



TEXTURED JERSEY LANKA PLC

Condensed Interim Financial Statements

Period Ended 30 September 2014

TEXTURED JERSEY LANKA PLC

Chairman's Review

Textured Jersey Lanka PLC (TJL) reported a top line of Rs. 3.5bn and net profit of Rs. 282mn for the quarter ended 30th September 2014 (2Q FY2014/15). This marked an emphatic recovery from the temporary setback suffered in the previous quarter, with sales up 29% and net profit up 72% on a quarter on quarter basis.

Further on a year on year basis 2Q FY2014/15 sales as well as net profit represented a 7% increase placing TJL on a strong growth trajectory once again.

Gross profit for 2Q FY2014/15 came in at Rs. 339mn, 2% lower than during the same period last year. This was mainly due to lower margins arising from a combination of factors which included changes in product mix, outsourcing and higher dyes and chemical costs. However, the company managed to cut down its administrative and distribution expenses by 4% to Rs. 99mn, which resulted in the operating profit remaining at Rs. 249mn, on par with the corresponding quarter last year.

TJL continued to maintain its near debt-free balance sheet as at 30th September 2014, with a strong cash position of Rs.1.6bn, and a temporary overdraft of Rs. 366mn. However, the cash balance was 21% less compared with the previous year. The reduced cash position was owing to increased working capital, dividends and capital expenditure during the current quarter.

Lower interest rates, combined with a lower cash position contributed to net finance income coming in at Rs. 16mn for 2Q FY2014/15, 10% lower compared to last year. The other operating income consisting of technical service fees of Rs. 21mn, allowed TJL to close the quarter at a net profit of Rs. 282mn, an improvement of 7% from last year.

On strategic initiatives, the construction phase of the multi fuel co-generation boiler plant was successfully completed during the quarter and test operations were commenced. The plant will be fully operational in the coming quarters and is expected to generate substantial savings in energy costs. Similarly, the recently added 10-12% capacity will be fully utilised during the coming quarters with US demand coming back on track.

With strategic investments made in recent times coming into fruition, combined with strong focus on innovation, quality and execution, the management is confident that TJL will be able to continue its growth and create shareholder value for the foreseeable future.

Bill Lam

Chairman

TEXTURED JERSEY LANKA PLC

Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter Ended			Period Ended		Year Ended
	30 September			30 September		31 March
	2014	2013	2014	2013	Variance	2014
	Unaudited	Unaudited	Unaudited	Unaudited		Audited
Revenue	3,455,651	3,234,302	6,134,266	6,102,161	1%	12,724,715
Cost of sales	(3,116,905)	(2,887,544)	(5,576,661)	(5,407,821)	3%	(11,268,294)
Gross profit	338,746	346,758	557,605	694,340	-20%	1,456,421
Other income	9,338	5,702	20,628	17,439	18%	16,386
Distribution expenses	(19,654)	(22,432)	(39,122)	(45,154)	-13%	(86,797)
Administrative expenses	(79,494)	(80,758)	(167,416)	(189,043)	-11%	(331,971)
Results from operating activities	248,936	249,270	371,695	477,582	-22%	1,054,039
Non Operating Income	20,585	NIL	41,230	NIL	0%	48,595
Finance income	17,741	19,229	35,459	42,902	-17%	90,750
Finance costs	(1,338)	(913)	(1,441)	(917)	57%	(297)
Net finance income	16,403	18,316	34,018	41,985	-19%	90,453
Profit before tax	285,924	267,586	446,943	519,567	-14%	1,193,087
Income tax	(4,139)	(4,234)	(1,100)	(15,991)	-93%	(40,315)
Profit for the period	281,785	263,352	445,843	503,576	-11%	1,152,772
Basic earnings per share (LKR)	0.43	0.40	0.68	0.77		1.76

TEXTURED JERSEY LANKA PLC

Statement of Comprehensive Income

(all amounts in Sri Lankan Rupees thousands)

	Quarter Ended		Period Ended		Variance	Year Ended
	30 September		30 September			31 March
	2014	2013	2014	2013		2013
	Unaudited	Unaudited	Unaudited	Unaudited		Audited
Profit for the period	281,785	263,352	445,843	503,576	-11%	1,152,772
Other comprehensive income						
Deferred tax attributable to remeasurement of retirement benefit obligations	NIL	NIL	NIL	NIL	NIL	3,753
Effect on remeasurement of retirement benefit obligations	NIL	NIL	NIL	NIL	NIL	(31,272)
Currency translation differences	13,839	78,639	(3,880)	277,765	-101%	183,273
Total other comprehensive income for the period	13,839	78,639	(3,880)	277,765	-101%	155,754
Total comprehensive income for the period	295,624	341,991	441,963	781,341	-43%	1,308,526

TEXTURED JERSEY LANKA PLC

Statement of Financial Position

(all amounts in Sri Lankan Rupees thousands)

	As at 30 September		As at
	2014	2013	31 March
	Unaudited	Unaudited	Audited
ASSETS			
Non - current assets			
Property, plant & equipment	2,478,301	2,340,731	2,178,992
Capital work-in-progress	671,692	139,762	779,820
Intangible assets	52,308	51,348	56,715
Lease rentals paid in advance	90,428	95,609	92,319
	3,292,729	2,627,450	3,107,846
Current assets			
Inventories	1,861,485	1,737,458	1,924,517
Trade and other receivables	1,997,562	1,548,871	1,280,945
Cash and cash equivalents	1,607,501	2,043,328	2,121,875
	5,466,548	5,329,657	5,327,337
Total assets	8,759,277	7,957,107	8,435,183
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	2,849,899	2,797,229	2,797,229
ESOP fund	19,473	NIL	19,473
Exchange equalisation reserve	1,088,364	1,186,736	1,092,244
Retained earnings	2,379,163	2,167,746	2,461,922
	6,336,899	6,151,711	6,370,868
Non - current liabilities			
Deferred tax liabilities	96,991	87,266	95,927
Retirement benefit obligations	109,860	66,845	98,389
	206,851	154,111	194,316
Current liabilities			
Trade and other payables	1,849,496	1,146,681	1,818,093
Bank overdrafts	366,032	504,604	51,906
	2,215,528	1,651,285	1,869,999
Total liabilities	2,422,379	1,805,396	2,064,315
Total equity and liabilities	8,759,277	7,957,107	8,435,183
Net Asset per share	9.67	9.39	9.73

I certify that financial statements comply with the requirements of the Companies Act No. 07 of 2007.

Salman Nishtar
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Sriyan Joseph de Silva Wijeyeratne
Managing Director/Chief Executive Officer

Hasitha Premarathne
Director

4 November 2014

TEXTURED JERSEY LANKA PLC

Statement of Changes In Equity

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	ESOP fund	Exchange equalisation reserve	Retained earnings	Total
Balance as at 1 April 2013	2,797,229	NIL	908,971	2,044,071	5,750,271
Profit for the period	NIL	NIL	NIL	1,152,772	1,152,772
Other comprehensive income	NIL	NIL	183,273	(27,519)	155,754
Total comprehensive income	NIL	NIL	183,273	1,125,253	1,308,526
Transactions with owners					
Final dividend paid - 2012/13	NIL	NIL	NIL	(379,901)	(379,901)
Interim dividend paid - 2013/14	NIL	NIL	NIL	(327,501)	(327,501)
ESOP fund	NIL	19,473	NIL	NIL	19,473
Balance as at 31 March 2014	2,797,229	19,473	1,092,244	2,461,922	6,370,868
Balance as at 1 April 2014	2,797,229	19,473	1,092,244	2,461,922	6,370,868
Issue of shares	52,670	NIL	NIL	NIL	52,670
Profit for the period	NIL	NIL	NIL	445,843	445,843
Other comprehensive income	NIL	NIL	(3,880)	NIL	(3,880)
Total comprehensive income	NIL	NIL	(3,880)	445,843	441,963
Transactions with owners					
Final dividend paid - 2013/14	NIL	NIL	NIL	(528,602)	(528,602)
Balance as at 30 September 2014	2,849,899	19,473	1,088,364	2,379,163	6,336,899
Balance as at 1st April 2013	2,797,229	NIL	908,971	2,044,071	5,750,271
Profit for the period	NIL	NIL	NIL	503,576	503,576
Other comprehensive income	NIL	NIL	277,765	NIL	277,765
Total comprehensive income	NIL	NIL	277,765	503,576	781,341
Transactions with owners					
Final dividend paid - 2012/13	NIL	NIL	NIL	(379,901)	(379,901)
Balance as at 30th September 2013	2,797,229	NIL	1,186,736	2,167,746	6,151,711

TEXTURED JERSEY LANKA PLC

Cash Flow Statement

(all amounts in Sri Lankan Rupees thousands)

	Period Ended 30 September	
	2014	2013 Unaudited
	Unaudited	
Cash flows from operating activities		
Cash generated from operations	(28,258)	231,327
Finance income received	37,029	42,902
Finance cost paid	(1,440)	(32)
Retirement benefit obligations paid	(1,806)	(2,403)
Net cash generated from operating activities	5,525	271,794
Cash flows from investing activities		
Additions to capital work - in - progress	(352,136)	(169,344)
Purchase of intangible assets	(5,977)	(20,877)
Net cash used in investing activities	(358,113)	(190,221)
Cash flows from financing activities		
Dividend paid	(528,602)	(379,901)
Proceed from issuance of Ordinary shares	52,690	NIL
Net cash used in financing activities	(475,912)	(379,901)
Net increase in cash and cash equivalents	(828,500)	(298,328)
Cash and cash equivalents at the beginning of the period	2,069,969	1,837,052
Cash and cash equivalents at the end of the period	1,241,469	1,538,724

TEXTURED JERSEY LANKA PLC

Notes to the Financial Statements

1 Corporate Information

Textured Jersey Lanka PLC is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The address of its registered office is Block D8 - D14, C V Gooneratne Seethawaka International Industrial Park, Avissawella.

2 Condensed Interim Financial Statements

The financial statements for the period ended 30 September 2014, includes "the Company" referring to Textured Jersey Lanka PLC .

The Company has also presented the statement of comprehensive income and the statement of financial position in United States Dollars (USD) since the functional currency of the enterprise is USD.

3 Approval of Financial Statements

The condensed interim financial statements of the Company for the 03 months ended 30 September 2014 were authorised for issue by the Board of Directors on 04 November 2014.

4 Basis of Preparation

The condensed interim financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 Interim Financial Reporting . The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2014.

The condensed interim financial statements have been prepared on a historical cost basis.

5 Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

6. Contingencies, Capital and Other Commitments

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2014.

7. Events after the Reporting Period

No circumstances have arisen since the Statement of Financial Position date which would require adjustment to or disclosure in the Financial Statements.

8. Key Ratios of the Company

	Period Ended 30 September	
	2014	2013
<u>Profitability Ratios</u>		
Net Profit Margin	7.27%	8.25%
Asset to Turnover	1.40	1.53
Debt : Equity	0.06	0.08
Return on Assets (ROA)	10.37%	12.73%
Return on Equity (ROE)	14.03%	16.92%

Investor Ratios

Earnings per Share (EPS) - LKR	0.68	0.77
Net Book Value per Share - LKR	9.67	9.39
Price / Earnings Ratio (PE Ratio)	14.66	9.56
Price to Book Value Ratio (PBV Ratio)	2.06	1.57

(PE and PBV Ratios are based on a market price of LKR 19.90 per share closed 30 September 2014)

9 Number of shares representing the entity's Stated Capital - 660,752,465 Shares

10 Directors' Interest in Shares of the Company (As at 30 September 2014)

	No. of Shares
Hasitha Premaratne	40,000

TEXTURED JERSEY LANKA PLC

Notes to the Financial Statements

11 Market Price per Share

	Highest (LKR)	Lowest (LKR)
Period ended 30 September 2014	21.30	18.60
Last traded price (on 30 September 2014)	19.90	

12 Public Shareholding 199,234,261 shares - 30.15%

13 List of the 20 Largest Shareholders

	No. of Shares	
PACIFIC TEXTURED JERSEY HOLDINGS LTD	262,001,464	39.65%
BRANDIX LANKA LTD	197,000,976	29.81%
Y S H I SILVA	15,956,500	2.41%
MELSTACORP LIMITED	12,622,428	1.91%
J B COCOSHELL (PVT) LTD	10,625,537	1.61%
DEUTSCHE BANK AG SINGAPORE-DSS A/C NAVIS YIELD FUND	9,833,319	1.49%
NUWARA ELIYA PROPERTY DEVELOPERS (PVT) LTD	8,225,615	1.24%
MCBRIDGE BLUE (PRIVATE) LIMITED	5,150,700	0.78%
HSBC INTL NOM LTD-HBFS-JPMORGAN ASIA NEW FRONTIERS FUND	4,328,833	0.66%
CITI BANKNY S/A FORWARD SELECT EM DIVIDEND FUND	3,499,998	0.53%
SEYLAN BANK PLC/ARC CAPITAL (PVT) LTD	3,412,339	0.52%
MAS CAPITAL (PRIVATE) LIMITED	3,277,202	0.50%
PERICEYL (PRIVATE) LIMITED A/C NO. 03	2,694,100	0.41%
NATIONAL SAVINGS BANK	2,639,549	0.40%
ELGIN INVESTMENTS LIMITED	2,051,145	0.31%
MCSEN RANGE (PRIVATE) LIMITED	2,031,400	0.31%
NAWALOKA PILING (PRIVATE) LIMITED	2,031,400	0.31%
SOUTH ASIAN INVESTMENT (PVT) LTD	2,031,400	0.31%
K. BALENDRA	1,691,200	0.26%
A.R. GUNASEKARA	1,556,200	0.24%
UNION ASSURANCE PLC/NO-01A/C	1,553,000	0.24%
D.S.T. JAYAWARDENA	1,429,300	0.22%

TEXTURED JERSEY LANKA PLC

Income Statement

(all amounts in United States Dollars)

	Quarter Ended		Period Ended		Variance	Year Ended	
	30 September		30 September				2014
	2014	2013	2014	2013			
	Unaudited	Unaudited	Unaudited	Unaudited			
Revenue	26,495,696	24,642,215	46,980,671	47,325,582	-1%	97,867,363	
Cost of sales	(23,898,899)	(22,006,433)	(42,710,125)	(41,940,596)	2%	(86,665,853)	
Gross profit	2,596,797	2,635,782	4,270,546	5,384,986	-21%	11,201,510	
Other income	71,645	42,420	157,985	135,251	17%	126,033	
Distribution expenses	(150,745)	(170,474)	(299,630)	(350,195)	-14%	(667,570)	
Administrative expenses	(609,800)	(609,660)	(1,282,191)	(1,466,135)	-13%	(2,553,232)	
Results from operating activities	1,907,897	1,898,068	2,846,710	3,703,907	-23%	8,106,741	
Non Operating Income	157,884	NIL	315,768	NIL	-	373,752	
Finance income	136,068	145,489	271,573	332,729	-18%	697,972	
Finance costs	(10,245)	(7,077)	(11,040)	(7,111)	55%	(2,285)	
Net finance income	125,823	138,412	260,533	325,618	-20%	695,687	
Profit before tax	2,191,604	2,036,480	3,423,011	4,029,525	-15%	9,176,180	
Income tax	(31,664)	(31,028)	(8,426)	(124,018)	-93%	(310,072)	
Profit for the period	2,159,940	2,005,452	3,414,585	3,905,507	-13%	8,866,108	

TEXTURED JERSEY LANKA PLC

Statement of Comprehensive Income

(all amounts in United States Dollars)

	Quarter Ended		Period Ended		Variance	Year Ended	
	30 September		30 September				2014
	2014	2013	2014	2013			
	Unaudited	Unaudited	Unaudited	Unaudited		Audited	
Profit for the period	2,159,940	2,005,452	3,414,585	3,905,507	-13%	8,866,108	
Other comprehensive income							
Deferred tax attributable to remeasurement of retirement benefit obligations	NIL	NIL	NIL	NIL	-	28,862	
Effect on remeasurement of retirement benefit obligations	NIL	NIL	NIL	NIL	-	(240,518)	
Total other comprehensive income for the period	NIL	NIL	NIL	NIL	-	(211,656)	
Total comprehensive income for the period	2,159,940	2,005,452	3,414,585	3,905,507	-13%	8,654,452	

TEXTURED JERSEY LANKA PLC

Statement of Financial Position

(all amounts in United States Dollars)

	As at 30 September		As at 31 March
	2014	2013	2014
	Unaudited	Unaudited	Audited
ASSETS			
Non - current assets			
Property, plant & equipment	18,983,535	17,649,913	16,684,471
Capital work-in-progress	5,145,094	1,053,853	5,971,058
Intangible assets	400,671	387,182	434,263
Lease rentals paid in advance	692,672	720,920	706,880
	25,221,972	19,811,868	23,796,672
Current assets			
Inventories	14,258,792	13,101,024	14,735,968
Trade and other receivables	15,301,124	11,679,015	9,808,154
Cash and cash equivalents	12,313,296	15,407,389	16,247,126
	41,873,212	40,187,428	40,791,248
Total assets	67,095,184	59,999,296	64,587,920
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	29,028,481	28,624,940	28,624,940
ESOP Fund	149,794	NIL	149,794
Retained earnings	19,361,729	17,761,050	20,006,789
	48,540,004	46,385,990	48,781,523
Non - current liabilities			
Deferred tax liabilities	742,938	658,012	734,513
Retirement benefit obligations	841,517	504,036	753,358
	1,584,455	1,162,048	1,487,871
Current liabilities			
Trade and other payables	14,166,953	8,646,368	13,921,083
Bank overdrafts	2,803,772	3,804,890	397,443
	16,970,725	12,451,258	14,318,526
Total liabilities	18,555,180	13,613,306	15,806,397
Total equity and liabilities	67,095,184	59,999,296	64,587,920

I certify that financial statements comply with the requirements of the Companies Act No. 07 of 2007.

Salman Nishtar
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Sriyan Joseph de Silva Wijeyeratne
Managing Director/Chief Executive Officer

Hasitha Premarathne
Director

04 November 2014