

DIPPED PRODUCTS PLC

INTERIM REPORT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2009

CORPORATE INFORMATION

LEGAL FORM

A Public Limited Company
Incorporated in Sri Lanka in 1976

COMPANY NUMBER

PQ60

DIRECTORS

A.M. Pandithage – *Chairman* (w.e.f. 01.07.2009)
N.G. Wickremeratne – *Chairman* (retired w.e.f. 30.06.2009)
J.A.G. Anandarajah - *Managing Director*
Dr. W.S.E. Fernando (retired w.e.f. 31.05.2009)
G.K. Seneviratne
N.Y. Fernando
N.B. Weerasekera
R.K. Witanachchi
R. Seevaratnam
F. Mohideen
R.A. Ebell (alternate Director for A.M. Pandithage)
K.A.L.S. Fernando (w.e.f. 01.04.2009)
L.G.S.Gunawardena (w.e.f.01.06.2009)
S.C.Ganegoda (w.e.f. 01.09.2009)

SUBSIDIARIES

Hand Protection

Palma Limited
Grossart (Private) Limited
Venigros (Private) Limited
Neoprex (Private) Limited
Texnil (Private) Limited
Feltex (Private) Limited
Dipped Products (Thailand) Limited
ICOGUANTI S.p.A
Hanwella Rubber Products Limited

Plantations

DPL Plantations (Private) Limited
Kelani Valley Plantations PLC
Kelani Valley Green Tea (Private) Limited
Kalupahana Power Company (Private) Limited
Kelani Valley Instant Tea (Private) Limited

ASSOCIATE

Mabroc Teas (Private) Limited

SECRETARIES

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Telephone: 2627650-3 (4 Lines)
Fax: 2627645
E-mail: info.sec@hayleys.com

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed with the
Colombo Stock Exchange of Sri Lanka

REGISTERED OFFICE

Hayley Building
400, Deans Road, Colombo 10, Sri Lanka
Telephone: 2683964-7 (4 Lines), 2698354
Fax: 2699018 & 2699299
E-mail: postmast@dplgroup.com
Website: www.dplgroup.com

PRINCIPAL LINES OF BUSINESS

Manufacture and marketing of industrial, general purpose and
medical rubber gloves, Management of tea and rubber plantations.

DIPPED PRODUCTS PLC
INCOME STATEMENTS-CONSOLIDATED

Audited year to 31.03.2009 Rs.'000		Unaudited 06 months to 30.09.2009 Rs.'000	Unaudited 06 months to 30.09.2008 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 30.09.2009 Rs.'000	Unaudited 03 months to 30.09.2008 Rs.'000
11,895,985	Turnover	5,259,755	6,312,870	(17)	2,999,377	3,382,698
(9,503,142)	Cost of sales	(4,363,086)	(5,193,542)	(16)	(2,522,321)	(2,831,712)
2,392,843	Gross profit	896,669	1,119,328	(20)	477,056	550,986
15,119	Other income	10,791	5,204	107	3,939	5,204
(1,045,407)	Administrative expenses	(490,075)	(509,066)	(4)	(270,399)	(266,505)
(408,317)	Distribution expenses	(201,185)	(234,473)	(14)	(111,350)	(114,797)
(4,745)	Other expenses	(6,793)	(2,208)	208	(3,615)	(294)
(332,675)	Net finance cost	(41,714)	(119,856)	(65)	(22,273)	(103,604)
(381)	Share of profit / (loss) of associate (net of tax)	(1,419)	3,795	(137)	1,776	8,383
616,437	Profit before tax	166,274	262,724	(37)	75,134	79,373
(113,709)	Income tax expense	(72,945)	(71,163)	3	(45,732)	(41,271)
502,728	Profit for the period	93,329	191,561	(51)	29,402	38,102
	Attributable to :					
362,870	Equity holders of the Company	112,374	105,856	6	48,839	5,734
139,858	Minority interest	(19,045)	85,705	(122)	(19,437)	32,368
502,728	Profit for the period	93,329	191,561	(51)	29,402	38,102
6.06	Basic earnings per ordinary share for the period (Rs.) *	1.88	1.77			
6.06	Diluted earnings per ordinary share for the period (Rs.) *	1.88	1.77			

*Computed based on 59,861,512 ordinary shares on issue as at September 30, 2009.
The notes to the financial statements on pages 9 & 10 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
INCOME STATEMENTS-COMPANY

Audited year to 31.03.2009 Rs.'000		Unaudited 06 months to 30.09.2009 Rs.'000	Unaudited 06 months to 30.09.2008 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 30.09.2009 Rs.'000	Unaudited 03 months to 30.09.2008 Rs.'000
1,229,474	Turnover	531,459	581,507	(9)	304,885	330,208
<u>(1,037,821)</u>	Cost of sales	<u>(397,802)</u>	<u>(498,725)</u>	(20)	<u>(229,231)</u>	<u>(290,748)</u>
191,653	Gross profit	133,657	82,782	61	75,654	39,460
2,497	Other income	1,923	1,264	52	627	648
(184,660)	Administrative expenses	(92,378)	(88,488)	4	(58,260)	(49,259)
(4,218)	Distribution expenses	(69)	(11,114)	(99)	5,032	(4,053)
(703)	Other expenses	(5,950)	(1,287)	362	(3,249)	(655)
(50,000)	Provision for diminution in value of investment in subsidiary	-	-	-	-	-
<u>344,125</u>	Net finance income / (cost)	<u>75,040</u>	<u>111,283</u>	(33)	<u>70,746</u>	<u>(1,615)</u>
298,694	Profit before tax	112,223	94,440	19	90,550	(15,474)
5,561	Income tax (expense) / release	(3,905)	(428)	812	(693)	305
<u>304,255</u>	Profit for the period	<u>108,318</u>	<u>94,012</u>	15	<u>89,857</u>	<u>(15,169)</u>
5.08	Basic earnings per ordinary share for the period (Rs.) *	1.81	1.57			
5.08	Diluted earnings per ordinary share for the period (Rs.) *	1.81	1.57			

*Computed based on 59,861,512 ordinary shares on issue as at September 30, 2009.
The notes to the financial statements on pages 9 & 10 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC

BALANCE SHEETS

Consolidated		Company		Consolidated		Company	
Audited as at 31.03.2009 Rs.'000	Audited as at 31.03.2009 Rs.'000			Unaudited as at 30.09.2009 Rs.'000	Unaudited as at 30.09.2008 Rs.'000	Unaudited as at 30.09.2009 Rs.'000	Unaudited as at 30.09.2008 Rs.'000
		ASSETS					
		Non-current assets					
4,826,977	299,189	Property, plant & equipment		4,849,542	4,617,645	290,441	308,939
15,684	-	Intangible assets		15,684	15,684	-	-
-	793,688	Investments in subsidiaries		-	-	793,688	843,688
90,297	-	Investment in associate		88,878	102,630	-	-
197,010	194,457	Other long term investments		197,010	197,010	194,457	194,457
21,592	21,592	Deferred tax asset		21,592	11,933	21,592	11,933
5,151,560	1,308,926			5,172,706	4,944,902	1,300,178	1,359,017
5,275,073	1,661,463	Current assets	2	5,229,109	5,809,661	1,672,783	1,949,760
10,426,633	2,970,389	Total assets		10,401,815	10,754,563	2,972,961	3,308,777
		EQUITY AND LIABILITIES					
		Equity attributable to equity holders of the company					
598,615	598,615	Stated capital	3	598,615	598,615	598,615	598,615
174,223	99,882	Capital reserves		178,748	174,223	99,882	99,882
2,306,312	1,086,719	Revenue reserves		2,218,388	2,074,692	1,015,452	876,476
3,079,150	1,785,216			2,995,751	2,847,530	1,713,949	1,574,973
785,912	-	Minority interest		676,542	755,085	-	-
3,865,062	1,785,216	Total equity		3,672,293	3,602,615	1,713,949	1,574,973
		Liabilities					
		Non-current liabilities					
140,385	-	Deferred tax liability		141,148	133,664	-	-
811,366	162,693	Retirement benefit obligations		951,774	807,552	146,908	153,756
35,379	-	Agents' indemnity fund		37,900	37,568	-	-
1,219,073	-	Interest bearing borrowings		1,263,131	1,350,198	-	-
346,191	-	Deferred income		408,069	286,784	-	-
2,552,394	162,693			2,802,022	2,615,766	146,908	153,756
4,009,177	1,022,480	Current liabilities	4	3,927,500	4,536,182	1,112,104	1,580,048
10,426,633	2,970,389	Total equity and liabilities		10,401,815	10,754,563	2,972,961	3,308,777

The notes to the financial statements on pages 9 & 10 form an integral part of the financial statements.

The Balance Sheets as at September 30, 2009, and Statements of Income, Changes in Equity and Cash Flow for the six months and Income Statement for the three months then ended are drawn up from the unaudited financial statements of the Company, its subsidiaries and associate and provide the information required by the Colombo Stock Exchange.

It is certified that the interim financial statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

N.A.R.R.S. Nanayakkara
 General Manager Finance

Signed on behalf of the Board

A.M.Pandithage
 Chairman

October 30, 2009.

J.A.G.Anandarajah
 Managing Director

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY - CONSOLIDATED

For the period ended September 30, 2009

	-----Attributable to equity holders of the Company-----								Total	Minority Interest	Total Equity
	Stated Capital	Capital Reserves			Revenue Reserves			Total			
		Capital Redemption Reserve Fund	Reserve on scrip Issue	Reserve on Revaluation of assets	Legal Reserve	General Reserve	Retained Earnings				
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
Balance as at April 1, 2009	598,615	180	25,384	139,760	8,899	625,173	1,575,818	105,321	3,079,150	785,912	3,865,062
Adjustment due to acquisition of own shares by ICOGUANTI S.p.A	-	-	-	-	1,342	-	(8,724)	5,738	(1,644)	(52,077)	(53,721)
Exchange difference on translation of overseas entities	-	-	-	-	-	-	-	(14,544)	(14,544)	(3,947)	(18,491)
Net gains/(losses) not recognised in the Income Statement	-	-	-	-	1,342	-	(8,724)	(8,806)	(16,188)	(56,024)	(72,212)
Profit for the period	-	-	-	-	-	-	112,374	-	112,374	(19,045)	93,329
Transfer to legal reserve	-	-	-	-	3,183	-	(3,183)	-	-	-	-
Dividends *	-	-	-	-	-	-	(179,585)	-	(179,585)	(34,301)	(213,886)
Balance as at September 30, 2009	598,615	180	25,384	139,760	13,424	625,173	1,496,700	96,515	2,995,751	676,542	3,672,293

For the period ended September 30, 2008

Balance as at April 1, 2008	598,615	180	25,384	139,760	6,694	625,173	1,304,945	109,653	2,810,404	710,504	3,520,908
Exchange difference on translation of overseas entities	-	-	-	-	-	-	-	21,062	21,062	12,776	33,838
Net gains/(losses) not recognised in the Income Statement	-	-	-	-	-	-	-	21,062	21,062	12,776	33,838
Profit for the period	-	-	-	-	-	-	105,856	-	105,856	85,705	191,561
Transfer to legal reserve	-	-	-	-	2,205	-	(2,205)	-	-	-	-
Dividends	-	-	-	-	-	-	(89,792)	-	(89,792)	(53,900)	(143,692)
Balance as at September 30, 2008	598,615	180	25,384	139,760	8,899	625,173	1,318,804	130,715	2,847,530	755,085	3,602,615

* Final Dividend 2008/2009

The first and final dividend of Rs.3.00 per share proposed and declared at the Annual General Meeting for the year 2008/2009 held on June 26, 2009 was paid on July 3, 2009.

The notes to the financial statements on pages 9 & 10 form an integral part of the financial statements.
The figures in brackets indicate deductions.

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY - COMPANY

For the period ended September 30, 2009

	Stated Capital	-----Capital Reserves----- Capital Redemption Reserve Fund	Reserves----- Reserve on Revaluation of assets	--Revenue Reserves-- Retained Earnings	Total
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
Balance as at April 1, 2009	598,615	180	99,702	1,086,719	1,785,216
Profit for the period	-	-	-	108,318	108,318
Dividends *	-	-	-	(179,585)	(179,585)
Balance as at September 30, 2009	598,615	180	99,702	1,015,452	1,713,949

For the period ended September 30, 2008

Balance as at April 1, 2008	598,615	180	99,702	872,256	1,570,753
Profit for the period	-	-	-	94,012	94,012
Dividends	-	-	-	(89,792)	(89,792)
Balance as at September 30, 2008	598,615	180	99,702	876,476	1,574,973

* Final Dividend 2008/2009

The first and final dividend of Rs.3.00 per share proposed and declared at the Annual General Meeting for the year 2008/2009 held on June 26, 2009 was paid on July 3, 2009.

The notes to the financial statements on pages 9 & 10 form an integral part of the financial statements.
The figures in brackets indicate deductions.

**DIPPED PRODUCTS PLC
CASH FLOW STATEMENTS**

<u>Consolidated</u>		<u>Company</u>		<u>Consolidated</u>		<u>Company</u>	
Audited year to 31.03.2009 Rs.'000	Audited year to 31.03.2009 Rs.'000			Unaudited 06 months to 30.09.2009 Rs.'000	Unaudited 06 months to 30.09.2008 Rs.'000	Unaudited 06 months to 30.09.2009 Rs.'000	Unaudited 06 months to 30.09.2008 Rs.'000
Cash flows from operating activities							
1,097,016	(119,624)	Cash generated from operations (Note A)		1,116,302	385,363	138,490	(101,729)
(304,503)	(57,890)	Interest paid		(129,329)	(132,652)	(28,576)	(19,141)
(140,655)	(3,131)	Income taxes paid		(53,345)	(48,146)	(26)	(1,476)
(59,495)	(6,864)	Retiring gratuity paid		(92,744)	(23,900)	(35,213)	863
(2,622)	-	Agents' indemnity paid		(17)	(545)	-	-
<u>589,741</u>	<u>(187,509)</u>	Net cash flow from operating activities		<u>840,867</u>	<u>180,120</u>	<u>74,675</u>	<u>(121,483)</u>
Cash flows from investing activities							
(799,080)	(18,024)	Purchase & construction of property, plant & equipment		(197,680)	(404,432)	(4,754)	(11,243)
111,266	-	Grants received		68,614	45,711	-	-
3,778	48	Proceeds from disposal of property, plant & equipment		4,449	-	745	47
22,625	818	Interest received		5,663	6,164	418	425
10,609	10,609	Dividend received from non-group companies		10,608	10,609	10,608	10,609
8,100	344,615	Dividend received from associate / subsidiary companies		-	-	75,750	101,000
(63,535)	-	Net payments to minority shareholders		(88,022)	(53,900)	-	-
<u>(706,237)</u>	<u>338,066</u>	Net cash flows from investing activities		<u>(196,368)</u>	<u>(395,848)</u>	<u>82,767</u>	<u>100,838</u>
Cash flows from financing activities							
168,844	-	Long term loans obtained		142,478	134,942	-	-
(255,039)	(30,253)	Repayment of term loans		(109,750)	(135,757)	-	(27,553)
(5,409)	-	Capital payment on finance lease		(2,654)	(2,509)	-	-
(101,392)	(101,392)	Dividend paid		(179,453)	(101,247)	(179,453)	(101,247)
<u>(192,996)</u>	<u>(131,645)</u>	Net cash flows from financing activities		<u>(149,379)</u>	<u>(104,571)</u>	<u>(179,453)</u>	<u>(128,800)</u>
(309,492)	18,912	Net increase / (decrease) in cash & cash equivalents		495,120	(320,299)	(22,011)	(149,445)
<u>(1,787,460)</u>	<u>(449,182)</u>	Cash & cash equivalents at beginning of the period		<u>(2,095,405)</u>	<u>(1,757,158)</u>	<u>(430,270)</u>	<u>(449,182)</u>
<u>(2,096,952)</u>	<u>(430,270)</u>	Cash & cash equivalents at end of the period (Note B)		<u>(1,600,285)</u>	<u>(2,077,457)</u>	<u>(452,281)</u>	<u>(598,627)</u>

The notes to the financial statements on pages 9 & 10 form an integral part of the financial statements.

**DIPPED PRODUCTS PLC
CASH FLOW STATEMENTS**

<u>Consolidated</u>		<u>Company</u>		<u>Consolidated</u>		<u>Company</u>	
Audited	Audited			Unaudited	Unaudited	Unaudited	Unaudited
year to	year to			06 months to	06 months to	06 months to	06 months to
31.03.2009	31.03.2009			30.09.2009	30.09.2008	30.09.2009	30.09.2008
Rs.'000	Rs.'000			Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flow StatementContd							
A Cash generated from operations							
616,437	298,694	Profit before tax		166,274	262,724	112,223	94,440
Adjustments for							
304,503	57,890	Interest cost		129,329	132,652	28,576	19,141
381	-	Share of (profit) / loss of associate		1,419	(3,795)	-	-
384,000	29,958	Depreciation on property, plant & equipment		207,365	182,463	13,447	13,428
(3,768)	(31)	(Gain)/loss on disposal of property, plant & equipment		(4,055)	-	(690)	(31)
(11,351)	-	Amortisation of government grants		(6,736)	(5,204)	-	-
-	50,000	Provision for diminution in value of investments		-	-	-	-
19,196	43	Provision for bad & doubtful debts		18,963	6,999	-	-
129,427	25,503	Provision for retiring gratuity		233,266	87,146	19,428	8,839
4,344	-	Provision for agents' indemnity fund		1,838	2,191	-	-
23,327	5,170	Provision for slow-moving / obsolete inventories		10,992	14,105	2,007	2,298
(33,234)	(356,042)	Interest and dividend income		(16,271)	(16,773)	(86,776)	(112,034)
(6,115)	-	Differences of exchange on translation of foreign entities		(26,473)	19,210	-	-
<u>1,427,147</u>	<u>111,185</u>			<u>715,911</u>	<u>681,718</u>	<u>88,215</u>	<u>26,081</u>
(169,708)	(13,558)	(Increase) / decrease in trade and other receivables		(15,253)	(606,829)	64,028	(119,801)
(48,784)	59,092	(Increase) / decrease in inventories		158,002	(43,418)	(66,506)	(53,038)
<u>(111,639)</u>	<u>(276,343)</u>	Increase / (decrease) in trade and other payables		<u>257,642</u>	<u>353,892</u>	<u>52,753</u>	<u>45,029</u>
<u>1,097,016</u>	<u>(119,624)</u>			<u>1,116,302</u>	<u>385,363</u>	<u>138,490</u>	<u>(101,729)</u>
B Analysis of cash & cash equivalents at end of the period							
218,654	42,919	Cash at bank and in hand		276,034	273,230	57,647	107,939
89,600	-	Short term deposits		165,000	145,000	-	-
<u>(2,405,206)</u>	<u>(473,189)</u>	Short term loans and overdraft		<u>(2,041,319)</u>	<u>(2,495,687)</u>	<u>(509,928)</u>	<u>(706,566)</u>
<u>(2,096,952)</u>	<u>(430,270)</u>			<u>(1,600,285)</u>	<u>(2,077,457)</u>	<u>(452,281)</u>	<u>(598,627)</u>
1,547	-	Effects of exchange rate changes		-	-	-	-
<u>(2,095,405)</u>	<u>(430,270)</u>			<u>(1,600,285)</u>	<u>(2,077,457)</u>	<u>(452,281)</u>	<u>(598,627)</u>

The notes to the financial statements on pages 9 & 10 form an integral part of the financial statements.

DIPPED PRODUCTS PLC
SEGMENT INFORMATION

Consolidated
Audited
year to
31.03.2009

Rs.'000

9,462,829
3,108,570
12,571,399
(675,414)

11,895,985

Rs.'000

635,968
313,525
949,493
(332,675)
(381)

616,437

Industry Segment Turnover

Hand Protection
Plantations

Inter - segment sales / services

Industry Segment Results

Hand Protection
Plantations
Segment results
Finance costs
Share of profit / (loss) of associate
Profit before tax

Consolidated
Unaudited Unaudited
06 months to 06 months to
30.09.2009 30.09.2008

Rs'000 Rs'000

4,235,150 4,838,897
1,163,911 1,674,420
5,399,061 6,513,317
(139,306) (200,447)

5,259,755 6,312,870

Rs. '000 Rs. '000

392,615 146,067
(183,208) 232,718
209,407 378,785
(41,714) (119,856)
(1,419) 3,795

166,274 262,724

**DIPPED PRODUCTS PLC
INVESTOR INFORMATION**

	30.09.2009	30.09.2008
	Rs.	Rs.
Market Value of Shares		
The market value of an ordinary share of Dipped Products PLC was as follows.		
Closing price on	92.00	72.50
Highest price recorded for the six months ending	93.00	87.00
Lowest price recorded for the six months ending	52.50	72.50
Highest price recorded for the three months ending	93.00	87.00
Lowest price recorded for the three months ending	72.50	72.50
Market Capitalisation (Rs. M)	5,507	4,340
Ratios		
Net assets per share at period end* (Rs.51.44 as at 31.03.2009)	50.04	47.57
Price earnings ratio annualised (times)	24.5	20.5
Share Trading information for the 6 months ended		
Number of transactions	775	307
Number of shares traded	1,468,200	225,200
Value of shares traded (Rs.)	118,966,250	17,737,500

*Computed based on 59,861,512 shares on issue as at September 30, 2009.

**DIPPED PRODUCTS PLC
INVESTOR INFORMATION**

First twenty shareholders as at September 30, 2009

	Shareholder	No.of Shares as at September 30, 2009	%
1	Hayleys PLC	24,776,080	41.39
2	D M H Capital Limited	5,986,800	10.00
3	Volanka (Private) Limited	4,873,640	8.14
4	Haycarb PLC	4,068,746	6.80
5	Delta Plus Group	3,860,280	6.45
6	Promar Overseas SA	3,734,696	6.24
7	Waldock Mackenzie Limited/Mr.Lalith Prabash Hapangama	1,465,800	2.45
8	Associated Electrical Corporation Ltd.	619,200	1.03
9	Mr.N.G.Wickremeratne	607,304	1.01
10	Ravi Industries Limited	567,000	0.95
11	Employees Provident Fund	559,600	0.93
12	Waldock Mackenzie Limited/Lalan Rubbers (Private) Limited	530,280	0.89
13	H A P Investments (Private) Limited	474,162	0.79
14	Mr.H.A.Pieris	451,264	0.75
15	Dr.D.Jayanntha	375,000	0.63
16	Mr.R.W.Soysa	278,020	0.46
17	HSBC International Nominees Ltd-SSBT Deutsche Bank	235,144	0.39
18	Mr.J.A.G.Anandarajah	219,474	0.37
19	Mr.R.M.De Mel	214,444	0.36
20	Mr.S.Krishnananthan	163,044	0.27
	TOTAL	54,059,978	90.31

There were no non-voting shares as at September 30, 2009.

The percentage of shares held by public as per Colombo Stock Exchange Rules as at September 30, 2009 was 48.11%.

Directors' shareholding as at end of last financial year i.e. March 31, 2009

Mr.N.G.Wickremeratne (retired on 30.06.2009)	659,120
Mr.J.A.G.Anandarajah	219,474
Mr.R.W.Soysa (retired on 31.03.2009)	278,020
Dr.W.S.E.Fernando (retired on 31.05.2009)	85,812
Mr.N.Y.Fernando	10,288
Mr.R.K.Witanachchi	10,926

Note :

Mr.K.A.L.S.Fernando (appointed w.e.f. 01.04.2009)	As at September 30, 2009	56,264
Mr.L.G.S.Gunawardena (appointed w.e.f. 01.06.2009)		26