

BALANGODA PLANTATIONS LIMITED

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 12 months ended 31st December 2007

INCOME STATEMENT

	3 Months ended 31/12/2007 Rs. '000	3 Months ended 31/12/2006 Rs. '000	12 Months ended 31/12/2007 Rs. '000	(Audited) Year ended 31/12/2006 Rs. '000
Revenue	642,555	339,481	2,147,469	1,681,991
Cost of Sales	(550,910)	(425,610)	(1,789,424)	(1,550,710)
Gross Profit	91,645	(86,129)	358,045	131,281
Other Operating Income	41,162	30,165	88,482	66,015
Administration Expenses	(33,735)	(24,390)	(89,327)	(74,588)
Management Fee	(26,805)	(5,948)	(95,396)	(67,589)
Profit from Operating Activities	72,267	(86,302)	261,804	55,119
Finance Cost	(7,207)	(1,918)	(28,830)	(20,703)
Profit before Taxation	65,060	(88,220)	232,974	34,416
Income Tax Expenses	-	-	-	(10,086)
Profit for the period	65,060	(88,220)	232,974	24,330
Earning per Share	2.75	(3.73)	9.86	1.03
Net Assets per share	49.23	39.37	49.23	39.37
Market Value of Share				
Highest (for the period)			28.75	22.00
Lowest (for the period)			11.00	9.75
Closing (for the period)			27.00	16.50
Issued Share Capital			236,363,640	236,363,640
Issued Number of Shares			23,636,364	23,636,364

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 31 December 2005	236,364	113,636	8,000	548,294	906,294
Net Profit/(Loss) for the Period				24,330	24,330
Dividend Paid					0
Balance as at 31 December 2006	236,364	113,636	8,000	572,624	930,624
Balance as at 31 December 2006	236,364	113,636	8,000	572,624	930,624
Net Profit/(Loss) for the period				232,974	232,974
Balance as at 31 December 2007	236,364	113,636	8,000	805,598	1,163,598

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.

BALANGODA PLANTATIONS LIMITED

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 12 months ended 31st December 2007

BALANCE SHEET

	As at 31/12/2007 Rs. '000	(Audited) Year ended 31/12/2006 Rs. '000
ASSETS		
Non Current Assets		
Leasehold rights to bare land of JEDB / SLSPC Estates	233,976	240,225
Immovable JEDB / SLSPC estates assets on finance lease (Other than bare land)	174,523	187,435
Tangible assets other than Immature / Mature plantations	759,784	397,255
Immature/Mature plantations	393,718	714,373
Long Term Investments	150	150
	<u>1,562,151</u>	<u>1,539,438</u>
Current Assets		
Inventories	339,898	188,790
Trade & Other Receivables	59,093	50,485
ACT Recoverable	53,099	53,099
VAT Recoverable	6,150	18,302
Economic Service Charge Recovable	19,969	11,067
Amounts due from Related Companies	71	47
Short Term Investments	141,762	7,272
Call Deposits	122,706	132,634
Cash and Bank Balances	50,642	15,268
	<u>793,390</u>	<u>476,964</u>
TOTAL ASSETS	<u>2,355,541</u>	<u>2,016,402</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share Capital	236,364	236,364
Share Premium	113,636	113,636
General Reserve	8,000	8,000
Retained Profit	805,598	572,624
SHARE HOLDERS FUND	<u>1,163,598</u>	<u>930,624</u>
Non Current Liabilities & Deferred Income		
Interest Bearing Loans & Borrowings	157,190	195,010
Deferred Tax Liabilities	26,167	26,167
Deferred Income	156,309	159,597
Retirement Benefit Obligations	365,251	282,592
Net Liabilities to the lessor of JEDB / SLSPC Estates	107,863	109,169
	<u>812,780</u>	<u>772,535</u>
Current Liabilities		
Interest Bearing Loans & Borrowings	39,940	39,441
Net Liability to the lessor of JEDB / SLSPC Estates	1,306	1,256
Dividends Payable	1,022	1,022
Trade & other Payable	296,518	227,798
Amounts due to related companies	40,377	43,726
	<u>379,163</u>	<u>313,243</u>
TOTAL EQUITY AND LIABILITIES	<u>2,355,541</u>	<u>2,016,402</u>

BALANGODA PLANTATIONS LIMITED

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 12 months ended 31st December 2007

CASH FLOW STATEMENT

	12 Months ended 31/12/2007 Rs.'000	(Audited) Year ended 31/12/2006 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (Loss) Before Taxation	232,974	34,416
ADJUSTMENT FOR		
Amortization of Negative Goodwill	-	(301)
Depreciation/ Amortization	76,034	77,907
(Profit)/Loss on sale Property, Plant and Equipment	-	3,560
Retirement Benefit Obligation - Provision	110,721	87,067
Amortization of Grants	(9,380)	(8,994)
Interest Income	(11,536)	(4,085)
Provision for Obsolete Stocks	-	(713)
Provision for Doubtful Debts	-	9
Interest Expense	28,830	20,702
Operating Profit Before Working Capital Changes	427,643	209,568
(Increases)/Decrease in Inventories	(151,108)	22,461
(Increases)/Decrease in Trade & Other Receivables	2,759	15,648
(Increases)/Decrease in amount due from Related Companies	(24)	26
Increases/(Decrease) in Creditors & Accruals	71,887	(5,360)
Increases/(Decrease) in amounts due to Related Companies	(3,348)	(16,358)
Cash Generated from Operations	347,809	225,985
Payment of Economic Service Charges	(8,164)	(3,142)
Retirement Benefit Obligation - Payments	(28,062)	(26,670)
Interest Paid	(10,181)	(8,589)
Net cash from Operating Activities	301,402	187,584
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Interest Received	3,417	4,055
Grants Received	6,092	7,914
Purchase of Property Plant & Equipment	(31,737)	(11,813)
Investment In Immature Plantations	(67,009)	(66,946)
Nett Cash from/(used in) Investing Activities	(89,237)	(66,790)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of Loans		
Repayment of Loans	(37,820)	(38,114)
Payment to Lessor on Lease Rights		(13,321)
Dividends Paid		(115)
Net cash Used in Financing Activities	(37,820)	(51,550)
Net Increase /(Decrease) in Cash & Cash Equivalents	174,345	69,244
A. Cash & Cash Equivalents at the beginning of the year	153,552	84,308
B. Cash & Cash Equivalents at the end of the year	312,989	153,552
	159,437	69,244