

**PELWATTE SUGAR INDUSTRIES PLC
AND IT'S SUBSIDIARIES**

**PROVISIONAL
CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE 01 QUARTER ENDED
JUNE 2009**

PELWATTE SUGAR PLC & ITS SUBSIDIARIES
PROVISIONAL FINANCIAL STATEMENTS
BALANCE SHEET AS AT 30TH JUNE 2009

	Group		Company		Audited	
	30/06/09 Rs."000"	30/06/08 Rs."000"	30/06/09 Rs."000"	30/06/08 Rs."000"	31/03/2009 Rs."000"	31/03/2009 Rs."000"
ASSETS						
Non-Current Assets						
Property Plant & Equipment	3,351,905	1,020,743	2,128,100	832,581	3,285,268	2,072,812
Biological assets	907	-	-	-	907	-
Investment In Subsidiary	-	-	100,000	100,000	-	100,000
Other Investment	14,000	4,000	14,000	4,000	14,000	14,000
	<u>3,366,812</u>	<u>1,024,743</u>	<u>2,242,100</u>	<u>936,581</u>	<u>3,300,175</u>	<u>2,186,812</u>
Current Assets						
Inventories	721,957	912,438	663,837	836,933	675,220	627,714
Trade and Other receivables	120,786	183,988	103,375	106,141	52,371	27,323
Farmer Loans	374,971	294,683	374,971	294,683	347,420	347,420
Amount due from related parties	6,800	103,159	157,540	103,159	-	155,808
Short Term Deposits	61,500	258,645	61,500	258,645	-	-
Cash and Bank balances	20,175	10,431	3,544	2,860	53,623	49,700
	<u>1,306,189</u>	<u>1,763,344</u>	<u>1,364,767</u>	<u>1,602,421</u>	<u>1,128,634</u>	<u>1,207,965</u>
Total Assets	4,673,001	2,788,087	3,606,867	2,539,002	4,428,809	3,394,777
EQUITY AND LIABILITIES						
Capital & Reserves						
Stated Capital	679,769	679,769	679,769	679,769	679,769	679,769
Reserves	1,967,016	390,322	1,641,227	390,322	1,967,016	1,641,227
Accumulated Profit/(Loss)	(894,874)	(776,283)	(958,143)	(1,000,353)	(891,190)	(985,737)
Total equity	1,751,911	293,808	1,362,853	69,738	1,755,595	1,335,259
Minority Interest	1,703	100,286	-	-	14,062	-
	<u>1,753,614</u>	<u>394,094</u>	<u>1,362,853</u>	<u>69,738</u>	<u>1,769,657</u>	<u>1,335,259</u>
Non Current Liabilities						
Long Term Liabilities	423,588	399,067	4,715	399,067	329,668	8,037
Deferred Liabilities	234,416	64,710	231,382	201,127	206,160	203,127
Deferred Tax Liabilities	178,489	204,343	-	-	178,489	-
	<u>836,493</u>	<u>668,120</u>	<u>236,097</u>	<u>600,194</u>	<u>714,317</u>	<u>211,164</u>
Current Liabilities						
Trade & Other Payables	902,347	988,605	700,556	796,276	811,132	672,218
Interest Bearing Loans & Borrowings	1,051,324	737,268	1,050,959	737,268	994,933	930,827
Income Tax liabilities	70,791	-	35,638	30,701	60,689	25,536
Amounts due to Related Parties	58,432	-	220,764	304,825	78,081	219,773
	<u>2,082,894</u>	<u>1,725,873</u>	<u>2,007,917</u>	<u>1,869,070</u>	<u>1,944,835</u>	<u>1,848,354</u>
Total Equity & Liabilities	4,673,001	2,788,087	3,606,867	2,539,002	4,428,809	3,394,777
Net Asset Per Share	25.80	5.80	20.05	1.03	26.03	19.64
Market price	-					
			30/06/2009	30/06/2008		
Highest (for the period)	Rs.		21.75	25.00		
Lowest (for the period)	Rs.		12.75	16.00		
Closing	Rs.		21	16.75		

Note: all values are in Rupees Thousand.

Signature
Ajith Pallegge
Financial Accountant

Signature
A Wickramanayake
Director

Signature
Y Thilakasena
Director

PELWATTE SUGAR INDUSTRIES PLC & ITS SUBSIDIARIES
INCOME STATEMENT

For the period ended 30 June 2009

	Group		Company		Group		Company	
	03 Month Ended 30/06/09 Rs."000"	03 Month Ended 30/06/08 Rs."000"	03 Month Ended 30/06/09 Rs."000"	03 Month Ended 30/06/08 Rs."000"	01st quarter Ended 30/06/09 Rs."000"	01st quarter Ended 30/06/08 Rs."000"	01st quarter Ended 30/06/09 Rs."000"	01st quarter Ended 30/06/08 Rs."000"
Revenue	544,133	289,441	553,453	324,610	544,133	289,441	553,453	324,610
Cost of sales	(381,858)	(178,913)	(387,714)	(205,436)	(381,858)	(178,913)	(387,714)	(205,436)
Gross Profit	162,275	110,528	165,739	119,174	162,275	110,528	165,739	119,174
Other Operating Income	2,084	10,789	1,867	10,781	2,084	10,789	1,867	10,781
Administration & Other Operating Expenses	(123,250)	(72,844)	(88,911)	(60,878)	(123,250)	(72,844)	(88,911)	(60,878)
Profit from Operating Activities	41,109	48,473	78,695	69,077	41,109	48,473	78,695	69,077
Finance Cost	(57,152)	(81,856)	(51,101)	(80,949)	(57,152)	(81,856)	(51,101)	(80,949)
Profit / (Loss) from Ordinary Activities before Tax	(16,043)	(33,383)	27,594	(11,872)	(16,043)	(33,383)	27,594	(11,872)
Taxation Charge For the Year	-	-	-	-	-	-	-	-
Profit from Ordinary Activities after Tax	(16,043)	(33,383)	27,594	(11,872)	(16,043)	(33,383)	27,594	(11,872)
Minority Interest	12,359	3,586	-	-	12,359	3,586	-	-
Net Profit Attributable To the Group	(3,684)	(29,797)	27,594	(11,872)	(3,684)	(29,797)	27,594	(11,872)
Statement of accumulated profit/(loss)								
At the Beginning of the year	(891,190)	(746,486)	(985,737)	(988,481)	(891,190)	(746,486)	(985,737)	(988,481)
Profit retained for the year	(3,684)	(29,797)	27,594	(11,872)	(3,684)	(29,797)	27,594	(11,872)
	(894,874)	(776,283)	(958,143)	(1,000,353)	(894,874)	(776,283)	(958,143)	(1,000,353)
Earnings Per Share (Rs.)	(0.05)	(0.44)	0.41	(0.17)	(0.05)	(0.44)	0.41	(0.17)

Notes

1. The Company and the Group have followed the same Accounting policies and methods of computation as disclosed in the recently published annual Financial statements.
2. Balances shown for the previous year have been re-classified to facilitate comparison with current year classifications.
3. The above figures are provisional and subject to Audit.
4. The values are in Sri Lankan Rupees thousands.

PELWATTE SUGAR INDUSTRIES PLC AND IT'S SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY AS AT 30/06/2009

GROUP

	Stated Capital	Revaluation Reserve	Reserve on Off shore loan Settlement	Reserve on Government Debentures	Accumulated Profit(Loss)	Total
	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Balance as at 01st April 2009	679,769	1,596,064	136,378	234,574	(891,190)	1,755,595
Net Profit(Loss) for the period					(3,684)	(3,684)
	679,769	1,596,064	136,378	234,574	(894,874)	1,751,911

COMPANY

	Stated Capital	Revaluation Reserve	Reserve on Off shore loan Settlement	Reserve on Government Debentures	Accumulated Profit(Loss)	Total
	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Balance as at 01st April 2009	679,769	1,270,275	136,378	234,574	(985,736)	1,335,260
Net Profit(Loss) for the period					27,593	27,593
	679,769	1,270,275	136,378	234,574	(958,143)	1,362,853

STATEMENTS OF CHANGES IN EQUITY AS AT 30/06/2008
GROUP

	Stated Capital	Revaluation Reserve	Funds Awaiting Allotment	Reserve on Off shore loan Settlement	Reserve on Government Debentures	Accumulated Profit(Loss)	Total
	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Balance as at 01st April 2008	679,769	3,441	15,929	Rs.0 136,378	234,574	(746,486)	323,605
Net Profit(Loss) for the period						(29,797)	(29,797)
	679,769	3,441	15,929	136,378	234,574	(776,283)	293,808

COMPANY

	Stated Capital	Revaluation Reserve	Funds Awaiting Allotment	Reserve on Off shore loan Settlement	Reserve on Government Debentures	Accumulated Profit(Loss)	Total
	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Balance as at 01st April 2008	679,769	3,441	15,929	136,378	234,574	(988,481)	81,610
Net Profit(Loss) for the period						(11,872)	(11,872)
	679,769	3,441	15,929	136,378	234,574	(1,000,353)	69,738

PELWATTE SUGAR INDUSTRIES LIMITED AND IT'S SUBSIDIARIES
CASHFLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2009

	Group		Company	
	30/06/09 Rs. "000"	30/06/08 Rs. "000"	30/06/09 Rs. "000"	30/06/08 Rs. "000"
Cash flows from Operating Activities				
Net profit/(Loss) before income tax Expenses	(3,684)	(33,383)	27,594	(11,872)
Adjustments for				
Depreciation	58,421	25,561	43,637	20,101
Finance Income	(1,867)	(10,781)	(1,867)	(10,781)
Finance costs	56,567	80,949	51,101	80,949
provisions for retirement benefit obligations	33,225	8,226	33,225	8,226
Operating profit before working capital changes	142,662	70,572	153,690	86,623
(Increase)/Decrease in Inventories	(46,737)	(280,241)	(36,123)	(218,502)
(Increase)/Decrease in Trade & other receivables	(68,415)	(37,452)	(64,427)	(36,497)
(Increase) /Decrease Due from Farmers	(27,551)	(27,464)	(27,551)	(27,464)
(Increase) /Decrease Due from Related Parties	6,800		(1,732)	-
(Increase) /Decrease in Short Term deposit	-	325,000	-	325,000
Increase /(Decrease) in Trade & other payables	79,215	109,884	28,338	82,669
Increase /(Decrease) in amounts due to related parties	(14,443)	(206)	991	(89,403)
Cash generated from operations	71,531	160,093	53,186	122,426
Finace Cost Paid	(56,567)	(80,949)	(51,101)	(80,949)
Tax Paid	(20,000)	(29,194)	(20,000)	-
Retirement Benefit Obligations paid	(4,969)	(8,250)	(4,969)	(8,226)
Net Cash from/(used in) Operating activities	(10,005)	41,700	(22,884)	33,251
Cash flows from/(used in) investing activities				
Acquisition of property plant & equipment	(13,750)	(4,486)	(18,818)	(4,467)
Interest Received	1,867	10,781	1,867	10,781
Net cash flow from /(used in) Investing Activities	(11,883)	6,295	(16,951)	6,314
Cash flows from/(used in) financing activities				
Loan Bearing & Borrowings	(57,688)	(177,604)	(57,103)	(177,604)
Net cash flow from /(used in) Financing Activities	(57,688)	(177,604)	(57,103)	(177,604)
Net increase/(decrease) in cash and cash equivalents	(79,576)	(129,609)	(96,938)	(138,039)
Cash and cash equivalents at the beginning of the year	(371,008)	(338,584)	(369,912)	(337,725)
Cash and cash equivalents at the end of the year	(450,584)	(468,193)	(466,850)	(475,764)

Pelwatte Sugar Industries PLC and Subsidiary

NOTES TO THE FINANCIAL STATEMENTS

Period ended 30 June 2009

REVENUE	Group		Company					
	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Summary	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Turnover	544,133	289,441	553,453	324,610				
Turnover is derived from the following:								
Sugar	417,733	185,802	417,733	185,802				
Molasses	360	-	135,720	138,808				
Spirits	123,004	103,639	-	-				
Dairy	3,036	-	-	-				
	544,133	289,441	553,453	324,610				
Segment Information								
Segment Revenue	Sugar		Spirits		Other/Molasses		Dairy	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross Revenue								
- Others	417,733	185,802	123,004	103,639	360	-	3,036	-
- Related parties	-	-	-	-	155,237	138,808	-	-
Inter Segment Sales	-	-	-	-	(155,237)	(138,808)	-	-
Sales to Customers Outside the Group	417,733	185,802	123,004	103,639	360	-	3,036	-
Segment Results								
Profit/(Loss) Before Tax	27,594	(11,872)	(28,382)	(21,510)	-	-	(15,255)	-
	-	-	-	-	-	-	-	-
	27,594	(11,872)	(28,382)	(21,510)	-	-	(15,255)	-
Other								
Capital Expenditures	11,818	4,486	1,014	4,467	-	-	918	-
Depreciation	43,637	25,561	11,359	5,460	-	-	3,257	-
Segment Assets								
Non Current Assets	2,242,100	1,024,743	739,931	259,891	-	-	484,781	-
Current Assets	1,364,767	1,763,344	244,561	329,308	-	-	23,677	-
	3,606,867	2,788,087	984,492	589,199	-	-	508,458	-
Segment Liabilities								
Non Current Liabilities	236,097	668,120	181,488	3,216	-	-	418,908	-
Current Liabilities	2,007,917	1,725,873	234,088	161,627	-	-	169,009	-
	2,244,014	2,393,993	415,576	164,843	-	-	587,917	-

**PELWATTE SUGER INDUSTRIES PLC
TOP 20 SHAREHOLDERS AS AT 30TH JUNE 2009**

NAME	NO. OF SHARES	%
1 MASTER DIVERS (PVT) LTD	55,563,845	81.7
2 MR. D. A. DE S. WICKRAMANAYAKE	2,203,700	3.2
3 MRS. P.N. BHATT	619,900	0.9
4 SEYLAN BANK LIMITED/PRIYANI DHARSHINI RATNA GOPAL DE ZOYSA	576,400	0.8
5 MR. SAW KONG BENG	500,000	0.7
6 THURSTON INVESTMENTS LIMITED	206,700	0.3
7 GOODHOPE HOLDING LIMITED	175,000	0.3
8 MISS. A. M. UDESHI	162,000	0.2
9 CEYLON BISCUITS LIMITED	151,600	0.2
10 CINNOVATION INCORPORATED	141,300	0.2
11 DR. (MRS.) V SIVAPRAKASAPILLAI	138,200	0.2
12 MR. E.A. SUMANASIRI	130,000	0.2
13 MISS. S. M. WARNAKULASOORIYA	120,000	0.2
14 DPMC FINANCIAL SERVICES (PVT) LTD ACCOUNT NO. 01	104,700	0.2
15 TRANZ DOMINION, L.L.C.	98,000	0.1
16 BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND	96,900	0.1
17 MR. Y. THILAKASENA	94,300	0.1
18 WALDOCK MACKENZIE LTD / DELMEGE FORSYTH & CO. (SHIPPING)	94,200	0.1
19 DPMC FINANCIAL SERVICES (PVT) LTD ACCOUNT NO. 02	88,100	0.1
20 NATIONAL DEVELOPMENT BANK/ MOULDEX LIMITED	87,700	0.1

Pelwatte Sugar Industries PLC
Directors shareholding as at 30th June 2009

Name	No. of Shares
Mr. M.J.C. Amarasuriya	65,000
Mr. D.A. De S. Wickramanayake	2,203,700
Mr. Y. Thilakasena	94,300
Dr. C. S. Weeraratna	NIL

Pelwatte Sugar Industries PLC
Public Shareholding as at 30th June 2009

STATED CAPITAL		67,976,891
MORE THAN 10% & THE PARENT COMPANY		
Master Divers (Pvt) Ltd		(55,563,845)
DIRECTORS		
Mr. D.A. De S. Wickramanayake	2,203,700	
Mr. Y. Thilakasena	94,300	
Mr. M.J.C. Amarasuriya	65,000	(2,363,000.00)
Public Shareholding	<u>10,050,046.00</u>	
Public Holding %		14.78 %

Note

1. There is no liability to management fees or any other similar expenditure not provided for in the interim accounts
2. there is no change in the use of funds raised through an IPO/Rights/Debenture issue

Pelwatte Sugar Industries PLC and Subsidiaries
NOTES TO THE FINANCIAL STATEMENTS
Period ended 30 June 2009

NOTE 01

Company has two seasons for Cane harvesting and crushing, namely "YALA" and "MAHA" which mainly exist from February to March and mid of May to end of October respectively. Company's income mostly raised these two period

NOTE 02

No circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the Financial Statements.

NOTE 03

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 31st March 2009.