

TEXTURED JERSEY LANKA PLC

Condensed Interim Financial Statements

First Quarter Ended 30 June 2013

TEXTURED JERSEY LANKA PLC

Chairman's Review

Textured Jersey Lanka PLC (TJL) continued its strong performance into the new financial year, posting a net profit of Rs.240mn for the quarter ended 30th June 2013 (1Q FY2013/14). This represented a robust 40% year-on-year growth. Further, during the quarter the company declared a generous final dividend of Rs.0.58 per share for the year ended 31st March 2012/13, bringing the total dividend paid to Rs.1.24 per share, an impressive 80% payout of the FY2012/13 full year profit.

Higher sales volumes compared to the corresponding period last year made it possible for TJL to achieve Rs.2.9bn in sales revenue for 1Q FY2013/14, up 10% year on year. This also resulted in gross profit margins improving to 12.1% in 1Q FY2013/14 versus 10.3% in the corresponding quarter last year. Higher levels of efficiency and the wider distribution of fixed overheads as a result of higher capacity loading were among the main reasons for the margin improvement. TJL's gross profit for 1Q FY2013/14 reached Rs.348mn up 29% year on year.

At Rs.23mn, distribution expenses for 1Q 2013/14 came in 6% lower year on year and administration expenses increased 17% year on year to Rs.108mn. However, the positive impact of the improved gross margins flowed down to the operating profit level, resulting in operating profit margins of 8.0% for 1Q FY2013/14 compared to 6.3% during the same period in the previous year. The combination of higher sales volumes and improved margins resulted in TJL reporting an operating profit of Rs.228mn for the quarter under review, representing a 39% year-on-year growth.

The company recorded a net finance income of Rs.23.7mn for the quarter, representing a substantial 200% increase from the Rs.7.9mn recorded in the corresponding quarter in the previous financial year. This significant increase was mainly due to finance expenses being limited to a non-material level during the quarter under review. The complete settlement of both short- and long-term borrowings as at 30 June 2013 resulted in the significantly lower finance expense for 1Q FY2013/14. Further, the company retained a healthy cash balance of Rs.1.7bn at the end of the period.

Higher operating profits and a strong cash position allowed TJL to record a net profit of Rs.240mn for 1Q FY2013/14, up 40% year on year.

With continued interest from our main customers Victoria's Secret, Marks & Spencer, Intimissimi and Decathlon, combined with the growth potential of emerging customers, TJL's management is confident that demand will remain strong for the coming period as well.

On strategic initiatives, the construction of TJL's multi-fuel boiler plant is progressing according to plan. The plant is expected to reduce TJL's energy cost substantially when commissioned. On the expansion strategy, TJL has commenced adding capacity through subcontracting, while building long term relationships. This process, while addressing immediate capacity constraints is expected to enable TJL to further evaluate the long term options. Given all these factors and a strong order book, TJL's management remains confident that the company will continue to enhance shareholder value in the coming year.

Sgd
Bill Lam

Chairman

TEXTURED JERSEY LANKA PLC

Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter Ended 30 June			Year Ended 31 March
	2013 Unaudited	2012 Unaudited	% Change	2013 Audited
Revenue	2,867,858	2,610,083	9.9%	10,951,455
Cost of sales	(2,520,276)	(2,341,204)	7.6%	(9,681,753)
Gross profit	347,582	268,879	29.3%	1,269,702
Other income	11,737	11,859	-1.0%	29,097
Distribution expenses	(22,722)	(24,198)	-6.1%	(78,544)
Administrative expenses	(108,285)	(92,475)	17.1%	(265,083)
Results from operating activities	228,312	164,065	39.2%	955,172
Finance income	23,673	19,576	20.9%	78,614
Finance costs	(4)	(11,699)	-100.0%	(19,453)
Net finance income / (cost)	23,669	7,877	200.5%	59,161
Profit before tax	251,980	171,942	46.5%	1,014,333
Income tax	(11,757)	Nil		1,614
Profit for the period	240,224	171,942	39.7%	1,015,947
Basic earnings per share (LKR)	0.37	0.26		1.55

TEXTURED JERSEY LANKA PLC

Statement of Comprehensive Income

(all amounts in Sri Lankan Rupees thousands)

	Quarter Ended 30 June			Year Ended 31 March
	2013 Unaudited	2012 Unaudited	% Change	2013 Audited
Profit for the period	240,224	171,942	39.7%	1,015,947
Other comprehensive income				
Actuarial gain on retirement benefit obligations	Nil	Nil	Nil	802
Currency translation differences	199,126	244,753	-18.6%	(82,364)
Total other comprehensive income for the period	199,126	244,753	-18.6%	(81,562)
Total comprehensive income for the period	439,350	416,695	5.4%	934,385

TEXTURED JERSEY LANKA PLC

Statement of Financial Position

(all amounts in Sri Lankan Rupees thousands)

	As at 30 June		As at 31 March
	2013 Unaudited	2012 Unaudited	2013 Audited
ASSETS			
Non - current assets			
Property, plant & equipment	2,317,570	2,628,759	2,288,643
Capital work-in-progress	123,341	14,147	67,758
Intangible assets	54,544	40,459	41,082
Lease rentals paid in advance	95,328	101,516	93,396
	2,590,783	2,784,881	2,490,879
Current assets			
Inventories	1,971,343	1,982,202	1,795,172
Trade and other receivables	1,611,404	1,347,179	1,382,736
Cash and cash equivalents	1,741,833	1,758,355	2,196,949
	5,324,580	5,087,736	5,374,857
Total assets	7,915,363	7,872,617	7,865,736
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	2,797,229	2,797,229	2,797,229
Exchange equalisation reserve	1,108,097	1,236,087	908,971
Retained earnings	2,284,295	1,867,368	2,044,071
	6,189,621	5,900,684	5,750,271
Non - current liabilities			
Deferred tax liabilities	82,097	75,948	67,678
Retirement benefit obligations	61,030	55,728	55,154
	143,127	131,676	122,832
Current liabilities			
Trade and other payables	1,560,856	1,657,528	1,632,736
Borrowings	Nil	155,015	Nil
Bank overdrafts	21,759	27,714	359,897
	1,582,615	1,840,257	1,992,633
Total liabilities	1,725,742	1,971,933	2,115,465
Total equity and liabilities	7,915,363	7,872,617	7,865,736
Net assets per share (LKR)	9.45	9.01	8.78

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

Sgd.

Salman Nishtar

Financial Controller

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

Sgd.

Ashroff Omar

Director

Sgd.

Hasitha Premarathne

Director

23 July 2013

TEXTURED JERSEY LANKA PLC

Statement of Changes In Equity

(all amounts in Sri Lankan Rupees thousands)

	Quarter Ended 30 June			
	Stated capital	Exchange equalisation reserve	Retained earnings	Total
Balance as at 1 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 31 March 2013	2,797,229	908,971	2,044,071	5,750,271
Balance as at 1 April 2013	2,797,229	908,971	2,044,071	5,750,271
Profit for the period	Nil	Nil	240,224	240,224
Other comprehensive income	Nil	199,126	Nil	199,126
Total comprehensive income	Nil	199,126	240,224	439,350
Balance as at 30 June 2013	2,797,229	1,108,097	2,284,295	6,189,621
Balance as at 1 April 2012	2,797,229	991,335	1,695,425	5,483,989
Profit for the period	Nil	Nil	171,942	171,942
Other comprehensive income	Nil	244,753	Nil	244,753
Total comprehensive income	Nil	244,753	171,942	416,695
Balance as at 30 June 2012	2,797,229	1,236,088	1,867,367	5,900,684

TEXTURED JERSEY LANKA PLC

Cash Flow Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter Ended 30 June	
	2013 Unaudited	2012 Unaudited
Operating activities		
Profit before tax	251,980	171,942
Adjustments for non cash movements	103,948	191,447
Changes in working capital	(389,993)	598,253
Cash flows from operating activities	(34,065)	961,642
Finance income received	21,164	19,576
Finance cost paid	(4)	(4,513)
Retirement benefit obligations paid	(1,623)	(6,392)
Net cash generated from operating activities	(14,528)	970,313
Cash flows from investing activities		
Additions to capital work - in - progress	(102,450)	(4,948)
Net cash used in investing activities	(102,450)	(4,948)
Cash flows from financing activities		
Repayments of borrowings	Nil	(450,991)
Net cash used in financing activities	Nil	(450,991)
Net increase in cash and cash equivalents	(116,978)	514,374
Cash and cash equivalents at the beginning of the period	1,837,052	1,216,267
Cash and cash equivalents at the end of the period	1,720,074	1,730,641

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 June 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 June 2013 were authorised for issue by the Board of Directors on 23 July 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 for the Company

	Quarter Ended 30 June 2013	Quarter Ended 30 June 2012
<u>Profitability Ratios</u>		
Net Profit Margin	8.38%	6.59%
Asset to Turnover	1.45	1.33
Debt : Equity	0.00	0.03
Return on Assets (ROA)	12.18%	8.91%
Return on Equity (ROE)	16.10%	12.08%

Investor Ratios

Earnings per Share (EPS) - LKR	0.37	0.26
Net Book Value per Share - LKR	9.45	9.01
Price / Earnings Ratio (PE Ratio)	8.32	7.62
Price to Book Value Ratio (PBV Ratio)	1.29	0.89

(PE and PBV Ratios are based on a market price of LKR 12.20 per share close 28 June 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 (Contd)

9 Market Price per Share	Highest (LKR)	Lowest (LKR)
Quarter ended 30 June 2013	12.70	9.80
Last traded price (on 28 June 2013)	12.20	

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

11 List of the 20 Largest Shareholders

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%
J B COCOSHELL (PVT) LTD	13,095,447	2.00%
MELSTACORP LIMITED	12,622,428	1.93%
MAS CAPITAL (PRIVATE) LIMITED	5,966,322	0.91%
HSBC INTL NOM LTD - UBS AG SINGAPORE BRANCH (EX SBC)	3,694,100	0.56%
MCBRIDGE BLUE (PRIVATE) LIMITED	3,119,300	0.48%
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%
HSBC INTL NOM LTD - BP2S SINGAPORE - BNP PARIBAS BANK AND TRUST CAYMAN LIMITED AS - TRUSTEE FOR HARVEST FUNDS	2,193,649	0.33%
D P PIERIS	2,081,400	0.32%
NUWARA ELIYA PROPERTY DEVELOPERS (PVT) LTD	2,050,900	0.31%
MCSEN RANGE (PRIVATE) LIMITED	2,031,400	0.31%
NAWALOKA PILING (PRIVATE) LIMITED	2,031,400	0.31%
CLASSIC VENTURE SECURITY (PRIVATE) LIMITED	2,031,400	0.31%
J D N KEKULAWALA	2,031,400	0.31%
D S T JAYAWARDENA	2,031,400	0.31%
SOUTH ASIAN INVESTMENT (PVT) LTD	2,031,400	0.31%
ROSEWOOD (PVT) LIMITED - ACCOUNT NO. 02	1,856,200	0.28%
T.C.H FERDINANDIS	1,768,734	0.27%

TEXTURED JERSEY LANKA PLC

Income Statement

(all amounts in United State Dollars)

	Quarter Ended 30 June			Year Ended 31 March
	2013 Unaudited	2012 Unaudited	% Change	2013 Audited
Revenue	22,683,367	20,103,850	12.8%	84,443,330
Cost of sales	(19,934,162)	(18,032,841)	10.5%	(74,653,038)
Gross profit	2,749,205	2,071,009	32.7%	9,790,292
Other income	92,831	91,344	1.6%	224,356
Distribution expenses	(179,721)	(186,380)	-3.6%	(605,631)
Administrative expenses	(856,475)	(712,282)	20.2%	(2,043,974)
Results from operating activities	1,805,840	1,263,691	42.9%	7,365,043
Finance income	187,240	150,781	24.2%	606,166
Finance costs	(34)	(90,112)	-100.0%	(149,998)
Net finance income / (cost)	187,206	60,669	208.6%	456,168
Profit before tax	1,993,046	1,324,360	50.5%	7,821,211
Income tax	(92,990)	Nil		12,446
Profit for the period	1,900,056	1,324,360	43.5%	7,833,657

TEXTURED JERSEY LANKA PLC

Statement of Comprehensive Income

(all amounts in United State Dollars)

	Quarter Ended 30 June			Year Ended 31 March
	2013 Unaudited	2012 Unaudited	% Change	2013 Audited
Profit for the period	1,900,056	1,324,360	43.5%	7,833,657
Other comprehensive income				
Actuarial gain on retirement benefit obligations	Nil	Nil	Nil	6,187
Total other comprehensive income for the period	Nil	Nil	Nil	6,187
Total comprehensive income for the period	1,900,056	1,324,360	43.5%	7,839,844

TEXTURED JERSEY LANKA PLC

Statement of Financial Position

(all amounts in United State Dollars)

	As at 30 June		As at 31 March
	2013 Unaudited	2012 Unaudited	2013 Audited
ASSETS			
Non - current assets			
Property, plant & equipment	17,699,479	19,632,255	18,057,781
Capital work-in-progress	941,968	105,651	534,624
Intangible assets	416,556	302,159	324,147
Lease rentals paid in advance	728,028	758,146	736,905
	19,786,031	20,798,211	19,653,457
Current assets			
Inventories	15,055,315	14,803,601	14,164,212
Trade and other receivables	12,306,434	10,061,085	10,910,017
Cash and cash equivalents	13,302,527	13,131,855	17,334,301
	40,664,276	37,996,541	42,408,530
Total assets	60,450,307	58,794,752	62,061,987
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	28,624,940	28,624,940	28,624,940
Retained earnings	18,645,725	15,442,895	16,745,669
	47,270,665	44,067,835	45,370,609
Non - current liabilities			
Deferred tax liabilities	626,983	567,203	533,994
Retirement benefit obligations	466,090	416,194	435,175
	1,093,073	983,397	969,169
Current liabilities			
Trade and other payables	11,920,391	12,378,854	12,882,560
Borrowings	Nil	1,157,693	Nil
Bank overdrafts	166,178	206,973	2,839,649
	12,086,569	13,743,520	15,722,209
Total liabilities	13,179,642	14,726,917	16,691,378
Total equity and liabilities	60,450,307	58,794,752	62,061,987

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

Sgd.

Salman Nishtar

Financial Controller

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

Sgd.

Ashroff Omar

Director

Sgd.

Hasitha Premarathne

Director

23 July 2013