

## **Managing Director's Statement**

1Q 2012 saw exceptional performance recording a growth of 60% PAT over last year corresponding period.

While there was a reasonably good momentum of consumption in the market up to March, the biggest reason for this unexpected increase in demand was a speculation erupted with the fuel price increase by the government in mid February and subsequent significant currency devaluation, that the lubricant prices too will move up sharply almost instantly which did not happen during this quarter. To benefit from an anticipated price increase our retailers and distributors raised the inventory levels by a few folds. Further, your company benefitted from lower cost of goods due to a short term raw material price reduction in the global market during late last year. Expenses were managed well within the budget.

Given the recent macroeconomic developments and their negative implications on business in general, this year may be a testing year for the lubricant industry too.

(Sgd) Kishu Gomes

Managing Director/CEO

14<sup>th</sup> May 2012

**Chevron Lubricants Lanka PLC****Balance sheet as at**

(In Rs. 000's)

	<b>31st Mar 2012</b>	<b>31st Dec 2011</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	193,085	193,113
Non current receivables	71,256	74,377
Deferred tax asset	2,905	5,205
	<u>267,246</u>	<u>272,695</u>
<b>Current assets</b>		
Inventories	2,283,076	1,870,032
Receivables and prepayments	1,286,312	1,199,131
Cash and cash equivalents	2,031,741	1,012,060
	<u>5,601,129</u>	<u>4,081,223</u>
<b>Total assets</b>	<b><u>5,868,375</u></b>	<b><u>4,353,918</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Stated Capital	600,000	600,000
Retained earnings	3,219,249	2,558,145
	<u>3,819,249</u>	<u>3,158,145</u>
<b>Non-current liabilities</b>		
Defined benefit obligation	106,227	101,769
	<u>106,227</u>	<u>101,769</u>
<b>Current liabilities</b>		
Trade and other payables	1,482,212	721,439
Current tax liabilities	460,687	372,565
	<u>1,942,899</u>	<u>1,094,004</u>
<b>Total liabilities</b>	<b><u>2,049,126</u></b>	<b><u>1,195,773</u></b>
<b>Total equity and liabilities</b>	<b><u>5,868,375</u></b>	<b><u>4,353,918</u></b>
Net Assets per Share (Rs.)	31.83	26.32

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.

Erande De Silva (Sgd)  
Manager Finance & Planning

The Board of Directors is responsible for the preparation and presentation of these financial statements. The financial statements were authorised for issue by the Board of Directors on 10th May 2012.

Kishu Gomes (Sgd)  
Managing Director/CEO  
14th May 2012

Anura Perera (Sgd)  
Director / Chief Financial Officer

**Chevron Lubricants Lanka PLC**  
**Income Statement for the 3 months ended 31st March**

(In Rs. 000's)

	<b>2012</b>	<b>2011</b>	<b>Change</b>	<b>Year ended</b>
			<b>%</b>	<b>31.12.2011</b>
Sales	3,336,120	2,457,086	36	11,039,945
Cost of sales	(2,242,915)	(1,697,806)	32	(7,565,448)
<b>Gross profit</b>	<b>1,093,205</b>	<b>759,280</b>	<b>44</b>	<b>3,474,497</b>
Other operating income	1,897	7,588	(75)	31,176
Distribution costs	(83,475)	(108,195)	(23)	(390,500)
Administrative expenses	(102,919)	(82,754)	24	(389,941)
<b>Operating profit</b>	<b>908,708</b>	<b>575,919</b>	<b>58</b>	<b>2,725,232</b>
Finance income	14,058	(429)	(3,377)	42,548
Profit before tax	922,766	575,490	60	2,767,780
Tax	(261,662)	(162,387)	61	(767,164)
<b>Net profit after tax</b>	<b>661,104</b>	<b>413,103</b>	<b>60</b>	<b>2,000,616</b>
Basic earnings per share (Rs.)	5.51	3.44		16.67

Note: The above figures are provisional and subject to audit

**Chevron Lubricants Lanka PLC**  
**Cashflow statement for the 3 months ended March**

(In Rs. 000's)

	Notes	2012	2011
<b>Operating activities</b>			
Cash generated from operations	(i)	1,595,007	264,750
Interest received		23,925	5,028
Interest paid		(87)	(293)
Defined benefit obligation paid		-	(3,308)
Tax paid		(171,240)	(212,390)
<b>Net cash from operating activities</b>		<b>1,447,605</b>	<b>53,787</b>
<b>Investing activities</b>			
Purchase of property, plant & equipment		(9,447)	(234)
Proceeds from disposal of property, plant & equipment		1,523	7,098
<b>Net cash used in investing activities</b>		<b>(7,924)</b>	<b>6,864</b>
<b>Financing activities</b>			
Dividends paid to shareholders		(420,000)	(360,000)
<b>Net cash used in financing activities</b>		<b>(420,000)</b>	<b>(360,000)</b>
<b>Increase in cash &amp; cash equivalents</b>		<b>1,019,681</b>	<b>(299,349)</b>
<b>Movement in cash &amp; cash equivalents</b>			
At start of year		1,012,060	656,150
Increase		1,019,681	(299,349)
<b>At end of 3 months</b>		<b>2,031,741</b>	<b>356,801</b>
Note (i)			
<b>Cash generated from operations</b>			
Profit before taxation		922,766	575,490
Adjustments for :			
Depreciation		9,475	12,958
(Profit)/Loss on disposal of property, plant and equipment		(1,524)	(7,098)
Interest income		(23,925)	(5,028)
Interest expense		87	293
Provision for bad & doubtful debts			(1)
Changes in working capital			
- trade and other receivables		(84,059)	(98,458)
- inventories		(413,044)	(447,694)
- payables		1,180,773	229,830
Defined benefit obligations		4,458	4,458
<b>Cash generated from operations</b>		<b>1,595,007</b>	<b>264,750</b>

**Chevron Lubricants Lanka PLC**  
**Statement of Changes in Equity**

(In Rs. 000's)

	<u>Stated Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as at 1st January 2011	600,000	1,637,529	2,237,529
Net profit for the period	Nil	413,103	413,103
<b>Unaudited balance as at 31st March 2011</b>	<b><u>600,000</u></b>	<b><u>2,050,632</u></b>	<b><u>2,650,632</u></b>
Audited balance as at 31st December 2011	600,000	2,558,145	3,158,145
Net profit for the period	Nil	661,104	661,104
<b>Unaudited balance as at 31st March 2012</b>	<b><u>600,000</u></b>	<b><u>3,219,249</u></b>	<b><u>3,819,249</u></b>

**Chevron Lubricants Lanka PLC**  
**Corporate Information**

**Name of Company**

Chevron Lubricants Lanka PLC

**Legal Form**

Public Limited Liability Company  
(Incorporated in 1992 and listed on the  
Colombo Stock Exchange)

**Company Registration Number**

PQ 54

**Registered Office**

Chevron House  
No.490, Galle Road, Colombo 3.

**Directors**

Farrukh Saeed - *Chairman*  
Kishu Gomes - *Managing Director / CEO*  
Rob Otteson  
Daham Wimalasena  
Deva Rodrigo  
Anura Perera

**Secretary**

Anura Perera  
Chevron House  
No.490, Galle Road, Colombo 3.

**Registrars to the Company**

S S P Corporate Services (Private)Limited  
546, Galle Road,  
Colombo 3

**Auditors to the Company**

PricewaterhouseCoopers  
Chartered Accountants  
P.O.Box 918,100, Braybrooke Place ,Colombo 2.

**Lawyers to the Company**

Julius & Creasy  
Attorneys-at-Law and Notaries Public  
No.41, Janadhipathi Mawatha ,Colombo 1.

**Principal Bankers**

Citibank NA  
Deutsche Bank  
Standard Chartered Bank  
Commercial Bank

**Web Address** : [www.chevron.lk](http://www.chevron.lk)

**Email** : [contactus@chevron.com](mailto:contactus@chevron.com)

**Telephone** : 94 11 4524524

**Facsimile** : 94 11 4524566

**Chevron Lubricants Lanka PLC**

**Financial Statement for the 3 months ended 31/03/2012**

1 The Company has followed the same accounting policies and methods of computation as disclosed in the Annual Report for the year ended 31.12.2011. The above financial statements comply with SLAS 35.

2 The presentation & classification of figures for the corresponding period of the previous year have been amended to be comparable with those for the current year.

3 Net assets per share has been computed based on number of shares in issue as at 31/12/2011.

4 No Circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the Financial Statements.

5 There has not been a significant change in the nature of the contingent Liabilities which were disclosed in the Annual Report for the year ended 31st December 2011.

6 Share price movement

The market prices during the quarter	2012	2011	Year ended 31.12.2011
Highest price Rs.	182.00	183.50	183.50
Lowest price Rs.	167.00	158.00	152.00
Last traded price Rs.	181.90	160.00	170.00

7 Stated Capital is represented by 120,000,000 ordinary Shares.

8 Names and the Number of Shares held by the largest 20 shareholders as at 31st March 2012 :

Name of Shareholders	Number of Shares	%
1 Chevron Ceylon Limited	61,200,000	51.00
2 HSBC International Nominees Ltd-BPSS Lux Aberdeen Global	10,629,700	8.86
3 HSBC International Nominees Ltd-BPSS Lux Aberdeen Global- EME	4,563,700	3.80
4 HSBC International Nominees Ltd-BP2 S London- Aberdeen Asia Smaller Comp	3,580,800	2.98
5 Caceis Bank Luxembourg S/A BARCA GLOBAL MASTER FUND LPOGIER	3,414,600	2.85
6 Employees Provident Fund	3,310,800	2.76
7 Cargo Boat Development Company Limited	2,000,000	1.67
8 Renuka Hotels Limited	1,400,000	1.17
9 National Savings Bank	1,276,200	1.06
10 Bank of Ceylon No 1 Account	1,144,800	0.95
11 Crescent Launderers & Dry Cleaners (Pvt) Ltd	1,000,000	0.83
12 Danske Invest- Global emerging markets small cap	773,368	0.64
13 Mellon Bank N.A.- Florida Retirement system	770,000	0.64
14 AVIVA NDB Insurance PLC A/C No 07	674,800	0.56
15 Danske Bank A/S	650,000	0.54
16 DFCC Bank- Account No 1	609,400	0.51
17 Freudenberg Shipping Agencies Limited	509,000	0.42
18 Northern Trust CO S/A National Westminster Bank PLC as trustee of Jupiter India	500,000	0.42
19 Mr. Udabage	476,500	0.40
20 Sri Lanka Insurance Corporation LTD- General Fund	469,000	0.39
	<b>98,952,668</b>	<b>82.45</b>

9 Public Holding : **49%**

10 None of the Directors hold shares in the company except A.M.Anura Perera who holds 400 shares.

11 Mr. Kishu Gomes is the Managing Director and the Chief Executive Officer of the Company.