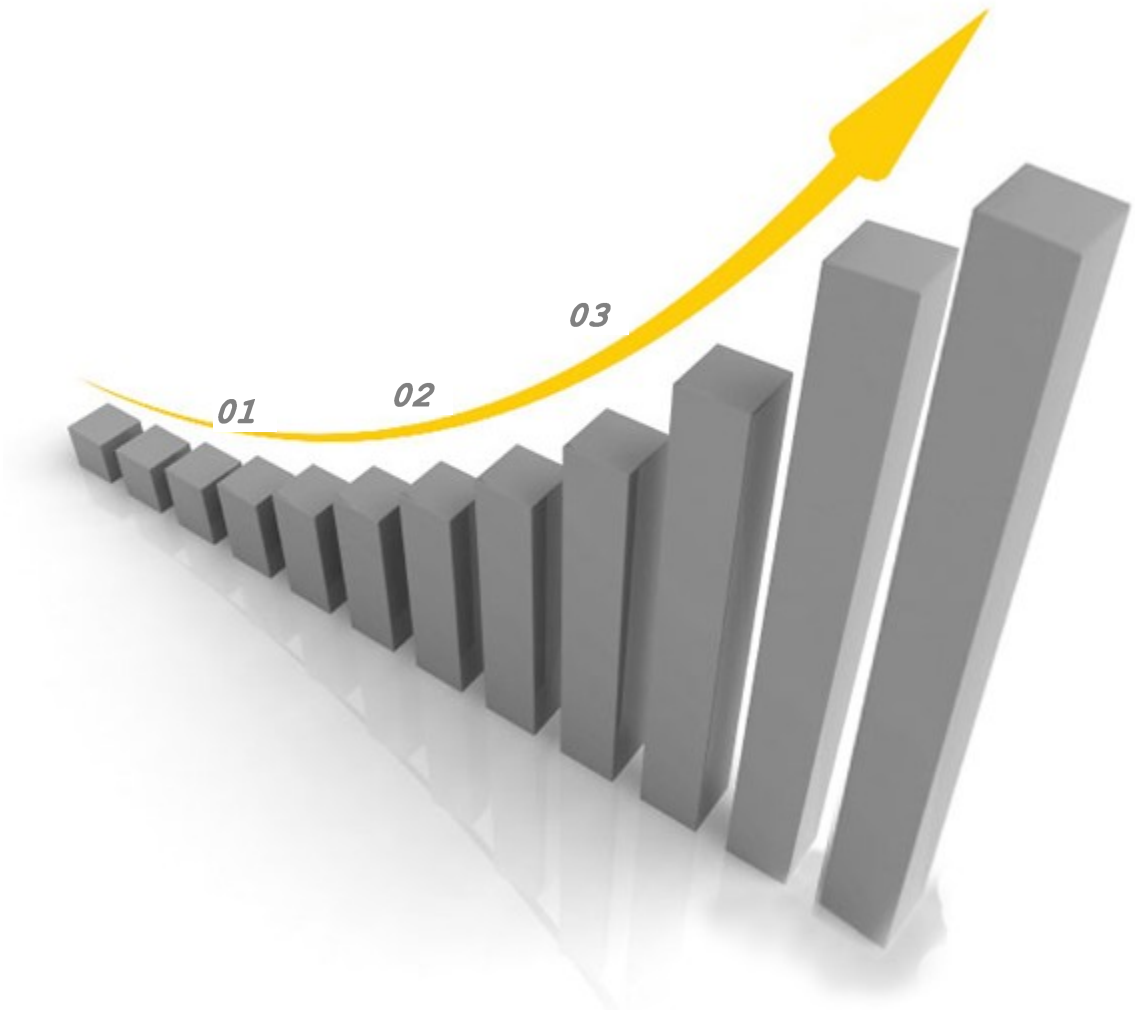


Kegalle Plantations PLC

Interim Financial Statements
for the Nine months ended *31 December 2010*

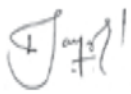
PROVISIONAL FINANCIAL STATEMENTS

BALANCE SHEET

As at 31 December	Company			Group		
	2010 Rs. '000	2009 Rs. '000	31 March 2010 Rs. '000	2010 Rs. '000	2009 Rs. '000	31 March 2010 Rs. '000
ASSETS						
Non - Current Assets						
Leasehold right to bare land	169,263	174,157	172,944	169,263	174,157	172,944
Immovable Estates Assets on Finance Lease	137,663	149,452	146,179	137,663	149,452	146,179
Tangible Assets other than Immature / Mature Plantations	371,048	336,285	371,493	443,198	423,893	450,778
Immature / Mature Plantations	989,808	880,250	899,063	989,808	880,250	899,063
Long Term Investments	225,000	75,000	225,000	213,878	75,000	225,000
	1,892,782	1,615,144	1,814,679	1,953,810	1,702,752	1,893,964
Current Assets						
Inventories	278,249	251,297	247,714	279,980	254,678	249,462
Trade & Other Receivable	278,816	322,908	263,662	288,333	331,401	269,122
ACT / VAT Recoverable	17,357	19,381	20,188	17,364	19,388	28,473
Amounts due from Related Companies	99,992	72,281	52,862	60,502	28,588	9,414
Short Term Investments	1,022,125	573,509	719,993	1,022,125	573,509	719,993
Cash and Bank Balances	14,475	78,273	20,685	14,524	80,668	22,988
	1,711,014	1,317,649	1,325,104	1,682,828	1,288,232	1,299,452
Total Assets	**3,603,796**	**2,932,793**	**3,139,783**	**3,636,638**	**2,990,984**	**3,193,416**
EQUITY & LIABILITIES						
Capital & 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	1,731,287	978,751	1,223,311	1,726,857	997,160	1,234,239
Shareholders' Fund	2,206,287	1,453,751	1,698,311	2,201,857	1,472,160	1,709,239
Non - Current Liabilities						
Interest Bearing Loans & Borrowings	299,889	362,493	343,570	299,889	362,493	343,570
Retirement Benefit Obligations	320,242	354,117	316,754	320,337	354,212	316,849
Deferred Income	194,856	162,703	172,656	218,927	191,227	199,992
Net Liability to the Lessor - Payable after one year	287,648	291,724	290,773	287,648	291,724	290,773
	1,102,635	1,171,037	1,123,753	1,126,801	1,199,656	1,151,184
Current Liabilities						
Interest Bearing Loans & Borrowings	53,659	71,524	61,288	53,659	71,524	61,288
Net Liability to the Lessor - Payable within one year	4,113	3,955	3,955	4,113	3,955	3,955
Trade & Other Payables	205,150	212,904	198,191	209,577	217,511	202,688
Dividend Payable	1,964	1,322	1,129	1,964	1,322	1,129
Amounts due to Related Companies	20,598	13,385	39,828	29,277	19,941	50,605
Income Tax Payable	9,390	4,915	13,328	9,390	4,915	13,328
	294,874	308,005	317,719	307,980	319,168	332,993
Total Equity & Liabilities	**3,603,796**	**2,932,793**	**3,139,783**	**3,636,638**	**2,990,984**	**3,193,416**
Net Asset Value per Share (Rs.)	**88.25**	**58.15**	**67.93**	**88.07**	**58.89**	**68.37**

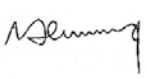
The above figures are subject to audit

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.



P D Samarasinghe
Director

S S Poholiyadde
Director/CEO

Colombo
08 February 2011

PROVISIONAL FINANCIAL STATEMENTS

INCOME STATEMENT

	Company						Group					
	Quarter Ended			Nine Months Ended			Quarter Ended			Nine Months Ended		
For the Nine Months Ended 31 December	2010 Rs. '000	2009 Rs. '000	Variance + / (-) %	2010 Rs. '000	2009 Rs. '000	Variance + / (-) %	2010 Rs. '000	2009 Rs. '000	Variance + / (-) %	2010 Rs. '000	2009 Rs. '000	Variance + / (-) %
Continuing Operations												
Revenue	716,578	609,915	17	2,090,800	1,524,019	37	716,578	609,915	17	2,090,800	1,524,019	37
Cost of Sales	(416,703)	(443,095)	6	(1,339,883)	(1,324,910)	(1)	(416,703)	(443,095)	6	(1,339,883)	(1,324,910)	(1)
Gross Profit	**299,875**	**166,820**	**80**	**750,917**	**199,109**	**277**	**299,875**	**166,820**	**80**	**750,917**	**199,109**	**277**
Other Operating Income	25,695	22,183	16	77,430	58,177	33	25,695	22,183	16	77,430	58,177	33
Administrative Expenses	(14,705)	(11,893)	(24)	(43,329)	(32,465)	(33)	(14,705)	(11,893)	(24)	(43,329)	(32,465)	(33)
Management Fee	(50,902)	(29,379)	(73)	(129,803)	(38,206)	(240)	(50,902)	(29,379)	(73)	(129,803)	(38,206)	(240)
Finance Cost	(20,443)	(15,875)	(29)	(52,394)	(45,479)	(15)	(20,443)	(15,875)	(29)	(52,394)	(45,479)	(15)
Profit from Operations after Finance Cost	239,520	131,856	82	602,821	141,136	327	239,520	131,856	82	602,821	141,136	327
Share of Result of Associate	-	-	-	-	-	-	(3,411)	-	(100)	(11,122)	-	(100)
Profit before Taxation	239,520	131,856	82	602,821	141,136	327	236,109	131,856	79	591,699	141,136	319
Income Tax Expenses	(7,320)	(2,722)	(169)	(19,845)	(9,666)	(105)	(7,320)	(2,722)	(169)	(19,845)	(9,666)	(105)
Profit for the period from continuing operations	**232,200**	**129,134**	**80**	**582,976**	**131,470**	**343**	**228,789**	**129,134**	**77**	**571,854**	**131,470**	**335**
Discontinued Operations												
Loss after tax for the period from discontinued operations	-	-	-	-	-	-	(1,384)	(772)	(79)	(4,236)	(2,915)	(45)
Profit for the period	**232,200**	**129,134**	**80**	**582,976**	**131,470**	**343**	**227,405**	**128,362**	**77**	**567,618**	**128,555**	**342**
Basic Earnings Per Share from Continuing Operations (Rs.)	9.29	5.17		23.32	5.26		9.15	5.17		22.87	5.26	

The above figures are subject to audit

CASH FLOW STATEMENT

For the Nine Months Ended 31 December		Company 2010 Rs. '000	Company 2009 Rs. '000	Group 2010 Rs. '000	Group 2009 Rs. '000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES					
Net Profit before Taxation from continuing operations		602,821	141,136	591,699	141,136
Net Loss before Taxation from discontinued operations		-	-	(4,236)	(2,915)
ADJUSTMENTS FOR					
Depreciation, Amortization and Impairment Loss		61,090	57,983	68,226	62,752
Provision for Defined Benefit Plan Costs		25,595	143,931	25,595	143,931
Amortization of Grants		(3,789)	(3,482)	(7,053)	(6,644)
Share of Result of Associate		-	-	11,122	-
Profit on Disposal of Property Plant & Equipment		-	-	-	(5)
Finance Cost		52,394	45,479	52,405	32,769
Operating Profit before Working Capital Changes		738,111	385,047	737,758	371,024
(Increase)/Decrease in Trade & Other Receivables		(12,324)	(51,398)	(12,324)	(46,270)
(Increase)/Decrease in Inventories		(30,535)	(104,923)	(30,517)	(105,025)
(Increase)/Decrease in amounts due from Related Companies		(47,131)	(6,120)	(47,131)	(6,120)
Increase/(Decrease) in Trade & Other Payables		6,961	82,253	5,053	80,434
Increase/(Decrease) in amounts due to Related Companies		(19,230)	13,079	(19,230)	13,079
Cash Generated from / (Used in) Operations		635,852	317,938	633,609	307,122
Defined Benefit Plan Costs paid		(22,107)	(23,290)	(22,107)	(23,290)
Finance Cost Paid		(35,111)	(32,763)	(35,122)	(20,053)
ESC/Income Tax Paid		(23,783)	(9,678)	(23,783)	(9,678)
Net Cash from Operating Activities		**554,851**	**252,207**	**552,597**	**254,101**
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES					
Grant Received		25,989	18,092	25,989	18,092
Field Development Expenditure		(111,302)	(88,702)	(111,302)	(88,702)
Purchase of Property, Plant & Equipment		(27,890)	(24,724)	(27,890)	(24,724)
Investments in Projects		-	5,297	-	5,297
Dividend Paid		(74,165)	(24,418)	(74,165)	(24,418)
Net Cash from / (Used in) Investing Activities		**(187,368)**	**(114,455)**	**(187,368)**	**(114,455)**
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES					
Payment of Government Lease Rentals		(20,250)	(15,568)	(20,250)	(15,568)
Proceeds from Loans		-	137,322	-	137,322
Repayment of Loans		(51,311)	(59,622)	(51,311)	(59,622)
Net Cash from / (Used in) Financing Activities		**(71,561)**	**62,132**	**(71,561)**	**62,132**
Net Increase/(Decrease) in Cash & Cash Equivalents		295,922	199,884	293,668	201,778
Cash & Cash Equivalents at the beginning of the period	**Note A**	740,678	443,123	742,981	443,624
Cash & Cash Equivalents at the end of the period	**Note B**	**1,036,600**	**643,007**	**1,036,649**	**645,402**

NOTES

	Company 2010 Rs. '000	Company 2009 Rs. '000	Group 2010 Rs. '000	Group 2009 Rs. '000
A. Cash & Cash Equivalents at the beginning of the period				
Cash & Bank Balances	20,685	64,033	22,988	64,534
Investment in Treasury Bills, Repo & Others	719,993	379,090	719,993	379,090
	740,678	**443,123**	**742,981**	**443,624**
B. Cash & Cash Equivalents at the end of the period				
Cash & Bank Balances	14,475	78,273	14,524	80,668
Investment in Treasury Bills, Repo & Others	1,022,125	573,509	1,022,125	573,509
Bank Overdrafts	-	(8,775)	-	(8,775)
	1,036,600	**643,007**	**1,036,649**	**645,402**

The above figures are subject to audit

PROVISIONAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

For the Nine Months Ended 31 December 2010

	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 2009	250,000	225,000	872,281	1,347,281	250,000	225,000	893,605	1,368,605
Net Profit for the period	-	-	131,470	131,470	-	-	128,555	128,555
Dividend Paid	-		(25,000)	(25,000)	-	-	(25,000)	(25,000)
Balance as at 31 December 2009	**250,000**	**225,000**	**978,751**	**1,453,751**	**250,000**	**225,000**	**997,160**	**1,472,160**
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	-	-	582,976	582,976	-	-	567,618	567,618
Dividend Paid	-	-	(75,000)	(75,000)	-	-	(75,000)	(75,000)
Balance as at 31 December 2010	**250,000**	**225,000**	**1,731,287**	**2,206,287**	**250,000**	**225,000**	**1,726,857**	**2,201,857**

The above figures are subject to audit

NOTES TO THE FINANCIAL STATEMENTS

For the Nine Months Ended 31 December	2010 Rs.	2009 Rs.	Year Ended 31 March 2010 Rs.
1. Market Price per Share			
Highest	**180.90**	35.00	52.00
Lowest	**47.50**	29.00	19.00
Last Traded	**161.80**	33.50	47.00

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

3. 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.

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

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 2010.

NOTES TO THE FINANCIAL STATEMENTS CONTD...

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

As at	31 December 2010		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	478,800	1.92%	362,500	1.45%
National Savings Bank	285,100	1.14%	-	-
Associated Electrical Corporation Ltd	215,000	0.86%	-	-
HSBC International Nominees Ltd-SSBT-Deustche Bank	205,000	0.82%	205,000	0.82%
Tranz Dominion, L.L.C	185,000	0.74%	185,000	0.74%
Almar Trading Co. (Pvt) Ltd	166,900	0.67%	77,300	0.31%
Deutsche Bank AG - National Equity Fund	154,000	0.62%	-	-
Pershing LLC S/A Averbach Grauson & Co.	149,600	0.60%	296,800	1.19%
Cocoshell Activated Carbon Company Limited	143,000	0.57%	146,100	0.58%
Mrs.N. Muljie	135,100	0.54%	135,100	0.54%
Mas Capital (Private) Ltd	122,300	0.49%	99,800	0.40%
Bank of Ceylon - No.1 Account	117,300	0.47%	-	-
Mr.H. Akbarally	100,000	0.40%	-	-
Deutsche Bank AG As Trustee for Namal Acuity	100,000	0.40%	-	-
Mr.M. J. Fernando	100,000	0.40%	-	-
Rosewood (Pvt) Ltd	87,200	0.35%	-	-
Waldock Mackenzie Ltd /Hi - Line Towers (Pvt) Ltd	76,700	0.31%	-	-
Waldock Mackenzie Ltd /Mr.K. Omprasadham	76,000	0.30%	112,000	0.45%
Goldman Sachs & Co S/A Wexford Spectrum Trading	75,300	0.30%	-	-
Sub Total	**19,987,400**	**79.95%**		
Balance held by 9,398 Shareholders (2009/10 - 9,349 Shareholders)	5,012,601	20.05%		
Total Shares	**25,000,001**	**100.00%**		

The percentage of shares held as follows;

	31 December 2010		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 ;

	Number of Shares	
As at	**31 December 2010**	**31 March 2010**
Dr. S Yaddehige	-	-
Mr. J H P Ratnayeke	-	-
Mr. R L Kumararatne	-	-
Mr. L N De S Wijeyeratne (Resigned w.e.f. 01 July 2010)	-	-
Mr. P D Samarasinghe	-	-
Mr. S S Poholiyadde	307	307
Dr. R C W M R A Nugawela	-	-
Dr. S S G Jayawardena (Appointed w.e.f. 16 August 2010)	-	-

SEGMENT INFORMATION

For the Nine Months Ended 31 December	Rubber		Tea		Coconut		Others		Total	
Company	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Revenue	1,305,995	802,462	700,915	670,762	29,171	22,037	54,719	28,758	2,090,800	1,524,019
Revenue Expenditure	(615,128)	(533,986)	(624,292)	(578,078)	(14,815)	(12,404)	-	(5)	(1,254,235)	(1,124,473)
Depreciation / Amortization	(37,139)	(35,968)	(22,636)	(20,260)	(212)	(212)	(66)	(66)	(60,053)	(56,506)
Other Non Cash Expenses - Gratuity	(14,621)	(82,218)	(10,362)	(58,269)	(612)	(3,444)	-	-	(25,595)	(143,931)
Segment Results	639,107	150,290	43,625	14,155	13,532	5,977	54,653	28,687	**750,917**	**199,109**
Other Operating Income									77,430	58,177
Administration Expenses									(43,329)	(32,465)
Management Fees									(129,803)	(38,206)
Finance Cost									(52,394)	(45,479)
Income Tax Expenses									(19,845)	(9,666)
Profit for the Period									**582,976**	**131,470**

SEGMENT INFORMATION

For the Nine Months Ended 31 December	Rubber		Tea		Coconut		Others		Total	
Group	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Revenue	1,305,995	802,462	700,915	670,762	29,171	22,037	54,719	28,758	2,090,800	1,524,019
Revenue Expenditure	(615,128)	(533,986)	(624,292)	(578,078)	(14,815)	(12,404)	-	(5)	(1,254,235)	(1,124,473)
Depreciation / Amortization	(37,139)	(35,968)	(22,636)	(20,260)	(212)	(212)	(66)	(66)	(60,053)	(56,506)
Other Non Cash Expenses - Gratuity	(14,621)	(82,218)	(10,362)	(58,269)	(612)	(3,444)	-	-	(25,595)	(143,931)
Segment Results	639,107	150,290	43,625	14,155	13,532	5,977	54,653	28,687	**750,917**	**199,109**
Other Operating Income									77,430	58,177
Administration Expenses									(43,329)	(32,465)
Management Fees									(129,803)	(38,206)
Finance Cost									(52,394)	(45,479)
Profit from Operations after Finance Cost									602,821	141,136
Share of Result of Associate									(11,122)	-
Profit before Taxation									591,699	141,136
Income Tax Expenses									(19,845)	(9,666)
Profit for the period from continuing operations									571,854	131,470
Loss after tax for the period from discontinued operations									(4,236)	(2,915)
Profit for the Period									**567,618**	**128,555**

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 Ratnayeke - Deputy Chairman Mr. S S Poholiyadde - Director/Chief Executive Officer Mr. R L Kumararatne - Director Mr. P D Samarasinghe - Director Mr. L N de S Wijeyeratne - Director (Resigned w.e.f. 01 July 2010) Dr. 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 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