BALANGODA PLANTATIONS LIMITED

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 09 months ended 30th September 2007

INCOME STATEMENT

	3 Months ended 30/09/2007 Rs. '000	3 Months ended 30/09/2006 Rs. '000	9 Months ended 30/09/2007 Rs. '000	9 Months ended 30/09/2006 Rs. '000	(Audited) Year ended 31/12/2006 Rs. '000
Revenue	432,374	432,064	1,504,913	1,342,510	1,681,991
Cost of Sales	(360,697)	(343,145)	(1,238,514)	(1,125,100)	(1,550,711)
Gross Profit	71,677	88,919	266,399	217,410	131,280
Other Operating Income	21,939	8,592	47,320	35,849	66,014
Administration Expenses	(19,639)	(15,332)	(55,592)	(50,199)	(74,588)
Management Fee	(20,731)	(22,211)	(68,591)	(61,639)	(67,588)
Profit from Operating Activities	53,246	59,968	189,536	141,421	55,118
Finance Cost	(9,760)	(5,176)	(29,254)	(15,527)	(20,702)
Profit from ordinary Activities before taxation	43,486	54,792	160,282	125,894	34,416
Income Tax Expenses	-	-	-	-	(10,086)
Profit for the period	43,486	54,792	160,282	125,894	24,330
Earning per Share	1.84	2.32	6.78	5.33	0.84
Net Assets per share	46.15	43.53	46.15	43.53	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)			15.00	16.75	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				125,894	125,894
Balance as at 30th September 2006	236,364	113,636	8,000	670,905	1,028,905
Balance as at 31st December 2006	236,364	113,636	8,000	572,624	930,624
Net Profit/(Loss) for the period				160,282	160,282
Balance as at 30th September 2007	236,364	113,636	8,000	732,906	1,090,906

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

BALANCE SHEET

	As at 30/09/2007 Rs. '000	As at 30/09/2006 Rs. '000	(Audited) Year ended 31/12/2006 Rs. '000
ASSETS			
Non Current Assets			
Leasehold rights to bare land of JEDB / SLSPC Estates	235,538	241,787	240,225
Immovable JEDB / SLSPC estates assets on finance lease	177,021	190,907	187,435
(Other than bare land)			
Tangible assets other than Immature / Mature plantations	385,857	401,484	397,255
Immature/Mature plantations	733,186	693,662	714,373
Long term investments	150	150	150
	1,531,752	1,527,990	1,539,438
Current Assets			
Inventories	200,028	251,445	188,790
Trade & Other Receivables	68,806	60,771	50,485
ACT Recoverable	53,099	53,099	53,099
VAT Receiables	7,798	18,007	18,302
ESC Recoverable	19,206	16,424	11,067
Amounts due from Related Companies	266	43	47
Short Term Investments	110,262	7,144	7,272
Call Deposits	106,732	102,862	132,634
Cash and Bank Balances	29,407	3,060	15,268
	595,604	512,855	476,964
TOTAL ASSETS	2,127,356	2,040,845	2,016,402
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	732,906	670,905	572,624
SHARE HOLDERS FUND	1,090,906	1,028,905	930,624
Non Current Liabilities & Deferred Income			
Interest Bearing Loans & Borrowings	166,645	204,465	195,010
Deferred Income Liablities	26,906	22,908	26,167
Deferred Income	157,769	166,465	159,597
Retirement Benefit Obligations	288,667	223,911	282,592
Net Liabilities to the lessor of JEDB / SLSPC Estates	108,195	109,508	109,169
	748,182	727,257	772,535
Current Liabilities			
Interest Bearing Loans & Borrowings	43,176	47,895	39,441
Net Liability to the lessor of JEDB / SLSPC Estates	1,293	1,224	1,256
Dividends Payable	1,022	1,138	1,022
Trade & other Payable	212,819	197,198	227,798
Amounts due to related companies	29,958	37,228	43,726
	288,268	284,683	313,243
TOTAL EQUITY AND LIABILITIES	2,127,356	2,040,845	2,016,402

CASH FLOW STATEMENT

	9 Months ended 30/09/2007 Rs. '000	9 Months ended 30/09/2006 Rs. '000	(Audited) Year ended 31/12/2006 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (Loss) Before Taxtation	160,282	125,894	34,416
ADJUSTMENT FOR			
Amortization of Negative Goodwill	-	-	(301)
Depreciation/ Amortization	58,053	58,997	77,907
(Profit)/Loss on sale Property, Plant and Equipment	-	-	3,560
Retirement Benefit Obligation - Provision	26,554	20,432	87,067
Amortization of Grants	(6,746)	(6,342)	(8,994)
Interest Income	(5,632)	(2,765)	(4,086)
Provision for Obsolete Stocks	-		(713)
Provision for Doubtful Debts	-	-	9
Interest Expense	29,254	18,783	20,703
Operating Profit Before Working Capital Changes	**261,765**	**214,999**	**209,568**
(Increases)/Decrease in Inventories	(11,238)	(40,907)	22,461
(Increases)/Decrease in Trade & Other Receivables	(5,616)	5,665	15,647
(Increases)/Decrease in amount due from Related Companies	(219)	30	26
Increases/(Decrease) in Creditors & Accruals	(12,123)	(36,775)	(5,360)
Increases/(Decrease) in amounts due to Related Companies	(13,767)	(22,855)	(16,358)
Cash Generated from Operations	**218,802**	**120,157**	**225,985**
Retirement Benefit Obligation - Payments	(20,479)	(18,717)	(26,670)
Interest Paid	(18,112)	(9,278)	(8,589)
Net cash from Operating Activities	**180,211**	**92,162**	**190,726**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Interest Received	3,432	2,680	4,056
Grants Received	4,917	8,545	7,914
Purchase of Property Plant & Equipment	(15,355)	(4,328)	(11,813)
Investment In Immature Plantations	(35,012)	(40,512)	(66,946)
Payment of Economic Service Charge	(8,139)	(1,672)	(3,142)
Nett Cash from/(used in) Investing Activities	**(50,157)**	**(35,287)**	**(69,931)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Loans	(28,364)	(28,688)	(38,114)
Payment to Lessor on Lease Rights	(14,197)	(9,505)	(13,321)
Dividends Paid	-	-	(115)
Net cash Used in Financing Activities	**(42,561)**	**(38,193)**	**(51,550)**
Net Increase /(Decrease) in Cash & Cash Equivalents	**87,493**	**18,682**	**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	241,045	102,990	153,552
	87,493	18,682	69,244