

Maskeliya Plantations PLC

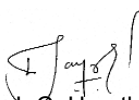
Provisional Financial Statements

**FOR THE THREE MONTHS ENDED
30TH JUNE 2009**

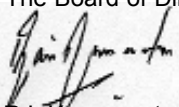
BALANCE SHEET


| | As At 30/06/09 Rs."000 | As At 30/06/08 Rs."000 | As At 31/03/09 Rs."000 |
|--|------------------------------|------------------------------|------------------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Leasehold Property | 225,532 | 231,809 | 227,100 |
| Immovable JEDB/SLSPC Estate assets on finance lease (other than leasehold property) | 163,156 | 174,325 | 165,710 |
| Tangible assets other than immature/mature plantations | 644,539 | 612,193 | 630,888 |
| Immature/Mature Plantations | 1,156,438 | 1,071,815 | 1,134,581 |
| | <u>2,189,665</u> | <u>2,090,142</u> | <u>2,158,279</u> |
| CURRENT ASSETS | | | |
| Inventories | 306,823 | 490,791 | 294,222 |
| ACT Recoverable | 47,926 | 47,926 | 47,926 |
| VAT Receivable | 18,961 | 21,471 | 18,979 |
| Trade and other Receivables | 176,205 | 179,356 | 168,664 |
| ESC Recoverable | 6,776 | 697 | 6,776 |
| Short Term Deposit | - | 2,625 | 2,625 |
| Amount due from Related Parties | 12,097 | 16,479 | 10,888 |
| Cash and Bank balances | 3,791 | 14,082 | 4,321 |
| | <u>572,579</u> | <u>773,427</u> | <u>554,401</u> |
| TOTAL ASSETS | <u>2,762,244</u> | <u>2,863,569</u> | <u>2,712,680</u> |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | | |
| Stated Capital - Note 03 | 350,000 | 350,000 | 350,000 |
| General Reserve | 540,000 | 540,000 | 540,000 |
| Accumulated Profits | 165,941 | 317,898 | 112,963 |
| SHARE HOLDERS FUND | <u>1,055,941</u> | <u>1,207,898</u> | <u>1,002,963</u> |
| NON CURRENT LIABILITIES | | | |
| Interest Bearing Loans & Borrowings | 255,597 | 207,019 | 171,452 |
| Retiring Benefit Obligations | 467,942 | 458,252 | 470,785 |
| Deferred Income | 201,203 | 173,193 | 200,555 |
| Net liability to lessor payable after one year | 125,775 | 127,496 | 126,243 |
| | <u>1,050,517</u> | <u>965,960</u> | <u>969,035</u> |
| CURRENT LIABILITIES | | | |
| Trade & Other payables | 283,363 | 305,125 | 294,566 |
| Dividend payable | 2,194 | 1,852 | 2,307 |
| Amount due to Related parties | 134,782 | 4,398 | 34,706 |
| Interest Bearing Loans & Borrowings | 233,752 | 376,770 | 407,474 |
| Net liability to lessor payable within one year | 1,695 | 1,566 | 1,629 |
| | <u>655,786</u> | <u>689,711</u> | <u>740,682</u> |
| TOTAL EQUITY AND LIABILITIES | <u>2,762,244</u> | <u>2,863,569</u> | <u>2,712,680</u> |
| | Rs. | Rs. | Rs. |
| Net Assets Per Share | 39.14 | 44.78 | 37.18 |

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.


 L.C. Herath
 Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.


 R.L. Kumararatne
 Director


 S.P. Jayakoddy
 Director

Colombo
7th August 2009

INCOME STATEMENT

| | Quarter ended 30/06/09 Rs."000 | Quarter ended 30/06/08 Rs."000 | Variance + / (-) % | Year ended 31/03/09 Rs."000 |
|----------------------------------|---|---|--------------------------|--------------------------------------|
| Turnover | 716,133 | 775,685 | (8) | 2,364,846 |
| Cost of Sales | <u>(570,918)</u> | <u>(655,058)</u> | <u>13</u> | <u>(2,246,052)</u> |
| Gross Profit / (Loss) | 145,215 | 120,627 | 20 | 118,794 |
| Other Operating Income | 3,984 | 3,312 | 20 | 12,343 |
| Administration Expenses | (10,210) | (12,070) | 15 | (49,261) |
| Management Fee | (39,725) | (40,601) | 2 | (112,458) |
| Finance Cost | <u>(44,444)</u> | <u>(17,737)</u> | <u>(151)</u> | <u>(95,690)</u> |
| Profit /(Loss) before Taxation | 54,820 | 53,531 | 2 | (126,272) |
| Income Tax Expense | (1,842) | (1,845) | - | - |
| Net Profit/(Loss) for the period | <u>52,978</u> | <u>51,686</u> | <u>2</u> | <u>(126,272)</u> |
| | Rs. | Rs. | | Rs. |
| Basic Earnings Per Share | 1.96 | 1.92 | | (4.68) |
| Dividends per Share | - | - | | - |

CASH FLOW

| | Period Ended 30/06/2009 Rs.'000 | Period Ended 30/06/2008 Rs.'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit before Taxation | 54,820 | 53,531 |
| ADJUSTMENTS FOR | | |
| Depreciation/Amortization | 24,334 | 25,943 |
| Provision for Defined Benefit Plans | 12,264 | 13,311 |
| Amortization of Grants | (2,400) | (2,400) |
| Finance Costs | 44,443 | 17,737 |
| Operating Profit before Working Capital changes | <u>133,461</u> | <u>108,122</u> |
| (Increase)/Decrease in Trade and other receivables | (7,521) | (4,566) |
| (Increase)/Decrease in Inventories | (12,601) | (79,182) |
| Increase/(Decrease) in Trade and other payables | (11,202) | 30,622 |
| Increase/(Decrease) in amounts due to Related Parties | 100,075 | (5,028) |
| (Increase)/Decrease in amounts due from Related Parties | (1,208) | (649) |
| Cash Generated from Operations | <u>201,004</u> | <u>49,319</u> |
| Finance Costs Paid | (39,220) | (13,577) |
| Defined Benefit Plan Costs paid | (15,107) | (14,028) |
| Income Tax Paid | (1,842) | (1,845) |
| Net Cash from Operating Activities | <u>144,835</u> | <u>19,869</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Grants Received | 3,048 | 4,355 |
| Field Development Expenditure | (28,330) | (17,000) |
| Purchase of Property, Plant & Equipment | (27,390) | (23,682) |
| Net Cash used in Investing Activities | <u>(52,672)</u> | <u>(36,327)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends Paid | (114) | (22) |
| Payment of Government lease rentals | (5,625) | (4,537) |
| Proceeds from loans | 179,000 | - |
| Payment of loans | (47,601) | (19,981) |
| Net Cash from Financing Activities | <u>125,660</u> | <u>(24,540)</u> |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 217,823 | (40,998) |
| A. Cash & Cash Equivalents at the beginning of the period | <u>(282,811)</u> | <u>(81,559)</u> |
| B. Cash & Cash Equivalents at the end of the year period | <u>(64,988)</u> | <u>(122,557)</u> |
| NOTE A | | |
| Cash & Cash Equivalents at the beginning of the period | | |
| Call Deposit | 2,625 | 3,205 |
| Cash & Bank Balances | 4,320 | 12,969 |
| Bank Overdrafts | (289,756) | (97,733) |
| | <u>(282,811)</u> | <u>(81,559)</u> |
| NOTE B | | |
| Cash & Cash Equivalents at the end of the period | | |
| Call Deposit | - | 2,625 |
| Cash & Bank Balances | 3,791 | 14,082 |
| Bank Overdrafts | (68,779) | (139,264) |
| | <u>(64,988)</u> | <u>(122,557)</u> |

STATEMENT OF CHANGES IN EQUITY

| | Stated Capital Rs"000" | General Reserve Rs"000" | Accumulated Profit Rs"000" | Total Rs"000" |
|-----------------------------------|------------------------------|-------------------------------|----------------------------------|------------------|
| Balance as at 01st April 2008 | 350,000 | 540,000 | 266,212 | 1,156,212 |
| Net profit/ (Loss) for the period | - | - | 51,686 | 51,686 |
| Balance as at 30th June 2008 | <u>350,000</u> | <u>540,000</u> | <u>317,898</u> | <u>1,207,898</u> |
| Balance as at 01st April 2009 | 350,000 | 540,000 | 112,963 | 1,002,963 |
| Net profit/(Loss) for the period | - | - | 52,978 | 52,978 |
| Balance as at 30th June 2009 | <u>350,000</u> | <u>540,000</u> | <u>165,941</u> | <u>1,055,941</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the Three Months Ended 30th June 2009

- | 1 Market Price per Share | Three Months
ended
30.06.2009
Rs. | Three Months
ended
30.06.2008
Rs. |
|--|--|--|
| - Last Traded price (For the period) | 19.25 | 22.00 |
| - Highest (For the period) | 22.00 | 31.00 |
| - Lowest (For the period) | 13.25 | 22.00 |
- 2 There have been no material events occurring after the balance sheet date that require adjustment or disclosure in the financial statements.
 - 3 Stated Capital of Maskeliya Plantations PLC amounts to Rs. 350,000,010 represented by 26,976,745 shares.
 - 4 The presentation and classification of figures for the corresponding period of the previous year have been amended , where relevant to be comparable with those of current year.
 - 5 The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st March 2009 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting and the accompanying figures are provisional and subject to audit.
 - 6 There are no material changes in contingent liabilities since the last Annual Report Balance Sheet date which require disclosure.

Contd...

NOTES TO THE FINANCIAL STATEMENTS CONTD...

7 Twenty Largest Shareholders

| | as at 30/06/2009 | | as at 31/03/2009 | |
|---|-----------------------|------------------|-----------------------|------------------|
| | Number of Shares held | % of the Holding | Number of Shares held | % of the Holding |
| RPC Management Services (Pvt) Ltd | 17,176,744 | 63.67 | 17,176,744 | 63.67 |
| Freudenberg Shipping Agencies Ltd | 595,500 | 2.21 | 595,500 | 2.21 |
| Bank Of Ceylon A/c Ceybank Unit Trust | 590,800 | 2.19 | 532,400 | 1.97 |
| Sandwave Ltd | 308,500 | 1.14 | 308,500 | 1.14 |
| Mr.M. Radhakrishnan | 260,600 | 0.97 | 260,600 | 0.97 |
| Waldock Mackenzie Ltd/Mr.D.M. Wijayasingha | 184,700 | 0.68 | 184,700 | 0.68 |
| Waldock Mackenzie Ltd/Mr.G.R.De Livera | 141,700 | 0.53 | 161,900 | 0.60 |
| Mr.S.N.C.W.M.B.C Kandegedara | 135,500 | 0.50 | 127,200 | 0.47 |
| Mr.G.R. De Livera | 125,500 | 0.47 | 125,500 | 0.47 |
| Entrust Ltd | 125,000 | 0.46 | - | - |
| Mr.H.G.R. Peiris | 110,200 | 0.41 | 110,200 | 0.41 |
| Entrust Investments Ltd | 105,000 | 0.39 | - | - |
| Waldock Mackenzie Ltd/Ceylinco Shriram Capital. | 100,400 | 0.37 | 100,400 | 0.37 |
| CSCM/Mr.Halpawattege Geethal Ranjan Peiris | 93,900 | 0.35 | 93,900 | 0.35 |
| Mr.H.W.M. Woodward | 88,600 | 0.33 | 88,600 | 0.33 |
| Mr.B.R. Fernando | 82,600 | 0.31 | - | - |
| Mr.T.I Hulangamuwa | 82,400 | 0.31 | 82,400 | 0.31 |
| Mrs.F.S. Shahul Hameed | 70,000 | 0.26 | - | - |
| Ceylinco Shriram Capital Management Services Co | 65,100 | 0.24 | 79,900 | 0.30 |
| Mr.RE. Bakelmun | 55,000 | 0.20 | - | - |
| Sub Total | 20,497,744 | 75.99 | | |
| Balance held by 17,022 shareholders | 6,479,001 | 24.01 | | |
| Total No. of Shares | 26,976,745 | 100.00 | | |

The percentage of shares held as at 30th June 2009 is as follows;

| | Number of Shares | % |
|----------------|-------------------|---------------|
| Public Holding | 9,799,501 | 36.33 |
| Other Holding | 17,177,244 | 63.67 |
| Total | 26,976,745 | 100.00 |

8 Shareholding of Directors as at 31st March 2009 is as follows;

| | No. Shares |
|-------------------|------------|
| Dr. Sena Yaddhige | - |
| J H P Ratnayeke | - |
| P D Samarasinghe | - |
| R L Kumaratne | - |
| S P Jayakoddy | 500 |
| Dr. A Ekanayake | - |
| Dr. H S D Soysa | 1,400 |

SEGMENT INFORMATION

Geographical Segment
For the three months ended 30th June 2009

| | Maskeliya | | Upcot | | Talawakelle | | Bandarawela | | Total | |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2009 Rs.'000 | 2008 Rs.'000 | 2009 Rs.'000 | 2008 Rs.'000 | 2009 Rs.'000 | 2008 Rs.'000 | 2009 Rs.'000 | 2008 Rs.'000 | 2009 Rs.'000 | 2008 Rs.'000 |
| Revenue | | | | | | | | | | |
| Tea | 165,702 | 178,411 | 256,072 | 282,078 | 124,242 | 139,960 | 170,117 | 175,236 | 716,133 | 775,685 |
| Revenue Expenditure | (120,845) | (138,800) | (190,965) | (223,587) | (92,656) | (104,248) | (129,855) | (149,169) | (534,321) | (615,804) |
| Depreciation/ Amortization | (5,842) | (5,334) | (8,277) | (8,719) | (5,279) | (5,750) | (4,936) | (6,141) | (24,334) | (25,943) |
| Gratuity | (2,859) | (3,292) | (4,416) | (4,523) | (1,994) | (2,125) | (2,995) | (3,371) | (12,264) | (13,311) |
| Segment Results | 36,156 | 30,985 | 52,414 | 45,249 | 24,312 | 27,837 | 32,332 | 16,556 | 145,215 | 120,627 |
| Other Operating Income | | | | | | | | | 3,984 | 3,312 |
| Unallocated Expenses | | | | | | | | | (10,210) | (12,070) |
| Management Fees | | | | | | | | | (39,725) | (40,601) |
| Finance Cost | | | | | | | | | (44,444) | (17,737) |
| Income Tax expenses | | | | | | | | | (1,842) | (1,845) |
| Profit for the Period | | | | | | | | | 52,978 | 51,686 |

CORPORATE INFORMATION

| | |
|-------------------------------|--|
| Name of Company | Maskeliya Plantations PLC |
| Legal Form | A Quoted Public Company with Limited Liability Incorporated in Sri Lanka. |
| Date of Incorporation | 22nd June 1992 |
| Company Registration No | P Q 134 |
| Principal Business Activities | Cultivation, Manufacture and Sale of Tea, Planting and Cultivation of Timber. |
| Stock Exchange Listing | The Ordinary Shares are listed with the Colombo Stock Exchange of Sri Lanka. |
| Registered / Head Office | 310, High Level Road, Nawinna, Maharagama. Sri Lanka |
| Ultimate Parent Enterprise | Richard Pieris & Company PLC |
| Board of Directors | Dr. Sena Yaddehige - Chairman J H P Ratnayeke - Deputy Chairman P D Samarasinghe R L Kumararatne S P Jayakoddy Dr. A Ekanayake Dr. H S D Soysa |
| Secretaries | Richard Pieris Group Services (Private) Limited 310, High Level Road, Nawinna, Maharagama. Sri Lanka Telephone: +(94) 11-4310564 |
| Auditors | Messrs Ernst & Young Chartered Accountants 201, De Saram Place, Colombo 10. Sri Lanka |
| Bankers | Sampath Bank - Nawam Mawatha Branch Bank of Ceylon - Corporate Branch & Regional Branches Seylan Bank - Millennium Branch Hatton National Bank - City Office NDB Investment Bank |
| Contact Details | Telephone : +(94) 11 4310888 Facsimile : +(94) 11 4310835 Internet : www.arpico.com E-mail : mpl.rpk@arpico.com |