



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 31 March		Year Ended 31 March		Variance
	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 31 March		Year Ended 31 March		Variance
	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