

DIPPED PRODUCTS PLC

INTERIM REPORT FOR THE THREE MONTHS ENDED 30TH JUNE 2009

CORPORATE INFORMATION

LEGAL FORM

A Public Limited Company
Incorporated in Sri Lanka in 1976

COMPANY NUMBER

PQ60

DIRECTORS

A.M. Pandithage – *Chairman* (w.e.f. 01.07.2009)
N.G. Wickremeratne – *Chairman* (retired w.e.f. 30.06.2009)
J.A.G. Anandarajah - *Managing Director*
Dr. W.S.E. Fernando (retired w.e.f. 31.05.2009)
G.K. Seneviratne
N.Y. Fernando
N.B. Weerasekera
R.K. Witanachchi
R. Seevaratnam
F. Mohideen
R.A. Ebell (alternate Director for A.M. Pandithage)
K.A.L.S. Fernando (w.e.f. 01.04.2009)
L.G.S.Gunawardena (w.e.f.01.06.2009)

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
Kelani Valley Green Tea (Private) Limited
Kalupahana Power Company (Private) Limited
Kelani Valley Instant Tea (Private) Limited

ASSOCIATE

Mabroc Teas (Private) Limited

SECRETARIES

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Telephone: 2627650-3 (4 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

REGISTERED OFFICE

Hayley Building
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.

DIPPED PRODUCTS PLC

INCOME STATEMENTS

Consolidated	Company		Consolidated			Company		
			Unaudited	Unaudited	Increase/	Unaudited	Unaudited	Increase/
			03 months to	03 months to	(Decrease)	03 months to	03 months to	(Decrease)
Audited	Audited							
year to	year to							
31.03.2009	31.03.2009		30.06.2009	30.06.2008	%	30.06.2009	30.06.2008	%
Rs.'000	Rs.'000		Rs.'000	Rs.'000		Rs.'000	Rs.'000	
11,895,985	1,229,474	Turnover	2,260,378	2,930,172	(23)	226,574	251,299	(10)
(9,503,142)	(1,037,821)	Cost of sales	(1,840,765)	(2,361,830)	(22)	(168,571)	(207,977)	(19)
2,392,843	191,653	Gross profit	419,613	568,342	(26)	58,003	43,322	34
15,119	2,497	Other income	6,852	-	-	1,296	616	110
(1,045,407)	(184,660)	Administrative expenses	(219,676)	(242,561)	(9)	(34,118)	(39,229)	(13)
(408,317)	(4,218)	Distribution expenses	(89,835)	(119,676)	(25)	(5,101)	(7,061)	(28)
(4,745)	(703)	Other expenses	(3,178)	(1,914)	66	(2,701)	(632)	327
-	(50,000)	Provision for diminution in value of investment in subsidiary	-	-	-	-	-	-
(332,675)	344,125	Net finance income / (cost)	(19,441)	(16,252)	20	4,294	112,898	(96)
(381)	-	Share of profit / (loss) of associate (net of tax)	(3,195)	(4,588)	(30)	-	-	-
616,437	298,694	Profit before tax	91,140	183,351	(50)	21,673	109,914	(80)
(113,709)	5,561	Income tax (expense) / release	(27,213)	(29,892)	(9)	(3,212)	(733)	338
502,728	304,255	Profit for the period	63,927	153,459	(58)	18,461	109,181	(83)
		Attributable to :						
362,870	304,255	Equity holders of the Company	63,535	100,122	(37)			
139,858	-	Minority interest	392	53,337	(99)			
502,728	304,255	Profit for the period	63,927	153,459	(58)			
6.06	5.08	Basic earnings per ordinary share for the period (Rs.) *	1.06	1.67				
6.06	5.08	Diluted earnings per ordinary share for the period (Rs.) *	1.06	1.67				

*Computed based on 59,861,512 ordinary shares on issue as at June 30, 2009.
The notes to the financial statements on pages 7 & 8 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC

BALANCE SHEETS

Consolidated	Company	Notes	Consolidated		Company	
			Unaudited as at 30.06.2009 Rs.'000	Unaudited as at 30.06.2008 Rs.'000	Unaudited as at 30.06.2009 Rs.'000	Unaudited as at 30.06.2008 Rs.'000
			ASSETS			
			Non-current assets			
4,826,977	299,189		4,813,152	4,557,967	295,570	310,258
15,684	-		15,684	15,684	-	-
-	793,688		-	-	793,688	843,688
90,297	-		87,102	94,247	-	-
197,010	194,457		197,010	197,010	194,457	194,457
21,592	21,592		21,592	11,933	21,592	11,933
5,151,560	1,308,926		5,134,540	4,876,841	1,305,307	1,360,336
5,275,073	1,661,463	2	4,739,736	5,192,910	1,591,505	1,911,645
10,426,633	2,970,389		9,874,276	10,069,751	2,896,812	3,271,981
			Current assets			
			Total assets			
			Equity and Liabilities			
			Equity attributable to equity holders of the company			
598,615	598,615	3	598,615	598,615	598,615	598,615
174,223	99,882		177,406	174,223	99,882	99,882
2,306,312	1,086,719		2,357,757	2,143,293	1,105,180	981,437
3,079,150	1,785,216		3,133,778	2,916,131	1,803,677	1,679,934
785,912	-		777,278	776,345	-	-
3,865,062	1,785,216		3,911,056	3,692,476	1,803,677	1,679,934
			Minority interest			
			Total equity			
			Liabilities			
			Non-current liabilities			
140,385	-		140,766	133,392	-	-
811,366	162,693		835,827	776,646	170,454	147,491
35,379	-		34,840	36,727	-	-
1,219,073	-		1,118,962	1,371,846	-	-
346,191	-		386,318	277,133	-	-
2,552,394	162,693		2,516,713	2,595,744	170,454	147,491
4,009,177	1,022,480	4	3,446,507	3,781,531	922,681	1,444,556
10,426,633	2,970,389		9,874,276	10,069,751	2,896,812	3,271,981
			Current liabilities			
			Total equity and liabilities			

The notes to the financial statements on pages 8 & 9 form an integral part of the financial statements.

The Balance Sheets as at June 30, 2009, and Statements of Income, Changes in Equity and Cash Flow for the three months then ended are drawn up from the unaudited financial statements of the Company, its subsidiaries and associate 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.

N.A.R.R.S. Nanayakkara
 General Manager Finance

Signed on behalf of the Board

A.M.Pandithage
 Chairman

July 30, 2009.

J.A.G.Anandarajah
 Managing Director

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY - CONSOLIDATED

For the period ended June 30, 2009

	-----Attributable to equity holders of the Company-----								Total	Minority Interest	Total Equity
	Stated Capital	Capital Reserves			General Reserve	Revenue Reserves	Exchange Fluc				
	Capital Redemption Reserve Fund	Reserve on scrip Issue	Reserve on Revaluation of assets	Legal Reserve	Retained Earnings	tuation Reserve					
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
Balance as at April 1, 2009	598,615	180	25,384	139,760	8,899	625,173	1,575,818	105,321	3,079,150	785,912	3,865,062
Exchange difference on translation of overseas entities	-	-	-	-	-	-	-	(8,907)	(8,907)	(9,026)	(17,933)
Net gains/(losses) not recognised in the Income Statement	-	-	-	-	-	-	-	(8,907)	(8,907)	(9,026)	(17,933)
Profit for the period	-	-	-	-	-	-	63,535	-	63,535	392	63,927
Transfer to legal reserve	-	-	-	-	3,183	-	(3,183)	-	-	-	-
Balance as at June 30, 2009	598,615	180	25,384	139,760	12,082	625,173	1,636,170	96,414	3,133,778	777,278	3,911,056

For the period ended June 30, 2008

Balance as at April 1, 2008	598,615	180	25,384	139,760	6,694	625,173	1,304,945	109,653	2,810,404	710,504	3,520,908
Exchange difference on translation of overseas entities	-	-	-	-	-	-	-	5,605	5,605	12,504	18,109
Net gains/(losses) not recognised in the Income Statement	-	-	-	-	-	-	-	5,605	5,605	12,504	18,109
Profit for the period	-	-	-	-	-	-	100,122	-	100,122	53,337	153,459
Transfer to legal reserve	-	-	-	-	2,205	-	(2,205)	-	-	-	-
Balance as at June 30, 2008	598,615	180	25,384	139,760	8,899	625,173	1,402,862	115,258	2,916,131	776,345	3,692,476

The notes to the financial statements on pages 8 & 9 form an integral part of the financial statements.
The figures in brackets indicate deductions.

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY - COMPANY

For the period ended June 30, 2009

	Stated Capital	-----Capital Capital Redemption Reserve Fund	Reserves----- Reserve on Revaluation of assets	--Revenue	Reserves-- Retained Earnings	Total
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>		<u>Rs'000</u>	<u>Rs'000</u>
Balance as at April 1, 2009	598,615	180	99,702		1,086,719	1,785,216
Profit for the period	-	-	-		18,461	18,461
Balance as at June 30, 2009	598,615	180	99,702		1,105,180	1,803,677

For the period ended June 30, 2008

Balance as at April 1, 2008	598,615	180	99,702		872,256	1,570,753
Profit for the period	-	-	-		109,181	109,181
Balance as at June 30, 2008	598,615	180	99,702		981,437	1,679,934

The notes to the financial statements on pages 8 & 9 form an integral part of the financial statements.
The figures in brackets indicate deductions.

**DIPPED PRODUCTS PLC
CASH FLOW STATEMENTS**

<u>Consolidated</u>		<u>Company</u>		<u>Consolidated</u>		<u>Company</u>	
Audited year to 31.03.2009 Rs.'000	Audited year to 31.03.2009 Rs.'000			Unaudited 03 months to 30.06.2009 Rs.'000	Unaudited 03 months to 30.06.2008 Rs.'000	Unaudited 03 months to 30.06.2009 Rs.'000	Unaudited 03 months to 30.06.2008 Rs.'000
Cash flows from operating activities							
1,097,016	(119,624)	Cash generated from operations (Note A)		761,946	270,114	129,094	(115,525)
(304,503)	(57,890)	Interest paid		(67,661)	(63,631)	(13,046)	(9,180)
(140,655)	(3,131)	Income taxes paid		(2,295)	(24,439)	(23)	(833)
(59,495)	(6,864)	Retiring gratuity (paid)/received		(23,200)	(10,426)	(1,153)	863
(2,622)	-	Agents' indemnity paid		(17)	-	-	-
<u>589,741</u>	<u>(187,509)</u>	Net cash flow from operating activities		<u>668,773</u>	<u>171,618</u>	<u>114,872</u>	<u>(124,675)</u>
Cash flows from investing activities							
(799,080)	(18,024)	Purchase & construction of property, plant & equipment		(92,529)	(189,377)	(2,993)	(5,521)
111,266	-	Grants received		43,304	30,856	-	-
3,778	48	Proceeds from disposal of property, plant & equipment		4,454	-	681	-
22,625	818	Interest received		3,624	1,498	235	183
10,609	10,609	Dividend received from non-group companies		5,304	5,304	5,304	5,304
8,100	344,615	Dividend received from associate / subsidiary companies		-	-	-	101,000
(63,535)	-	Net payments to minority shareholders		-	-	-	-
<u>(706,237)</u>	<u>338,066</u>	Net cash flows from investing activities		<u>(35,843)</u>	<u>(151,719)</u>	<u>3,227</u>	<u>100,966</u>
Cash flows from financing activities							
168,844	-	Long term loans obtained		-	17,973	-	-
(255,039)	(30,253)	Repayment of term loans		(48,705)	(57,793)	-	(21,309)
(5,409)	-	Capital payment on finance lease		(1,300)	(1,256)	-	-
(101,392)	(101,392)	Dividend paid		(2)	(11,561)	(2)	(11,561)
<u>(192,996)</u>	<u>(131,645)</u>	Net cash flows from financing activities		<u>(50,007)</u>	<u>(52,637)</u>	<u>(2)</u>	<u>(32,870)</u>
(309,492)	18,912	Net increase / (decrease) in cash & cash equivalents		582,923	(32,738)	118,097	(56,579)
<u>(1,787,460)</u>	<u>(449,182)</u>	Cash & cash equivalents at beginning of the period		<u>(2,134,683)</u>	<u>(1,757,272)</u>	<u>(430,270)</u>	<u>(449,182)</u>
<u>(2,096,952)</u>	<u>(430,270)</u>	Cash & cash equivalents at end of the period (Note B)		<u>(1,551,760)</u>	<u>(1,790,010)</u>	<u>(312,173)</u>	<u>(505,761)</u>

The notes to the financial statements on pages 8 & 9 form an integral part of the financial statements.

**DIPPED PRODUCTS PLC
CASH FLOW STATEMENTS**

<u>Consolidated</u>		<u>Company</u>		<u>Consolidated</u>		<u>Company</u>	
Audited	Audited			Unaudited	Unaudited	Unaudited	Unaudited
year to	year to			03 months to	03 months to	03 months to	03 months to
31.03.2009	31.03.2009			30.06.2009	30.06.2008	30.06.2009	30.06.2008
Rs.'000	Rs.'000			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flow StatementContd							
A Cash generated from operations							
616,437	298,694	Profit before tax		91,140	183,351	21,673	109,914
Adjustments for							
304,503	57,890	Interest cost		67,661	63,631	13,046	9,180
381	-	Share of (profit) / loss of associate		3,195	4,588	-	-
384,000	29,958	Depreciation on property, plant & equipment		100,265	92,067	6,611	6,403
(3,768)	(31)	(Gain)/loss on disposal of property, plant & equipment		(4,453)	-	(680)	-
(11,351)	-	Amortisation of government grants		(3,177)	-	-	-
-	50,000	Provision for diminution in value of investments		-	-	-	-
19,196	43	Provision for bad & doubtful debts		4,064	6,440	-	-
129,427	25,503	Provision for retiring gratuity		49,566	42,735	8,914	2,574
4,344	-	Provision for agents' indemnity fund		911	771	-	-
23,327	5,170	Provision for slow-moving / obsolete inventories		5,304	9,448	1,040	1,161
(33,234)	(356,042)	Interest and dividend income		(8,928)	(6,802)	(5,539)	(106,487)
(6,115)	-	Differences of exchange on translation of foreign entities		20,125	(21,103)	-	-
<u>1,427,147</u>	<u>111,185</u>			<u>325,673</u>	<u>375,126</u>	<u>45,065</u>	<u>22,745</u>
(169,708)	(13,558)	(Increase) / decrease in trade and other receivables		344,937	(266,243)	111,476	(16,494)
(48,784)	59,092	(Increase) / decrease in inventories		170,591	34,680	6,441	(153,248)
<u>(111,639)</u>	<u>(276,343)</u>	Increase / (decrease) in trade and other payables		<u>(79,255)</u>	<u>126,551</u>	<u>(33,888)</u>	<u>31,472</u>
<u>1,097,016</u>	<u>(119,624)</u>			<u>761,946</u>	<u>270,114</u>	<u>129,094</u>	<u>(115,525)</u>
B Analysis of cash & cash equivalents at end of the period							
218,654	42,919	Cash at bank and in hand		271,424	110,088	95,107	70,945
89,600	-	Short term deposits		51,332	108,600	-	-
<u>(2,405,206)</u>	<u>(473,189)</u>	Short term loans and overdraft		<u>(1,874,516)</u>	<u>(2,008,698)</u>	<u>(407,280)</u>	<u>(576,706)</u>
<u>(2,096,952)</u>	<u>(430,270)</u>			<u>(1,551,760)</u>	<u>(1,790,010)</u>	<u>(312,173)</u>	<u>(505,761)</u>
(37,731)	-	Effects of exchange rate changes		-	-	-	-
<u>(2,134,683)</u>	<u>(430,270)</u>			<u>(1,551,760)</u>	<u>(1,790,010)</u>	<u>(312,173)</u>	<u>(505,761)</u>

The notes to the financial statements on pages 8 & 9 form an integral part of the financial statements.

DIPPED PRODUCTS PLC
NOTES TO THE FINANCIAL STATEMENTS

1. These interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31.03.2009. The interim financial statements are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.

Consolidated		Company		Consolidated		Company	
Audited as at 31.03.2009 Rs.'000	Audited as at 31.03.2009 Rs.'000	Unaudited as at 30.06.2009 Rs'000	Unaudited as at 30.06.2008 Rs'000	Unaudited as at 30.06.2009 Rs'000	Unaudited as at 30.06.2008 Rs'000	Unaudited as at 30.06.2009 Rs'000	Unaudited as at 30.06.2008 Rs'000
2. Current Assets							
1,925,917	307,401	1,750,022	1,856,332	299,920	523,750		
3,034,902	357,418	2,660,958	3,117,890	369,839	298,662		
-	953,725	-	-	826,639	1,018,288		
6,000	-	6,000	-	-	-		
89,600	-	51,332	108,600	-	-		
218,654	42,919	271,424	110,088	95,107	70,945		
5,275,073	1,661,463	4,739,736	5,192,910	1,591,505	1,911,645		
3. Stated Capital							
598,615	598,615	598,615	598,615	598,615	598,615		
4. Current Liabilities							
1,273,251	154,534	1,195,860	1,511,899	88,959	141,495		
311,742	-	358,120	244,098	-	8,944		
2,405,206	473,189	1,874,516	2,008,698	407,280	576,706		
-	387,626	-	-	422,133	706,219		
8,480	4,990	6,616	8,022	2,170	7,251		
8,383	26	9,282	6,660	26	1,787		
2,115	2,115	2,113	2,154	2,113	2,154		
4,009,177	1,022,480	3,446,507	3,781,531	922,681	1,444,556		

5. Finance income / (cost) of the Company for the period ended 30.06.2009 includes no dividend from subsidiary companies (30.06.2008 - Rs.101Mn).
6. 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.
7. 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 31.03.2009.

DIPPED PRODUCTS PLC
SEGMENT INFORMATION

Consolidated
Audited
year to
31.03.2009

Rs.'000

9,462,829
3,108,570
12,571,399
(675,414)
11,895,985

Rs.'000

635,968
313,525
949,493
(332,675)
(381)
616,437

Industry Segment Turnover

Hand Protection
Plantations

Inter - segment sales / services

Industry Segment Results

Hand Protection
Plantations
Segment results
Finance costs
Share of profit / (loss) of associate
Profit before tax

Consolidated
Unaudited Unaudited
03 months to 03 months to
30.06.2009 30.06.2008

Rs'000 Rs'000

1,864,573 2,264,550
489,790 852,470
2,354,363 3,117,020
(93,985) (186,848)
2,260,378 2,930,172

Rs. '000 Rs. '000

150,389 62,178
(36,613) 142,013
113,776 204,191
(19,441) (16,252)
(3,195) (4,588)
91,140 183,351

**DIPPED PRODUCTS PLC
INVESTOR INFORMATION**

Year to 31.03.2009 Rs		3 months to 30.06.2009 Rs	3 months to 30.06.2008 Rs
Share Valuation			
Market price per share			
87.00	(16.04.2008 & 04.08.2008)	84.25	(19.06.2009)
48.25	(01.03.2009)	52.50	(20.04.2009)
55.25		80.00	
	- Highest		87.00 (16.04.2008)
	- Lowest		75.50 (17.06.2008)
	- Period End		80.00
3,307	Market Capitalisation (Rs.Mn)	4,789	4,789
Ratios			
51.44	Net assets per share at period end*	52.35	48.71
9.1	Price earnings ratio annualised (times)	18.8	12.0
Share Trading			
564	Number of transactions	310	203
433,700	Number of shares traded	372,200	144,200
29,579,000	Value of shares traded (Rs.)	27,083,450	11,389,975

*Computed based on 59,861,512 shares on issue as at June 30, 2009.

**DIPPED PRODUCTS PLC
INVESTOR INFORMATION**

First twenty shareholders as at June 30, 2009

	Shareholder	No.of Shares as at June 30, 2009	%
1	Hayleys PLC	24,776,080	41.39
2	D M H Capital Limited	5,986,800	10.00
3	Volanka (Private) Limited	4,873,640	8.14
4	Haycarb PLC	4,068,746	6.80
5	Delta Plus Group	3,860,280	6.45
6	Promar Overseas SA	3,734,696	6.24
7	Waldock Mackenzie Limited/Mr.Lalith Prabash Hapangama	2,039,700	3.41
8	Mr.N.G.Wickremeratne	607,304	1.01
9	Ravi Industries Limited	567,000	0.95
10	Employees Provident Fund	559,600	0.93
11	Waldock Mackenzie Limited/Lalan Rubbers (Private) Limited	530,280	0.89
12	H A P Investments (Private) Limited	474,162	0.79
13	Mr.H.A.Pieris	451,264	0.75
14	Dr.D.Jayanntha	360,000	0.60
15	Mr.R.W.Soysa	278,020	0.46
16	Associated Electrical Corporation Ltd.	270,000	0.45
17	HSBC International Nominees Ltd-SSBT Deutsche Bank	235,144	0.39
18	Mr.J.A.G.Anandarajah	219,474	0.37
19	Mr.R.M.De Mel	214,444	0.36
20	Mr.S.Krishnananthan	163,044	0.27
	TOTAL	54,269,678	90.66

There were no non-voting shares as at June 30, 2009.

The percentage of shares held by public as per Colombo Stock Exchange Rules as at June 30, 2009 was 47.01%.

Directors' shareholding as at end of last financial year i.e. March 31, 2009

Mr.N.G.Wickremeratne (retired on 30.06.2009)	659,120
Mr.J.A.G.Anandarajah	219,474
Mr.R.W.Soysa (retired on 31.03.2009)	278,020
Dr.W.S.E.Fernando (retired on 31.05.2009)	85,812
Mr.N.Y.Fernando	10,288
Mr.R.K.Witanachchi	10,926

Note :

Mr.K.A.L.S.Fernando (appointed w.e.f. 01.04.2009)	As at June 30, 2009	56,264
Mr.L.G.S.Gunawardena (appointed w.e.f. 01.06.2009)		26