

**TALAWAKELLE TEA ESTATES PLC**

**Interim Financial Statements**

**Nine months ended 31st December 2017**

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

Group Audited 12 months ended 31.03.2017 Rs.'000		Group			Group		
		Unaudited 09 months ended 31.12.2017 Rs.'000	Unaudited 09 months ended 31.12.2016 Rs.'000	% Change	Unaudited 03 months ended 31.12.2017 Rs.'000	Unaudited 03 months ended 31.12.2016 Rs.'000	% Change
3,334,494	Revenue	2,949,553	2,257,880	31%	876,360	800,129	10%
(2,898,184)	Cost of Sales	(2,497,906)	(2,145,546)	16%	(660,174)	(680,466)	-3%
436,310	Gross profit	451,647	112,334	>100%	216,186	119,663	81%
16,743	Gain/(Loss) on Fair Value of Biological Assets	-	-	-	-	-	-
22,452	Other Income and Gains	14,953	17,547	-15%	6,914	5,885	17%
(153,521)	Administrative Expenses	(126,263)	(124,420)	1%	(39,760)	(41,492)	-4%
321,984	<b>Results From Operating Activities</b>	<b>340,338</b>	<b>5,461</b>		<b>183,340</b>	<b>84,056</b>	
8,951	Finance Income	36,748	4,597	>100%	15,356	2,412	>100%
(35,758)	Finance Expenses	(17,601)	(27,280)	-35%	(4,897)	(9,774)	-50%
(28,790)	Interest Paid to Government on Finance Lease	(21,902)	(20,908)	5%	(7,566)	(6,969)	9%
(55,597)	Net Finance Expenses	(2,755)	(43,592)		2,893	(14,331)	
266,388	<b>Profit/(Loss) Before Tax</b>	<b>337,583</b>	<b>(38,130)</b>	<b>&gt;100%</b>	<b>186,233</b>	<b>69,725</b>	<b>&gt;100%</b>
(24,906)	Income Tax expenses	(47,837)	5,149	>100%	(29,382)	5,408	>-100%
241,482	<b>Profit/(Loss) for the period</b>	<b>289,746</b>	<b>(32,981)</b>		<b>156,851</b>	<b>75,133</b>	
	<b>Attributable to :</b>						
233,769	Equity Holders of the Parent	288,693	(44,095)		153,592	77,759	
7,713	Non-Controlling Interest	1,053	11,114		3,260	(2,626)	
241,482	<b>Net profit/(Loss) for the period</b>	<b>289,746</b>	<b>(32,981)</b>		<b>156,851</b>	<b>75,133</b>	
9.84	Basic earnings/(loss) per share (Rs.)	12.16	(1.86)		6.47	3.27	
1.00	Dividend per share (Rs.)	1.00	-		-	-	
	<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
241,482	<b>Profit/ (Loss) for the period</b>	<b>289,746</b>	<b>(32,981)</b>		<b>156,851</b>	<b>75,133</b>	
	<b>Other Comprehensive Income</b>						
	<b>Other Comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>						
217,547	Actuarial Gain on Defined Benefit Plans	-	-		-	-	
(34,290)	Income Tax Effect	-	-		-	-	
183,257	<b>Other Comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
424,739	<b>Total comprehensive income for the period, net of tax</b>	<b>289,746</b>	<b>(32,981)</b>		<b>156,851</b>	<b>75,133</b>	
	<b>Attributable to:</b>						
417,080	Equity Holders of the Parent	288,693	(44,095)		153,592	77,759	
7,659	Non- Controlling Interest	1,053	11,114		3,260	(2,626)	
424,739		<b>289,746</b>	<b>(32,981)</b>		<b>156,851</b>	<b>75,133</b>	

Figures in brackets indicate deductions

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

Company Audited 12 months ended 31.03.2017 Rs.'000	Company			Company			
	Unaudited 09 months ended 31.12.2017 Rs.'000	Unaudited 09 months ended 31.12.2016 Rs.'000	% Change	Unaudited 03 months ended 31.12.2017 Rs.'000	Unaudited 03 months ended 31.12.2016 Rs.'000	% Change	
3,262,361	<b>Revenue</b>	<b>2,906,436</b>	2,190,683	33%	<b>856,219</b>	792,112	8%
(2,859,851)	Cost of Sales	<b>(2,469,251)</b>	(2,116,738)	17%	<b>(650,759)</b>	(670,845)	-3%
402,510	<b>Gross profit</b>	<b>437,185</b>	73,945	>100%	<b>205,459</b>	121,266	69%
16,743	Gain/(Loss) on Fair Value of Biological Assets	-	-	-	-	-	-
36,865	Other Income and Gains	<b>14,953</b>	24,432	-39%	<b>6,914</b>	5,885	-1%
(143,953)	Administrative Expenses	<b>(118,764)</b>	(116,615)	2%	<b>(37,418)</b>	(39,226)	-5%
312,166	<b>Results From Operating Activities</b>	<b>333,375</b>	(18,238)		<b>174,955</b>	87,925	
8,122	Finance Income	<b>36,748</b>	3,874	>100%	<b>15,356</b>	2,052	>100%
(31,438)	Finance Expenses	<b>(14,802)</b>	(23,856)	-38%	<b>(4,071)</b>	(8,766)	-54%
(28,790)	Interest Paid to Government on Finance Lease	<b>(21,902)</b>	(20,908)	5%	<b>(7,566)</b>	(6,969)	9%
(52,106)	Net Finance Expenses	<b>44</b>	(40,890)		<b>3,720</b>	(13,683)	
260,061	<b>Profit/(Loss) Before tax</b>	<b>333,418</b>	(59,128)	>100%	<b>178,675</b>	74,243	>100%
(17,767)	Income Tax Expenses	<b>(46,572)</b>	11,100	>100%	<b>(28,726)</b>	6,000	-579%
242,294	<b>Profit/(Loss) for the period</b>	<b>286,847</b>	(48,028)		<b>149,949</b>	80,243	
	<b>Attributable to :</b>						
242,294	Equity Holders of the Parent	<b>286,847</b>	(48,028)		<b>149,949</b>	80,243	
-	Non-Controlling Interest	-	-		-	-	
242,294	<b>Net profit/(Loss) for the period</b>	<b>286,847</b>	(48,028)		<b>149,949</b>	80,243	
10.20	Basic earnings/(loss) per share (Rs.)	<b>12.08</b>	(2.02)		<b>6.31</b>	3.38	
1.00	Dividend per share (Rs.)	<b>1.00</b>	-		-	-	

**STATEMENT OF COMPREHENSIVE INCOME**

242,294	<b>Profit/ (Loss) for the period</b>	<b>286,847</b>	(48,028)		<b>149,949</b>	80,243	
	<b>Other Comprehensive Income</b>						
	<b>Other Comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>						
217,671	Actuarial gain on defined benefit plans	-	-		-	-	
(34,305)	Income tax effect	-	-		-	-	
183,366	<b>Other Comprehensive income for the period, net of tax</b>	-	-		-	-	
425,661	<b>Total comprehensive income for the period, net of tax</b>	<b>286,847</b>	(48,028)		<b>149,949</b>	80,243	
	<b>Attributable to:</b>						
425,661	Equity Holders of the Parent	<b>286,847</b>	(48,028)		<b>149,949</b>	80,243	
-	Non- controlling Interest	-	-		-	-	
425,661		<b>286,847</b>	(48,028)		<b>149,949</b>	80,243	

Figures in brackets indicate deductions

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

Company Audited As at 31.03.2017 Rs.'000	Group Audited As at 31.03.2017 Rs.'000		Company		Group	
			Unaudited As at 31.12.2017 Rs.'000	Unaudited As at 31.12.2016 Rs.'000	Unaudited As at 31.12.2017 Rs.'000	Unaudited As at 31.12.2016 Rs.'000
		<b>ASSETS</b>				
		<b>Non Current Assets</b>				
166,286	166,286	Right-to-use of Land	161,718	168,072	161,718	168,072
		Immovable estate assets on finance lease (other than Right to use of Land)	58,001	68,983	58,001	68,983
66,237	66,237	Tangible assets other than Immature/Mature Plantations	710,465	689,419	1,041,737	1,036,649
686,007	1,029,356	Immature/Mature Plantations	1,793,322	1,801,486	1,793,322	1,801,486
1,801,915	1,801,915	Consumable Biological Assets	243,818	223,254	243,818	223,254
236,837	236,837	Development Cost	-	-	5,519	6,479
-	6,239	Investments in Subsidiaries	134,933	134,933	-	-
134,933	-	Deferred Tax Asset	-	-	14,652	14,626
-	14,822		3,102,258	3,086,146	3,318,768	3,319,549
3,092,215	3,321,692	<b>Current Assets</b>				
		Produce on Bearer Biological Assets	9,947	2,145	9,947	2,145
9,947	9,947	Inventories	350,357	398,145	352,777	400,565
372,307	374,727	Trade and Other Receivables	101,896	88,876	130,410	104,227
157,227	171,249	Amounts due from Related Companies	4,689	2,730	4,689	2,730
2,381	2,381	Short Term Investments	615,994	131,662	615,994	152,022
226,760	226,760	Cash and Bank Balances	5,546	14,750	6,828	28,451
18,915	29,849		1,088,429	638,308	1,120,645	690,140
787,538	814,915	<b>TOTAL ASSETS</b>	4,190,687	3,724,454	4,439,413	4,009,689
3,879,753	4,136,607					
		<b>EQUITY AND LIABILITIES</b>				
		<b>Equity</b>				
350,000	350,000	Stated Capital	350,000	350,000	350,000	350,000
172,742	172,742	Timber Reserves	172,742	164,435	172,742	164,435
9,947	9,947	Biological Crop Reserves	9,947	2,145	9,947	2,145
1,502,998	1,541,056	Retained Earnings	1,766,094	1,069,168	1,805,999	1,119,741
2,035,686	2,073,745	<b>Equity attributable to equity holders of the parent</b>	2,298,783	1,585,747	2,338,687	1,636,320
-	173,609	Non-Controlling Interests	-	-	174,662	184,297
2,035,686	2,247,354	<b>Total Equity</b>	2,298,783	1,585,747	2,513,349	1,820,617
		<b>Non Current Liabilities &amp; Deferred Income</b>				
123,414	139,538	Interest Bearing Loans & Borrowings	87,704	213,563	87,704	235,062
799,699	801,101	Retiring Benefit Obligations	819,289	1,031,600	820,691	1,032,668
127,898	127,898	Deferred Tax Liability	153,587	81,375	153,587	81,375
155,426	155,426	Deferred Income	150,934	156,940	150,934	156,940
187,174	187,174	Liability to make Lease Payment after one year	186,629	187,235	186,629	187,235
1,393,611	1,411,137		1,398,143	1,670,713	1,399,545	1,693,280
		<b>Current Liabilities</b>				
376,969	384,487	Trade and Other Payables	406,079	368,521	417,885	378,660
50,822	72,321	Interest Bearing Loans & Borrowings	48,951	63,084	70,450	84,583
727	727	Liability to make Lease Payment within one year	727	643	727	643
8,549	7,117	Amounts due to Related Companies	12,662	11,777	9,895	7,938
-	-	Short Term Borrowings	-	-	-	-
13,390	13,465	Bank Overdraft	25,342	23,969	27,563	23,969
450,457	478,116		493,761	467,994	526,519	495,792
1,844,068	1,889,253	<b>TOTAL LIABILITIES</b>	1,891,904	2,138,707	1,926,064	2,189,072
3,879,753	4,136,607	<b>TOTAL EQUITY AND LIABILITIES</b>	4,190,687	3,724,454	4,439,413	4,009,689
85.71	87.32	Net assets per share	96.79	66.77	98.47	68.90

The Statements of Financial Position as at 31st December 2017 and the Statements of Profit or Loss, Statements of Comprehensive Income, the Statements of Changes in Equity and Cash flow statements for the nine 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  
29th January 2018

(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	Biological Crop Reserve	Total	Non Controlling Interest	Total Equity
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Adjusted Balance as at 01st April 2016	350,000	1,117,196	164,435	2,145	1,633,775	-	1,633,775
Profit/ (Loss) for the period	-	(48,028)	-	-	(48,028)	-	(48,028)
Other comprehensive income	-	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-	-
Realised gain on timber sales	-	-	-	-	-	-	-
Transferred to the biological crop reserve	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Balance as at 31st December 2016	350,000	1,069,168	164,435	2,145	1,585,747	-	1,585,747
<b>Balance as at 01st April 2017</b>	<b>350,000</b>	<b>1,502,998</b>	<b>172,742</b>	<b>9,947</b>	<b>2,035,686</b>	<b>-</b>	<b>2,035,686</b>
Profit/ (Loss) for the period	-	286,847	-	-	286,847	-	286,847
Other comprehensive income	-	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-	-
Realised gain on timber sales	-	-	-	-	-	-	-
Transferred to the biological crop reserve	-	-	-	-	-	-	-
Dividends	-	(23,750)	-	-	(23,750)	-	(23,750)
Balance as at 31st December 2017	350,000	1,766,094	172,742	9,947	2,298,783	-	2,298,783

<u>Group</u>	Stated Capital	Attributable to equity holders of the parent			Total	Non Controlling Interest	Total Equity
		Retained Earnings	Timber Reserve	Biological Crop Reserve			
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Adjusted Balance as at 01st April 2016	350,000	1,163,836	164,435	2,145	1,680,415	179,797	1,860,213
Profit/ (Loss) for the period	-	(44,095)	-	-	(44,095)	11,114	(32,981)
Other comprehensive income	-	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-	-
Realised gain on timber sales	-	-	-	-	-	-	-
Transferred to the biological crop reserve	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(6,615)	(6,615)
Balance as at 31st December 2016	350,000	1,119,741	164,435	2,145	1,636,320	184,297	1,820,617
<b>Balance as at 01st April 2017</b>	<b>350,000</b>	<b>1,541,056</b>	<b>172,742</b>	<b>9,947</b>	<b>2,073,745</b>	<b>173,609</b>	<b>2,247,353</b>
Profit/ (Loss) for the period	-	288,693	-	-	288,693	1,053	289,746
Other comprehensive income	-	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-	-
Realised gain on timber sales	-	-	-	-	-	-	-
Transferred to the biological crop reserve	-	-	-	-	-	-	-
Dividends	-	(23,750)	-	-	(23,750)	-	(23,750)
Balance as at 31st December 2017	350,000	1,805,999	172,742	9,947	2,338,687	174,662	2,513,349

Figures in brackets indicate deductions

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

Company Audited	Group Audited		Company		Group	
			Unaudited	Unaudited	Unaudited	Unaudited
12months ended	12months ended		09months ended	09months ended	09months ended	09months ended
31.03.2017	31.03.2017	CASH FLOWS FROM OPERATING ACTIVITIES	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
260,061	266,388	Net profit/(Loss) before Taxation	333,418	(59,128)	337,583	(38,130)
		<b>ADJUSTMENTS FOR</b>				
135,911	136,120	Provision for defined benefit plan costs	105,419	117,165	105,419	117,165
138,226	155,330	Depreciation/amortisation	112,233	106,438	125,096	119,260
(5,300)	(5,300)	Amortisation of grants	(3,975)	(3,786)	(3,975)	(3,786)
(14,413)	-	Dividend Income	-	(6,885)	-	-
31,437	35,758	Finance costs	14,802	23,856	17,601	27,280
28,790	28,790	Government Lease Interest	21,902	20,908	21,902	20,908
(7,521)	(7,521)	(Profit)/ Loss on disposal of assets	(8,196)	(6,520)	(8,196)	(6,520)
(16,743)	(16,743)	(Gains)/ Loss on Fair Value of Biological Assets	-	-	-	-
(8,705)	(8,705)	Profit on Sale of Trees	(752)	(6,314)	(752)	(6,314)
-	-	Cost of Asset Returned	182	-	182	-
541,742	584,117	<b>Operating profit before working capital changes</b>	<b>575,034</b>	<b>185,736</b>	<b>594,860</b>	<b>229,864</b>
(48,879)	(48,956)	(Increase)/Decrease in Inventories	21,951	(74,717)	21,951	(74,794)
649	(1,083)	(Increase)/Decrease in Trade and Other Receivables	55,331	69,000	40,839	67,999
106,575	105,161	Increase/(Decrease) in Trade and Other Payables	24,833	111,295	28,257	110,027
756	756	(Increase)/Decrease in Amounts due from Related Companies	(2,308)	407	(2,308)	407
(1,962)	(221)	Increase/(Decrease) in Amounts due to Related Companies	4,113	1,267	2,778	600
598,881	639,774	<b>Cash generated from operations</b>	<b>678,954</b>	<b>292,988</b>	<b>686,377</b>	<b>334,103</b>
(31,437)	(35,758)	Finance costs paid	(14,802)	(23,856)	(17,601)	(27,280)
(16,714)	(20,440)	Payment of Super Gain Tax/ESC / Income Tax / SRL	(16,209)	(12,702)	(16,209)	(14,641)
(98,206)	(98,206)	Defined benefit plan costs paid	(85,829)	(65,230)	(85,829)	(65,230)
452,522	485,370	<b>Net cash from operating activities</b>	<b>562,114</b>	<b>191,199</b>	<b>566,738</b>	<b>226,951</b>
		<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
9,624	9,624	Grant Received	(517)	9,624	(517)	9,624
14,413	-	Dividend Income Received	-	6,885	-	-
9,339	9,339	Proceeds from Sale of Trees	752	6,314	752	6,314
11,383	11,383	Proceeds from Disposal of Property, Plant & Equipment	8,750	9,633	8,750	9,633
(88,645)	(88,645)	Field Development Expenditure	(52,918)	(72,847)	(52,918)	(72,847)
(44,578)	(44,905)	Purchase of Property, Plant & Equipment	(70,094)	(30,105)	(70,391)	(30,270)
(88,463)	(103,204)	<b>Net cash used in investing activities</b>	<b>(114,027)</b>	<b>(70,495)</b>	<b>(114,324)</b>	<b>(77,545)</b>
		<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
(23,750)	(37,598)	Dividend Paid	(23,750)	-	(23,750)	(6,615)
(29,401)	(29,401)	Payment of Government lease rentals	(22,845)	(22,051)	(22,845)	(22,051)
135,000	135,000	Proceeds from loans	52,693	135,000	52,693	135,000
(161,630)	(183,129)	Repayment /Transfer of loans	(90,274)	(59,219)	(106,398)	(75,343)
(79,781)	(115,128)	<b>Net cash from financing activities</b>	<b>(84,175)</b>	<b>53,730</b>	<b>(100,299)</b>	<b>30,991</b>
284,277	267,038	<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>363,911</b>	<b>174,434</b>	<b>352,115</b>	<b>180,397</b>
(51,990)	(23,893)	<b>A. Cash &amp; cash equivalents at the beginning of the year</b>	<b>232,287</b>	<b>(51,990)</b>	<b>243,145</b>	<b>(23,893)</b>
232,287	243,145	<b>B. Cash &amp; cash equivalents at the end of the period</b>	<b>596,198</b>	<b>122,444</b>	<b>595,260</b>	<b>156,504</b>
		<b>NOTE A</b>				
		Cash & cash equivalents at the beginning of the year				
9,097	27,130	Cash & bank balances	18,916	9,097	29,850	27,130
43,126	53,191	Short term Investments	226,760	43,126	226,760	53,191
(62,214)	(62,214)	Bank overdrafts	(13,389)	(62,214)	(13,465)	(62,214)
(42,000)	(42,000)	Short term loans	-	(42,000)	-	(42,000)
(51,990)	(23,893)		232,287	(51,990)	243,145	(23,893)
		<b>NOTE B</b>				
		Cash & cash equivalents at the end of the period				
18,916	29,850	Cash & bank balances	5,546	14,750	6,828	28,451
226,760	226,760	Short term Investments	615,994	131,662	615,994	152,022
(13,389)	(13,465)	Bank overdrafts	(25,342)	(23,969)	(27,563)	(23,969)
-	-	Short term loans	-	-	-	-
232,287	243,145		596,198	122,444	595,260	156,504

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

1. REVENUE Summary	Company		Group	
	Unaudited	Unaudited	Unaudited	Unaudited
	09 months ended 31.12.2017 Rs.'000	09 months ended 31.12.2016 Rs.'000	09 months ended 31.12.2017 Rs.'000	09 months ended 31.12.2016 Rs.'000
<b>Sale of goods</b>				
Tea	2,863,806	2,151,668	2,863,806	2,151,668
Rubber	9,290	10,829	9,290	10,829
Mini Hydro Power	-	-	43,117	67,197
Others	33,340	28,186	33,340	28,186
	<u>2,906,436</u>	<u>2,190,683</u>	<u>2,949,553</u>	<u>2,257,880</u>

## SEGMENT INFORMATION

## a) Segment Revenue

## Tea

Revenue	2,863,806	2,151,668	2,863,806	2,151,668
Revenue expenditure	(2,234,670)	(1,874,871)	(2,234,670)	(1,874,871)
Depreciation	(108,881)	(103,194)	(108,881)	(103,194)
Other non cash expenditure	(105,419)	(117,165)	(105,419)	(117,165)
<b>Segment results</b>	<u>414,837</u>	<u>56,438</u>	<u>414,837</u>	<u>56,438</u>

## Rubber

Revenue	9,290	10,829	9,290	10,829
Revenue expenditure	(16,930)	(18,264)	(16,930)	(18,264)
Depreciation	(3,352)	(3,245)	(3,352)	(3,245)
Other non cash expenditure	-	-	-	-
<b>Segment results</b>	<u>(10,992)</u>	<u>(10,679)</u>	<u>(10,992)</u>	<u>(10,679)</u>

## Mini Hydro Power

Revenue	-	-	43,117	67,197
Revenue expenditure	-	-	(15,791)	(15,986)
Depreciation	-	-	(12,863)	(12,822)
Other non cash expenditure	-	-	-	-
<b>Segment results</b>	<u>-</u>	<u>-</u>	<u>14,462</u>	<u>38,389</u>

## Unallocated

Revenue	33,340	28,186	33,340	28,186
Revenue expenditure	-	-	-	-
Depreciation	-	-	-	-
Other non cash expenditure	-	-	-	-
<b>Segment results</b>	<u>33,340</u>	<u>28,186</u>	<u>33,340</u>	<u>28,186</u>

## Total

Revenue	2,906,436	2,190,683	2,949,553	2,257,880
Revenue expenditure	(2,251,600)	(1,893,134)	(2,267,391)	(1,909,120)
Depreciation	(112,233)	(106,438)	(125,096)	(119,260)
Other non cash expenditure	(105,419)	(117,165)	(105,419)	(117,165)
<b>Segment results</b>	<u>437,185</u>	<u>73,945</u>	<u>451,647</u>	<u>112,334</u>

Gains on fair value of biological assets

- -

Other Income and Gains

14,953 24,432 14,953 17,547

Administrative Expenses

(118,764) (116,615) (126,263) (124,420)

Management fees

- - - -

Finance Income

36,748 3,874 36,748 4,597

Finance Expenses

(14,802) (23,856) (17,601) (27,280)

Interest paid to Government on Finance Lease

(21,902) (20,908) (21,902) (20,908)

**Profit/(Loss) Before Tax**333,418 (59,128) 337,583 (38,130)

**Talawakelle Tea Estates PLC**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

SEGMENT INFORMATION	Company		Group		
	Unaudited 09 months to 31.12.2017 Rs.'000	Unaudited 09 months to 31.12.2016 Rs.'000	Unaudited 09 months to 31.12.2017 Rs.'000	Unaudited 09 months to 31.12.2016 Rs.'000	
<b>b) Segment Assets</b>					
<b>Non Current Assets</b>					
Tea	2,614,871	2,622,613	2,614,871	2,622,613	
Rubber	108,636	105,347	108,636	105,347	
Mini Hydro Power	-	-	351,443	368,336	
Biological Assets	243,818	223,254	243,818	223,254	
Investments	134,933	134,933	-	-	
	<b>3,102,258</b>	<b>3,086,146</b>	<b>3,318,768</b>	<b>3,319,549</b>	
<b>Current Assets</b>					
Tea	1,085,838	635,853	1,085,838	635,853	
Rubber	2,592	2,455	2,592	2,455	
Mini Hydro Power	-	-	32,216	51,832	
	<b>1,088,429</b>	<b>638,308</b>	<b>1,120,645</b>	<b>690,140</b>	
<b>Total Assets</b>	<b>4,190,687</b>	<b>3,724,454</b>	<b>4,439,413</b>	<b>4,009,689</b>	
<b>Non Current Liabilities and Deferred Income</b>					
Tea	1,398,143	1,670,713	1,398,143	1,670,713	
Rubber	-	-	-	-	
Mini Hydro Power	-	-	1,402	22,567	
Unallocated	-	-	-	-	
	<b>1,398,143</b>	<b>1,670,713</b>	<b>1,399,545</b>	<b>1,693,280</b>	
<b>Current Liabilities</b>					
Tea	493,761	467,994	493,761	467,994	
Rubber	-	-	-	-	
Mini Hydro Power	-	-	32,758	27,798	
Unallocated	-	-	-	-	
	<b>493,761</b>	<b>467,994</b>	<b>526,519</b>	<b>495,792</b>	
<b>Total liabilities</b>	<b>1,891,904</b>	<b>2,138,707</b>	<b>1,926,064</b>	<b>2,189,072</b>	
<b>2. STATED CAPITAL</b>					
<b>Issued and fully paid</b>	<b>as at</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
23,750,000 ordinary shares and a golden share which has special rights held by the Secretary to the Treasury		<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
		<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>



**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 2017.
4. Where necessary, comparative figures have been reclassified to conform with the current periods presentation as per amendments of LKAS 16 & LKAS 41.
5. These interim financial statements does not include the gain arising from the valuation of biological assets as the amounts involved are not considered material.
6. Financial statements does not include/classify Acturial gain/loss on defined benifit plans costs as the valuation is done at the year end.
7. 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.
8. No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial statements.
9. 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 31.03.2017.
10. No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial statements.

**TALAWAKELLE TEA ESTATES PLC****FIRST TWENTY SHAREHOLDERS AS AT 31.12.2017**

	<b>Name of the Shareholder</b>	<i>No. of Shares as at 31.12.2017</i>	<b>%</b>
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	449,573	1.89
4	SEZEKA LIMITED	422,080	1.78
5	WALDOCK MACKENZIE LTD/CEYLINCO SHRIRAM CAPITAL MANAGEMENT SERVICES CO. (PVT) LTD	181,900	0.77
6	CAPITAL TRUST HOLDINGS LIMITED	176,741	0.74
7	MR. G.M. WEERAKOON	135,878	0.57
8	MR. N.A. WITHANA	112,100	0.47
9	COCOSHELL ACTIVATED CARBON COMPANY LIMITED	101,007	0.43
10	MR. D.F.G. DALPETHADO/MRS. H.F.A.K.D. FONSEKA	55,925	0.24
11	MR. P.A.D. SAMARASEKERA	53,400	0.22
12	MR. K.C. VIGNARAJAH	48,800	0.21
13	DFCC BANK PLC/ MR. K.S.D. SENAWEERA	48,300	0.20
14	DEE SANDA HOLDINGS (PVT) LTD	40,000	0.17
15	SEYLAN BANK PLC/S.R. FERNANDO	36,600	0.15
16	SEYLAN BANK PLC/M.M. FUAD	36,040	0.15
17	ASSETLINE LEASING COMPANY LTD/MR L.K.N.K. KULAWARDENA	34,000	0.14
18	SEYLAN BANK PLC/R.P. SUGATHADASA	32,794	0.14
19	MR.R.V.D. PIYATHILAKE	31,880	0.13
20	MR. A.V. EMMANUEL	28,000	0.12

**Directors Shares holding as at end of 31.12.2017**

<b>Mr. Merrill J. Fernando</b>	1,184,700
<b>Common Directors- Mr. Merrill J. Fernando</b>	
- Mr. Malik J. Fernando	
- Mr. D. C. Fernando	
<b>Dr. K. I. M. Ranasoma</b>	500
<b>Mr. D. S. Seneviratne</b>	600
<b>Mr. W.G.R. Rajadurai</b>	1000

## 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  
Dr.K I M Ranasoma  
Ms. M.D.A. Perera  
Mr.N T Bogahalande  
Mr.D S Seneviratne  
Mr.S L Athukorala  
Mr.M.H. Jamaldeen (Appointed -15/03/17)

### 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	2017 Rs.	2016 Rs.
Closing price on 31.12. ....	55.00	35.50
Highest price recorded for the nine months ending	61.20	39.30
Lowest price recorded for the nine months ending	31.30	31.00
Highest price recorded for the three months ending	61.20	35.70
Lowest price recorded for the three months ending	49.80	31.00

### RATIOS

Market capitalisation (Rs. '000)	1,306,250	843,125
Price Earning Ratio (times)	4.52	(19.09)

### SHARE TRADING FROM 01ST APRIL, 2017 TO 31ST DECEMBER, 2017

No. of transactions	2,151	350
No. of shares traded	2,129,607	345,503
Value of shares traded (Rs.)	112,073,997	12,455,040
Public Holding %	20.27	20.27
Total Number of shareholders representing the public holding	13,473	13,543