MADULSIMA PLANTATIONS LIMITED

833,Sirimavo Bandaranaike Mawatha - Colombo -14

Provisional Financial Statement for 06 months ended 30th September 2007

INCOME STATEMENT

	3 Months ended 30/09/2007 Rs. '000	3 Months ended 30/09/2006 Rs. '000	9 Months ended 30/09/2007 Rs. '000	9 Months ended 30/09/2006 Rs. '000	(Audited) Year ended 31-12-2006 Rs. '000
Revenue	264,172	247,651	900,577	863,662	1,078,118
Cost of Sales	(248,797)	(220,806)	(829,023)	(732,650)	(998,439)
Gross Profit/(Loss)	15,375	26,845	71,554	131,012	79,679
Other operating Income	4,086	10,206	15,336	14,288	10,611
Administration and Operating Expenses	(26,632)	(22,218)	(69,203)	(72,271)	(89,014)
Profit/(Loss) from operating activities	(7,171)	14,833	17,687	73,029	1,276
Finance cost	(10,038)	(11,517)	(31,812)	(28,404)	(33,112)
Amortisation of Negative goodwill	-	(2,957)	-	-	-
Profit/(Loss) from ordinary Activities before taxation	(17,209)	359	(14,125)	44,625	(31,836)
Income Tax Expenses	-	-	-	-	(105)
Profit/(Loss) for the period	(17,209)	359	(14,125)	44,625	(31,941)
Earning per Share	(0.59)	0.01	(0.49)	1.54	(1.10)
Net Assets per share	9.36	12.49	9.36	12.49	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)			6.50	8.50	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	-	-	44,625	44,625
Negative Goodwill	-	-	65,052	65,052
Balance as at 30th September 2006	290,000	45,000	27,176	362,176
Balance as at 31st December 2006	290,000	45,000	(49,390)	285,610
Net Profit/(Loss) for the period	-	-	(14,125)	(14,125)
Balance as at 30th September 2007	290,000	45,000	(63,515)	271,485

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

BALANCE SHEET

	As at 30/09/2007 Rs. '000	As at 30/09/2006 Rs. '000	(Audited) As at 31-12-2006 Rs. '000
Assests			
Non-Current assests			
Lease hold Rights to Bare Land of JEDB/SLSPC .	155,852	159,915	158,948
Immovable Leased Assests of JEDB/SLSPC (Other than Bareland)	101,341	108,037	106,598
Tangible Assests (Other than Mature/Immature plantations)	253,044	253,249	253,794
Mature/Immature Plantations	377,233	366,221	370,210
	887,469	887,422	889,550
Current Assests			
Inventories	120,718	140,805	96,732
Trade & Other Receivables	123,439	135,584	151,643
Amounts due from Related Parties	966	1,056	1,712
Cash and Cash equivalents	26,601	63,328	63,439
	271,723	340,773	313,526
TOTAL ASSESTS	1,159,192	1,228,195	1,203,076
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)	(63,515)	27,176	(49,390)
SHAREHOLDERS' FUND	271,485	362,176	285,610
Deferred Income	115,987	118,797	117,289
Non-Current Liabilities			
Retirement Benefit Obligations	284,458	237,099	270,085
Net liability to Lessor payable after one year	37,052	37,618	37,613
Interest Bearing Borrowings	97,830	117,937	114,260
	419,340	392,654	421,958
Current Liabilities			
Net liability to Lessor payable within one year	445	428	432
Interest Bearing Borrowings	22,392	21,907	26,667
Trade & Other Payables	164,011	146,585	150,147
Amounts due to Related Parties	41,182	21,451	27,903
Bank Overdraft	124,350	164,197	173,070
	352,380	354,568	378,219
TOTAL EQUITY AND LIABILITIES	1,159,192	1,228,195	1,203,076

CASH FLOW STATEMENT

	9 Months ended 30/09/2007 Rs. '000	9 Months ended 30/09/2006 Rs. '000	(Audited) Year ended 31-12-2006 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before Income Tax expenses	(14,126)	44,625	(31,836)
Adjustments for :			
Depreciation/Amortisation	20,910	27,321	38,587
Interest Income	(969)	(4,714)	(6,423)
Interest Expenses	32,781	28,404	39,535
Managing Agents Remuneration	29,577	36,458	39,478
Provision for Gratuity	27,430	25,423	62,979
Amortisation of Negative Goodwill	-	-	-
Amortisation of Grants	(2,251)	(2,980)	(4,530)
Operating Profit Before Working Capital Charges	**93,352**	**154,537**	**137,790**
(Increase)/Decrease in Inventories	(23,986)	(24,794)	18,754
(Increase)/Decrease in Debtors & Other Receivables	28,205	12,890	(7,126)
(Increase)/Decrease in Due from Related Companies	746	(149)	(804)
(Increase)/Decrease in Trade & Other Payables	19,647	(21,749)	(19,299)
(Increase)/Decrease in Due to Related Companies	(16,298)	(37,482)	2,353
Cash Generated from Operations	**101,665**	**83,253**	**131,668**
Interest Paid	(29,331)	(25,354)	(35,374)
Gratuit Paid	(13,056)	(15,671)	(20,242)
Grants Received	950	4,488	4,530
Managing Agents Remuneration Paid	-	(15,393)	(51,797)
Net Cash Flows from Operating Activities	**60,229**	**31,323**	**28,785**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and Equipment	(11,115)	(18,299)	(25,471)
Investments in Immature Plantation	(12,588)	(16,824)	(21,410)
Interest Received	-	862	6,423
Net Cash Flows from/(used in) Investing Activities	**(23,703)**	**(34,261)**	**(40,458)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to Lease Creditors - JEDB/SLSPC's Estates	(3,939)	(3,466)	(4,577)
Loans Repayment	(20,705)	(16,430)	(25,707)
			10,360
Net Cash Flows from/(used in) Financing Activities	**(24,644)**	**(19,896)**	**(19,924)**
Net Increase/(Decrease) in Cash and Cash Equivalents	11,882	(22,835)	(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	**(97,749)**	**(100,869)**	**(109,631)**