

**TALAWAKELLE TEA ESTATES PLC**

**Interim Financial Statements**

**Six months ended 30th September 2016**

**Talawakelle Tea Estates PLC**  
**STATEMENT OF PROFIT OR LOSS**

Group Audited 12 months ended 31.03.2016 Rs.'000		Group			Group		
		Unaudited 06 months ended 30.09.2016 Rs.'000	Unaudited 06 months ended 30.09.2015 Rs.'000	% Change	Unaudited 03 months ended 30.09.2016 Rs.'000	Unaudited 03 months ended 30.09.2015 Rs.'000	% Change
3,434,579	Revenue	1,457,751	1,757,241	-17%	761,798	865,422	-12%
(3,117,559)	Cost of Sales	(1,465,080)	(1,654,631)	-11%	(791,770)	(828,818)	-4%
317,020	<b>Gross profit</b>	(7,329)	102,610	>-100%	(29,972)	36,604	>-100%
7,551	Gain/(Loss) on Fair Value of Biological Assets	-	-	-	-	-	-
66,849	Other Income and Gains	11,662	20,035	-42%	6,591	18,948	-65%
(139,886)	Administrative Expenses	(82,927)	(71,400)	16%	(40,523)	(34,202)	18%
-	Management Fee	-	-	-	-	-	-
251,535	<b>Results From Operating Activities</b>	(78,594)	51,246		(63,904)	21,350	
3,796	Finance Income	2,185	2,434	-10%	1,511	882	71%
(38,220)	Finance Expenses	(17,507)	(19,940)	-12%	(9,628)	(9,093)	6%
(27,837)	Interest Paid to Government on Finance Lease	(13,939)	(13,519)	3%	(6,759)	(7,101)	-5%
(62,261)	Net Finance Expenses	(29,261)	(31,026)		(14,876)	(15,312)	
189,274	<b>Profit/(Loss) Before Tax</b>	(107,855)	20,220	>-100%	(78,780)	6,038	>-100%
(42,696)	Income Tax expenses	(259)	(3,108)	-92%	1,622	(1,967)	>-100%
146,578	<b>Profit/(Loss) for the period</b>	(108,114)	17,111		(77,158)	4,071	
	<b>Attributable to :</b>						
118,456	Equity Holders of the Parent	(121,854)	7,530		(85,492)	(2,180)	
28,122	Non-Controlling Interest	13,740	9,581		8,334	6,251	
146,578	<b>Net profit/(Loss) for the period</b>	(108,114)	17,111		(77,158)	4,071	
4.99	Basic earnings/(loss) per share (Rs.)	(5.13)	0.32		(3.60)	(0.09)	
-	Dividend per share (Rs.)	-	3.00		-	3.00	
	<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
146,578	<b>Profit/ (Loss) for the period</b>	(108,114)	17,111		(77,158)	4,071	
	<b>Other Comprehensive Income</b>						
	<b>Other Comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>						
(29,531)	Actuarial Gain/(Loss) on Defined Benefit Plans	-	-		-	-	
4,657	Income Tax Effect	-	-		-	-	
(24,874)	<b>Other Comprehensive income for the period, net of tax</b>	-	-		-	-	
121,704	<b>Total comprehensive income for the period, net of tax</b>	(108,114)	17,111		(77,158)	4,071	
	<b>Attributable to:</b>						
93,535	Equity Holders of the Parent	(121,854)	7,530		(85,492)	(2,180)	
28,168	Non- Controlling Interest	13,740	9,581		8,334	6,251	
121,704		(108,114)	17,111		(77,158)	4,071	

Figures in brackets indicate deductions

**Talawakelle Tea Estates PLC**  
**STATEMENT OF PROFIT OR LOSS**

Company Audited 12 months ended 31.03.2016 Rs.'000	Company		% Change	Company		% Change	
	Unaudited 06 months ended 30.09.2016 Rs.'000	Unaudited 06 months ended 30.09.2015 Rs.'000		Unaudited 03 months ended 30.09.2016 Rs.'000	Unaudited 03 months ended 30.09.2015 Rs.'000		
3,323,123	Revenue	1,398,572	1,703,341	-18%	729,720	833,030	-12%
(3,076,251)	Cost of Sales	(1,445,893)	(1,628,092)	-11%	(782,110)	(813,645)	-4%
246,873	<b>Gross profit</b>	(47,321)	75,249	>-100%	(52,390)	19,385	>-100%
7,551	Gain/(Loss) on Fair Value of Biological Assets	-	-	-	-	-	-
85,200	Other Income and Gains	18,547	27,990	-34%	13,476	26,903	-1%
(132,093)	Administrative Expenses	(77,389)	(66,579)	16%	(38,356)	(31,546)	22%
-	Management Fee	-	-	0%	-	-	0%
207,531	<b>Results From Operating Activities</b>	(106,163)	36,660		(77,270)	14,742	
2,356	Finance Income	1,822	1,270	43%	1,378	701	97%
(31,770)	Finance Expenses	(15,090)	(16,403)	-8%	(8,480)	(7,471)	14%
(27,837)	Interest Paid to Government on Finance Lease	(13,939)	(13,519)	3%	(6,759)	(7,101)	-5%
(57,252)	Net Finance Expenses	(27,207)	(28,653)		(13,861)	(13,871)	
150,280	<b>Profit/(Loss) Before tax</b>	(133,370)	8,007	>-100%	(91,131)	871	>-100%
(39,958)	Income Tax Expenses	5,100	(1,382)	>-100%	5,100	(241)	>-100%
110,322	<b>Profit/(Loss) for the period</b>	(128,270)	6,624		(86,031)	630	
	<b>Attributable to :</b>						
110,322	Equity Holders of the Parent	(128,270)	6,624		(86,031)	630	
-	Non-Controlling Interest	-	-		-	-	
110,322	<b>Net profit/(Loss) for the period</b>	(128,270)	6,624		(86,031)	630	
4.65	Basic earnings/(loss) per share (Rs.)	(5.40)	0.28		(3.62)	0.03	
-	Dividend per share (Rs.)	-	3.00		-	3.00	
	<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
110,322	<b>Profit/(Loss) for the period</b>	(128,270)	6,624		(86,031)	630	
	<b>Other Comprehensive Income</b>						
	<b>Other Comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>						
(29,639)	Actuarial gain/(Loss) on defined benefit plans	-	-		-	-	
4,670	Income tax effect	-	-		-	-	
(24,969)	<b>Other Comprehensive income for the period, net of tax</b>	-	-		-	-	
85,353	<b>Total comprehensive income for the period, net of tax</b>	(128,270)	6,624		(86,031)	630	
	<b>Attributable to:</b>						
85,353	Equity Holders of the Parent	(128,270)	6,624		(86,031)	630	
-	Non-controlling Interest	-	-		-	-	
85,353		(128,270)	6,624		(86,031)	630	

Figures in brackets indicate deductions

**Talawakelle Tea Estates PLC**
**STATEMENT OF FINANCIAL POSITION**

Company Audited As at 31.03.2016 Rs.'000	Group Audited As at 31.03.2016 Rs.'000		Company		Group	
			Unaudited As at 30.09.2016 Rs.'000	Unaudited As at 30.09.2015 Rs.'000	Unaudited As at 30.09.2016 Rs.'000	Unaudited As at 30.09.2015 Rs.'000
172,378	172,378	<b>ASSETS</b>				
		<b>Non Current Assets</b>				
		Right-to-use of Land	169,507	175,499	169,507	175,499
77,221	77,221	Immovable estate assets on finance lease (other than Right to use of Land)	71,729	82,713	71,729	82,713
705,153	1,064,320	Tangible assets other than Immature/Mature Plantations	695,252	717,780	1,046,518	1,084,925
1,785,555	1,785,555	Immature/Mature Plantations	1,802,189	1,784,994	1,802,189	1,784,994
217,533	217,533	Consumable Biological Assets	221,160	207,233	221,160	207,233
-	7,200	Development Cost	-	-	6,719	7,680
134,933	-	Investments in Subsidiaries	134,933	134,933	-	-
-	16,686	Deferred Tax Asset	-	-	15,313	14,699
3,092,772	3,340,891		3,094,770	3,103,151	3,333,135	3,357,743
		<b>Current Assets</b>				
323,429	325,772	Inventories	280,287	374,494	282,630	382,541
157,876	170,167	Trade and Other Receivables	96,266	122,380	118,474	144,996
3,137	3,137	Amounts due from Related Companies	2,080	3,326	2,080	3,326
-	-	ACT Recoverable	-	7,473	-	7,473
43,126	53,191	Short Term Investments	115,247	29,108	115,247	38,169
9,097	27,130	Cash and Bank Balances	7,913	34,163	38,905	44,427
536,665	579,396		501,793	570,944	557,335	620,933
3,629,437	3,920,288	<b>TOTAL ASSETS</b>	3,596,563	3,674,096	3,890,471	3,978,676
		<b>EQUITY AND LIABILITIES</b>				
		<b>Equity</b>				
350,000	350,000	Stated Capital	350,000	350,000	350,000	350,000
164,435	164,435	Timber Reserves	164,435	159,693	164,435	159,693
1,117,196	1,163,836	Retained Earnings	988,926	1,069,109	1,041,982	1,108,473
1,631,630	1,678,271	<b>Equity attributable to equity holders of the parent</b>	1,503,360	1,578,802	1,556,417	1,618,166
-	179,797	Non-Controlling Interests	-	-	186,923	170,375
1,631,630	1,858,068	<b>Total Equity</b>	1,503,360	1,578,802	1,743,339	1,788,541
		<b>Non Current Liabilities &amp; Deferred Income</b>				
139,236	176,859	Interest Bearing Loans & Borrowings	229,334	158,982	256,207	207,355
979,665	980,733	Retiring Benefit Obligations	1,010,010	957,912	1,011,078	958,892
92,475	92,475	Deferred Tax Liability	87,375	63,144	87,375	63,144
151,102	151,102	Deferred Income	153,390	159,722	153,390	159,722
187,718	187,718	Liability to make Lease Payment after one year	187,396	188,097	187,396	188,097
1,550,196	1,588,887		1,667,505	1,527,857	1,695,447	1,577,209
		<b>Current Liabilities</b>				
270,613	278,008	Trade and Other Payables	326,305	381,156	336,785	405,274
61,630	83,129	Interest Bearing Loans & Borrowings	63,084	72,100	84,583	93,599
643	643	Liability to make Lease Payment within one year	643	569	643	569
10,510	7,338	Amounts due to Related Companies	14,742	8,844	8,751	6,436
42,000	42,000	Short Term Borrowings	-	85,000	-	85,000
62,214	62,214	Bank Overdraft	20,923	19,767	20,923	22,048
447,610	473,332		425,697	567,437	451,685	612,925
1,997,806	2,062,219	<b>TOTAL LIABILITIES</b>	2,093,202	2,095,294	2,147,131	2,190,135
3,629,437	3,920,288	<b>TOTAL EQUITY AND LIABILITIES</b>	3,596,563	3,674,096	3,890,471	3,978,676
68.70	70.66	Net assets per share	63.30	66.48	65.53	68.13

The Statements of Financial Position as at 30th September 2016 and the Statements of Profit or Loss, Statements of Comprehensive Income, the Statements of Changes in Equity and Cash flow statements for the six months then ended are drawn up from the unaudited Financial Statements of the Company; and its subsidiaries and provide the information required by the Colombo Stock Exchange

It is certified that the financial statements have been prepared in compliance with the requirements of Companies Act No.7 of 2007

(sgd)

D S Seneviratne  
Director/Chief Executive Officer

Signed on behalf of the Board of Directors of Talawakelle Tea Estates PLC

(sgd)

A M Pandithage  
Chairman  
28th October 2016

(sgd)

W G R Rajadurai  
Managing Director

The notes on pages 06 form an integral part of these financial statements  
Figures in brackets indicate deductions

**Talawakelle Tea Estates PLC****STATEMENT OF CHANGES IN EQUITY**

<u>Company</u>	Stated Capital	Retained Earnings	Timber Reserve	Total	Non Controlling Interest	Total Equity
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Balance as at 01st April 2015	350,000	1,133,734	159,693	1,643,427	-	1,643,427
Profit/ (Loss) for the period	-	6,624	-	6,624	-	6,624
Other comprehensive income	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-
Dividends	-	(71,250)	-	(71,250)	-	(71,250)
Balance as at 30th September 2015	<u>350,000</u>	<u>1,069,109</u>	<u>159,693</u>	<u>1,578,802</u>	<u>-</u>	<u>1,578,802</u>
<b>Balance as at 01st April 2016</b>	<b>350,000</b>	<b>1,117,196</b>	<b>164,435</b>	<b>1,631,630</b>	<b>-</b>	<b>1,631,630</b>
<b>Profit/ (Loss) for the period</b>	<b>-</b>	<b>(128,270)</b>	<b>-</b>	<b>(128,270)</b>	<b>-</b>	<b>(128,270)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transferred to the timber reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Dividends</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30th September 2016</b>	<b><u>350,000</u></b>	<b><u>988,926</u></b>	<b><u>164,435</u></b>	<b><u>1,503,360</u></b>	<b><u>-</u></b>	<b><u>1,503,360</u></b>

<u>Group</u>	Attributable to equity holders of the parent			Total	Non Controlling Interest	Total Equity
	Stated Capital	Retained Earnings	Timber Reserve			
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Balance as at 01st April 2015	350,000	1,172,193	159,693	1,681,886	167,338	1,849,224
Profit/ (Loss) for the period	-	7,530	-	7,530	9,581	17,111
Other comprehensive income	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-
Dividends	-	(71,250)	-	(71,250)	(6,544)	(77,794)
Balance as at 30th September 2015	<u>350,000</u>	<u>1,108,473</u>	<u>159,693</u>	<u>1,618,166</u>	<u>170,375</u>	<u>1,788,541</u>
<b>Balance as at 01st April 2016</b>	<b>350,000</b>	<b>1,163,836</b>	<b>164,435</b>	<b>1,678,271</b>	<b>179,797</b>	<b>1,858,068</b>
<b>Profit/ (Loss) for the period</b>	<b>-</b>	<b>(121,854)</b>	<b>-</b>	<b>(121,854)</b>	<b>13,740</b>	<b>(108,114)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transferred to the timber reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Dividends</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,615)</b>	<b>(6,615)</b>
<b>Balance as at 30th September 2016</b>	<b><u>350,000</u></b>	<b><u>1,041,982</u></b>	<b><u>164,435</u></b>	<b><u>1,556,417</u></b>	<b><u>186,923</u></b>	<b><u>1,743,339</u></b>

Figures in brackets indicate deductions

**Talawakelle Tea Estates PLC**  
**STATEMENT OF CASH FLOW**

Company Audited 12 months ended 31.03.2016 Rs.'000	Group Audited 31.03.2016 Rs.'000		Company		Group	
			Unaudited 06months ended 30.09.2016 Rs.'000	Unaudited 06months ended 30.09.2015 Rs.'000	Unaudited 06months ended 30.09.2016 Rs.'000	Unaudited 06months ended 30.09.2015 Rs.'000
150,280	189,274	Net profit/(Loss) before Taxation	(133,370)	8,007	(107,855)	20,220
		<b>ADJUSTMENTS FOR</b>				
121,004	121,200	Provision for defined benefit plan costs	78,129	80,119	78,129	80,119
136,811	153,856	Depreciation/amortisation	70,871	71,159	78,436	79,677
(20,016)	(20,016)	Amortisation of grants	(2,524)	(9,942)	(2,524)	(9,942)
(18,351)	-	Dividend Income	(6,885)	(7,955)	-	-
31,770	38,220	Finance costs	15,090	16,403	17,506	19,940
27,837	27,837	Government Lease Interest	13,939	13,519	13,939	13,519
(16,636)	(16,636)	(Profit)/ Loss on disposal of assets	(4,658)	(5,409)	(4,658)	(5,409)
(7,551)	(7,551)	(Gains)/ Loss on Fair Value of Biological Assets	-	-	-	-
(22,618)	(22,618)	Profit on Sale of Trees	-	-	-	-
-	-	Loss on Machinery replacement	-	-	-	-
382,529	463,565	<b>Operating profit before working capital changes</b>	<b>30,591</b>	<b>165,904</b>	<b>72,973</b>	<b>198,126</b>
107,440	105,510	(Increase)/Decrease in Inventories	43,142	56,375	43,142	48,740
51,141	67,277	(Increase)/Decrease in Trade and Other Receivables	61,610	86,637	51,692	92,447
(77,554)	(90,941)	Increase/(Decrease) in Trade and Other Payables	65,174	34,218	67,004	40,565
(442)	(442)	(Increase)/Decrease in Amounts due from Related Companies	1,057	(632)	1,057	(632)
1,064	1,060	Increase/(Decrease) in Amounts due to Related Companies	4,232	(603)	4,143	158
464,177	546,028	<b>Cash generated from operations</b>	<b>205,806</b>	<b>341,899</b>	<b>237,281</b>	<b>379,404</b>
(31,770)	(38,220)	Finance costs paid	(15,090)	(16,403)	(17,506)	(19,940)
(21,998)	(21,998)	Payment of ESC / Income Tax / SGT	(9,042)	-	(10,793)	-
(92,367)	(92,367)	Defined benefit plan costs paid	(47,784)	(43,596)	(47,784)	(43,596)
318,042	393,444	<b>Net cash from operating activities</b>	<b>133,890</b>	<b>281,899</b>	<b>161,198</b>	<b>315,868</b>
		<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
4,500	4,500	Grant Received	4,812	3,046	4,812	3,046
16,636	16,636	Proceeds from Disposal of Property, Plant & Equipment	4,658	5,409	4,658	5,409
25,428	25,428	Proceeds from Sale of Trees	-	-	-	-
(104,897)	(104,897)	Field Development Expenditure	(54,303)	(73,438)	(54,303)	(73,438)
(35,747)	(35,954)	Purchase of Property, Plant & Equipment	(18,566)	(16,676)	(18,731)	(16,814)
18,351	-	Dividend Income Received	6,885	7,955	-	-
(75,728)	(94,286)	<b>Net cash used in investing activities</b>	<b>(56,514)</b>	<b>(73,705)</b>	<b>(63,564)</b>	<b>(81,797)</b>
		<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
(71,250)	(86,959)	Dividend Paid	-	(71,250)	(6,615)	(77,794)
(28,796)	(28,796)	Payment of Government lease rentals	(14,700)	(14,398)	(14,700)	(14,398)
260,000	260,000	Proceeds from loans	135,000	110,000	135,000	110,000
(320,320)	(353,411)	Repayment /Transfer of loans	(43,448)	(140,104)	(54,197)	(162,445)
(160,366)	(209,166)	<b>Net cash from financing activities</b>	<b>76,851</b>	<b>(115,752)</b>	<b>59,487</b>	<b>(144,638)</b>
81,948	89,992	<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>154,227</b>	<b>92,443</b>	<b>157,122</b>	<b>89,433</b>
(133,938)	(113,884)	<b>A. Cash &amp; cash equivalents at the beginning of the year</b>	<b>(51,990)</b>	<b>(133,938)</b>	<b>(23,893)</b>	<b>(113,884)</b>
(51,990)	(23,893)	<b>B. Cash &amp; cash equivalents at the end of the period</b>	<b>102,237</b>	<b>(41,496)</b>	<b>133,229</b>	<b>(24,451)</b>
		<b>NOTE A</b>				
		Cash & cash equivalents at the beginning of the year				
5,358	20,412	Cash & bank balances	9,097	5,358	27,130	20,412
8,861	13,861	Short term Investments	43,126	8,861	53,191	13,861
(103,157)	(103,157)	Bank overdrafts	(62,214)	(103,157)	(62,214)	(103,157)
(45,000)	(45,000)	Short term loans	(42,000)	(45,000)	(42,000)	(45,000)
(133,938)	(113,884)		<b>(51,990)</b>	<b>(133,938)</b>	<b>(23,893)</b>	<b>(113,884)</b>
		<b>NOTE B</b>				
		Cash & cash equivalents at the end of the period				
9,097	27,130	Cash & bank balances	7,913	34,163	38,905	44,427
43,126	53,191	Short term Investments	115,247	29,108	115,247	38,169
(62,214)	(62,214)	Bank overdrafts	(20,923)	(19,767)	(20,923)	(22,048)
(42,000)	(42,000)	Short term loans	-	(85,000)	-	(85,000)
(51,990)	(23,893)		<b>102,237</b>	<b>(41,496)</b>	<b>133,229</b>	<b>(24,451)</b>

The notes on pages 06 form an integral part of these financial statements  
Figures in brackets indicate deductions

1. REVENUE Summary	Company		Group	
	Unaudited 06 months ended 30.09.2016 Rs.'000	Audited 06 months ended 30.09.2015 Rs.'000	Unaudited 06 months ended 30.09.2016 Rs.'000	Audited 06 months ended 30.09.2015 Rs.'000
Sale of goods				
Tea	1,376,803	1,686,555	1,376,803	1,686,555
Rubber	5,938	3,194	5,938	3,194
Mini Hydro Power	-	-	59,179	53,900
Others	15,831	13,592	15,831	13,592
	<u>1,398,572</u>	<u>1,703,341</u>	<u>1,457,751</u>	<u>1,757,241</u>
<b>SEGMENT INFORMATION</b>				
<b>Segment Revenue</b>				
<b>Tea</b>				
Revenue	1,376,803	1,686,555	1,376,803	1,686,555
Revenue expenditure	(1,285,175)	(1,463,724)	(1,285,175)	(1,463,724)
Depreciation	(68,708)	(68,799)	(68,708)	(68,799)
Other non cash expenditure	(78,129)	(80,119)	(78,129)	(80,119)
<b>Segment results</b>	<u>(55,209)</u>	<u>73,913</u>	<u>(55,209)</u>	<u>73,913</u>
<b>Rubber</b>				
Revenue	5,938	3,194	5,938	3,194
Revenue expenditure	(11,719)	(13,089)	(11,719)	(13,089)
Depreciation	(2,163)	(2,361)	(2,163)	(2,361)
Other non cash expenditure	-	-	-	-
<b>Segment results</b>	<u>(7,944)</u>	<u>(12,256)</u>	<u>(7,944)</u>	<u>(12,256)</u>
<b>Mini Hydro Power</b>				
Revenue	-	-	59,179	53,900
Revenue expenditure	-	-	(11,621)	(18,502)
Depreciation	-	-	(7,565)	(8,037)
Other non cash expenditure	-	-	-	-
<b>Segment results</b>	<u>-</u>	<u>-</u>	<u>39,992</u>	<u>27,361</u>
<b>Unallocated</b>				
Revenue	15,831	13,592	15,831	13,592
Revenue expenditure	-	-	-	-
Depreciation	-	-	-	-
Other non cash expenditure	-	-	-	-
<b>Segment results</b>	<u>15,831</u>	<u>13,592</u>	<u>15,831</u>	<u>13,592</u>
<b>Total</b>				
Revenue	1,398,572	1,703,341	1,457,751	1,757,241
Revenue expenditure	(1,296,893)	(1,476,813)	(1,308,515)	(1,494,835)
Depreciation	(70,871)	(71,159)	(78,436)	(79,677)
Other non cash expenditure	(78,129)	(80,119)	(78,129)	(80,119)
<b>Segment results</b>	<u>(47,321)</u>	<u>75,249</u>	<u>(7,329)</u>	<u>102,610</u>
Gains on fair value of biological assets	-	-	-	-
Other Income and Gains	18,547	27,990	11,662	20,035
Administrative Expenses	(77,389)	(66,579)	(82,927)	(71,400)
Management fees	-	-	-	-
Finance Income	1,822	1,270	2,185	2,434
Finance Expenses	(15,090)	(16,403)	(17,507)	(19,940)
Interest paid to Government on Finance Lease	(13,939)	(13,519)	(13,939)	(13,519)
<b>Profit/(Loss) Before Tax</b>	<u>(133,370)</u>	<u>8,007</u>	<u>(107,855)</u>	<u>20,220</u>
<b>2. STATED CAPITAL</b>				
	<b>as at</b>	<b>30.09.2016</b>	<b>30.09.2015</b>	<b>30.09.2016</b>
<b>Issued and fully paid</b>		<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
23,750,000 ordinary shares and a golden share which has special rights held by the Secretary to the Treasury		<u>350,000</u>	<u>350,000</u>	<u>350,000</u>

**TALAWAKELLE TEA ESTATES PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

3. The Interim Financial Statements of the Company/Group are unaudited and have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS/LKAS) and are in compliance with Sri Lanka Accounting Standard 34-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/Group. They also comply with the accounting policies and methods set out in the Annual Report for the period ended 31 March 2016.
4. These interim financial statements does not include the gain arising from the valuation of biological assets as the amounts involved are not considered material.
5. Financial statements does not include/classify Actuarial gain/loss on defined benefit plans costs as the valuation is done at the year end.
6. The presentation and classification of the Interim Financial Statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.
7. No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial statements.
8. There has not been any significant changes in the nature of the contingent liabilities which were disclosed in the Annual Report for the period ended 31.03.2016.
9. In accordance with the Collective Agreement between the Employers' Federation of Ceylon and the Trade Unions, with effect from 15 October 2016, the daily basic wage of workers have been increased from Rs. 450/- to Rs.500/-. An allowance of Rs.30/- of Fixed Price Share is paid in addition to Rs.60/- as an attendance incentive. Rs.140/- as a productivity incentive, totalling to Rs.730/-per day, as compared to Rs. 620/- previously.

TALAWAKELLE TEA ESTATES PLC  
FIRST TWENTY SHAREHOLDERS AS AT 30.09.2016

	Name of the Shareholder	<i>No. of Shares as at 30.09.2016</i>	%
1	HAYLEYS PLANTATION SERVICES (PRIVATE) LIMITED	17,750,000	74.74
2	MERRILL J FERNANDO & SONS (PVT) LIMITED	1,184,700	4.99
3	ANVERALLY AND SONS (PVT) LTD A/C NO 01	613,200	2.58
4	SAMPATH BANK PLC/DR. T. SENTHILVERL SEYLAN BANK PLC/DR. T. SENTHILVERL DR. T. SENTHILVERL	500,000 242,975 57,199	2.11 1.02 0.24
5	WALDOCK MACKENZIE LTD/CEYLINCO SHRIRAM CAPITAL MANAGEMENT SERVICES CO. (PVT) LTD	181,900	0.77
6	MR. N.A. WITHANA	112,100	0.47
7	COCOSHELL ACTIVATED CARBON COMPANY LIMITED	101,007	0.42
8	MR. P.A.D. SAMARASEKERA	53,400	0.22
9	MR. K. C. VIGNARAJAH	48,800	0.20
10	MR. K.S.D. SENAWEERA	47,500	0.20
11	MRS. J.K.P. SINGH	39,537	0.16
12	MRS. F.H. ZAHEEN	24,000	0.10
13	MR. E.A. DEEN	20,000	0.08
14	PACKAGE CARE LIMITED	20,000	0.08
15	MR. Y.L. NANDASENA	16,917	0.07
16	MS. M.J. NIHARA	15,568	0.06
17	MR. M. DURAISINGAM	15,382	0.06
18	HARNAM HOLDINGS SDN BHD	15,000	0.06
19	MR. P. KUMARAN	13,531	0.05
20	MR. R. MAHESWARAN	13,334	0.05

**Directors Shareholdings as at end of 30.09.2016**

**Mr. Merrill J Fernando** - **1,184,700**  
(These shares are held through Merrill J Fernando & Sons (Pvt) Ltd.)

**Dr. K. I. M. Ranasoma** - **500 shares**

**Mr. D. S. Seneviratne** - **600 shares**

**Mr. W.G.R. Rajadurai** - **1000 shares**

## CORPORATE INFORMATION

### Name of Company

Talawakelle Tea Estates PLC  
( A quoted public company with limited liability, incorporated  
in Sri Lanka on 22nd June 1992)

### Company Registration Number

PQ 36

### Stock Exchange Listing

The ordinary shares of the Company are listed with the Colombo Stock  
Exchange of Sri Lanka

### Directors

Mr.A M Pandithage - Chairman  
Mr.W G R Rajadurai - Managing Director  
Mr.Merrill J Fernando  
Mr.Malik J Fernando (Alternate - Mr.D C Fernando)  
Dr.S S S B D G Jayawardena  
Mr.L N De S Wijeyeratne ( Resigned - 08/07/16)  
Dr.K I M Ranasoma  
Mr.W D N H Perera (Alternate - Mr.J. M. Kariapperuma)  
Ms. M D A Perera  
Mr.N T Bogahalande  
Mr.D S Seneviratne  
Mr.S L Athukorala (Appointed - 18/08/16)

### Secretaries

Hayleys Group Services (Pvt) Limited  
No.400, Deans Road, Colombo 10, Sri Lanka

### Subsidiaries

TTEL Hydro Power Company (Pvt) Ltd  
TTEL Somerset Hydro Power (Pvt) Ltd

### Registered Office

No.400, Deans Road, Colombo 10,  
Sri Lanka  
Telephone: (94-11) -2627754-5, 2697203  
Fax : (94-11) -2627782  
e-mail: [tpl.tea@ttel.hayleys.com](mailto:tpl.tea@ttel.hayleys.com)  
website: [www.talawakelleteas.com](http://www.talawakelleteas.com)

### Principal Lines of Business

Cultivation, manufacture and sale of Tea

## INVESTOR INFORMATION

MARKET VALUE OF SHARES	2016 Rs.	2015 Rs.
Closing price on .....	35.50	37.30
Highest price recorded for the six months ending	39.30	44.00
Lowest price recorded for the six months ending	33.40	31.50
Highest price recorded for the three months ending	37.60	37.90
Lowest price recorded for the three months ending	35.00	34.50
<b>RATIOS</b>		
Market capitalisation (Rs. '000)	843,125	885,875
Price Earning Ratio (times)	(6.92)	117.64
<b>SHARE TRADING FROM 01ST APRIL, 2016 TO 30TH SEPTEMBER, 2016</b>		
No. of transactions	315	1,245
No. of shares traded	330,700	826,644
Value of shares traded (Rs.)	11,978,972	31,517,994
Public Holding %	20.27	20.27
Total Number of shareholders representing the public holding	13,548	13,643