

EASTERN MERCHANTS PLC
INTERIM FINANCIAL REPORT
TWELVE MONTHS ENDED
31ST MARCH 2009

EASTERN MERCHANTS PLC
PROVISIONAL FINANCIAL STATEMENTS
COMPANY INCOME STATEMENT

	Quarter ended			Twelve months to		
	31st March			31st March		
	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>2009</u>	<u>2008</u>	<u>Change</u>
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue	747,053	1,203,512	(37.9)	2,691,995	3,403,877	(20.9)
Cost of Sales	(679,309)	(1,140,706)	(40.4)	(2,625,416)	(3,204,768)	(18.1)
Gross Profit	67,744	62,806	7.9	66,579	199,109	(66.6)
Add: Other Operating Income	2,942	3,870	(24.0)	15,312	11,788	29.9
	70,686	66,676	6.0	81,891	210,897	(61.2)
Less:						
Administrative Expenses	(19,801)	(89,434)	(77.9)	(54,462)	(129,167)	(57.8)
Distribution Expenses	(21)	(5,240)	(99.6)	(1,746)	(8,493)	(79.4)
Profit from Operations	50,864	(27,998)	(281.7)	25,683	73,237	(64.9)
Less: Finance Expenses	(2,609)	(11,058)	(76.4)	(24,218)	(27,925)	(13.3)
Profit/(Loss) before Taxation	48,255	(39,056)	(223.6)	1,465	45,312	(96.8)
Less: Taxation	-	(19,991)		-	(19,991)	
Profit/(Loss) after Taxation	48,255	(59,047)	(181.7)	1,465	25,321	(94.2)
Less: Minority Interest	-	-		-	-	
Profit/(Loss) attributable to the Group	48,255	(59,047)	(181.7)	1,465	25,321	(94.2)
Earning per share - Basic	28.76	(35.19)		0.87	15.09	
Dividend per Share	-	-		3.01	5.50	

*Note - All values are in Rs. '000, unless otherwise stated.
Figures in brackets indicate deductions.
The above figures are subject to audit.*

EASTERN MERCHANTS PLC
PROVISIONAL FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENT

	Quarter ended			Twelve months to		
	31st March			31st March		
	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>2009</u>	<u>2008</u>	<u>Change</u>
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue	2,741,621	1,219,172	124.9	2,743,603	3,457,621	(22.1)
Cost of Sales	(2,666,294)	(1,154,396)	131.0	(2,668,269)	(3,248,586)	(19.2)
Gross Profit	75,327	64,776	16.3	75,334	209,035	(64.0)
Add: Other Operating Income	3,260	6,155	(47.0)	15,694	14,210	7.8
	78,587	70,931	10.8	91,028	223,245	(59.2)
Less:						
Administrative Expenses	(21,806)	(91,739)	(76.2)	(62,751)	(138,442)	(60.7)
Distribution Expenses	(527)	(6,064)	(91.3)	(2,946)	(10,580)	(83.5)
Profit from Operations	56,254	(26,872)	(309.3)	25,331	74,223	(65.9)
Less: Finance Expenses	(5,032)	(12,924)	(61.1)	(32,607)	(35,129)	(31.1)
Profit/(Loss) before Taxation	51,222	(39,796)	(228.7)	(7,276)	39,094	(118.6)
Less: Taxation	-	2,074			(20,131)	
Profit/(Loss) after Taxation	51,222	(37,722)	(235.8)	(7,276)	18,963	(138.4)
Less: Minority Interest	1,899	368	416.0	4,415	3,134	40.9
Profit/(Loss) attributable to the Group	53,121	(39,428)	(234.7)	(2,861)	22,097	(112.9)
Earning per share - Basic	32.14	-23.86		(1.73)	13.37	
Dividend per Share				3.01	5.5	

*Note - All values are in Rs. '000, unless otherwise stated.
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EASTERN MERCHANTS PLC
PROVISIONAL FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

	<u>Company</u>		<u>Group</u>	
	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
	<u>31/03/2009</u>	<u>31/03/2008</u>	<u>31/03/2009</u>	<u>31/03/2008</u>
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<u>ASSETS:</u>				
<u>NON CURRENT ASSETS:</u>				
Property, Plant & Equipment	109,633	110,736	122,927	127,675
Investments	11,136	11,136	13,732	13,730
	<u>120,769</u>	<u>121,872</u>	<u>136,659</u>	<u>141,405</u>
<u>CURRENT ASSETS:</u>				
Inventories	38,578	168,772	47,889	174,036
Trade & Other Receivables	56,308	157,703	83,716	183,197
Cash in Hand & At Bank	76,195	8,992	79,516	11,736
	<u>171,081</u>	<u>335,467</u>	<u>211,121</u>	<u>368,969</u>
TOTAL ASSETS	<u><u>291,850</u></u>	<u><u>457,339</u></u>	<u><u>347,780</u></u>	<u><u>510,374</u></u>
<u>EQUITY & LIABILITIES:</u>				
<u>Capital & Reserves</u>				
Stated Capital	16,778	16,778	16,528	16,528
Capital Reserves	15,717	15,717	19,377	19,377
Revenue Reserves	94,062	97,645	85,931	93,840
Total Equity	<u>126,557</u>	<u>130,140</u>	<u>121,836</u>	<u>129,745</u>
Minority Interest			6,232	10,647
<u>NON CURRENT LIABILITIES:</u>				
Interest Bearing Borrowings	-	1,144	5,479	6,945
Deferred Tax	4,221	4,221	4,221	4,221
Retirement Benefit Obligations	11,095	11,095	12,539	12,561
	<u>15,316</u>	<u>16,460</u>	<u>22,239</u>	<u>23,727</u>
<u>CURRENT LIABILITIES:</u>				
Trade & Other Payables	70,217	46,950	85,776	54,287
Provision for Taxation	(5,319)	2,172	(5,800)	1,566
Interest Bearing Borrowings	85,079	261,617	117,497	290,402
	<u>149,977</u>	<u>310,739</u>	<u>197,473</u>	<u>346,255</u>
TOTAL EQUITY & LIABILITIES	<u><u>291,850</u></u>	<u><u>457,339</u></u>	<u><u>347,780</u></u>	<u><u>510,374</u></u>
Net assets per share - Rs.	75	78	74	79

Note - All values are in Rs. '000, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are subject to audit.

EASTERN MERCHANTS PLC
PROVISIONAL FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY - COMPANY

	<u>Number of Shares</u>	<u>Stated Capital Rs.'000</u>	<u>Capital Reserve Rs.'000</u>	<u>Other Revenue Reserves Rs.'000</u>	<u>Accumulated Profit/ (Loss) Rs.'000</u>	<u>Total Equity Rs.'000</u>
Balance as at 1st April 2007	1,677,800	16,778	15,717	11,416	71,816	115,727
Net Profit for the Period					25,319	25,319
Dividend Paid	-	-	-	-	(10,906)	(10,906)
Balance as at 31st March 2008	1,677,800	16,778	15,717	11,416	86,229	130,140
Balance as at 1st April 2008	1,677,800	16,778	15,717	11,416	86,229	130,140
Net Profit for the Period					1,465	1,465
Dividend Paid	-	-	-	-	(5,048)	(5,048)
Balance as at 31st March 2009	1,677,800	16,778	15,717	11,416	82,646	126,557

*Note - All values are in Rs. '000, unless otherwise stated.
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PROVISIONAL FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY - GROUP

	Number of Shares	Stated Capital	Other Capital Reserves	Revaluation Reserves	Capital Redemption Reserve Fund	General Reserve	Other Revenue Reserves	Accumulated Profit/ (Loss)	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2007	1,652,800	16,528	16,517	2,548	312	455	11,416	70,822	118,598
Profit for the Period	-	-	-	-	-	-	-	22,053	22,053
Dividend Paid								(10,906)	(10,906)
Balance as at 31st March 2008	1,652,800	16,528	16,517	2,548	312	455	11,416	81,969	129,745
Balance as at 1st April 2008	1,652,800	16,528	16,517	2,548	312	455	11,416	81,969	129,745
Profit for the Period	-	-	-	-	-	-	-	(2,861)	(2,861)
Dividend Paid								(5,048)	(5,048)
Balance as at 31st March 2009	1,652,800	16,528	16,517	2,548	312	455	11,416	74,060	121,836

*Note - All values are in Rs. '000, unless otherwise stated.
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EASTERN MERCHANTS PLC
PROVISIONAL FINANCIAL STATEMENTS
CONSOLIDATED CASH FLOW STATEMENT

For the twelve Months ended 31st March	<u>Company</u>		<u>Group</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Net Profit/(Loss) before Taxation	1,465	45,312	(7,276)	39,094
Adjustments for				
Finance Cost	24,218	27,924	32,607	35,129
Dividend Received	(53)	(350)	(53)	(1,051)
Depreciation	3,600	11,931	7,651	16,349
Profit /Loss on sale of Property, Plant & Equipment	(4,266)	(833)	(4,266)	(1,943)
Retiring Gratuity	-	2,915	-	3,167
Operating Profit/(Loss) before				
Working Capital Changes	24,964	86,899	28,663	90,745
(Increase)/Decrease in Inventories	130,194	(11,122)	126,147	(10,633)
(Increase)/Decrease in Debtors & Other Receivables	101,395	(49,555)	99,481	(46,112)
Increase/(Decrease) in Trade & Other Payables	23,267	11,438	31,489	10,655
Cash Generated from Operations	279,820	37,660	285,780	44,655
Finance Cost Paid	(24,218)	(27,786)	(32,607)	(35,129)
Defined Benefit Plan Cost Paid	-	(1,437)	(22)	(1,478)
Tax Paid	(7,491)	(13,716)	(7,366)	(14,306)
CASH FLOWS FROM/(USED IN)				
OPERATING ACTIVITIES	248,111	(5,279)	245,785	(6,258)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Acquisition of Property, Plant & Equipment	(2,497)	(35,249)	(2,876)	(35,584)
Proceeds from sale off Property, Plant & Equipment	4,266	833	4,266	1,960
Acquisition of Investments	-	-		(1,444)
Dividend Received	53	(335)	53	1,051
		350		
NET CASH FLOWS FROM/(USED IN)				
INVESTING ACTIVITIES	1,822	(34,401)	1,443	(34,017)

EASTERN MERCHANTS PLC
PROVISIONAL FINANCIAL STATEMENTS
CONSOLIDATED CASH FLOW STATEMENT (CONTD./)

	<u>Company</u>		<u>Group</u>	
	<u>2009</u> Rs. '000	<u>2008</u> Rs. '000	<u>2009</u> Rs. '000	<u>2008</u> Rs. '000
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Repayment of Interest Bearing Loans and Borrowings (Net)	(135,796)	423	(135,278)	(1,578)
Dividend Paid	(5,048)	(10,906)	(5,048)	(10,906)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(140,844)	(10,483)	(140,326)	(12,484)
Net Increase/(Decrease) in Cash & Cash Equivalents	109,089	(50,163)	106,902	(52,759)
Cash & Cash Equivalents at the beginning of the Period	(117,973)	(67,810)	(126,546)	(73,787)
Cash & Cash Equivalents at the end of the Period	(8,884)	(117,973)	(19,644)	(126,546)
	-		-	
<u>Cash & Cash Equivalents:</u>				
Cash in hand & at Bank	76,195	8,992	79,516	11,736
Bank Overdrafts	(85,079)	(126,965)	(99,160)	(138,282)
Cash and Cash Equivalents at the end of the Period	(8,884)	(117,973)	(19,644)	(126,546)

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EASTERN MERCHANTS PLC.
NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS.

For the Twelve months ended 31st March 2009.

1. Market Price per Share	<u>2009</u>	<u>2008</u>
Highest	Rs. 214.00	Rs. 203.50
Lowest	Rs. 102.00	Rs. 170.00
Last Traded	Rs. 150.00	Rs. 201.00

2. The interim financial statements of the company and of the group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st March 2008 and are in compliance with Sri Lanka Accounting Standard - 35 Interim Financial Reporting, further provisions of the new companies Act No. 7 of 2007 have been considered in preparing the interim financial statements of the company and of the group.
3. The presentation and classification of the financial statements of the previous period, have been amended, where relevant, for better presentation and to be comparable with those of the current period.
4. Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 31st March 2008.
5. There have been no events subsequent to the Balance Sheet date, which require disclosure in the interim financial statements.
6. All values included in these financial statements are in Rs. '000 unless otherwise stated.
7. The Group does not distinguish its products into significant components for identifying segments.

CORPORATE INFORMATION

Name of company	Eastern Merchants PLC
Legal Form	Public Limited Liability Company Incorporated in Sri Lanka Ordinary Shares listed on the Colombo Stock Exchange.
Directors	Mr. J.B.L de Silva - Chairman Mr. A.Karunarathne - Managing Director Mr. N.K.L.Thilakarathne Mr. S A. Chandrarathne Mr. M.D.A.Rajapakse Mrs. C.I.Thilakarathne Mr. S Jayakody
Secretary	Mr. S.Jayakody
Auditors	D.H.P.Munaweera & Co Chartered Accountants N0. 5/6, Police Park Terrace, Off Police Park Avenue, Colombo 05.
Bankers	HSBC PLC Seylan Bank PLC Hatton National Bank PLC Nations Trust bank PLC National Development Bank PLC