



TEXTURED JERSEY LANKA PLC

Condensed Interim Financial Statements

Period Ended 31 December 2014

TEXTURED JERSEY LANKA PLC

Chairman's Review

Textured Jersey Lanka PLC (TJL) reported net profit of Rs. 376mn for the quarter ended 31st December 2014 (3Q FY2014/15), a significant increase of 25% compared to the corresponding period last year. A combination of increased margins and strong revenue growth enabled TJL to post this impressive result this quarter.

With demand from its main customers back on track TJL was able to record a strong revenue growth of 12% year on year for 3Q FY2014/15, and report an impressive Rs. 3.8bn in sales. The better demand conditions also enabled TJL to improve its product mix and achieve higher levels of production efficiencies through optimal capacity utilisation and planning. This in turn allowed the company to expand its gross profit margins to 12.8% from 10.6% last year, causing gross profit to rise 34% to Rs. 481mn for 3Q FY2014/15.

The strong performance at gross profit level also enabled TJL to post an operating profit of approximately Rs.354mn and record 34% year over year growth at the operating profit level as well. This was achieved despite a 25% year on year increase in administrative and distribution expenses largely due to increases in provisions and some increases in training and development expenses.

TJL continued to maintain its near debt-free balance sheet as at 31st December 2014, with a net cash position of Rs.1.65bn. TJL's strong cash generation ability has enabled it to increase its net cash position by 33% compared to Rs.1.24bn recorded as at 30th September 2014. However, due to increased levels of investment and working capital the net cash balance was 29% less compared with the same period previous year.

Lower interest rates, combined with a lower cash position vs. a year before contributed to net finance income coming in at Rs.9mn for 3Q FY2014/15, compared to Rs. 22mn in the corresponding quarter last year. The quarter closed at a net profit of Rs. 376mn, a significant increase of 25% from last year, pushing up the net profit for 9 months ended 31st December 2014 to Rs.822mn, putting it back on track to achieve a strong annual performance despite the setbacks during the early part of the year.

The operational ramp up of the multi fuel boiler is progressing well though slightly behind schedule. This is due to fine tuning work being undertaken to achieve the envisaged level of efficiencies during the testing phase. The plant is expected to commence full scale operations in the coming quarter.

With TJL's additional capacity of 10-12% coupled with the continuous focus on improving its capabilities and demand from its main markets back on track, management is confident that the company will 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 31 December			Period Ended 31 December			Year Ended 31 March
	2014 Unaudited	2013 Unaudited	Variance	2014 Unaudited	2013 Unaudited	Variance	2014 Audited
Revenue	3,767,806	3,377,523	12%	9,902,072	9,479,683	4%	12,724,715
Cost of sales	(3,287,150)	(3,018,312)	9%	(8,863,811)	(8,426,132)	5%	(11,268,294)
Gross profit	480,656	359,211	34%	1,038,261	1,053,551	-1%	1,456,421
Other (expenses)/income	(605)	6,060	-110%	20,023	23,499	-15%	16,386
Distribution expenses	(22,808)	(19,401)	18%	(61,930)	(64,555)	-4%	(86,797)
Administrative expenses	(103,502)	(82,010)	26%	(270,918)	(271,053)	0%	(331,971)
Results from operating activities	353,741	263,860	34%	725,436	741,442	-2%	1,054,039
Non Operating Income	20,733	24,240	-14%	61,963	24,240	156%	48,595
Finance income	10,299	22,033	-53%	45,759	64,199	-29%	90,750
Finance costs	(940)	(10)	9303%	(2,382)	(191)	1149%	(297)
Net finance income	9,359	22,023	-58%	43,377	64,008	-32%	90,453
Profit before tax	383,833	310,123	24%	830,776	829,690	0%	1,193,087
Income tax	(7,736)	(8,733)	-11%	(8,836)	(24,724)	-64%	(40,315)
Profit for the period	376,097	301,390	25%	821,940	804,966	2%	1,152,772
Basic earnings per share (LKR)	0.57	0.46		1.25	1.23		1.76

TEXTURED JERSEY LANKA PLC

Statement of Comprehensive Income

(all amounts in Sri Lankan Rupees thousands)

	Quarter Ended 31 December			Period Ended 31 December			Year Ended 31 March
	2014 Unaudited	2013 Unaudited	Variance	2014 Unaudited	2013 Unaudited	Variance	2013 Audited
Profit for the period	376,097	301,390	25%	821,940	804,966	2%	1,152,772
Other comprehensive income							
Deferred tax attributable to remeasurement of retirement benefit obligations	NIL	NIL	-	NIL	NIL	-	3,753
Effect on remeasurement of retirement benefit obligations	NIL	NIL	-	NIL	NIL	-	(31,272)
Currency translation differences	72,914	(137,991)	-153%	69,034	139,774	-51%	183,273
Total other comprehensive income for the period	72,914	(137,991)	-153%	69,034	139,774	-51%	155,754
Total comprehensive income for the period	449,011	163,399	175%	890,974	944,740	-6%	1,308,526

TEXTURED JERSEY LANKA PLC

Statement of Financial Position

(all amounts in Sri Lankan Rupees thousands)

	As at 31 December		As at
	2014	2013	31 March
	Unaudited	Unaudited	Audited
ASSETS			
Non - current assets			
Property, plant & equipment	2,463,529	2,228,956	2,178,992
Capital work-in-progress	765,662	216,370	779,820
Intangible assets	55,411	43,517	56,715
Lease rentals paid in advance	90,494	92,588	92,319
	3,375,096	2,581,431	3,107,846
Current assets			
Inventories	1,800,309	1,686,304	1,924,517
Trade and other receivables	1,314,383	1,407,438	1,280,945
Cash and cash equivalents	2,130,619	2,338,227	2,121,875
	5,245,311	5,431,969	5,327,337
Total assets	8,620,407	8,013,400	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	1,161,278	1,048,745	1,092,244
Retained earnings	2,755,260	2,469,136	2,461,922
	6,785,910	6,315,110	6,370,868
Non - current liabilities			
Deferred tax liabilities	105,871	93,989	95,927
Retirement benefit obligations	116,840	69,786	98,389
	222,711	163,775	194,316
Current liabilities			
Trade and other payables	1,128,465	1,519,825	1,818,093
Bank overdrafts	483,321	14,690	51,906
	1,611,786	1,534,515	1,869,999
Total liabilities	1,834,497	1,698,290	2,064,315
Total equity and liabilities	8,620,407	8,013,400	8,435,183
Net Asset per share	10.27	9.64	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-Jan-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	821,940	821,940
Other comprehensive income	NIL	NIL	69,034	NIL	69,034
Total comprehensive income	NIL	NIL	69,034	821,940	890,974
Transactions with owners					
Final dividend paid - 2013/14	NIL	NIL	NIL	(528,602)	(528,602)
Balance as at 31 December 2014	2,849,899	19,473	1,161,278	2,755,260	6,785,910
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	804,966	804,966
Other comprehensive income	NIL	NIL	139,774	NIL	139,774
Total comprehensive income	NIL	NIL	139,774	804,966	944,740
Transactions with owners					
Final dividend paid - 2012/13	NIL	NIL	NIL	(379,901)	(379,901)
Balance as at 31 December 2013	2,797,229	NIL	1,048,745	2,469,136	6,315,110

TEXTURED JERSEY LANKA PLC

Cash Flow Statement

(all amounts in Sri Lankan Rupees thousands)

	Period Ended 31 December	
	2014	2013
	Unaudited	Unaudited
Cash flows from operating activities		
Cash generated from operations	520,972	1,114,946
Finance income received	48,355	64,199
Finance cost paid	(2,382)	(42)
Retirement benefit obligations paid	(2,917)	(3,685)
Net cash generated from operating activities	564,028	1,175,418
Cash flows from investing activities		
Additions to capital work - in - progress	(497,251)	(270,295)
Purchase of intangible assets	(13,638)	(21,002)
Net cash used in investing activities	(510,889)	(291,297)
Cash flows from financing activities		
Dividend paid	(528,602)	(379,901)
Proceed from issuance of Ordinary shares	52,791	NIL
Net cash used in financing activities	(475,811)	(379,901)
Net increase in cash and cash equivalents	(422,672)	504,220
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	1,647,297	2,341,272

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 December 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 31 December 2014 were authorised for issue by the Board of Directors on 29 January 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 December	
	2014	2013
Profitability Ratios		
Net Profit Margin	8.30%	8.49%
Asset to Turnover	1.53	1.58
Debt : Equity	0.07	0.00
Return on Assets (ROA)	12.85%	13.52%
Return on Equity (ROE)	16.66%	17.79%

Investor Ratios

Earnings per Share (EPS) - LKR	1.25	1.23
Net Book Value per Share - LKR	10.27	9.64
Price / Earnings Ratio (PE Ratio)	12.36	9.28
Price to Book Value Ratio (PBV Ratio)	2.01	1.58

(PE and PBV Ratios are based on a market price of LKR 20.60 per share closed 31 December 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 31 December 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 31 December 2014	21.90	18.80
Last traded price (on 31 December 2014)	20.60	

12 Public Shareholding 199,234,261 (30.17%) shares by 9,099 share holders

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	19,057,500	2.88%
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	10,625,537	1.61%
Mcbridge Blue (Private) Limited	5,150,700	0.78%
National Savings Bank	4,335,000	0.66%
MAS Capital (Private) Limited	3,277,202	0.50%
Citi Bank NY S/A Forward Select EM Dividend Fund	3,224,998	0.49%
Periceyl (Private) Limited A/C No. 03	2,694,100	0.41%
Employees Trust Fund Board	2,679,251	0.41%
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%
Ms O.D.Gunewardene	2,000,000	0.30%
Peoples Bank	1,710,228	0.26%
Mr. K.Balendra	1,691,200	0.26%
Mr. A.R.Gunasekara	1,556,200	0.24%
Union Assurance PLC/No-01A/C	1,553,000	0.24%
Amana Bank Limited	1,547,672	0.23%
Miss. D.S.T.Jayawardena	1,429,300	0.22%

TEXTURED JERSEY LANKA PLC

Income Statement

(all amounts in United States Dollars)

	Quarter Ended 31 December			Period Ended 31 December			Year Ended 31 March
	2014 Unaudited	2013 Unaudited	Variance	2014 Unaudited	2013 Unaudited	Variance	2014 Audited
Revenue	28,711,671	25,758,093	11%	75,692,342	73,083,675	4%	97,867,363
Cost of sales	(25,045,652)	(23,020,718)	9%	(67,755,777)	(64,961,314)	4%	(86,665,853)
Gross profit	3,666,019	2,737,375	34%	7,936,565	8,122,361	-2%	11,201,510
Other (expenses)/income	(4,930)	45,915	-111%	153,055	181,165	-16%	126,033
Distribution expenses	(173,767)	(147,493)	18%	(473,397)	(497,688)	-5%	(667,570)
Administrative expenses	(788,727)	(623,552)	26%	(2,070,918)	(2,089,687)	-1%	(2,553,232)
Results from operating activities	2,698,595	2,012,245	34%	5,545,305	5,716,151	-3%	8,106,741
Non Operating Income	157,884	186,876	-16%	473,652	186,876	153%	373,752
Finance income	78,202	167,932	-53%	349,774	494,943	-29%	697,972
Finance costs	(7,167)	(77)	9154%	(18,206)	(1,470)	1138%	(2,285)
Net finance income	71,035	167,855	-58%	331,568	493,473	-33%	695,687
Profit before tax	2,927,514	2,366,976	24%	6,350,525	6,396,500	-1%	9,176,180
Income tax	(59,118)	(66,594)	-11%	(67,544)	(190,612)	-65%	(310,072)
Profit for the period	2,868,396	2,300,382	25%	6,282,981	6,205,888	1%	8,866,108

TEXTURED JERSEY LANKA PLC

Statement of Comprehensive Income

(all amounts in United States Dollars)

	Quarter Ended 31 December			Period Ended 31 December			Year Ended 31 March
	2014	2013	Variance	2014	2013	Variance	2014
	Unaudited	Unaudited		Unaudited	Unaudited		Audited
Profit for the period	2,868,396	2,300,382	25%	6,282,981	6,205,888	1%	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	2,868,396	2,300,382	25%	6,282,981	6,205,888	1%	8,654,452

TEXTURED JERSEY LANKA PLC

Statement of Financial Position

(all amounts in United States Dollars)

	As at 31 December		As at 31 March
	2014	2013	2014
	Unaudited	Unaudited	Audited
ASSETS			
Non - current assets			
Property, plant & equipment	18,663,099	17,184,152	16,684,471
Capital work-in-progress	5,800,469	1,668,100	5,971,058
Intangible assets	419,777	335,494	434,263
Lease rentals paid in advance	685,563	713,811	706,880
	25,568,908	19,901,557	23,796,672
Current assets			
Inventories	13,638,706	13,000,570	14,735,968
Trade and other receivables	9,957,447	10,850,653	9,808,154
Cash and cash equivalents	16,141,052	18,026,577	16,247,126
	39,737,205	41,877,800	40,791,248
Total assets	65,306,113	61,779,357	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	22,230,124	20,061,431	20,006,789
	51,408,399	48,686,371	48,781,523
Non - current liabilities			
Deferred tax liabilities	802,056	724,606	734,513
Retirement benefit obligations	885,155	538,019	753,358
	1,687,211	1,262,625	1,487,871
Current liabilities			
Trade and other payables	8,548,979	11,717,110	13,921,083
Bank overdrafts	3,661,524	113,251	397,443
	12,210,503	11,830,361	14,318,526
Total liabilities	13,897,714	13,092,986	15,806,397
Total equity and liabilities	65,306,113	61,779,357	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-Jan-2015