

DIPPED PRODUCTS PLC

INTERIM REPORT FOR THE NINE MONTHS ENDED 31ST DECEMBER 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
R.K.Witanachchi - Deputy Managing Director (Appointed w.e.f. 01.01.2014)
N.Y. Fernando (Ceased to be Director due to retirement w.e.f. 12.12.2013)
R. Seevaratnam (Ceased to be Director w.e.f 30.07.2013)
F. Mohideen
K.A.L.S. Fernando
L.G.S.Gunawardena
S.C.Ganegoda
K.D.D.Perera
M. Bottino
R.M.T.Premarathna (Resigned w.e.f. 20.11.2013)
V.R.Gunasekara
S. Rajapakse (Appointed as Director w.e.f. 30.07.2013)
Ms. D.S.N. Weerasooriya (Appointed as Alternate Director to K.D.D.Perera w.e.f. 01.12.2013)

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
D P L Premier Gloves Limited (Incorporated on 03.01.2014)

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 (Private) Limited
TTEL Somerset Hydro Power (Private) 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

<u>Group</u>		<u>Group</u>			<u>Group</u>		
Audited year to 31.03.2013 Rs.'000		Unaudited 09 months to 31.12.2013 Rs.'000	(Restated) Unaudited 09 months to 31.12.2012 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31.12.2013 Rs.'000	(Restated) Unaudited 03 months to 31.12.2012 Rs.'000	Increase/ (Decrease) %
23,657,743	Revenue	17,384,255	17,453,662	(0)	5,473,897	5,905,145	(7)
(19,079,931)	Cost of sales	(14,402,775)	(14,073,739)	2	(4,604,795)	(4,738,489)	(3)
4,577,812	Gross profit	2,981,480	3,379,923	(12)	869,102	1,166,656	(26)
126,808	Other income and gains	71,970	48,287	49	35,007	29,699	18
(489,042)	Distribution costs	(402,261)	(365,885)	10	(119,912)	(118,239)	1
(1,777,854)	Administrative expenses	(1,467,558)	(1,291,103)	14	(487,637)	(427,984)	14
(21,350)	Other expenses	(14,702)	(17,827)	(18)	(7,157)	(7,175)	(0)
(348,097)	Finance Cost	(228,481)	(303,951)	(25)	(75,968)	(71,480)	6
106,939	Finance Income	129,197	107,042	21	19,674	18,385	7
2,175,216	Profit before tax	1,069,645	1,556,486	(31)	233,109	589,862	(60)
(390,943)	Tax expense	(268,511)	(272,516)	(1)	(70,660)	(70,000)	1
<u>1,784,273</u>	Profit for the period	801,134	1,283,970	(38)	162,449	519,862	(69)
	Attributable to :						
1,417,888	Equity holders of the Parent	578,908	1,078,444	(46)	95,429	444,658	(79)
366,385	Non-controlling interest	222,226	205,526	8	67,020	75,204	(11)
<u>1,784,273</u>	Profit for the period	801,134	1,283,970	(38)	162,449	519,862	(69)
	Earnings per share						
23.69	for the period (Rs.) * - Basic	9.67	18.02		1.59	7.43	
	Earnings per share						
23.69	for the period (Rs.) * - Diluted	9.67	18.02		1.59	7.43	
7.00	Dividend per share (Rs)	-	-		-	-	

*Computed based on 59,861,512 ordinary shares on issue as at December 31, 2013.
The notes to the financial statements on pages from 9 to 15 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC

INCOME STATEMENTS

Company		Company			Company		
Audited year to 31.03.2013 Rs.'000		Unaudited 09 months to 31.12.2013 Rs.'000	(Restated) Unaudited 09 months to 31.12.2012 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31.12.2013 Rs.'000	(Restated) Unaudited 03 months to 31.12.2012 Rs.'000	Increase/ (Decrease) %
2,018,710	Revenue	1,702,385	1,507,110	13	634,842	499,034	27
(1,524,208)	Cost of sales	(1,404,001)	(1,115,585)	26	(566,412)	(376,553)	50
494,502	Gross profit	298,384	391,525	(24)	68,430	122,481	(44)
592,994	Other income and gains	183,909	113,091	63	178,323	3,271	5,352
(15,502)	Distribution costs	(38,976)	(35,113)	11	(11,900)	(8,455)	41
(304,665)	Administrative expenses	(304,166)	(234,694)	30	(120,812)	(78,493)	54
(16,075)	Other expenses	(12,417)	(13,536)	(8)	(6,059)	(5,912)	2
(28,422)	Finance Cost	(14,859)	(21,553)	(31)	(8,289)	(6,957)	19
60,542	Finance Income	15,902	51,817	(69)	6,511	15,574	(58)
783,374	Profit before tax	127,777	251,537	(49)	106,204	41,509	156
(29,537)	Tax expense	(1,818)	(16,453)	(89)	2,536	(3,074)	(182)
753,837	Profit for the period	125,959	235,084	(46)	108,740	38,435	183
12.59	Earnings per share for the period (Rs.) * - Basic	2.10	3.93		1.82	0.64	
12.59	Earnings per share for the period (Rs.) * - Diluted	2.10	3.93		1.82	0.64	
7.00	Dividend per share (Rs)	-	-		-	-	

*Computed based on 59,861,512 ordinary shares on issue as at December 31, 2013.

The notes to the financial statements on pages from 9 to 15 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
STATEMENT OF COMPREHENSIVE INCOME

Group		Group		Group	
Audited year to 31.03.2013 Rs.'000		Unaudited 09 months to 31.12.2013 Rs.'000	Unaudited 09 months to 31.12.2012 Rs.'000	Unaudited 03 months to 31.12.2013 Rs.'000	Unaudited 03 months to 31.12.2012 Rs.'000
1,784,273	Profit for the period	801,134	1,283,970	162,449	519,862
	<i>Other Comprehensive Income</i>				
190,398	Net exchange differences on translation of foreign operations	64,048	178,446	47,948	(2,585)
(3)	Net loss on available for sale financial assets	(3)		-	2
69,591	Revaluation of Land	-	-	-	-
259,986	Other comprehensive income for the period, net of tax	64,045	178,446	47,948	(2,583)
	Attributable to :				
1,643,574	Equity holders of the parent	621,869	1,221,601	127,229	443,686
400,685	Non-controlling interest	243,310	240,815	83,168	73,593
2,044,259	Total comprehensive income for the period, net of tax	865,179	1,462,416	210,397	517,279

The notes to the financial statements on pages from 9 to 15 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
STATEMENT OF COMPREHENSIVE INCOME

<u>Company</u>	<u>Company</u>		<u>Company</u>	
Audited year to 31.03.2013 Rs.'000	<u>Unaudited</u> 09 months to 31.12.2013 Rs.'000	<u>Unaudited</u> 09 months to 31.12.2012 Rs.'000	<u>Unaudited</u> 03 months to 31.12.2013 Rs.'000	<u>Unaudited</u> 03 months to 31.12.2012 Rs.'000
753,837	Profit for the period	125,959	235,084	108,740
45,297	<i>Other Comprehensive Income</i> Revaluation of Land	-	-	-
45,297	Other comprehensive income for the period, net of tax	-	-	-
799,134	Total comprehensive income for the period, net of tax	125,959	235,084	108,740

The notes to the financial statements on pages from 9 to 15 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	Audited	Unaudited	(Restated) Unaudited	Unaudited	(Restated) Unaudited	Unaudited	(Restated) Unaudited
As at	As at	As at	As at	As at	As at	As at	As at
31.03.2013	31.03.2013	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
Non-current assets							
Tangible assets							
10,119,322	478,171	Property, plant and equipment	10,420,880	9,876,454	673,133	377,685	
190,647	55,934	Formers (moulds)	212,592	193,664	78,124	45,541	
221,896	221,896	Investment Property	217,894	224,330	217,894	224,330	
235,021	-	Biological assets	238,070	192,113	-	-	
178,611	-	Intangible assets	177,177	179,532	-	-	
-	2,352,684	Investment in subsidiaries	-	-	2,352,684	2,352,684	
22	-	Other non-current financial assets	19	660	-	-	
20,647	20,360	Deferred tax assets	18,827	25,838	18,542	25,226	
10,966,166	3,129,045	Total non-current assets	11,285,459	10,692,591	3,340,377	3,025,466	
Current assets							
3,267,185	372,090	Inventories	3,290,773	3,365,276	569,559	415,994	
4,162,919	308,031	Trade and other receivables	4,179,855	4,496,287	500,370	190,039	
359,767	58,434	Advances and prepayments	255,347	261,992	71,937	108,743	
-	324,823	Amounts due from related parties	-	-	482,901	344,668	
6,137	-	Other current financial assets	-	11,441	-	-	
746,381	92,569	Cash and short term deposits	1,235,514	1,417,716	612,749	829,728	
8,542,389	1,155,948	Total current assets	8,961,489	9,552,712	2,237,516	1,889,172	
19,508,555	4,284,993	Total assets	20,246,948	20,245,303	5,577,893	4,914,638	
EQUITY AND LIABILITIES							
Equity							
598,615	598,615	Stated capital	598,615	598,615	598,615	598,615	
452,878	179,085	Capital reserves	457,251	383,287	179,085	133,788	
14	-	Available-for-sale (AFS) reserve	11	16	-	-	
5,793,215	2,291,824	Revenue reserves	6,231,129	5,686,163	2,238,198	2,000,778	
6,844,722	3,069,524	Equity attributable to equity holders of the parent	7,287,006	6,668,081	3,015,898	2,733,181	
2,068,640	-	Non-controlling interest	2,220,933	1,930,390	-	-	
8,913,362	3,069,524	Total equity	9,507,939	8,598,471	3,015,898	2,733,181	
Liabilities							
Non-current liabilities							
1,642,681	-	Interest-bearing loans and borrowings	1,439,809	1,725,385	-	-	
699,054	-	Deferred revenue	676,514	705,017	-	-	
2,324,356	290,448	Defined benefit obligations	2,446,046	2,343,593	316,662	285,740	
52,900	-	Agents' indemnity fund	60,119	51,700	-	-	
370,723	-	Deferred tax liabilities	416,128	329,001	-	-	
5,089,714	290,448	Total non-current liabilities	5,038,616	5,154,696	316,662	285,740	
Current liabilities							
2,725,100	260,431	Trade and other payables	2,515,074	2,843,228	275,173	217,230	
2,686,940	320,792	Interest-bearing loans and borrowings	3,102,225	3,501,207	552,035	442,894	
-	-	Other current financial liabilities	-	1,574	-	-	
8,666	316,696	Amounts due to related parties	18,094	16,972	1,418,125	1,212,014	
84,773	27,102	Income tax payable	65,000	129,155	-	23,579	
5,505,479	925,021	Total current liabilities	5,700,393	6,492,136	2,245,333	1,895,717	
19,508,555	4,284,993	Total equity and liabilities	20,246,948	20,245,303	5,577,893	4,914,638	

The notes to the financial statements on pages from 9 to 15 form an integral part of the financial statements.

The Financial Position as at December 31, 2013, and Income Statements, Statement of Changes in Equity and Statements of Cash Flow for the nine months then ended are drawn up from the unaudited financial statements of the Company and its subsidiaries 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
31-01-2014

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

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY

Group
For the period ended December 31, 2013

	-----Attributable to equity holders of the Company-----										Non- controlling Interest	Total Equity	
	Stated Capital	-----Capital Reserves-----			Other Components of Equity	-----Revenue Reserves-----				Total			
		Reserve on scrip Issue	Revaluation Reserve	Other Capital Reserve		Available-for- sale Reserve	General Reserve	Timber Reserve	Retained Earnings				Exchange Fluctuation Reserve
Balance as at April 1, 2013	598,615	167,409	259,108	26,361	14	1,169,700	47,231	4,329,150	247,134	6,844,722	2,068,640	8,913,362	
Profit for the period	-	-	-	-	-	-	-	578,908	-	578,908	222,226	801,134	
Other comprehensive income	-	-	-	-	(3)	-	-	-	42,964	42,964	21,084	64,045	
Transfers / adjustments	-	-	-	4,373	-	-	-	(4,373)	-	-	(311)	(311)	
Dividends	-	-	-	-	-	-	-	(179,585)	-	(179,585)	(90,706)	(270,291)	
Balance as at December 31, 2013	598,615	167,409	259,108	30,734	11	1,169,700	47,231	4,724,100	290,098	7,287,006	2,220,933	9,507,939	
For the period ended December 31, 2012													
Balance as at April 1, 2012	598,615	25,384	189,517	21,935	16	927,688	29,845	3,917,122	90,928	5,801,050	1,750,494	7,551,544	
Profit for the period	-	-	-	-	-	-	-	1,078,444	-	1,078,444	205,526	1,283,970	
Other comprehensive income	-	-	-	-	-	-	-	-	143,157	143,157	35,289	178,446	
Transfers / adjustments	-	142,025	-	4,426	-	-	-	(142,102)	250	4,599	(4,599)	-	
Dividends	-	-	-	-	-	-	-	(359,169)	-	(359,169)	(56,320)	(415,489)	
Balance as at December 31, 2012	598,615	167,409	189,517	26,361	16	927,688	29,845	4,494,295	234,335	6,668,081	1,930,390	8,598,471	
Company													
For the period ended December 31, 2013													
	Stated Capital	-----Capital Reserves-----		--Revenue Reserves--	Total								
		Revaluation Reserve	Other Capital Reserve	Retained Earnings									
	Rs'000	Rs'000	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	-	-	-	125,959	125,959								
Dividends	-	-	-	(179,585)	(179,585)								
Balance as at December 31, 2013	598,615	178,905	180	2,238,198	3,015,898								
For the period ended December 31, 2012													
Balance as at April 1, 2012	598,615	133,608	180	2,124,863	2,857,266								
Profit for the period	-	-	-	235,084	235,084								
Dividends	-	-	-	(359,169)	(359,169)								
Balance as at December 31, 2012	598,615	133,608	180	2,000,778	2,733,181								

The notes to the financial statements on pages from 9 to 15 form an integral part of the financial statements.
The figures in brackets indicate deductions.

DIPPED PRODUCTS PLC STATEMENTS OF CASH FLOWS

<u>Group</u>		<u>Company</u>		<u>Group</u>		<u>Company</u>	
				(Restated)	(Restated)	(Restated)	(Restated)
Audited	Audited			Unaudited	Unaudited	Unaudited	Unaudited
year to	year to			09 months to	09 months to	09 months to	09 months to
31.03.2013	31.03.2013			31.12.2013	31.12.2012	31.12.2013	31.12.2012
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)	1,920,940	2,747,602	782,323	944,307	(21,554)
(348,097)	(28,422)	Interest paid	(201,289)	(267,834)	(14,859)	(21,554)	(21,554)
(328,216)	(14,903)	Taxes paid	(205,274)	(177,238)	(36,709)	(10,209)	(10,209)
(219,532)	(27,102)	Retiring gratuity paid	(227,903)	(148,241)	(15,307)	(16,410)	(16,410)
(518)	-	Agents' indemnity paid	-	(228)	-	-	-
<u>2,735,806</u>	<u>102,401</u>	Net cash flow from operating activities	<u>1,286,474</u>	<u>2,154,061</u>	<u>715,448</u>	<u>896,134</u>	<u>896,134</u>
Cash flows from investing activities							
(1,022,154)	(95,540)	Purchase & construction of property, plant and equipment	(771,506)	(696,767)	(228,861)	(22,259)	(22,259)
(34,160)	(16,792)	Purchase of Formers	(46,589)	(29,802)	(27,195)	(4,947)	(4,947)
-	-	Purchase of intangible assets	(846)	-	-	-	-
32,808	-	Grants received	4,546	14,533	-	-	-
45,069	8,909	Proceeds from disposal of property, plant and equipment	4,221	10,976	1,568	477	477
(11,737)	-	Development cost incurred on biological assets	(3,049)	-	-	-	-
-	(338,784)	Investments in group companies	-	-	-	-	(338,784)
94,968	52,189	Interest received	50,045	58,638	7,568	35,795	35,795
-	581,344	Dividend received from associate / subsidiary companies	-	-	-	104,234	104,234
(89,281)	-	Net payments to non-controlling interest	(91,017)	(56,320)	-	-	-
<u>(984,487)</u>	<u>191,326</u>	Net cash flows from investing activities	<u>(854,195)</u>	<u>(698,742)</u>	<u>(246,920)</u>	<u>(225,484)</u>	<u>(225,484)</u>
Cash flows from financing activities							
17,171	-	Long term loans obtained	-	-	-	-	-
(329,768)	-	Repayment of long term loans	(176,391)	(272,174)	-	-	-
(2,662)	-	Capital payment on finance lease	(5,372)	(6,505)	-	-	-
<u>(597,102)</u>	<u>(597,102)</u>	Dividend paid	(179,591)	(358,968)	(179,591)	(358,968)	(358,968)
<u>(912,361)</u>	<u>(597,102)</u>	Net cash flows from financing activities	<u>(361,354)</u>	<u>(637,647)</u>	<u>(179,591)</u>	<u>(358,968)</u>	<u>(358,968)</u>
838,958	(303,375)	Net increase / (decrease) in cash & cash equivalents	70,925	817,673	288,937	311,682	311,682
<u>(2,442,978)</u>	<u>75,152</u>	Cash & cash equivalents at beginning of the period	<u>(1,604,020)</u>	<u>(2,575,381)</u>	<u>(228,223)</u>	<u>75,152</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>(1,533,095)</u>	<u>(1,757,708)</u>	<u>60,714</u>	<u>386,834</u>	<u>386,834</u>
A Cash generated from operations							
2,175,216	783,374	Profit before tax	1,069,645	1,556,486	127,777	251,537	251,537
Adjustments for							
348,097	28,422	Interest cost	201,289	272,766	14,859	17,424	17,424
-	-	Share of (profit)/loss of equity accounted investees	-	-	-	-	-
(31,171)	-	Gain on fair value change in biological assets	-	-	-	-	-
628,747	38,636	Depreciation on property, plant and equipment	462,944	475,718	32,331	28,977	28,977
5,335	5,335	Depreciation on investment property	4,002	4,001	4,002	4,001	4,001
32,244	5,139	Impairment of formers	24,644	24,869	5,005	3,687	3,687
2,697	-	Amortisation of intangible assets	2,280	1,777	-	-	-
(4,049)	-	Net (gain)/loss on other current financial assets and liabilities	6,137	(9,215)	-	-	-
(30,722)	(478)	(Gain)/loss on disposal of property, plant and equipment	(2,343)	(9,517)	-	(478)	(478)
(37,123)	-	Amortisation of grants	(27,086)	(12,885)	-	-	-
(79,061)	102	Provision for / (reversal of) bad & doubtful debts	7,131	18,100	(305)	(69)	(69)
363,677	55,362	Provision for retiring gratuity	346,898	311,820	41,521	39,962	39,962
4,798	-	Provision for agents' indemnity fund	3,928	3,508	-	-	-
2,550	-	Provision for diminution in value of unquoted equity shares	-	1,915	-	-	-
(17,824)	(2,968)	Provision for / (reversal of) slow-moving / obsolete inventories:	40,688	(23,082)	6,035	(2,022)	(2,022)
(94,968)	(633,533)	Interest and dividend income	(50,045)	(58,638)	(7,568)	(140,029)	(140,029)
54,445	-	Differences of exchange on translation of foreign entities	51,608	215,765	-	-	-
<u>3,322,888</u>	<u>279,391</u>		<u>2,141,720</u>	<u>2,773,387</u>	<u>223,657</u>	<u>202,990</u>	<u>202,990</u>
(54,149)	101,942	(Increase) / decrease in trade and other receivables	(60,332)	(520,803)	(340,504)	192,652	192,652
5,903	48,193	(Increase) / decrease in advances and prepayments	104,420	103,678	(13,503)	(2,116)	(2,116)
(125,653)	(16,813)	(Increase) / decrease in inventories	(64,276)	(218,486)	(203,504)	(61,663)	(61,663)
483,180	(239,885)	Increase / (decrease) in trade and other payables	(200,592)	609,826	1,116,177	612,444	612,444
<u>309,281</u>	<u>(106,563)</u>		<u>(220,780)</u>	<u>(25,785)</u>	<u>558,666</u>	<u>741,317</u>	<u>741,317</u>
<u>3,632,169</u>	<u>172,828</u>		<u>1,920,940</u>	<u>2,747,602</u>	<u>782,323</u>	<u>944,307</u>	<u>944,307</u>
B Analysis of cash & cash equivalents at end of the period							
273,846	92,569	Cash at bank and in hand	385,190	290,294	108,823	94,552	94,552
472,535	-	Short term deposits	850,324	1,127,422	503,926	735,176	735,176
<u>(2,350,401)</u>	<u>(320,792)</u>	Short term loans and overdraft	(2,768,609)	(3,175,424)	(552,035)	(442,894)	(442,894)
<u>(1,604,020)</u>	<u>(228,223)</u>		<u>(1,533,095)</u>	<u>(1,757,708)</u>	<u>60,714</u>	<u>386,834</u>	<u>386,834</u>

The notes to the financial statements on pages from 9 to 15 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 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	
Unaudited As at 31.03.2013 Rs.'000	Unaudited As at 31.03.2012 Rs.'000		Unaudited As at 31.12.2013 Rs.'000	Unaudited As at 31.12.2012 Rs.'000	Unaudited As at 31.12.2013 Rs.'000	Unaudited As at 31.12.2012 Rs.'000
		Issued and Fully paid				
598,615	598,615	59,861,512 Ordinary Shares	598,615	598,615	598,615	598,615

- The manufacturing facilities at Weliveriya remained non-operational due to continuous protests by certain sections of the villagers, despite independent reports confirm that the Company is not responsible for low pH in the shallow water in the neighborhood.
- The company incorporated new company D P L Premier Gloves Ltd to manufacture and export of rubber glove business at Biyagama Export Processing Zone. D P L Premier Gloves Ltd will acquire some assets of Venigros (Pvt) Ltd.
- 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 31.12.2012.

9. Industry Segment Turnover

Group			Group	
Audited year to 31.03.2013			Unaudited 9 months to 31.12.2013	(Restated) Unaudited 9 months to 31.12.2012
Rs'000			Rs'000	Rs.'000
14,674,543	Hand Protection		10,176,033	10,967,109
9,836,401	Plantations		7,773,006	7,139,300
24,510,944			17,949,039	18,106,409
(853,201)	Inter - segment sales / services		(564,784)	(652,747)
23,657,743			17,384,255	17,453,662

10. Industry Segment Results

Group			Group	
Audited year to 31.03.2013			Unaudited 9 months to 31.12.2013	(Restated) Unaudited 9 months to 31.12.2012
Rs. '000			Rs. '000	Rs.'000
1,371,800	Hand Protection		772,479	1,051,504
1,154,574	Plantations		533,950	712,891
2,526,374			1,306,429	1,764,395
(110,000)	Inter - segment results		(137,500)	(11,000)
2,416,374	Segment results		1,168,929	1,753,395
(348,097)	Finance cost		(228,481)	(303,951)
106,939	Finance income		129,197	107,042
2,175,216	Profit before tax		1,069,645	1,556,486

DIPPED PRODUCTS PLC

INVESTOR INFORMATION

	31.12.2013 Rs.	31.12.2012 Rs.
Market Value of Shares		
The market value of an ordinary share of Dipped Products PLC was as follows.		
Closing price on	90.00	110.00
Highest price recorded for the nine months ending	134.00	114.00
Lowest price recorded for the nine months ending	88.00	84.00
Highest price recorded for the three months ending	100.00	112.50
Lowest price recorded for the three months ending	88.00	97.10
Market Capitalisation (Rs. M)	5,388	6,585
Ratios		
Net assets per share at the period end*	121.73	111.39
Price earnings ratio annualised (times)	7.0	4.6
Share Trading information from April 1, 2013 to December 31, 2013		
Number of transactions	1,339	900
Number of shares traded	1,245,338	1,934,463
Value of shares traded (Rs.)	137,214,865.90	204,608,780.00

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 December 31, 2013

First twenty shareholders as at December 31, 2013

	Shareholder	No. of Shares as at December 31, 2013	%
1	Hayleys PLC	24,910,938	41.61
2	Employees Provident Fund	7,820,256	13.06
3	Volanka (Pvt) Limited	4,873,640	8.14
4	Promar Overseas SA	4,080,516	6.82
4	Haycarb PLC	4,068,746	6.80
5	National Savings Bank	953,900	1.59
6	Mr.H.A.Pieris	805,426	1.35
7	Bank of Ceylon No.1 Account	792,400	1.32
8	Ravi Industries Limited	567,000	0.95
9	E. W. Balasuriya & Co. (Pvt) Ltd	500,673	0.84
10	Seylan Bank PLC /Symphony Capital Ltd Waldock Mackenzie Ltd/Symphony Capital Ltd	478,145 6,000	0.81
11	Dr.D.Jayantha	415,000	0.69
12	Mr. N. G. Wickremeratne	393,204	0.66
13	Renuka Properties Limited	324,934	0.54
14	Mr.J.A.G.Anandarajah	219,474	0.37
15	Hallsville Trading Group Inc.	204,024	0.34
16	HSBC International Nominees Ltd-SSBT Deutsche Bank AG Singapore A/C 01	200,044	0.33
17	Commercial Bank of Ceylon PLC A/C No. 04	200,000	0.33
18	Mr.S.Krishnananthan	163,044	0.27
19	Mount Lavinia Hotel (Pvt) Ltd	150,000	0.25
	TOTAL	52,127,364	87.08

The percentage of shares held by public as per Colombo Stock Exchange Rules as at December 31, 2013 was 29.30%.

Directors' shareholding details as at December 31, 2013

Name of Director	No. of Shares as at December 31, 2013
Mr.A.M.Pandithage - Chairman	-
Dr.K.I.M.Ranasoma - Managing Director	300
Mr. R.K.Witanachchi - Deputy Managing Director (Appointed w.e.f. 01.01.2014)	2,112
Mr.N.Y.Fernando (Ceased to be Director due to retirement w.e.f. 12.12.2013)	10,288
Mr.R.Seevaratnam (Ceased to be Director w.e.f. 30.07.2013)	-
Mr.F.Mohideen	-
Mr.K.A.L.S.Fernando	56,264
Mr.L.G.S.Gunawardena	-
Mr.S.C.Ganegoda	-
Mr.K.D.D.Perera*	1,000
Mr. M. Bottino	-
Mr.R.M.T.Premarathna (Resigned w.e.f. 20.11.2013)	1,860
Mr.V.R.Gunasekara	-
Mr.S. Rajapakse (Appointed as Director w.e.f. 30.07.2013)	-
Ms. D.S.N. Weerasooriya (Appointed as Alternate Director to Mr. K.D.D.Perera w.e.f. 01.12.2013)	-
TOTAL	71,824

*Mr.K.D.D.Perera holds 48.38% directly and indirectly of the total issued shares of Hayleys PLC which holds 24,910,938 shares in Dipped Products PLC.

There were no Non-voting shares as at December 31, 2013.

DIPPED PRODUCTS PLC

Reconciliation of Total Comprehensive Income for the period ended December 31, 2012

	NOTE	Group			Group		
		SLAS Unaudited 9 months to 31.12.2012 Rs.'000	SLFRS/LKAS Remeasurement Rs.'000	SLFRS/LKAS Unaudited 9 months to 31.12.2012 Rs.'000	SLAS Unaudited 3 months to 31.12.2012 Rs.'000	SLFRS/LKAS Remeasurement Rs.'000	SLFRS/LKAS Unaudited 3 months to 31.12.2012 Rs.'000
Revenue	A	17,375,827	77,835	17,453,662	5,882,655	22,490	5,905,145
Cost of sales	B	(14,036,329)	(37,410)	(14,073,739)	(4,720,642)	(17,847)	(4,738,489)
Gross profit		3,339,498	40,425	3,379,923	1,162,013	4,643	1,166,656
Other income and gains		48,287	-	48,287	29,699	-	29,699
Distribution costs		(365,885)	-	(365,885)	(118,239)	-	(118,239)
Administrative expenses		(1,291,103)	-	(1,291,103)	(427,984)	-	(427,984)
Other expenses		(17,827)	-	(17,827)	(7,175)	-	(7,175)
Finance costs	C	(308,234)	4,283	(303,951)	(69,573)	(1,907)	(71,480)
Finance income		107,042	-	107,042	18,385	-	18,385
Profit before tax		1,511,778	44,708	1,556,486	587,126	2,736	589,862
Tax (expense) / release	D	(271,012)	(1,504)	(272,516)	(98,035)	28,035	(70,000)
Profit for the period		1,240,766	43,204	1,283,970	489,091	30,771	519,862
Attributable to :							
Equity holders of the Parent	E	1,038,406	40,038	1,078,444	407,704	36,954	444,658
Non-controlling interest	F	202,360	3,166	205,526	81,387	(6,183)	75,204
Profit for the period		1,240,766	43,204	1,283,970	489,091	30,771	519,862

DIPPED PRODUCTS PLC

Reconciliation of Total Comprehensive Income for the period ended December 31, 2012

	NOTE	Company			Company		
		SLAS Unaudited 9 months to 31.12.2012 Rs.'000	SLFRS/LKAS Remeasurement Rs.'000	SLFRS/LKAS Unaudited 9 months to 31.12.2012 Rs.'000	SLAS Unaudited 3 months to 31.12.2012 Rs.'000	SLFRS/LKAS Remeasurement Rs.'000	SLFRS/LKAS Unaudited 3 months to 31.12.2012 Rs.'000
Revenue	A	1,507,110	-	1,507,110	499,034	-	499,034
Cost of sales	B	(1,113,699)	(1,886)	(1,115,585)	(375,955)	(598)	(376,553)
Gross profit		393,411	(1,886)	391,525	123,079	(598)	122,481
Other income and gains	C	8,857	104,234	113,091	3,271	-	3,271
Distribution costs		(35,113)	-	(35,113)	(8,455)	-	(8,455)
Administrative expenses		(234,694)	-	(234,694)	(78,493)	-	(78,493)
Other expenses		(13,536)	-	(13,536)	(5,912)	-	(5,912)
Finance costs		(21,553)	-	(21,553)	(6,957)	-	(6,957)
Finance income	C	151,921	(100,104)	51,817	14,198	1,376	15,574
Profit before tax		249,293	2,244	251,537	40,731	778	41,509
Tax (expense) / release	D	(20,219)	3,766	(16,453)	(5,584)	2,510	(3,074)
Profit for the period		229,074	6,010	235,084	35,147	3,288	38,435

DIPPED PRODUCTS PLC
Reconciliation of Equity as at December 31, 2012

As at December 31, 2012	Notes	Group			Company		
		As per SLAS Rs.'000	Remeasurement	As per SLFRS/LKAS	As per SLAS Rs.'000	Remeasurement	As per SLFRS/LKAS
Assets							
Non-current assets							
Property, plant and equipment	G	9,191,839	684,615	9,876,454	316,901	60,784	377,685
Formers (moulds)	H	-	193,664	193,664	-	45,541	45,541
Investment property		224,330	-	224,330	224,330	-	224,330
Biological assets	I	-	192,113	192,113	-	-	-
Intangible assets	J	194,066	(14,534)	179,532	-	-	-
Investments in subsidiaries		-	-	-	2,352,684	-	2,352,684
Investment in equity accounted investee		-	-	-	-	-	-
Other Non Current Financial Assets	K	-	660	660	-	-	-
Other long term investments	L	638	(638)	-	-	-	-
Deferred tax assets	M	34,346	(8,508)	25,838	33,734	(8,508)	25,226
		<u>9,645,219</u>	<u>1,047,372</u>	<u>10,692,591</u>	<u>2,927,649</u>	<u>97,817</u>	<u>3,025,466</u>
Current Assets							
Inventories	N	3,622,238	(256,962)	3,365,276	461,535	(45,541)	415,994
Trade and other receivables	O	4,759,022	(262,735)	4,496,287	298,782	(108,743)	190,039
Advances and prepayments	P	-	261,992	261,992	-	108,743	108,743
Amounts due from subsidiaries	Q	-	-	-	340,538	4,130	344,668
Other current financial assets	R	-	11,441	11,441	-	-	-
Short term investments	S	8,437	(8,437)	-	-	-	-
Short term deposits		1,127,422	-	1,127,422	735,176	-	735,176
Cash and cash equivalents		290,294	-	290,294	94,552	-	94,552
		<u>9,807,413</u>	<u>(254,701)</u>	<u>9,552,712</u>	<u>1,930,583</u>	<u>(41,411)</u>	<u>1,889,172</u>
Total assets		<u>19,452,632</u>	<u>792,671</u>	<u>20,245,303</u>	<u>4,858,232</u>	<u>56,406</u>	<u>4,914,638</u>
Equity and Liabilities							
Stated capital		598,615	-	598,615	598,615	-	598,615
Capital reserves		383,287	-	383,287	133,788	-	133,788
Available-for-sale (AFS) reserve	T	-	16	16	-	-	-
Revenue reserves	U	5,140,478	545,685	5,686,163	1,944,372	56,406	2,000,778
Total equity attributable to equity holders of Parent		<u>6,122,380</u>	<u>545,701</u>	<u>6,668,081</u>	<u>2,676,775</u>	<u>56,406</u>	<u>2,733,181</u>
Non-controlling interest	V	1,852,878	77,512	1,930,390	-	-	-
Total Equity		<u>7,975,258</u>	<u>623,213</u>	<u>8,598,471</u>	<u>2,676,775</u>	<u>56,406</u>	<u>2,733,181</u>
Non Current Liabilities							
Deferred tax liability	W	279,259	49,742	329,001	-	-	-
Defined benefit obligations		2,343,593	-	2,343,593	285,740	-	285,740
Agents' indemnity fund		51,700	-	51,700	-	-	-
Interest bearing borrowings	X	1,603,947	121,438	1,725,385	-	-	-
Deferred income		705,017	-	705,017	-	-	-
		<u>4,983,516</u>	<u>171,180</u>	<u>5,154,696</u>	<u>285,740</u>	<u>-</u>	<u>285,740</u>
Current Liabilities							
Trade and other payables		2,839,028	-	2,839,028	213,030	-	213,030
Unclaimed dividends/dividend payable		4,200	-	4,200	4,200	-	4,200
Current portion of interest-bearing borrowings	X	331,834	(6,051)	325,783	-	-	-
Short-term interest-bearing borrowings		3,175,424	-	3,175,424	442,894	-	442,894
Other current financial liability		-	1,574	1,574	0	-	-
Amounts due to related parties	Y	-	16,972	16,972	1,201,847	10,167	1,212,014
Amounts due to Hayleys PLC	Y	16,972	(16,972)	-	10,167	(10,167)	-
Income tax payable	Z	126,400	2,755	129,155	23,579	-	23,579
		<u>6,493,858</u>	<u>(1,722)</u>	<u>6,492,136</u>	<u>1,895,717</u>	<u>-</u>	<u>1,895,717</u>
Total Liabilities		<u>11,477,374</u>	<u>169,458</u>	<u>11,646,832</u>	<u>2,181,457</u>	<u>-</u>	<u>2,181,457</u>
Total equity, minority interest & liabilities		<u>19,452,632</u>	<u>792,671</u>	<u>20,245,303</u>	<u>4,858,232</u>	<u>56,406</u>	<u>4,914,638</u>

DIPPED PRODUCTS PLC

Notes to the SLFRS/LKAS reconciliations (including SLFRS adjustments) for the Income Statements for the 9 months ended 31.12.2012 and Net Assets as at 31.12.2012

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.77.8Mn.

B Cost of sales

Changes in useful lives of plant and machinery had an increasing effect of Rs.1.8Mn 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.37.4 Mn for the period ended 31.12.2012.

C Other Income and Gains / Finance costs

Reclassification of Dividend Income under Other Income and Gains had a positive effect of Rs.104.2Mn. Recognition of guarantee income / expense and reclassification of Dividend Income had an effect on finance income of the Company of Rs.100.1Mn. 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.4.2 Mn on the Group for the period ended 31.12.2012.

D Income tax (expense)/release

Income tax expenses consists of deferred tax and provisional tax effect on SLFRS/LKAS changes. Company income tax expense has reduced by Rs.3.8Mn and Group income tax expense increased by Rs.1.5 Mn for the nine months period.

E Profit attributable to equity holders of the parent

LKAS/SLFRS adjustments had an effect on Profit attributable to equity holders of the Group is Rs. 55.8 Mn.

F Non-controlling interest

LKAS/SLFRS adjustments had an effect on Profit attributable to Non-controlling interest in the Group of Rs. 3.2 Mn.

G Property, plant and equipment (PPE)

Changes to the estimation of new useful lives had an effect of positive Rs. 60.8 Mn on Company PPE as at 31.12.2012. 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.684 Mn on Group PPE as at 31.12.2012.

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.45.6 M and Rs.184.4 Mn respectively.

I Biological assets

Re-classification of Biological assets and valuation of Biological assets at fair value had a positive effect of Rs.192 Mn on the Group as at 31.12.2012.

J Intangible assets

Re-classification of Computer Software and write-off of goodwill as at 01.04.2011 had a negative effect of Rs.14.5Mn for the Group as at 31.12.2012.

K Other 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. 0.7 Mn on the Group as at 31.12.2012.

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. 0.6 Mn on the Group as at 31.12.2012.

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.8.5 Mn respectively.

DIPPED PRODUCTS PLC

Notes to the SLFRS/LKAS reconciliations (including SLFRS adjustments) for the Income Statements for the quarter ended 31.12.2012 and Net Assets as at 31.12.2012

N Inventories

Re-classification of Formers (Moulds) under Non - current assets had a negative effect of Rs.45.5 Mn on Inventory value of the company as at 31.12.2012.

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.247.7 Mn on Inventory value of the Group as at 31.12.2012.

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. 108.7 Mn and Rs.262.7 Mn respectively.

The effect of above on Advances and prepayments of the company and Group was a positive Rs.108.7 Mn and Rs.261.9 Mn respectively.

Q Amounts due from subsidiaries

Recognition of Guarantee income had a positive effect of Rs.4.1 Mn 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.11.4 Mn on the Group.

S Short term investments

Re-Classification of Short Term Investments under Other current financial assets had a negative effect of Rs. 8.4 Mn 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. 0.016 Mn as at 31.12.2012.

U Revenue reserves

The re-measurement changes had a positive effect of Rs.56.4 Mn on the Company Revenue Reserves and Rs.561.4n M on the Group Revenue Reserves as at 31.12.2012.

V Non-controlling interest

The re-measurement changes had a positive effect of Rs.77.5 Mn on Non-controlling interest as at 31.12.2012.

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.49.7 Mn 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.115.4 Mn.

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.10.1 Mn and Rs. 16.9 Mn for the Company and Group respectively. The same had a negative effect of Rs. 10.1 Mn and Rs.16.9 Mn 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.2.7 Mn as at 31.12.2012.