



TEXTURED JERSEY LANKA PLC

**Condensed Interim Financial Statements
Second Quarter Ended 30 September 2013**

TEXTURED JERSEY LANKA PLC

Chairman's Review

Textured Jersey Lanka PLC (TJL) recorded a net profit of Rs. 263mn for the quarter ended 30th September 2013 (2Q FY2013/14), up by an impressive 68% year-on-year. This brought the cumulative net profit for the period ended 30th September 2013/14 (1H FY2013/14) to Rs. 504mn, up 53% year-on-year, placing the company on a strong platform for the remainder of the year.

During the quarter under review, TJL continued to record higher sales volumes as compared to the previous year. This resulted in sales for 2Q FY2013/14 reaching Rs. 3.2bn, 34% higher than that of last year; placing the 1H FY2013/14 cumulative sales figure at Rs. 6.1bn, up 21% year-on-year.

Continually operating at optimal capacity with a good product mix has also helped TJL maintain higher margins in 2Q FY2013/14 compared to the previous year. The combined effect of higher sales and higher margins has resulted in gross profit for 2Q FY2013/14 amounting to Rs. 347mn, up 79% year-on-year, with cumulative gross profit for 1H FY2013/14 reaching Rs. 694mn.

Distribution expenses for the quarter under review increased 54% year-on-year to Rs. 22mn, and administrative expenses increased 91% to Rs. 81mn. The year-on-year increase in administrative expenses can be attributed to the same expense recorded in the corresponding period of last year being lower as a result of a provision reversal. Nevertheless, as a result of a strong year-on-year gross profit growth, TJL recorded an operating profit of Rs. 249mn for 2Q FY2013/14, up 67% year-on-year. This resulted in a cumulative operating profit of Rs. 478mn for 1H FY2013/14, up 52% compared to the previous year.

Consequent to maintaining a near debt-free balance sheet and a healthy cash position throughout the period, TJL was able to record Rs. 18mn in net finance income for 2Q FY2013/14, representing a substantial 156% growth year-on-year. As at 30th September 2013, the company had no borrowings and a strong cash position of Rs. 2bn.

Therefore, due to the continued impressive performance during the quarter, and a strong balance sheet, TJL was able to achieve a robust 68% year-on-year profit growth, and record a Rs. 263mn net profit for 2Q FY2013/14. The quarterly performance helped the cumulative net profit for 1H FY2013/14 reach Rs. 504mn, up by an impressive 53% year-on-year. While the order book for the 6 months ending 31st March 2014 (2H 2013/14) remains strong and the company is poised to report a steady profit growth in 2H 2013/14 as well, the profit growth for 2H 2013/14 on a year-on-year basis may not be as significant as the 1H 2013/14 growth, particularly given the above average performance in the corresponding period last year.

TJL's focus on providing customer driven solutions through flawless execution while maintaining industry-leading quality standards have helped build strong relationships over the years with strategic customers such as Intimissimi, Victoria's Secret, Marks & Spencer, Decathlon & DBA brands. Further, TJL continues to develop growing interest from emerging brands as well. The European business has shown significant growth during the past year lead by Intimissimi, Decathlon and DBA brands, which was mainly driven through product and service innovation. This is clearly evident by the company's healthy order book to date.

On strategic initiatives, the construction of TJL's multi-fuel boiler plant is progressing with minor amendments to the original plan. The plant is expected to reduce TJL's energy cost substantially when commissioned. Additionally, during the quarter under review, the company committed to invest in machinery and infrastructure to modernize and expand capacity locally, which will enable TJL to add special finishes to its current product capability. In order to facilitate its regional expansion strategy, TJL has taken steps to strengthen its strategic relationships, as well as strengthen the senior management team. Given all these factors, the management remains confident of sustaining growth and delivering value to shareholders on a continual basis.

sgd

Bill Lam

Chairman

TEXTURED JERSEY LANKA PLC

Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter Ended 30 September		Period Ended 30 September		Variance	Year Ended
	2013 Unaudited	2012 Unaudited	2013 Unaudited	2012 Unaudited		2013 Audited
Revenue	3,234,302	2,417,870	6,102,161	5,027,953	21.4%	10,951,455
Cost of sales	(2,887,544)	(2,224,188)	(5,407,821)	(4,565,392)	18.5%	(9,681,753)
Gross profit	346,758	193,682	694,340	462,561	50.1%	1,269,702
Other income	5,702	12,682	17,439	24,541	-28.9%	29,097
Distribution expenses	(22,432)	(14,560)	(45,154)	(38,758)	16.5%	(78,544)
Administrative expenses	(80,758)	(42,235)	(189,043)	(134,710)	40.3%	(265,083)
Results from operating activities	249,270	149,569	477,582	313,634	52.3%	955,172
Finance income	19,229	14,767	42,902	34,343	24.9%	78,614
Finance costs	(913)	(7,606)	(917)	(19,306)	-95.3%	(19,453)
Net finance income / (cost)	18,316	7,161	41,985	15,037	179.2%	59,161
Profit before tax	267,586	156,730	519,567	328,671	58.1%	1,014,333
Income tax	(4,234)	NIL	(15,991)	NIL		1,614
Profit for the period	263,352	156,730	503,576	328,671	53.2%	1,015,947
Basic earnings per share (LKR)	0.40	0.24	0.77	0.50		1.55

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
	2013	2012	2013	2012			2013
	Unaudited	Unaudited	Unaudited	Unaudited		Audited	
Profit for the period	263,352	156,730	503,576	328,671	53.2%	1,015,947	
Other comprehensive income							
Actuarial gain on retirement benefit obligations	NIL	NIL	NIL	NIL		802	
Currency translation differences	78,639	(200,557)	277,765	44,196	528%	(82,364)	
Total other comprehensive income for the period	78,639	(200,557)	277,765	44,196	528%	(81,562)	
Total comprehensive income for the period	341,991	(43,827)	781,341	372,867	110%	934,385	

TEXTURED JERSEY LANKA PLC

Statement of Financial Position

(all amounts in Sri Lankan Rupees thousands)

	As at 30 September		As at 31 March
	2013 Unaudited	2012 Unaudited	2013 Audited
ASSETS			
Non - current assets			
Property, plant & equipment	2,340,731	2,468,581	2,288,643
Capital work-in-progress	139,762	6,821	67,758
Intangible assets	51,348	54,130	41,082
Lease rentals paid in advance	95,609	97,138	93,396
	2,627,450	2,626,670	2,490,879
Current assets			
Inventories	1,737,458	1,628,506	1,795,172
Trade and other receivables	1,548,871	959,459	1,382,736
Cash and cash equivalents	2,043,328	1,673,963	2,196,949
	5,329,657	4,261,928	5,374,857
Total assets	7,957,107	6,888,598	7,865,736
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	2,797,229	2,797,229	2,797,229
Exchange equalisation reserve	1,186,736	1,035,531	908,971
Retained earnings	2,167,746	1,788,295	2,044,071
	6,151,711	5,621,055	5,750,271
Non - current liabilities			
Borrowings	NIL	NIL	NIL
Deferred tax liabilities	87,266	73,362	67,678
Retirement benefit obligations	66,845	58,364	55,154
	154,111	131,726	122,832
Current liabilities			
Trade and other payables	1,146,681	958,037	1,632,736
Borrowings	NIL	NIL	NIL
Bank overdrafts	504,604	177,780	359,897
	1,651,285	1,135,817	1,992,633
Total liabilities	1,805,396	1,267,543	2,115,465
Total equity and liabilities	7,957,107	6,888,598	7,865,736
Net assets per share (LKR)	9.39	8.58	8.78

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

Sgd.

Salman Nishtar

Chief Financial Officer

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

Sgd.

Ashroff Omar

Director

Sgd.

Hasitha Premarathne

Director

29-Oct-13

TEXTURED JERSEY LANKA PLC

Statement of Changes In Equity

(all amounts in Sri Lankan Rupees thousands)

	Period Ended 30 September			
	Stated capital	Exchange equalisation reserve	Retained earnings	Total
Balance as at 1st April 2012	2,797,229	991,335	1,695,425	5,483,989
Profit for the year	NIL	NIL	1,015,947	1,015,947
Other comprehensive income	NIL	(82,364)	802	(81,562)
Total comprehensive income	NIL	(82,364)	1,016,749	934,385
Transactions with owners				
Final dividend paid - 2011/12	NIL	NIL	(235,801)	(235,801)
Interim dividend paid - 2012/13	NIL	NIL	(432,302)	(432,302)
Balance as at 31st March 2013	2,797,229	908,971	2,044,071	5,750,271
Balance as at 1st April 2013	2,797,229	908,971	2,044,071	5,750,271
Profit for the period	NIL	NIL	503,576	503,576
Other comprehensive income	NIL	277,765	NIL	277,765
Total comprehensive income	NIL	277,765	503,576	781,341
Transactions with owners				
Final dividend paid - 2012/13	NIL	NIL	(379,901)	(379,901)
Balance as at 30th September 2013	2,797,229	1,186,736	2,167,746	6,151,711
Balance as at 1st April 2012	2,797,229	991,335	1,695,425	5,483,989
Profit for the period	NIL	NIL	328,671	328,671
Other comprehensive income	NIL	44,196	NIL	44,196
Total comprehensive income	NIL	44,196	328,671	372,867
Transactions with owners				
Final dividend paid - 2011/12	NIL	NIL	(235,801)	(235,801)
Balance as at 30th September 2012	2,797,229	1,035,531	1,788,295	5,621,055

TEXTURED JERSEY LANKA PLC

Cash Flow Statement

(all amounts in Sri Lankan Rupees thousands)

	Period Ended	
	30 September	
	2013 Unaudited	2012 Unaudited
Cash flows from operating activities		
Cash generated from operations	231,327	1,134,372
Finance income received	42,902	34,343
Finance cost paid	(32)	(5,065)
Retirement benefit obligations paid	(2,403)	(7,636)
Net cash generated from operating activities	271,794	1,156,014
Cash flows from investing activities		
Additions to capital work - in - progress	(169,344)	(9,108)
Purchase of intangible assets	(20,877)	(23,217)
Net cash used in investing activities	(190,221)	(32,325)
Cash flows from financing activities		
Dividend paid	(379,901)	(235,801)
Repayments of borrowings	NIL	(608,644)
Net cash used in financing activities	(379,901)	(844,445)
Net (decrease)/ increase in cash and cash equivalents	(298,328)	279,244
Cash and cash equivalents at the beginning of the period	1,837,052	1,216,268
Cash and cash equivalents at the end of the period	1,538,724	1,495,512

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 2013, 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 State 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 3 months ended 30 September 2013 were authorised for issue by the Board of Directors on 29 October 2013.

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 2013.

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 Key Ratios of the Company

	Period Ended 30 September	
	2013	2012
<u>Profitability Ratios</u>		
Net Profit Margin	8.25%	6.54%
Asset to Turnover	1.53	1.46
Debt : Equity	0.08	0.03
Return on Assets (ROA)	12.73%	9.09%
Return on Equity (ROE)	16.92%	11.84%

Investor Ratios

Earnings per Share (EPS) - LKR	0.77	0.50
Net Book Value per Share - LKR	9.39	8.58
Price / Earnings Ratio (PE Ratio)	9.56	9.77
Price to Book Value Ratio (PBV Ratio)	1.57	1.14

(PE and PBV Ratios are based on a market price of LKR 14.70 per share closed 30 September 2013)

7 Number of shares representing the entity's Stated Capital - 655,002,440 Shares

8 Directors' Interest in Shares of the Company

	No. of Shares	
Hasitha Premaratne	40,000	-

TEXTURED JERSEY LANKA PLC

Notes to the Financial Statements

9 Market Price per Share

	Highest (LKR)	Lowest (LKR)
Quarter ended 30 September 2013	15.00	12.10
Last traded price (on 30 September 2013)	14.70	

10 Public Shareholding 196,000,000 shares - 29.92%

11 List of the 20 Largest Shareholders

	No. of Shares	
PACIFIC TEXTURED JERSEY HOLDINGS LTD	262,001,464	40.00%
BRANDIX LANKA LTD	197,000,976	30.08%
Y S H I SILVA	15,956,500	2.44%
EMPLOYEES PROVIDENT FUND	13,813,200	2.11%
MELSTACORP LIMITED	12,622,428	1.93%
J B COCOSHELL (PVT) LTD	12,194,082	1.86%
MAS CAPITAL (PRIVATE) LIMITED	5,466,322	0.83%
NUWARA ELIYA PROPERTY DEVELOPERS (PVT) LTD	5,187,900	0.79%
MCBRIDGE BLUE (PRIVATE) LIMITED	5,150,700	0.79%
CITI BANKNY S/A FORWARD SELECT EM DIVIDEND FUND	4,060,912	0.62%
PICTET & CIE	3,694,100	0.56%
HSBC INTL NOM LTD - BP2S SINGAPORE - BNP PARIBAS BANK AND TRUST CAYMAN LIMITED AS - TRUSTEE FOR HARVEST FUNDS	3,282,032	0.50%
FERGASAM GARMENT INDUSTRIES (PVT) LTD.	2,811,100	0.43%
TIMEX GARMENTS (PVT) LTD	2,791,100	0.43%
INDRA PROPERTY DEVELOPMENT (PVT) LTD	2,694,100	0.41%
PERICEYL (PRIVATE) LIMITED A/C NO. 03	2,694,100	0.41%
DEE INVESTMENTS (PVT) LTD	2,443,400	0.37%
L H L M P HARADASA	2,230,000	0.34%
D P PIERIS	2,081,400	0.32%
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%
D S T JAYAWARDENA	2,031,400	0.31%
J D N KEKULAWALA	2,031,400	0.31%
ROSEWOOD (PVT) LIMITED - ACCOUNT NO. 02	1,856,200	0.28%

TEXTURED JERSEY LANKA PLC

Income Statement

(all amounts in United State Dollars)

	Quarter Ended 30 September		Period Ended 30 September		Variance	Year Ended
	2013 Unaudited	2012 Unaudited	2013 Unaudited	2012 Unaudited		2013 Audited
Revenue	24,642,215	18,198,528	47,325,582	38,302,378	23.6%	84,443,330
Cost of sales	(22,006,433)	(16,745,802)	(41,940,596)	(34,778,643)	20.6%	(74,653,038)
Gross profit	2,635,782	1,452,726	5,384,986	3,523,735	52.8%	9,790,292
Other income	42,420	95,608	135,251	186,952	-27.7%	224,356
Distribution expenses	(170,474)	(108,872)	(350,195)	(295,252)	18.6%	(605,631)
Administrative expenses	(609,660)	(313,925)	(1,466,135)	(1,026,207)	42.9%	(2,043,974)
Results from operating activities	1,898,068	1,125,537	3,703,907	2,389,228	55.0%	7,365,043
Finance income	145,489	110,838	332,729	261,619	27.2%	606,166
Finance costs	(7,077)	(56,954)	(7,111)	(147,066)	-95.2%	(149,998)
Net finance income / (cost)	138,412	53,884	325,618	114,553	184%	456,168
Profit before tax	2,036,480	1,179,421	4,029,525	2,503,781	60.9%	7,821,211
Income tax	(31,028)	NIL	(124,018)	NIL		12,446
Profit for the period	2,005,452	1,179,421	3,905,507	2,503,781	56%	7,833,657

TEXTURED JERSEY LANKA PLC

Statement of Comprehensive Income

(all amounts in United State Dollars)

	Quarter Ended		Period Ended		Variance	Year Ended	
	30 September		30 September				31 March
	2013	2012	2013	2,012			2013
	Unaudited	Unaudited	Unaudited	Unaudited		Audited	
Profit for the period	2,005,452	1,179,421	3,905,507	2,503,781	56.0%	7,833,657	
Other comprehensive income							
Actuarial gain on retirement benefit obligations	NIL	NIL	NIL	NIL		6,187	
Total other comprehensive income for the period	NIL	NIL	NIL	NIL		6,187	
Total comprehensive income for the period	2,005,452	1,179,421	3,905,507	2,503,781	56%	7,839,844	

TEXTURED JERSEY LANKA PLC

Statement of Financial Position

(all amounts in United State Dollars)

	As at 30 September		As at 31 March
	2013 Unaudited	2012 Unaudited	2013 Audited
ASSETS			
Non - current assets			
Property, plant & equipment	17,649,913	19,085,984	18,057,781
Capital work-in-progress	1,053,853	52,738	534,624
Intangible assets	387,182	418,508	324,147
Lease rentals paid in advance	720,920	751,026	736,905
	19,811,868	20,308,256	19,653,457
Current assets			
Inventories	13,101,024	12,590,894	14,164,212
Trade and other receivables	11,679,015	7,418,113	10,910,017
Cash and cash equivalents	15,407,389	12,942,349	17,334,301
	40,187,428	32,951,356	42,408,530
Total assets	59,999,296	53,259,612	62,061,987
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	28,624,940	28,203,841	28,624,940
Retained earnings	17,761,050	15,255,691	16,745,669
	46,385,990	43,459,532	45,370,609
Non - current liabilities			
Borrowings	NIL	NIL	NIL
Deferred tax liabilities	658,012	567,203	533,994
Retirement benefit obligations	504,036	451,239	435,175
	1,162,048	1,018,442	969,169
Current liabilities			
Trade and other payables	8,646,368	7,407,121	12,882,560
Borrowings	NIL	NIL	NIL
Bank overdrafts	3,804,890	1,374,517	2,839,649
	12,451,258	8,781,638	15,722,209
Total liabilities	13,613,306	9,800,080	16,691,378
Total equity and liabilities	59,999,296	53,259,612	62,061,987

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

Sgd.

Salman Nishtar

Chief Financial Officer

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

Sgd.

Ashroff Omar

Director

Sgd.

Hasitha Premarathne

Director

29-Oct-13