

INCOME STATEMENT

	3 Months ended 31/03/2007 Rs. '000	3 Months ended 31/03/2006 Rs. '000	(Audited) Year ended 31/12/2006 Rs. '000
Revenue	511,455	459,421	1,681,991
Cost of Sales	(412,212)	(385,781)	(1,550,711)
Gross Profit	99,243	73,640	131,280
Other Operating Income	14,697	15,355	66,014
Administration Expenses	(17,341)	(16,444)	(74,588)
Management Fee	(23,125)	(20,744)	(67,588)
Profit from Operating Activities	73,474	51,807	55,118
Finance Cost	(6,991)	(6,650)	(20,702)
Profit from ordinary Activities before taxation	66,483	45,157	34,416
Income Tax Expenses	-	-	(10,086)
Profit for the period	66,483	45,157	24,330
Retained Profit Brought Forward	572,624	545,011	548,294
Retained Profit Carried Forward	639,107	590,168	572,624
Earning per Share	2.81	1.91	0.84
Net Assets per share	42.19	40.11	39.37
Market Value of Share			
Highest (for the period)	17.50	19.00	22.00
Lowest (for the period)	13.75	9.75	9.75
Closing (for the period)	13.75	18.25	16.50

BALANGODA PLANTATIONS LIMITED

110, Norris Canal Road - Colombo -10

Provisional Financial Statement for 03 months ended 31st March 2007

BALANCE SHEET

	As at 31/03/2007 Rs. '000	As at 31/03/2006 Rs. '000	(Audited) Year ended 31/12/2006 Rs. '000
ASSETS			
Non Current Assets			
Leasehold rights to bare land of JEDB / SLSPC Estates	238,662	244,912	240,225
Immovable JEDB / SLSPC estates assets on finance lease (Other than bare land)	183,964	197,850	187,435
Tangible assets other than Immature / Mature plantations	391,358	416,545	397,255
Immature/Mature plantations	721,360	673,492	714,373
Long term investments	150	150	150
	<u>1,535,494</u>	<u>1,532,949</u>	<u>1,539,438</u>
Current Assets			
Inventories	289,663	248,291	188,790
Trade & Other Receivables	104,257	90,763	50,485
ACT Recoverable	53,099	53,099	53,099
VAT Recoverable	15,913	15,290	18,302
Economic Service Charge Recoverable	13,254	14,882	11,067
Amounts due from Related Companies	44	154	47
Short Term Investments	8,549	5,383	7,272
Call Deposits	94,727	50,315	132,634
Cash and Bank Balances	9,715	25,641	15,268
	<u>589,221</u>	<u>503,818</u>	<u>476,964</u>
TOTAL ASSETS	<u>2,124,715</u>	<u>2,036,767</u>	<u>2,016,402</u>
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	639,107	590,168	572,624
SHARE HOLDERS FUND	<u>997,107</u>	<u>948,168</u>	<u>930,624</u>
Non Current Liabilities & Deferred Income			
Interest Bearing Loans & Borrowings	185,555	223,375	195,010
Deferred Tax Liabilities	26,167	22,908	26,167
Deferred Income	159,489	164,868	159,597
Retirement Benefit Obligations	284,189	223,070	282,592
Net Liabilities to the lessor of JEDB / SLSPC Estates	108,850	110,118	109,169
	<u>764,250</u>	<u>744,339</u>	<u>772,535</u>
Current Liabilities			
Interest Bearing Loans & Borrowings	39,908	50,172	39,441
Net Liability to the lessor of JEDB / SLSPC Estates	1,268	1,220	1,256
Dividends Payable	1,022	1,337	1,022
Trade & other Payable	269,897	237,215	227,798
Amounts due to related companies	51,263	54,316	43,726
	<u>363,358</u>	<u>344,260</u>	<u>313,243</u>
TOTAL EQUITY AND LIABILITIES	<u>2,124,715</u>	<u>2,036,767</u>	<u>2,016,402</u>

CASH FLOW STATEMENT

	3 Months ended 31/03/2007 Rs. '000	3 Months ended 31/03/2006 Rs. '000	(Audited) Year ended 31/12/2006 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Taxation	66,483	45,157	34,416
ADJUSTMENT FOR			
Amortization of Negative Goodwill	-	-	(301)
Depreciation/Amortization	19,351	19,666	77,907
Property Plant & Equipment Adjustment	-	-	3,560
Retirement Benefit Obligation - Provision	8,838	7,974	87,067
Amortization of Grants	(2,248)	(1,905)	(8,994)
Interest Income	(1,447)	(1,007)	(4,086)
Provision for Obsolete Stock	-	-	(713)
Provision for doubtful debts	-	-	9
Interest Expenses	6,991	6,649	20,703
Operating Profit Before Working Capital Changes	97,968	76,534	209,568
Increase/(Decrease) in Inventories	(100,873)	(37,753)	22,461
Increase/(Decrease) in Trade & Other Receivables	(51,119)	(21,472)	15,647
Increase/(Decrease) in amount due from Related Companies	3	(81)	26
Increase/(Decrease) in Trade and Other Payables	42,099	5,062	(5,360)
Increase/(Decrease) in amounts due to Related Companies	7,538	(5,567)	(16,358)
Cash Generated from Operations	(4,384)	16,723	225,985
Retirement Benefit Obligation - Payments	(7,241)	(7,099)	(26,670)
Interest Paid	(3,839)	(4,487)	(8,589)
Net cash from Operating Activities	(15,464)	5,137	190,726
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Interest Received	1,183	869	4,056
Grants Received	2,140	2,511	7,914
Purchase of Property Plant & Equipment	(3,107)	(24)	(11,813)
Investment In Immature Plantations	(12,300)	(10,443)	(66,946)
Economic Service Commission Paid	(2,188)	(130)	(3,142)
Net Cash from/(used in) Investing Activities	(14,272)	(7,217)	(69,931)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of Loans	-	-	-
Repayment of Loans	(9,455)	(9,594)	(38,114)
Payment to Lessor on lease Rights	(3,459)	(3,463)	(13,321)
Dividends Paid	-	-	(115)
Net cash Used in Financing Activities	(12,914)	(13,057)	(51,550)
Net Increase /(Decrease) in Cash & Cash Equivalents	(42,650)	(15,137)	69,244
Cash & Cash Equivalents at the beginning of the year	153,552	84,308	153,552
Cash & Cash Equivalents at the end of the year	110,902	69,171	84,308
	42,650	15,137	69,244

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 31 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				45,157	45,157
Balance as at 31 March 2006	<u>236,364</u>	<u>113,636</u>	<u>8,000</u>	<u>590,168</u>	<u>948,168</u>
Balance as at 31 December 2006	236,364	113,636	8,000	572,624	930,624
Net Profit/(Loss) for the period				66,483	66,483
Balance as at 31 March 2007	<u>236,364</u>	<u>113,636</u>	<u>8,000</u>	<u>639,107</u>	<u>997,107</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.

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