

VALLIBEL POWER ERATHNA PLC
CASH FLOW STATEMENT

	GROUP		COMPANY	
	For the nine months ended		For the nine months ended	
	31.12.2009	31.12.2009	31.12.2008	31.12.2008
	Rs.	Rs.	Rs.	Rs.
Cash Flows from/(Used in) Operating Activities				
Net Profit Before Income Tax Expense	454,629,088	393,107,148	304,808,269	
Adjustments for				
Amortization of Intangible Assets	1,200,000	1,200,000	1,200,000	
Depreciation	22,928,268	22,813,603	21,800,311	
Interest Income	(10,358,158)	(10,248,851)	(12,989,249)	
Dividend Income	-	-	(15,000,000)	
Finance Cost	8,477,915	8,473,465	995,437	
Retirement Benefit Obligations	493,724	493,724	472,573	
Written off Debtors	-	-	10,431	
Negative Goodwill	(65,398,387)	-	-	
(Provision) / Reversal for the falling value of Investment	(40,935,170)	(40,935,170)	-	
Operating Profit Before Working Capital Changes	371,037,280	374,903,919	301,297,772	
(Increase)/ Decrease in Trade and Other Receivables	(63,821,871)	(53,800,583)	(27,740,816)	
(Increase)/ Decrease in Amounts Due from Related Parties	(3,231,852)	(37,272,654)	(4,493,648)	
Increase / (Decrease) in Trade and Other Payables	5,222,914	287,340	(1,430,353)	
Increase / (Decrease) in Amounts Due to Related Parties	3,347,901	2,061,169	1,558,351	
Cash Generated from /(used in) Operating Activities	312,554,372	286,179,191	269,191,306	
Finance Cost Paid	(8,477,915)	(8,473,465)	(995,437)	
Interest Received	7,749,061	7,639,754	13,064,249	
Retirement Benefit Obligations Paid	-	-	(23,435)	
Taxes Paid	(5,125,107)	(5,108,465)	(2,133,215)	
Net Cash from / (used in) Operating Activities	306,700,411	280,237,015	279,103,468	
Cash Flows From / (Used in) Investing Activities				
Acquisitions of Property, Plant & Equipments	(29,647,886)	(1,560,624)	(2,678,950)	
Proceeds /(Investments) of Fixed Deposits	12,434,724	11,134,724	235,906,750	
Acquisition of Subsidiary (Note A)	(198,832,336)	(201,000,000)	-	
Dividend Received	-	-	15,000,000	
Net Cash Flow from / (Used In) Investing Activities	(216,045,498)	(191,425,900)	248,227,800	
Cash Flows from /(Used in) Financing Activities				
Dividend Paid	(186,777,433)	(186,777,433)	(530,207,411)	
Proceeds from Interest Bearing Loans & Borrowings	150,000,000	150,000,000	-	
Repayments of Interest Bearing Loans & Borrowings	(5,084,746)	(5,084,746)	-	
Principle payments under finance lease liability	(284,535)	(284,535)	(359,842)	
Net Cash Flows From / (Used In) Financing Activities	(42,146,714)	(42,146,714)	(530,567,253)	
Net Increase / (Decrease) In Cash & Cash Equivalents	48,508,199	46,664,401	(3,235,985)	
Cash and Cash Equivalents at the Beginning of the Period (Note B)	7,347,589	7,347,589	7,881,474	
Cash and Cash Equivalents at the End of the Period (Note C)	55,855,788	54,011,990	4,645,489	
Note B				
Cash and Cash Equivalents at the Beginning of the Period				
Cash in Hand & at Bank	1,243,421	1,243,421	7,881,474	
Call Deposits & REPO	6,104,168	6,104,168	-	
	7,347,589	7,347,589	7,881,474	
Note C				
Cash and Cash Equivalents at the End of the Period (Note B)				
Cash in Hand & at Bank	9,855,788	8,011,990	4,645,489	
Call Deposits & REPO	46,000,000	46,000,000	-	
	55,855,788	54,011,990	4,645,489	

Note - Since the Company acquired the Country Energy (Pvt) Ltd. on 01/11/2009 there are no comparative figures available for the group for the prior year.

Note A - Acquisition of Country Energy (Pvt) Ltd.

Property, Plant & Equipment	78,060,107
Intangible Assets - Right to Generate Hydro Power	185,000,000
Trade & Other Receivables	6,134,375
Amount Due from Related Parties	94,356
Cash and Cash Equivalent	2,167,664
	<u>271,456,502</u>
Retirement Benefit Obligations	(129,385)
Trade and Other Payables	(2,291,102)
Amount Due to Related Parties	(2,637,628)
	<u>(5,058,115)</u>
Net Assets	266,398,387
Negative goodwill	(65,398,387)
Total acquisition cost	<u>201,000,000</u>

The total acquisition cost of Rs.201,000,000 comprised a cash payment of Rs.200,000,000 and costs of Rs.1,000,000 directly attributable to the acquisition.

Cash outflow on acquisition	2,167,664
Net cash acquired with the subsidiary	(201,000,000)
Cash paid	<u>(198,832,336)</u>