

INCOME STATEMENT

	3 Months ended 30-06-2007 Rs. '000	3 Months ended 30-06-2006 Rs. '000	6 Months ended 30-06-2007 Rs. '000	6 Months ended 30-06-2006 Rs. '000	(Audited) Year ended 31-12-2006 Rs. '000
Revenue	342,746	318,575	636,405	616,011	1,078,118
Cost of Sales	(304,559)	(276,501)	(580,226)	(511,844)	(998,439)
Gross Profit/(Loss)	38,187	42,074	56,179	104,167	79,679
Other operating Income	5,168	1,621	11,250	4,083	10,611
Administration and Operating Expenses	(24,001)	(26,225)	(42,571)	(50,053)	(89,014)
Profit/(Loss) from operating activities	19,354	17,470	24,858	58,197	1,276
Finance cost	(11,936)	(8,601)	(21,774)	(16,887)	(33,112)
Amortisation of Negative goodwill	-	1,478	-	2,957	-
Profit/(Loss) from ordinary Activities before taxation	7,419	10,347	3,085	44,267	(31,836)
Income Tax Expenses	-	-	-	-	(105)
Profit/(Loss) for the period	<u>7,419</u>	<u>10,347</u>	<u>3,085</u>	<u>44,267</u>	<u>(31,941)</u>
Earning per Share	0.26	0.36	0.11	1.53	(1.10)
Net Assets per share	9.95	10.23	9.95	10.23	9.85
Market Value of Share					
Highest (for the period)			8.50	10.50	10.50
Lowest (for the period)			5.00	5.75	5.75
Closing (for the period)			6.75	7.50	8.25

STATEMENT OF CHANGES IN EQUITY

	Share Capital Rs. '000	General Reserves Rs. '000	Accumulated Profit/(Loss) Rs. '000	Total Equity Rs. '000
Balance as at 31st December 2005	290,000	45,000	(82,501)	252,499
Net Profit/(Loss) for the period	-	-	(31,941)	(31,941)
Negative Goodwill	-	-	65,052	65,052
Balance as at 31st December 2006	<u>290,000</u>	<u>45,000</u>	<u>(49,390)</u>	<u>285,610</u>
Balance as at 31st December 2006	290,000	45,000	(49,390)	285,610
Net Profit/(Loss) for the period	-	-	3,085	3,085
Balance as at 30th June 2007	<u>290,000</u>	<u>45,000</u>	<u>(46,305)</u>	<u>288,695</u>

- 1) Accounting policies and methods of computation adopted in the Provisional Financial Statements are same as those in the previous audited Annual Financial Statements.
- 2) There have been no other events subsequent to the interim period, which require disclosure in the provisional financial statements.
- 3) The above figures are provisional and subject to audit.

D H S Jayawardena
Managing Director

S K L Obeyesekere
Director/CEO

MADULSIMA PLANTATIONS LIMITED

833,Sirimavo Bandaranaike Mawatha - Colombo -14

Provisional Financial Statement for 06 months ended 30th June 2007

BALANCE SHEET

	As at 30-06-2007 Rs. '000	As at 30-06-2006 Rs. '000	(Audited) As at 31-12-2006 Rs. '000
Assests			
Non-Current assests			
Lease hold Rights to Bare Land of JEDB/SLSPC .	156,884	160,971	158,948
Immovable Leased Assests of JEDB/SLSPC (Other than Bareland)	103,289	109,810	106,598
Tangible Assests (Other than Mature/Immature plantations)	254,211	254,014	253,794
Mature/Immature Plantations	374,623	361,708	370,210
	<u>889,006</u>	<u>886,503</u>	<u>889,550</u>
Current Assests			
Inventories	211,845	169,562	96,732
Trade & Other Receivables	182,517	176,824	151,643
Amounts due from Related Parties	1,171	1,942	1,712
Cash and Cash equivalents	2,907	64,862	63,439
	<u>398,440</u>	<u>413,190</u>	<u>313,526</u>
TOTAL ASSESTS	<u>1,287,446</u>	<u>1,299,693</u>	<u>1,203,076</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued Share Capital	290,000	290,000	290,000
General Reserve	45,000	45,000	45,000
Retained profit/(Loss)	(46,305)	(38,235)	(49,390)
SHAREHOLDERS' FUND	<u>288,695</u>	<u>296,765</u>	<u>285,610</u>
Deferred Income	117,093	182,126	117,289
Non-Current Liabilities			
Retirement Benefit Obligations	280,339	232,305	270,085
Net liability to Lessor payable after one year	37,349	37,835	37,613
Interest Bearing Borrowings	103,307	123,414	114,260
	<u>420,994</u>	<u>393,554</u>	<u>421,958</u>
Current Liabilities			
Net liability to Lessor payable within one year	441	425	432
Interest Bearing Borrowings	23,817	21,907	26,667
Trade & Other Payables	188,647	209,454	150,147
Amounts due to Related Parties	44,848	63,868	27,903
Bank Overdraft	202,911	131,594	173,070
	<u>460,664</u>	<u>427,248</u>	<u>378,219</u>
TOTAL EQUITY AND LIABILITIES	<u>1,287,446</u>	<u>1,299,693</u>	<u>1,203,076</u>

CASH FLOW STATEMENT

	6 Months ended 30-06-2007 Rs. '000	6 Months ended 30-06-2006 Rs. '000	(Audited) Year ended 31-12-2006 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before Income Tax expenses			
Adjustments for :	3,085	44,267	(31,836)
Depreciation/Amortisation	17,298	17,775	38,587
Interest Income	(953)	(2,944)	(6,423)
Interest Expenses	22,727	16,887	39,535
Managing Agents Remuneration	16,945	24,798	39,478
Provision for Gratuity	18,267	16,814	62,979
Amortisation of Negative Goodwill	-	(2,957)	-
Amortisation of Grants	(693)	(594)	(4,530)
Operating Profit Before Working Capital Charges	76,675	114,046	137,790
(Increase)/Decrease in Inventories	(115,113)	(53,742)	18,754
(Increase)/Decrease in Debtors & Other Receivables	(33,508)	(31,866)	(7,126)
(Increase)/Decrease in Due from Related Companies	541	(1,035)	(804)
(Increase)/Decrease in Trade & Other Payables	38,498	40,009	(19,299)
(Increase)/Decrease in Due to Related Companies	-	1,202	2,353
Cash Generated from Operations	(32,907)	68,614	131,668
Interest Paid	(20,316)	(14,925)	(35,374)
Gratuit Paid	(8,012)	(11,855)	(20,242)
Grants Received	499	3,335	4,530
Managing Agents Remuneration Paid	-	-	(51,797)
Net Cash Flows from Operating Activities	(60,736)	45,169	28,785
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and Equipment	(8,457)	(14,216)	(25,471)
Investments in Immature Plantation	(8,301)	(8,714)	(21,410)
Interest Received	924	2,944	6,423
Net Cash Flows from/(used in) Investing Activities	(15,833)	(19,986)	(40,458)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to Lease Creditors - JEDB/SLSPC's Estates	-	(2,927)	(4,577)
Loans Repayment	(13,803)	(10,953)	(25,707)
			10,360
Net Cash Flows from/(used in) Financing Activities	(13,803)	(13,880)	(19,924)
Net Increase/(Decrease) in Cash and Cash Equivalents	(90,373)	11,302	(31,597)
Cash and Cash Equivalents at the Beginning of the Year	(109,631)	(78,034)	(78,034)
Cash and Cash Equivalents at the end of the period	(200,004)	(66,732)	(109,631)