Kegalle Plantations PLC

Provisional Interim Financial Statements
for the three months ended 30 June 2010

PROVISIONAL FINANCIAL STATEMENTS

BALANCE SHEET

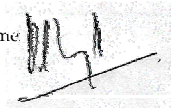
As at 30 June	Company			Group		
	2010 Rs. '000	2009 Rs. '000	31 March 2010 Rs. '000	2010 Rs. '000	2009 Rs. '000	31 March 2010 Rs. '000
ASSETS						
Non - Current Assets						
Leasehold right to bare land	171,717	176,621	172,944	171,717	176,621	172,944
Immovable Estate Assets on Finance Leases	143,334	154,611	146,179	143,334	154,611	146,179
Tangible Assets other than Immature / Mature Plantations	379,965	329,958	371,493	456,872	420,744	450,778
Immature / Mature Plantations	921,650	826,732	899,063	921,650	826,732	899,063
Long Term Investments	225,000	75,000	225,000	220,821	75,000	225,000
Other Investments	-	5,297	-	-	5,297	-
	1,841,666	1,568,219	1,814,679	1,914,394	1,659,005	1,893,964
Current Assets						
Inventories	313,902	181,084	247,714	315,637	184,486	249,462
Trade & Other Receivable	218,451	282,666	263,662	227,968	297,078	269,122
ACT / VAT Recoverable	20,188	20,561	20,188	20,195	20,568	28,473
Amount due from Related Companies	68,581	59,882	52,862	29,266	18,529	9,414
Short Term Investment	801,840	491,670	719,993	801,840	491,670	719,993
Cash and Bank Balances	18,926	24,615	20,685	21,191	25,796	22,988
	1,441,888	1,060,478	1,325,104	1,416,097	1,038,127	1,299,452
Total Assets	**3,283,554**	**2,628,697**	**3,139,783**	**3,330,491**	**2,697,132**	**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	1,279,201	921,042	1,223,311	1,275,022	940,911	1,234,239
Share Holders' Fund	1,754,201	1,396,042	1,698,311	1,750,022	1,415,911	1,709,239
Non - Current Liabilities						
Interest Bearing Loans and Borrowings	330,593	311,946	343,570	330,593	311,946	343,570
Retirement Benefit Obligations	320,190	231,278	316,754	320,285	231,373	316,849
Deferred Income	193,672	150,376	172,656	219,918	181,008	199,992
Net Liability to the Lessor - Payable after one Year	289,626	293,625	290,773	289,626	293,625	290,773
	1,134,081	987,225	1,123,753	1,160,422	1,017,952	1,151,184
Current Liabilities						
Interest Bearing Loans and Borrowings	53,659	70,467	61,288	53,659	70,467	61,288
Net Liability to the Lessor - Payable within 1 Year	4,113	3,955	3,955	4,113	3,955	3,955
Trade & Other Payables	212,248	159,375	198,191	226,252	166,505	202,688
Dividends Payable	76,032	284	1,129	76,032	284	1,129
Amount due to Related Companies	35,151	6,057	39,828	45,922	16,766	50,605
Income Tax Payable	14,069	5,292	13,328	14,069	5,292	13,328
	395,272	245,430	317,719	420,047	263,269	332,993
Total Equity & Liabilities	**3,283,554**	**2,628,697**	**3,139,783**	**3,330,491**	**2,697,132**	**3,193,416**
Net Asset Value per Share (Rs.)	**70.17**	**55.84**	**67.93**	**70.00**	**56.64**	**68.37**

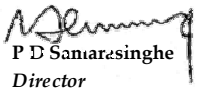
The above figures are subject to audit

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 20

L C Perera
Chief Financial Officer

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





P D Samarasinghe
Director

S S Poholiyadde
Director

Colombo
30 July 2010

PROVISIONAL FINANCIAL STATEMENTS

INCOME STATEMENT

	Company				Group			
For the Three Months Ended 30 June	2010 Rs. '000	2009 Rs. '000	Variance + / (-) %	Year ended 31st March 2010 Rs. '000	2010 Rs. '000	2009 Rs. '000	Variance + / (-) %	Year ended 31st March 2010 Rs. '000
Continuing Operations								
Revenue	630,602	402,455	57	2,216,497	630,602	402,455	57	2,216,497
Cost of Sales	(463,033)	(325,425)	(42)	(1,762,417)	(463,033)	(325,425)	(42)	(1,762,417)
Gross Profit	**167,569**	**77,030**	**118**	**454,080**	**167,569**	**77,030**	**118**	**454,080**
Other Operating Income	26,248	16,488	59	82,629	26,248	16,488	59	82,629
Administrative Expenses	(13,569)	(9,613)	(41)	(44,516)	(13,569)	(9,613)	(41)	(44,516)
Management Fee	(29,912)	(14,627)	(104)	(82,193)	(29,912)	(14,627)	(104)	(82,193)
Finance Cost	(15,549)	(16,893)	8	(62,396)	(15,549)	(16,893)	8	(62,396)
Reversal/(Provision) for Doubtful Receivables		-	-	50,958	-	-	-	50,958
Profit from Operations after Finance Cost	134,787	52,385	157	398,562	134,787	52,385	157	398,562
Share of Result of Associate	-	-	-	-	(4,179)	-	(100)	-
Profit before Taxation	134,787	52,385	157	398,562	130,608	52,385	149	398,562
Income Tax Expenses	(3,897)	(3,625)	(8)	(22,532)	(3,897)	(3,625)	(8)	(22,532)
Profit for the Period from continuing operations	130,890	48,760	168	376,030	126,711	48,760	160	376,030
Discontinued Operations								
Loss after tax for the Period from discontinued operations	-	-	-	-	(1,401)	(1,454)	4	(10,396)
Profit for the period	**130,890**	**48,760**	**168**	**376,030**	**125,310**	**47,306**	**165**	**365,634**
Basic Earnings Per Share from Continuing Operations (Rs.)	5.24	1.95		15.04	5.07	1.95		15.04
Dividend Per Share (Rs.)	-	-		3.00	-	-		3.00

The above figures are subject to audit

CASH FLOW STATEMENT

For the Three Months Ended 30 June	Company 2010 Rs. '000	Company 2009 Rs. '000	Group 2010 Rs. '000	Group 2009 Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before Taxation from continuing operations	134,787	52,385	130,608	52,385
Net Loss before Taxation from discontinued operations	-	-	(1,401)	(1,454)
ADJUSTMENTS FOR				
Depreciation, Amortization and Impairment Loss	20,145	19,034	22,524	20,624
Provision for Defined Benefit Plans	9,398	6,585	9,398	6,585
Amortization of Grants	(1,268)	(1,157)	(2,356)	(2,211)
Share of Result of Associate	-	-	4,179	-
Finance Cost	15,549	16,893	15,549	16,893
Operating Profit before Working Capital changes	178,611	93,740	178,501	92,822
(Increase)/Decrease in Trade & Other Receivable	45,211	(12,334)	45,211	(10,896)
(Increase)/Decrease in Inventories	(66,187)	(34,712)	(66,175)	(34,835)
(Increase)/Decrease in amounts due from Related Companies	(15,721)	6,279	(15,721)	6,279
Increase/(Decrease) in Trade & Other Payables	14,673	29,090	14,734	29,374
(Increase)/Decrease in amounts due to Related Companies	(4,550)	5,752	(4,550)	5,751
Cash Generated from Operations	152,037	87,815	152,000	88,495
Defined Benefit Plan Costs paid	(5,962)	(8,784)	(5,962)	(8,784)
Finance Cost Paid	(11,349)	(12,654)	(11,349)	(12,654)
Income Tax Paid	(3,897)	(3,625)	(3,897)	(3,625)
Net Cash from Operating Activities	**130,829**	**62,752**	**130,792**	**63,432**
CASH FLOWS FROM INVESTING ACTIVITIES				
Grant Received	22,284	3,440	22,284	3,440
Field Development Expenditure	(29,423)	(21,254)	(29,423)	(21,254)
Purchase of Property, Plant & Equipment	(17,709)	(1,001)	(17,709)	(1,001)
Dividend Paid	(98)	(457)	(98)	(457)
Net Cash Used in Investing Activities	**(24,946)**	**(19,272)**	**(24,946)**	**(19,272)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of Government Lease Rentals	(5,189)	(5,190)	(5,189)	(5,190)
Proceeds from Loans	-	44,000	-	44,000
Repayment of Loans	(20,607)	(13,219)	(20,607)	(13,219)
Net Cash from / (Used in) Financing Activities	**(25,796)**	**25,591**	**(25,796)**	**25,591**
Net Increase/(Decrease) in Cash & Cash Equivalents	80,088	69,071	80,050	69,751
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	**820,766**	**512,194**	**823,031** #	**513,375**

NOTES

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	18,926	24,615	21,191	25,796
Investment in Treasury Bills, Repo & Others	801,840	491,670	801,840	491,670
Bank Overdrafts	-	(4,091)	-	(4,091)
	820,766	**512,194**	**823,031** #	**513,375**

The above figures are subject to audit

PROVISIONAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

For the Three Months Ended 30 June 2010

	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	872,282	1,347,282	250,000	225,000	893,605	1,368,605
Net Profit for the period	-	-	48,760	48,760	-	-	47,306	47,306
Balance as at 30 June 2009	250,000	225,000	921,042	1,396,042	250,000	225,000	940,911	1,415,911
Balance as at 31 March 2010	250,000	225,000	1,223,311	1,698,311	250,000	225,000	1,224,712	1,699,712
Net Profit for the period	-	-	130,890	130,890	-	-	125,310	125,310
Dividend Paid	-	-	(75,000)	(75,000)	-	-	(75,000)	(75,000)
Balance as at 30 June 2010	250,000	225,000	1,279,201	1,754,201	250,000	225,000	1,275,022	1,750,022

The above figures are subject to audit

NOTES TO THE FINANCIAL STATEMENTS

For the Three Months Ended 30 June	2010 Rs.	2009 Rs.
1. **Market Price per Share**		
Highest	81.50	38.00
Lowest	47.50	19.00
Last Traded	80.75	34.50

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, 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	30 June 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	362,500	1.45%	362,500	1.45%
Deutsche Bank AG As Trustee for Namal Acuity Value	341,400	1.37%		
Deutsche Bank AG - National Equity Fund	320,600	1.28%		
Pershing LLC S/A Averbach Grauson & Co.	296,800	1.19%	296,800	1.19%
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%
Cocoshell Activated Carbon Company Limited	171,600	0.69%	146,100	0.58%
Mr.C R Martin	150,000	0.60%		
Mrs.N.Muljie	135,100	0.54%	135,100	0.54%
Waldock Mackenzie Ltd /Mr.K.Omprasadham	107,000	0.43%	112,000	0.45%
Merchant Bank of Sri Lanka Ltd A/C No 1	105,002	0.42%		
Waldock Mackenzie Ltd /HI - Line Towers (Pvt) Ltd	103,000	0.41%		
Mr.A.K.Kumarasena	100,000	0.40%	100,000	0.40%
Mas Capital (Private) Ltd	99,800	0.40%	99,800	0.40%
Deutsche Bank AG - Namal Growth Fund	94,400	0.38%		
Waldock Mackenzie Limited /M T Moosajee	87,000	0.35%		
E.W Balasuriya & Co. (Pvt) Ltd	77,700	0.31%	77,700	0.31%
Employees Provident Fund	75,000	0.30%	110,300	0.44%
Mr.D F G Dalpethado	73,201	0.29%	143,901	0.58%
Sub Total	**20,105,203**	**80.43%**		
Balance held by 9,456 shareholders (2009/10 - 9,349 shareholders)	4,894,798	19.57%	6,010,700	24.04%
Total Shares	**25,000,001**	**100.00%**	**25,000,001**	**100.00%**

The percentage of shares held as at 30 June 2010 is as follow

	Number of Shares	% of the Holding
Public Holding	7,984,901	31.94%
Other Holding	17,015,100	68.06%
	25,000,001	**100.00%**

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

	Number of Shares	
As at	**30 June 2010**	**31 March 2010**
Dr. S Yaddehige	-	-
Mr. J H P Ratnayeke	-	-
Mr. R L Kumararatne	-	-
Mr. L N De S Wijeyeratne	-	-
Mr. P D Samarasinghe	-	-
Mr. S S Poholiyadde	307	307
Dr. R C W M R A Nugawela	-	-

SEGMENT INFORMATION

For the Three Months Ended 30 June	Rubber		Tea		Coconut		Others		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Company	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	337,380	173,696	274,967	220,226	8,887	8,533	9,368	-	630,602	402,455
Revenue Expenditure	(190,456)	(118,938)	(239,019)	(177,601)	(4,349)	(3,664)	-	(5)	(433,824)	(300,208)
Depreciation / Amortization	(12,182)	(11,682)	(7,358)	(6,680)	(248)	(248)	(22)	(22)	(19,810)	(18,632)
Other Non Cash Expenses - Gratuity	(4,740)	(3,321)	(4,409)	(3,089)	(250)	(175)	-	-	(9,399)	(6,585)
Segment Results	130,002	39,755	24,181	32,856	4,040	4,446	9,346	(27)	**167,569**	**77,030**
Other Operating Income									26,248	16,488
Unallocated Expenses									(13,569)	(9,613)
Management Fees									(29,912)	(14,627)
Finance Cost									(15,549)	(16,893)
Income Tax Expenses									(3,897)	(3,625)
Profit for the Period									**130,890**	**48,760**

SEGMENT INFORMATION

For the Three Months Ended 30 June	Rubber		Tea		Coconut		Others		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Group	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	337,380	173,696	274,967	220,226	8,887	8,533	9,368	-	630,602	402,455
Revenue Expenditure	(190,456)	(118,938)	(239,019)	(177,601)	(4,349)	(3,664)	-	(5)	(433,824)	(300,208)
Depreciation / Amortization	(12,182)	(11,682)	(7,358)	(6,680)	(248)	(248)	(22)	(22)	(19,810)	(18,632)
Other Non Cash Expenses - Gratuity	(4,740)	(3,321)	(4,409)	(3,089)	(250)	(175)	-	-	(9,399)	(6,585)
Segment Results	130,002	39,755	24,181	32,856	4,040	4,446	9,346	(27)	**167,569**	**77,030**
Other Operating Income									26,248	16,488
Unallocated Expenses									(13,569)	(9,613)
Management Fees									(29,912)	(14,627)
Finance Cost									(15,549)	(16,893)
Profit from Operations after Finance Cost									134,787	52,385
Share of Result of Associate									(4,179)	-
Profit before Taxation									130,608	52,385
Income Tax Expenses									(3,897)	(3,625)
Profit for the Period from continuing operations									126,711	48,760
Loss after tax for the Period from discontinued operations									(1,401)	(1,454)
Profit for the Period									**125,310**	**47,306**

CORPORATE INFORMATIONS

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	:	Re registered No. of Company P Q 135
Head/Registered Office	:	No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Management Company	:	RPC Plantation Management Services (Pvt) Limited, No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Board of Directors	:	Dr. Sena Yaddehige - Chairman Mr. J H P Ratnayeke - Deputy Chairman Mr. R L Kumararatne - Director Mr. P D Samarasinghe - Director Mr. S S Poholiyadde - Director Mr. L N de S Wijeyeratne - Director (Resigned w.e.f. 01 July 2010) Dr. R C W M R A Nugawela - Director
Stock Exchange Listing	:	The Ordinary Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.
Senior Management	:	Mr. R L Kumararatne - Managing Director Mr. S S Poholiyadde - Chief Executive Officer Mrs. L C Herath - Chief Financial Officer Mr. S Nagahawatta - Manager Mr. S C Bandaranayake - Engineer Mr. D H Bandara - Systems Administrator
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 Attorney-at-Law, No. 59, Gregory's Road, Colombo 7, Sri Lanka.
Contact Details	:	Telephone : + (94) 11 4310888 Facsimile : + (94) 11 4310799 Web : www.arpico.com E-mail : ceokpl.rpk@arpico.com

Kegalle Plantations PLC

310, Highlevel Road, Nawinna, Maharagama, Sri Lanka