

## INCOME STATEMENT

	3 Months ended 31-03-2007 Rs. '000	3 Months ended 31-03-2006 Rs. '000	<b>(Audited)</b> <b>Year ended</b> 31-12-2006 Rs. '000
Revenue	293,659	297,436	1,078,118
Cost of Sales	(275,668)	(235,343)	(998,439)
Gross Profit/(Loss)	17,992	62,093	79,679
Other operating Income	6,081	2,461	10,611
Administration and Operating Activities	(18,570)	(23,827)	(89,014)
Profit/(Loss) from operating activities	5,503	40,727	1,276
Finance cost	(9,838)	(8,286)	(33,112)
Amortisation of Negative goodwill	-	1,479	-
Profit/(Loss) from Ordinary Activities- Before Income Tax Expenses	(4,334)	33,920	(31,836)
Income Tax Expenses	-	-	(577)
Profit for the period	(4,334)	33,920	(32,413)
Retained Profit Brought Forward	(49,862)	(82,502)	(82,502)
Retained Profit Carried Forward	(54,196)	(48,582)	(114,915)
Earning per Share	(0.15)	1.17	(1.12)
Net Assets per share	9.68	9.88	9.83
Market Value of Share			
Highest (for the period)	8.50	9.75	10.50
Lowest (for the period)	6.75	5.75	5.75
Closing (for the period)	6.75	8.50	8.25

## MADULSIMA PLANTATIONS LIMITED

833,Sirimavo Bandaranaike Mawatha - Colombo -14

Provisional Financial Statement for 03 months ended 31st March 2007

### BALANCE SHEET

	As at 31-03-2007 Rest. '000	As at 31-03-2006 Rest. '000	(Audited) As at 31-12-2006 Rest. '000
<b>Assets</b>			
<b>Non-Current assets</b>			
Lease hold Rights to Bare Land of JEDB/SLSPC .	157,916	162,028	158,948
Immovable Leased Assets of JEDB/SLSPC (Other than Bare land)	104,713	111,534	106,598
Tangible Assets (Other than Mature/Immature plantations)	256,138	246,254	253,794
Mature/Immature Plantations	372,211	358,252	370,210
	<u>890,978</u>	<u>878,068</u>	<u>889,550</u>
<b>Current Assets</b>			
Inventories	188,137	175,008	96,732
Trade & Other Receivables	161,960	175,650	151,171
Amounts due from Related Parties	1,414	1,841	1,712
Cash and Cash equivalents	2,834	62,949	63,439
	<u>354,345</u>	<u>415,448</u>	<u>313,054</u>
<b>TOTAL ASSETS</b>	<u>1,245,323</u>	<u>1,293,516</u>	<u>1,202,604</u>
<b>EQUITY AND LIABILITIES</b>			
Capital and Reserves			
Issued Share Capital	290,000	290,000	290,000
General Reserve	45,000	45,000	45,000
Retained profit/(Loss)	(54,196)	(48,582)	(49,862)
<b>SHAREHOLDERS' FUND</b>	<u>280,804</u>	<u>286,418</u>	<u>285,138</u>
Deferred Income	117,278	180,674	117,289
<b>Non-Current Liabilities</b>			
Retirement Benefit Obligations	275,410	230,013	270,085
Net liability to Lessor payable after one year	37,349	38,265	37,613
Interest Bearing Borrowings	108,783	128,890	114,260
	<u>421,542</u>	<u>397,168</u>	<u>421,958</u>
<b>Current Liabilities</b>			
Net liability to Lessor payable within one year	436	420	432
Interest Bearing Borrowings	25,717	21,907	26,667
Trade & Other Payables	198,945	221,710	150,147
Amounts due to Related Parties	34,374	53,130	27,903
Bank Overdraft	166,227	132,089	173,070
	<u>425,700</u>	<u>429,256</u>	<u>378,219</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,245,323</u>	<u>1,293,516</u>	<u>1,202,604</u>

**CASH FLOW STATEMENT**

	3 Months ended 31-03-2007 Rest. '000	3 Months ended 31-03-2006 Rest. '000	<b>(Audited)</b> <b>Year ended</b> 31-12-2006 Rest. '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/(Loss) before Income Tax expenses	(4,334)	33,919	(31,836)
<b>Adjustments for:</b>			
Depreciation/Amortisation	8,813	9,322	38,587
Interest Income	(938)	(1,212)	(6,423)
Interest Expenses	10,776	8,286	39,535
Managing Agents Remuneration	6,471	12,146	39,478
Provision for Gratuity	9,252	8,474	62,979
Amortisation of Negative Goodwill	-	(1,479)	-
Amortisation of Grants	(347)	(296)	(4,530)
<b>Operating Profit Before Working Capital Charges</b>	<b>29,692</b>	<b>69,160</b>	<b>137,790</b>
(Increase)/Decrease in Inventories	(91,405)	(59,600)	18,754
(Increase)/Decrease in Debtors & Other Receivables	(11,223)	(31,029)	(7,126)
(Increase)/Decrease in Due from Related Companies	298	(934)	(804)
(Increase)/Decrease in Trade & Other Payables	48,798	52,264	(19,299)
(Increase)/Decrease in Due to Related Companies	0	3,117	2,353
<b>Cash Generated from Operations</b>	<b>(23,840)</b>	<b>32,978</b>	<b>131,668</b>
Interest Paid	(9,661)	(7,227)	(35,374)
Gratuity Paid	(3,926)	(5,808)	(20,242)
Grants Received	337	108	4,530
Managing Agents Remuneration Paid	-	-	(51,797)
<b>Net Cash Flows from Operating Activities</b>	<b>(37,090)</b>	<b>20,051</b>	<b>28,785</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and Equipment	(6,299)	(2,045)	(25,471)
Investments in Immature Plantation	(3,945)	(3,627)	(21,410)
Interest Received	-	1,212	6,423
<b>Net Cash Flows from/(used in) Investing Activities</b>	<b>(10,245)</b>	<b>(4,460)</b>	<b>(40,458)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments to Lease Creditors - JEDB/SLSPC's Estates	(0)	(1,220)	(4,577)
Loans Repayment	(6,427)	(5,477)	(25,707)
Loans Obtained	-	-	10,360
<b>Net Cash Flows from/(used in) Financing Activities</b>	<b>(6,427)</b>	<b>(6,697)</b>	<b>(19,924)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	(53,762)	8,894	(31,597)
Cash and Cash Equivalents at the Beginning of the Year	(109,631)	(78,034)	(78,034)
<b>Cash and Cash Equivalents at the end of the period</b>	<b>(163,393)</b>	<b>(69,140)</b>	<b>(109,631)</b>

**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	-	-	(32,413)	(32,413)
Negative Goodwill	-	-	65,052	65,052
Balance as at 31st December 2006	<u>290,000</u>	<u>45,000</u>	<u>(49,862)</u>	<u>285,138</u>
Balance as at 31st December 2006	290,000	45,000	(49,862)	285,138
Net Profit/(Loss) for the period	-	-	(4,334)	(4,334)
Balance as at 31st March 2007	<u>290,000</u>	<u>45,000</u>	<u>(54,196)</u>	<u>280,804</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