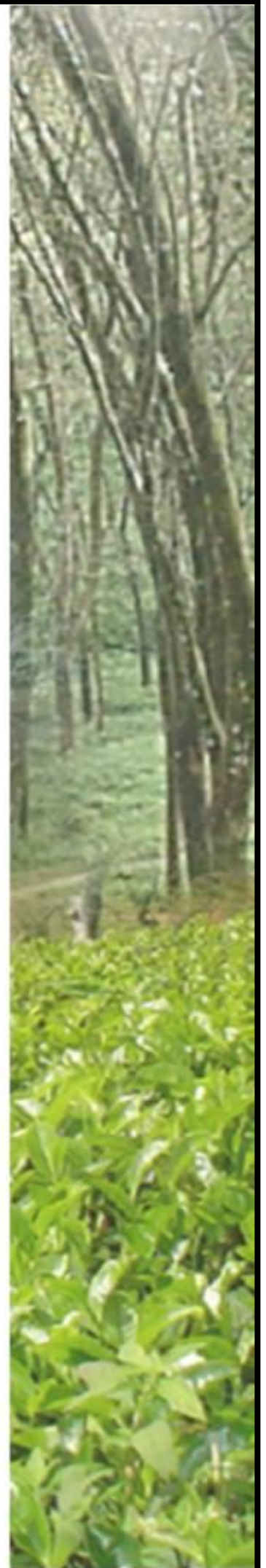


**Interim Financial Statements
for the Twelve months ended
31 March 2012**



**Kegalle
Plantations PLC**



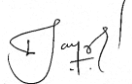
INTERIM FINANCIAL STATEMENTS

BALANCE SHEET

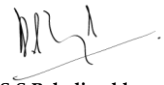
	Company		Group	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
As at 31 March				
ASSETS				
Non - Current Assets				
Leasehold right to bare land	163,128	168,036	163,128	168,036
Immovable Estates Assets on Finance Lease	124,339	135,259	124,339	135,259
Tangible Assets other than Immature / Mature Plantations	400,195	388,585	467,490	460,851
Immature / Mature Plantations	1,181,548	1,015,940	1,181,548	1,015,940
Long Term Investments	450,000	225,000	411,245	183,307
	2,319,210	1,932,820	2,347,750	1,963,393
Current Assets				
Inventories	264,270	391,655	264,494	393,378
Trade & Other Receivables	275,548	230,410	281,008	235,878
VAT Recoverable	21,492	20,004	28,777	28,282
Amounts due from Related Companies	104,077	57,177	59,038	12,897
Short Term Investments	1,806,093	1,289,494	1,806,093	1,289,494
Cash and Bank Balances	12,783	10,263	12,802	10,307
	2,484,263	1,999,003	2,452,212	1,970,236
Total Assets	4,803,473	3,931,823	4,799,962	3,933,629
EQUITY & LIABILITIES				
Capital & Reserves				
Stated Capital	250,000	250,000	250,000	250,000
General Reserve	225,000	225,000	225,000	225,000
Retained Profit	2,451,044	1,968,938	2,415,979	1,934,489
Shareholders' Fund	2,926,044	2,443,938	2,890,979	2,409,489
Non - Current Liabilities				
Interest Bearing Loans & Borrowings	604,444	303,089	604,444	303,089
Retirement Benefit Obligations	403,037	335,025	403,132	335,120
Deferred Income	199,633	196,738	218,265	219,722
Deferred Tax Liability	40,492	-	40,492	-
Net Liability to the Lessor - Payable after one year	282,381	286,660	282,381	286,660
	1,529,987	1,121,512	1,548,714	1,144,591
Current Liabilities				
Interest Bearing Loans & Borrowings	107,132	68,319	107,132	68,319
Net Liability to the Lessor - Payable within one year	4,278	4,113	4,278	4,113
Trade & Other Payables	209,406	260,034	217,139	267,799
Dividend Payable	1,870	1,225	1,870	1,225
Amounts due to Related Companies	5,855	15,798	10,950	21,209
Income Tax Payable	18,900	16,884	18,900	16,884
	347,441	366,373	360,269	379,549
Total Equity & Liabilities	4,803,473	3,931,823	4,799,962	3,933,629
Net Asset Value per Share (Rs.)	117.04	97.76	115.64	96.38

The above figures are subject to audit

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


L C Herath (Mrs.)
 Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
 Signed for and on behalf of the Board of Directors of Kegalle Plantations PLC.


S S Poholiyadde
 Director/CEO


J H P Ratnayake
 Director

Colombo
 25 May 2012

INTERIM FINANCIAL STATEMENTS

INCOME STATEMENT

	Company						Group					
	Quarter Ended			Year Ended			Quarter Ended			Year Ended		
	2012 Rs. '000	2011 Rs. '000	Variance + / (-) %	2012 Rs. '000	2011 Rs. '000	Variance + / (-) %	2012 Rs. '000	2011 Rs. '000	Variance + / (-) %	2012 Rs. '000	2011 Rs. '000	Variance + / (-) %
For the Year Ended 31 March												
Continuing Operations												
Revenue	670,819	900,962	(26)	2,809,230	2,991,762	(6)	670,819	900,962	(26)	2,809,230	2,991,762	(6)
Cost of Sales (Note - 07)	(371,833)	(478,109)	22	(1,937,105)	(1,817,992)	(7)	(371,833)	(478,109)	22	(1,937,105)	(1,817,992)	(7)
Gross Profit	298,986	422,853	(29)	872,125	1,173,770	(26)	298,986	422,853	(29)	872,125	1,173,770	(26)
Other Operating Income	102,968	28,521	261	229,265	105,951	116	102,968	28,521	261	229,265	105,951	116
Administrative Expenses	(9,230)	(11,307)	18	(51,703)	(54,636)	5	(9,230)	(11,307)	18	(51,703)	(54,636)	5
Management Fee	(45,480)	(63,689)	29	(142,967)	(193,492)	26	(45,480)	(63,689)	29	(142,967)	(193,492)	26
Finance Cost	(29,621)	(62,076)	52	(107,560)	(114,470)	6	(29,621)	(62,076)	52	(107,560)	(114,470)	6
Profit from Operations after Finance Cost	317,623	314,302	1	799,160	917,123	(13)	317,623	314,302	1	799,160	917,123	(13)
Share of Result of Associates	-	-	-	-	-	-	3,994	(30,554)	113	6,020	(41,676)	114
Profit before Taxation	317,623	314,302	1	799,160	917,123	(13)	321,617	283,748	13	805,180	875,447	(8)
Income Tax Expenses	(72,105)	(14,151)	(410)	(117,054)	(33,996)	(244)	(74,242)	(14,169)	(424)	(120,136)	(34,014)	(253)
Profit for the period from continuing operations	245,518	300,151	(18)	682,106	883,127	(23)	247,375	269,580	(8)	685,044	841,434	(19)
Discontinued Operations												
Loss after tax for the period from discontinued operations	-	-	-	-	-	-	(1,099)	552	(299)	(3,554)	(3,684)	4
Profit for the period	245,518	300,151	(18)	682,106	883,127	(23)	246,276	270,132	(9)	681,490	837,750	(19)
Basic Earnings Per Share from Continuing Operations (Rs.)	9.82	12.01		27.28	35.33		9.90	10.78		27.40	33.66	

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS

CASH FLOW STATEMENT

	Company		Group	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
For the Year Ended 31 March				
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES				
Net Profit before Taxation from continuing operations	799,160	917,123	805,180	875,447
Net (Loss) before Taxation from discontinued operations	-	-	(3,554)	(3,684)
ADJUSTMENTS FOR				
Interest Income	(203,496)	(74,240)	(203,496)	(74,240)
Depreciation, Amortization and Impairment Loss	88,265	82,104	93,236	89,123
Provision for Defined Benefit Plan Costs	115,546	52,223	115,546	52,223
Amortization of Grants	(5,749)	(5,758)	(10,101)	(10,109)
Share of Result of Associate	-	-	(6,020)	41,676
Finance Cost	107,560	114,470	107,560	114,470
Operating Profit before Working Capital Changes	901,286	1,085,922	898,351	1,084,906
(Increase)/Decrease in Trade & Other Receivables	(46,626)	33,435	(45,626)	33,435
(Increase)/Decrease in Inventories	127,385	(143,940)	128,885	(143,917)
(Increase)/Decrease in amounts due from Related Companies	(46,900)	(4,315)	(46,900)	(4,315)
Increase/(Decrease) in Trade & Other Payables	(50,626)	60,882	(50,660)	60,882
Increase/(Decrease) in amounts due to Related Companies	(9,943)	(24,029)	(9,501)	(25,294)
Cash Generated from / (used in) Operations	874,576	1,007,955	874,549	1,005,697
Defined Benefit Plan Costs Paid	(47,535)	(33,952)	(47,535)	(33,952)
Finance Cost Paid	(69,309)	(50,988)	(69,309)	(50,988)
ESC/Income Tax Paid	(74,545)	(29,481)	(74,545)	(29,481)
Net Cash from Operating Activities	683,187	893,534	683,160	891,276
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES				
Interest Received	203,496	74,240	203,496	74,240
Grant Received	8,645	29,839	8,645	29,839
Field Development Expenditure	(198,598)	(144,915)	(198,598)	(144,915)
Purchase of Property, Plant & Equipment	(51,058)	(55,329)	(51,058)	(55,329)
Long Term Investment	(225,000)	-	(225,000)	-
Net Cash from / (used in) Investing Activities	(262,515)	(96,165)	(262,515)	(96,165)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES				
Dividend Paid	(199,355)	(137,404)	(199,355)	(137,404)
Payment of Government Lease Rentals	(42,364)	(67,437)	(42,364)	(67,437)
Proceeds from Loans	405,733	-	405,733	-
Repayment of Loans	(41,814)	(61,288)	(41,814)	(61,288)
Net Cash from / (used in) Financing Activities	122,200	(266,129)	122,200	(266,129)
Net Increase/(Decrease) in Cash & Cash Equivalents	542,871	531,241	542,845	528,982
Cash & Cash Equivalents at the beginning of the period	Note A 1,271,919	740,678	1,271,964	742,981
Cash & Cash Equivalents at the end of the period	Note B 1,814,790	1,271,919	1,814,809	1,271,963
NOTES				
A. Cash & Cash Equivalents at the beginning of the period				
Cash & Bank Balances	10,263	20,685	10,308	22,988
Investment in Treasury Bills, REPO & Others	1,289,494	719,993	1,289,494	719,993
Bank Overdrafts	(27,838)	-	(27,838)	-
	1,271,919	740,678	1,271,964	742,981
B. Cash & Cash Equivalents at the end of the period				
Cash & Bank Balances	12,783	10,263	12,802	10,307
Investment in Treasury Bills, REPO & Others	1,806,093	1,289,494	1,806,093	1,289,494
	(4,086)	(27,838)	(4,086)	(27,838)
	1,814,790	1,271,919	1,814,809	1,271,963
<i>The above figures are subject to audit</i>				

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2012

	Company				Group			
	Stated Capital	General Reserve	Accumulated Profit	Total	Stated Capital	General Reserve	Accumulated Profit	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '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
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
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
Net Profit for the period	-	-	682,106	682,106	-	-	681,490	681,490
Dividend Paid	-	-	(200,000)	(200,000)	-	-	(200,000)	(200,000)
Balance as at 31 March 2012	250,000	225,000	2,451,044	2,926,044	250,000	225,000	2,415,979	2,890,979

The above figures are subject to audit

NOTES TO THE FINANCIAL STATEMENTS

1. Market Price per Share

	Quarter Ended 31 March		Year Ended 31 March	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
Highest	120.00	285.00	234.90	285.00
Lowest	76.00	161.00	76.00	47.50
Last Traded	103.00	207.50	103.00	207.50

2. Stated Capital of Kegalle Plantations PLC amounts to Rs. 250,000,010 represented by 25,000,001 Ordinary Shares.

3. The 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 2011 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.

4. 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.

5. The Company invested in 22.5 mn ordinary shares at Rs. 10.00 per share of Arpico Insurance Ltd in June 2011 (A new Insurance Company established under the "Arpico" brand) at Rs. 225 mn. As a result, Arpico Insurance Ltd is treated as an Associate Company with voting rights of 45% and is in conformity with Section 185 (1) (a) of the Companies Act No. 7 of 2007.

6. 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 2011.

7. In June 2011, as per the Collective Agreement, wage rate was increased from Rs. 447.75 to Rs. 572.00 with retrospective effect from April 2011. Arrears payment from April to May 2011 was paid in August 2011.

The actuarial valuation for the Company has been carried out by Messrs. Actuarial & Management Consultants (Pvt) Ltd, for retiring gratuity for all the employees of the Company as at 31 March 2012.

Description	Amount (Rs. '000)
Cost of Manufacture for the period	1,840,937
Arrears in wages (April & May 2011)	28,592
Adjustment to opening balance of Gratuity Provision	67,576
Total Cost of Sales	1,937,105

Adjustment to the opening balance of the Gratuity Provision amounting to Rs. 67.6 Mn has been made in the Cost of Sales as shown above.

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

INTERIM FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS CONTD...

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

	31 March 2012		31 March 2011	
As at	Number of Shares	% of the Holding	Number of Shares	% of the Holding
RPC Plantation Management Services (Pvt) Ltd	17,591,500	70.37%	17,015,100	68.06%
J B Cocoshell (Pvt) Ltd	606,500	2.43%	628,800	2.52%
Mr. T. T. T. Al Nakib	360,000	1.44%	-	-
Almar Trading Co. (Pvt) Ltd	270,000	1.08%	221,300	0.89%
HSBC International Nominees Ltd-SSBT-Deutsche Bank	200,000	0.80%	200,000	0.80%
Tranz Dominion, L.L.C	185,000	0.74%	185,000	0.74%
Waldock Mackenzie Ltd / Hi-Line Trading (Pvt) Ltd	131,999	0.53%	-	-
Waldock Mackenzie Ltd / Hi-Line Towers (Pvt) Ltd	129,600	0.52%	129,600	0.52%
Seylan Bank PLC / Symphony Capital Ltd	123,798	0.50%	-	-
Employees Provident Fund	122,300	0.49%	-	-
Mr. A. Singh	118,800	0.48%	-	-
Mr. M. M. Fuad	117,600	0.47%	92,300	0.37%
Deutsche Bank AG - Namal Acuity Fund	100,000	0.40%	100,000	0.40%
Deutsche Bank AG - National Equity Fund	100,000	0.40%	100,000	0.40%
Cocoshell Activated Carbon Company Limited	97,700	0.39%	153,500	0.61%
Waldock Mackenzie Ltd / Symphony Capital Ltd	94,200	0.38%	-	-
Mr. M. J. Fernando	85,500	0.34%	85,500	0.34%
Commercial Bank of Ceylon PLC / D. R. Costa	76,600	0.31%	154,600	0.62%
Askold (Pvt) Ltd	75,000	0.30%	85,000	0.34%
Commercial Bank of Ceylon PLC / D. S. J. V. Costa	69,200	0.28%	140,500	0.56%
Sub Total	20,655,297	82.62%	-	-
Balance held by 9,337 Shareholders (31 March 2011 - 9,582 Shareholders)	4,344,704	17.38%	5,080,701	20.32%
Total Shares	25,000,001	100.00%	25,000,001	100.00%

The percentage of shares held as follows;

	31 March 2012		31 March 2011	
	Number of Shares	% of the Holding	Number of Shares	% of the Holding
Public Holding	7,408,194	29.63%	7,984,594	31.94%
Other Holding	17,591,807	70.37%	17,015,407	68.06%
	25,000,001	100.00%	25,000,001	100.00%

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

	Number of Shares	
	31 March 2012	31 March 2011
As at		
Dr. Sena Yaddehige	-	-
Mr. J H P Ratnayake	-	-
Mr. S S Poholiyadde	307	307
Prof. R C W M R A Nugawela	-	-
Dr. S S B D G Jayawardena	-	-

INTERIM FINANCIAL STATEMENTS

SEGMENT INFORMATION

Company

For the Year Ended 31 March	Rubber		Tea		Coconut		Others		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	1,865,057	1,964,122	783,128	908,632	43,266	37,374	117,779	81,634	2,809,230	2,991,762
Revenue Expenditure	(910,671)	(850,388)	(800,297)	(818,092)	(23,771)	(16,755)	(11)	(22)	(1,734,750)	(1,685,257)
Depreciation / Amortization	(56,649)	(50,059)	(29,348)	(29,642)	(723)	(723)	(88)	(88)	(86,808)	(80,512)
Other Non Cash Expenses - Gratuity	(68,100)	(29,738)	(45,547)	(20,585)	(1,900)	(1,900)	-	-	(115,547)	(52,223)
Segment Results	829,637	1,033,937	(92,064)	40,313	16,872	17,996	117,680	81,524	872,125	1,173,770
Other Operating Income									229,265	105,951
Administrative Expenses									(51,703)	(54,636)
Management Fee									(142,967)	(193,492)
Finance Cost									(107,560)	(114,470)
Income Tax Expenses									(117,054)	(33,996)
Profit for the Period									682,106	883,127

SEGMENT INFORMATION

Group

For the Year Ended 31 March	Rubber		Tea		Coconut		Others		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	1,865,057	1,964,122	783,128	908,632	43,266	37,374	117,779	81,634	2,809,230	2,991,762
Revenue Expenditure	(910,671)	(850,388)	(800,297)	(818,092)	(23,771)	(16,755)	(11)	(22)	(1,734,750)	(1,685,257)
Depreciation / Amortization	(56,649)	(50,059)	(29,348)	(29,642)	(723)	(723)	(88)	(88)	(86,808)	(80,512)
Other Non Cash Expenses - Gratuity	(68,100)	(29,738)	(45,547)	(20,585)	(1,900)	(1,900)	-	-	(115,547)	(52,223)
Segment Results	829,637	1,033,937	(92,064)	40,313	16,872	17,996	117,680	81,524	872,125	1,173,770
Other Operating Income									229,265	105,951
Administrative Expenses									(51,703)	(54,636)
Management Fee									(142,967)	(193,492)
Finance Cost									(107,560)	(114,470)
Profit from Operations after Finance Cost									799,160	917,123
Share of Result of Associate									6,020	(41,676)
Profit before Taxation									805,180	875,447
Income Tax Expenses									(120,136)	(34,014)
Profit for the period from continuing operations									685,044	841,434
(Loss) after tax for the Period from discontinued operations									(3,554)	(3,684)
Profit for the Period									681,490	837,750

The above figures are subject to audit

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 registration No. P Q 135 [Old No. N (PBS/CGB) 140]
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 Yaddhige - Chairman Mr. J H P Ratnayeke - Deputy Chairman Mr. S S Poholiyadde - Chief Executive Officer Prof. R C W M R A Nugawela Dr. S S B D G Jayawardena
Stock Exchange Listing	: The Ordinary Shares of the Company are listed in 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 - Corporate Branch & Regional Branches National Development Bank PLC Peoples Bank Seylan Bank PLC
Legal Advisors	: Paul Ratnayeke 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

310, Highlevel Road,
Nawinna, Maharagama, Sri Lanka