

CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
30TH JUNE 2013

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 30TH JUNE 2013

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Managing Director's Review

Despite a 5% revenue dip, gross margin has recorded a marginal growth due to 10% reduction in cost of sales realizing a net margin increase of 5.5% with the significant increase in interest income.

Net earnings for YTD June 2013 recorded an increase of 11 % compared to 2012 largely helped by the increased interest income and 11% reduction in cost of goods sold due to stable raw material prices in the global market.

Lubricants consumption has remained sluggish during the first half of the year mainly due to reduced demand from thermal power plants, adverse weather conditions affecting the agricultural & fisheries sector and continued overall market volume contraction with extended oil drain intervals as a result of consumers moving from lower tier to higher tier technology. The decline is seen across all consumer segments in almost all geographies while Bangladesh market started to recover from an initial setback due to various macro issues.

(Sgd)Kishu Gomes
Managing Director/CEO

Chevron Lubricants Lanka PLC

Interim Comprehensive Income Statement - by function of expenses

(Amounts in Rs.000's)

	Note	Three months ended 30th June		Six months ended 30th Jun	
		2013	2012	2013	2012
- Revenue		2,427,146	2,560,256	5,595,421	5,896,376
- Cost of sales		(1,511,378)	(1,673,657)	(3,479,316)	(3,916,572)
Gross profit		915,768	886,599	2,116,105	1,979,804
- Distribution costs		(104,705)	(90,006)	(193,363)	(173,481)
- Administrative expenses		(122,364)	(126,871)	(245,871)	(229,790)
- Other operating income		436	2,251	676	4,148
Operating profit		689,136	671,972	1,677,546	1,580,680
- Finance income		79,918	57,318	144,999	87,713
- Finance costs		(18)	(693)	(18)	(17,031)
Profit before income tax		769,036	728,597	1,822,527	1,651,362
- Income tax expense		(206,522)	(195,425)	(490,157)	(457,087)
Profit for the period		562,514	533,172	1,332,370	1,194,275
Total comprehensive income for the period		562,514	533,172	1,332,370	1,194,275
Earnings per share attributable to the equity holders of the company during the year					
(expressed in LKR per share)					
Basic earnings per share		4.69	4.44	11.10	9.95

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	30th June 2013	31st December 2012
ASSETS		
Non-current assets		
Property, plant and equipment	361,136	215,813
Trade and other receivables	87,979	94,109
Deferred income tax assets	4,657	1,341
	453,772	311,263
Current assets		
Inventories	2,212,214	2,132,118
Trade and other receivables	1,156,372	986,882
Cash and cash equivalents	2,804,512	2,517,244
	6,173,098	5,636,244
Total assets	6,626,870	5,947,507
EQUITY AND LIABILITIES		
Capital & reserves		
Stated capital	600,000	600,000
Retained earnings	4,498,188	3,525,818
	5,098,188	4,125,818
Non-current liabilities		
Retirement benefit obligations	96,667	87,328
	96,667	87,328
Current liabilities		
Trade and other payables	833,353	1,257,496
Current income tax liabilities	598,662	476,865
	1,432,015	1,734,361
Total liabilities	1,528,682	1,821,689
Total equity and liabilities	6,626,870	5,947,507
Net Assets per Share (Rs.)	42.48	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 24th July 2013.

(Sgd) Kishu Gomes
CEO / Managing Director
24th July 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 30th June	
		2013	2012
Cash flows from operating activities			
Cash generated from operations	(i)	1,422,812	1,966,118
Interest paid		(18)	(274)
Retirement benefits paid		-	-
Income tax paid		(371,676)	(359,896)
Net cash generated from operating activities		1,051,118	1,605,948
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(166,237)	(34,956)
Proceeds from disposal of Property, Plant & Equipment		-	1,524
Interest received		122,387	61,774
Net cash used in investing activities		(43,850)	28,342
Cash flows from financing activities			
Dividends paid		(720,000)	(780,000)
Net cash used in financing activities		(720,000)	(780,000)
Net increase / (decrease) in cash and cash equivalents		287,268	854,290
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		287,268	854,290
Cash and cash equivalents at end of period		2,804,512	1,866,350

Note (i)

	Year ended 30th June	
	2013	2012
Cash generated from operations		
Profit before taxation	1,822,527	1,651,362
Adjustments for :		
Depreciation	20,915	21,566
Property, plant and equipment Writtenoff	-	-
Amortisation of marketing support fee paid	13,995	11,416
(Profit)/Loss on disposal of property, plant and equipment	-	(1,524)
Interest income	(122,387)	(61,774)
Interest expense	18	274
Changes in working capital		
- trade and other receivables	(177,354)	54,536
- inventories	(80,097)	(760,031)
- payables	(64,144)	1,041,993
Defined benefit obligations	9,339	8,300
Cash generated from operations	1,422,812	1,966,118

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	1,194,275	1,194,275
Other comprehensive income for the period	Nil	Nil	Nil
Transactions with owners			
- Dividends	Nil	(360,000)	(360,000)
Balance as at 30th June 2012	600,000	3,392,420	3,992,420
Balance as at 1st January 2013	600,000	3,525,818	4,125,818
Profit for the period	Nil	1,332,370	1,332,370
Other comprehensive income for the period	Nil	Nil	Nil
Transactions with owners			
- Dividends		(360,000)	(360,000)
Balance as at 30th June 2013	600,000	4,498,188	5,098,188

Chevron Lubricants Lanka PLC

Notes to the Financial Statement for the year ended 30/06/2013

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 24th July 2013.

2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC for the three months ended 30 June 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 30th June 2013, primarily relates 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.	375.00	185.00	205.20
Lowest price Rs.	217.00	160.00	160.00
Last traded price Rs.	295.10	168.00	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 30th June 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 HSBC INTL NOM LTD-SSBT WASATCH FRONTIER EMERGING SMALL	3,215,119	2.68

6	Caceis Bank Luxembourg S/A BARCA GLOBAL MASTER FUND LPOGIER	2,716,306	2.26
7	Employees Provident Fund	2,554,566	2.13
8	HSBC INTL NOM LTD-BP2S LUXEMBOURG-ABERDEEN GLOBAL FRONTIER MARK	1,816,800	1.51
9	Renuka Hotels Limited	1,400,000	1.17
10	Cargo Boat Development Company Limited	1,400,000	1.17
11	Mellon Bank N.A.- Florida Retirement system	1,396,000	1.16
12	HSBC INTL NOM LTD-JPMCB-INVESTERINGSFORENINGEN BANKINVEST,AFD NEV	1,125,344	0.94
13	Crescent Launderers & Dry Cleaners (Pvt) Ltd	1,000,000	0.83
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	RBC Investor services Bank- J O HAMBRO CAPITAL MANAGEMENT UMBRELLA FUN	644,695	0.54
17	DFCC Bank- Account No 1	609,400	0.51
18	AVIVA NDB Insurance PLC A/C No 07	541,827	0.45
19	Mr. Udabage	476,500	0.40
20	RBC Investor services Bank- BI-SICAV-NEW EMERGING MARKETS EQUITIES	438,725	0.37
	Total	101,733,482	84.78

11 Public Holding : **49%**

12 None of the Directors hold shares in the company.

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*
Harsha Amarasekera
Devasiri 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

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Telephone : 94 11 4524524

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