

BALANGODA PLANTATIONS PLC

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 12 months ended 31st December 2008

INCOME STATEMENT

	3 Months ended 31/12/2008 Rs. '000	3 Months ended 31/12/2007 Rs. '000	12 Months ended 31/12/2008 Rs. '000	(Audited) Year ended 31/12/2007 Rs. '000
Revenue	343,307	643,216	2,158,877	2,148,129
Cost of Sales	(389,804)	(557,133)	(1,974,122)	(1,795,647)
Gross Profit	(46,497)	86,083	184,755	352,482
Other Operating Income	31,996	48,866	122,416	96,186
Administration Expenses	(22,519)	(34,012)	(90,195)	(89,604)
Management Fee	(7,464)	(29,882)	(88,793)	(98,473)
Profit from Operating Activities	(44,484)	71,055	128,183	260,591
Finance Cost	(6,144)	(6,936)	(24,577)	(27,743)
Profit before Taxation	(50,628)	64,119	103,606	232,848
Income Tax Expenses	-	-	-	(18,935)
Profit for the period	(50,628)	64,119	103,606	213,913
Earning per Share	(2.14)	2.71	4.38	9.05
Net Assets per share	50.81	48.42	50.81	48.42
Market Value of Share				
Highest (for the period)			43.75	28.75
Lowest (for the period)			10.00	11.00
Closing (for the period)			12.00	27.00
Number of Shares			23,636,364	

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. '000	General Reserves Rs. '000	Retained Profit/(Loss) Rs. '000	Total Equity Rs. '000
Balance as at 31 December 2006	350,000	8,000	572,624	930,624
Net Profit/(Loss) for the Period	-	-	213,913	213,913
Balance as at 31 December 2007	350,000	8,000	786,537	1,144,537
Balance as at 31 December 2007	350,000	8,000	786,537	1,144,537
Net Profit/(Loss) for the period	-	-	103,606	103,606
Dividend	-	-	(47,272)	(47,272)
Balance as at 31 December 2008	350,000	8,000	842,871	1,200,871

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
Chairman

S K L Obeyesekere
Director/CEO

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BALANCE SHEET

	As at 31/12/2008 Rs. '000	(Audited) Year ended 31/12/2007 Rs. '000
ASSETS		
Non Current Assets		
Leasehold Property Plant & Equipment	390,107	408,499
Property Plant & Equipment	507,835	392,538
Improvement to Leasehold Property	820,038	760,060
Long Term Investments	150	150
	<u>1,718,130</u>	<u>1,561,247</u>
Current Assets		
Inventories	271,559	339,886
Trade & Other Receivables	75,731	62,764
ACT Recoverable	53,099	53,099
VAT Recoverable	10,775	5,984
Economic Service Charge Recoverable	26,553	19,969
Amounts due from Related Companies	250	40
Short Term Investments	248,720	141,762
Call Deposits	44,552	122,706
Cash and Bank Balances	5,819	50,642
	<u>737,058</u>	<u>796,852</u>
TOTAL ASSETS	<u>2,455,188</u>	<u>2,358,099</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	350,000	350,000
Reservers	8,000	8,000
Retained Earnings	842,871	786,537
TOTAL EQUITY	<u>1,200,871</u>	<u>1,144,537</u>
Non Current Liabilities & Deferred Income		
Interest Bearing Loans & borrowings	119,371	157,190
Deferred Tax Liabilities	21,727	21,727
Deferred Grants & Subsidies	207,122	156,309
Retirement Benefit Obligations	379,380	365,251
Net Liabilities to the lessor payable after one year	106,503	107,863
	<u>834,103</u>	<u>808,340</u>
Current Liabilities		
Interest Bearing Loans & Borrowings	77,558	39,940
Net Liabilities to the lessor payable within one year	1,359	1,306
Dividends Payable	1,022	1,022
Income Tax Liabilities	23,555	23,375
Trade & other Payable	251,196	295,505
Amount due to related companies	65,524	44,074
	<u>420,214</u>	<u>405,222</u>
TOTAL EQUITY AND LIABILITIES	<u>2,455,188</u>	<u>2,358,099</u>

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CASH FLOW STATEMENT

	12 Months ended 31/12/2008 Rs.'000	(Audited) Year ended 31/12/2007 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (Loss) Before Taxation	103,606	232,848
ADJUSTMENT FOR		
Depreciation/ Amortization	79,918	77,064
Retirement Benefit Obligation - Provision	52,583	110,720
Amortization of Grants	(9,848)	(9,380)
Interest Income	(40,515)	(11,536)
Povision for Obsolete Stock	-	44
Provision for Doubtful Debts	-	(10)
Interest Expense	24,577	27,743
Operating Profit Before Working Capital Changes	210,321	427,493
(Increases)/Decrease in Inventories	68,327	(151,141)
(Increases)/Decrease in Trade & Other Receivables	(17,459)	8,041
(Increases)/Decrease in amount due from Related Companies	(209)	7
Increases/(Decrease) in Trade & Other Payables	(36,746)	78,982
Increases/(Decrease) in amounts due to Related Companies	21,449	348
Cash Generated from Operations	245,683	363,730
Payment of Economic Service Charges	(6,584)	(8,903)
Retirement Benefit Obligation - Payments	(38,453)	(28,062)
Interest Paid	(20,748)	(18,446)
Net cash from Operating Activities	179,898	308,319
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Interest Received	40,216	3,545
Grants Received	60,661	6,092
Purchase of Property Plant & Equipment	(152,028)	(30,776)
Investment In Immature Plantations	(84,774)	(68,097)
Nett Cash from/(used in) Investing Activities	(135,925)	(89,236)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of Loans		
Repayment of Loans	(29,862)	(37,819)
Payment to Lessor on Lease Rights	(12,517)	(21,828)
Dividends Paid	(47,273)	-
Net cash Used in Financing Activities	(89,652)	(59,647)
Net Increase /(Decrease) in Cash & Cash Equivalents	(45,679)	159,436
A. Cash & Cash Equivalents at the beginning of the year	312,989	153,552
B. Cash & Cash Equivalents at the end of the year	267,310	312,988
	(45,679)	159,436