

**VALLIBEL POWER ERATHNA PLC**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED**

**30<sup>TH</sup> JUNE 2010**

# VALLIBEL POWER ERATHNA PLC

## CONSOLIDATED BALANCE SHEET

As At	30.06.2010 Rs.	31.03.2010 Rs.(Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant & Equipment	1,399,264,755	1,277,253,263
Other Investments	73,568,870	73,568,870
Intangible Assets - Right to Generate Hydro Power	169,350,000	169,750,000
Deposit on leasehold land	4,500,000	4,500,000
	<b>1,646,683,625</b>	<b>1,525,072,133</b>
<b>Current Assets</b>		
Trade & Other Receivables	134,454,619	35,056,013
Amount Due from Related Parties	34,003,475	27,655,869
Other Investments	59,960,888	54,351,482
Cash and Bank Balances	2,359,305	6,044,699
	<b>230,778,287</b>	<b>123,108,063</b>
<b>Total Assets</b>	<b>1,877,461,912</b>	<b>1,648,180,196</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Stated Capital	1,174,365,278	1,174,365,278
Revaluation Reserves	32,985,868	35,530,360
Accumulated Profit	388,872,860	268,116,271
<b>Total Equity</b>	<b>1,596,224,006</b>	<b>1,478,011,909</b>
<b>Non-Current Liabilities</b>		
Interest Bearing Loans & Borrowings	189,040,830	113,370,993
Retirement Benefit Obligations	5,173,838	4,704,464
	<b>194,214,668</b>	<b>118,075,457</b>
<b>Current Liabilities</b>		
Trade and Other Payables	15,665,077	15,418,992
Interest Bearing Loans & Borrowings	31,856,484	31,680,371
Amount Due to Related Parties	39,058,830	4,215,722
Tax Payable	442,847	777,745
	<b>87,023,238</b>	<b>52,092,830</b>
<b>Total Equity and Liabilities</b>	<b>1,877,461,912</b>	<b>1,648,180,196</b>
<b>Net Asset Per Share</b>	<b>2.14</b>	<b>1.98</b>

These Financial Statements are in compliance with the requirements of the Companies Act, No. 7 of 2007.

(Sgd)  
**Yogesh Suriyapperuma**  
 Finance Manager

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

(Sgd)  
**K.D.D.Perera**  
 Chairman

Colombo. July 26, 2010

(Sgd)  
**L.Wickremarachi**  
 Managing Director / CEO

# VALLIBEL POWER ERATHNA PLC

## CONSOLIDATED INCOME STATEMENT

For the Three Months Ended 30th June 2010

	Rs.
<b>Revenue</b>	<b>154,528,384</b>
Cost of Sales	(9,641,299)
<b>Gross Profit</b>	<b>144,887,085</b>
Other Operating Income	85,988
Administration Expenses	(20,996,050)
Other Operating Expenses	(926,397)
Finance Expenses	(5,622,615)
Finance Income	1,627,220
<b>Profit Before Tax</b>	<b>119,055,231</b>
Income Tax Expenses	(843,134)
<b>Net profit for the period attributable to the equity holders of the parent</b>	<b>118,212,097</b>
 <b>Basic Earnings Per Share</b>	 0.16

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.

# VALLIBEL POWER ERATHNA PLC

## COMPANY BALANCE SHEET

As At	30.06.2010 Rs.	31.03.2010 Rs.(Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant & Equipment	1,098,456,971	1,105,506,270
Investment in Subsidiary	341,700,000	201,000,000
Other Investments	73,568,870	73,568,870
Intangible Assets - Right to Generate Hydro Power	14,000,000	14,400,000
	<b>1,527,725,841</b>	<b>1,394,475,140</b>
<b>Current Assets</b>		
Trade & Other Receivables	109,279,990	19,558,906
Amount Due from Related Parties	40,641,200	143,121,948
Other Investments	59,960,888	52,751,482
Cash and Bank Balances	1,259,506	5,354,223
	211,141,584	220,786,559
<b>Total Assets</b>	<b>1,738,867,425</b>	<b>1,615,261,699</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Stated Capital	1,174,365,278	1,174,365,278
Revaluation Reserve	32,985,868	35,530,360
Accumulated Profit	381,319,832	248,114,353
<b>Total Equity</b>	<b>1,588,670,978</b>	<b>1,458,009,991</b>
<b>Non-Current Liabilities</b>		
Interest Bearing Loans & Borrowings	105,340,830	113,370,993
Retirement Benefit Obligations	4,271,123	3,950,951
	<b>109,611,953</b>	<b>117,321,944</b>
<b>Current Liabilities</b>		
Trade and Other Payables	6,348,526	5,295,142
Interest Bearing Loans & Borrowings	31,856,484	31,680,371
Amount Due to Related Parties	1,936,637	2,176,626
Tax Payable	442,847	777,625
	40,584,494	39,929,764
<b>Total Equity and Liabilities</b>	<b>1,738,867,425</b>	<b>1,615,261,699</b>

**Net Asset Per Share** **2.13** **1.95**

These Financial Statements are in compliance with the requirements of the Companies Act, No. 7 of 2007.

(Sgd)

**Yogesh Suriyapperuma**

Finance Manager

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

Signed for and on behalf of the Board by.

(Sgd)

**K.D.D.Perera**

Chairman

Colombo. July 26, 2010

(Sgd)

**L.Wickremarachchi**

Managing Director / CEO

# VALLIBEL POWER ERATHNA PLC

## COMPANY INCOME STATEMENT

	For the Three Months Ended		
	30.06.2010	30.06.2009	Change
	Rs.	Rs.	%
<b>Revenue</b>	<b>154,528,384</b>	<b>136,958,838</b>	<b>13</b>
Cost of Sales	(9,641,299)	(10,528,789)	8
<b>Gross Profit</b>	<b>144,887,085</b>	<b>126,430,049</b>	<b>15</b>
Other Operating Income	858,000	46,751	1735
Administration Expenses	(10,374,623)	(9,749,133)	(6)
Other Operating Expenses	-	(500,000)	-
Finance Expenses	(5,495,862)	(868,326)	(533)
Finance Income	1,627,220	2,471,837	(34)
<b>Profit Before Tax</b>	<b>131,501,820</b>	<b>117,831,178</b>	<b>12</b>
Income Tax Expenses	(840,833)	(836,305)	(1)
<b>Net Profit For the Period</b>	<b>130,660,987</b>	<b>116,994,873</b>	<b>12</b>
<b>Basic Earnings Per Share</b>	0.17	0.16	

# VALLIBEL POWER ERATHNA PLC

## CASH FLOW STATEMENT

	For the Three Months Ended		
	Group	Company	
	30.06.2010 Rs.	30.06.2010 Rs.	30.06.2009 Rs.
<b>Cash Flows from/(Used in) Operating Activities</b>			
Net Profit Before Income Tax Expense	119,055,231	131,501,820	117,831,178
Adjustments for			
Amortization of Intangible Assets	400,000	400,000	400,000
Depreciation	7,995,914	7,629,923	7,588,855
Interest Income	(1,627,220)	(1,627,220)	(2,471,837)
Finance Cost	5,622,615	5,495,862	868,326
Retirement Benefit Obligations	469,373	320,172	180,475
<b>Operating Profit Before Working Capital Changes</b>	<b>131,915,913</b>	<b>143,720,557</b>	<b>124,396,997</b>
( Increase )/ Decrease in Trade and Other Receivables	(98,498,149)	(88,820,630)	(86,856,425)
( Increase )/ Decrease in Amounts Due from Related Parties	(6,347,606)	102,480,748	(1,641,051)
Increase / (Decrease) in Trade and Other Payables	246,082	1,053,384	500,678
Increase / (Decrease) in Amounts Due to Related Parties	34,843,108	(239,989)	698,587
<b>Cash Generated from /(used in) Operating Activities</b>	<b>62,159,348</b>	<b>158,194,070</b>	<b>37,098,786</b>
Finance Cost Paid	(5,622,615)	(5,495,862)	(868,326)
Interest Received	726,765	726,765	1,585,333
Taxes Paid	(1,178,031)	(1,175,611)	(404,230)
<b>Net Cash from / (used in) Operating Activities</b>	<b>56,085,467</b>	<b>152,249,362</b>	<b>37,411,563</b>
<b>Cash Flows From / (Used in) Investing Activities</b>			
Acquisitions of Property, Plant & Equipments	(130,007,405)	(580,623)	(1,080,318)
Proceeds /(Investments) of Fixed Deposits	1,352,594	(247,406)	8,774,070
Investment in Subsidiary	-	(140,700,000)	-
<b>Net Cash Flow from / (Used In) Investing Activities</b>	<b>(128,654,811)</b>	<b>(141,528,029)</b>	<b>7,693,752</b>
<b>Cash Flows from /(Used in) Financing Activities</b>			
Proceeds from Interest Bearing Loans & Borrowings	83,700,000	-	-
Repayments of Interest Bearing Loans & Borrowings	(7,627,119)	(7,627,119)	-
Principle Payments Under Finance Lease Liability	(226,931)	(226,931)	(50,817)
<b>Net Cash Flows From / (Used In) Financing Activities</b>	<b>75,845,950</b>	<b>(7,854,050)</b>	<b>(50,817)</b>
Net Increase / (Decrease) In Cash & Cash Equivalents	3,276,606	2,867,283	45,054,498
<b>Cash and Cash Equivalents at the Beginning of the Period (Note A)</b>	<b>43,044,699</b>	<b>42,354,223</b>	<b>7,347,589</b>
<b>Cash and Cash Equivalents at the End of the Period (Note B)</b>	<b>46,321,305</b>	<b>45,221,506</b>	<b>52,402,087</b>
<b>Note A</b>			
<b>Cash and Cash Equivalents at the Beginning of the Period</b>			
Cash in Hand & at Bank	6,044,699	5,354,223	1,243,421
Call Deposits & REPO	37,000,000	37,000,000	6,104,168
	43,044,699	42,354,223	7,347,589
<b>Note B</b>			
<b>Cash and Cash Equivalents at the End of the Period</b>			
Cash in Hand & at Bank / (Bank Over Draft)	2,359,305	1,259,506	(97,913)
Call Deposits & REPO	43,962,000	43,962,000	52,500,000
	46,321,305	45,221,506	52,402,087

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.

# VALLIBEL POWER ERATHNA PLC

## STATEMENT OF CHANGES IN EQUITY

### GROUP

	Stated Capital Rs.	Revaluation Reserve Rs.	Accumulated Profit Rs.	Total Rs.
<b>Balance as at 1 st April 2010</b>	1,174,365,278	35,530,360	268,116,271	1,478,011,909
Net Profit for the Period	-	-	118,212,097	118,212,097
Transfer of Realised Surplus on Usage	-	(2,544,492)	2,544,492	-
<b>Balance as at 30 th June 2010</b>	<u>1,174,365,278</u>	<u>32,985,868</u>	<u>388,872,860</u>	<u>1,596,224,006</u>

### COMPANY

	Stated Capital Rs.	Revaluation Reserve Rs.	Accumulated Profit Rs.	Total Rs.
<b>Balance as at 1 st April 2009</b>	1,174,365,278	45,708,328	30,634,312	1,250,707,918
Net Profit for the Period	-	-	116,994,873	116,994,873
Transfer of Realised Surplus on Usage	-	(2,544,492)	2,544,492	-
<b>Balance as at 30 th June 2009</b>	<u>1,174,365,278</u>	<u>43,163,836</u>	<u>150,173,677</u>	<u>1,367,702,791</u>
<b>Balance as at 1 st April 2010</b>	1,174,365,278	35,530,360	248,114,353	1,458,009,991
Net Profit for the Period	-	-	130,660,987	130,660,987
Transfer of Realised Surplus on Usage	-	(2,544,492)	2,544,492	-
<b>Balance as at 30 th June 2010</b>	<u>1,174,365,278</u>	<u>32,985,868</u>	<u>381,319,832</u>	<u>1,588,670,978</u>

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

# VALLIBEL POWER ERATHNA PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE THREE MONTHS ENDED 30<sup>TH</sup> JUNE 2010

1. The above figures are provisional & subject to audit.

2. Figures in brackets indicate deductions.

3. Market price per share for the three months ended

	30-06-2010 Rs.	30-06-2009 Rs.
Market Price – Highest (For the Period)	7.50	3.60
Market Price – Lowest (For the Period)	5.25	3.00
Market Price – Last Traded (For the Period)	7.25	3.30

4. The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for the audited financial statements prepared for the year ended 31<sup>st</sup> March 2010 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.

5. The number of shares representing the stated capital is 747,109,731.

6. The Company acquired the 100% shareholding of Country Energy (Pvt) Limited on 1<sup>st</sup> November 2009.

7. The group had no significant contingent liabilities outstanding as at the Balance Sheet date.

8. No other circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the Financial Statements.

9. The Public Share Holding Percentage as at 30<sup>th</sup> June 2010 was 19.08%.

#### 10. Directors' Shareholding

Director	As at 30/06/2010	As at 31/03/2010
Mr. K.D.D.Perera	144,812,225	144,812,225
Mr. L.Wickremarachchi (CEO)	80,000	80,000
Mr. P.K.Sumanasekera	150,000	150,000
Mr. W.D.N.H.Perera	203,000	-
Mr. S.H.Amarasekera	30	98,230
Mr. S.E. De Silva	30,000	30,000
Mr. Daryl S. Clark	-	-
Mr. H. Somashantha	-	-
Mr. L.D.Dickman	-	-

#### 11. The Twenty Major Shareholders as at 30<sup>th</sup> June 2010

Shareholder	No. of Shares	Percentage (%)
1. Vallibel Power Limited	299,425,830	40.08
2. Asia Energy Management Systems Inc	159,845,891	21.40
3. Mr. K.D.D.Perera	144,812,225	19.38
4. Dr. T. Senthilverl	43,785,000	5.86
5. Mr. K.D.A.Perera	18,750,000	2.51
6. Mr. K.D.H.Perera	18,750,000	2.51
7. Ms. K.D.C. Samanthi	9,375,000	1.25
8. DFCC Bank A/C 1	7,500,000	1.00
9. Mr. Biak Chye Tay	3,000,000	0.40
10. Bank of Ceylon – No. 2 A/C	3,000,000	0.40
11. Pan Asia Banking Corporation PLC / Emagwise (Pvt) Ltd.	1,329,900	0.18
12. The Ceylon Chamber of Commerce A/C No. 02	1,000,000	0.13
13. Mr. D.D.Gunarathna	800,000	0.11
14. Mr. M.F.Hashim	767,081	0.10
15. Mr. W.R.H.Perera	600,000	0.08
16. Dr. M.Ramasubbu	532,300	0.07
17. Mr. A.Sithampalam	518,740	0.07
18. Mr. V.S.Rajasooriyar	500,074	0.07
19. Mr. P.Gajendran	500,010	0.07
20. First Capital Markets Ltd. / Mr. M.A.U.Gannathilaka	500,007	0.07

# VALLIBEL POWER ERATHNA PLC

## Corporate Information

**Name of Company**

Vallibel Power Erathna PLC

**Legal Form**

A Public quoted company with limited liability incorporated under the Provisions of the Companies Act, No. 07 of 2007.

**Date of Incorporation**

07 th November 2001

**Company Registration Number**

P.Q. 103

**Nature of the Business**

Generate and Supply Electric Power to the National Grid.

**Board of Directors**

K.D.D.Perera – Chairman  
L.Wickremarachchi – Managing Director/CEO  
P.K.Sumanasekera  
W.D.N.H.Perera  
S.H.Amarasekera  
S.E. De Silva  
Daryl S. Clark  
H. Somashantha  
L.D.Dickman

**Head Office and Registered Office**

27-2, East Tower, World Trade Center  
Echelon Square, Colombo 01.  
Telephone: 011 2381111  
Fax: 011 2381115  
E-mail: [energy@vallibel.com](mailto:energy@vallibel.com)  
Web Site: [www.vallibel-hydro.com](http://www.vallibel-hydro.com)

**Subsidiary Companies**

Country Energy (Pvt) Ltd. (unquoted)

**Company Secretaries**

Secretaries & Registrars (Private) Limited  
No.32 A, First Floor, KPMG Building  
Sir Mohamed Macan Markar Mawatha  
Colombo 03.  
Telephone: 011 2325761  
Fax: 011 2342047  
E-mail: [s&r@eureka.lk](mailto:s&r@eureka.lk)

**Auditors**

Ernst & Young  
Chartered Accountants  
No.201, De Saram Place  
Colombo 10.

**Bankers**

Commercial Bank of Ceylon PLC  
DFCC Vardhana Bank Limited  
DFCC Bank PLC