

DIPPED PRODUCTS PLC

INTERIM REPORT FOR THE QUARTER ENDED 30TH JUNE 2012

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*
J.A.G. Anandarajah
G.K. Seneviratne
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

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
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

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.

DIPPED PRODUCTS PLC

INCOME STATEMENTS

Group	Company		Group			Company		
			Unaudited 03 months to 30.06.2012 Rs.'000	Unaudited 03 months to 30.06.2011 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 30.06.2012 Rs.'000	Unaudited 03 months to 30.06.2011 Rs.'000	Increase/ (Decrease) %
Audited year to 31.03.2012 Rs.'000	Audited year to 31.03.2012 Rs.'000							
19,786,485	1,798,644	Turnover	5,500,797	4,743,149	16	447,726	460,726	(3)
(16,344,798)	(1,449,966)	Cost of sales	(4,512,723)	(3,718,830)	21	(335,891)	(353,214)	(5)
3,441,687	348,678	Gross profit	988,074	1,024,319	(4)	111,835	107,512	4
1,216,969	1,148,171	Other income	9,086	4,818	89	2,793	882	217
(1,568,983)	(285,052)	Administrative expenses	(423,444)	(369,557)	15	(78,380)	(67,865)	15
(453,411)	(15,993)	Distribution expenses	(119,732)	(110,650)	8	(7,823)	(2,825)	177
(12,935)	(2,686)	Other expenses	(7,705)	(2,169)	255	(6,744)	(1,538)	338
-	(150,000)	Provision for diminution in value of investments	-	-	-	-	-	-
(212,111)	37,159	Net finance income / (cost)	(48,840)	1,580	(3,191)	4,183	15,130	(72)
		Share of profit / (loss) of equity accounted						
(27,067)	-	investee (net of tax)	-	19,397	(100)	-	-	-
2,384,149	1,080,277	Profit before tax	397,439	567,738	(30)	25,864	51,296	(50)
(290,168)	2,416	Income tax (expense) / release	(69,844)	(81,255)	(14)	972	(3,798)	(126)
2,093,981	1,082,693	Profit for the period	327,595	486,483	(33)	26,836	47,498	(44)
		Attributable to :						
1,866,627	1,082,693	Equity holders of the Company	285,683	390,369	(27)	26,836	47,498	(44)
227,354	-	Non-controlling interest	41,912	96,114	(56)	-	-	-
2,093,981	1,082,693	Profit for the period	327,595	486,483	(33)	26,836	47,498	(44)
31.18	18.09	Basic earnings per ordinary share for the period (Rs.) *	4.77	6.52		0.45	0.79	
31.18	18.09	Diluted earnings per ordinary share for the period (Rs.) *	4.77	6.52		0.45	0.79	
6.00	6.00	Dividend per share (Rs)	-	-		-	-	

*Computed based on 59,861,512 ordinary shares on issue as at June 30, 2012.

The notes to the financial statements on pages 6 & 7 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
BALANCE SHEETS

Group		Company		Group		Company	
As at	As at	As at	As at	As at	As at	As at	As at
31.03.2012	31.03.2012	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
Non-current assets							
8,808,301	321,732	Property, plant and equipment	9,067,265	5,708,444	319,687	340,741	
228,331	228,331	Investment property	226,998	-	226,998	-	
195,843	-	Intangible assets	194,431	48,993	-	-	
-	2,013,900	Investments in subsidiaries	-	-	2,013,900	1,843,280	
-	-	Investment in equity accounted investee	-	328,276	-	-	
2,553	-	Other long term investments	2,553	197,010	-	194,457	
31,435	30,823	Deferred tax assets	34,856	20,281	34,243	20,281	
9,266,463	2,594,786	Total non-current assets	9,526,103	6,303,004	2,594,828	2,398,759	
Current assets							
3,374,760	396,590	Inventories	3,222,466	3,097,553	303,403	163,100	
4,362,081	437,485	Trade and other receivables	5,044,293	4,293,410	656,340	434,048	
-	392,302	Amounts due from subsidiaries	-	-	320,224	683,737	
8,299	-	Short term investments	8,410	8,893	-	-	
793,837	425,677	Short term deposits	943,618	385,068	566,545	-	
210,383	22,455	Cash and cash equivalents	204,012	273,137	16,600	33,535	
8,749,360	1,674,509	Total current assets	9,422,799	8,058,061	1,863,112	1,314,420	
18,015,823	4,269,295	Total assets	18,948,902	14,361,065	4,457,940	3,713,179	
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the company							
598,615	598,615	Stated capital	598,615	598,615	598,615	598,615	
236,836	133,788	Capital reserves	241,262	236,837	133,788	133,788	
4,459,936	2,074,467	Revenue reserves	4,529,311	3,113,590	1,742,134	1,129,064	
5,295,387	2,806,870	Total equity attributable to equity holders of the company	5,369,188	3,949,042	2,474,537	1,861,467	
1,676,148	-	Non-controlling interest	1,750,163	940,374	-	-	
6,971,535	2,806,870	Total equity	7,119,351	4,889,416	2,474,537	1,861,467	
Liabilities							
Non-current liabilities							
243,259	-	Deferred tax liability	262,399	165,127	-	-	
2,174,357	262,188	Defined benefit obligations	2,237,639	1,208,200	267,949	228,404	
42,610	-	Agents' indemnity fund	50,558	44,728	-	-	
1,781,894	-	Interest bearing borrowings	1,788,074	1,186,039	-	-	
703,369	-	Deferred income	706,204	482,004	-	-	
4,945,489	262,188	Total non-current liabilities	5,044,874	3,086,098	267,949	228,404	
Current liabilities							
2,227,577	147,857	Trade and other payables	2,651,683	2,661,938	290,551	202,175	
3,999	3,999	Unclaimed dividends/dividend payable	363,168	2,842	363,168	2,842	
333,269	-	Current portion of interest-bearing borrowings	338,198	400,537	-	82,170	
3,447,198	372,980	Short-term interest-bearing borrowings	3,306,927	3,237,317	431,536	908,681	
-	654,220	Amounts due to subsidiaries	-	-	614,811	410,222	
18,597	10,523	Amounts due to Hayleys PLC	12,769	16,652	4,347	4,752	
68,159	10,658	Income tax payable	111,932	66,265	11,041	12,466	
6,098,799	1,200,237	Total current liabilities	6,784,677	6,385,551	1,715,454	1,623,308	
18,015,823	4,269,295	Total equity and liabilities	18,948,902	14,361,065	4,457,940	3,713,179	

The notes to the financial statements on page 6 & 7 form an integral part of the financial statements.

The Balance Sheets as at June 30, 2012, 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 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 31, 2012

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

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY

Group

For the period ended June 30, 2012

	-----Attributable to equity holders of the Company-----									Non-controlling Interest	Total Equity
	Stated Capital	-----Capital Reserves-----				-----Revenue Reserves-----			Total		
	Rs'000	Capital Redemption Reserve Fund Rs'000	Reserve on scrip Issue Rs'000	Reserve on Revaluation of assets Rs'000	Legal Reserve Rs'000	General Reserve Rs'000	Retained Earnings Rs'000	Exchange Fluctuation Reserve Rs'000	Rs'000		
Balance as at April 1, 2012	598,615	180	25,384	189,517	21,755	927,688	3,441,320	90,928	5,295,387	1,676,148	6,971,535
Exchange difference on translation of overseas entities	-	-	-	-	-	-	-	141,030	141,030	40,740	181,770
Net gains/(losses) not recognised in the Income Statement	-	-	-	-	-	-	-	141,030	141,030	40,740	181,770
Profit for the period	-	-	-	-	-	-	285,683	-	285,683	41,912	327,595
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	180	25,384	189,517	26,181	927,688	3,369,665	231,958	5,369,188	1,750,163	7,119,351

For the period ended June 30, 2011

Balance as at April 1, 2011	598,615	180	25,384	189,517	18,418	817,359	1,786,303	111,426	3,547,202	831,677	4,378,879
Exchange difference on translation of overseas entities	-	-	-	-	-	-	-	11,471	11,471	12,583	24,054
Net gains/(losses) not recognised in the Income Statement	-	-	-	-	-	-	-	11,471	11,471	12,583	24,054
Profit for the period	-	-	-	-	-	-	390,369	-	390,369	96,114	486,483
Transfers / adjustments	-	-	-	-	3,338	-	(3,338)	-	-	-	-
Balance as at June 30, 2011	598,615	180	25,384	189,517	21,756	817,359	2,173,334	122,897	3,949,042	940,374	4,889,416

Company

For the period ended June 30, 2012

	Stated Capital	-----Capital Reserves-----	-----Revenue Reserves-----	Total
	Rs'000	Capital Redemption Reserve Fund Rs'000	Reserve on Revaluation of assets Rs'000	Retained Earnings Rs'000
Balance as at April 1, 2012	598,615	180	133,608	2,074,467
Profit for the period	-	-	-	26,836
Dividends	-	-	-	(359,169)
Balance as at June 30, 2012	598,615	180	133,608	1,742,134

For the period ended June 30, 2011

Balance as at April 1, 2011	598,615	180	133,608	1,081,566
Profit for the period	-	-	-	47,498
Balance as at June 30, 2011	598,615	180	133,608	1,129,064

The notes to the financial statements on page 6 & 7 form an integral part of the financial statements.
The figures in brackets indicate deductions.

DIPPED PRODUCTS PLC CASH FLOW STATEMENTS

Group		Company		Group		Company	
Audited year to 31.03.2012 Rs.'000	Audited year to 31.03.2012 Rs.'000	Unaudited 03 months to 30.06.2012 Rs.'000	Unaudited 03 months to 30.06.2011 Rs.'000	Unaudited 03 months to 30.06.2012 Rs.'000	Unaudited 03 months to 30.06.2011 Rs.'000	Unaudited 03 months to 30.06.2012 Rs.'000	Unaudited 03 months to 30.06.2011 Rs.'000
Cash flows from operating activities							
1,097,773	280,301	879,392	425,226	84,889		18,299	
(281,473)	(24,366)	(92,863)	(55,636)	(8,010)		(7,517)	
(147,550)	(10,001)	(16,603)	(19,567)	(2,065)		(3,865)	
(108,811)	(11,778)	(50,678)	(20,617)	(7,560)		(754)	
(2,999)	-	-	-	-		-	
556,940	234,156	719,248	329,406	67,254		6,163	
Cash flows from investing activities							
(749,031)	(13,902)	(230,991)	(116,458)	(6,918)		(4,698)	
(230,999)	(230,999)	-	-	-		-	
17,451	-	7,870	5,625	-		-	
39,345	994	49	2,630	-		513	
1,335,510	1,335,510	-	-	-		-	
-	(320,620)	-	-	-		-	
(280,000)	-	-	-	-		-	
(87,452)	-	-	-	-		-	
70,478	31,162	23,574	10,043	16,121		252	
14,145	14,145	-	-	-		-	
14,296	72,887	-	-	-		-	
(17,152)	-	(2,380)	-	-		-	
126,591	889,177	(201,878)	(98,160)	9,203		(3,933)	
Cash flows from financing activities							
126,424	-	-	101,911	-		-	
(406,555)	(110,460)	(82,007)	(102,021)	-		(28,290)	
(6,698)	-	(2,144)	(1,575)	-		-	
(96,038)	(96,038)	-	(7,403)	-		(7,403)	
(382,867)	(206,498)	(84,151)	(9,088)	-		(35,693)	
300,664	916,835	433,219	222,158	76,457		(33,463)	
(2,743,642)	(841,683)	(2,592,516)	(2,801,270)	75,152		(841,683)	
(2,442,978)	75,152	(2,159,297)	(2,579,112)	151,609		(875,146)	
A							
Cash generated from operations							
2,384,149	1,080,277	397,439	567,738	25,864		51,296	
Profit before tax							
Adjustments for							
281,473	24,366	92,863	55,636	8,010		7,517	
27,067	-	-	(19,397)	-		-	
534,775	36,726	167,244	117,938	8,963		8,985	
2,668	2,668	1,333	-	1,333		-	
400	-	1,412	-	-		-	
(27,182)	(237)	-	(320)	-		(228)	
(1,141,053)	(1,141,053)	-	-	-		-	
(44,534)	-	(5,035)	(4,498)	-		-	
5,563	122	15,685	793	1		-	
291,481	56,555	107,655	66,559	13,321		11,747	
4,434	-	1,182	1,039	-		-	
-	150,000	-	-	-		-	
56,426	16,877	16,212	35,249	4,198		9,630	
(84,623)	(118,194)	(23,574)	(10,043)	(16,121)		(252)	
(28,287)	-	244,605	72,677	-		-	
2,262,757	108,107	1,017,021	883,371	45,569		88,695	
(597,577)	(95,480)	(691,989)	(607,918)	(146,778)		(383,356)	
(379,117)	(81,940)	136,082	(399,130)	88,989		158,797	
(188,290)	349,614	418,278	548,903	97,109		154,163	
(1,164,984)	172,194	(137,629)	(458,145)	39,320		(70,396)	
1,097,773	280,301	879,392	425,226	84,889		18,299	
B							
Analysis of cash & cash equivalents at end of the period							
210,383	22,455	204,012	273,137	16,600		33,535	
793,837	425,677	943,618	385,068	566,545		-	
(3,447,198)	(372,980)	(3,306,927)	(3,237,317)	(431,536)		(908,681)	
(2,442,978)	75,152	(2,159,297)	(2,579,112)	151,609		(875,146)	
(149,538)	-	-	13,068	-		-	
(2,592,516)	75,152	(2,159,297)	(2,566,044)	151,609		(875,146)	

The notes to the financial statements on page 6 & 7 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 Sri Lanka Accounting Standard 35 - 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 31.03.2012 and are also in line with the second alternative option of the "Ruling on Comparative Figures In The Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka, dated 02.03.2012. The Company is in the process of adopting Sri Lanka Accounting Standards (SLFRS/LKAS) and the impact to the Statement of Comprehensive income and Net Assets base has not been determined yet due to the work is in progress.

3. Stated Capital

Group			Group		Company	
Unaudited As at 31.03.2012 Rs.'000	Unaudited As at 31.03.2011 Rs.'000	Issued and Fully paid	Unaudited As at 30.06.2012 Rs.'000	Unaudited As at 30.06.2011 Rs.'000	Unaudited As at 30.06.2012 Rs.'000	Unaudited As at 30.06.2011 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 31.03.2012.

6. Industry Segment Turnover

Group			Group	
Audited year to 30.06.2012 Rs'000			Unaudited 3 months to 30.06.2012 Rs'000	Unaudited 3 months to 30.06.2011 Rs.'000
13,499,025	Hand Protection		3,438,857	3,399,588
7,051,988	Plantations		2,311,134	1,536,630
20,551,013			5,749,991	4,936,218
(764,528)	Inter - segment sales / services		(249,194)	(193,069)
19,786,485			5,500,797	4,743,149

7. Industry Segment Results

Group			Group	
Audited year to 30.06.2012 Rs. '000			Unaudited 3 months to 30.06.2012 Rs. '000	Unaudited 3 months to 30.06.2011 Rs.'000
1,990,288	Hand Protection		279,787	268,669
633,039	Plantations		166,492	278,092
2,623,327	Segment results		446,279	546,761
(212,111)	Net finance cost		(48,840)	1,580
(27,067)	Share of loss of equity accounted investee		-	19,397
2,384,149	Profit before tax		397,439	567,738

INVESTOR INFORMATION

Market Value of Shares

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

Closing price on	91.00	96.40
Highest price recorded for the three months ending	100.10	124.90
Lowest price recorded for the three months ending	85.00	96.00
Market Capitalisation (Rs. M)	5,447	5,771
Ratios		
Net assets per share at the period end*	89.69	65.97
Price earnings ratio annualised (times)	4.8	3.7

Share Trading information from April 1, 2011 to June 30, 2012

Number of transactions	353	304
Number of shares traded	615,334	326,800
Value of shares traded (Rs.)	60,292,120	37,297,890

Dividend Payments

Final dividend 2011/12

Rs.6.00 per share paid on 09.07.2012

*Computed based on 59,861,512 shares on issue as at June 30, 2012

DIPPED PRODUCTS PLC

INVESTOR INFORMATION

First twenty shareholders as at June 30, 2012

	Shareholder	No.of Shares as at June 30, 2012	%
1	Hayleys PLC	24,776,080	41.39
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	3,373,496	5.64
6	Bank Of Ceylon No.1 Account	1,292,400	2.16
7	National Savings Bank	1,000,000	1.67
8	Ravi Industries Limited	567,000	0.95
9	Seylan Bank PLC /Symphony Capital Ltd	495,490	0.83
10	E. W. Balasuriya & Co. (Pvt) Ltd	425,100	0.71
11	Dr.D.Jayantha	415,000	0.69
12	H A P Investments (Private) Limited	404,162	0.68
13	Mr.H.A.Pieris	401,264	0.67
14	Mr. N. G. Wickremeratne	393,204	0.66
15	Renuka Properties Limited	324,934	0.54
16	Mr.J.A.G.Anandarajah	219,474	0.37
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. D.F.G. Dalpethado	184,300	0.31
	TOTAL	51,634,590	86.26

There were no non-voting shares as at June 30, 2012.

The percentage of shares held by public as per Colombo Stock Exchange Rules as at June 30, 2012 was 29.17%.

Directors' shareholding as at June 30, 2012

Name of Director	No.of Shares as at June 30, 2012
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.K.I.M.Ranasoma	300
Mr.K.D.D.Perera	1,000
TOTAL	292,326