



TEXTURED JERSEY LANKA PLC

Condensed Interim Financial Statements

Period Ended 31 March 2015

TEXTURED JERSEY LANKA PLC

Chairman's Review

Textured Jersey Lanka PLC (TJL) recorded its highest ever annual net profit of Rs.1.3bn for the year ended 31st March 2015, an increase of 16% year on year. This result was achieved on the back of Rs. 512mn net profit for the quarter ended 31st March 2015, representing an impressive 46% year on year increase. The strong quarterly performance enabled the company to conclude the year with a record profit despite the slowdown in sales experienced in the early part of the year, attributed to unusual and extreme weather conditions in the United States.

With demand from its main customers back on track, TJL reported a notable Rs.3.8bn in sales during 4Q FY2014/15, up 16% year on year. Improved demand conditions coupled with recently added capacity enabled TJL to optimize capacity utilisation and product mix to achieve gross profit margins of 15% for 4Q FY 2014/15 compared to 12% during the same quarter last year. This in turn allowed the company to increase its gross profit by 45% to Rs.583mn for 4Q FY2014/15 and drive its annual gross profit to Rs.1.6bn, up 11% compared to the year before.

The strong performance at gross profit level allowed TJL to post an operating profit of approximately Rs.476mn for 4Q FY 2014/15, recording 52% year on year growth at the operating profit level. TJL's annual operating profit for the year ended 31st March 2015 came in at Rs.1.2bn, 14% higher year on year.

TJL continued to maintain its near debt-free balance sheet as at 31st March 2015, with a net cash position of Rs.1.9bn. Lower interest rates, combined with a marginally lower cash position versus a year before led to net finance income dropping to Rs.14mn for 4Q FY2014/15. The net finance income for the year ended 31st March 2015 came in at Rs.58mn, down 36% compared to the year before.

Despite the reduction in finance income, the quarter concluded with a net profit of Rs.512mn growing 46% year on year. The combined effect of added capacity and strong demand recovery in the latter part of the financial year coupled with solid cost and productivity management enabled TJL to report a record annual net profit of Rs.1.3bn for FY2014/15 despite challenges.

Additionally, during the quarter TJL engaged Ernst & Young to carry out an independent valuation of Ocean India Private Limited and Quenby Lanka Prints Private Limited as a part of the initial discussions to further its acquisition plans. Additional updates will be provided on the outcome of these discussions in due course.

Looking towards the future; recently enhanced capacity and strategic investments coming into fruition will place TJL on a solid growth platform for the coming year. As regional expansion plans move forward to secure TJL's long term growth trajectory, the prospects of GSP Plus in the future would further augment TJL's current momentum.

Sgd

Bill Lam

Chairman

TEXTURED JERSEY LANKA PLC

Income Statement

(all amounts in Sri Lankan Rupees thousands)

| | Quarter Ended | | Year Ended | | Variance |
|--|-------------------|-------------------|-------------------|------------------|------------|
| | 31 March | | 31 March | | |
| | 2015 Unaudited | 2014 Unaudited | 2015 Unaudited | 2014 Audited | |
| Revenue | 3,776,390 | 3,245,031 | 13,678,462 | 12,724,715 | 7% |
| Cost of sales | (3,193,616) | (2,842,162) | (12,057,427) | (11,268,294) | 7% |
| Gross profit | 582,774 | 402,869 | 1,621,035 | 1,456,421 | 11% |
| Other income | 6,913 | (7,055) | 26,936 | 16,386 | 64% |
| Distribution expenses | (20,542) | (22,242) | (82,473) | (86,797) | -5% |
| Administrative expenses | (93,535) | (60,919) | (364,453) | (331,971) | 10% |
| Results from operating activities | 475,610 | 312,653 | 1,201,045 | 1,054,039 | 14% |
| Non Operating Income | 42,992 | 24,298 | 104,956 | 48,595 | 116% |
| Finance income | 15,257 | 26,551 | 61,016 | 90,750 | -33% |
| Finance costs | (824) | (106) | (3,206) | (297) | 979% |
| Net finance income | 14,433 | 26,445 | 57,810 | 90,453 | -36% |
| Profit before tax | 533,035 | 363,396 | 1,363,811 | 1,193,087 | 14% |
| Income tax | (20,549) | (11,838) | (29,385) | (40,315) | -27% |
| Profit for the period | 512,486 | 351,558 | 1,334,426 | 1,152,772 | 16% |
| Basic earnings per share (LKR) | 0.78 | 0.54 | 2.03 | 1.76 | |

TEXTURED JERSEY LANKA PLC

Statement of Comprehensive Income

(all amounts in Sri Lankan Rupees thousands)

| | Quarter Ended | | Year Ended | | Variance |
|--|-------------------|-------------------|-------------------|------------------|-------------|
| | 31 March | | 31 March | | |
| | 2015 Unaudited | 2014 Unaudited | 2015 Unaudited | 2014 Audited | |
| Profit for the period | 512,486 | 351,558 | 1,334,426 | 1,152,772 | 16% |
| Other comprehensive income | | | | | |
| Deferred tax attributable to remeasurement of retirement benefit obligations | 1,362 | NIL | 1,362 | 3,753 | -64% |
| Effect on remeasurement of retirement benefit obligations | (11,353) | (31,272) | (11,353) | (31,272) | -64% |
| Currency translation differences | 78,918 | 43,534 | 147,952 | 183,273 | -19% |
| Total other comprehensive income for the period | 68,927 | 12,262 | 137,961 | 155,754 | -11% |
| Total comprehensive income for the period | 581,413 | 363,820 | 1,472,387 | 1,308,526 | 13% |

TEXTURED JERSEY LANKA PLC**Statement of Financial Position**

(all amounts in Sri Lankan Rupees thousands)

| | As at 31 March | |
|-------------------------------------|-------------------|------------------|
| | 2015 Unaudited | 2014 Audited |
| ASSETS | | |
| Non - current assets | | |
| Property, plant & equipment | 2,408,571 | 2,178,992 |
| Capital work-in-progress | 864,434 | 779,820 |
| Intangible assets | 52,232 | 56,715 |
| Lease rentals paid in advance | 90,556 | 92,319 |
| | 3,415,793 | 3,107,846 |
| Current assets | | |
| Inventories | 1,961,454 | 1,924,517 |
| Trade and other receivables | 1,485,495 | 1,280,945 |
| Cash and cash equivalents | 1,914,631 | 2,121,875 |
| | 5,361,580 | 5,327,337 |
| Total assets | 8,777,373 | 8,435,183 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Stated capital | 2,849,899 | 2,797,229 |
| ESOP fund | 19,473 | 19,473 |
| Exchange equalisation reserve | 1,240,196 | 1,092,244 |
| Retained earnings | 2,927,379 | 2,461,922 |
| | 7,036,947 | 6,370,868 |
| Non - current liabilities | | |
| Deferred tax liabilities | 114,316 | 95,927 |
| Retirement benefit obligations | 131,969 | 98,389 |
| | 246,285 | 194,316 |
| Current liabilities | | |
| Trade and other payables | 1,465,985 | 1,818,093 |
| Bank overdrafts | 28,156 | 51,906 |
| | 1,494,141 | 1,869,999 |
| Total liabilities | 1,740,426 | 2,064,315 |
| Total equity and liabilities | 8,777,373 | 8,435,183 |
| Net Asset per share | 10.65 | 9.73 |

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**Sriyan Joseph de Silva Wijeyeratne**

Managing Director/Chief Executive Officer

Sgd**Hasitha Premarathne**

Director

29-Apr-2015

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 | 1,334,426 | 1,334,426 |
| Other comprehensive income | NIL | NIL | 147,952 | (9,991) | 137,961 |
| Total comprehensive income | NIL | NIL | 147,952 | 1,324,435 | 1,472,387 |
| Transactions with owners | | | | | |
| Final dividend paid - 2013/14 | NIL | NIL | NIL | (528,602) | (528,602) |
| Interim dividend paid - 2014/15 | NIL | NIL | NIL | (330,376) | (330,376) |
| Balance as at 31 March 2015 | 2,849,899 | 19,473 | 1,240,196 | 2,927,379 | 7,036,947 |

TEXTURED JERSEY LANKA PLC

Cash Flow Statement

(all amounts in Sri Lankan Rupees thousands)

| | Period Ended 31 March | |
|---|-----------------------|------------------|
| | 2015 Unaudited | 2014 Audited |
| Cash flows from operating activities | | |
| Cash generated from operations | 1,178,151 | 1,754,598 |
| Finance income received | 61,398 | 87,450 |
| Finance cost paid | (3,206) | (297) |
| Retirement benefit obligations paid | (3,133) | (4,019) |
| Net cash generated from operating activities | 1,233,210 | 1,837,732 |
| Cash flows from investing activities | | |
| Additions to capital work - in - progress | (610,396) | (897,438) |
| Proceeds from sale of property, plant & equipment | NIL | 25 |
| Net cash used in investing activities | (610,396) | (897,413) |
| Cash flows from financing activities | | |
| Dividend paid | (858,978) | (707,402) |
| Proceed from issuance of Ordinary shares | 52,670 | NIL |
| Net cash used in financing activities | (806,308) | (707,402) |
| Net (decrease)/increase in cash and cash equivalents | (183,494) | 232,917 |
| 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 | 1,886,475 | 2,069,969 |

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 31 March 2015, 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 31 March 2015 were authorised for issue by the Board of Directors on 29 April 2015.

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 31 March | |
|------------------------------------|--------------------------|--------|
| | 2015 | 2014 |
| <u>Profitability Ratios</u> | | |
| Net Profit Margin | 9.76% | 9.09% |
| Asset to Turnover | 1.56 | 1.50 |
| Debt : Equity | 0.00 | 0.01 |
| Return on Assets (ROA) | 15.51% | 14.17% |
| Return on Equity (ROE) | 19.91% | 19.08% |

Investor Ratios

| | | |
|---------------------------------------|-------|------|
| Earnings per Share (EPS) - LKR | 2.03 | 1.77 |
| Net Book Value per Share - LKR | 10.65 | 9.73 |
| Price / Earnings Ratio (PE Ratio) | 11.90 | 8.95 |
| Price to Book Value Ratio (PBV Ratio) | 2.26 | 1.62 |

(PE and PBV Ratios are based on a market price of LKR 24.10 per share closed 31 March 2015)

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

10 Directors' Interest in Shares of the Company (As at 31 March 2015)

| | No. of Shares | % |
|--------------------|---------------|------|
| Hasitha Premaratne | 40,000 | 0.01 |

TEXTURED JERSEY LANKA PLC

Notes to the Financial Statements

11 Market Price per Share

| | Highest (LKR) | Lowest (LKR) |
|--------------------------------------|---------------|--------------|
| Period ended 31 March 2015 | 25.10 | 15.80 |
| Last traded price (on 31 March 2015) | 24.10 | |

12 Public Shareholding 199,234,261 shares - 30.17%

13 List of the 20 Largest Shareholders

| | No. of Shares | % |
|--|---------------|-------|
| Pacific Textured Jersey Holdings Limited | 262,001,464 | 39.65 |
| Brandix Lanka Ltd-Number 1 Account | 197,000,976 | 29.81 |
| Mr. Y.S.H.I.Silva | 24,035,136 | 3.64 |
| Melstacorp Limited | 12,622,428 | 1.91 |
| Deutsche Bank Ag Singapore-Dss A/C Navis Yield Fund | 11,132,219 | 1.68 |
| J.B. Cocoshell (Pvt) Ltd | 10,752,536 | 1.63 |
| Mcbridge Blue (Private) Limited | 5,150,700 | 0.78 |
| National Savings Bank | 3,672,190 | 0.56 |
| Mas Capital (Private) Limited | 3,277,202 | 0.50 |
| Citi Bank Ny S/A Forward Select Em Dividend Fund | 2,724,998 | 0.41 |
| Periceyl (Private) Limited A/C No. 03 | 2,694,100 | 0.41 |
| Employees Trust Fund Board | 2,679,251 | 0.41 |
| Aia Insurance Lanka Plc A/C No.07 | 2,291,130 | 0.35 |
| South Asian Investment (Pvt) Ltd | 2,131,400 | 0.32 |
| Mcsen Range Private Limited | 2,031,400 | 0.31 |
| Nawaloka Piling Private Limited | 2,031,400 | 0.31 |
| Ms O.D.Gunewardene | 2,000,000 | 0.30 |
| Mr. A.R.Gunasekara | 1,960,700 | 0.30 |
| Mr. K.Balendra | 1,691,200 | 0.26 |
| East India Holding (Pvt) Ltd | 1,640,000 | 0.25 |
| Mellon Bank N.A-Acadian Frontier Markets Equity Fund | 1,595,892 | 0.24 |

TEXTURED JERSEY LANKA PLC

Income Statement

(all amounts in United States Dollars)

| | Quarter Ended 31 March | | Year Ended 31 March | | Variance |
|--|---------------------------|-------------------|------------------------|-------------------|-------------|
| | 2015 Unaudited | 2014 Unaudited | 2015 Unaudited | 2014 Audited | |
| Revenue | 28,445,172 | 24,783,688 | 104,137,513 | 97,867,363 | 6% |
| Cost of sales | (24,040,394) | (21,708,043) | (91,796,171) | (86,665,853) | 6% |
| Gross profit | 4,404,778 | 3,075,645 | 12,341,342 | 11,201,510 | 10% |
| Other income/(expenses) | 52,014 | (55,132) | 205,070 | 126,033 | 63% |
| Distribution expenses | (154,487) | (169,882) | (627,885) | (667,570) | -6% |
| Administrative expenses | (703,755) | (460,044) | (2,774,673) | (2,553,232) | 9% |
| Results from operating activities | 3,598,550 | 2,390,587 | 9,143,854 | 8,106,741 | 13% |
| Non Operating Income | 325,400 | 186,876 | 799,052 | 373,752 | - |
| Finance income | 114,747 | 204,172 | 464,521 | 697,972 | -33% |
| Finance costs | (6,199) | (1,958) | (24,405) | (2,285) | 968% |
| Net finance income | 108,548 | 202,214 | 440,116 | 695,687 | -37% |
| Profit before tax | 4,032,498 | 2,779,677 | 10,383,022 | 9,176,180 | 13% |
| Income tax | (156,171) | (90,596) | (223,715) | (310,072) | -28% |
| Profit for the period | 3,876,327 | 2,689,081 | 10,159,307 | 8,866,108 | 15% |

TEXTURED JERSEY LANKA PLC

Statement of Comprehensive Income

(all amounts in United States Dollars)

| | Quarter Ended 31 March | | Year Ended 31 March | | Variance |
|---|---------------------------|-------------------|------------------------|------------------|-------------|
| | 2015 Unaudited | 2014 Unaudited | 2015 Unaudited | 2014 Audited | |
| Profit for the period | 3,876,327 | 2,689,081 | 10,159,307 | 8,866,108 | 15% |
| Other comprehensive income | | | | | |
| Deferred tax attributable to remeasurement of retirement benefit obligations | 10,373 | NIL | 10,373 | 28,862 | -64% |
| Effect on remeasurement of retirement benefit obligations | (86,438) | (240,518) | (86,438) | (240,518) | -64% |
| Total other comprehensive income for the period | (76,065) | (240,518) | (76,065) | (211,656) | -64% |
| Total comprehensive income for the period | 3,800,262 | 2,448,563 | 10,083,242 | 8,654,452 | 17% |

TEXTURED JERSEY LANKA PLC**Statement of Financial Position**

(all amounts in United States Dollars)

| | As at 31 March | |
|-------------------------------------|-------------------|-------------------|
| | 2015 | 2014 |
| | Unaudited | Audited |
| ASSETS | | |
| Non - current assets | | |
| Property, plant & equipment | 18,048,491 | 16,684,471 |
| Capital work-in-progress | 6,477,585 | 5,971,058 |
| Intangible assets | 391,400 | 434,263 |
| Lease rentals paid in advance | 678,578 | 706,880 |
| | 25,596,054 | 23,796,672 |
| Current assets | | |
| Inventories | 14,698,044 | 14,735,968 |
| Trade and other receivables | 11,131,473 | 9,808,154 |
| Cash and cash equivalents | 14,347,178 | 16,247,126 |
| | 40,176,695 | 40,791,248 |
| Total assets | 65,772,749 | 64,587,920 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Stated capital | 29,028,481 | 28,624,940 |
| ESOP Fund | 149,794 | 149,794 |
| Retained earnings | 23,552,698 | 20,006,789 |
| | 52,730,973 | 48,781,523 |
| Non - current liabilities | | |
| Deferred tax liabilities | 856,624 | 734,513 |
| Retirement benefit obligations | 988,903 | 753,358 |
| | 1,845,527 | 1,487,871 |
| Current liabilities | | |
| Trade and other payables | 10,985,264 | 13,921,083 |
| Bank overdrafts | 210,985 | 397,443 |
| | 11,196,249 | 14,318,526 |
| Total liabilities | 13,041,776 | 15,806,397 |
| Total equity and liabilities | 65,772,749 | 64,587,920 |

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**Sriyan Joseph de Silva Wijeyeratne**

Managing Director/Chief Executive Officer

Sgd**Hasitha Premarathne**

Director

29-Apr-2015