

CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
31ST MARCH 2013

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 31ST MARCH 2013

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Operating earnings for the 1Q, 2013 recorded an increase of 9.7% compared to last year despite a drop in revenue. Lubricants consumption has remained sluggish during 1Q mainly due to reduced demand from thermal power plants , floods hit agricultural sector and market contraction with extended oil drain intervals as a result of consumers moving from lower tier to higher tier technology. Construction sector volume too has had a set back on the back of lower growth recorded in the sector.

Favorable Base oil prices, local currency appreciation against the US dollar contributed to increased gross margins while increased interest income contributed to the increase of net earnings by 14% compared to last year.

(Sgd)Kishu Gomes
Managing Director

Chevron Lubricants Lanka PLC

Interim Comprehensive Income Statement - by function of expenses

(Amounts in Rs.000's)

	Note	Three months ended 31st Mar	
		2013	2012
Sales		3,168,275	3,336,120
Cost of sales		(1,967,938)	(2,242,915)
Gross profit		1,200,337	1,093,205
Other operating income		240	1,897
Distribution costs		(88,659)	(83,475)
Administrative expenses		(123,508)	(102,919)
Operating profit		988,410	908,708
Finance income		65,081	30,396
Finance costs		-	(16,338)
Profit before tax		1,053,491	922,766
Tax		(283,635)	(261,662)
Profit for the period		769,856	661,104
Other comprehensive income		-	-
Total comprehensive income for the period		769,856	661,104
Earnings per share attributable to the equity holders of the company during the year			
(expressed in LKR per share)			
Basic earnings per share		6.42	5.51

Note: The above figures are provisional and subject to audit

Chevron Lubricants Lanka PLC

Interim Statement of Financial Position

(Amounts in Rs.000's)

	Note	31 March 2013	31 December 2012
ASSETS			
Non-current assets			
Property, plant and equipment		324,901	215,813
Trade & other receivables		86,523	94,109
Deferred income tax assets		3,593	1,341
		415,017	311,263
Current assets			
Inventories		1,538,723	2,132,118
Trade and other receivables		1,316,153	986,882
Cash and cash equivalents		2,828,379	2,517,244
		5,683,255	5,636,244
Total assets		6,098,272	5,947,507
EQUITY & LIABILITIES			
Capital & reserves			
Stated capital		600,000	600,000
Retained earnings		3,935,675	3,525,818
		4,535,675	4,125,818
Non-current liabilities			
Retirement benefit obligations		92,304	87,328
		92,304	87,328
Current liabilities			
Trade and other payables		889,217	1,257,496
Current income tax liabilities		581,076	476,865
		1,470,293	1,734,361
Total liabilities		1,562,597	1,821,689
Total equity and liabilities		6,098,272	5,947,507
Net Assets per Share (Rs.)		37.80	34.38

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

(Sgd) Erande De Silva
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 22nd April 2013.

(Sgd) Kishu Gomes
Managing Director / Chief Executive Officer
22nd April 2013

(Sgd) Anura Perera
Director / Chief Financial Officer

Chevron Lubricants Lanka PLC

Interim Statement of Cash Flows

(Amounts in Rs.000's)

	Note	Period ended 31st March	
		2013	2012
Cash flows from operating activities			
Cash generated from operations	(i)	917,739	1,595,007
Interest paid		-	(87)
Retirement benefits paid		-	-
Income tax paid		(181,676)	(171,240)
Net cash generated from operating activities		736,063	1,423,680
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(119,528)	(9,447)
Proceeds from disposal of Property, Plant & Equipment		0	1,523
Interest received		54,599	23,925
Net cash generated from investing activities		(64,929)	16,001
Cash flows from financing activities			
Dividends paid		(360,000)	(420,000)
Net cash used in financing activities		(360,000)	(420,000)
Net increase / (decrease) in cash and cash equivalents		311,134	1,019,681
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of period		2,517,244	1,012,060
Increase in cash and cash equivalents		311,134	1,019,681
Cash and cash equivalents at end of period		2,828,378	2,031,741

Note (i)

	Period ended 31st March	
	2013	2012
Cash generated from operations		
Profit before taxation	1,053,491	922,766
Adjustments for :		
Depreciation	10,440	9,475
Property, plant and equipment Writtenoff	0	0
Amortisation of marketing support fee paid	6,886	5,577
Write off of inventory		
(Profit)/Loss on disposal of property, plant and equipment	0	(1,524)
Interest income	(54,599)	(23,925)
Interest expense	0	87
Changes in working capital		
- trade and other receivables	(328,570)	(89,636)
- inventories	593,395	(413,044)
- payables	(368,280)	1,180,773
Defined benefit obligations	4,976	4,458
Cash generated from operations	917,739	1,595,007

Chevron Lubricants Lanka PLC

Interim Statement of Changes in Equity

(Amounts in Rs.000's)

	<u>Stated Capital</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
Balance as at 1st January 2012	600,000	2,558,145	3,158,145
Profit for the period	Nil	661,104	661,104
Other comprehensive income for the period	Nil	Nil	Nil
Transactions with owners			
- Dividends	Nil	Nil	Nil
Balance as at 31st March 2012	600,000	3,219,249	3,819,249
Balance as at 1st January 2013	600,000	3,525,818	4,125,818
Profit for the period	Nil	769,856	769,856
Other comprehensive income for the period	Nil	Nil	Nil
Transactions with owners			
- Dividends	Nil	(360,000)	(360,000)
Balance as at 31st March 2013	600,000	3,935,674	4,535,674

Chevron Lubricants Lanka PLC

Notes to the Financial Statement for the quarter ended 31/03/2013

1 General information

Chevron Lubricants Lanka PLC carries on the business of importing, blending, distributing and marketing of lubricant oils and greases. The Company is a public limited liability company incorporated and domiciled in Sri Lanka. The address of its registered office is Chevron House, 490, Galle Road, Colombo 03.

The Company has its primary listing on the Colombo Stock Exchange.

These condensed interim financial statements have been approved for issue by the Board of Directors on 22nd April 2013.

2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC for the three months ended 31 March 2013 have been prepared in accordance LKAS 34. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with SLFRSs

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

4 The additions to PPE during the quarter ended 31st March 2013, primarily relate to capital work in progress stemming from the construction of the new blending plant at the Company's leasehold land.

5 Net assets per share has been computed based on number of shares in issue as at 31/12/2012.

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

7 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 2012.

8 Share price movement

The market prices during the quarter	2013	2012	Year ended 31.12.2012
Highest price Rs.	231.00	182.00	205.20
Lowest price Rs.	202.00	167.00	160.00
Last traded price Rs.	217.00	181.90	202.00

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

10 Names and the Number of Shares held by the largest 20 shareholders as at 31st March 2013 :

Name of Shareholders	Shares	%
1 Chevron Ceylon Limited	61,200,000	51.00
2 HSBC International Nominees Ltd-BP2 S London- Aberdeen Asia Smaller Comp	10,629,700	8.86
3 HSBC International Nominees Ltd-BPSS Lux Aberdeen Global- EME	5,463,700	4.55
4 HSBC International Nominees Ltd-BP2S London Aberdeen Asia Smaller Comp.Inv	3,580,800	2.98
5 Caceis Bank Luxembourg S/A BARCA GLOBAL MASTER FUND LPOGIER	2,716,306	2.26
6 Employees Provident Fund	2,554,566	2.13
7 Cargo Boat Development Company Limited	2,000,000	1.67
8 HSBC INTL NOM LTD-SSBT WASATCH FRONTIER EMERGING SMALL	1,976,040	1.65
9 HSBC INTL NOM LTD-BP2S LUXEMBOURG-ABERDEEN GLOBAL FRONT	1,816,800	1.51
10 Renuka Hotels Limited	1,400,000	1.17
11 Mellon Bank N.A.- Florida Retirement system	1,396,000	1.16
12 Crescent Launderers & Dry Cleaners (Pvt) Ltd	1,000,000	0.83
13 HSBC INTL NOM LTD-JPMCB-INVESTERINGSFORENINGEN BANKINVEST	935,444	0.78
14 RBC Investor services Bank- Danske Invest- Global Emerging Markets small cap	874,000	0.73
15 Danske Bank A/S	650,000	0.54
16 DFCC Bank- Account No 1	609,400	0.51
17 AVIVA NDB Insurance PLC A/C No 07	537,743	0.45
18 Northern Trust CO S/A National Westminster Bank PLC as trustee of Jupiter India Fund	500,000	0.42
19 Mr. Udabage	476,500	0.40
20 RBC Investor services Bank- BI-SICAV-NEW EMERGING MARKETS EQUITIES	389,556	0.32
	100,706,555	83.92

11 Public Holding : **49%**

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

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

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*
Deva Rodrigo
Richard Brown
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

Email : contactus@chevron.com

Telephone : 94 11 4524524

Facsimile : 94 11 4524566