

TALAWAKELLE TEA ESTATES PLC

Interim Report

3

Third Quarter

Nine months ended 30th September 2009

Talawakelle Tea Estates PLC

INCOME STATEMENTS

| Group Audited year ended 31.12.2008 Rs.'000 | | Group | | | Group | | |
|---|--|--|--|------------------|--|--|----------------|
| | | Unaudited 9 months ended 30.09.2009 Rs.'000 | Unaudited 9 months ended 30.09.2008 Rs.'000 | % Change | Unaudited 3 months ended 30.09.2009 Rs.'000 | Unaudited 3 months ended 30.09.2008 Rs.'000 | % Change |
| | | 2,203,895 | Revenue | 1,730,809 | 1,724,877 | 0% | 680,875 |
| (1,930,803) | Cost of sales | (1,674,638) | (1,451,980) | 15% | (776,817) | (468,108) | 66% |
| 273,092 | Gross profit | 56,171 | 272,897 | -79% | (95,942) | 46,820 | -305% |
| 73,795 | Other income and gains | 46,767 | 48,900 | -4% | 20,242 | 20,311 | 0% |
| (85,525) | Administrative expenses | (85,401) | (60,633) | 41% | (33,158) | (20,437) | 62% |
| (19,584) | Management fee | (3,602) | (18,755) | -81% | 6,157 | (3,842) | -260% |
| (129,821) | Finance cost | (156,050) | (87,805) | 78% | (46,483) | (27,393) | 70% |
| 111,957 | Profit /(Loss) before tax | (142,114) | 154,604 | -192% | (149,184) | 15,458 | -1065% |
| (3,952) | Tax expenses | (18,217) | (17,409) | 5% | (4,302) | (4,301) | 0% |
| 108,005 | Profit /(Loss) for the period | (160,331) | 137,195 | -217% | (153,485) | 11,157 | -1476% |
| | Attributable to : | | | | | | |
| 109,278 | Equity holders of the parent | (148,385) | 138,771 | | (157,122) | 10,657 | |
| (1,273) | Minority interest | (11,946) | (1,577) | | 3,636 | 500 | |
| 108,005 | Net profit /(Loss) for the period | (160,331) | 137,195 | | (153,485) | 11,157 | |
| 4.60 | Basic earnings/(loss) per share | (6.75) | 5.78 | | (6.46) | 0.47 | |
| 1.25 | Dividend paid per share (Rs.) | 1.25 | 2.50 | | 0.00 | 0.00 | |

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

Talawakelle Tea Estates PLC

INCOME STATEMENTS

| Company Audited year ended 31.12.2008 Rs.'000 | Company Unaudited 9 months ended | | | Company Unaudited 3 months ended | | |
|---|--|-----------------------|-------------|--|-----------------------|-------------|
| | 30.09.2009 Rs.'000 | 30.09.2008 Rs.'000 | % Change | 30.09.2009 Rs.'000 | 30.09.2008 Rs.'000 | % Change |
| 2,180,736 | Revenue | 1,720,675 | -3% | 650,082 | 512,501 | 27% |
| (1,923,510) | Cost of sales | (1,449,249) | 15% | (776,233) | (468,108) | 66% |
| 257,226 | Gross profit | 271,426 | -99% | (126,150) | 44,393 | -384% |
| 73,560 | Other income and gains | 48,900 | -4% | 20,242 | 20,311 | 0% |
| (84,488) | Administrative expenses | (60,325) | 4% | (26,103) | (19,789) | 32% |
| (19,584) | Management fee | (18,755) | -81% | 6,157 | (3,842) | -260% |
| (114,316) | Finance cost | (85,583) | 29% | (30,749) | (26,636) | 15% |
| 112,398 | Profit /(Loss) before tax | 155,665 | -181% | (156,604) | 14,438 | -1185% |
| (1,795) | Tax expenses | (15,252) | -32% | (4,302) | (4,301) | 0% |
| 110,603 | Profit /(Loss) for the period | 140,412 | -197% | (160,906) | 10,137 | -1687% |
| | Attributable to : | | | | | |
| 110,603 | Equity holders of the parent | 140,412 | | (160,906) | 10,137 | |
| 110,603 | Net profit /(Loss) for the period | 140,412 | | (160,906) | 10,137 | |
| 4.66 | Basic earnings/(loss) per share | 5.91 | | (6.77) | 0.43 | |
| 1.25 | Dividend paid per share (Rs.) | 2.50 | | - | - | |

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

Talawakelle Tea Estates PLC

BALANCE SHEETS

| Company Audited As at 31.12.2008 Rs.'000 | Group Audited As at 31.12.2008 Rs.'000 | | Company | | Group | |
|--|--|--|---|---|---|---|
| | | | Unaudited As at 30.09.2009 Rs.'000 | Unaudited As at 30.09.2008 Rs.'000 | Unaudited As at 30.09.2009 Rs.'000 | Unaudited As at 30.09.2008 Rs.'000 |
| | | ASSETS | | | | |
| | | Non current assets | | | | |
| 152,330 | 152,330 | Leasehold property | 149,243 | 153,360 | 149,243 | 153,360 |
| | | Property, plant & equipment immovable estate assets | | | | |
| 156,855 | 156,855 | on finance lease (other than leasehold property) | 148,018 | 159,002 | 148,018 | 159,002 |
| 617,266 | 1,056,756 | Tangible assets other than immature/mature plantations | 629,494 | 626,286 | 1,076,205 | 1,033,765 |
| 1,400,306 | 1,400,306 | Immature/mature plantations | 1,501,535 | 1,317,704 | 1,501,535 | 1,339,904 |
| - | 26,756 | Development Costs | | | 22,185 | - |
| 65,790 | | Investments | 65,790 | 65,790 | - | 0 |
| <u>2,392,547</u> | <u>2,793,003</u> | | <u>2,494,080</u> | <u>2,322,141</u> | <u>2,897,186</u> | <u>2,686,030</u> |
| | | Current assets | | | | |
| 359,948 | 359,948 | Inventories | 248,712 | 339,507 | 248,712 | 339,507 |
| 84,637 | 106,634 | Trade and other receivables | 154,796 | 136,786 | 178,644 | 146,050 |
| 53,627 | - | Amounts due from related companies | 77,721 | 32,393 | (1,577) | 5,589 |
| 7,473 | 7,473 | ACT recoverable | 7,473 | 3,660 | 7,473 | 3,660 |
| 4,598 | 4,598 | VAT recoverable | 4,762 | 4,164 | 4,762 | 4,164 |
| 18,900 | 18,900 | Short-term investments | 130,000 | - | 130,000 | - |
| 41,149 | 41,149 | Cash and bank balances | 35,548 | 8,415 | 48,407 | 12,385 |
| <u>570,332</u> | <u>538,702</u> | | <u>659,013</u> | <u>524,925</u> | <u>616,420</u> | <u>511,354</u> |
| <u>2,962,879</u> | <u>3,331,705</u> | TOTAL ASSETS | <u>3,153,092</u> | <u>2,847,065</u> | <u>3,513,606</u> | <u>3,197,384</u> |
| | | EQUITY AND LIABILITIES | | | | |
| | | Capital and reserves | | | | |
| 350,000 | 350,000 | Stated capital | 350,000 | 350,000 | 350,000 | 350,000 |
| 719,920 | 718,997 | Retained earnings | 554,281 | 749,730 | 536,724 | 748,490 |
| <u>1,069,920</u> | <u>1,068,997</u> | Equity | <u>904,281</u> | <u>1,099,730</u> | <u>886,724</u> | <u>1,098,490</u> |
| - | 62,323 | Minority interest | - | - | 50,377 | 62,019 |
| <u>1,069,920</u> | <u>1,131,320</u> | Total equity | <u>904,281</u> | <u>1,099,730</u> | <u>937,102</u> | <u>1,160,509</u> |
| | | Non current liabilities & deferred income | | | | |
| 412,754 | 654,002 | Interest bearing loans & borrowings | 573,583 | 393,925 | 823,722 | 647,455 |
| 95,000 | 95,000 | Debenture | 95,000 | - | 95,000 | - |
| 490,804 | 490,804 | Retiring benefit obligations | 681,763 | 462,154 | 681,763 | 462,154 |
| 22,958 | 25,984 | Deferred tax liability | 30,221 | 17,812 | 40,915 | 20,838 |
| 197,917 | 197,917 | Deferred income | 229,149 | 169,582 | 229,149 | 169,582 |
| 135,688 | 135,688 | Net liability to the lessor payable after one year | 134,522 | 136,234 | 134,522 | 136,234 |
| <u>1,355,121</u> | <u>1,599,395</u> | | <u>1,744,238</u> | <u>1,179,707</u> | <u>2,005,070</u> | <u>1,436,263</u> |
| | | Current liabilities | | | | |
| 283,273 | 308,096 | Trade and other payables | 398,292 | 276,109 | 412,487 | 287,473 |
| 55,201 | 67,828 | Interest bearing loans & borrowings | 64,981 | 81,511 | 64,981 | 81,511 |
| 1,728 | 1,728 | Net liability to the lessor payable within one year | 1,598 | 1,598 | 1,598 | 1,598 |
| | 4,577 | VAT payable | - | - | - | - |
| 3,224 | 12,823 | Amounts due to related companies | 1,950 | 2,015 | 54,615 | 23,447 |
| 55,000 | 55,000 | Short term borrowings | 25,451 | 206,395 | 25,451 | 206,583 |
| 139,412 | 150,938 | Bank overdraft | 12,301 | - | 12,301 | - |
| <u>537,838</u> | <u>600,990</u> | | <u>504,574</u> | <u>567,629</u> | <u>571,434</u> | <u>600,612</u> |
| <u>2,962,879</u> | <u>3,331,705</u> | TOTAL EQUITY AND LIABILITIES | <u>3,153,092</u> | <u>2,847,065</u> | <u>3,513,606</u> | <u>3,197,384</u> |
| 45.05 | 45.01 | Net assets per share | 38.07 | 46.30 | 37.34 | 46.25 |

The Balance Sheets of the Company as at 30th September 2009 and the Income Statements, the Statements of Changes in Equity and Cash flow statements for the nine months then ended as well as the Income Statements for the nine months then ended are drawn up from the unaudited Financial Statements of the Company, 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

D S Seneviratne
Deputy CEO

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

Chairman
28th October 2009

Director

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

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

| <u>Company</u> | <u>Stated Capital</u> <u>Rs'000</u> | <u>Retained Earnings</u> <u>Rs'000</u> | <u>Equity</u> <u>Rs'000</u> |
|--|--|---|--------------------------------|
| Balance as at 01st January 2008 | 350,000 | 668,692 | 1,018,692 |
| Net profit for the period | - | 140,412 | 140,412 |
| Dividend paid | - | (59,375) | (59,375) |
| Balance as at 30th September 2008 | 350,000 | 749,730 | 1,099,730 |
| Balance as at 01st January 2009 | 350,000 | 719,920 | 1,069,920 |
| Dividend paid | - | (29,688) | (29,688) |
| Net profit /(Loss) for the period | - | (135,952) | (135,952) |
| Balance as at 30th September 2009 | 350,000 | 554,280 | 904,280 |

| <u>Group</u> | <u>Stated Capital</u> <u>Rs'000</u> | <u>Retained Earnings</u> <u>Rs'000</u> | <u>Minority Interest</u> <u>Rs'000</u> | <u>Total Equity</u> <u>Rs'000</u> |
|---|--|---|---|--------------------------------------|
| Balance as at 01st January 2008 | 350,000 | 669,094 | 63,596 | 1,082,690 |
| Net profit for the period | - | 138,771 | (1,577) | 137,195 |
| Dividend paid | - | (59,375) | - | (59,375) |
| Balance as at 30th September 2008 | 350,000 | 748,490 | 62,019 | 1,160,510 |
| Balance as at 01st January 2009 | 350,000 | 718,997 | 62,323 | 1,131,320 |
| Elimination of Inter Company profit on Development fee | - | (4,200) | - | (4,200) |
| Balance as at 1st January 2009 after adjustment | 350,000 | 714,797 | 62,323 | 1,127,120 |
| Net profit /(Loss) for the period | - | (148,385) | (11,946) | (160,331) |
| Dividend paid | - | (29,688) | - | (29,688) |
| Balance as at 30th September 2009 | 350,000 | 536,724 | 50,377 | 937,102 |

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

Talawakelle Tea Estates PLC

CASH FLOW STATEMENTS

| Company | | Group | | Company | | Group | |
|--------------------|--------------------|--|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Audited year ended | Audited year ended | | | Unaudited 9 months ended | Unaudited 9 months ended | Unaudited 9 months ended | Unaudited 9 months ended |
| 31.12.2008 | 31.12.2008 | CASH FLOWS FROM OPERATING ACTIVITIES | | 30.09.2009 | 30.09.2008 | 30.09.2009 | 30.09.2008 |
| Rs.'000 | Rs.'000 | | | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| 112,398 | 111,958 | | Net profit before taxation | (125,523) | 155,665 | (142,114) | 154,604 |
| | | ADJUSTMENTS FOR | | | | | |
| 125,277 | 125,277 | | Provision for defined benefit plan costs | 219,363 | 94,154 | 219,363 | 94,154 |
| 94,288 | 98,984 | | Depreciation/amortisation | 73,907 | 66,185 | 73,907 | 66,837 |
| (4,705) | (4,705) | | Amortisation of grants | 0 | 0 | 0 | 0 |
| 114,316 | 129,821 | | Profit on disposal of assets | 0 | 0 | 0 | 0 |
| (4,709) | (4,709) | | Finance costs | 110,458 | 85,583 | 156,050 | 87,805 |
| 436,865 | 456,626 | | Operating profit before working capital changes | 278,205 | 401,585 | 307,206 | 403,400 |
| (33,480) | (33,471) | | (Increase)/decrease in inventories | 111,236 | (13,040) | 111,236 | (13,030) |
| (18,356) | (7,497) | | (Increase)/decrease in trade and other receivables | (70,160) | (70,505) | (72,010) | (46,913) |
| (954) | (954) | | (Increase)/decrease in VAT/ACT/WHT recoverable | (164) | 3,293 | (164) | 3,293 |
| 18,643 | 37,018 | | Increase/(Decrease) in trade and other payables | 115,141 | (9,389) | 104,392 | (7,531) |
| (38,122) | 93 | | (Increase)/Decrease in amounts due from related companies | (24,095) | 7,512 | 1,577 | (5,495) |
| (1,326) | 7,275 | | Increase/(Decrease) in amounts due to related companies | (1,273) | (2,534) | 41,793 | 17,899 |
| - | 4,578 | | Increase/(decrease) in VAT payables | 0 | 0 | (4,578) | 0 |
| 363,270 | 463,668 | | Cash generated from operations | 408,890 | 316,923 | 489,452 | 351,622 |
| (104,476) | (120,516) | | Finance costs paid | (101,831) | (78,090) | (147,423) | (79,066) |
| (7,263) | (7,263) | | Payment of ESC / Tax / SRL | (4,584) | (4,998) | (4,584) | (4,998) |
| (37,634) | (37,635) | | Defined benefit plan costs paid | (28,404) | (35,161) | (28,404) | (35,161) |
| 213,897 | 298,254 | | Net cash from operating activities | 274,070 | 198,674 | 309,041 | 232,397 |
| | | CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| 71,500 | 71,500 | | Grant received | 31,232 | 38,460 | 31,232 | 38,460 |
| 4,710 | 4,707 | | Investments in TTEL Hydro- RD/SS | 0 | (24,400) | 0 | 0 |
| (209,280) | (209,280) | | Field development expenditure | (118,117) | (113,622) | (118,117) | (113,622) |
| (140,188) | (397,348) | | Purchase of property, plant & equipment | (57,322) | (137,336) | (64,172) | (353,885) |
| (273,258) | (530,421) | | Net cash used in investing activities | (144,207) | (236,898) | (151,057) | (429,047) |
| | | CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| (59,375) | (59,375) | | Dividend paid | (29,688) | (59,375) | (29,688) | (59,375) |
| 95,000 | 95,000 | | Proceeds from Debentures | 0 | 0 | 0 | 0 |
| (447) | (447) | | Lease rentals paid | 0 | 0 | 0 | 0 |
| (11,503) | (11,503) | | Payment of government lease rental | (8,627) | (8,739) | (8,627) | (8,739) |
| 139,681 | 234,549 | | Proceeds from loans | 227,417 | 123,284 | 227,417 | 207,998 |
| (95,029) | (107,672) | | Repayment of loans | (56,806) | (71,598) | (60,543) | (74,432) |
| (18,900) | (18,900) | | Investments - Short term Deposits | (111,100) | 0 | (111,100) | 0 |
| - | (1,273) | | Minority shareholders | 0 | 0 | 0 | 0 |
| 49,427 | 130,379 | | Net cash from financing activities | 21,196 | (16,427) | 17,459 | 65,452 |
| (9,934) | (101,788) | | Net increase / (decrease) in cash & cash equivalents | 151,059 | (54,650) | 175,443 | (131,197) |
| (143,330) | (63,001) | | A. Cash & cash equivalents at the beginning of the year | (153,263) | (143,330) | (164,789) | (63,001) |
| (153,264) | (164,789) | | B. Cash & cash equivalents at the end of the period | (2,204) | (197,980) | 10,654 | (194,198) |
| | | NOTE A | | | | | |
| | | Cash & cash equivalents at the beginning of the year | | | | | |
| 22,189 | 113,731 | | Cash & bank balances | 41,149 | 22,189 | 41,149 | 113,731 |
| (73,119) | (73,119) | | Bank overdrafts | (139,412) | (73,119) | (150,938) | (73,119) |
| (92,400) | (103,613) | | Short term loans | (55,000) | (92,400) | (55,000) | (103,613) |
| (143,330) | (63,001) | | | (153,263) | (143,330) | (164,789) | (63,001) |
| | | NOTE B | | | | | |
| | | Cash & cash equivalents at the end of the period | | | | | |
| 41,149 | 41,149 | | Cash & bank balances | 35,548 | 8,415 | 48,407 | 12,385 |
| (139,413) | (150,938) | | Bank overdrafts | (12,301) | (99,631) | (12,301) | (99,818) |
| (55,000) | (55,000) | | Short term loans | (25,451) | (106,764) | (25,451) | (106,764) |
| (153,264) | (164,789) | | | (2,204) | (197,980) | 10,654 | (194,198) |

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

Talawakelle Tea Estates PLC

NOTES TO THE FINANCIAL STATEMENTS

1. These interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31.12.2008 and also in compliance with Sri Lanka Accounting Standard 35 -Interim Financial Reporting
2. 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 31.12.2008
3. 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
4. No circumstances have arisen since the Balance Sheet date which would require adjustments to or disclosure in the Financial statements
5. Actuarial valuation of gratuity will be done for december 2009 accounts.
6. An agreement increasing plantation sector wages was signed in September 2009, with retrospective effect from 1st April 2009. The resulting increase in cost amounting Rs.229 mn was charged to cost of sales in the three months ended 30th September 2009. This includes wage arrears of Rs 62 mn for the period 1st April 2009 to 30th June 2009 and a provision of Rs 116 mn for the estimated increase in the retiring gratuity liability.

| Audited year ended 31.12.2008 | Audited year ended 31.12.2008 | | Unaudited 9 months ended 30.09.2009 | Unaudited 9 months ended 30.09.2008 | Unaudited 9 months ended 30.09.2009 | Unaudited 9 months ended 30.09.2008 |
|--------------------------------------|--------------------------------------|---------------------------|--|--|--|--|
| Group Rs.'000 | Company Rs.'000 | 5. REVENUE Summary | Company Rs.'000 | Company Rs.'000 | Group Rs.'000 | Group Rs.'000 |
| 2,126,602 | 2,126,602 | Sale of goods | | | | |
| 21,840 | 21,840 | Tea | 1,642,623 | 1,679,831 | 1,642,623 | 1,679,831 |
| 55,454 | 32,294 | Rubber | 11,971 | 17,839 | 11,971 | 17,839 |
| | | Others | 21,680 | 23,004 | 76,216 | 27,206 |
| 2,203,896 | 2,180,736 | | 1,676,273 | 1,720,675 | 1,730,809 | 1,724,877 |

SEGMENT INFORMATION

a) Segment revenue

| Audited year ended 31.12.2008 | Audited year ended 31.12.2008 | | Unaudited 9 months ended 30.09.2009 | Unaudited 9 months ended 30.09.2008 | Unaudited 9 months ended 30.09.2009 | Unaudited 9 months ended 30.09.2008 |
|--------------------------------------|--------------------------------------|--|--|--|--|--|
| Group Rs.'000 | Company Rs.'000 | | Company Rs.'000 | Company Rs.'000 | Group Rs.'000 | Group Rs.'000 |
| 2,126,602 | 2,126,602 | Tea | | | | |
| (1,689,708) | (1,689,708) | Revenue | 1,642,623 | 1,679,831 | 1,642,623 | 1,679,831 |
| (92,523) | (92,523) | Revenue expenditure | (1,953,764) | (1,603,458) | (1,953,764) | (1,603,458) |
| (125,277) | (125,277) | Depreciation | 75,231 | 67,368 | 75,231 | 67,368 |
| 219,094 | 219,094 | Other non cash expenditure | 219,363 | 94,154 | 219,363 | 94,154 |
| | | Segment results | (16,548) | 237,895 | (16,548) | 237,895 |
| | | Rubber | | | | |
| 21,840 | 21,840 | Revenue | 11,971 | 17,839 | 11,971 | 17,839 |
| (14,236) | (14,236) | Revenue expenditure | (11,797) | (6,129) | (11,797) | (6,129) |
| (1,765) | (1,765) | Depreciation | (1,324) | (1,184) | (1,324) | (1,184) |
| - | - | Other non cash expenditure | 0 | 0 | 0 | 0 |
| 5,839 | 5,839 | Segment results | (1,150) | 10,527 | (1,150) | 10,527 |
| | | Unallocated | | | | |
| 55,454 | 32,294 | Revenue | 21,680 | 23,004 | 76,216 | 27,206 |
| (2,597) | - | Revenue expenditure | - | - | - | - |
| (4,696) | - | Depreciation | - | - | (2,347) | (2,731) |
| - | - | Other non cash expenditure | - | - | - | - |
| 48,161 | 32,294 | Segment results | 21,680 | 23,004 | 73,869 | 24,475 |
| | | Total | | | | |
| 2,203,896 | 2,180,736 | Revenue | 1,676,273 | 1,720,675 | 1,730,809 | 1,724,877 |
| (1,706,541) | (1,703,944) | Revenue expenditure | (1,965,561) | (1,609,587) | (1,965,561) | (1,609,587) |
| (98,984) | (94,288) | Depreciation | 73,907 | 66,185 | 71,560 | 63,453 |
| (125,277) | (125,277) | Other non cash expenditure | 219,363 | 94,154 | 219,363 | 94,154 |
| 273,094 | 257,227 | Segment results | 3,982 | 271,426 | 56,171 | 272,897 |
| 73,794 | 73,560 | Other operating income | 47,034 | 48,900 | 46,767 | 48,900 |
| (85,525) | (84,488) | Unallocated expenses | (62,479) | (60,325) | (85,401) | (60,633) |
| (19,584) | (19,584) | Management fees | (3,602) | (18,755) | (3,602) | (18,755) |
| (129,821) | (114,316) | Finance Cost | (110,458) | (85,583) | (156,050) | (87,805) |
| 111,958 | 112,399 | Operating profit of the company | (125,523) | 155,665 | (142,114) | 154,604 |

6. STATED CAPITAL

| 31.12.2008 | 31.12.2008 | as at | 30.06.2009 | 30.06.2008 | 30.06.2009 | 30.06.2008 |
|-------------------|-------------------|--|-------------------|-------------------|-------------------|-------------------|
| Rs.'000 | Rs.'000 | | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| 350,000 | 350,000 | Issued and fully paid | | | | |
| | | 23,750,000 ordinary shares and a golden share which has special rights held by the Secretary to the Treasury | 350,000 | 350,000 | 350,000 | 350,000 |

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 (appointed w.e.f. 01.07.2009)
Mr.N G Wickremeratne - Chairman (retired w.e.f. 30.06.2009)
Mr.S T Gunatilleke - Chief Executive Officer
Mr.Merrill J Fernando (alternate - Ms.Minette Perera)
Mr.Malik J Fernando (alternate - Mr.D C Fernando)
Dr.R M Fernando
Mr.J M S Brito
Mr.M M M De Silva
Dr.U Liyanage
Dr.S S S B D G Jayawardena
Mr.L N De S Wijeyeratne

Secretaries

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

Registered Office

No.400, Deans Road, Colombo 10,
Sri Lanka
Telephone: (94-11) -2628601-3, 2697203, 4621888
Facsimile : (94-11) -2674592
e-mail: tpl.tea@ttel.hayleys.com
website: www.talawakelleteas.com

INVESTOR INFORMATION

| Market value of shares for the nine months ended 30.09. | 2009 | 2008 |
|--|-------------|-------------|
| Market price per share - Highest | Rs. 29.25 | 44.00 |
| Market price per share - Lowest | Rs. 13.50 | 28.00 |
| Market price per share - Closing on 30.09.... | Rs. 27.75 | 32.75 |
| Market capitalisation as at (Rs.'000) | 659,063 | 777,813 |
| Price Earning Ratio as at (times) | -4.85 | 5.54 |
| Share trading for the nine months ended.. | 2009 | 2008 |
| No. of transactions | 2,631 | 3,978 |
| No. of shares traded | 2,482,000 | 5,070,100 |
| Value of shares traded (Rs.) | 52,592,250 | 190,338,225 |

TALAWAKELLE TEA ESTATES PLC

THE TWENTY MAJOR SHAREHOLDERS AND THE PERCENTAGES AS AT 30/09/2009

| Serial | | No. of Shares | |
|---------------|---|-----------------------------|--------------|
| No. | Name of Shareholder | As at 30/09/2009 | % |
| 1 | Hayleys Plantation Services (Private) Limited | 17,750,000 | 74.74 |
| 2 | Merrill J Fernando & Sons (Pvt) Limited | 1,184,700 | 4.99 |
| 3 | Mr.S.N.C.W.M.B.C.Kandegedara | 300,700 | 1.27 |
| 4 | Waldock Mackenzie Limited / Ceylinco Shriram Capital Management Services Co.(Pvt) Ltd | 235,000 | 0.99 |
| 5 | Mrs.P.N.Bhatt | 126,000 | 0.53 |
| 6 | Sri Lanka Insurance Corporation Ltd- Life Fund | 105,600 | 0.44 |
| 7 | Cocoshell Activated Carbon Company Limited | 100,000 | 0.42 |
| 8 | Waldock Mackenzie Limited / Hi-Line Towers (Pvt) Ltd | 55,000 | 0.23 |
| 9 | Waldock Mackenzie Ltd / Hi-Line Trading (Pvt) Ltd | 50,000 | 0.21 |
| 10 | Mr. S.P.P.M. Silva | 41,200 | 0.17 |
| 11 | Mr. M. Radhakrishnan | 40,000 | 0.17 |
| 12 | Renuka Holdings Limited | 37,100 | 0.16 |
| 13 | Mr. R.Rasaretnam | 37,000 | 0.16 |
| 14 | Dr.S.K.Kularatna | 34,800 | 0.15 |
| 15 | Mr. K.K.U. Wijeysekera | 34,100 | 0.14 |
| 16 | Mr.M.Asokan | 32,600 | 0.14 |
| 17 | Hi-Line Towers (Pvt) Ltd | 30,400 | 0.13 |
| 18 | Mr.M.S.M.Mohideen & Mrs.M.Mohideen | 30,000 | 0.13 |
| 19 | Mr.K.C.Vignarajah | 27,100 | 0.11 |
| 20 | Mr.H.A.Abdulhussain | 25,000 | 0.11 |
| | | 20,276,300 | 85.37 |

PUBLIC HOLDING AS AT 30/09/2009

The percentage of shares held by public as per the Colombo Stock Exchange Rules as at 30th September, 2009 was 20.27%

Directors Shareholdings as at end of last financial year, 31st December, 2008

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