

Richard Pieris and Company PLC

Interim Financial Statements
Three months ended 30th June 2010
Provisional Financial Statements

Corporate Information

Legal Form

A quoted public Company with limited liability, incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 on 11th May 1940. The Company registration number is PQ 138.

Stock Exchange Listing

The Ordinary shares of the Company are listed in the Colombo Stock Exchange of Sri Lanka.

Board of Directors

Dr. Sena Yaddhige

- Chairman/ Managing Director/CEO

Mr. Pravir D. Samarasinghe

- Director/Chief Operating Officer

Mr. J. H. Paul Ratnayake - Director

Prof. Lakshman R. Watawala - Director

Prof. Susantha D. Pathirana - Director

Mr. M. M. Udeshi - Director

Mr.W.J.V.P.Perera – Director

Head/Registered Office

No. 310, High Level Road ,

Nawinna,

Maharagama,

Sri Lanka.

Telephone: + (94) 114310500

Fax : + (94) 114310777

Website : www.arpico.com

E-mail : cpu@arpico.com

Secretaries

Richard Pieris Group Services (Private) Limited

No. 310, High Level Road,

Nawinna, Maharagama,

Sri Lanka.

Auditors

Ernst & Young

Chartered Accountants

No. 201, De Saram Place,

Colombo 10,

Sri Lanka.

Consolidated Balance Sheet

As at 30th June	Group		31st March
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000
Assets			
Non-current assets			
Property, plant and equipment	10,110,217	10,146,576	10,142,761
Intangible assets	477,405	488,428	480,177
Investments in associates	190,642	137,075	180,919
Other Investments	30,000	-	-
	10,808,264	10,772,079	10,803,857
Current assets			
Inventories	2,511,920	2,203,888	2,464,038
Trade and other receivables	2,608,564	2,384,267	2,550,148
Taxation receivable	176,600	230,375	181,874
Short term investments	49,364	17,257	42,057
Cash at bank and in hand	1,529,172	1,006,180	1,322,843
	6,875,620	5,841,967	6,560,960
Total assets	17,683,884	16,614,046	17,364,817
Equity and liabilities			
Equity attributable to equity holders of the parent			
Stated / share capital	1,606,127	1,578,475	1,578,475
Capital reserves	126,901	126,901	126,901
Revenue reserves	2,198,013	1,510,078	2,056,364
Foreign currency translation	31,263	31,884	31,152
	3,962,304	3,247,338	3,792,892
Minority interest	1,549,905	1,424,063	1,503,071
Total equity	5,512,209	4,671,401	5,295,963
Non-current liabilities			
Interest bearing borrowings	1,704,006	2,261,209	1,957,680
Net liability to the lessor	665,963	695,057	672,158
Deferred income	588,833	482,204	528,898
Deferred tax liabilities	14,058	21,358	24,981
Employee benefit liabilities	1,545,720	1,108,293	1,529,685
	4,518,580	4,568,121	4,713,402
Current liabilities			
Trade and other payables	2,692,914	2,405,818	2,632,913
Current portion of interest bearing borrowings	1,240,356	1,091,562	1,239,549
Current portion of net liability to the lessor	25,655	21,534	25,394
Deposits	4,988	24,940	7,746
Current tax liabilities	158,933	23,090	100,559
Short term borrowings	3,375,240	3,807,580	3,349,291
Dividends Payable	155,009	-	-
	7,653,095	7,374,524	7,355,452
Total liabilities	12,171,675	11,942,645	12,068,854
Total equity and liabilities	17,683,884	16,614,046	17,364,817

The above figures are subject to audit.

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.



Coralie Pietersz
Group Chief Financial Officer

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



P D Samarasinghe
Director/ Chief Operating Officer



J H P Ratnayeke
Director

30th July 2010

Company Balance Sheet

As at 30th June	Company		31st March
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000
Assets			
Non-current assets			
Property, plant and equipment	55,950	73,015	61,480
Investment Property	698,448	702,609	699,207
Investments in subsidiaries	2,447,584	2,207,584	2,447,584
Investments in associates	37,500	37,500	37,500
Other investments	95,750	120,750	95,750
Deferred tax assets	36,953	36,953	36,953
	<u>3,372,185</u>	<u>3,178,411</u>	<u>3,378,474</u>
Current assets			
Trade and other receivables	158,060	157,352	67,039
Taxation receivable	6,957	6,957	6,957
Amounts due from subsidiaries	1,599,728	2,303,358	1,629,758
Short term investments	49,364	17,257	42,057
Cash at bank and in hand	331,228	1,001,558	266,271
	<u>2,145,337</u>	<u>3,486,482</u>	<u>2,012,082</u>
Total assets	<u>5,517,522</u>	<u>6,664,893</u>	<u>5,390,556</u>
Equity and liabilities			
Equity attributable to equity holders of the parent			
Stated / share capital	1,606,127	1,578,475	1,578,475
Capital reserves	10,574	10,574	10,574
Revenue reserves	585,604	513,496	654,962
Total equity	<u>2,202,305</u>	<u>2,102,545</u>	<u>2,244,011</u>
Non-current liabilities			
Interest bearing borrowings	355,334	957,219	428,469
Employee benefit liabilities	52,009	47,538	50,141
	<u>407,343</u>	<u>1,004,757</u>	<u>478,610</u>
Current liabilities			
Trade and other payables	265,520	228,296	232,239
Current portion of interest bearing borrowings	575,000	438,269	605,000
Deposits	4,988	24,940	7,745
Amounts due to subsidiaries	156,721	624,910	148,167
Short term borrowings	1,776,795	2,241,176	1,674,784
Dividends payable	128,850	-	-
	<u>2,907,874</u>	<u>3,557,591</u>	<u>2,667,935</u>
Total liabilities	<u>3,315,217</u>	<u>4,562,348</u>	<u>3,146,545</u>
Total equity and liabilities	<u>5,517,522</u>	<u>6,664,893</u>	<u>5,390,556</u>

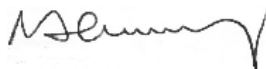
The above figures are subject to audit.

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.



Coralie Pietersz
Group Chief Financial Officer

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



P D Samarasinghe
Director/ Chief Operating Officer



J H P Ratnayake
Director

30th July 2010

Consolidated Income Statement

For the three months ended 30th June	Group		% Variance	Year ended
	2010 Rs. '000	2009 Rs. '000		31st March 2010 Rs. '000
Revenue	6,280,710	4,860,977	29%	22,339,288
Cost of sales	(5,001,044)	(3,788,247)	32%	(17,654,136)
Gross profit	1,279,666	1,072,730	19%	4,685,152
Other operating income	95,917	66,408	44%	355,879
Distribution costs	(172,819)	(149,198)	16%	(658,359)
Administrative expenses	(573,049)	(524,124)	9%	(2,354,806)
Other operating expenses	(24,822)	(11,262)	120%	(58,169)
Profit from operations	604,893	454,554	33%	1,969,697
Finance cost	(181,207)	(334,486)	-46%	(969,147)
Profit from operations after finance cost	423,686	120,068	253%	1,000,550
Share of results of associates	9,723	317	2967%	59,609
Profit before tax	433,409	120,385	260%	1,060,159
Income tax expense	(88,235)	(39,194)	125%	(330,592)
Profit for the period from continuing operations	345,174	81,191	325%	729,567
Discontinued Operations				
Loss after tax for the period from discontinued operations	(1,793)	(3,639)		(17,873)
Profit for the period	343,381	77,552	343%	711,694
Attributable to:				
Equity holders of the parent	270,499	33,918	698%	580,204
Minority interest	72,882	43,634	67%	131,490
	343,381	77,552	343%	711,694
Earnings per share				
Basic (Rs.)	2.11	0.26		4.52
Diluted (Rs.)	2.07	0.26		4.52
Dividend per share (Rs)	1.00	-		-

Figures in brackets indicate deductions.

The above figures are subject to audit.

Company Income Statement

For the three months ended 30th June	Company		% Variance	Year ended
	2010 Rs. '000	2009 Rs. '000		31st March 2010 Rs. '000
Revenue	160,786	112,039	44%	533,684
Cost of sales	-	-		-
Gross profit	160,786	112,039	44%	533,684
Other operating income	7,307	-	100%	38,597
Administrative expenses	(71,049)	(45,641)	56%	(237,916)
Profit from operations	97,044	66,398	46%	334,365
Finance cost	(37,552)	(73,275)	-49%	(199,776)
Profit/(loss) before tax	59,492	(6,877)	965%	134,589
Income tax expense	-	-		-
Profit/(loss) for the period	59,492	(6,877)	965%	134,589
Earnings per share				
Basic / diluted(Rs.)	0.46	(0.05)		1.05
Dividend per share (Rs)	1.00	-		-

Figures in brackets indicate deductions.

The above figures are subject to audit.

Cash Flow Statements

For the three months ended 30th June	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Cash flows from / (used in) operating activities				
Profit/(loss) before tax and minority interest from continuing operations	433,409	120,385	59,492	(6,877)
Loss before tax from discontinued operations	(1,793)	(3,639)	-	-
Adjustments to reconcile profit before tax to net cash flows	406,022	547,958	45,854	31,766
Operating profit before working capital changes	837,638	664,704	105,346	24,889
Working capital adjustments	(70,148)	494,741	(28,097)	(15,477)
Cash generated from operations	767,490	1,159,445	77,249	9,412
Interest paid	(181,207)	(334,587)	(37,552)	(73,273)
Income tax paid	(35,510)	(25,096)	-	-
Defined benefit plan costs paid	(31,595)	(32,953)	(773)	-
Net cash from / (used in) operating activities	519,178	766,809	38,924	(63,861)
Net cash flows from/ (used in) investing activities	(109,462)	(108,484)	(495)	47,516
Net cash inflow / (outflow) before financing	409,716	658,325	38,429	(16,345)
Net cash flows used in financing activities	(229,336)	(18,381)	(75,483)	(115,775)
Net increase / (decrease) in cash and cash equivalents	180,380	639,944	(37,054)	(132,120)
Cash and cash equivalents at the beginning of the period	(2,026,448)	(3,441,344)	(1,408,513)	(1,107,498)
Cash and cash equivalents at the end of the period	(1,846,068)	(2,801,400)	(1,445,567)	(1,239,618)
Analysis of cash and cash equivalents at the end of the period				
Bank and cash balances	1,529,172	1,006,180	331,228	1,001,558
Short term borrowings	(3,375,240)	(3,807,580)	(1,776,795)	(2,241,176)
	(1,846,068)	(2,801,400)	(1,445,567)	(1,239,618)

Figures in brackets indicate deductions.
The above figures are subject to audit.

Statements of Changes in Equity

Group	Attributable to equity holders of the parent						Minority interest	Total equity
	Stated capital	Capital reserves	Revenue reserves	Retained profit	Foreign currency translation	Total		
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
Balance as at 1st April 2009	1,578,475	126,901	179,443	1,296,717	32,371	3,213,907	1,380,908	4,594,815
Profit for the period	-	-	-	33,918	-	33,918	43,634	77,552
Effect of foreign currency translation	-	-	-	-	(487)	(487)	(479)	(966)
Balance as at 30th June 2009	<u>1,578,475</u>	<u>126,901</u>	<u>179,443</u>	<u>1,330,635</u>	<u>31,884</u>	<u>3,247,338</u>	<u>1,424,063</u>	<u>4,671,401</u>
Balance as at 1st April 2010	1,578,475	126,901	179,443	1,876,921	31,152	3,792,892	1,503,071	5,295,963
Profit for the period	-	-	-	270,499	-	270,499	72,882	343,381
Issue of share capital	27,652	-	-	-	-	27,652	-	27,652
Dividends	-	-	-	(128,850)	-	(128,850)	(26,159)	(155,009)
Effect of foreign currency translation	-	-	-	-	111	111	111	222
Balance as at 30th June 2010	<u>1,606,127</u>	<u>126,901</u>	<u>179,443</u>	<u>2,018,570</u>	<u>31,263</u>	<u>3,962,304</u>	<u>1,549,905</u>	<u>5,512,209</u>
Company								
Balance as at 1st April 2009	1,578,475	10,574	-	520,373	-	2,109,422	-	2,109,422
Loss for the period	-	-	-	(6,877)	-	(6,877)	-	(6,877)
Balance as at 30th June 2009	<u>1,578,475</u>	<u>10,574</u>	<u>-</u>	<u>513,496</u>	<u>-</u>	<u>2,102,545</u>	<u>-</u>	<u>2,102,545</u>
Balance as at 1st April 2010	1,578,475	10,574	-	654,962	-	2,244,011	-	2,244,011
Issue of share capital	27,652	-	-	-	-	27,652	-	27,652
Profit for the period	-	-	-	59,492	-	59,492	-	59,492
Dividend	-	-	-	(128,850)	-	(128,850)	-	(128,850)
Balance as at 30th June 2010	<u>1,606,127</u>	<u>10,574</u>	<u>-</u>	<u>585,604</u>	<u>-</u>	<u>2,202,305</u>	<u>-</u>	<u>2,202,305</u>

Figures in brackets indicate deductions.
The above figures are subject to audit.

Segmental Results

30th June	Gross turnover		Inter segmental		Intra segmental		Revenue from external customers		Operating profits		Assets	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Rubber	467,046	447,858	(35,621)	(31,866)	(2,491)	(4,767)	428,934	411,225	(16,844)	33,707	2,296,255	2,279,901
Tyre retreading	871,089	677,826	(13,905)	(20,264)	(287,287)	(194,113)	569,897	463,449	45,500	63,971	1,547,732	1,387,907
Plastics & Distribution	1,305,122	953,297	(66,687)	(52,286)	(426,123)	(301,307)	812,312	599,704	75,575	33,355	2,338,201	2,061,720
Retail	2,498,722	2,091,981	(137)	(267)	(47,662)	(43,413)	2,450,923	2,048,301	174,734	99,957	4,811,062	4,877,074
Services	201,812	145,296	(196,573)	(131,206)	-	-	5,239	14,090	(22,151)	(7,100)	5,788,697	6,336,352
Plantations	2,153,011	1,459,743	(53,406)	(100,829)	(86,200)	(34,706)	2,013,405	1,324,208	348,079	230,664	10,244,461	9,283,620
Inter segment eliminations	-	-	-	-	-	-	-	-	-	-	(9,533,166)	(9,749,603)
Group	7,496,802	5,776,001	(366,329)	(336,718)	(849,763)	(578,306)	6,280,710	4,860,977	604,893	454,554	17,493,242	16,476,971

Figures in brackets indicate deductions.
The above figures are subject to audit.

Notes to the Financial Statements

For the three months ended 30th June	2010 Rs.	2009 Rs.	Year ended 31st March 2010 Rs.
1. Net asset value per share - Group	30.75	25.32	29.57
Market price per share			
Highest	98.00	44.50	68.75
Lowest	54.75	23.75	23.75
Last traded	88.00	39.00	55.00

2. Stated capital of Richard Pieris and Company PLC amounts to Rs.1,606,125,723 represented by 128,850,191 ordinary shares.
3. The interim financial statements of the Company and of the Group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st March 2010 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements of the Company and the Group.
4. The presentation and classification of the financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.
5. There has been no significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended March 31, 2010.
6. Discontinued operations comprise the results of subsidiaries of the Group whose commercial operations have been discontinued.
7. There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the Financial Statements.
8. The percentage of shares held by the public as at 30th June 2010 was 45.20%(31st March 2010- 44.94%)

Notes to the Financial Statements

9. The number of shares held by the Board of Directors are as follows:

As at	30-6-2010	31-3-2010
1 Dr. Sena Yaddehige -Chairman/Managing Director/CEO	-	-
2 Mr. Pravir D Samarasinghe	54,931	4,140
3 Mr. J H Paul Ratnayeke	-	-
4 Prof. Lakshman R Watawala	7,000	7,000
5 Prof. Susantha Pathirana	-	-
6 Mr. M M Udeshi	24,600	24,600
7 Mr.WJVP Perera	100	100

10. Twenty largest shareholders of the Company are as follows:

As at	30-6-2010	%	31-3-2010	%
	Number of shares		Number of shares	
1 Skyworld Overseas Holdings Limited	34,425,906	26.72%	34,425,906	26.84%
2 Camille Consulting Corp.	21,129,008	16.40%	21,129,008	16.47%
3 HSBC International Nominee Ltd-SSBT- Deutsche Bank	15,025,038	11.66%	15,025,038	11.72%
4 Sezeka Limited	11,629,800	9.03%	11,629,800	9.07%
5 Rockport Limited	6,633,791	5.15%	6,633,791	5.17%
6 National Savings Bank	4,933,825	3.83%	4,933,825	3.85%
7 Mr. H. A. Pieris	1,841,701	1.43%	1,841,701	1.44%
8 Mr D.W.R. Rutnam	1,717,300	1.33%	1,717,300	1.34%
9 The Executor of the Estate of Mrs L.B. S. Pieris	1,518,803	1.18%	1,518,803	1.18%
10 Mr. A.I. Devasurendra	1,451,500	1.13%	2,239,300	0.02
11 Mercantile Investment Limited	1,409,033	1.09%	N/A	0.00%
12 Bank of Ceylon No. 1 Account	1,302,100	1.01%	N/A	0.00%
13 Pershing LLC S/A Averbach Grauson & Co	966,000	0.75%	966,000	0.75%
14 Employees Trust Fund Board	850,133	0.66%	477,733	0.37%
15 Kalday (Pvt) Ltd.	841,867	0.65%	841,867	0.66%
16 Mrs E De Mel	818,202	0.64%	818,202	0.64%
17 Miss L. A. Pieris	757,878	0.59%	757,878	0.59%
18 Mrs. S. Wambeek	726,275	0.56%	726,275	0.57%
19 Seylan Bank PLC / Janashakthi Limited	535,100	0.42%	N/A	0.00%
20 Merchant Bank of Sri Lanka LTD A/C No. 01	519,300	0.40%	N/A	0.00%
	109,032,560	84.62%	105,682,427	82.40%

11 All values included in these financial statements are in Rs.'000s unless otherwise stated.

