

Maskeliya Plantations PLC

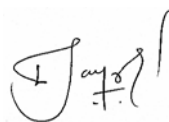
Interim Financial Statements

**FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2011**

BALANCE SHEET

	As at 30/09/11 Rs. ' 000	As at 30/09/10 Rs. ' 000	As at 31/03/11 Rs. ' 000
ASSETS			
NON CURRENT ASSETS			
Leasehold Property	211,424	217,670	214,498
Immovable estate assets on finance lease (other than leasehold property)	137,382	148,531	142,512
Tangible assets other than immature/mature plantations	708,870	726,199	730,205
Immature/Mature Plantations	1,520,340	1,333,840	1,397,377
	<u>2,578,016</u>	<u>2,426,240</u>	<u>2,484,592</u>
CURRENT ASSETS			
Inventories	354,287	312,184	493,007
ACT Recoverable	47,926	47,926	47,926
VAT Receivable	21,030	17,946	20,995
Trade and other Receivables	103,693	143,228	170,424
ESC Recoverable	17,106	8,817	14,726
Amount due from Related Parties	7,123	7,977	7,906
Cash and Bank balances	5,959	5,535	8,664
	<u>557,124</u>	<u>543,613</u>	<u>763,648</u>
TOTAL ASSETS	<u>3,135,140</u>	<u>2,969,853</u>	<u>3,248,240</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 Profit/(Loss)	(403,073)	30,404	118,622
TOTAL EQUITY	<u>486,927</u>	<u>920,404</u>	<u>1,008,622</u>
NON CURRENT LIABILITIES & DEFERRED INCOME			
Interest Bearing Loans & Borrowings	177,532	164,630	210,869
Retiring Benefit Obligations	1,023,467	704,578	747,984
Deferred Income	253,115	256,593	252,798
Net liability to lessor payable after one year	121,912	123,636	122,787
	<u>1,576,026</u>	<u>1,249,437</u>	<u>1,334,438</u>
CURRENT LIABILITIES			
Trade & Other payables	435,170	296,181	423,707
Dividend payable	2,009	2,028	2,028
Amount due to Related parties	193,344	139,727	185,869
Interest Bearing Loans & Borrowings	439,902	360,314	291,814
Net liability to lessor payable within one year	1,762	1,762	1,762
	<u>1,072,187</u>	<u>800,012</u>	<u>905,180</u>
TOTAL EQUITY AND LIABILITIES	<u>3,135,140</u>	<u>2,969,853</u>	<u>3,248,240</u>
	Rs.	Rs.	Rs.
Net Assets Per Share	18.05	34.12	37.39

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



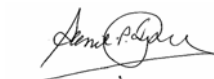
L.C. Herath (Mrs.)
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board of Directors of Maskeliya Plantations PLC.



J H P Ratnayake
Director



S P Jayakoddy
Director

11 November 2011

INCOME STATEMENT

	Quarter Ended 30th September			Six Months Ended 30th September		
	2011 Rs. ' 000	2010 Rs. ' 000	Variance + / (-) %	2011 Rs. ' 000	2010 Rs. ' 000	Variance + / (-) %
Revenue	550,041	604,232	(9)	1,499,824	1,493,583	0
Cost of Sales (Note 7)	<u>(699,091)</u>	<u>(608,734)</u>	(15)	<u>(1,894,720)</u>	<u>(1,407,208)</u>	(35)
Gross Profit / (Loss)	(149,050)	(4,502)	(3,211)	(394,896)	86,375	(557)
Other Operating Income	2,992	2,336	28	7,248	5,141	41
Administration Expenses	(12,747)	(9,987)	(28)	(22,842)	(20,965)	(9)
Management Fee	(23,236)	(28,469)	18	(63,901)	(73,090)	13
Finance Cost	<u>(21,902)</u>	<u>(20,222)</u>	(8)	<u>(47,304)</u>	<u>(43,198)</u>	(10)
Profit / (Loss) before Taxation	(203,943)	(60,844)	(235)	(521,695)	(45,737)	(1,041)
Income Tax Expense	-	2,500	100	-	-	-
Net Profit/(Loss) for the period	<u>(203,943)</u>	<u>(58,344)</u>	(250)	<u>(521,695)</u>	<u>(45,737)</u>	(1,041)
	Rs.	Rs.		Rs.	Rs.	
Basic Earnings Per Share	(7.56)	(2.16)		(19.34)	(1.70)	

CASH FLOW STATEMENT

For the Six months ended	30/09/2011	30/09/2010
CASH FLOWS FROM OPERATING ACTIVITIES	Rs. ' 000	Rs. ' 000
Net Profit before Taxation	(521,695)	(45,737)
ADJUSTMENTS FOR		
Depreciation/Amortization	51,756	50,521
Provision for Defined Benefit Plan Cost	304,230	32,927
Amortisation of Grants	(4,980)	(4,980)
Profit on Disposal of Property, Plant & Equipment	(1,225)	-
Finance Costs	47,304	43,198
Operating Profit before Working Capital changes	(124,610)	75,929
(Increase)/Decrease in Trade and other receivables	68,941	39,314
(Increase)/Decrease in Inventories	138,720	53,184
Increase/(Decrease) in Trade and other payables	5,063	4,503
Increase/(Decrease) in amounts due to Related Parties	7,476	32,967
(Increase)/Decrease in amounts due from Related Parties	783	(1,759)
Cash Generated from Operations	96,373	204,138
Finance Costs Paid	(34,957)	(30,149)
Defined Benefit Plan Costs paid	(28,747)	(34,780)
Tax Paid	(4,626)	(4,307)
Net Cash from Operating Activities	28,043	134,902
CASH FLOWS FROM INVESTING ACTIVITIES		
Grants Received	5,297	39,372
Proceed from Sale of Property, Plant & Equipment	1,225	-
Field Development Expenditure	(139,381)	(104,359)
Purchase of Property, Plant & Equipment	(5,800)	(78,728)
Net Cash used in Investing Activities	(138,659)	(143,715)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid	(19)	(3)
Payment of Government lease rentals	(6,821)	(12,372)
Proceeds from loans	-	-
Payment of loans	(106,338)	(75,838)
Net Cash from Financing Activities	(113,178)	(88,213)
Net Increase/(Decrease) in Cash & Cash Equivalents	(223,794)	(97,026)
A. Cash & Cash Equivalents at the beginning of the period	(88,261)	(51,887)
B. Cash & Cash Equivalents at the end of the period	(312,055)	(148,913)
NOTE A		
Cash & Cash Equivalents at the beginning of the period		
Call Deposit	-	32,000
Cash & Bank Balances	8,664	6,821
Bank Overdrafts	(96,925)	(90,708)
	(88,261)	(51,887)
NOTE B		
Cash & Cash Equivalents at the end of the period		
Call Deposit	-	-
Cash & Bank Balances	5,959	5,535
Bank Overdrafts	(318,014)	(154,448)
	(312,055)	(148,913)

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. ' 000	General Reserve Rs. ' 000	Accumulated Profit/(Loss) Rs. ' 000	Total Rs. ' 000
Balance as at 31 March 2010	350,000	540,000	76,141	966,141
Net profit/ (Loss) for the period	-	-	(45,737)	(45,737)
Balance as at 30 September 2010	350,000	540,000	30,404	920,404
Balance as at 31 March 2011	350,000	540,000	118,622	1,008,622
Net profit/(Loss) for the period	-	-	(521,695)	(521,695)
Balance as at 30 September 2011	350,000	540,000	(403,073)	486,927

NOTES TO THE FINANCIAL STATEMENTS

For the Six Months Ended 30 September	Year ended 31 March		
	2011 Rs.	2010 Rs.	2011 Rs.
1 Market Price per Share			
- Last Traded price (For the period)	22.20	31.60	28.10
- Highest (For the period)	31.00	35.80	35.80
- Lowest (For the period)	22.00	24.50	24.00
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 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 above figures are provisional and subject to Audit. 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 31 March 2011 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting. Further, provisions of the Companies Act No.7 of 2007 have been considered in preparing the Interim Financial Statements of the Company.			
6 There has been no significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2011.			
7 In June 2011, as per the Collective Agreement, wage rate was increased from Rs. 447/75 to Rs. 572/- with retrospective effect from April 2011. Arrears payment from April to May 2011 was paid in August 2011. Total impact of the actual wage arrears and increase in gratuity provision amounting to Rs.328 mn has been charged to Cost of Sales.			

Details	Amount Rs.'000
Cost of Manufacture for the period	1,565,921
Arrears in wages	59,250
Adjustment to Opening Balance of Gratuity Provision	269,549
Total Cost of Sales	1,894,720

These figures are subject to an Actuarial Valuation that will be carried out during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

8 Twenty Largest Shareholders

	as at 30/09/2011		as at 31/03/2011	
	Number of Shares held	% of the Holding	Number of Shares held	% of the Holding
1 R.P.C Mangement Services (Pvt) Ltd	19,823,644	73.48	19,172,144	71.07
2 Mr C.P De Silva	780,500	2.89	250,000	0.93
3 David Pieris Motor Company Ltd	410,300	1.52	410,300	1.52
4 Mr.M. Radhakrishnan	260,600	0.97	260,600	0.97
5 Amina Investment Ltd	175,000	0.65	155,000	0.57
6 Mr.M.T.T. Al-Nakib	150,000	0.56	150,000	0.56
7 Mr.M.H. Nassim Hussain	119,700	0.44	-	-
8 Entrust Limited	110,000	0.41	110,000	0.41
9 Freudenberg Shipping Agencies Ltd	95,500	0.35	596,000	2.21
10 Mr J. Asanath Priyantha	89,400	0.33	79,400	0.29
11 Dee Investment(Pvt)Ltd	84,100	0.31	84,100	0.31
12 Mr R.R.S Ananda	80,000	0.30	80,000	0.30
13 HSBC International Nominees Ltd-SSBT-Deustche	70,800	0.26	70,800	0.26
14 Commercial Bank of Ceylon PLC - Mr G. Ramanan	65,400	0.24	65,400	0.24
15 Confifi Management Services (Pvt)Ltd	50,100	0.19	50,100	0.19
16 Emerging Markets Investment Management (Pvt)Ltd	50,000	0.19	50,700	0.19
17 Waldock Mackenzie Ltd/HI-Line Trading (Pvt) Ltd	50,000	0.19	-	-
18 Cocoshell Activated Carbon Company Ltd	49,100	0.18	51,100	0.19
19 S.K.M Lanka Holdings (Pvt) Ltd	40,000	0.15	-	-
20 Mr. K.M.A.R.K Almuhairi	38,000	0.14	-	-
	22,592,144	83.75		
Balance held by 16,761 shareholders (2010/11 - 16,874 Shareholders)	4,384,601	16.25	5,031,701	18.65
Total no. of Shares	26,976,745	100.00	26,976,745	100.00

The percentage of shares held as at

	30/09/2011		31/03/2011	
	Number of Shares	%	Number of Shares	%
Public Holding	7,147,001	26.49	7,798,501	28.91
Other Holding	19,829,744	73.51	19,178,244	71.09
Total	26,976,745	100.00	26,976,745	100.00

9 The number of shares held by the Board of Directors are as follows:

As at	30/09/2011	31/03/2011
Dr.S.Yaddehige	-	-
J H P Ratnayeke	-	-
Mr.S.P. Jayakoddy	4,700	4,700
Dr.A.Ekanayake	-	-
Dr.H.S.D. Soysa	1,400	1,400

SEGMENT INFORMATION

Geographical Segment

For the six months ended 30 September 2011

	Maskeliya		Upcot		Talawakelle		Bandarawela		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Revenue	393,319	340,664	552,405	551,352	267,648	266,568	286,452	334,999	1,499,824	1,493,583
Revenue Expenditure	(375,388)	(297,915)	(555,346)	(465,412)	(270,187)	(232,263)	(337,813)	(328,170)	(1,538,734)	(1,323,760)
Depreciation/ Amortization	(14,051)	(14,756)	(15,694)	(15,211)	(11,164)	(10,278)	(10,847)	(10,276)	(51,756)	(50,521)
Gratuity	(74,169)	(7,904)	(115,380)	(12,133)	(43,969)	(5,197)	(70,712)	(7,693)	(304,230)	(32,927)
Segment Results	(70,289)	20,089	(134,015)	58,596	(57,672)	18,830	(132,920)	(11,140)	(394,896)	86,375
Other Income									7,248	5,141
Administration Expenses									(22,842)	(20,965)
Management Fees									(63,901)	(73,090)
Finance Cost									(47,304)	(43,198)
Income Tax expenses									-	-
Profit /(Loss)for the period									(521,695)	(45,737)

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	PQ 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 Yaddhegige - Chairman J H P Ratnayeke - Deputy Chairman 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 Bank
Legal Advisors	Paul Ratnayeke Associates International Legal Consultants Solicitors and Attorneys-at-law No.59, Gregory's Road Colombo 07.
Contact Details	Telephone : +(94) 11 4310888 Facsimile : +(94) 11 4310835 Internet : www.arpico.com E-mail : mpl.rpk@arpico.com