

**BALANGODA PLANTATIONS LIMITED**  
**110, Norris Canal Road - Colombo -10**  
**Provisional Financial Statement for 9 months ended 30th September 2006**

**INCOME STATEMENT**

	3 Months ended 30-09-2006 Rs. '000	3 Months ended 30-09-2005 Rs. '000	9 Months ended 30-09-2006 Rs. '000	9 Months ended 30-09-2005 Rs. '000	<b>(Audited) Year ended 31-12-2005 Rs. '000</b>
Revenue	432,064	331,559	1,342,510	1,230,840	1,621,589
Cost of Sales	(343,145)	(315,009)	(1,125,100)	(1,136,072)	(1,498,679)
Gross Profit	88,919	16,550	217,410	94,768	122,910
Other Operating Income	8,592	9,826	35,849	27,178	38,069
Administration Expenses	(15,332)	(16,388)	(50,199)	(49,388)	(70,816)
Management Fee	(22,211)	(13,660)	(61,639)	(46,580)	(59,098)
Profit from Operating Activities	59,968	(3,672)	141,421	25,978	31,065
Finance Cost	(7,191)	(4,117)	(18,784)	(12,349)	(16,465)
Amortisation of Negative Goodwill		3,472	-	10,416	13,888
Profit/(Loss) before Taxation	52,777	(4,317)	122,637	24,045	28,488
Income Tax Expenses	-	-	-		(8,648)
Profit/(Loss) for the period	52,777	(4,317)	122,637	24,045	19,840
Retained Profit/(Loss) Brought Forward	614,871	400,772	545,011	372,410	372,410
Retained Profit/(Loss) Carried Forward	667,648	396,455	667,648	396,455	392,250
Earning per Share	2.23	(0.18)	5.19	1.02	0.84
Net Assets per share	43.39	31.92	43.39	31.92	31.74
Market Value of Share					
Highest (for the period)			22.00	21.00	17.00
Lowest (for the period)			9.75	15.00	10.00
Closing (for the period)			16.75	15.75	12.00

# BALANGODA PLANTATIONS LIMITED

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 9 months ended 30th September 2006

## BALANCE SHEET

	As at 30-09-2006 Rs. '000	As at 30-09-2005 Rs. '000	(Audited) As at 31-12-2005 Rs. '000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Leasehold rights to bare land of JEDB / SLSPC Estates	241,787	248,036	246,474
Immovable JEDB / SLSPC estates assets on finance lease (Other than bare land)	190,907	203,341	201,322
Tangible assets other than Immature / Mature Plantations	401,484	423,712	426,203
Immature / Mature Plantations	690,405	660,438	667,998
Long term investments	150	150	150
	<u>1,524,733</u>	<u>1,535,677</u>	<u>1,542,147</u>
<b>Current Assets</b>			
Inventories	251,445	189,783	210,538
Trade & Other Receivables	60,771	64,880	67,878
ACT Recoverable	53,099	53,099	53,099
VAT Receivables	18,007	30,175	16,566
Economic Service Charge Recoverable	16,424	12,650	14,752
Amounts due from Related Companies	43	228	73
Short Term Investments	7,144	5,000	5,263
Call Deposits	102,862	91,301	89,672
Cash and Bank Balances	3,060	2,516	1,564
	<u>512,855</u>	<u>449,632</u>	<u>459,405</u>
<b>TOTAL ASSETS</b>	<u><u>2,037,588</u></u>	<u><u>1,985,309</u></u>	<u><u>2,001,552</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
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	667,648	396,455	392,250
<b>SHARE HOLDERS FUND</b>	<u>1,025,648</u>	<u>754,455</u>	<u>750,250</u>
<b>Non Current Liabilities &amp; Deferred Income</b>			
Interest Bearing Loans & Borrowings	204,465	240,047	232,829
Deferred Income Liabilities	22,908	15,000	22,909
Deferred Income	166,465	304,966	317,023
Retirement Benefit Obligations	223,911	250,029	222,195
Net Liabilities to the lessor of JEDB / SLSPC Estates	109,508	110,733	110,425
	<u>727,257</u>	<u>920,775</u>	<u>905,381</u>
<b>Current Liabilities</b>			
Interest Bearing Loans & Borrowings	47,895	51,934	50,335
Net Liability to the lessor of JEDB / SLSPC Estates	1,224	1,196	1,208
Dividends Payable	1,138	1,137	1,137
Trade & other Payable	197,198	207,845	233,158
Amounts due to related companies	37,228	47,967	60,083
	<u>284,683</u>	<u>310,079</u>	<u>345,921</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>2,037,588</u></u>	<u><u>1,985,309</u></u>	<u><u>2,001,552</u></u>

# BALANGODA PLANTATIONS LIMITED

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 9 months ended 30th September 2006

## CASH FLOW STATEMENT

	9 Months ended 30-09-2006 Rs. '000	9 Months ended 30-09-2005 Rs. '000	(Audited) Year ended 31-12-2005 Rs. '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit (Loss) Before Taxation	122,637	24,045	28,487
<b>ADJUSTMENT FOR</b>			
Amortization of Negative Goodwill	-	(10,415)	(13,887)
Depreciation/ Amortization	58,997	56,477	72,786
(Profit)/Loss on sale Property, Plant and Equipment	-	-	(1,162)
Retirement Benefit Obligation - Provision	20,432	22,568	124
Amortization of Grants	(6,342)	(4,547)	(6,080)
Interest Income	(2,765)	(3,424)	(4,186)
Provision for Obsolete Stocks	-	-	992
Provision for Doubtful Debts	-	-	2,226
Interest Expense	18,783	25,428	16,465
<b>Operating Profit Before Working Capital Changes</b>	<b>211,742</b>	<b>110,132</b>	<b>95,763</b>
(Increases)/Decrease in Inventories	(40,907)	(4,344)	(26,090)
(Increases)/Decrease in Trade & Other Receivables	5,665	28,077	36,036
(Increases)/Decrease in amount due from Related Companies	30	6,775	6,929
Increases/(Decrease) in Creditors & Accruals	(36,775)	(6,038)	19,390
Increases/(Decrease) in amounts due to Related Companies	(22,855)	20,857	32,974
<b>Cash Generated from Operations</b>	<b>116,900</b>	<b>155,459</b>	<b>165,003</b>
Retirement Benefit Obligation - Payments	(18,717)	(17,829)	(23,218)
Interest Paid	(9,278)	(16,458)	(5,546)
<b>Net cash from Operating Activities</b>	<b>88,905</b>	<b>121,172</b>	<b>136,239</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Interest Received	2,680	3,241	4,429
Grants Received	8,545	22,774	36,252
Purchase of Property Plant & Equipment	(4,328)	(83,887)	(82,769)
Investment In Immature Plantations	(37,255)	(42,043)	(62,658)
Payment of Economic Service Charge	(1,672)	(5,680)	(8,522)
Proceeds from sale of Property Plant & Equipment	-	-	1,466
<b>Nett Cash from/(used in) Investing Activities</b>	<b>(32,030)</b>	<b>(105,595)</b>	<b>(111,802)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipt of Loans		12,331	15,031
Repayment of Loans	(28,688)	(25,766)	(34,355)
Payment to Lessor on Lease Rights	(9,505)	(9,838)	(12,199)
Dividends Paid	-	(36,135)	(36,135)
<b>Net cash Used in Financing Activities</b>	<b>(38,193)</b>	<b>(59,408)</b>	<b>(67,658)</b>
Net Increase /(Decrease) in Cash & Cash Equivalents	<b>18,682</b>	<b>(43,831)</b>	<b>(43,221)</b>
<b>A. Cash &amp; Cash Equivalents at the beginning of the year</b>	84,308	127,529	127,529
<b>B. Cash &amp; Cash Equivalents at the end of the year</b>	102,990	83,698	84,308
	18,682	(43,831)	(43,221)

**STATEMENT OF CHANGES IN EQUITY**

	Share Capital <i>Rs. '000</i>	Share Premium <i>Rs. '000</i>	General Reserves <i>Rs. '000</i>	Retained Profit/(Loss) <i>Rs. '000</i>	Total Equity <i>Rs. '000</i>
Balance as at 31st December 2004	236,364	113,636	8,000	372,410	730,410
Net Profit/(Loss) for the Period				24,045	24,045
Balance as at 30 September 2005	<u>236,364</u>	<u>113,636</u>	<u>8,000</u>	<u>396,455</u>	<u>754,455</u>
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				122,637	122,637
Balance as at 30 September 2006	<u>236,364</u>	<u>113,636</u>	<u>8,000</u>	<u>667,648</u>	<u>1,025,648</u>

The above figures are provisional and subject to audit.

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

As per SLAS 25 (Revised) Negative Goodwill has been adjusted to retained earnings.

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