

INCOME STATEMENT

	3 Months ended 30/06/2007 Rs. '000	3 Months ended 30/06/2006 Rs. '000	6 Months ended 30/06/2007 Rs. '000	6 Months ended 30/06/2006 Rs. '000	(Audited) Year ended 31/12/2006 Rs. '000
Revenue	561,084	451,025	1,072,539	910,446	1,681,991
Cost of Sales	(465,605)	(396,174)	(877,817)	(781,955)	(1,550,711)
Gross Profit	95,479	54,851	194,722	128,491	131,280
Other Operating Income	10,684	11,902	25,381	27,257	66,014
Administration Expenses	(18,612)	(18,423)	(35,953)	(34,867)	(74,588)
Management Fee	(24,735)	(18,684)	(47,860)	(39,428)	(67,588)
Profit from Operating Activities	62,816	29,646	136,290	81,453	55,118
Finance Cost	(12,503)	(4,943)	(19,494)	(11,593)	(20,702)
Amortisation of Negative Goodwill	-	-	-	-	-
Profit from ordinary Activities before taxation	50,313	24,703	116,796	69,860	34,416
Income Tax Expenses	-	-	-	-	(10,086)
Profit for the period	50,313	24,703	116,796	69,860	24,330
Earning per Share	2.13	1.05	4.94	2.96	0.84
Net Assets per share	44.31	41.16	44.31	21.16	39.37
Market Value of Share					
Highest (for the period)			17.50	22.00	22.00
Lowest (for the period)			11.00	9.75	9.75
Closing (for the period)			15.75	16.00	16.50

STATEMENT OF CHANGES IN EQUITY

	Share Capital Rs. '000	Share Premium Rs. '000	General Reserves Rs. '000	Retained Profit/(Loss) Rs. '000	Total Equity Rs. '000
Balance as at 31st December 2005	236,364	113,636	8,000	392,250	750,250
Transfer From Negative Goodwill				152,761	152,761
Net Profit/(Loss) for the Period				69,860	69,860
Balance as at 30th June 2006	236,364	113,636	8,000	614,871	972,871
Balance as at 31st December 2006	236,364	113,636	8,000	572,624	930,624
Net Profit/(Loss) for the period				116,796	116,796
Balance as at 30th June 2007	236,364	113,636	8,000	689,420	1,047,420

The above figures are provisional and subject to audit.

The Company has followed the same accounting policies and methods as in the last year.

There have been no other events subsequent to the financial year, which require additional disclosure in the Provisional Financial Statements.

D H S Jayawardena
Managing Director

S K L Obeyesekere
Director/CEO

BALANGODA PLANTATIONS LIMITED
110, Norris Canal Road - Colombo -10
Provisional Financial Statement for 06 months ended 30th June 2007

BALANCE SHEET

	As at 30/06/2007 Rs. '000	As at 30/06/2006 Rs. '000	(Audited) Year ended 31/12/2006 Rs. '000
ASSETS			
Non Current Assets			
Leasehold rights to bare land of JEDB / SLSPC Estates	237,100	243,349	240,225
Immovable JEDB / SLSPC estates assets on finance lease (Other than bare land)	180,492	194,379	187,435
Tangible assets other than Immature / Mature plantations	386,528	410,669	397,255
Immature/Mature plantations	724,532	680,129	714,373
Long term investments	150	150	150
	<u>1,528,802</u>	<u>1,528,676</u>	<u>1,539,438</u>
Current Assets			
Inventories	300,896	245,173	188,790
Trade & Other Receivables	92,789	84,446	50,485
ACT Recoverable	53,099	53,099	53,099
VAT Receivables	15,425	14,406	18,302
ESC Recoverable	13,254	14,882	11,067
Amounts due from Related Companies	29	59	47
Short Term Investments	16,100	5,516	7,272
Call Deposits	81,876	84,134	132,634
Cash and Bank Balances	12,003	8,176	15,268
	<u>585,471</u>	<u>509,891</u>	<u>476,964</u>
TOTAL ASSETS	<u><u>2,114,273</u></u>	<u><u>2,038,567</u></u>	<u><u>2,016,402</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital	236,364	236,364	236,364
Share Premium	113,636	113,636	113,636
General Reserve	8,000	8,000	8,000
Retained Profit	689,420	614,871	572,624
SHARE HOLDERS FUND	<u>1,047,420</u>	<u>972,871</u>	<u>930,624</u>
Non Current Liabilities & Deferred Income			
Interest Bearing Loans & Borrowings	176,100	213,920	195,010
Deferred Income Liabilities	26,167	22,908	26,167
Deferred Income	159,089	169,246	159,597
Retirement Benefit Obligations	286,521	222,708	282,592
Net Liabilities to the lessor of JEDB / SLSPC Estates	108,528	109,807	109,169
	<u>756,405</u>	<u>738,589</u>	<u>772,535</u>
Current Liabilities			
Interest Bearing Loans & Borrowings	38,977	50,008	39,441
Net Liability to the lessor of JEDB / SLSPC Estates	1,280	1,232	1,256
Dividends Payable	1,022	1,137	1,022
Trade & other Payable	229,944	209,766	227,798
Amounts due to related companies	39,225	64,964	43,726
	<u>310,448</u>	<u>327,107</u>	<u>313,243</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,114,273</u></u>	<u><u>2,038,567</u></u>	<u><u>2,016,402</u></u>

CASH FLOW STATEMENT

	6 Months ended 30/06/2007 Rs. '000	6 Months ended 30/06/2006 Rs. '000	(Audited) Year ended 31/12/2006 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (Loss) Before Taxation	116,796	69,860	34,416
ADJUSTMENT FOR			
Amortization of Negative Goodwill	-	-	(301)
Depreciation/ Amortization	38,702	39,331	77,907
(Profit)/Loss on sale Property, Plant and Equipment	-	-	3,560
Retirement Benefit Obligation - Provision	17,825	14,155	87,067
Amortization of Grants	(4,497)	(3,042)	(8,994)
Interest Income	(2,591)	(1,712)	(4,086)
Provision for Obsolete Stocks	-	-	(713)
Provision for Doubtful Debts	-	-	9
Interest Expense	19,494	11,593	20,703
Operating Profit Before Working Capital Changes	185,729	130,185	209,568
(Increases)/Decrease in Inventories	(111,842)	(34,635)	22,461
(Increases)/Decrease in Trade & Other Receivables	(39,427)	(14,454)	15,647
(Increases)/Decrease in amount due from Related Companies	18	14	26
Increases/(Decrease) in Creditors & Accruals	2,147	(21,734)	(5,360)
Increases/(Decrease) in amounts due to Related Companies	(4,500)	4,881	(16,358)
Cash Generated from Operations	32,125	64,257	225,985
Retirement Benefit Obligation - Payments	(13,896)	(13,643)	(26,670)
Interest Paid	(13,172)	(6,786)	(8,589)
Net cash from Operating Activities	5,057	43,828	190,726
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Interest Received	2,327	1,627	4,056
Grants Received	3,989	8,026	7,914
Purchase of Property Plant & Equipment	(7,280)	(3,831)	(11,813)
Investment In Immature Plantations	(20,787)	(22,029)	(66,946)
Payment of Economic Service Charge	(2,188)	(130)	(3,142)
Nett Cash from/(used in) Investing Activities	(23,939)	(16,337)	(69,931)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Loans	(18,910)	(19,187)	(38,114)
Payment to Lessor on Lease Rights	(6,939)	(6,930)	(13,321)
Dividends Paid	-	-	(115)
Net cash Used in Financing Activities	(25,849)	(26,117)	(51,550)
Net Increase /(Decrease) in Cash & Cash Equivalents	(44,731)	1,374	69,244
A. Cash & Cash Equivalents at the beginning of the year	153,552	84,308	84,308
B. Cash & Cash Equivalents at the end of the year	108,821	85,682	153,552
	(44,731)	1,374	69,244