

WATAWALA PLANTATIONS PLC (PQ 65)
60, Dharmapala Mawatha , Colombo - 03

PROVISIONAL FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30TH JUNE 2007

	For the three months		For the three months	Audited year ended 31.03.2007
	Unaudited three months ended	Unaudited three months ended		
	30.06.2007 Rs'000	30.06.2006 Rs'000	Change +/- Rs'000	Rs'000
Revenue	917,311	801,556	115,755	3,169,788
Cost of sales	(796,259)	(690,970)	(105,289)	(2,667,412)
Gross profit	121,052	110,586	10,466	502,376
Other operating income	6,146	13,359	(7,213)	76,946
Administrative expenses	(28,362)	(25,084)	(3,278)	(92,255)
Distribution costs	(33,359)	(23,009)	(10,350)	(105,281)
Management fees	(10,521)	(11,554)	1,033	(50,960)
Operating profit	54,956	64,298	(9,342)	330,826
Finance costs	(19,620)	(16,653)	(2,967)	(83,092)
Amortisation of negative goodwill	-	1,968	(1,968)	-
Profit before taxation	35,336	49,613	(14,277)	247,734
Taxation	(300)	(3,389)	3,089	(26,034)
Net profit for the period	35,036	46,224	(11,188)	221,700
Earnings per share (Rs)	1.06	1.95	-	9.37

PROVISIONAL FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30TH JUNE 2007

	Share capital	Share premium	Negative goodwill	General reserve	Retained earnings	Investment reserve	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at 1st April 2006	236,667	73,333	92,476	150,000	483,878	147,926	1,184,280
Net profit for the period	-	-	-	-	46,224	-	46,224
Dividend paid	-	-	-	-	(29,583)	-	(29,583)
Amortization of negative goodwill	-	-	(1,968)	-	-	-	(1,968)
Balance at 30th June 2006	236,667	73,333	90,508	150,000	500,519	147,926	1,198,953
Balance at 1st April 2007	236,667	73,333	-	150,000	768,470	146,030	1,374,500
Net Profit for the period	-	-	-	-	35,036	-	35,036
Dividend paid	-	-	-	-	(35,500)	-	(35,500)
Amortization of negative goodwill	-	-	-	-	-	-	-
Amortization of Investment reserve	-	-	-	-	-	(948)	(948)
Balance at 30 June 2007	236,667	73,333	-	150,000	768,006	145,082	1,373,088

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	Unaudited as at 30.06.2007	Unaudited as at 30.06.2006	Audited as at 31.03.2007
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets			
Leasehold right to bare land of JEDB/SLSPC estates	259,169	266,049	260,928
Immovable estate assets on finance lease (other than bare land)	273,090	292,069	277,534
Tangible fixed assets other than immature/mature plantations	720,720	658,824	722,453
Immature / mature plantations	1,015,741	892,856	990,204
Investments on subleasing of assets	202,214	205,820	203,416
	2,470,934	2,315,618	2,454,535
Current assets			
Inventories	396,914	264,137	292,917
Trade and other receivables	406,103	382,948	336,986
Current tax receivables	-	5,491	-
Cash and cash equivalents	88,418	71,272	75,356
	891,435	723,848	705,259
Total assets	3,362,369	3,039,466	3,159,794
EQUITY AND LIABILITIES			
Capital & reserves			
Ordinary shares	236,667	236,667	236,667
Share premium	73,333	73,333	73,333
Negative goodwill	-	90,508	-
General reserve	150,000	150,000	150,000
Investment reserve	145,082	147,926	146,030
Retained earnings	768,006	500,519	768,470
	1,373,088	1,198,953	1,374,500
Non-current liabilities			
Borrowings	204,578	208,357	221,371
Obligations under finance lease	387,899	389,025	385,628
Retirement benefit obligations	357,711	289,645	357,538
Deferred income and capital grants	139,703	137,890	139,632
	1,089,891	1,024,917	1,104,169
Current liabilities			
Trade and other payables	399,885	367,794	337,259
Borrowings	499,505	447,802	343,866
	899,390	815,596	681,125
Total liabilities	1,989,281	1,840,513	1,785,294
Total equity and liabilities	3,362,369	3,039,466	3,159,794
Net asset value per share (Rs)	58.02	50.66	58.08
Market value per share (Rs)			
Highest	67.50	54.00	65.00
Lowest	50.00	43.00	30.50
Last traded price	62.75	53.00	53.00

NOTES TO THE FINANCIAL STATEMENTS

- These interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31/03/2007
- The figures in these interim financial statements are provisional and subject to audit.
- No circumstances have arisen since the Balance sheet date which would require adjustments to or disclosure in the financial statements
- The previous periods figures have been reclassified to conform with the current presentations.
- All amounts in Sri Lanka Rupees thousands

Signed on behalf of the Board of Directors of Watawala Plantation Plc

[G Sathasivam]
Chairman
Colombo 13/08/2007

[Vish Govindasamy]
Chief Executive Officer/Director
Colombo 13/08/2007

PROVISIONAL FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30TH JUNE 2007

CASH FLOW STATEMENT Rs ' 000

	Unaudited three months ended 30.06.2007	Unaudited three months ended 30.06.2006	Audited year ended 31.03.2007
Cash generated from operations			
Net profit	35,336	49,613	247,734
Adjusted for :			
Depreciation	29,853	29,253	117,126
Profit on sale of property, plant and equipment	-	-	(16,494)
Provision for retirement benefit obligations	10,265	8,344	96,937
Amortisation of lease hold right to bare land	1,759	1,707	6,828
Amortisation of negative goodwill	-	(1,969)	-
Amortisation of investment reserve	(948)	-	(1,896)
Amortisation of capital grants	-	-	(12,496)
Interest expenses	19,620	16,653	83,092
Net cash inflow from operations before working capital changes	95,885	103,601	520,831
Changes in working capital			
Inventories	(103,997)	(3,211)	(31,991)
Trade and other receivables	(67,867)	(48,133)	(5,560)
Trade and other payables	62,325	(23,617)	(64,599)
Cash generated from operations	(13,653)	28,640	418,681
Operating activities			
Interest paid	(19,620)	(16,994)	(86,035)
Retirement benefit obligations paid	(10,093)	(6,735)	(27,433)
Tax paid	-	-	(10,361)
Interest received	0	341	2,943
Investment income from subleas of Lippekelle estate	0	-	(96)
Net cash generated from operating activities	(43,366)	5,252	297,699
Investing activities			
Grants received	71	1,101	15,338
Field development expenditure	(34,252)	(16,098)	(138,754)
Purchase of property plant and equipment	(14,960)	(18,243)	(117,978)
Proceeds from sale of property plant and equipment	0	-	23,674
Net cash used in investing activities	(49,141.00)	(33,240)	(217,720)
Financing activities			
Dividend paid	(35,500)	(29,583)	(29,583)
Proceed s from subleasing of Lippekelle estate	-	-	5,000
Settlement of net liability to lessor	(1,136)	(1,145)	(10,069)
Changes in bank borrowings	1,859	(6,626)	(24,878)
Net cash used in financing activities	(34,777)	(37,354)	(59,530)
Net increase / (decrease) in cash & cash equivalent	(127,284)	(65,342)	20,449
Cash & Cash equivalent at the beginning of the period	(95,445)	(115,894)	(115,894)
Cash & Cash equivalent at the end of the period	(222,729)	(181,236)	(95,445)

PROVISIONAL FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED 30 TH JUNE 2007
SEGMENTAL REPORTING - BUSINESS SEGMENTS Rs ' 000

	Tea	Rubber	Other Crops	Export	Retail Marketing	Unallocated	Total For the 3 months ended 30/06/2007	Total For the 3 months ended 30/06/2006
Revenue	532,874	34,796	35,914	175,266	138,461	-	917,311	801,556
Operating profit/(loss)	(17,546)	2,094	14,831	38,883	11,163	5,531	54,957	64,298
Finance costs	(15,351)	(1,039)	(2,452)	(743)	(36)	-	(19,620)	(16,653)
Amortization of negative goodwill	-	-	-	-	-	-	-	1,968
Profit/(Loss) before taxation	(32,897)	1,055	12,379	38,140	11,128	5,531	35,337	49,613
Taxation	-	-	-	-	-	(300)	(300)	(3,389)
Net profit / (loss)	(32,897)	1,055	12,379	38,140	11,128	5,231	35,036	46,224



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INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
30TH JUNE 2007