

**VALLIBEL ONE PLC**  
**INTERIM FINANCIAL STATEMENTS**

**Vallibel | ONE**

**For the Nine Months ended 31th December 2013**

**VALLIBEL ONE PLC**  
STATEMENT OF FINANCIAL POSITION

| As at  | Company               |                       | Group                 |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 31.12.2013<br>Rs.'000 | 31.03.2013<br>Rs.'000 | 30.12.2013<br>Rs.'000 | 31.03.2013<br>Rs.'000 |
| <b>ASSETS</b>  |                       |                       |                       |                       |
| Cash and Bank  | 267,009               | 5,212                 | 3,256,801             | 4,970,491             |
| Fair Value Through P&L - Financial Assets                  | 282,789               | 210,329               | 467,456               | 580,632               |
| Short Term Investments                                     | 1,069,500             | 1,728,000             | 319,500               | 615,000               |
| Loans and Receivable                                       | 375,000               | 375,000               | 18,035,282            | 16,895,092            |
| Lease Rentals receivables and Stock out on hire            | -                     | -                     | 29,984,337            | 28,260,005            |
| Available for Sales - Financial Assets                     | 822,760               | 857,083               | 2,425,747             | 1,524,176             |
| Other Financial Assets                                     | -                     | -                     | 5,731,181             | 1,487,399             |
| Trade and Other Receivables                                | 109,631               | 123,331               | 7,280,565             | 4,061,330             |
| Other Non Financial Assets                                 | -                     | -                     | 1,604,816             | 1,759,796             |
| Investments in Subsidiaries                                | 17,118,514            | 17,118,514            | -                     | -                     |
| Investment in Associate                                    | 7,304,772             | 7,304,772             | 8,186,619             | 7,738,469             |
| Amounts Due From Related Parties                           | 150,313               | 146,635               | 15,992                | 21,007                |
| Deferred Tax Assets  | -                     | -                     | 225,767               | 221,214               |
| Income Tax Recoverable                                     | 10,838                | 8,155                 | 70,528                | 49,102                |
| Inventories  | -                     | -                     | 9,607,561             | 4,939,039             |
| Investment property  | -                     | -                     | 269,294               | -                     |
| Intangible Assets  | -                     | -                     | 13,331,762            | 12,181,908            |
| Property, Plant and Equipment                              | 36,525                | 40,860                | 21,568,910            | 11,814,448            |
| <b>Total Assets</b>  | <b>27,547,650</b>     | <b>27,917,891</b>     | <b>122,382,118</b>    | <b>97,119,106</b>     |
| <b>LIABILITIES</b>   |                       |                       |                       |                       |
| Due to Banks   | -                     | 5,609                 | 7,785,047             | 8,295,497             |
| Due to Customers   | -                     | -                     | 44,428,250            | 37,591,184            |
| Interest Bearing Loans and Borrowings                      | -                     | -                     | 19,920,441            | 9,394,045             |
| Trade and Other Payables                                   | 244,925               | 236,854               | 4,313,631             | 3,921,286             |
| Other Financial Liabilities                                | -                     | -                     | 464,360               | -                     |
| Other Non Financial Liabilities                            | -                     | -                     | 1,462,760             | 895,580               |
| Amounts Due To Related Parties                             | -                     | 25                    | 541                   | 1,039                 |
| Dividend Payable   | 4,108                 | 1,607                 | 30,818                | 32,790                |
| Capital Grants   | -                     | -                     | 117,402               | -                     |
| Employee Benefit Liabilities                               | 1,763                 | 1,763                 | 1,040,464             | 376,222               |
| Income Tax Liabilities                                     | 7,277                 | 25,233                | 163,918               | 192,809               |
| Deferred Tax Liabilities                                   | 2,670                 | 2,829                 | 539,643               | 71,852                |
| <b>Total Liabilities</b>                                   | <b>260,744</b>        | <b>273,920</b>        | <b>80,267,273</b>     | <b>60,772,306</b>     |
| <b>Shareholders' Funds</b>                                 |                       |                       |                       |                       |
| <b>Equity Attributable to Equity Holders of the Parent</b> |                       |                       |                       |                       |
| Stated Capital   | 27,163,984            | 27,163,984            | 27,163,984            | 27,163,984            |
| Reserves   | 122,923               | 479,988               | 3,707,863             | 3,498,715             |
|  | 27,286,906            | 27,643,972            | 30,871,847            | 30,662,699            |
| <b>Non Controlling Interest</b>                            | -                     | -                     | 11,242,998            | 5,684,101             |
| <b>Total Equity</b>  | <b>27,286,906</b>     | <b>27,643,972</b>     | <b>42,114,845</b>     | <b>36,346,800</b>     |
| <b>Total Equity and Liabilities</b>                        | <b>27,547,650</b>     | <b>27,917,891</b>     | <b>122,382,118</b>    | <b>97,119,106</b>     |

Net Asset Per Share (Rs.) 25.11 25.44 28.41 28.22

These Financial Statements are in Compliance with the requirements of Companies Act No. 07 of 2007.

Sgd.  
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements signed for and on behalf of the board by.

Sgd.  
Director

Sgd.  
Director

**VALLIBEL ONE PLC**  
**STATEMENT OF INCOME**

For the period ended 31st December

|  | Company         |                 |                 |                 |            | Group            |                  |                    |                  |            |
|--|-----------------|-----------------|-----------------|-----------------|------------|------------------|------------------|--------------------|------------------|------------|
|  | Quarter         |                 | Cumulative      |                 | Variance % | Quarter          |                  | Cumulative         |                  | Variance % |
|  | 2013<br>Rs.'000 | 2012<br>Rs.'000 | 2013<br>Rs.'000 | 2012<br>Rs.'000 |            | 2013<br>Rs.'000  | 2012<br>Rs.'000  | 2013<br>Rs.'000    | 2012<br>Rs.'000  |            |
| Revenue  | -               | -               | -               | -               | -          | 14,371,124       | 8,955,565        | 34,820,231         | 24,550,092       | 42         |
| Cost of Sales                                  | -               | -               | -               | -               | -          | (9,564,140)      | (6,087,251)      | (24,717,400)       | (16,843,214)     | 47         |
| <b>Gross Profit</b>                            | -               | -               | -               | -               | -          | 4,806,985        | 2,868,314        | 10,102,831         | 7,706,878        | 31         |
| Dividend income                                | -               | 676             | 350,915         | 265,785         | 32         | 150              | 745              | 14,322             | 63,131           | 100        |
| Other operating income                         | -               | 52,506          | -               | 52,506          | -          | (997,604)        | 15,243           | (676,596)          | 216,732          | (412)      |
| Administrative Expenses                        | (21,035)        | (16,065)        | (57,002)        | (54,484)        | 5          | (1,308,274)      | (716,512)        | (3,013,293)        | (2,208,290)      | 36         |
| Distribution Expenses                          | -               | -               | -               | -               | -          | (739,132)        | (420,640)        | (1,845,655)        | (1,248,728)      | 48         |
| Other Operating Expenses                       | -               | -               | -               | -               | -          | (261,854)        | (291,989)        | (1,259,914)        | (1,011,671)      | 25         |
| <b>Results from Operating activities</b>       | <b>(21,035)</b> | <b>37,117</b>   | <b>293,913</b>  | <b>263,806</b>  | 11         | <b>1,500,272</b> | <b>1,455,160</b> | <b>3,321,695</b>   | <b>3,518,052</b> | (6)        |
| Finance Cost                                   | 2,403           | 6,722           | (7,024)         | 702             | (1100)     | (532,127)        | (343,396)        | (1,568,414)        | (939,536)        | 67         |
| Finance Income                                 | 72,780          | 77,167          | 226,646         | 229,276         | (1)        | 78,300           | 47,440           | 195,148            | 208,452          | (6)        |
| <b>Net Finance cost</b>                        | <b>75,182</b>   | <b>83,889</b>   | <b>219,623</b>  | <b>229,979</b>  | (5)        | <b>(453,826)</b> | <b>(295,956)</b> | <b>(1,373,266)</b> | <b>(731,084)</b> | 88         |
| Increase / (fall) in value of Investments      | (19,595)        | 31,494          | (35,026)        | 9,818           | (457)      | (19,595)         | 31,494           | (35,026)           | 9,818            | (457)      |
| Share of results of equity accounted Investees | -               | -               | -               | -               | -          | 159,771          | 219,191          | 385,342            | 569,064          | (32)       |
| <b>Profit Before Value Added Tax</b>           | <b>34,551</b>   | <b>152,500</b>  | <b>478,510</b>  | <b>503,603</b>  | (5)        | <b>1,186,621</b> | <b>1,409,888</b> | <b>2,298,745</b>   | <b>3,365,850</b> | (32)       |
| Value Added Tax on Financial Services          | -               | -               | -               | -               | -          | (27,639)         | (37,466)         | (66,128)           | (122,915)        | (46)       |
| <b>Profit Before Tax</b>                       | <b>34,551</b>   | <b>152,500</b>  | <b>478,510</b>  | <b>503,603</b>  | -5         | <b>1,158,982</b> | <b>1,372,422</b> | <b>2,232,617</b>   | <b>3,242,935</b> | (31)       |
| Income Tax Expense                             | (5,990)         | (17,410)        | (40,661)        | (36,143)        | 12         | (302,207)        | (238,597)        | (719,568)          | (768,612)        | (6)        |
| <b>Profit for the Period</b>                   | <b>28,562</b>   | <b>135,090</b>  | <b>437,849</b>  | <b>467,460</b>  | -6         | <b>856,775</b>   | <b>1,133,824</b> | <b>1,513,049</b>   | <b>2,474,323</b> | (39)       |
| <b>Attributable to :</b>                       |                 |                 |                 |                 |            |                  |                  |                    |                  |            |
| Equity holders of the Parent                   | 28,562          | 135,090         | 437,849         | 467,460         | -6         | 398,167          | 754,384          | 823,939            | 1,662,647        | (50)       |
| Non - Controlling Interests                    | -               | -               | -               | -               | -          | 458,608          | 379,440          | 689,110            | 811,675          | (15)       |
|  | <b>28,562</b>   | <b>135,090</b>  | <b>437,849</b>  | <b>467,460</b>  | -6         | <b>856,775</b>   | <b>1,133,824</b> | <b>1,513,049</b>   | <b>2,474,323</b> | (39)       |
| Earnings Per Share (Rs.)                       | 0.03            | 0.12            | 0.40            | 0.43            |            | 0.37             | 0.69             | 0.76               | 1.53             |            |

**VALLIBEL ONE PLC**  
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31st December

**Other Comprehensive Income**

**Net Profit for the Period**

Share of other comprehensive income of equity accounted investees

Income tax effect

Net Gain/(Loss) on Available for sale Financial Assets

Income tax effect

Revaluation of Land & Building

Income tax effect

Exchange difference on translation of foreign operations

**Other Comprehensive Income for the period, net of tax**

**Total Comprehensive Income for the period, net of tax**

**Total Comprehensive income attributable to :**

Equity holders of the Parent

Non - Controlling Interests

|   | Company         |                 |                 |                 |            | Group            |                  |                  |                  |             |
|---|-----------------|-----------------|-----------------|-----------------|------------|------------------|------------------|------------------|------------------|-------------|
|   | Quarter         |                 | Cumulative      |                 | Variance % | Quarter          |                  | Cumulative       |                  | Variance %  |
|   | 2013<br>Rs.'000 | 2012<br>Rs.'000 | 2013<br>Rs.'000 | 2012<br>Rs.'000 |            | 2013<br>Rs.'000  | 2012<br>Rs.'000  | 2013<br>Rs.'000  | 2012<br>Rs.'000  |             |
| <b>Net Profit for the Period</b>                                  | 28,562          | 135,090         | 437,849         | 467,460         | (6)        | 856,775          | 1,133,824        | 1,513,049        | 2,474,323        | (39)        |
| Share of other comprehensive income of equity accounted investees | -               | -               | -               | -               | -          | 180,099          | (37,158)         | 246,522          | 79,241           | 211         |
| Income tax effect   | -               | -               | -               | -               | -          | -                | -                | -                | -                | -           |
| Net Gain/(Loss) on Available for sale Financial Assets            | (4,103)         | (169,929)       | (34,323)        | (153,922)       | (78)       | 47,586           | (189,153)        | 9,998            | (166,704)        | (106)       |
| Income tax effect   | -               | -               | -               | -               | -          | (12,279)         | 1,909            | (12,279)         | -                | -           |
| Revaluation of Land & Building                                    | -               | -               | -               | -               | -          | 0                | 333,824          | 488              | 494,503          | (100)       |
| Income tax effect   | -               | -               | -               | -               | -          | -                | (25,534)         | -                | (25,534)         | -           |
| Exchange difference on translation of foreign operations          | -               | -               | -               | -               | -          | (58,954)         | (55,204)         | (27,085)         | 21,508           | (226)       |
| <b>Other Comprehensive Income for the period, net of tax</b>      | (4,103)         | (169,929)       | (34,323)        | (153,922)       | (78)       | 156,451          | 28,684           | 217,644          | 403,014          | (46)        |
| <b>Total Comprehensive Income for the period, net of tax</b>      | 24,459          | (34,838)        | 403,526         | 313,538         | 29         | 1,013,226        | 1,162,509        | 1,730,693        | 2,877,337        | (40)        |
| <b>Total Comprehensive income attributable to :</b>               |                 |                 |                 |                 |            |                  |                  |                  |                  |             |
| Equity holders of the Parent                                      | 24,459          | (34,838)        | 403,526         | 313,538         | 29         | 866,357          | 665,842          | 1,339,782        | 1,829,738        | (27)        |
| Non - Controlling Interests                                       | -               | -               | -               | -               | -          | 146,869          | 496,667          | 390,911          | 1,047,598        | (63)        |
|   | <b>24,459</b>   | <b>(34,838)</b> | <b>403,526</b>  | <b>313,538</b>  | <b>29</b>  | <b>1,013,226</b> | <b>1,162,509</b> | <b>1,730,693</b> | <b>2,877,337</b> | <b>(40)</b> |

**VALLIBEL ONE PLC**  
STATEMENT OF CHANGES IN EQUITY- COMPANY

| For the Period ended 31st December                      | Stated Capital<br>Rs.'000 | Available for Sale<br>Reserve<br>Rs.'000 | Retained<br>Earnings/ (Losses)<br>Rs.'000 | Total<br>Rs.'000  |
|---|---------------------------|--|---|-------------------|
| <b>Balance as at 01 April 2012</b>                      | 27,163,984                | (21,604)                                 | 411,791                                   | 27,554,171        |
| Profit for the period                                   | -                         | -  | 467,460                                   | 467,460           |
| <b>Other Comprehensive Income</b>                       |                           |  |   |                   |
| Net gain or loss on available for sale financial assets | -                         | (153,922)                                | -   | (153,922)         |
| <b>Total Other Comprehensive income</b>                 | -                         | (153,922)                                | -   | (153,922)         |
| Dividend Paid   | -                         | -  | (325,968)                                 | (325,968)         |
| <b>Balance as at 31 December 2012</b>                   | <u>27,163,984</u>         | <u>(175,526)</u>                         | <u>553,283</u>                            | <u>27,541,741</u> |
| <b>Balance as at 01 April 2013</b>                      | 27,163,984                | (202,472)                                | 682,460                                   | 27,643,972        |
| Profit for the period                                   | -                         | -  | 437,849                                   | 437,849           |
| <b>Other Comprehensive Income</b>                       |                           |  |   |                   |
| Net gain or loss on available for sale financial assets | -                         | (34,323)                                 | -   | (34,323)          |
| <b>Total Other Comprehensive income</b>                 | -                         | (34,323)                                 | -   | (34,323)          |
| Dividend Paid   | -                         | -  | (760,592)                                 | (760,592)         |
| <b>Balance as at 31 December 2013</b>                   | <u>27,163,984</u>         | <u>(236,795)</u>                         | <u>359,717</u>                            | <u>27,286,906</u> |

**VALLIBEL ONE PLC**  
STATEMENT OF CHANGES IN EQUITY- GROUP

For the Period ended 31st December Rs.'000

|   | Stated Capital | Treasury Shares | Capital Reserves |              | Other Component of Equity  |                                      |                     | Revenue Reserve |                   | Hedge Reserve | Shareholder's Fund | Non Controlling Interest | Total Equity |
|---|----------------|-----------------|------------------|--------------|----------------------------|--------------------------------------|---------------------|-----------------|-------------------|---------------|--------------------|--------------------------|--------------|
|   |                |                 | Reserve          | Investment   | Available for Sale Reserve | Foreign Currency Translation Reserve | Revaluation Reserve | General Reserve | Retained Earnings |               |                    |                          |              |
|   |                |                 | Fund             | Fund Reserve |                            |                                      |                     |                 |                   |               |                    |                          |              |
|   | Rs.            | Rs.             | Rs.              | Rs.          | Rs.                        | Rs.                                  |                     | Rs.             | Rs.               | Rs.           | Rs.                | Rs.                      |              |
| <b>Balance as at 01st April 2012</b>                              | 27,163,984     | (66,372)        | 237,111          | 109,614      | (605,573)                  | 166,411                              | -                   | 50,665          | 1,922,766         | -             | 28,978,607         | 5,157,259                | 34,135,867   |
| Profit for the period   | -              | -               | -                | -            | -                          | -                                    | -                   | -               | 1,662,647         | -             | 1,662,647          | 811,675                  | 2,474,323    |
| <b>Other Comprehensive Income</b>                                 |                |                 |                  |              |                            |                                      |                     |                 |                   |               |                    |                          |              |
| Share of other comprehensive income of equity accounted investees | -              | -               | -                | -            | 79,637                     | -                                    | (396)               | -               | -                 | -             | 79,241             | -                        | 79,241       |
| Exchange difference on translation of foreign operations          | -              | -               | -                | -            | -                          | 10,754                               | -                   | -               | -                 | -             | 10,754             | 10,754                   | 21,508       |
| Net Gain/(Loss) on Available for sale                             | -              | -               | -                | -            | (162,134)                  | -                                    | -                   | -               | -                 | -             | (162,134)          | (4,570)                  | (166,704)    |
| Revaluation of Land & Buildings                                   | -              | -               | -                | -            | -                          | -                                    | 239,221             | -               | -                 | -             | 239,221            | 229,748                  | 468,969      |
| Gain/ Loss on Cash flow hedge                                     | -              | -               | -                | -            | -                          | -                                    | -                   | -               | -                 | -             | -                  | -                        | -            |
| <b>Total other Comprehensive Income</b>                           | -              | -               | -                | -            | (82,497)                   | 10,754                               | 238,825             | -               | -                 | -             | 167,082            | 235,932                  | 403,014      |
| Non controlling interest arising on business combinations         | -              | -               | -                | -            | -                          | -                                    | -                   | -               | -                 | -             | -                  | 231,641                  | 231,641      |
| Purchase of Shares  | -              | -               | -                | -            | -                          | -                                    | -                   | -               | -                 | -             | -                  | (250,098)                | (250,098)    |
| Transfers   | -              | -               | 198,150          | 225,479      | -                          | -                                    | -                   | 325,580         | (749,209)         | -             | 0                  | -                        | 0            |
| Dividend Paid   | -              | -               | -                | -            | -                          | -                                    | -                   | -               | (325,304)         | -             | (325,304)          | (124,026)                | (449,330)    |
| <b>Balance as at 31st December 2012</b>                           | 27,163,984     | (66,372)        | 435,261          | 335,093      | (688,070)                  | 177,165                              | 238,825             | 376,246         | 2,510,901         | -             | 30,483,032         | 6,062,383                | 36,545,416   |
| <b>Balance as at 01st April 2013</b>                              | 27,163,984     | (66,372)        | 455,904          | 263,175      | (832,781)                  | 155,398                              | 81,962              | 50,179          | 3,376,900         | 14,349        | 30,662,699         | 5,684,101                | 36,346,800   |
| Profit for the Year   | -              | -               | -                | -            | -                          | -                                    | -                   | -               | 823,939           | -             | 823,939            | 689,110                  | 1,513,049    |
| <b>Other Comprehensive Income</b>                                 |                |                 |                  |              |                            |                                      |                     |                 |                   |               |                    |                          |              |
| Share of other comprehensive income of equity accounted investees | -              | -               | -                | -            | 137,520                    | -                                    | 198,514             | -               | (49,885)          | -             | 286,148            | -                        | 286,148      |
| Exchange difference on translation of foreign operations          | -              | -               | -                | -            | -                          | (13,542)                             | -                   | -               | -                 | -             | (13,542)           | (13,542)                 | (27,085)     |
| Net Gain/(Loss) on Available for Sale                             | -              | -               | -                | -            | (13,736)                   | -                                    | -                   | -               | -                 | -             | (13,736)           | 11,455                   | (2,281)      |
| Revaluation of Land & Buildings                                   | -              | -               | -                | -            | -                          | -                                    | 249                 | -               | -                 | -             | 249                | 239                      | 488          |
| Gain/ Loss on Cash flow hedge                                     | -              | -               | -                | -            | -                          | -                                    | -                   | -               | -                 | (39,626)      | (39,626)           | -                        | (39,626)     |
| <b>Total other Comprehensive Income</b>                           | -              | -               | -                | -            | 123,784                    | (13,542)                             | 198,763             | -               | (49,885)          | (39,626)      | 219,492            | (1,848)                  | 217,644      |
| Share Issue to NCI  | -              | -               | -                | -            | -                          | -                                    | -                   | -               | -                 | -             | -                  | 14,372                   | 14,372       |
| Transfers   | -              | -               | 116,124          | 200,830      | -                          | -                                    | -                   | 18,564          | (335,518)         | -             | 0                  | -                        | 0            |
| Acquisition of subsidiaries                                       | -              | -               | -                | -            | -                          | -                                    | -                   | -               | -                 | -             | -                  | 5,944,048                | 5,944,048    |
| Effect on changes in holding                                      | -              | -               | -                | -            | -                          | -                                    | -                   | -               | (76,686)          | -             | (76,686)           | (927,608)                | (1,004,294)  |
| Written back on unclaimed Dividend                                | -              | -               | -                | -            | -                          | -                                    | -                   | 1,446           | -                 | -             | 1,446              | -                        | 1,446        |
| Dividend Paid   | -              | -               | -                | -            | -                          | -                                    | -                   | -               | (759,043)         | -             | (759,043)          | (159,176)                | (918,219)    |
| <b>Balance as at 31st December 2013</b>                           | 27,163,984     | (66,372)        | 572,028          | 464,005      | (708,997)                  | 141,856                              | 280,725             | 70,188          | 2,979,707         | (25,277)      | 30,871,847         | 11,242,998               | 42,114,845   |

**VALLIBEL ONE PLC**  
**CASH FLOW STATEMENT**

For the Period ended

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Profit/ (Loss) before Taxation

**ADJUSTMENTS FOR**

Profit / Loss on sale of Property, Plant & equipment

Depreciation

Provision For Fall in Value of Investments

Amortization

Share of results of equity accounted investees

Net gain / (loss) on foreign exchange

Provision for impairment of assets

Provision For Defined Benefit Plan Costs

Profit/ (Loss) from sale of Available for Sale Financial Assets

Dividend Received

Finance Cost

Gain of Repurchase of Shares

Finance Income

**Operating Profit/ (Loss) before Working Capital Changes**

(Increase)/Decrease in Loans and Advances

(Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments

(Increase)/Decrease in Other Financial Assets

(Increase)/Decrease in Lease Rental Receivable

(Increase)/Decrease in Other Financial Liabilities

(Increase)/Decrease in Other Non Financial Assets

Increase/(Decrease) in Due to Banks

Increase/(Decrease) in Due to Customers

Increase/(Decrease) in Trade & Other Payables

(Increase)/Decrease in Other Non Financial Liabilities

(Increase)/Decrease in Inventories

Increase/(Decrease) in Amounts Due to Related Companies

Increase/(Decrease) in Amounts Due from Related Companies

**Cash Generated from Operations**

Retirement Benefits Liabilities paid

Interest Received

Finance Cost Paid

Taxes Paid

**Net Cash from/(Used in) Operating Activities**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Property, Plant & Equipment

Proceeds from Sale of Property, Plant & Equipment

Acquisition of Intangible Assets

Purchase / Proceeds from short term investmnt

Proceeds of Fair Value through Profit and Loss Financial Assets

Purchase of Fair Value through Profit and Loss Financial Assets

Sale of Investment Property

Investment on Associate

Acquisition of Subsidiary - Note 11

Interest Received

Purchase of AFS

Proceed From Short Term Investment

Dividend Received

Share repurchase

**Net Cash used in Investing Activities**

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal Payment under Finance Lease Liability

Issue of Shares to NCI

Proceeds from Interest Bearing Loans & Borrowings

Increase in Interest in Subsidiary

Repayment of Interest Bearing Loans & Borrowings

Capital Grant Received

Dividend Write Back

Dividend Paid

**Net Cash from Financing Activities**

**Net Increase / (Decrease) in Cash & Cash Equivalents**

**Cash and Cash Equivalents at the beginning of the Period**

**Cash and Cash Equivalents at the end of the Period**

|  | Company               |                       | Group                 |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 31.12.2013<br>Rs.'000 | 31.12.2012<br>Rs.'000 | 31.12.2013<br>Rs.'000 | 31.12.2012<br>Rs.'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                       |                       |                       |                       |
| Net Profit/ (Loss) before Taxation                                   | 478,510               | 503,603               | 2,298,745             | 3,242,935             |
| <b>ADJUSTMENTS FOR</b>   |                       |                       |                       |                       |
| Profit / Loss on sale of Property, Plant & equipment                 | -                     | -                     | (46,567)              | (13,287)              |
| Depreciation   | 6,446                 | 5,987                 | 1,124,959             | 764,974               |
| Provision For Fall in Value of Investments                           | 35,026                | (9,818)               | 82,366                | 201,862               |
| Amortization   | -                     | -                     | 30,241                | 37,989                |
| Share of results of equity accounted investees                       | -                     | -                     | (385,342)             | (571,061)             |
| Net gain / (loss) on foreign exchange                                | 7,111                 | (702)                 | (66,711)              | 28,722                |
| Provision for impairment of assets                                   | -                     | -                     | 461,402               | 208,938               |
| Provision For Defined Benefit Plan Costs                             | -                     | 1,291                 | 176,534               | 100,080               |
| Profit/ (Loss) from sale of Available for Sale Financial Assets      | (15,624)              | 11                    | -                     | (9,030)               |
| Dividend Received  | -                     | -                     | (15,903)              | (159,338)             |
| Finance Cost   | -                     | -                     | 1,568,414             | 746,627               |
| Gain of Repurchase of Shares   | -                     | (52,517)              | -                     | -                     |
| Finance Income   | (210,623)             | (229,276)             | (195,148)             | (184,207)             |
| <b>Operating Profit/ (Loss) before Working Capital Changes</b>       | <b>300,846</b>        | <b>218,578</b>        | <b>5,032,990</b>      | <b>4,395,203</b>      |
| (Increase)/Decrease in Loans and Advances                            | -                     | -                     | (1,247,063)           | (3,325,372)           |
| (Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments | (3,329)               | (7,380)               | (1,133,646)           | (287,005)             |
| (Increase)/Decrease in Other Financial Assets                        | -                     | -                     | (4,243,782)           | (281,264)             |
| (Increase)/Decrease in Lease Rental Receivable                       | -                     | -                     | (2,072,202)           | (3,341,793)           |
| (Increase)/Decrease in Other Financial Liabilities                   | -                     | -                     | 464,360               | -                     |
| (Increase)/Decrease in Other Non Financial Assets                    | -                     | -                     | 154,979               | 114,024               |
| Increase/(Decrease) in Due to Banks                                  | -                     | -                     | (2,823,368)           | (811,439)             |
| Increase/(Decrease) in Due to Customers                              | -                     | -                     | 6,837,065             | 8,977,558             |
| Increase/(Decrease) in Trade & Other Payables                        | 961                   | 20                    | (1,462,217)           | (1,639,072)           |
| (Increase)/Decrease in Other Non Financial Liabilities               | -                     | -                     | 567,180               | 816,085               |
| (Increase)/Decrease in Inventories                                   | -                     | -                     | (814,256)             | (211,438)             |
| Increase/(Decrease) in Amounts Due to Related Companies              | (25)                  | (22)                  | (499)                 | 1,388                 |
| Increase/(Decrease) in Amounts Due from Related Companies            | (5,199)               | (52,817)              | 5,014                 | (222)                 |
| <b>Cash Generated from Operations</b>                                | <b>293,252</b>        | <b>158,379</b>        | <b>(735,445)</b>      | <b>4,406,653</b>      |
| Retirement Benefits Liabilities paid                                 | -                     | -                     | (53,817)              | (51,379)              |
| Interest Received  | 227,740               | 246,849               | 195,148               | 88,665                |
| Finance Cost Paid  | -                     | -                     | (1,568,414)           | (743,225)             |
| Taxes Paid   | (61,458)              | (29,854)              | (829,972)             | (883,754)             |
| <b>Net Cash from/(Used in) Operating Activities</b>                  | <b>459,535</b>        | <b>375,374</b>        | <b>(2,992,500)</b>    | <b>2,816,961</b>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                       |                       |                       |                       |
| Purchase of Property, Plant & Equipment                              | (2,111)               | (4,907)               | (1,733,476)           | (1,481,931)           |
| Proceeds from Sale of Property, Plant & Equipment                    | -                     | -                     | 131,852               | 13,330                |
| Acquisition of Intangible Assets                                     | -                     | -                     | (918,339)             | -                     |
| Purchase / Proceeds from short term investmnt                        | 658,500               | 693,000               | 309,912               | 689,983               |
| Proceeds of Fair Value through Profit and Loss Financial Assets      | 28,873                | -                     | 223,851               | -                     |
| Purchase of Fair Value through Profit and Loss Financial Assets      | (120,735)             | (299,747)             | (276,157)             | -                     |
| Sale of Investment Property  | -                     | -                     | -                     | -                     |
| Investment on Associate  | -                     | (61,253)              | -                     | (14,532)              |
| Acquisition of Subsidiary - Note 11                                  | -                     | -                     | (3,597,150)           | (345,595)             |
| Interest Received  | -                     | -                     | -                     | -                     |
| Purchase of AFS  | -                     | (385,421)             | (820,735)             | (206,675)             |
| Proceed From Short Term Investment                                   | -                     | -                     | -                     | -                     |
| Dividend Received  | -                     | -                     | 253,689               | 252,467               |
| Share repurchase   | -                     | -                     | -                     | (250,098)             |
| <b>Net Cash used in Investing Activities</b>                         | <b>564,527</b>        | <b>(58,328)</b>       | <b>(6,426,554)</b>    | <b>(1,343,052)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                          |                       |                       |                       |                       |
| Principal Payment under Finance Lease Liability                      | -                     | -                     | -                     | -                     |
| Issue of Shares to NCI   | -                     | -                     | 14,372                | -                     |
| Proceeds from Interest Bearing Loans & Borrowings                    | -                     | -                     | 13,704,433            | 11,792,485            |
| Increase in Interest in Subsidiary                                   | -                     | -                     | (127,513)             | -                     |
| Repayment of Interest Bearing Loans & Borrowings                     | -                     | -                     | (7,266,437)           | (11,279,548)          |
| Capital Grant Received   | -                     | -                     | 4,857                 | -                     |
| Dividend Write Back  | -                     | -                     | 1,446                 | -                     |
| Dividend Paid  | (756,657)             | (324,301)             | (924,299)             | (450,473)             |
| <b>Net Cash from Financing Activities</b>                            | <b>(756,657)</b>      | <b>(324,301)</b>      | <b>5,406,857</b>      | <b>62,465</b>         |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>      | <b>267,406</b>        | <b>(7,254)</b>        | <b>(4,012,198)</b>    | <b>1,536,374</b>      |
| <b>Cash and Cash Equivalents at the beginning of the Period</b>      | <b>(397)</b>          | <b>16,838</b>         | <b>2,140,071</b>      | <b>(498,763)</b>      |
| <b>Cash and Cash Equivalents at the end of the Period</b>            | <b>267,009</b>        | <b>9,583</b>          | <b>(1,872,127)</b>    | <b>1,037,611</b>      |

# VALLIBEL ONE PLC

## Reconciliation of Comprehensive Income Statements For the Six Months Ended 31st december 2012

|   | Notes to the Reconciliation | Company  |                                    |   | Group  |                                    |   |
|---|-----------------------------|--|------------------------------------|---|--|------------------------------------|---|
|   |                             | SLAS for the six months ended 31st December 2012 | Effect of Transition to SLFRS/LKAS | SLFRS/LKAS for the nine months ended 31st December 2012 | SLAS for the six months ended 31st December 2012 | Effect of Transition to SLFRS/LKAS | SLFRS/LKAS for the nine months ended 31st December 2012 |
| Revenue   | <b>A</b>                    | -  | -                                  | -   | 24,064,681                                       | 485,411                            | 24,550,092  |
| Cost of Sales   |                             | -  | -                                  | -   | (16,843,214)                                     | -                                  | (16,843,214)  |
| <b>Gross Profit/ (Loss)</b>                                       |                             | -  | -                                  | -   | 7,221,467  | 485,411                            | 7,706,878   |
| Dividend Income   | <b>B</b>                    | 265,785  | -                                  | 265,785   | 159,411  | (96,279)                           | 63,131  |
| Other Operating Income  | <b>C</b>                    | 281,782  | (229,276)                          | 52,506  | 834,725  | (617,994)                          | 216,732   |
| Administrative Expenses   | <b>D</b>                    | (54,484)   | -                                  | (54,484)  | (2,131,522)                                      | (76,768)                           | (2,208,290)   |
| Distribution Expenses   | <b>E</b>                    | -  | -                                  | -   | (1,993,122)                                      | 744,394                            | (1,248,728)   |
| Other Operating Expenses  | <b>F</b>                    | -  | -                                  | -   | -  | (1,011,671)                        | (1,011,671)   |
| Finance Cost  | <b>G</b>                    | 702  | -                                  | 702   | (876,187)  | (63,349)                           | (939,536)   |
| Finance Income  | <b>H</b>                    | -  | 229,276                            | 229,276   | -  | 208,452                            | 208,452   |
| Provision for fall in value of Investments                        | <b>I</b>                    | (144,103)  | 153,922                            | 9,818   | (209,671)  | 219,489                            | 9,818   |
| Bad and Doubtful Loans and Write Offs                             | <b>J</b>                    | -  | -                                  | -   | (112,863)  | 112,863                            | -   |
| Amortization of Intangible Assets                                 | <b>K</b>                    | -  | -                                  | -   | (37,989)   | 37,989                             | -   |
| Negative Goodwill   | <b>L</b>                    | -  | -                                  | -   | 112  | (112)                              | -   |
| Depreciation PPE  |                             | -  | -                                  | -   | -  | -                                  | -   |
| Retirement benefit  |                             | -  | -                                  | -   | -  | -                                  | -   |
| Staff cost  |                             | -  | -                                  | -   | -  | -                                  | -   |
| <b>Profit From Operations</b>                                     |                             | <b>349,681</b>                                   | <b>153,922</b>                     | <b>503,603</b>  | <b>2,854,361</b>                                 | <b>(57,574)</b>                    | <b>2,796,787</b>  |
| Value Added Tax on Financial Services                             |                             | -  | -                                  | -   | (126,693)  | 3,778                              | (122,915)   |
| <b>Profit/(Loss) before tax</b>                                   |                             | <b>349,681</b>                                   | <b>153,922</b>                     | <b>503,603</b>  | <b>2,727,668</b>                                 | <b>(53,796)</b>                    | <b>2,673,871</b>  |
| Share of results of equity accounted Investees                    |                             | -  | -                                  | -   | 1,998  | 567,066                            | 569,064   |
| Income Tax Expense  | <b>L</b>                    | (36,143)   | -                                  | (36,143)  | (735,294)  | (33,319)                           | (768,612)   |
| <b>Net Profit / (Loss) for the Year</b>                           |                             | <b>313,538</b>                                   | <b>153,922</b>                     | <b>467,460</b>  | <b>1,994,371</b>                                 | <b>479,951</b>                     | <b>2,474,323</b>  |
| <b>Group</b>  |                             |  |                                    |   | 1,161,125  | 501,522                            | 1,662,647   |
| <b>NCI</b>  |                             |  |                                    |   | 833,247  | (21,571)                           | 811,675   |
|   |                             |  |                                    |   | <b>1,994,371</b>                                 | <b>479,951</b>                     | <b>2,474,323</b>  |
| <b>Other Comprehensive Income</b>                                 |                             |  |                                    |   |  |                                    |   |
| Share of other comprehensive income of equity accounted investees |                             |  |                                    |   | -  | 79,241                             | 79,241  |
| Net Gain/(Loss) on Available for sale Financial Assets            |                             | -  | -                                  | -   | -  | (166,704)                          | (166,704)   |
| Exchange difference on translation of foreign operations          |                             | -  | (153,922)                          | (153,922)   | -  | 21,508                             | 21,508  |
| Revaluation surplus   |                             | -  | -                                  | -   | -  | 494,503                            | 494,503   |
| Income tax effect   |                             | -  | -                                  | -   | -  | (25,534)                           | (25,534)  |
| <b>Other Comprehensive income for the year</b>                    |                             | <b>-</b>   | <b>(153,922)</b>                   | <b>(153,922)</b>  | <b>-</b>   | <b>403,014</b>                     | <b>403,014</b>  |
| <b>Total Comprehensive Income for the year</b>                    |                             | <b>313,538</b>                                   | <b>-</b>                           | <b>313,538</b>  | <b>1,994,371</b>                                 | <b>882,965</b>                     | <b>2,877,337</b>  |
| <b>Group</b>  |                             |  |                                    |   | 1,161,125  | 668,613                            | 1,829,738   |
| <b>NCI</b>  |                             |  |                                    |   | 833,247  | 214,352                            | 1,047,598   |
|   |                             |  |                                    |   | <b>1,994,371</b>                                 | <b>882,965</b>                     | <b>2,877,337</b>  |



# VALLIBEL ONE PLC

## Notes to the Reconciliation

|   | Company          | Group              |
|---|------------------|--------------------|
| <b>A Revenue</b>  |                  |                    |
| Reclassified from Other Operating Income  | -                | 457,077            |
| Reclassified to Other Operating Income  | -                | (47,422)           |
| Reclassification to other Comprehensive Income  | -                | 12,782             |
| <b>Adjustment/ Reclassified</b>   | <u>-</u>         | <u>62,774</u>      |
|   | <u>-</u>         | <u>485,411</u>     |
| <b>B Dividend Income</b>  |                  |                    |
| <b>Group</b>  |                  |                    |
| The Group accounted investment in Sampath bank PLC as an investment in associate with effect from 1st April 2011 since company exercise significant influence on governing financial and operating policies of the said company |                  |                    |
| Dividend on equity accounted investees  | -                | (95,616)           |
| Dividend on Treasury Shares   | -                | (664)              |
|   | <u>-</u>         | <u>(96,279)</u>    |
| <b>C Other Operating Income</b>   |                  |                    |
| Reclassified to Revenue   | -                | (457,077)          |
| Reclassified from Revenue   | -                | 47,422             |
| Reclassified to Finance Income  | <u>(229,276)</u> | <u>(208,339)</u>   |
|   | <u>(229,276)</u> | <u>(617,994)</u>   |
| <b>D Administrative Expenses</b>  |                  |                    |
| Reclassified from Distribution Expenses   | -                | (765,334)          |
| Reclassified to Distribution Expenses   | -                | 17,475             |
| Reclassified to Other Operating Expense   | -                | 671,078            |
| Reclassified to Finance Cost  | <u>-</u>         | <u>13</u>          |
|   | <u>-</u>         | <u>(76,768)</u>    |
| <b>E Distribution Expenses</b>  |                  |                    |
| Reclassified to Administrative Expenses   | -                | 765,334            |
| Reclassified from Administrative Expenses   | -                | (17,475)           |
| Total lease payments under operating leases be recognized as an expense on a straight line basis over the lease term.   | <u>-</u>         | <u>(3,465)</u>     |
|   | <u>-</u>         | <u>744,394</u>     |
| <b>F Other Operating Expenses</b>   |                  |                    |
| Reclassified From Bad and doubtful loans and write offs   | -                | (112,863)          |
| Reclassified from Administrative Expenses   | -                | (671,078)          |
| Reclassified from Amotization of Intangible Assets  | -                | (37,989)           |
| Impairment Gain / (Loss) on financial Investment  | <u>-</u>         | <u>(189,740)</u>   |
|   | <u>-</u>         | <u>(1,011,671)</u> |
| <b>G Finance Cost</b>   |                  |                    |
| Reclassified from provision for fall in value of Investment   | <u>-</u>         | <u>(65,567)</u>    |
| Fair value adjustment on treasury shares  | <u>-</u>         | <u>2,231</u>       |
| Reclassified from Administrative Expenses   | <u>-</u>         | <u>(13)</u>        |
|   | <u>-</u>         | <u>(63,349)</u>    |
| <b>H Finance Income</b>   |                  |                    |
| Reclassified from other operating income  | 229,276          | 208,339            |
| Reclassified from Negative Goodwill   | <u>-</u>         | <u>112</u>         |
|   | <u>229,276</u>   | <u>208,452</u>     |
| <b>I Provision for fall in value of Investments,Bad and Doubtful Loans</b>  |                  |                    |
| Reclassified to Finance Cost  | -                | 65,567             |
| Reclassified to Other Comprehensive Income  | <u>153,922</u>   | <u>153,922</u>     |
|   | <u>153,922</u>   | <u>219,489</u>     |
| <b>J Bad and Doubtful Loans and Write Offs</b>  |                  |                    |
| Reclassified to other operating Expenses  | <u>-</u>         | <u>112,863</u>     |
|   | <u>-</u>         | <u>112,863</u>     |
| <b>J Amotization of Intangible Assets</b>   |                  |                    |
| Reclassified to Other Operating Expense   | <u>-</u>         | <u>37,989</u>      |
|   | <u>-</u>         | <u>37,989</u>      |
| <b>K Negative Goodwill</b>  |                  |                    |
| Reclassified to Finance Income  | <u>-</u>         | <u>(112)</u>       |
|   | <u>-</u>         | <u>(112)</u>       |
| <b>L Current tax liabilities</b>  |                  |                    |
| <b>Group</b>  |                  |                    |
| Based on the SLFRS transition impact, an over payment of Rs. 5.3 Mn (VAT = Rs. 1 Mn & Income Tax = Rs. 4.3 Mn ) was recognised against the provisions made based on previous SLAS financial Statements.                         |                  |                    |
| Income Tax / WHT on equity accounted investees  | <u>-</u>         | <u>(44,414)</u>    |
| Other SLFRS transition impact to Income Tax   | <u>-</u>         | <u>11,095</u>      |
|   | <u>-</u>         | <u>(33,319)</u>    |

**VALLIBEL ONE PLC**  
NOTES TO THE FINANCIAL STATEMENTS

- 1 Financial year of the company ends on 31st March.
- 2 The above figures are provisional & subject to audit.
- 3 Number of fully paid ordinary shares as at 31st December 2013 is 1,086,559,353 (31st Decemberr 2012- 1,086,559,353).
- 4 The group had no significant contingent liabilities outstanding as at reporting date.
- 5 The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the Annual report for thr year ended 31st march 2013 and comply with the Sri lanka Accounting Standards (SLFRS/LKAS). These interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31st March 2013. They also provide the information required by the colombo stock Exchange and LKAS 34.
- 6 Where necessary , Comparative figures have been re-stated to confirm with SLFRS/LKAS
- 7 The Consolidated Financial Statements of the Company for the period ended 31st December 2013 comprise of the Company , its Subsidiaries and Associates. The details of Subsidiaries and Associates are as follows:

**Subsidiary Companies**

Royal Ceramics Lanka PLC  
L B Finance PLC  
Greener Water Ltd  
Delmege Limited  
Orit Apparels Lanka (Private) Limited

**Associate Companies**

Sampath Bank PLC  
Waskaduwa Beach Resort PLC

- 8 The company paid Rs.0.70 (Seventy Cents) per share , interim dividend on August 07, 2013.
- 9 No other circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.

**10 Related Part Transactions**

|   | <b>2013</b>    | <b>2012</b>    |
|---|----------------|----------------|
|   | <b>Rs.'000</b> | <b>Rs.'000</b> |
| For the Six months ended 30th September   |                |                |
| <b>Subsidiaries</b>   |                |                |
| Loans Taken / (Given)   | -              | 75,000         |
| Loan Interest Received / (Paid)   | 7,292          | 6,383          |
| Fixed Deposits (FD) - (Investment) / Withdrawals  | (363,000)      | (785,000)      |
| FD Interest Received / (Paid)   | 102,850        | 130,337        |
| Fund Transfers  | 37,500         | 11,500         |
| Dividend received   | 206,629        | 158,945        |
| Operating Expenses  | 11,776         | 11,095         |
| <b>Associates</b>   |                |                |
| Loans Taken / (Given)   | -              | -              |
| Loan Interest Received / (Paid)   | -              | -              |
| Fixed Deposits - (Investment) / Withdrawals   | -              | -              |
| FD Interest Received / (Paid)   | -              | -              |
| Dividend received   | 132,509        | 95,616         |
| Equity Investments  | -              | 61,253         |
| <b>Key management personnel (KMP)</b>   |                |                |
| (Receiving) / rendering of services   | -              | -              |
| Directors Remuneration  | 5,400          | 5,400          |
| <b>Close family members of KMP</b>  |                |                |
| (Receiving) / rendering of services   | -              | -              |
| <b>Companies controlled / jointly controlled / significantly Influenced by KMP and their close family members</b> |                |                |
| Fixed Deposits - (Investment) / Withdrawals   | (22,050)       | 92,000         |
| FD Interest Received / (Paid)   | 91,475         | 59,242         |
| Dividend Received   | 9,822          | 8,730          |
| Repo  | 261,100        | 2,000          |
| Equity Investments  | 120,735        | 386,695        |

## VALLIBEL ONE PLC

### 11 BUSINESS COMBINATIONS

On 6th May 2013, Royal Ceramics Lanka PLC has acquired 76.54% of the voting shares of Lanka Ceramic PLC incorporated and domiciled in Sri Lanka engaged in the business of mining and processing, manufacturing, retail and wholesale trading of ceramic tiles and allied products. At the date of the acquisition Lanka Ceramic PLC held 62.19% equity holding of Lanka Walltiles PLC.

#### Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of Lanka Ceramic PLC together with its subsidiary as at the date of acquisition were as follows

|   | <b>Fair Value</b><br><b>As at</b><br><b>01-05-2013</b><br><b>Rs.000's</b> |
|---|---|
| <b>Assets</b>   |   |
| Property, Plant & Equipment                                     | 9,148,263   |
| Leasehold right over land                                       | 2,479   |
| Investment Properties   | 349,294   |
| Intangible Assets   | 14,534  |
| Deferred Tax Assets   | 22,369  |
| Inventories   | 3,846,405   |
| Debtors and Other Receivables                                   | 2,100,109   |
| Income tax receivable   | 24,490  |
| Short Term Deposits with Banks                                  | 14,412  |
| Cash in hand and at bank  | 129,203   |
|   | 15,651,559  |
| <b>Liabilities</b>  |   |
| Interest Bearing Loans & Borrowings                             | (4,088,400)   |
| Retirement Benefit Liability                                    | (541,525)   |
| Deferred Tax Liability  | (480,427)   |
| Capital Grants  | (112,545)   |
| Trade and Other Payables  | (1,856,454)   |
| Income Tax Liabilities  | (11,396)  |
| Bank Overdraft  | (880,197)   |
|   | (7,970,944)   |
| Non Controlling Interest  | (5,067,267)   |
| Total Identifiable net assets at fair value                     | 2,613,347   |
| Total net assets acquired at fair value (39.04%)                | (1,020,251)   |
| Good Will   | (1,124,003)   |
| Good Will attributable to Non - Controlling Interest            | (685,243)   |
| Good Will attributable to the Parent                            | (438,760)   |
| Purchase Consideration attributable to Non controlling interest | (1,401,678)   |
| Purchase Consideration attributable to Parent                   | (1,458,890)   |
| Purchase consideration paid                                     | (2,860,568)   |
| Cash and cash equivalents of subsidiaries acquired              | (736,582)   |
| Net Cash Outflow on acquisition of subsidiaries                 | (3,597,150)   |

**VALLIBEL ONE PLC**

**12 Operating Segment information  
For the period ended 30th September  
Rs'000**

|  | Investment      |               | Tiles          |                | Sanitarywear   |                | Plantation    |          | Bank & Finance   |                  | Leisure        |                |
|--|-----------------|---------------|----------------|----------------|----------------|----------------|---------------|----------|------------------|------------------|----------------|----------------|
|  | 2013            | 2012          | 2013           | 2012           | 2013           | 2012           | 2013          | 2012     | 2013             | 2012             | 2013           | 2012           |
| Revenue  | -               | -             | 9,684,011      | 4,778,039      | 690,486        | 794,147        | 1,561,794     | -        | 10,043,896       | 8,073,793        | -              | -              |
| Cost of Sales                                  | -               | -             | (6,169,357)    | (2,574,298)    | (458,484)      | (501,076)      | (1,356,609)   | -        | (5,284,596)      | (4,188,628)      | -              | -              |
| <b>Gross Profit/ (Loss)</b>                    | -               | -             | 3,514,653      | 2,203,741      | 232,003        | 293,071        | 205,185       | -        | 4,759,299        | 3,885,165        | -              | -              |
| Dividend income                                | 11,777          | 11,224        | -              | 46,034         | -              | -              | -             | -        | 2,395            | 2,396            | -              | -              |
| Other income & gains                           | -               | -             | (3,213)        | -              | (2,509)        | 315            | 867           | -        | (1,027,525)      | 87,253           | -              | -              |
| Administrative Expenses                        | (57,002)        | (54,484)      | (745,799)      | (307,269)      | (9,078)        | (16,255)       | (65,806)      | -        | (1,224,223)      | (996,045)        | (8,046)        | (3,195)        |
| Distribution Expenses                          | -               | -             | (1,334,229)    | (778,398)      | (27,307)       | (36,563)       | (13,628)      | -        | -                | -                | -              | -              |
| Other Operating Expenses                       | -               | -             | (18,880)       | (18,880)       | -              | -              | -             | -        | (1,227,770)      | (1,003,686)      | -              | (47)           |
| Finance Cost                                   | (7,024)         | 702           | (907,073)      | (456,762)      | (37,600)       | (31,564)       | (38,818)      | -        | -                | -                | (19)           | (13)           |
| Finance Income                                 | 112,546         | 103,650       | 26,109         | 25,162         | -              | -              | -             | -        | (112)            | -                | 176            | 96             |
| Provision for fall in value of Investments     | (35,026)        | 9,818         | -              | -              | -              | -              | -             | -        | -                | -                | -              | -              |
| Share of results of equity accounted investees | -               | -             | -              | -              | -              | -              | -             | -        | 386,573          | 570,076          | (1,231)        | (1,012)        |
| <b>Profit Before Value Added Tax</b>           | 25,271          | 70,909        | 531,568        | 713,628        | 155,509        | 209,004        | 87,800        | -        | 1,668,637        | 2,545,159        | (9,120)        | (4,171)        |
| Value Added Tax on Financial Services          | -               | -             | -              | -              | -              | -              | -             | -        | (66,128)         | (122,915)        | -              | -              |
| <b>Profit / (loos) Before Tax</b>              | 25,271          | 70,909        | 531,568        | 713,628        | 155,509        | 209,004        | 87,800        | -        | 1,602,509        | 2,422,243        | (9,120)        | (4,171)        |
| Income Tax Expense                             | (85,678)        | (53,804)      | (206,722)      | 1,936          | (12,589)       | -              | (16,375)      | -        | (389,535)        | (649,269)        | (14)           | (18)           |
| <b>Profit / (Loss) for the period</b>          | <b>(60,407)</b> | <b>17,105</b> | <b>324,846</b> | <b>715,564</b> | <b>142,920</b> | <b>209,004</b> | <b>71,425</b> | <b>-</b> | <b>1,212,974</b> | <b>1,772,975</b> | <b>(9,134)</b> | <b>(4,189)</b> |

**13 Segment Assets and Liabilities**

|                          |           |            |            |           |           |           |           |   |            |            |         |         |
|--------------------------|-----------|------------|------------|-----------|-----------|-----------|-----------|---|------------|------------|---------|---------|
| <b>Total Assets</b>      | 9,491,789 | 14,145,153 | 25,842,190 | 7,432,614 | 2,952,083 | 2,453,616 | 2,802,112 | - | 66,056,901 | 61,623,478 | 421,248 | 698,318 |
| <b>Total Liabilities</b> | 261,390   | 274,565    | 14,270,700 | 4,472,650 | 738,040   | 377,903   | 1,565,564 | - | 53,612,617 | 47,742,742 | 11,669  | 10,139  |

**14 Other Segment Information**

|  |       |       |         |         |         |        |         |   |         |         |        |        |
|--|-------|-------|---------|---------|---------|--------|---------|---|---------|---------|--------|--------|
| Total cost incurred during the period to acquire Property, Plant & Equipment | 2,111 | 4,907 | 826,751 | 759,734 | 121,703 | 4,517  | 270,104 | - | 235,365 | 428,147 | 41,627 | 19,073 |
| Depreciation   | 6,446 | 5,987 | 473,064 | 242,316 | 72,495  | 73,537 | 71,320  | - | 244,696 | 230,711 | 20     | 13     |
| provision for retirement benefit Liability                                   | -     | 1,291 | 38,727  | 25,141  | 2,419   | 2,957  | 51,160  | - | 32,374  | 31,187  | -      | 153    |

## VALLIBEL ONE PLC

### 12 Operating Segment information For the period ended 30th September Rs'000

|  | Consumer         |                  | Life style     |                | Heath care     |                | Apparel         |                | Other          |                | Group             |                  |
|--|------------------|------------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|-------------------|------------------|
|  | 2013             | 2012             | 2013           | 2012           | 2013           | 2012           | 2013            | 2012           | 2013           | 2012           | 2013              | 2012             |
| Revenue  | 1,432,657        | 1,383,424        | 972,164        | 1,039,587      | 866,458        | 812,720        | 7,395,653       | 6,660,738      | 2,173,112      | 1,007,644      | 34,820,231        | 24,550,092       |
| Cost of Sales                                  | (1,142,788)      | (1,150,745)      | (711,557)      | (752,720)      | (726,259)      | (701,803)      | (7,068,396)     | (6,361,659)    | (1,799,354)    | (612,285)      | (24,717,400)      | (16,843,214)     |
| <b>Gross Profit/ (Loss)</b>                    | <b>289,869</b>   | <b>232,678</b>   | <b>260,607</b> | <b>286,867</b> | <b>140,199</b> | <b>110,917</b> | <b>327,257</b>  | <b>299,079</b> | <b>373,758</b> | <b>395,359</b> | <b>10,102,831</b> | <b>7,706,878</b> |
| Dividend income                                | -                | 2,832            | -              | -              | -              | -              | 150             | (272)          | -              | 918            | 14,322            | 63,131           |
| Other income & gains                           | 2,527            | 7,156            | 17,007         | 24,283         | 5,283          | 9,421          | 189,792         | 79,082         | 141,175        | 9,221          | (676,596)         | 216,732          |
| Administrative Expenses                        | (114,866)        | (114,976)        | (116,988)      | (108,138)      | (51,328)       | (54,200)       | (350,477)       | (222,268)      | (269,680)      | (331,460)      | (3,013,293)       | (2,208,290)      |
| Distribution Expenses                          | (221,122)        | (249,703)        | (86,805)       | (88,418)       | (56,604)       | (39,132)       | (12,831)        | (17,475)       | (93,129)       | (39,039)       | (1,845,655)       | (1,248,728)      |
| Other Operating Expenses                       | -                | 1,458            | -              | 178            | (1,664)        | (1,711)        | -               | -              | (11,600)       | 11,018         | (1,259,914)       | (1,011,671)      |
| Finance Cost                                   | (145,764)        | (179,769)        | (55,585)       | (40,657)       | (28,296)       | (24,777)       | (219,589)       | (139,925)      | (128,646)      | (66,770)       | (1,568,414)       | (939,536)        |
| Finance Income                                 | (159)            | 112              | 2,223          | -              | -              | -              | 25,104          | -              | 29,261         | 79,432         | 195,148           | 208,452          |
| Provision for fall in value of Investments     | -                | -                | -              | -              | -              | -              | -               | -              | -              | -              | (35,026)          | 9,818            |
| Share of results of equity accounted investees | -                | -                | -              | -              | -              | -              | -               | -              | -              | -              | 385,342           | 569,064          |
| <b>Profit Before Value Added Tax</b>           | <b>(189,516)</b> | <b>(300,211)</b> | <b>20,458</b>  | <b>74,115</b>  | <b>7,590</b>   | <b>518</b>     | <b>(40,593)</b> | <b>(1,779)</b> | <b>41,140</b>  | <b>58,679</b>  | <b>2,298,745</b>  | <b>3,365,850</b> |
| Value Added Tax on Financial Services          | -                | -                | -              | -              | -              | -              | -               | -              | -              | -              | (66,128)          | (122,915)        |
| <b>Profit / (loos) Before Tax</b>              | <b>(189,516)</b> | <b>(300,211)</b> | <b>20,458</b>  | <b>74,115</b>  | <b>7,590</b>   | <b>518</b>     | <b>(40,593)</b> | <b>(1,779)</b> | <b>41,140</b>  | <b>58,679</b>  | <b>2,232,617</b>  | <b>3,242,935</b> |
| Income Tax Expense                             | -                | -                | (130)          | (28,507)       | -              | -              | -               | (494)          | (8,525)        | (38,455)       | (719,568)         | (768,612)        |
| <b>Profit / (Loss) for the period</b>          | <b>(189,516)</b> | <b>(300,211)</b> | <b>20,328</b>  | <b>45,607</b>  | <b>7,590</b>   | <b>518</b>     | <b>(40,593)</b> | <b>(2,274)</b> | <b>32,616</b>  | <b>20,224</b>  | <b>1,513,049</b>  | <b>2,474,323</b> |

### 13 Segment Assets and Liabilities

|                          |           |           |         |         |           |           |           |           |           |           |             |            |
|--------------------------|-----------|-----------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|------------|
| <b>Total Assets</b>      | 1,514,792 | 803,949   | 975,586 | 869,496 | 1,023,016 | 1,052,218 | 5,855,835 | 5,579,465 | 5,446,562 | 2,460,799 | 122,382,117 | 97,119,106 |
| <b>Total Liabilities</b> | 1,716,392 | 1,585,962 | 609,713 | 523,674 | 871,625   | 928,233   | 4,388,928 | 4,001,857 | 2,220,634 | 854,581   | 80,267,271  | 60,772,306 |

### 14 Other Segment Information

|  |       |       |        |        |       |       |         |         |        |        |           |           |
|--|-------|-------|--------|--------|-------|-------|---------|---------|--------|--------|-----------|-----------|
| Total cost incurred during thr period toacquire Property , Plant & Equipment | 821   | 2,183 | 12,535 | 22,280 | 2,501 | 69    | 169,421 | 168,808 | 50,536 | 72,212 | 1,733,476 | 1,481,931 |
| Depreciation   | 1,580 | 2,705 | 9,158  | 7,837  | 1,267 | 1,370 | 174,640 | 161,410 | 70,274 | 39,087 | 1,124,959 | 764,974   |
| provision for retirement benefit Liability                                   | 1,575 | 1,782 | 2,829  | 2,019  | 847   | 1,027 | 36,037  | 16,047  | 10,567 | 18,475 | 176,534   | 100,080   |

**VALLIBEL ONE PLC**  
**SHARE INFORMATION**

**1 Market prices of the shares for quarter ended 31st December**

|         | <u>2013</u><br>Rs. | <u>2012</u><br>Rs. |
|---------|--------------------|--------------------|
| Highest | 17.50              | 23.30              |
| Lowest  | 15.60              | 16.80              |
| Closing | 16.50              | 18.10              |

**2 Directors Shareholding**

| Name              | No of shares<br>as at 31st<br>December 2013 | No of shares<br>as at 31st<br>December 2012 |
|-------------------|---|---|
| K D D Perera      | 689,726,471                                 | 689,726,471                                 |
| W D N H Perera    | Nil   | Nil   |
| S H Amarasekera   | Nil   | 1,000,000                                   |
| J A S S Adhihetty | 100,000                                     | 100,000                                     |
| K Fernando        | 800,000                                     | 800,000                                     |
| R N Asirwatham    | 800   | 800   |

**3 Twenty Major Share Holders as at 31st December 2013.**

|  | No of<br>Shares                  | (%) of issued<br>Capital   |
|--|----------------------------------|----------------------------|
| 1 Mr. K D D Perera   | 689,726,471                      | 63.478                     |
| 2 Vallibel Investments (Private) Limited                             | 91,966,451                       | 8.464                      |
| 3 Vallibel Leisure (Private) Limited                                 | 91,929,063                       | 8.461                      |
| 4 Employees Provident Fund   | 74,512,028                       | 6.858                      |
| 5 Bank of Ceylon A/c Ceybank Unit Trust                              | 7,065,080                        | 0.650                      |
| 6 Mercantile Investments and Finance PLC                             | 5,176,000                        | 0.476                      |
| 7 First Capital Markets Ltd / Mr. S N Kumar                          | 4,385,931                        | 0.404                      |
| 8 Rosewood (Pvt) Limited-Account No.2                                | 4,303,300                        | 0.396                      |
| 9 Mellon Bank N. A. -UPS Group Trust                                 | 2,800,000                        | 0.258                      |
| 10 Merrill J Fernando & Sons (Pvt) Limited                           | 2,299,000                        | 0.212                      |
| 11 Esna Holding (Pvt) Ltd  | 2,225,000                        | 0.205                      |
| 12 Mr. M Sritharan   | 2,120,101                        | 0.195                      |
| 13 Mr. A N Esufally  | 2,090,000                        | 0.192                      |
| 14 Standard Chartered Bank Singapore S/A HL Bank<br>Singapore Branch | 2,090,000                        | 0.192                      |
| 15 Mr. H R S Wijeratne   | 2,069,000                        | 0.190                      |
| 16 Employees Trust Fund Board  | 2,024,600                        | 0.186                      |
| 17 Mr. A M Weerasinghe   | 2,000,000                        | 0.184                      |
| 18 Wickramaratnes (Pvt) Limited                                      | 1,865,000                        | 0.172                      |
| 19 Prof M.T.A Furkhan  | 1,672,000                        | 0.154                      |
| 20 Mr A Sithampalam  | 1,567,000                        | 0.144                      |
|  | <hr/>                            |                            |
|  | 993,886,025                      | 91.471                     |
| Others   | 92,673,328                       | 8.529                      |
| Total  | <hr/> <b>1,086,559,353</b> <hr/> | <hr/> <b>100.000</b> <hr/> |

**4 Public Shareholding**

The percentage of shares held by the public as at 31st December 2013 – 19.51%

**VALLIBEL ONE PLC**  
**CORPORATE INFORMATION**

**Name of Company**

Vallibel One PLC

**Legal Form**

A Public quoted company with limited liability  
Incorporated under the Provisions of the Companies Act, No. 07 of 2007.

**Date of Incorporation**

09 th June 2010

**Company Registration Number**

PB 3831 PQ

**Nature of the Business**

Diversified holding company with strategic investments.

**Board of Directors**

K D D Perera – Chairman  
W D N H Perera - Executive Deputy Chairman  
S H Amarasekera  
J A S S Adhihetty  
K Fernando  
R N Asirwatham

**Head Office and Registered Office**

29, West Tower, World Trade Center  
Echelon Square, Colombo 01  
Telephone: 011 2445577  
Fax: 011 2441444

**Subsidiary Companies**

Royal Ceramics Lanka PLC  
L B Finance PLC  
Greener Water Limited  
Delmege Limited  
Orit Apparels Lanka (Private) Limited

**Associate Companies**

Sampath Bank PLC  
Waskaduwa Beach Resort PLC

**Company Secretaries**

P W Corporate Secretarial (Private) Ltd  
No.3/17, Kynsey Road,  
Colombo 08.  
Telephone: 011 4640360  
Fax: 011 4740588  
E-mail:pwcs@pwcs.lk

**Auditors**

Ernst & Young  
Chartered Accountants  
No.201, De Saram Place  
Colombo 10.

**Bankers**

Hatton National Bank PLC  
Pan Asia Banking corporation PLC  
Sampath Bank PLC