MADULSIMA PLANTATIONS PLC

833,Sirimavo Bandaranaike Mawatha - Colombo -14

Provisional Financial Statement for 06 months ended 30th June 2008

INCOME STATEMENT

	3 Months ended 30-06-2008 Rs. '000	3 Months ended 30-06-2007 Rs. '000	6 Months ended 30-06-2008 Rs. '000	6 Months ended 30-06-2007 Rs. '000	**(Audited) Year ended 31-12-2007** Rs. '000
Revenue	485,964	342,746	882,877	636,405	1,320,353
Cost of Sales	(419,167)	(304,559)	(769,770)	(580,226)	(1,171,309)
Gross Profit/(Loss)	66,796	38,187	113,106	56,179	149,044
Other operating Income	6,302	5,168	14,370	11,250	23,871
Administration and Oprerating Activities	(16,655)	(19,363)	(29,656)	(25,626)	(56,316)
Management Fee	(13,245)	(4,638)	(25,191)	(16,945)	(47,335)
Profit/(Loss) from operating activities	43,198	19,354	72,629	24,858	69,264
Finance Cost	(10,943)	(11,935)	(20,724)	(21,773)	(42,847)
Profit/(Loss) before taxation	32,255	7,419	51,905	3,085	26,417
Income Tax Expenses	-	-	-	-	
Profit/(Loss) for the period	32,255	7,419	51,905	3,085	26,417
Earning per Share	1.11	0.26	1.79	0.11	0.91
Net Assets per share	12.55	9.96	12.55	9.96	10.76
No of Shares			29,000,000		
Market Value of Share					
Highest (for the period)			24.00	8.50	11.75
Lowest (for the period)			9.00	5.00	5.00
Closing (for the period)			15.25	6.75	11.25

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 2006	290,000	45,000	(49,390)	285,610
Net Profit/(Loss) for the period	-	-	26,417	26,417
Balance as at 31st December 2007	290,000	45,000	(22,973)	312,027
Balance as at 31st December 2007	290,000	45,000	(22,973)	312,027
Net Profit/(Loss) for the period	-	-	51,905	51,905
Balance as at 30th June 2008	290,000	45,000	28,932	363,932

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.

BALANCE SHEET

	As at 30-06-2008 Rs. '000	As at 30-06-2007 Rs. '000	**(Audited) As at 31-12-2007** Rs. '000
Assets			
Non-Current Assests			
Lease hold Rights to Bare Land of JEDB/SLSPC .	152,755	156,884	154,820
Property Plant & Equipment			
Immovable Leased Assests of JEDB/SLSPC (Otherthan Bareland)	96,748	103,289	100,049
Tangible Assests (Other than Mature/Immature plantations)	271,105	254,211	260,522
Mature/Immature Plantations	391,253	374,623	383,846
	911,862	889,007	899,237
CURRENT ASSETS			
Inventories	318,713	211,845	225,166
Trade & Other Receivables	159,597	182,517	111,957
Amounts due from Related Parties	355	1,171	5,563
Cash and Cash equivalents	7,741	2,907	40,459
	486,406	398,440	383,145
TOTAL ASSESTS	1,398,268	1,287,447	1,282,382
EQUITY & LIABILITIES			
Capital and Reserves			
Issued Share Capital	290,000	290,000	290,000
General Reserve	45,000	45,000	45,000
Retained profit/(Loss)	28,932	(46,305)	(22,973)
SHAREHOLDERS' FUND	363,932	288,695	312,027
Deferred Income	130,603	117,093	125,352
Non-Current Liabilities			
Retirement Benefit Obligations	302,398	280,339	293,498
Net liability to Lessor payable after one year	37,157	37,349	37,163
Interest Bearing Borrowings	81,400	103,307	92,353
	420,955	420,995	423,014
Current Liabilities			
Net liability to Lessor payable within one year	458	441	450
Interest Bearing Borrowings	21,907	23,817	21,907
Trade & Other Payables	231,976	188,647	210,365
Amounts due to Related Parties	70,198	44,848	48,441
Bank Overdraft	158,238	202,911	140,826
	482,777	460,664	421,989
TOTAL EQUITY AND LIABILITIES	1,398,268	1,287,447	1,282,382

CASH FLOW STATEMENT

	6 Months ended 30-06-2008 Rs. '000	6 Months ended 30-06-2007 Rs. '000	**(Audited) Year ended 31-12-2007** Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Taxation	51,905	3,085	26,417
ADJUSTMENT FOR			
Depreciation/Amortisation	17,111	17,298	36,859
Interest Income	(292)	(953)	(1,715)
Interest Expenses	21,016	22,727	42,847
Managing Agents Remuneration	25,191	16,945	46,435
Provision for Gratuity	25,544	18,267	43,494
Provision for Doubtful Debtors	-		(4,663)
Amortisation of Grants	(1,180)	(693)	(3,820)
Operating Profit Before Working Capital Charges	**139,295**	**76,676**	**185,854**
(Increase)/Decrease in Inventories	(93,547)	(115,113)	(128,434)
(Increase)/Decrease in Debtors & Other Receivables	(47,641)	(33,508)	28,903
(Increase)/Decrease in Due from Related Companies	5,209	541	11,643
(Increase)/Decrease in Trade & Other Payables	21,408	38,498	61,068
(Increase)/Decrease in Due to Related Companies	(3,434)		(672)
Cash Generated from Operations	**21,292**	**(32,906)**	**158,362**
Interest Paid	(18,375)	(20,316)	(38,254)
Gratuity Paid	(16,642)	(8,012)	(20,081)
Grants Received	6,430	499	11,882
Managing Agents Remuneration Paid	-		(26,075)
Net Cash Flows from Operating Activities	**(7,296)**	**(60,735)**	**85,834**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and Equipment	(17,731)	(8,457)	(24,668)
Investments in Immature Plantation	(11,508)	(8,302)	(21,877)
Interest Received	-	924	1,668
Net Cash Flows from/(used in) Investing Activities	**(29,240)**	**(15,835)**	**(44,877)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to Lease Creditors - JEDB/SLSPC's Estates	(2,640)	-	(5,026)
Loans Repayment	(10,953)	(13,803)	(26,667)
Net Cash Flows from/(used in) Financing Activities	**(13,593)**	**(13,803)**	**(31,693)**
Net Increase/(Decrease) in Cash and Cash Equivalents	(50,129)	(90,373)	9,264
Cash and Cash Equivalents at the Beginning of the Year	(100,367)	(109,631)	(109,631)
Cash and Cash Equivalents at the end of the period	(150,496)	(200,004)	(100,367)
	(50,129)	**(90,373)**	**(9,264)**

D H S Jayawardena
Managing Director

S K L Obeyesekere
Director/CEO