

**KALAMAZOO SYSTEMS PLC**  
**Income Statements**

Group	Three	Three	Variance	Six	Six	Variance
	months ended	months ended		months ended	months ended	
	30th Sept. 2009	30th Sept. 2008	%	30th Sept. 2009	30th Sept. 2008	%
	Rs.	Rs.		Rs.	Rs.	
<b>Sales</b>	21,782,449	16,740,408	30.12	38,337,286	30,830,431	24.35
Cost of Sales	(16,217,679)	(9,602,958)	68.88	(27,305,938)	(20,827,252)	31.11
<b>Gross Profit</b>	<u>5,564,770</u>	<u>7,137,450</u>	(22.03)	<u>11,031,348</u>	<u>10,003,179</u>	10.28
Distribution Costs	(348,736)	(299,226)	16.55	(585,544)	(642,826)	(8.91)
Administrative Expenses	(3,431,151)	(2,600,196)	31.96	(6,038,255)	(6,557,805)	(7.92)
<b>Operating Profit</b>	<u>1,784,883</u>	<u>4,238,028</u>	(57.88)	<u>4,407,549</u>	<u>2,802,548</u>	57.27
Non Operating Income	73,956	67,215	10.03	105,927	94,898	11.62
Finance Cost	(181,673)	(226,043)	(19.63)	(361,079)	(446,546)	(19.14)
<b>Net Profit Before Tax</b>	<u>1,677,166</u>	<u>4,079,200</u>	(58.88)	<u>4,152,397</u>	<u>2,450,900</u>	69.42
Taxation	(709,169)	0		(1,404,321)	(13,118)	
<b>Net Profit After Tax</b>	<u>967,997</u>	<u>4,079,200</u>	(76.27)	<u>2,748,076</u>	<u>2,437,782</u>	12.73
Minority Interest	(45,325)	(38,408)		(65,238)	(47,342)	
Dividend	0	0		0	0	
<b>Net Profit</b>	<u><u>922,672</u></u>	<u><u>4,040,792</u></u>		<u><u>2,682,838</u></u>	<u><u>2,390,440</u></u>	
<b>Earnings per share</b>	<u><b>18.45</b></u>	<u><b>80.82</b></u>		<u><b>53.66</b></u>	<u><b>47.81</b></u>	

**Segmental Analysis**

Printing	32,965,682	24,386,685
Stock Sheets and Equipment	5,347,417	6,331,852
Services	24,187	111,894
	<u>38,337,286</u>	<u>30,830,431</u>

**NOTES TO THE ACCOUNTS**

- 1 The figures are provisional and subject to audit.
- 2 These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards.
- 3 The accounting policies and methods of computation are consistent with those followed during the previous financial year.
- 4 There have been no events subsequent to the Balance Sheet date that required disclosure.
- 5 There were no capital commitments or contingent liabilities as at the Balance sheet date.
- 6 The market price recorded during the period.

	2009	2008
	Rs.	Rs.
Highest price	0.00	0.00
Lowest price	0.00	0.00
Market price as at 30th September	0.00	0.00

Director.....  
W.N.S.Canagaratna

Director.....  
L.C.G.Ratnanather

Date 21st December, 2009

**KALAMAZOO SYSTEMS PLC**  
**Income Statements**

Company	Three months ended 30th Sept. 2009 Rs.	Three months ended 30th Sept. 2008 Rs.	Variance %	Six months ended 30th Sept. 2009 Rs.	Six months ended 30th Sept. 2008 Rs.	Variance %
<b>Sales</b>	21,608,940	16,692,723	29.45	38,153,667	30,737,038	24.13
Cost of Sales	(17,353,679)	(10,802,958)	60.64	(29,641,938)	(23,227,252)	27.62
<b>Gross Profit</b>	<u>4,255,261</u>	<u>5,889,765</u>	(27.75)	<u>8,511,729</u>	<u>7,509,786</u>	13.34
Distribution Costs	(348,337)	(298,532)	16.68	(564,938)	(641,937)	(11.99)
Administrative Expenses	(2,612,132)	(1,774,065)	47.24	(4,454,511)	(4,805,619)	(7.31)
<b>Operating Profit</b>	<u>1,294,792</u>	<u>3,817,168</u>	(66.08)	<u>3,492,280</u>	<u>2,062,230</u>	69.34
Non Operating Income	37,190	36,990	0.54	37,190	38,029	(2.21)
Finance Cost	(46,814)	(54,920)	(14.76)	(80,511)	(93,043)	(13.47)
<b>Net Profit Before Tax</b>	<u>1,285,168</u>	<u>3,799,238</u>	(66.17)	<u>3,448,959</u>	<u>2,007,216</u>	71.83
Taxation	(540,468)	0		(1,130,328)	0	0
<b>Net Profit After Tax</b>	<u>744,700</u>	<u>3,799,238</u>	(80.40)	<u>2,318,631</u>	<u>2,007,216</u>	15.51
Minority Interest	0	0		0	0	
Dividend	0	0		0	0	
<b>Net Profit</b>	<u><u>744,700</u></u>	<u><u>3,799,238</u></u>		<u><u>2,318,631</u></u>	<u><u>2,007,216</u></u>	
<b>Earnings per share</b>	<u><b>14.89</b></u>	<u><b>75.98</b></u>		<u><b>46.37</b></u>	<u><b>40.14</b></u>	

The above figures are Provisional and subject to audit.

Director.....  
W.N.S.Canagaratna

Director.....  
L.C.G.Ratnanather

Date 21st December, 2009

**KALAMAZOO SYSTEMS PLC**  
**Consolidated Balance Sheet**

As at	Group			Company		
	30th Sept. 2009 Rs.	30th Sept. 2008 Rs.	31st March 2009 Rs.	30th Sept. 2009 Rs.	30th Sept. 2008 Rs.	31st March 2009 Rs.
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	16,972,262	14,216,527	12,579,421	7,990,032	3,205,535	2,765,794
Investments	689,728	677,655	689,728	8,616,090	8,616,090	8,616,090
	<u>17,661,990</u>	<u>14,894,182</u>	<u>13,269,149</u>	<u>16,606,122</u>	<u>11,821,625</u>	<u>11,381,884</u>
<b>Current Assets</b>						
Inventories	9,178,411	6,650,332	6,232,829	9,178,411	6,650,332	6,232,829
Trade and Other Debtors	7,228,954	2,106,017	624,422	4,074,595	1,584,474	624,422
Related Company Balances	2,225,674	17,348,993	9,975,212	2,225,674	17,143,227	9,975,212
Prepayments	371,568	242,253	1,240,407	150,479	182,069	108,493
Tax Refund due	1,982,774	1,425,312	2,756,223	1,982,774	2,726,260	2,756,223
Other Account Receivables	4,465,240	9,646,034	2,615,665	3,306,892	4,353,593	2,999,913
Cash at Bank And in Hand	8,220,951	5,242,220	8,381,122	4,508,541	2,018,405	4,535,816
	<u>33,673,572</u>	<u>42,661,161</u>	<u>31,825,880</u>	<u>25,427,366</u>	<u>34,658,360</u>	<u>27,232,908</u>
<b>Total Assets</b>	<b><u>51,335,562</u></b>	<b><u>57,555,343</u></b>	<b><u>45,095,029</u></b>	<b><u>42,033,488</u></b>	<b><u>46,479,985</u></b>	<b><u>38,614,792</u></b>
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and Reserves</b>						
Stated Capital (50,000 Shares)	500,000	500,000	500,000	500,000	500,000	500,000
Goodwill	0	0	30	0	0	0
Reserves	27,203,505	27,181,094	27,203,518	17,622,396	17,612,647	17,622,396
Retained Earnings	9,086,431	7,596,777	6,403,593	2,949,679	2,562,502	631,048
	<u>36,789,936</u>	<u>35,277,871</u>	<u>34,107,141</u>	<u>21,072,075</u>	<u>20,675,149</u>	<u>18,753,444</u>
<b>Minority Interest</b>	<u>988,724</u>	<u>908,407</u>	<u>983,720</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>37,778,660</u>	<u>36,186,278</u>	<u>35,090,861</u>	<u>21,072,075</u>	<u>20,675,149</u>	<u>18,753,444</u>
<b>Non Current Liabilities</b>						
Long Term Liabilities	1,922,610	4,351,170	2,529,750	0	0	0
Provision for Liabilities and Charges	2,515,435	2,555,515	1,639,025	523,625	565,425	593,625
	<u>4,438,045</u>	<u>6,906,685</u>	<u>4,168,775</u>	<u>523,625</u>	<u>565,425</u>	<u>593,625</u>
<b>Current Liabilities</b>						
Trade and Other Payables	7,127,816	10,536,839	3,557,224	5,982,011	9,893,116	3,355,862
Accrued Expenses	247,444	239,238	505,097	176,338	224,773	246,879
Related Company Balances	529,317	3,461,012	263,072	14,279,439	14,896,231	15,664,982
Lease Creditors Payable Within One Year	1,214,280	225,291	1,510,000	0	225,291	0
	<u>9,118,857</u>	<u>14,462,380</u>	<u>5,835,393</u>	<u>20,437,788</u>	<u>25,239,411</u>	<u>19,267,723</u>
<b>Total Liabilities</b>	<u>13,556,902</u>	<u>21,369,065</u>	<u>10,004,168</u>	<u>20,961,413</u>	<u>25,804,836</u>	<u>19,861,348</u>
<b>Total Equity and Liabilities</b>	<b><u>51,335,562</u></b>	<b><u>57,555,343</u></b>	<b><u>45,095,029</u></b>	<b><u>42,033,488</u></b>	<b><u>46,479,985</u></b>	<b><u>38,614,792</u></b>
<b>Net Asset Value Per Share</b>	<b><u>735.80</u></b>	<b><u>682.14</u></b>	<b><u>682.14</u></b>	<b><u>421.44</u></b>	<b><u>375.07</u></b>	<b><u>375.07</u></b>

Director.....  
W.N.S.Canagaratna

Director.....  
L.C.G.Ratnanather

Date 21st December, 2009

**KALAMAZOO SYSTEMS PLC**  
**Statement of Changes in Equity**

For Six Months Ended 30th September 2009

<b>Group</b>	<b>Stated Capital</b>	<b>General Reserves</b>	<b>Retained Earnings</b>	<b>Employees' R.B.F.</b>	<b>Fixed Assets Replacement Fund</b>	<b>Total</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Balance as at 01/04/2008	500,000	21,287,965	5,206,346	443,129	5,450,000	32,887,440
Net Profit for the period	0	0	2,390,440	0	0	2,390,440
Adjustment	0	0	(9)	0	0	(9)
Transfer	0	0	0	0	0	0
<b>Balance as at 30/09/2008</b>	<u>500,000</u>	<u>21,287,965</u>	<u>7,596,777</u>	<u>443,129</u>	<u>5,450,000</u>	<u>35,277,871</u>
Balance as at 01/04/2009	500,000	21,287,965	6,403,593	465,553	5,450,000	34,107,111
Net Profit for the period	0	0	2,682,838	0	0	2,682,838
Adjustment	0	0	0	(13)	0	(13)
Transfers	0	0	0	0	0	0
<b>Balance as at 30/09/2009</b>	<u>500,000</u>	<u>21,287,965</u>	<u>9,086,431</u>	<u>465,540</u>	<u>5,450,000</u>	<u>36,789,936</u>

<b>Company</b>	<b>Share Capital</b>	<b>General Reserves</b>	<b>Retained Earnings</b>	<b>Employees' R.B.F.</b>	<b>Fixed Assets Replacement Fund</b>	<b>Total</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Balance as at 01/04/2008	500,000	17,420,000	555,286	192,647	0	18,667,933
Net Profit for the period	0	0	2,007,216	0	0	2,007,216
Transfer	0	0	0	0	0	0
<b>Balance as at 30/09/2008</b>	<u>500,000</u>	<u>17,420,000</u>	<u>2,562,502</u>	<u>192,647</u>	<u>0</u>	<u>20,675,149</u>
Balance as at 01/04/2009	500,000	17,420,000	631,048	202,396	0	18,753,444
Net Profit for the period	0	0	2,318,631	0	0	2,318,631
Transfers	0	0	0	0	0	0
<b>Balance as at 30/09/2009</b>	<u>500,000</u>	<u>17,420,000</u>	<u>2,949,679</u>	<u>202,396</u>	<u>0</u>	<u>21,072,075</u>

**KALAMAZOO SYSTEMS PLC****Cash Flow Statements**

	<b>Group</b>		<b>Company</b>	
	<b>Six months ended 30th Sept. 2009 Rs.</b>	<b>Six months ended 30th Sept. 2008 Rs.</b>	<b>Six months ended 30th Sept. 2009 Rs.</b>	<b>Six months ended 30th Sept. 2008 Rs.</b>
<b>Cash Flow From Operating Activities</b>				
Net Profit/(Loss) Before Taxation And Extraordinary Items	4,152,397	2,450,900	3,448,959	2,007,216
Adjustment for				
Depreciation	1,486,069	1,246,663	646,731	407,326
Interest Cost	357,074	423,845	80,511	73,028
Provision For Gratuity	0	0	0	0
Income Tax refund Due - written off	0	0	0	0
Profit/(Loss) on Disposal	20	20	0	0
Operating Profit/(Loss) Before Working Capital Changes	5,995,560	4,121,428	4,176,201	2,487,570
Change in Stock	(2,945,582)	327,279	(2,945,581)	327,279
Change in Trade and Other Debtors	216,733	(10,715,958)	3,629,585	(6,796,263)
Change in Trade and Other Creditors	5,014,882	4,421,459	3,746,166	2,136,757
Change in Other Accounts Payable	0	0	(2,612,135)	364,060
Cash Generated From Operations	8,281,593	(1,845,792)	5,994,236	(1,480,597)
Income Tax Paid	0	(13,118)	0	0
Gratuity Paid	(96,550)	0	(70,000)	0
Net Cash Flows From Operating Activities	8,185,043	(1,858,910)	5,924,236	(1,480,597)
<b>Cash Flow From Investing Activities</b>				
Purchase of Property, Plant And Equipment	(5,871,000)	0	(5,871,000)	0
Investments During the Year	0	0	0	0
Sale Proceeds of Disposal	0	0	0	0
Sale Proceeds of Investment	0	0	0	0
Net Payment to Minority	0	0	0	0
Net Cash Flows Used In Investing Activities	(5,871,000)	0	(5,871,000)	0
<b>Cash Flow From Financing Activities</b>				
Minority Shares	0	0	0	0
Long Term Loans	0	0	0	0
Dividend Paid	0	0	0	0
Finance Lease	(2,117,140)	306,939	0	(300,201)
Interest Cost	(357,074)	(423,845)	(80,511)	(73,028)
Net Cash Flows From Financing Activities	(2,474,214)	(116,906)	(80,511)	(373,229)
<b>Net Increase/(Decrease) In Cash and Cash Equivalents</b>	(160,171)	(1,975,816)	(27,275)	(1,853,826)
Cash and Cash Equivalents at the Beginning of the Year	8,381,122	7,218,036	4,535,816	3,872,231
<b>Cash and Cash Equivalents at the End of the Year (Note A)</b>	8,220,951	5,242,220	4,508,541	2,018,405
<b>Note A - Cash and Cash Equivalents</b>				
Cash at Bank	4,073,446	2,642,867	2,989,541	1,999,405
Fixed Deposit	4,120,504	2,572,352	1,500,000	0
Cash in Hand	27,001	27,001	19,000	19,000
	8,220,951	5,242,220	4,508,541	2,018,405