

NOTES TO THE FINANCIAL STATEMENTS

- These interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31.12.2007 and also in compliance with Sri Lanka Accounting Standard 35 -Interim Financial Reporting
- There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31.12.2007
- Where necessary, comparative figures have been reclassified to conform with the current periods presentation as per SLAS 3 (revised) and the Companies Act No 7 of 2007
- No circumstances have arisen since the Balance Sheet date which would require adjustments to or disclosure in the Financial statements

Audited year ended 31.12.2007	Audited year ended 31.12.2007		Unaudited 6 months ended 30.06.08	Unaudited 6 months ended 30.06.07	Unaudited 6 months ended 30.06.08	Unaudited 6 months ended 30.06.07
Consolidated Rs.'000	Company Rs.'000	6. REVENUE Summary	Company Rs.'000	Company Rs.'000	Consolidated Rs.'000	Consolidated Rs.'000
		Sale of goods				
1,867,428	1,867,428	Tea	1,182,878	813,293	1,182,878	813,293
25,010	25,010	Rubber	10,452	13,386	10,452	13,386
31,945	26,713	Others	14,844	8,133	16,619	8,133
<u>1,924,383</u>	<u>1,919,151</u>		<u>1,208,174</u>	<u>834,812</u>	<u>1,209,949</u>	<u>834,812</u>

SEGMENT INFORMATION

a) Segment revenue

Audited year ended 31.12.2007	Audited year ended 31.12.2007		Unaudited 6 months ended 30.06.08	Unaudited 6 months ended 30.06.07	Unaudited 6 months ended 30.06.08	Unaudited 6 months ended 30.06.07
		Tea				
1,867,428	1,867,428	Revenue	1,182,878	813,293	1,182,878	813,293
(1,430,687)	(1,430,687)	Revenue expenditure	(870,975)	(634,015)	(870,975)	(634,015)
(89,357)	(89,357)	Depreciation	(43,329)	(45,407)	(43,329)	(45,407)
(101,723)	(101,723)	Other non cash expenditure	(62,671)	(32,990)	(62,671)	(32,990)
<u>245,661</u>	<u>245,661</u>	Segment results	<u>205,903</u>	<u>100,881</u>	<u>205,903</u>	<u>100,881</u>
		Rubber				
25,010	25,010	Revenue	10,452	13,386	10,452	13,386
(11,735)	(11,735)	Revenue expenditure	(3,224)	(3,771)	(3,224)	(3,771)
(1,578)	(1,578)	Depreciation	(942)	(395)	(942)	(395)
-	-	Other non cash expenditure	-	-	-	-
<u>11,697</u>	<u>11,697</u>	Segment results	<u>6,286</u>	<u>9,220</u>	<u>6,286</u>	<u>9,220</u>
		Unallocated				
31,945	26,713	Revenue	14,844	8,133	16,619	8,133
-	-	Revenue expenditure	-	-	(2,405)	(83)
-	-	Depreciation	-	-	(326)	-
-	-	Other non cash expenditure	-	-	-	-
<u>31,945</u>	<u>26,713</u>	Segment results	<u>14,844</u>	<u>8,133</u>	<u>13,888</u>	<u>8,050</u>
		Total				
1,924,383	1,919,151	Revenue	1,208,174	834,812	1,209,949	834,812
(1,442,422)	(1,442,422)	Revenue expenditure	(874,199)	(637,786)	(876,604)	(637,869)
(90,935)	(90,935)	Depreciation	(44,271)	(45,802)	(44,597)	(45,802)
(101,723)	(101,723)	Other non cash expenditure	(62,671)	(32,990)	(62,671)	(32,990)
<u>289,303</u>	<u>284,071</u>	Segment results	<u>227,033</u>	<u>118,234</u>	<u>226,077</u>	<u>118,151</u>
49,702	49,702	Other operating income	28,589	13,921	28,589	17,254
(87,537)	(82,947)	Unallocated expenses	(40,536)	(46,832)	(40,196)	(48,604)
(18,833)	(18,833)	Management fees	(14,913)	(7,540)	(14,913)	(7,540)
		Finance Cost	(58,947)	(56,189)	(60,412)	(57,670)
<u>232,635</u>	<u>231,993</u>	Operating profit of the company	<u>141,226</u>	<u>21,594</u>	<u>139,145</u>	<u>21,591</u>

7. STATED CAPITAL

		as a	30.06.2008	30.06.2007	30.06.2008	30.06.2007
		Issued and fully paid				
		23,750,000 ordinary share and a golden share				
		which has special rights held by the				
		Secretary to the Treasury	350,000	350,000	350,000	350,000