (Rs.) *		6.91	5.36		0.17	0.48	
7.00	7.00	Dividend per share (Rs)		-	-		-	-	

*Computed based on 59,861,512 ordinary shares on issue as at June 30, 2013.

The notes to the financial statements on pages from 7 to 12 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
OTHER COMPREHENSIVE INCOME

Group	Company		Group		Company	
Audited year to 31.03.2013 Rs.'000	Audited year to 31.03.2013 Rs.'000		Unaudited 03 months to 30.06.2013 Rs.'000	Unaudited 03 months to 30.06.2012 Rs.'000	Unaudited 03 months to 30.06.2013 Rs.'000	Unaudited 03 months to 30.06.2012 Rs.'000
1,784,273	753,837	Profit for the period	530,341	379,189	10,131	28,911
190,398	-	Net exchange differences on translation of foreign operations	17,126	181,770	-	-
(3)	-	Net gain/(loss) on available for sale financial assets	1	(2)	-	-
69,591	45,297	Revaluation of Land	-		-	-
259,986	45,297	Other comprehensive income for the period, net of tax	17,127	181,768	-	-
		Attributable to :				
1,643,574	799,134	Equity holders of the parent	442,252	462,112	10,131	28,911
400,685	-	Non-controlling interest	105,216	98,845		
2,044,259	799,134	Total comprehensive income for the period, net of tax	547,468	560,957	10,131	28,911

*Computed based on 59,861,512 ordinary shares on issue as at June 30, 2013.
The notes to the financial statements on pages from 7 to 12 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
Statements of Financial Position

Group	Company		Group	Company
Audited as at 31.03.2013 Rs.'000	Audited as at 31.03.2013 Rs.'000	Notes	(Restated) Unaudited as at 30.06.2013 Rs.'000	(Restated) Unaudited as at 30.06.2012 Rs.'000
ASSETS				
Non-Current Assets				
Tangible assets				
10,119,322	478,171	Property, plant and equipment	10,156,189	9,721,761
190,647	55,934	Formers (moulds)	184,027	190,292
221,896	221,896	Investment Property	220,562	226,998
235,021	-	Biological assets	235,036	192,113
178,611	-	Intangible assets	177,906	179,897
-	2,352,684	Investment in subsidiaries	-	-
22	-	Other non-current financial assets	23	2,573
20,647	20,360	Deferred tax assets	20,040	22,582
10,966,166	3,129,045		10,993,783	10,536,216
Current Assets				
3,267,185	372,090	Inventories	2,957,770	3,005,961
4,162,919	308,031	Trade and other receivables	4,472,820	4,345,317
359,767	58,434	Advance and prepayments	254,091	698,233
-	324,823	Amounts due from related parties	-	-
6,137	-	Other current financial assets	6,792	11,414
746,381	92,569	Cash and short term deposits	1,250,246	1,147,630
8,542,389	1,155,948		8,941,719	9,208,555
19,508,555	4,284,993	Total assets	19,935,502	19,744,771
EQUITY AND LIABILITIES				
Equity				
598,615	598,615	Stated capital	598,615	598,615
452,878	179,085	Capital reserves	457,251	241,262
14	-	Available-for-sale (AFS) reserve	15	15
5,793,215	2,291,824	Revenue reserves	6,051,508	5,070,357
6,844,722	3,069,524	Equity attributable to equity holders of the parent	7,107,389	5,910,249
2,068,640	-	Non-controlling interest	2,169,232	1,840,703
8,913,362	3,069,524	Total equity	9,276,621	7,750,952
Non-Current Liabilities				
1,642,681	-	Interest-bearing loans and borrowings	1,543,361	1,907,273
699,054	-	Deferred revenue	692,168	706,204
2,324,356	290,448	Defined benefit obligations	2,383,977	2,237,639
52,900	-	Agents' indemnity fund	52,208	50,558
370,723	-	Deferred tax liability	384,453	313,869
5,089,714	290,448		5,056,167	5,215,543
Current liabilities				
2,725,100	260,431	Trade and other payables	3,046,979	3,014,851
2,686,940	320,792	Interest-bearing loans and borrowings	2,425,924	3,639,074
-	-	Other current financial liabilities	1,000	-
8,666	316,696	Amounts due to related parties	13,488	12,769
84,773	27,102	Income tax payable	115,323	111,582
5,505,479	925,021		5,602,714	6,778,276
10,595,193	1,215,469	Total liabilities	19,935,502	19,744,771
19,508,555	4,284,993	Total equity and liabilities	19,935,502	19,744,771

The notes to the financial statements on pages from 7 to 12 form an integral part of the financial statements.

The Financial Position as at June 30, 2013, and Income Statements, Statement of Changes in Equity and Statements of Cash Flow for the three months then ended are drawn up from the unaudited financial statements of the Company, its subsidiaries and associates and provide the information required by the Colombo Stock Exchange.

It is certified that the interim financial statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

sgd.
N.A.R.R.S. Nanayakkara
General Manager Finance
Signed on behalf of the Board

sgd.
A.M.Pandithage
Chairman

July 30, 2013

sgd.
Dr. K.I.M. Ranasoma
Managing Director

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY

Group
For the period ended June 30, 2013

	Attributable to equity holders of the Company										Non-	Total	
	Stated Capital	Capital Reserves			Other Components of Equity			Revenue Reserves		Total	Interest	Equity	
	Rs'000	Reserve on scrip Issue Rs'000	Capital Redemption Reserve Fund Rs'000	Revaluation Reserve Rs'000	Legal Reserve Rs'000	Available-for-sale Reserve Rs'000	General Reserve Rs'000	Timber Reserve Rs'000	Retained Earnings Rs'000	Exchange Fluctuation Reserve Rs'000	Rs'000	Rs'000	Rs'000
Balance as at April 1, 2013	598,615	167,409	180	259,108	26,181	14	1,169,700	47,231	4,329,150	247,134	6,844,722	2,068,640	8,913,362
Profit for the period	-	-	-	-	-	-	-	-	413,876	-	413,876	116,465	530,341
Other Component of income	-	-	-	-	-	1	-	-	-	28,375	28,376	(11,249)	17,127
Transfers / adjustments	-	-	-	-	4,373	-	-	-	(4,373)	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(179,585)	-	(179,585)	(4,624)	(184,209)
Balance as at June 30, 2013	598,615	167,409	180	259,108	30,554	15	1,169,700	47,231	4,559,068	275,509	7,107,389	2,169,232	9,276,621

For the period ended June 30, 2012

Balance as at April 1, 2012	598,615	25,384	180	189,517	21,755	16	927,688	29,845	3,917,122	90,928	5,801,050	1,750,494	7,551,544
Profit for the period	-	-	-	-	-	-	-	-	321,082	-	321,082	58,107	379,189
Other Component of income	-	-	-	-	-	(1)	-	-	-	141,030	141,029	40,739	181,768
Transfers / adjustments	-	-	-	-	4,426	-	-	-	1,831	-	6,257	(6,257)	-
Dividends	-	-	-	-	-	-	-	-	(359,169)	-	(359,169)	(2,380)	(361,549)
Balance as at June 30, 2012	598,615	25,384	180	189,517	26,181	15	927,688	29,845	3,880,866	231,958	5,910,249	1,840,703	7,750,952

Company

For the period ended June 30, 2013

	Stated Capital	Capital Reserves		Revenue Reserves		Total
	Rs'000	Reserve on Revaluation of assets Rs'000	Capital Redemption Reserve Fund Rs'000	Retained Earnings Rs'000	Rs'000	Rs'000
	Balance as at April 1, 2013	598,615	178,905	180	2,291,824	3,069,524
Profit for the period	-	-	-	10,131	10,131	10,131
Dividends	-	-	-	(179,585)	(179,585)	(179,585)
Balance as at June 30, 2013	598,615	178,905	180	2,122,370	2,900,070	2,900,070

For the period ended June 30, 2012

Balance as at April 1, 2012	598,615	133,608	180	2,124,863	2,857,266	2,857,266
Profit for the period	-	-	-	28,911	28,911	28,911
Dividends	-	-	-	(359,169)	(359,169)	(359,169)
Balance as at June 30, 2012	598,615	133,608	180	1,794,605	2,527,008	2,527,008

The notes to the financial statements on pages from 7 to 12 form an integral part of the financial statements.
The figures in brackets indicate deductions.

DIPPED PRODUCTS PLC CASH FLOW STATEMENTS

<u>Group</u>		<u>Company</u>		<u>Group</u>		<u>Company</u>	
				(Restated)		(Restated)	
Audited	Audited			Unaudited	Unaudited	Unaudited	Unaudited
year to	year to			03 months to	03 months to	03 months to	03 months to
31.03.2013	31.03.2013			30.06.2013	30.06.2012	30.06.2013	30.06.2012
Rs.'000	Rs.'000			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash flows from operating activities							
3,632,169	172,828	Cash generated from operations (Note A)		1,299,972	890,878	277,736	88,472
(348,097)	(28,422)	Interest paid		(67,406)	(92,863)	(2,985)	(8,010)
(328,216)	(14,903)	Income taxes paid		(147,846)	(16,603)	(3,152)	(2,065)
(219,532)	(27,102)	Retiring gratuity paid		(85,311)	(50,678)	(834)	(7,560)
(518)	-	Agents' indemnity paid		-	-	-	-
<u>2,735,806</u>	<u>102,401</u>	Net cash flow from operating activities		<u>999,409</u>	<u>730,734</u>	<u>270,765</u>	<u>70,837</u>
Cash flows from investing activities							
(1,022,154)	(95,540)	Purchase & construction of property, plant and equipment		(144,327)	(230,991)	(18,604)	(6,918)
(34,160)	(16,792)	Purchase of Formers (moulds)		(3,384)	(11,486)	(835)	(3,583)
-	-	Purchase of investment property		-	-	-	-
32,808	-	Grants received		-	7,870	-	-
45,069	8,909	Proceeds from disposal of property, plant and equipment		-	49	-	-
(11,737)	-	Development cost incurred on biological assets		(15)	-	-	-
-	(338,784)	Investment in group companies		-	-	-	-
94,968	52,189	Interest received		7,644	23,574	1,625	16,121
-	581,344	Dividend received from associate / subsidiary companies		-	-	-	-
(89,281)	-	Net payments to non-controlling interest		(4,624)	(2,380)	-	-
<u>(984,487)</u>	<u>191,326</u>	Net cash flows from investing activities		<u>(144,706)</u>	<u>(213,364)</u>	<u>(17,814)</u>	<u>5,620</u>
Cash flows from financing activities							
17,171	-	Long term loans obtained		-	-	-	-
(329,768)	-	Repayment of long term loans		(86,466)	(82,007)	-	-
(2,662)	-	Capital payment on finance lease		(1,844)	(2,144)	-	-
(597,102)	(597,102)	Dividend paid		(10)	-	(10)	-
<u>(912,361)</u>	<u>(597,102)</u>	Net cash flows from financing activities		<u>(88,320)</u>	<u>(84,151)</u>	<u>(10)</u>	<u>-</u>
838,958	(303,375)	Net increase / (decrease) in cash & cash equivalents		766,383	433,219	252,941	76,457
<u>(2,442,978)</u>	<u>75,152</u>	Cash & cash equivalents at beginning of the period		<u>(1,604,020)</u>	<u>(2,592,516)</u>	<u>(228,223)</u>	<u>75,152</u>
<u>(1,604,020)</u>	<u>(228,223)</u>	Cash & cash equivalents at end of the period (Note B)		<u>(837,637)</u>	<u>(2,159,297)</u>	<u>24,718</u>	<u>151,609</u>
A							
Cash generated from operations							
2,175,216	783,374	Profit before tax		640,452	452,927	12,241	26,684
Adjustments for							
348,097	28,422	Interest cost		67,406	93,982	2,985	6,633
(31,171)	-	Gain on fair value change in biological assets		-	-	-	-
628,747	38,636	Depreciation on property, plant and equipment		160,735	155,961	9,008	9,520
5,335	5,335	Depreciation on investment property		1,334	1,333	1,334	1,333
32,244	5,139	Impairment of formers		10,004	9,925	1,117	(3,583)
2,697	-	Amortisation of intangible assets		705	1,412	-	-
(4,049)	-	Net (gain)/loss on other current financial assets and liabilities		344	(9,215)	(494)	-
(30,722)	(478)	Gain on disposal of property, plant & equipment		-	-	-	-
(37,123)	-	Amortisation of grants		(6,886)	(5,035)	-	-
(79,061)	102	Provision for / (reversal of) bad & doubtful debts		(2,597)	15,685	(305)	1
363,677	55,362	Provision for retiring gratuity		146,734	107,655	13,840	13,321
4,798	-	Provision for agents' indemnity fund		1,214	1,182	-	-
2,550	-	Provision for diminution in value of unquoted equity shares		-	-	-	-
(17,824)	(2,968)	Provision for/(reversal of) slow-moving / obsolete inventories		38,245	6,287	(1,624)	7,781
(94,968)	(633,533)	Interest and dividend income		(7,644)	(23,574)	(1,625)	(16,121)
54,445	-	Differences of exchange on translation of foreign entities		(49,364)	244,605	-	-
<u>3,322,888</u>	<u>279,391</u>			<u>1,000,682</u>	<u>1,053,130</u>	<u>36,477</u>	<u>45,569</u>
(54,149)	101,942	(Increase) / decrease in trade and other receivables		(224,682)	(275,689)	(317,057)	(74,145)
5,903	48,193	(Increase) / decrease in advances and prepayments		105,676	(416,300)	(6,087)	(72,633)
(125,653)	(16,813)	(Increase) / decrease in inventories		271,170	111,459	109,578	92,572
483,180	(239,885)	Increase / (decrease) in trade and other payables		147,126	418,278	454,825	97,109
<u>309,281</u>	<u>(106,563)</u>			<u>299,290</u>	<u>(162,252)</u>	<u>241,259</u>	<u>42,903</u>
<u>3,632,169</u>	<u>172,828</u>			<u>1,299,972</u>	<u>890,878</u>	<u>277,736</u>	<u>88,472</u>
B							
Analysis of cash & cash equivalents at end of the period							
273,846	92,569	Cash at bank and in hand		420,507	204,012	122,243	16,600
472,535	-	Short term deposits		829,739	943,618	97,830	566,545
(2,350,401)	(320,792)	Short term loans and overdraft		(2,087,883)	(3,306,927)	(195,355)	(431,536)
<u>(1,604,020)</u>	<u>(228,223)</u>			<u>(837,637)</u>	<u>(2,159,297)</u>	<u>24,718</u>	<u>151,609</u>

The notes to the financial statements on pages from 7 to 12 form an integral part of the financial statements.
The figures in brackets indicate deductions

DIPPED PRODUCTS PLC

NOTES TO THE FINANCIAL STATEMENTS

- These interim financial statements which have not been audited, comply with the LKAS 34 - Interim Financial Reporting and they also provide the information required by the Colombo Stock Exchange.
- These Interim Financial Statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31.03.2013.

3. Stated Capital

Group			Group		Company	
Audited As at 31.03.2013 Rs.'000	Audited As at 31.03.2012 Rs.'000	Issued and Fully paid	Unaudited As at 30.06.2013 Rs.'000	Unaudited As at 30.06.2012 Rs.'000	Unaudited As at 30.06.2013 Rs.'000	Unaudited As at 30.06.2012 Rs.'000
598,615	598,615	59,861,512 Ordinary Shares	598,615	598,615	598,615	598,615

- No other circumstances have arisen since the balance sheet date, which would require adjustments to or disclosure in the financial statements other than those disclosed.
- 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 31.03.2013.
- Where necessary, comparative figures have been re-stated to conform with SLFRS/LKAS. Reconciliations have been provided to reflect the SLFRS/LKAS adjusted Statement of Financial Position and Income Statement for the period ended 30.06.2012.

7. Industry Segment Turnover

Group			Group	
Audited year to 30.06.2013 Rs'000			Unaudited 3 months to 30.06.2013 Rs'000	(Restated) Unaudited 3 months to 30.06.2012 Rs.'000
14,674,543	Hand Protection Plantations		3,726,893	3,438,857
9,836,401			2,788,794	2,414,299
24,510,944			6,515,687	5,853,156
(853,201)	Inter - segment sales / services		(186,684)	(249,194)
23,657,743			6,329,003	5,603,962

8. Industry Segment Results

Group			Group	
Audited year to 30.06.2013 Rs. '000			Unaudited 3 months to 30.06.2013 Rs. '000	(Restated) Unaudited 3 months to 30.06.2012 Rs.'000
1,371,800	Hand Protection Plantations		298,898	286,192
1,154,574			339,754	207,479
2,526,374			638,652	493,671
(110,000)	Inter - segment results		-	-
2,416,374	Segment Results		638,652	493,671
(348,097)	Finance cost		(68,406)	(84,767)
106,939	Finance income		70,206	44,023
2,175,216	Profit before tax		640,452	452,927

INVESTOR INFORMATION

Market Value of Shares

The market value of an ordinary share of Dipped Products PLC was as follows.

Closing price on	125.00	91.00
Highest price recorded for the three months ending	134.00	100.10
Lowest price recorded for the three months ending	107.00	85.00
Market Capitalisation (Rs. M)	7,483	5,447
Ratios		
Net assets per share at the period end*	118.73	98.73
Price earnings ratio annualised (times)	4.5	4.2

Share Trading information from April 1, 2013 to June 30, 2013

Number of transactions	540	353
Number of shares traded	538,641	615,334
Value of shares traded (Rs.)	66,960,949	60,292,120

Dividend Payments

Final dividend 2012/13

Rs.3.00 per share paid on 08.07.2013

*Computed based on 59,861,512 shares on issue as at June 30, 2013

DIPPED PRODUCTS PLC

INVESTOR INFORMATION

First twenty shareholders as at June 30, 2013

	Shareholder	No.of Shares as at June 30, 2013	%
1	Hayleys PLC	24,902,073	41.60
2	Employees Provident Fund	7,820,256	13.06
3	Volanka (Pvt) Limited	4,873,640	8.14
4	Haycarb PLC	4,068,746	6.80
5	Promar Overseas SA	3,873,496	6.47
6	National Savings Bank	953,900	1.59
7	Mr.H.A.Pieris	805,426	1.35
8	Bank Of Ceylon No.1 Account	792,400	1.32
9	Seylan Bank PLC /Symphony Capital Ltd Waldock Mackenzie Ltd/Symphony Capital Ltd	574,573 4,000	0.97
10	Ravi Industries Limited	567,000	0.95
11	E. W. Balasuriya & Co. (Pvt) Ltd	473,560	0.79
12	Dr.D.Jayantha	415,000	0.69
13	Mr. N. G. Wickremeratne	393,204	0.66
14	Renuka Properties Limited	324,934	0.54
15	Mr.J.A.G.Anandarajah	219,474	0.37
16	Mr. D.F.G. Dalpethado	203,729	0.34
17	HSBC International Nominees Ltd-SSBT Deutsche Bank	200,044	0.33
18	Commercial Bank Of Ceylon PLC A/C No. 04	200,000	0.33
19	Hallsville Trading Group Inc.	200,000	0.33
20	Mr.S.Krishnananthan	163,044	0.27
	TOTAL	52,028,499	86.91

There were no non-voting shares as at June 30, 2013.

The percentage of shares held by public as per Colombo Stock Exchange Rules as at June 30, 2013 was 29.33%.

Directors' shareholding as at June 30, 2013

Name of Director	No.of Shares as at June 30, 2013
Mr.G.K.Seneviratne (retired on 08.04.2013)	5,000
Mr.N.Y.Fernando	10,288
Mr.K.A.L.S.Fernando	56,264
Dr.K.I.M.Ranasoma	300
Mr.K.D.D.Perera	1,000
Mr.R.M.T.Premarathna (appointed on 01.05.2013)	1,860
TOTAL	74,712

DIPPED PRODUCTS PLC

Reconciliation of Total Comprehensive Income for the period ended June 30, 2012

	NOTE	Group			Company		
		SLAS Unaudited 3 months to 30.06.2012 Rs.'000	SLFRS/LKAS Remeasurement Rs.'000	SLFRS/LKAS Unaudited 3 months to 30.06.2012 Rs.'000	SLAS Unaudited 3 months to 30.06.2012 Rs.'000	SLFRS/LKAS Remeasurement Rs.'000	SLFRS/LKAS Unaudited 3 months to 30.06.2012 Rs.'000
Turnover	A	5,500,797	103,165	5,603,962	447,726	-	447,726
Cost of sales	B	(4,512,723)	(55,773)	(4,568,496)	(335,891)	(557)	(336,448)
Gross profit		988,074	47,392	1,035,466	111,835	(557)	111,278
Other income and gains		9,086	-	9,086	2,793	-	2,793
Distribution expenses		(119,732)	-	(119,732)	(7,823)	-	(7,823)
Administrative expenses		(423,444)	-	(423,444)	(78,380)	-	(78,380)
Other expenses		(7,705)	-	(7,705)	(6,744)	-	(6,744)
Finance costs	C	(92,863)	8,096	(84,767)	(11,938)	1,377	(10,561)
Finance income		44,023	-	44,023	16,121	-	16,121
Profit before tax		397,439	55,488	452,927	25,864	820	26,684
Income tax (expense) / release	D	(69,844)	(3,894)	(73,738)	972	1,255	2,227
Profit for the period		327,595	51,594	379,189	26,836	2,075	28,911
Attributable to :							
Equity holders of the Parent	E	285,683	35,399	321,082	26,836	2,075	28,911
Non-controlling interest	F	41,912	16,195	58,107	-	-	-
Profit for the period		327,595	51,594	379,189	26,836	2,075	28,911

DIPPED PRODUCTS PLC
Reconciliation of Equity as at June 30, 2012

	NOTE	Group			Company		
		SLAS	SLFRS/LKAS	SLFRS/LKAS	SLAS	SLFRS/LKAS	SLFRS/LKAS
		Unaudited as at 30.06.2012 Rs.'000	Remeasurement Rs.'000	Unaudited as at 30.06.2012 Rs.'000	Unaudited as at 30.06.2012 Rs.'000	Remeasurement Rs.'000	Unaudited as at 30.06.2012 Rs.'000
Assets							
Non-current assets							
Property , plant and equipment	G	9,067,265	654,496	9,721,761	319,687	62,113	381,800
Formers (Moulds)	H	-	190,292	190,292	-	46,713	46,713
Investment property		226,998	-	226,998	226,998	-	226,998
Biological assets	I	-	192,113	192,113	-	-	-
Intangible assets	J	194,431	(14,534)	179,897	-	-	-
Investments in subsidiaries		-	-	-	2,013,900	-	2,013,900
Other Non Current Financial Assets	K	-	2,573	2,573	-	-	-
Other long term investments	L	2,553	(2,553)	-	-	-	-
Deferred tax assets	M	34,856	(12,274)	22,582	34,243	(11,019)	23,224
		9,526,103	1,010,113	10,536,216	2,594,828	97,807	2,692,635
Current Assets							
Inventories	N	3,222,466	(216,505)	3,005,961	303,403	(46,713)	256,690
Trade and other receivables	O	5,044,293	(698,976)	4,345,317	656,340	(143,183)	513,157
Advances and prepayments	P	-	698,233	698,233	-	143,183	143,183
Amounts due from subsidiaries	Q	-	-	-	320,224	1,377	321,601
Other current financial assets	R	-	11,414	11,414	-	-	-
Short term investments	S	8,410	(8,410)	-	-	-	-
Short term deposits		943,618	-	943,618	566,545	-	566,545
Cash and cash equivalents		204,012	-	204,012	16,600	-	16,600
		9,422,799	(214,244)	9,208,555	1,863,112	(45,336)	1,817,776
Total assets		18,948,902	795,869	19,744,771	4,457,940	52,471	4,510,411
Equity and Liabilities							
Stated capital		598,615	-	598,615	598,615	-	598,615
Capital reserves		241,262	-	241,262	133,788	-	133,788
Available-for-sale (AFS) reserve	T	-	15	15	-	-	-
Revenue reserves	U	4,529,311	541,046	5,070,357	1,742,134	52,471	1,794,605
Total equity attributable to equity holders of the parent		5,369,188	541,061	5,910,249	2,474,537	52,471	2,527,008
Non-controlling interest	V	1,750,163	90,540	1,840,703	-	-	-
Total Equity		7,119,351	631,601	7,750,952	2,474,537	52,471	2,527,008
Non Current Liabilities							
Deferred tax liability	W	262,399	51,470	313,869	-	-	-
Defined benefit obligations		2,237,639	-	2,237,639	-	-	-
Agents' indemnity fund		50,558	-	50,558	267,949	-	267,949
Interest bearing borrowings	X	1,788,074	119,199	1,907,273	-	-	-
Deferred income		706,204	-	706,204	-	-	-
		5,044,874	170,669	5,215,543	267,949	-	267,949
Current Liabilities							
Trade and other payables		2,651,683	-	2,651,683	290,551	-	290,551
Unclaimed dividends/dividend payable		363,168	-	363,168	363,168	-	363,168
Current portion of interest-bearing borrowing	X	338,198	(6,051)	332,147	-	-	-
Short-term interest-bearing borrowings		3,306,927	-	3,306,927	431,536	-	431,536
Amounts due to related parties	Y	-	12,769	12,769	-	4,347	4,347
Amounts due to subsidiaries		-	-	-	614,811	-	614,811
Amounts due to Hayleys PLC	Y	12,769	(12,769)	-	4,347	(4,347)	-
Income tax payable	Z	111,932	(350)	111,582	11,041	-	11,041
		6,784,677	(6,401)	6,778,276	1,715,454	-	1,715,454
Total Liabilities		11,829,551	164,268	11,993,819	1,983,403	-	1,983,403
Total equity, minority interest & liabilities		18,948,902	795,869	19,744,771	4,457,940	52,471	4,510,411

DIPPED PRODUCTS PLC

Notes to the SLFRS/LKAS reconciliations for the Income Statements for the quarter ended 30.06.2012 and Net Assets as at 30.06.2012.

A Revenue

Revenue of the perennial crop of Plantations has been recognised in the financial period based on the crop harvested in terms of SLAS 32. This method has been changed with the conversion to the SLFRS and revenue is recognised based on the sales made and other recognition criteria are met. The impact to Group revenue was Rs.103.2M.

B Cost of sales

Changes in useful lives of plant and machinery had a increasing effect of Rs.0.6M on Cost of Sales of the Company.

Matching the cost of sales against Revenue as per Note A, changes of useful lives and residual values of property, plant and equipment and increase in amortisation due to re-assessment of right-to-use land (Plantations) had a increasing effect of Group cost of sales by Rs.55.8M for the quarter ended 30.06.2012.

C Finance costs

Recognition of guarantee income / expense had an effect on finance cost of the Company of Rs.1.4M. Gains/losses on forward contracts which were shown at fair value as per LKAS 39 and re-assessment of lease liability as per SoRP for Right-to-use land had a effect of Rs.8.1M on the Group for the quarter ended 30.06.2012.

D Income tax (expense)/release

Income tax expenses consists of deferred tax and provisional tax effect on SLFRS changes. Company income tax release has been increased by Rs.1.2M and Group income tax expense increased by Rs.3.9M for the three months period.

E Profit attributable to equity holders of the parent

LKAS/SLFRS adjustments had an effect on Profit attributable to equity holders in the Company and Group of Rs. 2.1M and Rs. 35.4M respectively.

F Non-controlling interest

LKAS/SLFRS adjustments had an effect on Profit attributable to Non-controlling interest in the Group of Rs. 16.2M.

G Property, plant and equipment (PPE)

Changes to the estimation of new useful lives had an effect of positive Rs. 62M on Company PPE as at 30.06.2012. Changes to the estimation of new useful lives, re-classification of improvement to leasehold property consists of mature and immature tea, rubber and other plantation under Biological assets, re-classification of computer software under Intangible assets, reversal of loss on disposal of Plant and Machinery to 01.04.2011 and change in right-to-use land had a positive effect of Rs.654.5M on Group PPE as at 30.06.2012.

H Formers (Moulds)

Re-classification of Formers (Moulds) under Non-current assets showed an increase of Non-current assets of the Company and the Group by Rs.46.7 M and Rs.190.3 M respectively.

I Biological assets

Re-classification of Biological assets and valuation of Biological assets at fair value had a positive effect of Rs.192M on the Group as at 30.06.2012.

J Intangible assets

Re-classification of Computer Software and write-off of goodwill as at 01.04.2011 had a negative effect of Rs.14.5M for the Group as at 30.06.2012.

K Non current financial assets

Re-Classification of Available-for-Sale financial assets and valuation of the same at fair value had a positive effect of Rs. 2.6M on the Group as at 30.06.2012.

L Other long term investment

Re-Classification of Available-for-Sale financial assets under Non Current Financial Assets had a negative positive effect of Rs. 2.6M on the Group as at 30.06.2012.

M Deferred tax assets

The deferred tax assets arisen due to the increase of temporary differences as a result of changes in the depreciation policy had a negative effect for the Company and the Group of Rs.11M and Rs.12.3M respectively.

DIPPED PRODUCTS PLC

Notes to the SLFRS/LKAS reconciliations for the Income Statements for the quarter ended 30.06.2012 and Net Assets as at 30.06.2012.

N Inventories

Re-classification of Formers (Moulds) under Non - current assets had a negative effect of Rs.46.7M on Inventory value of the company as at 30.06.2012.

The change in valuation method for produce stock of biological assets (i.e. tea & rubber) from since realized or estimated realizable values, in terms of SLAS 32 to cost or Net realizable value whichever is lower in terms of LKAS 02 and re-classification of Formers (Moulds) under Non - current assets had a negative effect of Rs.216.5M on Inventory value of the Group as at 30.06.2012.

O & P Trade and other receivable / Advances and prepayments

Re-classification of Advance and Prepayments from Trade and Other Receivables and presenting the same separately had a negative effect on Company and Group Trade and Other Receivable of Rs. 143.2M and Rs.699M respectively.

The effect of above on Advances and prepayments of the company and Group was a positive Rs.143.2M and Rs.699M respectively.

Q Amounts due from subsidiaries

Recognition of Guarantee income had a positive effect of Rs.1.4M on the Company Amounts due from subsidiaries.

R Other current financial assets

Re-Classification of Short Term Investments under Other current financial assets and valuation of forward contracts at fair value had a positive effect of Rs.11.4M on the Group.

S Short term investments

Re-Classification of Short Term Investments under Other current financial assets had a negative effect of Rs. 8.9M on the Group .

T Available-for-sale (AFS) reserve

Fair value change of Available for sale Financial Asset had a positive effect on the Group reserves of Rs. 0.015M as at 30.06.2012.

U Revenue reserves

The re-measurement changes had a positive effect of Rs.52.5M on the Company Revenue Reserves and Rs.541M on the Group Revenue Reserves as at 30.06.2012.

V Non-controlling interest

The re-measurement changes had a positive effect of Rs.90.5M on Non-controlling interest as at 30.06.2012.

W Deferred tax liability

The deferred tax effect due to the increase of the taxable temporary difference as a result of changing depreciation policy and fair valuation of biological assets of the Group had a effect of Rs.51.5M on Deferred tax liability .

X Interest bearing borrowings

The group has re-assessed the Liability to Make Lease Payment in terms of SoRP. As a result, it has been increased by Rs.113.1M.

Y Amounts due to related parties / Amounts due to Hayleys PLC

Amount Due to Hayleys PLC was reclassified as Amount Due to Related Parties. Consequently Amount Due to Related Parties increased by Rs.4.3 M and Rs.12.8 M for the Company and Group respectively. The same had a negative effect of Rs. 4.3 M and Rs.12.8 M on Company and Group Amounts due to Hayleys PLC.

Z Income tax payable

The income tax effect for KVPL on conversion to SLFRS was Rs.0.35M as at 30.06.2012.