

Kegalle Plantations PLC

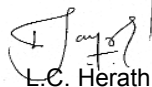
Provisional Financial Statements

**FOR THE THREE MONTHS ENDED
30TH JUNE 2009**

BALANCE SHEET

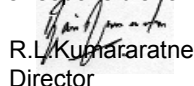
	As at 30/6/2009 Rs. '000	Company As at 30/6/2008 Rs. '000	As at 31/3/2009 Rs. '000	As at 30/6/2009 Rs. '000	Group As at 30/6/2008 Rs. '000	As at 31/3/2009 Rs. '000
ASSETS						
Non Current Assets						
Leasehold right to bare land	176,621	181,534	177,853	176,621	181,534	177,853
Immovable estate Assets on Finance Leases	154,611	165,457	157,144	154,611	165,457	157,144
Tangible Assets other than Immature / Mature Plantations	329,958	298,869	337,345	420,745	395,912	429,723
Immature / Mature Plantations	826,732	759,602	812,360	826,732	759,602	812,360
Long Term Investments	75,000	75,000	75,000	75,000	75,000	75,000
Other Investments	5,297	-	5,297	5,297	-	5,297
	<u>1,568,218</u>	<u>1,480,462</u>	<u>1,564,998</u>	<u>1,659,005</u>	<u>1,577,505</u>	<u>1,657,376</u>
Current Assets						
Inventories	181,085	289,636	146,373	184,486	302,775	149,649
Trade & Other Receivable	282,666	406,696	265,630	297,078	421,347	273,201
ACT / VAT Recoverable	20,561	19,211	25,262	20,568	19,219	33,547
Amount due from Related Companies	59,882	62,447	66,161	18,529	13,811	24,808
Short Term Investment	491,670	80,442	379,090	491,670	80,442	379,090
Cash and Bank Balances	24,615	167,796	64,033	25,796	168,865	64,534
	<u>1,060,478</u>	<u>1,026,228</u>	<u>946,549</u>	<u>1,038,127</u>	<u>1,006,459</u>	<u>924,830</u>
Total Assets	<u>2,628,697</u>	<u>2,506,689</u>	<u>2,511,547</u>	<u>2,697,132</u>	<u>2,583,963</u>	<u>2,582,206</u>
EQUITY AND LIABILITIES						
Capital and Reserves						
Stated Capital	250,000	250,000	250,000	250,000	250,000	250,000
General Reserve	225,000	225,000	225,000	225,000	225,000	225,000
Retained Profit	921,042	905,313	872,281	940,911	891,930	893,605
Share Holders' Fund	<u>1,396,042</u>	<u>1,380,313</u>	<u>1,347,281</u>	<u>1,415,911</u>	<u>1,366,930</u>	<u>1,368,605</u>
Non Current Liabilities						
Interest Bearing Borrowings	311,946	228,810	291,167	311,946	254,610	291,167
Retirement Benefit Obligations	231,278	234,264	233,477	231,373	234,264	233,572
Deferred Income	150,376	123,824	148,093	181,008	158,946	179,780
Net Liability to the Lessor - Payable after one Year	<u>293,625</u>	<u>297,465</u>	<u>294,728</u>	<u>293,625</u>	<u>297,465</u>	<u>294,728</u>
	<u>987,225</u>	<u>884,363</u>	<u>967,465</u>	<u>1,017,952</u>	<u>945,285</u>	<u>999,247</u>
Current Liabilities						
Interest Bearing Loans and Borrowings	70,467	49,448	56,374	70,467	72,818	56,374
Net Liability to the Lessor - Payable within 1 Year	3,955	3,803	3,803	3,955	3,803	3,803
Trade & Other Payables	164,668	164,284	135,578	171,797	163,854	142,729
Dividends Payable	284	1,741	740	284	1,741	740
Amount due to Related Parties	6,057	22,738	306	16,766	29,533	10,709
	<u>245,431</u>	<u>242,013</u>	<u>196,801</u>	<u>263,268</u>	<u>271,748</u>	<u>214,354</u>
Total Equity & Liabilities	<u>2,628,697</u>	<u>2,506,689</u>	<u>2,511,547</u>	<u>2,697,131</u>	<u>2,583,963</u>	<u>2,582,206</u>
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net Asset Value per Share	55.84	55.21	53.89	56.64	54.68	54.74

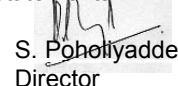
These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.


L.C. Herath

Chief Financial Officer

The Board of Directors are responsible for the preparation and presentation of these Financial Statements.


R.L. Kummararatne
Director


S. Poholyadde
Director

Colombo
7th August 2009

CASH FLOW STATEMENT

	Company Three Months Ended 30th June		Group Three Months Ended 30th June	
	2009 Rs. '000	2008 Rs. '000	2009 Rs. '000	2008 Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before Taxation	52,385	164,816	50,930	158,115
ADJUSTMENTS FOR				
Depreciation / Amortisation	19,034	17,691	20,624	19,386
Provision for Defined Benefit Plans	6,585	8,827	6,585	8,827
Amortization of Grants	(1,157)	(990)	(2,211)	(1,772)
Finance Cost	16,893	13,153	16,893	15,867
Operating Profit before Working Capital changes	93,740	203,497	92,821	200,423
(Increase)/Decrease in Trade & Other Receivables	(12,334)	(42,130)	(10,896)	(45,344)
(Increase)/Decrease in Inventories	(34,712)	(86,916)	(34,835)	(85,772)
(Increase)/Decrease in amounts due from Related Companies	6,279	590	6,279	590
Increase/(Decrease) in Trade & Other Payables	29,090	14,988	29,374	25,018
(Increase)/Decrease in amounts due to Related Companies	5,751	16,192	5,751	16,192
Cash Generated from Operations	87,814	106,221	88,494	111,107
Defined Benefit Plan Costs paid	(8,784)	(10,766)	(8,784)	(10,766)
Finance Cost Paid	(12,654)	(8,878)	(12,654)	(11,592)
Tax Paid	(3,625)	(4,373)	(3,625)	(4,373)
Net Cash from Operating Activities	62,751	82,204	63,431	84,376
CASH FLOWS FROM INVESTING ACTIVITIES				
Grant Received	3,440	4,461	3,440	4,461
Field Development Expenditure	(21,254)	(17,473)	(21,254)	(17,473)
Purchase of Property, Plant & Equipment	(1,001)	(14,142)	(1,001)	(14,142)
Dividend Paid	(456)	(2,483)	(456)	(2,483)
Net Cash used in Investing Activities	(19,272)	(29,637)	(19,272)	(29,637)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of Government Lease Rentals	(5,190)	(5,195)	(5,190)	(5,195)
New Loans	44,000	-	44,000	-
Repayment of loans	(13,219)	(12,268)	(13,219)	(14,067)
Net Cash from Financing Activities	25,591	(17,463)	25,591	(19,262)
Net Increase/(Decrease) in Cash & Cash Equivalents	69,071	35,104	69,751	35,477
Cash & Cash Equivalents at the beginning of the period Note A	443,123	213,134	443,624	203,102
Cash & Cash Equivalents at the end of the period Note B	512,194	248,238	513,375	238,579
NOTES				
A. Cash & Cash Equivalents at the beginning of the period				
Cash & Bank Balances	64,033	16,036	64,534	16,036
Short Term Investment	379,090	198,163	379,090	198,163
Bank Overdrafts	-	(1,066)	-	(11,098)
	443,123	213,134	443,624	203,102
B. Cash & Cash Equivalents at the end of the period				
Cash & Bank Balances	24,615	167,796	25,796	168,864
Short Term Investment	491,670	80,442	491,670	69,715
Bank Overdrafts	(4,091)	-	(4,091)	-
	512,194	248,238	513,375	238,579

STATEMENT OF CHANGES IN EQUITY

For the Three Months Ended 30th June 2009

	Company				Group			
	Stated Capital Rs. '000	General Reserve Rs. '000	Accumulated Profit/(Loss) Rs. '000	Total Rs. '000	Stated Capital Rs. '000	General Reserve Rs. '000	Accumulated Profit/(Loss) Rs. '000	Total Rs. '000
Balance as at 01st April 2008	250,000	225,000	744,870	1,219,870	250,000	225,000	738,188	1,213,188
Net Profit /(Loss) for the period	-	-	160,443	160,443	-	-	153,742	153,742
Balance as at 30th June 2008	<u>250,000</u>	<u>225,000</u>	<u>905,313</u>	<u>1,380,313</u>	<u>250,000</u>	<u>225,000</u>	<u>891,930</u>	<u>1,366,930</u>
Balance as at 01st April 2009	250,000	225,000	872,281	1,347,281	250,000	225,000	893,605	1,368,605
Net Profit /(Loss) for the period	-	-	48,760	48,760	-	-	47,306	47,306
Balance as at 30th June 2009	<u>250,000</u>	<u>225,000</u>	<u>921,042</u>	<u>1,396,042</u>	<u>250,000</u>	<u>225,000</u>	<u>940,911</u>	<u>1,415,911</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Three Months Ended 30th June 2009

		Period Ended 30th June	
		2009 Rs.	2008 Rs.
1	Market Price per Share		
	Highest	38.00	69.50
	Lowest	19.50	55.50
	Last Traded	34.50	61.50
2	Stated Capital of Kegalle Plantations PLC amounts to Rs. 250,000,010 represented by 25,000,001 shares.		
3	The above figures are provisional and subject to Audit. The Interim Financial Statements of the Company has been prepared on the basis of the same accounting policies and methods applied for the year ended 31 st March 2009 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.		
4	The presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant, to be comparable with those for the current year.		
5	Subsequent to the Balance Sheet date, Hamefa Kegalle (Pvt) Ltd, the fully owned subsidiary of Kegalle Plantations PLC discontinued commercial operations and steps are being taken to dispose the assets.		
6	There are no material changes in contingent liabilities since the last Annual Report Balance Sheet date which require disclosure.		

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NOTES TO THE FINANCIAL STATEMENTS CONTD...

7	Twenty Largest Shareholders	As at 30/06/2009		As at 31/03/2009	
		Number of Shares held	% of the Holding	Number of Shares held	% of the Holding
	RPC Plantations Management Services (Pvt.) Ltd	17,015,100	68.06%	17,015,100	68.06%
	HSBC International Nominees Ltd : HSBC - Tea Plantations	1,294,200	5.18%	1,294,200	5.18%
	Freudenberg Shipping Agencies Ltd	571,900	2.29%	571,900	2.29%
	J B Cocoshel (Pvt) Ltd	336,100	1.34%	336,100	1.34%
	Bank of New York	215,100	0.86%	368,800	1.48%
	Mrs.N.Muljie	207,000	0.83%	207,000	0.83%
	HSBC International Nominees Ltd-SSBT-Deustche Bank	205,000	0.82%	205,000	0.82%
	Mr.A.K.Kumarasena	163,300	0.65%	160,300	0.64%
	H Don Carolis & Sons Ltd	140,000	0.56%	140,000	0.56%
	Cocoshell Activated Carbon Company Ltd	137,800	0.55%	136,800	0.55%
	Tranz Domination PLC	130,000	0.52%	102,200	0.41%
	Waldock Mackenzie Ltd	125,000	0.50%	125,000	0.50%
	Mrs. P N Bhatt	107,700	0.43%	107,700	0.43%
	Deutsche Bank AG-National Equity Fund	99,600	0.40%	-	-
	Mr.A.W.Edwards	77,000	0.31%	77,000	0.31%
	Alliance Finance Company PLC	68,300	0.27%	68,300	0.27%
	Fergasam Garment Industries (Pvt) Ltd	63,500	0.25%	63,500	0.25%
	Phoenix Ventures Limited	50,000	0.20%	50,000	0.20%
	Mount Lavinia Hotel (1975) Ltd	40,000	0.16%	40,000	0.16%
	Mr.M M Fuad	39,300	0.16%	-	-
	Sub total	21,085,900	84.34%		
	Balance held by 9,349 shareholders	3,914,101	15.66%		
	Total Shares	25,000,001	100.00%		

The percentage of shares held as at 30th June 2009 is as follows;

	No of Shares	%
Public Holding	7,984,594	31.94
Other Holding	17,015,407	68.06
	25,000,001	100.00

8 Director's Shareholding as at 31st March 2009 is as follows;

	No of Shares
Dr. S Yaddhige	-
Mr J. H. P. Ratnayake	-
Mr R. L. Kumararatne	-
Mr Lalit N De S. Wijeyeratne	-
Mr Pravir D. Samarasinghe	-
Mr. S.S. Poholiyadde	307
Dr. A . Nugawela	-

9 There have been no other events subsequent to the Balance Sheet date, which require disclosure in the Interim Financial Statements.

SEGMENT INFORMATION

For the three Months Ended 30 June 2009

Company	Rubber		Tea		Coconut		Others		Total	
	2009 Rs. '000	2008 Rs. '000	2009 Rs. '000	2008 Rs. '000	2009 Rs. '000	2008 Rs. '000	2009 Rs. '000	2008 Rs. '000	2009 Rs. '000	2008 Rs. '000
Revenue	173,696	377,587	220,226	241,649	8,533	10,194	-	67	402,455	629,498
Revenue Expenditure	(118,938)	(197,504)	(177,601)	(187,582)	(3,664)	(4,015)	(5)	(58)	(300,209)	(389,159)
Depreciation / Amortization	(11,682)	(11,028)	(6,680)	(5,990)	(248)	(272)	(22)	(22)	(18,632)	(17,311)
Other Non Cash Expenses										
- Gratuity	(3,321)	(5,068)	(3,089)	(3,558)	(175)	(202)	-	-	(6,585)	(8,827)
Segment Results	<u>39,756</u>	<u>163,987</u>	<u>32,855</u>	<u>44,519</u>	<u>4,446</u>	<u>5,707</u>	<u>(27)</u>	<u>(13)</u>	<u>77,030</u>	<u>214,200</u>
Other Operating Income									16,488	13,107
Unallocated Expenses									(9,613)	(9,880)
Management Fees									(14,627)	(39,458)
Finance Cost									(16,893)	(13,153)
Income Tax Expenses									<u>(3,625)</u>	<u>(4,373)</u>
Operating Profit of the Company									<u>48,760</u>	<u>160,443</u>
Group										
Revenue	173,696	377,587	220,226	241,649	8,533	10,194	-	3,457	402,455	632,888
Revenue Expenditure	(118,938)	(197,504)	(177,601)	(187,582)	(3,664)	(4,015)	(5)	(3,751)	(300,209)	(392,852)
Depreciation / Amortization	(11,682)	(11,028)	(6,680)	(5,990)	(248)	(272)	(22)	(1,717)	(18,632)	(19,006)
Other Non Cash Expenses										
- Gratuity	(3,321)	(5,068)	(3,089)	(3,558)	(175)	(202)	-	-	(6,585)	(8,827)
Segment Results	<u>39,756</u>	<u>163,987</u>	<u>32,855</u>	<u>44,519</u>	<u>4,446</u>	<u>5,707</u>	<u>(27)</u>	<u>(2,011)</u>	<u>77,030</u>	<u>212,202</u>
Other Operating Income									17,542	13,889
Unallocated Expenses									(12,122)	(12,651)
Management Fees									(14,627)	(39,458)
Finance Cost									(16,893)	(15,867)
Income Tax Expenses									<u>(3,625)</u>	<u>(4,373)</u>
Operating Profit of the Company									<u>47,306</u>	<u>153,742</u>

CORPORATE INFORMATION

Name of the Company	KEGALLE PLANTATIONS PLC
Legal Form	A Quoted Public Company with Limited Liability, incorporated in Sri Lanka.
Date of Incorporation	22nd June 1992
Company Registration No	P Q 135
Principal Business Activities	Cultivation, Manufacture and Sale of Tea, Rubber, Coconut and other Agricultural Produce.
Stock Exchange Listing	The Ordinary Shares of the Company is listed with the Colombo Stock Exchange of Sri Lanka
Registered / Head Office	No 310, High Level Road, Nawinna Maharagama, Sri Lanka.
Ultimate Parent Enterprise	Richard Pieris and Company PLC
Board of Directors	Dr. S. Yaddehige - Chairman Mr J. H. P. Ratnayeke - Deputy Chairman Mr R. L. Kumararatne Mr Lalit N De S. Wijeyeratne Mr Pravir D. Samarasinghe Mr. S.S. Poholiyadde Dr. A . Nugawela
Secretaries	Richard Pieris Group Services (Pvt) Ltd No 310, High Level Road, Nawinna Maharagama, Sri Lanka Telephone : 011-4310564
Auditors	Messrs Ernst & Young Chartered Accountants 201, De Saram Place , Colombo 10 Sri Lanka
Bankers	Hatton National Bank PLC Bank of Ceylon National Development Bank PLC Peoples Bank Seylan Bank PLC
Contact Details	Telephone : +(94) 11 4310888 Facsimile : +(94) 11 4310799 Internet : www.arpico.com E-mail : kpl.rpk@arpico.com