

DIPPED PRODUCTS PLC

INTERIM REPORT FOR THE NINE MONTHS ENDED 31ST DECEMBER 2010

CORPORATE INFORMATION

LEGAL FORM

A Public Limited Company
Incorporated in Sri Lanka in 1976

COMPANY NUMBER

PQ60

DIRECTORS

A.M. Pandithage – *Chairman*
J.A.G. Anandarajah - *Managing Director*
G.K. Seneviratne
N.Y. Fernando
N.B. Weerasekera (resigned on 31.10.2010)
R. Seevaratnam
F. Mohideen
K.A.L.S. Fernando
L.G.S.Gunawardena
S.C.Ganegoda
Dr. M. Ranasoma (w.e.f. 02.08.2010)
K.D.D.Perera (w.e.f. 01.11.2010)
M. Bottino (w.e.f. 01.11.2010)

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
Mabroc Teas (Private) Limited
Mabroc Lanka (Private) Limited
Blue Mountain Tea Exports (Private) Limited
Meridian Exports (Private) Limited
Cambron Exports (Private) Limited

ASSOCIATE

Hayleys Plantation Services (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 Audited year to 31.03.2010 Rs.'000		Consolidated			Consolidated	
		Unaudited 09 months to 31.12.2010 Rs.'000	Unaudited 09 months to 31.12.2009 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31.12.2010 Rs.'000	Unaudited 03 months to 31.12.2009 Rs.'000
11,823,707	Turnover	10,914,399	8,297,099	32	3,841,814	3,037,344
(9,463,069)	Cost of sales	(9,083,044)	(6,781,556)	34	(3,197,514)	(2,418,470)
2,360,638	Gross profit	1,831,355	1,515,543	21	644,300	618,874
28,419	Other income	56,715	23,228	144	18,459	12,437
(1,084,733)	Administrative expenses	(902,169)	(754,494)	20	(313,781)	(264,419)
(440,331)	Distribution expenses	(263,589)	(306,140)	(14)	(57,896)	(104,955)
(13,188)	Other expenses	(6,755)	(8,016)	(16)	(2,157)	(1,223)
(115,100)	Net finance cost	(169,424)	(71,710)	136	(53,258)	(29,996)
1,904	Share of profit / (loss) of associate (net of tax)	(38,194)	(236)	16,084	(3,080)	1,183
737,609	Profit before tax	507,939	398,175	28	232,587	231,901
(173,332)	Income tax expense	(103,778)	(116,638)	(11)	(46,369)	(43,693)
564,277	Profit for the period	404,161	281,537	44	186,218	188,208
	Attributable to :					
480,886	Equity holders of the Company	323,646	275,611	17	171,208	163,237
83,391	Minority interest	80,515	5,926	1,259	15,010	24,971
564,277	Profit for the period	404,161	281,537	44	186,218	188,208
8.03	Basic earnings per ordinary share for the period (Rs.) *	5.41	4.60			
8.03	Diluted earnings per ordinary share for the period (Rs.) *	5.41	4.60			
3.75	Dividend per share (Rs)	-	-			

*Computed based on 59,861,512 ordinary shares on issue as at December 31, 2010.
The notes to the financial statements on pages 7 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY

Consolidated
For the period ended December 31, 2010

	-----Attributable to equity holders of the Company-----								Minority Interest	Total Equity	
	-----Capital Reserves-----				-----Revenue Reserves-----						Total
	Stated Capital	Capital Redemption Reserve Fund	Reserve on scrip issue	Reserve on Revaluation of assets	Legal Reserve	General Reserve	Retained Earnings	Exchange Fluctuation 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, 2010	598,615	180	25,384	189,517	13,424	625,173	1,763,994	94,076	3,310,363	758,047	4,068,410
Exchange difference on translation of overseas entities	-	-	-	-	-	-	-	24,283	24,283	(14,007)	10,276
Net gains/(losses) not recognised in the Income Statement	-	-	-	-	-	-	-	24,283	24,283	(14,007)	10,276
Profit for the period	-	-	-	-	-	-	323,646	-	323,646	80,515	404,161
Dividends	-	-	-	-	-	-	(134,689)	-	(134,689)	(32,918)	(167,607)
Transfer to legal reserve	-	-	-	-	4,994	-	(4,994)	-	-	-	-
Balance as at December 31, 2010	598,615	180	25,384	189,517	18,418	625,173	1,947,957	118,359	3,523,603	791,637	4,315,240
For the period ended December 31, 2009											
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
Adjustment due to acquisition of own shares by ICOGUANTI S.p.A	-	-	-	-	1,342	-	(8,724)	5,738	(1,644)	(52,077)	(53,721)
Exchange difference on translation of overseas entities	-	-	-	-	-	-	-	(6,213)	(6,213)	3,422	(2,791)
Net gains/(losses) not recognised in the Income Statement	-	-	-	-	1,342	-	(8,724)	(475)	(7,857)	(48,655)	(56,512)
Profit for the period	-	-	-	-	-	-	275,611	-	275,611	5,926	281,537
Dividends	-	-	-	-	-	-	(179,585)	-	(179,585)	(59,040)	(238,625)
Transfer to legal reserve	-	-	-	-	3,183	-	(3,183)	-	-	-	-
Balance as at December 31, 2009	598,615	180	25,384	139,760	13,424	625,173	1,659,937	104,846	3,167,319	684,143	3,851,462

Company

For the period ended December 31, 2010

	-----Capital Reserves-----				Total
	Stated Capital	Capital Redemption Reserve Fund	Reserve on Revaluation of assets	Retained Earnings	
	Rs'000	Rs'000	Rs'000	Rs'000	
Balance as at April 1, 2009	598,615	180	133,608	1,175,482	1,907,885
Profit for the period	-	-	-	38,784	38,784
Dividends	-	-	-	(134,689)	(134,689)
Balance as at December 31, 2010	598,615	180	133,608	1,079,577	1,811,980
For the period ended December 31, 2009					
Balance as at April 1, 2009	598,615	180	99,702	1,086,719	1,785,216
Profit for the period	-	-	-	345,703	345,703
Dividends	-	-	-	(179,585)	(179,585)
Balance as at December 31, 2009	598,615	180	99,702	1,252,837	1,951,334

The notes to the financial statements on page 7 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	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
year to	year to	09 months to	09 months to	06 months to	06 months to	06 months to	06 months to
31.03.2010	31.03.2010	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Cash flows from operating activities					
1,657,156	65,224	741,138	1,643,968	167,868	(225,350)		
(239,003)	(50,865)	(195,865)	(183,255)	(39,289)	(39,510)		
(117,300)	(35)	(93,412)	(66,862)	(8,755)	(29)		
(118,829)	(42,197)	(47,799)	(110,319)	(2,943)	(37,681)		
-	-	-	(18)	-	-		
1,182,024	(27,873)	404,062	1,283,514	116,881	(302,570)		
		Cash flows from investing activities					
(391,857)	(15,844)	(803,934)	(308,158)	(49,584)	(6,136)		
111,602	-	49,024	96,868	-	-		
10,314	2,023	8,127	7,495	-	969		
-	(114,370)	(280,000)	-	(327,152)	-		
26,899	916	15,019	13,468	767	700		
17,681	17,681	7,073	10,608	7,073	10,608		
-	310,638	-	-	66,671	289,323		
(120,678)	-	(32,918)	(112,761)	-	-		
(346,039)	201,044	(1,037,609)	(292,480)	(302,225)	295,464		
		Cash flows from financing activities					
263,445	-	596,912	152,120	227,500	-		
(428,750)	-	(431,829)	(191,168)	(88,612)	-		
(5,319)	-	(4,290)	(3,955)	-	-		
(257,650)	(257,650)	(145,742)	(179,299)	(145,742)	(179,299)		
(428,274)	(257,650)	15,051	(222,302)	(6,854)	(179,299)		
407,711	(84,479)	(618,496)	768,732	(192,198)	(186,405)		
(2,112,573)	(430,270)	(1,674,308)	(2,110,471)	(514,749)	(430,270)		
(1,704,862)	(514,749)	(2,292,804)	(1,341,739)	(706,947)	(616,675)		
		Cash & cash equivalents at end of the period (Note B)					
		A Cash generated from operations					
737,609	369,435	507,939	398,175	38,784	353,911		
		Profit before tax					
		Adjustments for					
239,003	50,865	195,865	183,255	39,289	39,510		
(1,904)	-	38,194	236	-	-		
412,350	27,810	313,629	308,410	23,404	20,291		
(7,698)	(846)	(8,127)	(6,640)	-	(846)		
(14,719)	-	(12,593)	(10,586)	-	-		
-	-	(5,996)	-	-	-		
18,219	5,772	(9,965)	19,927	(5,123)	-		
283,501	61,761	185,216	245,812	29,813	29,942		
4,882	-	3,076	2,869	-	-		
33,826	5,255	18,430	17,434	3,744	2,859		
(44,580)	(329,235)	(22,092)	(24,076)	(74,511)	(300,631)		
(22,496)	-	(53,030)	(512)	-	-		
1,637,993	190,817	1,150,546	1,134,304	55,400	145,036		
(80,593)	88,756	(416,416)	(73,543)	185,570	17,387		
(187,458)	(46,340)	(368,417)	(18,131)	(301,407)	(130,486)		
287,214	(168,009)	375,425	601,338	228,305	(257,287)		
1,657,156	65,224	741,138	1,643,968	167,868	(225,350)		
		B Analysis of cash & cash equivalents at end of the period					
184,591	52,684	241,215	349,086	37,159	52,663		
227,037	-	122,372	356,300	-	-		
(2,116,490)	(567,433)	(2,656,391)	(2,047,125)	(744,106)	(669,338)		
(1,704,862)	(514,749)	(2,292,804)	(1,341,739)	(706,947)	(616,675)		
30,554	-	-	-	-	-		
(1,674,308)	(514,749)	(2,292,804)	(1,341,739)	(706,947)	(616,675)		

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The figures in brackets indicate deductions

DIPPED PRODUCTS PLC

INVESTOR INFORMATION

First twenty shareholders as at December 31, 2010

	Shareholder	No.of Shares as at December 31, 2010	%
1	Hayleys PLC	24,776,080	41.39
2	Employees Provident Fund	6,297,700	10.52
3	Volanka (Private) Limited	4,873,640	8.14
4	Haycarb PLC	4,068,746	6.80
5	Promar Overseas SA	3,373,496	5.64
6	Delta Plus Group	1,850,280	3.09
7	Fast Gain International Limited	1,038,900	1.74
8	National Savings Bank	1,000,000	1.67
9	Bank Of Ceylon No.1 Account	882,400	1.47
10	Asian Alliance Insurance PLC-A/C 02 (Life Fund)	756,800	1.26
11	Mr. V. S. Vijayaratham	662,500	1.11
12	Ravi Industries Limited	567,000	0.95
13	H A P Investments (Private) Limited	404,162	0.68
14	Mr.H.A.Pieris	401,264	0.67
15	Mr.N.G.Wickremeratne	393,204	0.66
16	Dr.D.Jayanththa	378,400	0.63
17	Mr.R.W.Soyasa	278,020	0.46
18	Mr.J.A.G.Anandarajah	219,474	0.37
19	HSBC International Nominees Ltd-SSBT Deutsche Bank	200,044	0.33
20	Asian Alliance Insurance PLC-General Fund Account	180,000	0.30
	TOTAL	52,602,110	87.87

There were no non-voting shares as at December 31, 2010.

The percentage of shares held by public as per Colombo Stock Exchange Rules as at December 31, 2010 was 31.72%.

Directors' shareholding as at December 31, 2010

Name of Director	No.of Shares as at December 31, 2010
Mr.J.A.G.Anandarajah	219,474
Mr.G.K.Seneviratne	5,000
Mr.N.Y.Fernando	10,288
Mr.K.A.L.S.Fernando	56,264
Dr.M.Ranasoma	300
Mr.K.D.D.Perera	1,000
TOTAL	292,326