

BALANGODA PLANTATIONS PLC
110, Norris Canal Road - Colombo -10
Provisional Financial Statement for 09 months ended 30th September 2008

INCOME STATEMENT

	3 Months ended 30/09/2008 Rs. '000	3 Months ended 30/09/2007 Rs. '000	9 Months ended 30/09/2008 Rs. '000	9 Months ended 30/09/2007 Rs. '000	(Audited) Year ended 31/12/2007 Rs. '000
Revenue	484,059	432,374	1,815,570	1,504,913	2,148,129
Cost of Sales	(505,760)	(360,697)	(1,584,318)	(1,238,514)	(1,795,647)
Gross Profit	(21,701)	71,677	231,252	266,399	352,482
Other Operating Income	34,027	21,939	90,420	47,320	96,186
Administration Expenses	(22,017)	(19,639)	(67,676)	(55,592)	(89,604)
Management Fee	(17,866)	(20,731)	(81,329)	(68,591)	(98,473)
Profit from Operating Activities	(27,557)	53,246	172,667	189,536	260,591
Finance Cost	(9,632)	(6,935)	(27,673)	(20,807)	(27,743)
Profit from ordinary Activities Before Taxation	(37,189)	46,311	144,994	168,729	232,848
Income Tax Expenses	-	-	-	-	(18,934)
Profit for the period	(37,189)	46,311	144,994	168,729	213,914
Earning per Share	(1.57)	1.96	6.13	7.14	0.84
Net Assets per share	52.56	46.51	52.56	46.51	32.70
No of Shares			23,636,363		
Market Value of Share					
Highest (for the period)			43.75	17.50	28.75
Lowest (for the period)			22.25	11.00	11.00
Closing (for the period)			29.00	15.00	27.00

STATEMENT OF CHANGES IN EQUITY

	Share Capital Rs. '000	General Reserves Rs. '000	Retained Profit/(Loss) Rs. '000	Total Equity Rs. '000
Balance as at 31st December 2006	350,000	8,000	572,624	930,624
Net Profit/(Loss) for the Period	-	-	168,729	168,729
Balance as at 30th September 2007	350,000	8,000	741,353	1,099,353
Balance as at 31st December 2007	350,000	8,000	786,537	1,144,537
Net Profit/(Loss) for the period	-	-	144,994	144,994
Dividend	-	-	(47,273)	(47,273)
Balance as at 30th September 2008	350,000	8,000	884,258	1,242,258

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 PLC

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 09 months ended 30th September 2008

BALANCE SHEET

	As at 30/09/2008 Rs. '000	As at 30/09/2007 Rs. '000	(Audited) Year ended 31/12/2007 Rs. '000
ASSETS			
Non Current Assets			
Leasehold Property Plant & Equipment	394,705	412,559	408,499
Property Plant & Equipment	460,698	385,857	392,538
Improvement to Leasehold Property	784,005	741,633	760,060
Long Term Investments	150	150	150
	<u>1,639,558</u>	<u>1,540,199</u>	<u>1,561,247</u>
Current Assets			
Inventories	283,774	200,028	339,886
Trade & Other Receivables	115,370	68,806	62,764
ACT Recoverable	53,099	53,099	53,099
VAT Receivables	11,095	7,798	5,984
ESC Recoverable	24,660	19,206	19,969
Amounts due from Related Companies	5,604	266	40
Short Term Investments	242,340	110,262	141,762
Call Deposits	130,494	106,732	122,706
Cash and Bank Balances	4,764	29,407	50,642
	<u>871,200</u>	<u>595,604</u>	<u>796,852</u>
TOTAL ASSETS	<u>2,510,758</u>	<u>2,135,803</u>	<u>2,358,099</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital	350,000	350,000	350,000
Share Premium	8,000	8,000	8,000
Retained Earnings	884,258	741,353	786,537
SHARE HOLDERS FUND	<u>1,242,258</u>	<u>1,099,353</u>	<u>1,144,537</u>
Non Current Liabilities & Deferred Income			
Interest Bearing Loans & Borrowings	129,161	166,645	157,190
Deferred Tax Liabilities	21,727	26,906	21,727
Deferred Grants & Subsidies	161,799	157,769	156,309
Retirement Benefit Obligations	367,239	288,667	365,251
Net Liabilities to the lessor payable after one year	106,850	108,195	107,863
	<u>786,776</u>	<u>748,182</u>	<u>808,340</u>
Current Liabilities			
Interest Bearing Loans & Borrowings	49,735	43,176	39,940
Net Liabilities to the lessor payable within one year	1,345	1,293	1,306
Dividends Payable	1,022	1,022	1,022
Income Tax Liabilities	23,555	-	23,375
Trade & other Payable	334,245	212,819	295,505
Amount due to related companies	71,822	29,958	44,074
	<u>481,724</u>	<u>288,268</u>	<u>405,222</u>
TOTAL EQUITY AND LIABILITIES	<u>2,510,758</u>	<u>2,135,803</u>	<u>2,358,099</u>

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CASH FLOW STATEMENT

	9 Months ended 30/09/2008 Rs. '000	9 Months ended 30/09/2007 Rs. '000	(Audited) Year ended 31/12/2007 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (Loss) Before Taxation	144,994	168,729	232,848
ADJUSTMENT FOR			
Depreciation/ Amortization	59,295	58,053	77,064
Retirement Benefit Obligation - Provision	32,012	26,554	110,721
Amortization of Grants	(6,879)	(6,746)	(9,380)
Interest Income	(28,466)	(5,632)	(11,536)
Povision for Obsolete Stock	-	-	45
Provision for Doubtful Debts	-	-	(11)
Interest Expense	27,674	29,254	27,743
Operating Profit Before Working Capital Changes	228,630	270,212	427,494
(Increase)/Decrease in Inventories	56,112	(11,238)	(151,141)
(Increase)/Decrease in Trade & Other Receivables	(49,785)	(5,616)	8,041
(Increase)/Decrease in amount due from Related Companies	(5,563)	(219)	7
Increase/(Decrease) in Trade & Other Payables	38,351	(12,123)	78,982
Increase/(Decrease) in amounts due to Related Companies	27,748	(13,767)	349
Cash Generated from Operations	295,493	227,249	363,731
Payment of Economic Service Charges	(4,690)	(8,139)	(8,903)
Retirement Benefit Obligation - Payments	(30,023)	(20,479)	(28,062)
Interest Paid	(15,562)	(18,112)	(18,446)
Net cash from Operating Activities	245,218	180,519	308,320
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Interest Received	20,533	3,432	3,545
Grants Received	12,369	4,917	6,092
Purchases of Property Plant & Equipment	(95,064)	(15,355)	(30,776)
Investment In Immature Plantations	(42,542)	(43,459)	(68,097)
Nett Cash from/(used in) Investing Activities	(104,704)	(50,465)	(89,236)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts of Loans	13,020	-	(37,819)
Repayment of Loans	(29,997)	(28,364)	(21,828)
Payment to Lessor on lease Rights	(12,517)	(14,197)	-
Dividends Paid	(47,273)	-	-
Net cash Used in Financing Activities	(76,767)	(42,561)	(59,647)
Net Increase /(Decrease) in Cash & Cash Equivalents	63,747	87,493	159,436
A. Cash & Cash Equivalents at the beginning of the year	312,989	153,552	153,552
B. Cash & Cash Equivalents at the end of the year	376,736	241,045	312,989
	63,747	87,493	159,436