

MADULSIMA PLANTATIONS LIMITED

833, Sirimavo Bandaranaike Mawatha - Colombo -14

Provisional Financial Statement for 9 months ended 30th September 2006

INCOME STATEMENT

	3 Months ended 30-09-2006 Rs. '000	3 Months ended 30-09-2005 Rs. '000	9 Months ended 30-09-2006 Rs. '000	9 Months ended 30-09-2005 Rs. '000	(Audited) Year ended 31-12-2005 Rs. '000
Revenue	247,651	141,489	863,662	684,747	929,738
Cost of Sales	(220,806)	(192,430)	(732,650)	(719,501)	(958,897)
Gross Profit/(Loss)	26,845	(50,941)	131,012	(34,754)	(29,159)
Other operating Income	10,206	7,604	14,288	18,658	12,496
Administration and Operating Expenses	(22,218)	(19,995)	(72,271)	(58,105)	(87,014)
Profit/(Loss) from operating activities	14,833	(63,332)	73,029	(74,201)	(103,677)
Finance cost	(11,517)	(9,110)	(28,404)	(25,273)	(29,622)
Amortisation of Negative goodwill	(2,957)	1,478	-	4,435	5,914
Profit/ (Loss) from ordinary Activities before taxation	359	(70,964)	44,625	(95,039)	(127,385)
Income Tax Expenses	-	-	-	-	187
Profit/(Loss) for the period	359	(70,964)	44,625	(95,039)	(127,198)
Retained Profit/(Loss) Brought Forward	(38,236)	20,621	(82,502)	44,696	44,696
Retained Profit/(Loss) Carried Forward	(37,877)	(50,343)	(37,877)	(50,343)	(82,502)
Earning per Share	0.01	(2.45)	1.54	(3.28)	(4.39)
Net Assets per share	12.49	9.82	12.49	9.82	8.71
Market Value of Share					
Highest (for the period)			10.50	11.75	9.50
Lowest (for the period)			5.75	8.00	6.00
Closing (for the period)			8.50	9.25	6.75

MADULSIMA PLANTATIONS LIMITED

833, Sirimavo Bandaranaike Mawatha - Colombo -14

Provisional Financial Statement for 9 months ended 30th September 2006

BALANCE SHEET

	As at 30-09-2006 Rs. '000	As at 30-09-2005 Rs. '000	(Audited) As at 31-12-2005 Rs. '000
Assests			
Non-Current assests			
Lease hold Rights to Bare Land of JEDB/SLSPC .	159,915	164,260	163,077
Immovable Leased Assests of JEDB/SLSPC (Other than Bareland)	108,037	114,840	113,413
Tangible Assests (Other than Mature/Immature plantations)	253,249	233,800	248,034
Mature/Immature Plantations	366,221	347,670	356,732
	<u>887,423</u>	<u>860,570</u>	<u>881,256</u>
Current Assests			
Inventories	140,805	115,630	115,486
Trade & Other Receivables	135,584	145,245	144,621
Amounts due from Related Parties	1,056	1,731	908
Cash and Cash equivalents	63,328	57,647	60,913
	<u>340,774</u>	<u>320,253</u>	<u>321,928</u>
TOTAL ASSESTS	<u>1,228,196</u>	<u>1,180,823</u>	<u>1,203,184</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)	27,176	(50,343)	(82,502)
SHAREHOLDERS' FUND	<u>362,176</u>	<u>284,657</u>	<u>252,498</u>
Deferred Income	118,797	170,107	182,341
Non-Current Liabilities			
Retirement Benefit Obligations	237,099	224,310	227,348
Net liability to Lessor payable after one year	37,618	38,235	38,045
Interest Bearing Borrowings	117,937	139,844	134,367
	<u>392,654</u>	<u>402,389</u>	<u>399,760</u>
Current Liabilities			
Net liability to Lessor payable within one year	428	408	416
Interest Bearing Borrowings	21,907	21,907	21,907
Trade & Other Payables	146,586	154,637	169,446
Amounts due to Related Parties	21,451	31,312	37,869
Bank Overdraft	164,197	115,406	138,947
	<u>354,570</u>	<u>323,670</u>	<u>368,585</u>
TOTAL EQUITY AND LIABILITIES	<u>1,228,196</u>	<u>1,180,823</u>	<u>1,203,184</u>

MADULSIMA PLANTATIONS LIMITED

833,Sirimavo Bandaranaike Mawatha - Colombo -14

Provisional Financial Statement for 9 months ended 30th September 2006

CASH FLOW STATEMENT

	9 Months ended 30-09-2006 Rs. '000	9 Months ended 30-09-2005 Rs. '000	(Audited) Year ended 31-12-2005 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before Income Tax expenses	44,625	(95,039)	(127,385)
Adjustments for :			
Depreciation/Amortisation	27,321	28,472	37,855
Interest Income	(4,714)	(3,625)	(4,922)
Provision for Doubtful Debtors			6,727
Interest Expenses	28,404	25,273	34,544
Managing Agents Remuneration	36,458	25,058	32,281
Provision for Gratuity	25,423	26,343	33,540
Amortisation of Negative Goodwill	-	(4,435)	(5,914)
Amortisation of Grants	(2,980)	(2,762)	(3,530)
Profit on Disposal of Property Plant & Equipment	-	-	(300)
Operating Profit Before Working Capital Charges	154,536	(715)	2,896
(Increase)/Decrease in Inventories	(24,794)	(5,769)	(6,081)
(Increase)/Decrease in Debtors & Other Receivables	12,890	(11,372)	(13,626)
(Increase)/Decrease in Due from Related Companies	(149)	5,368	(797)
(Increase)/Decrease in Trade & Other Payables	(21,749)	(2,858)	11,950
(Increase)/Decrease in Due to Related Companies	(37,482)	(1,884)	4,438
Cash Generated from Operations	83,252	(17,230)	(1,220)
Interest Paid	(25,354)	(24,110)	(30,752)
Gratuit Paid	(15,671)	(16,193)	(20,351)
Grants Received	4,488	2,785	17,280
Managing Agents Remuneration Paid	(15,393)	-	-
Net Cash Flows from Operating Activities	31,322	(54,748)	(35,043)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Disposal of Property, Plant & Equipment	-		300
Acquisition of property, plant and Equipment	(18,299)	(12,577)	(30,666)
Investments in Immature Plantation	(16,824)	(12,016)	(23,551)
Interest Received	862	3,625	1,258
Short Term Investments withdrawn from (Made up with) Related Companies	-	30,000	30,000
Net Cash Flows from/(used in) Investing Activities	(34,261)	9,032	(22,659)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to Lease Creditors - JEDB/SLSPC's Estates	(3,466)	(1,381)	(4,191)
Loans Repayment	(16,430)	(16,430)	(21,907)
Net Cash Flows from/(used in) Financing Activities	(19,896)	(17,811)	(26,098)
Net Increase/(Decrease) in Cash and Cash Equivalents	(22,835)	(63,525)	(83,800)
Cash and Cash Equivalents at the Beginning of the Year	(78,034)	5,766	5,766
Cash and Cash Equivalents at the end of the period	(100,869)	(57,759)	(78,034)

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 2004	290,000	45,000	44,696	379,696
Net Profit/(Loss) for the period	-	-	(127,198)	(127,198)
Balance as at 30th September 2005	<u>290,000</u>	<u>45,000</u>	<u>(82,502)</u>	<u>252,498</u>
Balance as at 31st December 2005	290,000	45,000	(82,502)	252,498
Net Profit/(Loss) for the period	-	-	44,625	44,267
Transfer from Negative Goodwill	-	-	65,053	65,053
Balance as at 30th September 2006	<u>290,000</u>	<u>45,000</u>	<u>27,176</u>	<u>361,818</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) As per SLAS 25 (Revised) Negative Goodwill has been adjusted to retained earnings in September,2006. Therefore amortization does not arise for the period ended 30th September,2006.
- 4) The above figures are provisional and subject to audit.

D H S Jayawardena
Managing Director

S K L Obeyesekere
Director/CEO