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.

INCOME STATEMENTS

Consolidated		С	onsolidated		Consolid	ated
Audited year to		Unaudited 09 months to	Unaudited 09 months to	Increase/ (Decrease)	Unaudited 03 months to	Unaudited 03 months to
31.03.2010 Rs.'000	-	31.12.2010 Rs.'000	31.12.2009 Rs.'000	%	31.12.2010 Rs.'000	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.) * Diluted earnings per ordinary share	5.41	4.60			
8.03	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 figures in brackets indicate deductions

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

INCOME STATEMENTS

Company		С	ompany		Compa	ny
Audited		Unaudited	Unaudited	Increase/	Unaudited	Unaudited
year to		09 months to	09 months to (Decrease)	03 months to	03 months to
31.03.2010		31.12.2010	31.12.2009	%	31.12.2010	31.12.2009
Rs.'000		Rs.'000	Rs.'000	•	Rs.'000	Rs.'000
1,104,355	Turnover	996,337	822,111	21	366,467	290,652
(805,982)	Cost of sales	(818,551)	(595,650)	37	(261,816)	(197,848)
298,373	Gross profit	177,786	226,461	(21)	104,651	92,804
3,312	Other income	11,849	2,696	340	616	773
(227,073)	Administrative expenses	(202,068)	(152,901)	32	(67,430)	(60,523)
(11,227)	Distribution expenses	(7,219)	(599)	1,105	(5,961)	(530)
(3,834)	Other expenses	(4,836)	(6,576)	(26)	(1,577)	(626)
309,884	Net finance income	63,272	284,830	(78)	51,909	209,790
369,435	Profit before tax	38,784	353,911	(89)	82,208	241,688
(11,295)	Income tax expense	-	(8,208)	(100)	-	(4,303)
358,140	Profit for the period	38,784	345,703	(89)	82,208	237,385
5.98	Basic earnings per ordinary share for the period (Rs.) * Diluted earnings per ordinary share	0.65	5.78			
5.98	for the period (Rs.) *	0.65	5.78			
3.75	Dividend per share (Rs)	-	-			

^{*}Computed based on 59,861,512 ordinary shares on issue as at December 31, 2010.

The figures in brackets indicate deductions

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

DIPPED PRODUCTS PLC BALANCE SHEETS

Consolidated	Company	1		Consoli	dated	Comp	any
Audited	Audited			Unaudited	Unaudited	Unaudited	Unaudited
As at	As at	t		As at	As at	As at	As at
31.03.2010	31.03.2010)		31.12.2010	31.12.2009	31.12.2010	31.12.2009
Rs.'000	Rs.'000)	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	'	ASSETS					
		Non-current assets					
4,899,811	319,952	Property , plant & equipment		5,458,696	4,869,539	346,132	284,911
15,684		Intangible assets		15,684	15,684		
-	1,594,280	Investments in subsidiaries		-	-	1,843,280	793,688
92,201	-	Investment in associates		340,003	90,061	-	-
197,010		Other long term investments		197,010	197,010	194,457	194,457
24,016 5,228,722		_Deferred tax asset		24,016	21,592	24,016	21,592
5,228,722	2,132,705	_Total non-current assets		6,035,409	5,193,886	2,407,885	1,294,648
		Current assets					
2,079,549	,	Inventories		2,429,536	1,926,614	646,149	435,028
3,057,384		Trade and other receivables		3,482,165	3,060,207	152,573	411,639
-	263,013	Amounts due from subsidiaries		-	-	271,149	877,741
227,037	-	Short term deposits		122,372	356,300	-	-
184,591		_Cash and cash equivalents		241,215	349,086	37,159	52,663
5,548,561	1,005,339	Total current assets		6,275,288	5,692,207	1,107,030	1,777,071
10,777,283	3,138,044	Total assets		12,310,697	10,886,093	3,514,915	3,071,719
		EQUITY AND LIABILITIES					
		Equity attributable to equity holders of the					
		company					
598,615	598,615	Stated capital	3	598,615	598,615	598,615	598,615
228,505	133,788	Capital reserves		233,499	178,748	133,788	99,882
2,483,243	1,175,482	Revenue reserves		2,691,489	2,389,956	1,079,577	1,252,837
	'	Total equity attributable to equity holders of the					
3,310,363	1,907,885	company		3,523,603	3,167,319	1,811,980	1,951,334
758,047		Minority interest		791,637	684,143	<u> </u>	-
4,068,410	1,907,885	Total equity		4,315,240	3,851,462	1,811,980	1,951,334
		Liabilities					
		Non-current liabilities					
135,956	-	Deferred tax liability		145,684	139,529	-	-
976,967	182,257	Defined benefit obligations		1,112,401	948,190	209,127	154,954
41,270	-	Agents' indemnity fund		41,568	40,272	-	-
1,049,654	-	Interest bearing borrowings		1,177,287	1,188,892	27,778	-
443,074		Deferred income		479,505	432,473		-
2,646,921	182,257	_Total non-current liabilities		2,956,445	2,749,356	236,905	154,954
		Current liabilities					
1,573,531	169,395	Trade and other payables		1,937,302	1,879,349	208,978	42,174
337,519	-	Current portion of Interest-bearing borrowings		410,520	327,549	111,110	-
2,116,490	567,433	Short-term interest-bearing borrowings		2,656,391	2,047,125	744,106	669,338
-	292,739	Amounts due to subsidiaries		-	-	397,514	246,327
9,256	9,001	Amounts due to Hayleys PLC		9,857	6,121	3,743	3,763
25,156		_Income tax payable		24,942	25,131	579	3,829
4,061,952	1,047,902	_Total current liabilities		5,039,012	4,285,275	1,466,030	965,431
10,777,283	3,138,044	Total equity and liabilities		12,310,697	10,886,093	3,514,915	3,071,719
		_					

The notes to the financial statements on page 7 form an integral part of the financial statements.

The Balance Sheets as at December 31, 2010, and Statements of Income, Changes in Equity and Cash Flow for the nine 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.

February 01,2011

DIPPED PRODUCTS PLC STATEMENTS OF CHANGES IN EQUITY

Consolidated

For the period ended December 31, 2010

	Attributable to equity holders of the Company			Minority	Total
Capital	Reserves				
Stated Capital		ue Reserves	Total	Interest	Equity

	R	Capital edemption Reserve Fund	Reserve on F	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

Total Reserves-

	F	Capital Redemption Reserve Fund	Reserve on Revaluation of assets	Retained Earnings	
	<u>Rs'000</u>	Rs'000	Rs'000	<u>Rs'000</u>	<u>Rs'000</u>
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

Consolidated	Company		Consolic	lated	Comp	any
Audited	Audited		Unaudited	Unaudited	Unaudited	Unaudited
year to	year to		09 months to	09 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
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Cash flows from operating activities				
1,657,156	65,224	Cash generated from operations (Note A)	741,138	1,643,968	167,868	(225,350)
(239,003)	(50,865)	Interest paid	(195,865)	(183,255)	(39,289)	(39,510)
(117,300)	(35)	Income taxes paid	(93,412)	(66,862)	(8,755)	(29)
(118,829)	(42,197)	Retiring gratuity paid	(47,799)	(110,319)	(2,943)	(37,681)
(110,023)	(42,137)	Agents' indemnity paid	(47,733)	(110,515)	(2,343)	(37,001)
1,182,024	(27,873)	Net cash flow from operating activities	404.062	1,283,514	116,881	(302,570)
1,102,024	(27,070)		404,002	1,200,014	110,001	(002,070)
		Cash flows from investing activities				
(391,857)	(15,844)	Purchase & construction of property,plant & equipment	(803,934)	(308,158)	(49,584)	(6,136)
111,602	-	Grants received	49,024	96,868	-	-
10,314	2,023	Proceeds from disposal of property, plant & equipment	8,127	7,495	-	969
=	(114,370)	Investments in group companies	(280,000)	-	(327,152)	-
26,899	916	Interest received	15,019	13,468	767	700
17,681	17,681	Dividend received from non-group companies	7,073	10,608	7,073	10,608
-	310,638	Dividend received from associate / subsidiary companies	-	-	66,671	289,323
(120,678)	-	Net payments to minority shareholders	(32,918)	(112,761)	-	-
(346,039)	201,044	Net cash flows from investing activities	(1,037,609)	(292,480)	(302,225)	295,464
		<u> </u>				
		Cash flows from financing activities				
263,445	-	Long term loans obtained	596,912	152,120	227,500	-
(428,750)	-	Repayment of term loans	(431,829)	(191,168)	(88,612)	-
(5,319)	-	Capital payment on finance lease	(4,290)	(3,955)	-	-
(257,650)	(257,650)	Dividend paid	(145,742)	(179,299)	(145,742)	(179,299)
(428,274)	(257,650)	Net cash flows from financing activities	15,051	(222,302)	(6,854)	(179,299)
407,711	(84,479)	Net increase / (decrease) in cash & cash equivalents	(618,496)	768,732	(192,198)	(186,405)
(2,112,573)	(430,270)	Cash & cash equivalents at beginning of the period	(1,674,308)	(2,110,471)	(514,749)	(430,270)
(1,704,862)	(514,749)	Cash & cash equivalents at end of the period (Note B)	(2,292,804)	(1,341,739)	(706,947)	(616,675)
(1,101,000)	(0.1.,1.10)	···· ,	(=,===,===,	(1,011,100)	(100,011)	(0.0,0.0)
		A Cash generated from operations				
737,609	369,435	Profit before tax	507,939	398,175	38,784	353,911
,	,	Adjustments for	,	000,		
		·				
239,003	50,865	Interest cost	195,865	183,255	39,289	39,510
(1,904)	-	Share of (profit) / loss of associate	38,194	236	-	=
412,350	27,810	Depreciation on property, plant & equipment	313,629	308,410	23,404	20,291
(7,698)	(846)	Gain on disposal of property, plant & equipment	(8,127)	(6,640)	-	(846)
(14,719)	-	Amortisation of government grants	(12,593)	(10,586)	-	-
-	-	Surplus on acquisition	(5,996)	-	-	-
18,219	5,772	Provision for/(reversal of) bad & doubtful debts	(9,965)	19,927	(5,123)	-
283,501	61,761	Provision for retiring gratuity	185,216	245,812	29,813	29,942
4,882	-	Provision for agents' indemnity fund	3,076	2,869	-	-
33,826	5,255	Provision for/(reversal of) slow-moving /obsolete inventories	18,430	17,434	3,744	2,859
(44,580)	(329,235)	Interest and dividend income	(22,092)	(24,076)	(74,511)	(300,631)
(22,496)	-	Differences of exchange on translation of foreign entities	(53,030)	(512)	-	-
1,637,993	190,817	· _	1,150,546	1,134,304	55,400	145,036
(80,593)	88,756	(Increase) / decrease in trade and other receivables	(416,416)	(73,543)	185,570	17,387
(187,458)	(46,340)	(Increase) / decrease in inventories	(368,417)	(18,131)	(301,407)	(130,486)
287,214	(168,009)	Increase / (decrease) in trade and other payables	375,425	601,338	228,305	(257,287)
1,657,156	65,224	<u> </u>	741,138	1,643,968	167,868	(225,350)
		P. Analysis of each 2 each equivalents at and of the nation				
104 501		B Analysis of cash & cash equivalents at end of the period Cash at bank and in hand	2/1 215	240.006	27 150	E0 660
184,591	52,684		241,215	349,086 356 300	37,159	52,663
227,037	(EC7 400)	Short term deposits	122,372	356,300	(7/// 106)	-
(2,116,490)	(567,433)	Short-term interest-bearing borrowings	(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		Effects of exchange rate changes	<u> </u>			=
(1,674,308)	(514,749)	_	(2,292,804)	(1,341,739)	(706,947)	(616,675)
						

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

NOTES TO THE FINANCIAL STATEMENTS

- 1. These interim financial statements which have not been audited, comply with the Sri Lanka Accounting Standard 35 Interim Financial Reporting and they also provide the information required by the Colombo Stock Exchange.
- 2. The accounting polices adopted in these financial statements are consistent with the accounting policies set out in the Annual Report of the previous year.

	apital

Consolidated	Company		Conso	Consolidated		pany
Audited	Audited		Unaudited	Unaudited	Unaudited	Unaudited
As at	As at		As at	As at	As at	As at
31.03.2010	31.03.2010		31.12.2010	31.12.2009	31.12.2010	31.12.2009
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Issued and Fully paid				
598,615	598,615	59,861,512 Ordinary Shares	598,615	598,615	598,615	598,615
598,615		, ,	598,615	598,615	598,615	598,615

- 4. Kelani Valley Plantations PLC acquired the balance 60% shares of Mabroc Teas (Private) Limited in December 2010. The financial statements of Mabroc Teas (Private) Limited will be consolidated with group financial statements from the 4th quarter.
- 5. 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.
- 6. 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 31.03.2010.

dustry Segment Turnove	r		
Consolidated		Consolidat	ed
Audited		Unaudited	Unaudite
year to		9 months to	9 months
31.03.2010		31.12.2010	31.12.200
Rs'000		Rs'000	Rs.'00
9,377,335	Hand Protection	8,581,738	6,688,88
2,860,003	Plantations	2,836,155	1,863,00
12,237,338		11,417,893	8,551,88
(413,631)	Inter - segment sales / services	(503,494)	(254,78
11,823,707		10,914,399	8,297,09
dustry Segment Results			
Consolidated		Consolidat	<u>ed</u>
Audited		Unaudited	Unaudite
year to		9 months to	9 months
31.03.2010		31.12.2010	31.12.200
Rs. '000		Rs. '000	Rs.'00
834,786	Hand Protection	433,153	646,19
16,019	Plantations	282,404	(176,06
850,805	Segment results	715,557	470,12
(115,100)	Finance costs	(169,424)	(71,71
1,904	Share of profit / (loss) of associate	(38,194)	(23
737,609	Profit before tax	507,939	398,17

INVESTOR INFORMATION

	9 months to 31.12.2010 Rs.	9 months to 31.12.2009 Rs.
Market Value of Shares		
The market value of an ordinary share of Dipped Products PLC was as follows.		
Closing price on Highest price recorded for the nine months ending Lowest price recorded for the nine months ending	119.70 140.00 102.50	86.00 96.00 52.50
Highest price recorded for the three months ending Lowest price recorded for the three months ending	125.00 114.00	96.00 79.00
Market Capitalisation (Rs. M)	7,165	5,148
Ratios Net assets per share at the period end* Price earnings ratio annualised (times)	58.86 16.6	52.91 14.0
Share Trading information from April 1, 2010 to December 31, 2010 Number of transactions Number of shares traded Value of shares traded (Rs.)	2,416 14,234,944 1,749,824,855	1,052 1,720,300 141,400,475

Dividend Payments

Final dividend 2009/10

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. Vijayaratnam	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.Jayanntha	378,400	0.63
17	Mr.R.W.Soysa	278,020	0.46
18	Mr.J.A.G.Anandarajah	219,474	0.37
19	HSBC International Nominees Ltd-SSBT Deustche 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