

Kegalle Plantations PLC

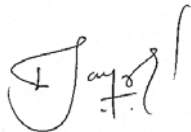
**Provisional Interim Financial Statements
for the Year ended *31 March 2011***

PROVISIONAL FINANCIAL STATEMENTS

BALANCE SHEET

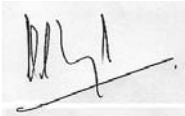
As at 31 March	Company		Group	
	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000
ASSETS				
<u>Non - Current Assets</u>				
Leasehold right to bare land	168,036	172,944	168,036	172,944
Immovable Estates Assets on Finance Lease	135,259	146,179	135,259	146,179
Tangible Assets other than Immature / Mature Plantations	388,585	371,493	460,851	450,778
Immature / Mature Plantations	1,015,940	899,063	1,015,940	899,063
Long Term Investments	225,000	225,000	183,307	225,000
	<u>1,932,820</u>	<u>1,814,679</u>	<u>1,963,393</u>	<u>1,893,964</u>
<u>Current Assets</u>				
Inventories	391,655	247,714	393,378	249,462
Trade & Other Receivable	230,410	263,662	235,878	269,122
ACT / VAT Recoverable	20,004	20,188	28,282	28,473
Amounts due from Related Companies	57,177	52,862	12,897	9,414
Short Term Investments	1,289,494	719,993	1,289,494	719,993
Cash and Bank Balances	10,263	20,685	10,307	22,988
	<u>1,999,003</u>	<u>1,325,104</u>	<u>1,970,236</u>	<u>1,299,452</u>
Total Assets	<u>3,931,823</u>	<u>3,139,783</u>	<u>3,933,629</u>	<u>3,193,416</u>
EQUITY & LIABILITIES				
<u>Capital & Reserves</u>				
Stated Capital	250,000	250,000	250,000	250,000
General Reserve	225,000	225,000	225,000	225,000
Retained Profit	1,968,938	1,223,311	1,934,489	1,234,239
Shareholders' Fund	<u>2,443,938</u>	<u>1,698,311</u>	<u>2,409,489</u>	<u>1,709,239</u>
<u>Non - Current Liabilities</u>				
Interest Bearing Loans & Borrowings	303,089	343,570	303,089	343,570
Retirement Benefit Obligations	335,025	316,754	335,120	316,849
Deferred Income	196,738	172,656	219,722	199,992
Net Liability to the Lessor - Payable after one year	286,660	290,773	286,660	290,773
	<u>1,121,512</u>	<u>1,123,753</u>	<u>1,144,591</u>	<u>1,151,184</u>
<u>Current Liabilities</u>				
Interest Bearing Loans & Borrowings	68,319	61,288	68,319	61,288
Net Liability to the Lessor - Payable within one year	4,113	3,955	4,113	3,955
Trade & Other Payables	260,034	198,191	264,532	202,688
Dividend Payable	1,225	1,129	1,225	1,129
Amounts due to Related Companies	15,798	39,828	24,476	50,605
Income Tax Payable	16,884	13,328	16,884	13,328
	<u>366,373</u>	<u>317,719</u>	<u>379,549</u>	<u>332,993</u>
Total Equity & Liabilities	<u>3,931,823</u>	<u>3,139,783</u>	<u>3,933,629</u>	<u>3,193,416</u>
Net Asset Value per Share (Rs.)	97.76	67.93	96.38	68.37

The above figures are subject to audit



L C Herath (Mrs)
Chief Financial Officer

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



S S Poholiyadde
Director/CEO

Colombo
27 May 2011



J H P Ratnayeke
Director

PROVISIONAL FINANCIAL STATEMENTS

INCOME STATEMENT

	Company						Group					
	Quarter Ended			Year Ended			Quarter Ended			Year Ended		
	2011 Rs. '000	2010 Rs. '000	Variance + / (-) %	2011 Rs. '000	2010 Rs. '000	Variance + / (-) %	2011 Rs. '000	2010 Rs. '000	Variance + / (-) %	2011 Rs. '000	2010 Rs. '000	Variance + / (-) %
For the Year Ended 31 March												
Continuing Operations												
Revenue	900,962	692,478	30	2,991,762	2,216,497	35	900,962	692,478	30	2,991,762	2,216,497	35
Cost of Sales	(478,109)	(437,507)	(9)	(1,817,992)	(1,762,417)	(3)	(478,109)	(437,507)	(9)	(1,817,992)	(1,762,417)	(3)
Gross Profit	422,853	254,971	66	1,173,770	454,080	158	422,853	254,971	66	1,173,770	454,080	158
Other Operating Income	28,521	24,452	17	105,951	82,629	28	28,521	24,452	17	105,951	82,629	28
Administrative Expenses	(11,307)	(12,051)	6	(54,636)	(44,516)	(23)	(11,307)	(12,051)	6	(54,636)	(44,516)	(23)
Management Fee	(63,689)	(43,987)	(45)	(193,492)	(82,193)	(135)	(63,689)	(43,987)	(45)	(193,492)	(82,193)	(135)
Finance Cost	(62,076)	(16,917)	(267)	(114,470)	(62,396)	(83)	(62,076)	(16,917)	(267)	(114,470)	(62,396)	(83)
Reversal / (Provision) For Doubtful Receivable	-	50,958	100	-	50,958	100	-	50,958	100	-	50,958	100
Profit from Operations after Finance Cost	314,302	257,426	22	917,123	398,562	130	314,302	257,426	22	917,123	398,562	130
Share of Result of Associate	-	-	-	-	-	-	(30,554)	-	(100)	(41,676)	-	(100)
Profit before Taxation	314,302	257,426	22	917,123	398,562	130	283,748	257,426	10	875,447	398,562	120
Income Tax Expenses	(14,151)	(12,866)	(10)	(33,996)	(22,532)	(51)	(14,169)	(12,866)	(10)	(34,014)	(22,532)	(51)
Profit for the period from continuing operations	300,151	244,560	23	883,127	376,030	135	269,580	244,560	10	841,434	376,030	124
Discontinued Operations												
Loss after tax for the period from discontinued operations	-	-	-	-	-	-	552	(7,481)	107	(3,684)	(10,396)	65
Profit for the period	300,151	244,560	23	883,127	376,030	135	270,132	237,079	14	837,750	365,634	129
Basic Earnings Per Share from Continuing Operations (Rs.)	12.01	9.78		35.33	15.04		10.78	9.78		33.66	15.04	

The above figures are subject to audit

PROVISIONAL FINANCIAL STATEMENTS

CASH FLOW STATEMENT

	Company		Group	
	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000
For the Year Ended 31 March				
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES				
Net Profit before Taxation from continuing operations	917,123	398,562	875,447	398,562
Net Loss before Taxation from discontinued operations	-	-	(3,684)	(10,396)
ADJUSTMENTS FOR				
Interest Income	(74,240)	(55,145)	(74,240)	(55,145)
Depreciation, Amortization and Impairment Loss	82,104	78,058	89,123	91,150
Provision for Defined Benefit Plan Costs	52,223	114,914	52,223	114,914
Amortization of Grants	(5,758)	(5,280)	(10,109)	(9,631)
Share of Result of Associate	-	-	41,676	-
Profit on Disposal of Property Plant & Equipment	-	-	-	-
Finance Cost	114,470	62,396	114,470	62,396
(Reversal) / Provision for Bad & Doubtful Receivable	-	(50,958)	-	(50,958)
Operating Profit before Working Capital Changes	1,085,922	542,547	1,084,906	540,892
(Increase)/Decrease in Trade & Other Receivables	33,435	58,000	33,435	60,112
(Increase)/Decrease in Inventories	(143,940)	(101,341)	(143,917)	(99,813)
(Increase)/Decrease in amounts due from Related Companies	(4,315)	13,299	(4,315)	13,299
Increase/(Decrease) in Trade & Other Payables	60,882	66,227	60,882	63,575
Increase/(Decrease) in amounts due to Related Companies	(24,029)	39,522	(25,294)	41,990
Cash Generated from / (Used in) Operations	1,007,955	618,254	1,005,697	620,055
Defined Benefit Plan Costs paid	(33,952)	(31,637)	(33,952)	(31,637)
Finance Cost Paid	(50,988)	(45,442)	(50,988)	(45,442)
ESC/Income Tax Paid	(29,481)	(12,818)	(29,481)	(12,818)
Net Cash from Operating Activities	893,534	528,357	891,276	530,158
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES				
Interest Received	74,240	55,145	74,240	55,145
Grant Received	29,839	29,843	29,839	29,843
Field Development Expenditure	(144,915)	(114,438)	(144,915)	(114,438)
Purchase of Property, Plant & Equipment	(55,329)	(68,597)	(55,329)	(68,597)
Investments in Projects	-	(144,703)	-	(144,703)
Net Cash from / (Used in) Investing Activities	(96,165)	(242,750)	(96,165)	(242,750)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES				
Dividend Paid	(137,404)	(24,611)	(137,404)	(24,611)
Payment of Government Lease Rentals	(67,437)	(20,758)	(67,437)	(20,758)
Proceeds from Loans	-	137,323	-	137,323
Repayment of Loans	(61,288)	(80,005)	(61,288)	(80,005)
Net Cash from / (Used in) Financing Activities	(266,129)	11,949	(266,129)	11,949
Net Increase/(Decrease) in Cash & Cash Equivalents	531,241	297,555	528,982	299,357
Cash & Cash Equivalents at the beginning of the period	Note A	740,678	443,123	742,981
Cash & Cash Equivalents at the end of the period	Note B	1,271,919	740,678	1,271,963
NOTES				
A. Cash & Cash Equivalents at the beginning of the period				
Cash & Bank Balances		20,685	64,033	22,988
Investment in Treasury Bills, Repo & Others		719,993	379,090	719,993
		740,678	443,123	742,981
B. Cash & Cash Equivalents at the end of the period				
Cash & Bank Balances		10,263	20,685	10,307
Investment in Treasury Bills, Repo & Others		1,289,494	719,993	1,289,494
Bank Overdrafts		(27,838)	-	(27,838)
		1,271,919	740,678	1,271,963
The above figures are subject to audit				

PROVISIONAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2011

	Company				Group			
	Stated Capital Rs. '000	General Reserve Rs. '000	Accumulated Profit Rs. '000	Total Rs. '000	Stated Capital Rs. '000	General Reserve Rs. '000	Accumulated Profit Rs. '000	Total Rs. '000
Balance as at 31 March 2009	250,000	225,000	872,281	1,347,281	250,000	225,000	893,605	1,368,605
Net Profit for the period	-	-	376,030	376,030	-	-	365,634	365,634
Dividend Paid	-	-	(25,000)	(25,000)	-	-	(25,000)	(25,000)
Balance as at 31 March 2010	250,000	225,000	1,223,311	1,698,311	250,000	225,000	1,234,239	1,709,239
Balance as at 31 March 2010	250,000	225,000	1,223,311	1,698,311	250,000	225,000	1,234,239	1,709,239
Net Profit for the period	-	-	883,127	883,127	-	-	837,750	837,750
Dividend Paid	-	-	(137,500)	(137,500)	-	-	(137,500)	(137,500)
Balance as at 31 March 2011	250,000	225,000	1,968,938	2,443,938	250,000	225,000	1,934,489	2,409,489

The above figures are subject to audit

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March

	2011 Rs.	2010 Rs.
1. Market Price per Share		
Highest	285.00	52.00
Lowest	47.50	19.00
Last Traded	207.50	47.00

- Stated Capital of Kegalle Plantations PLC amounts to Rs. 250,000,010 represented by 25,000,001 Ordinary Shares.
- The Provisional Interim Financial Statements of the Company/Group are unaudited and have been prepared on the basis of the same accounting policies and methods applied for the year ended 31 March 2010 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company/Group.
- The presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.
- There have been no other events other than declaration of final Dividend of Rs. 12.5Mn (Rs. 0.50 per share) subsequent to the Balance Sheet date, which require disclosure in the Interim Financial Statements.
- There has been no material changes in the nature of the contingent liabilities, other than what was disclosed in the Annual Report for the year ended 31 March 2010.

PROVISIONAL FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS CONTD...

7. Twenty largest shareholders of the Company are as follows ;

As at	31 March 2011		31 March 2010	
	Number of Shares	% of the Holding	Number of Shares	% of the Holding
RPC Plantation Management Services (Pvt) Ltd	17,015,100	68.06%	17,015,100	68.06%
J B Cocoshell (Pvt) Ltd	628,800	2.52%	362,500	1.45%
Almar Trading Co. (Pvt) Ltd	221,300	0.89%	77,300	0.31%
HSBC International Nominees Ltd-SSBT-Deustche Bank	200,000	0.80%	205,000	0.82%
Tranz Dominion, L.L.C	185,000	0.74%	185,000	0.74%
Commercial Bank Of Ceylon PLC / D.R. Costa	154,600	0.62%	-	-
Cocoshell Activated Carbon Company Limited	153,500	0.61%	146,100	0.58%
Commercial Bank Of Ceylon PLC / D.S.J.V. Costa	140,500	0.56%	-	-
Mrs.N. Muljie	135,100	0.54%	135,100	0.54%
Waldock Mackenzie Ltd /Hi - Line Towers (Pvt) Ltd	129,600	0.52%	-	-
Mas Capital (Private) Ltd	122,300	0.49%	99,800	0.40%
Deutsche Bank AG As Trustee for Namal Acuity	100,000	0.40%	-	-
Deutsche Bank AG - National Equity Fund	100,000	0.40%	-	-
Pershing LLC S/A Averbach Grauson & Co.	95,600	0.38%	296,800	1.19%
Janashakthi Insurance Co. Ltd (Policy Holders)	94,800	0.38%	-	-
Mr. P. Subasinghe	92,400	0.37%	-	-
Mr. M.M. Fuad	92,300	0.37%	-	-
Ceylon Guardian Investment Trust PLC A/C No. 01	87,900	0.35%	-	-
Mr.M. J. Fernando	85,500	0.34%	-	-
Askold (Pvt) Ltd.	85,000	0.34%	-	-
Sub Total	19,919,300	79.68%	-	-
Balance held by 9,582 Shareholders (2009/10 - 9,349 Shareholders)	5,080,701	20.32%	4,406,600	18.00%
Total Shares	25,000,001	100.00%	25,000,001	100.00%

The percentage of shares held as follows;

	31 March 2011		31 March 2010	
	Number of Shares	% of the Holding	Number of Shares	% of the Holding
Public Holding	7,984,594	31.94%	7,984,594	31.94%
Other Holding	17,015,407	68.06%	17,015,407	68.06%
	25,000,001	100.00%	25,000,001	100.00%

8. The number of shares held by the Board of Directors are as follows ;

As at	Number of Shares	
	31 March 2011	31 March 2010
Dr. Sena Yaddehige	-	-
Mr. J H P Ratnayeke	-	-
Mr. S S Poholiyadde	307	307
Mr. R L Kumararatne (Ceased to be a Director w.e.f. 08 February 2011)	-	-
Mr. L N De S Wijeyeratne (Resigned w.e.f. 01 July 2010)	-	-
Mr. P D Samarasinghe (Resigned w.e.f. 15 February 2011)	-	-
Prof. R C W M R A Nugawela	-	-
Dr. S S G Jayawardena (Appointed w.e.f. 16 August 2010)	-	-

PROVISIONAL FINANCIAL STATEMENTS

SEGMENT INFORMATION

For the Year Ended 31 March Company	Rubber		Tea		Coconut		Others		Total	
	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000
Revenue	1,964,122	1,277,707	908,632	864,394	37,374	28,286	81,634	46,110	2,991,762	2,216,497
Revenue Expenditure	(850,388)	(806,250)	(818,092)	(748,821)	(16,755)	(16,129)	(22)	(533)	(1,685,257)	(1,571,733)
Depreciation / Amortization	(50,059)	(48,500)	(29,642)	(26,459)	(723)	(723)	(88)	(88)	(80,512)	(75,770)
Other Non Cash Expenses - Gratuity	(29,738)	(56,830)	(20,585)	(56,184)	(1,900)	(1,900)	-	-	(52,223)	(114,914)
Segment Results	1,033,937	366,127	40,313	32,930	17,996	9,534	81,524	45,489	1,173,770	454,080
Other Operating Income									105,951	82,629
Administration Expenses									(54,636)	(44,516)
Management Fees									(193,492)	(82,193)
Finance Cost									(114,470)	(62,396)
Reversal / (Provision) For Doubtful Receivable									-	50,958
Income Tax Expenses									(33,996)	(22,532)
Profit for the Period									883,127	376,030

SEGMENT INFORMATION

For the Year Ended 31 March Group	Rubber		Tea		Coconut		Others		Total	
	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000
Revenue	1,964,122	1,277,707	908,632	864,394	37,374	28,286	81,634	46,110	2,991,762	2,216,497
Revenue Expenditure	(850,388)	(806,250)	(818,092)	(748,821)	(16,755)	(16,129)	(22)	(533)	(1,685,257)	(1,571,733)
Depreciation / Amortization	(50,059)	(48,500)	(29,642)	(26,459)	(723)	(723)	(88)	(88)	(80,512)	(75,770)
Other Non Cash Expenses - Gratuity	(29,738)	(56,830)	(20,585)	(56,184)	(1,900)	(1,900)	-	-	(52,223)	(114,914)
Segment Results	1,033,937	366,127	40,313	32,930	17,996	9,534	81,524	45,489	1,173,770	454,080
Other Operating Income									105,951	82,629
Administration Expenses									(54,636)	(44,516)
Management Fees									(193,492)	(82,193)
Finance Cost									(114,470)	(62,396)
Reversal / (Provision) For Doubtful Receivable									-	50,958
Profit from Operations after Finance Cost									917,123	398,562
Share of Result of Associate									(41,676)	-
Profit before Taxation									875,447	398,562
Income Tax Expenses									(34,014)	(22,532)
Profit for the period from continuing operations									841,434	376,030
Loss after tax for the period from discontinued operations									(3,684)	(10,396)
Profit for the Period									837,750	365,634

CORPORATE INFORMATION

Name of the Company	: KEGALLE PLANTATIONS PLC
Legal Form	: A Quoted Public Company with limited liability, Incorporated in Sri Lanka under the Companies Act No. 07 of 2007.
Date of Incorporation	: 22 June 1992
Company Registration No	: New registered No. - P Q 135
Head/Registered Office	: No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Principal Business Activities	: Cultivation, Manufacture and Sale of Rubber, Tea, Coconut, Cardamom & other agricultural produce.
Ultimate Parent Enterprise	: Richard Pieris & Company PLC No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Board of Directors	: Dr. Sena Yaddehige - Chairman Mr. J H P Ratnayake - Deputy Chairman Mr. S S Poholiyadde - Director/Chief Executive Officer Mr. R L Kumararatne - Director (Ceased to be a Director w.e.f. 08 February 2011) Mr. P D Samarasinghe - Director (Resigned w.e.f. 15 February 2011) Mr. L N de S Wijeyeratne - Director (Resigned w.e.f. 01 July 2010) Prof. R C W M R A Nugawela - Director Dr. S S G Jayawardena - Director (Appointed w.e.f. 16 August 2010)
Stock Exchange Listing	: The Ordinary Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.
Secretaries	: Richard Pieris Group Services (Pvt) Limited No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka Telephone : + (94) 11 4310500
Auditors	: Messrs. Ernst & Young, Chartered Accountants, 201, De Saram Place, Colombo 10.
Bankers	: Hatton National Bank PLC Bank of Ceylon National Development Bank PLC Peoples Bank Seylan Bank PLC
Legal Advisors	: Paul Ratnayake Associates International Legal Consultants, Solicitors and Attorneys-at-Law, No. 59, Gregory's Road, Colombo 7, Sri Lanka.
Contact Details	: Telephone : + (94) 11 4310888 Facsimile : + (94) 11 4310799 Website : www.arpico.com E-mail : kpl.rpk@arpico.com



Kegalle Plantations PLC

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