

VALLIBEL ONE PLC
INTERIM FINANCIAL STATEMENTS

Vallibel | ONE

For the six months ended 30th September 2011

VALLIBEL ONE PLC

BALANCE SHEET

As At	Company		Group	
	30.09.2011 Rs.	31.03.2011 Rs.(Audited)	30.09.2011 Rs.	31.03.2011 Rs.(Audited)
ASSETS				
Cash and Cash Equivalents	-	19,038,427	750,756,701	427,845,146
Investment in Fixed Deposits	2,893,295,784	4,417,810,959	1,315,484,685	1,417,810,959
Treasury Bills & Other bills eligible for re-discounting with Central Bank	-	-	1,193,442,225	1,622,157,957
Placements with Other banks	-	-	678,917,827	302,583,827
Loans and Advances	-	-	9,566,493,759	7,543,231,019
Lease rentals receivables & Stock out on hire	-	-	20,289,385,123	16,329,573,406
Advance for Vehicle Stock	-	-	377,991,297	519,705,853
Real Estate Stock	-	-	159,499,731	237,520,182
Trade and Other Debtors, Deposits and Prepayments	116,480,677	73,622,142	4,520,124,562	1,169,692,401
Investments in Securities	7,249,992,883	6,910,395,270	9,610,398,398	8,772,247,702
Investments in Subsidiaries	17,216,095,292	14,822,125,320	-	-
Investment Associate	280,000,000	280,000,000	287,471,580	280,000,000
Amount Due From Related Parties	77,891,849	25,434,257	208,223,517	183,961,983
Deferred Tax Asset	23,263,788	23,263,788	40,184,336	23,263,788
Income Tax Recoverable	17,558,622	1,246,903	448,114,683	2,185,253
Inventories	-	-	4,394,304,925	1,380,703,093
Goodwill	-	-	12,276,030,693	11,387,706,376
Intangible Assets	-	-	18,208,083	9,681,837
Property, Plant & Equipment	46,555,317	28,882,759	8,345,580,574	5,026,090,672
Total Assets	27,921,134,212	26,601,819,825	74,480,612,699	56,635,961,454
LIABILITIES				
Deposits from non-bank customers	-	-	20,211,871,939	16,619,680,724
Interest Bearing Loans and Borrowings	2,575,362	-	13,570,195,011	5,989,876,418
Non Interest Bearing Loans and Borrowings	-	-	344,058,098	-
Trade & Other Payables	417,958,141	8,646,083	4,854,047,802	2,216,058,404
Amount Due To Related Parties	33,596,534	22,114,064	33,574,834	21,447,400
Dividend Payable	-	-	23,032,876	15,826,051
Debentures	-	-	450,000,000	450,000,000
Retirement Benefit Liability	-	-	335,608,328	134,658,434
Income Tax Liabilities	41,321,443	-	317,327,419	266,645,929
Deferred Tax Liabilities	-	-	95,551,751	154,805,162
Total Liabilities	495,451,480	30,760,147	40,235,268,057	25,868,998,522
Shareholders' Funds				
Equity Attributable to Equity Holders of the Parent				
Stated Capital	27,163,983,759	26,631,186,970	27,163,983,759	26,631,186,970
Reserves	261,698,973	(60,127,292)	1,676,783,931	600,420,643
Minority Interest			5,404,576,949	3,535,355,319
Total Equity	27,425,682,732	26,571,059,678	34,245,344,640	30,766,962,932
Total Equity and Liabilities	27,921,134,212	26,601,819,825	74,480,612,699	56,635,961,454

Net Asset Per Share	25.24	24.94	26.54	25.56
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These Financial Statements are in Compliance with the requirements of Companies Act No. 07 of 2007.

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Haresh Somashantha
Chief Financial Officer

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

.....
K D D Perera
Director

.....
W D N H Perera
Director

VALLIBEL ONE PLC

INCOME STATEMENT

	COMPANY	GROUP
	6 months ended	6 months ended
	30.09.2011	30.09.2011
	Rs.	Rs.
Revenue	224,266,995	10,690,322,542
Cost of Sales	-	-
		(7,023,654,633)
Gross Profit	224,266,995	3,666,667,909
Other Operating Income	191,533,258	483,353,320
Administrative Expenses	(52,627,068)	(860,647,261)
Distribution Expenses	-	(853,527,381)
Finance Cost	(25,476)	(234,735,349)
Bad and Doubtful Loans and Write Offs	-	(30,276,486)
Finance Income	-	256,929
Negative Goodwill	-	91,105,336
Profit From Operations	363,147,709	2,262,197,018
Value Added Tax on Financial Service	-	(73,793,226)
Profit before tax	363,147,709	2,188,403,792
Profit from Associated company	-	7,471,580
Income Tax Expense	(41,321,443)	-
		(408,823,225)
Net Profits for the period	321,826,266	1,787,052,147
Attributable to :		
Equity holders of the Parent		1,014,434,448
Minority Interest		772,617,697
Net Profits for the period		1,787,052,147
Basic Earnings Per Share	0.30	0.93

VALLIBEL ONE PLC

CASH FLOW STATEMENT

For the 6 Months period ended 30 September 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Net Profit before Taxation

ADJUSTMENTS FOR

Depreciation	2,510,107	463,632,891
Amortization of Computer Software	-	2,410,292
Appreciation in Market value of Quoted shares	-	19,810,632
Interest cost on Finance Leases	-	2,370,547
Provision For doubtful debts	-	34,357,660
Provision For Defined Benefit Plan Costs	-	68,318,890
Profit/ (Loss) from sale of Fixed Assets	-	(21,512,510)
Notional Tax Credit on Interest on Treasury Bills	-	(5,794,489)
Withholding Tax attributed to Fixed Deposit & professional fees	-	(2,516,733)
(Gain) /Loss from Sale of Investments	-	(163,083,753)
Negative Goodwill	-	(91,105,336)
Exchange Equalization Reserve	-	338,902,817
Finance Cost	25,476	291,584,034
Interest Income	(191,533,258)	(196,264,306)
Dividends Received	(224,266,995)	(25,845,813)

Operating Profit/ (Loss) before Working Capital Changes

(Increase)/Decrease in Real Estate Stock	-	78,020,451
(Increase)/Decrease in Lease Rentals Receivable and Stock out on hire	-	(3,985,598,540)
(Increase)/Decrease in Government of Sri Lanka Treasury Bills	-	350,967,992
(Increase)/Decrease in Loans and Advances	-	536,195,198
(Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments	(17,800,225)	77,311,957
(Increase)/Decrease in Vehicle Stocks	-	141,713,768
(Increase)/Decrease in Placements with Banks	-	(242,223,913)
Increase/(Decrease) in Deposits from Non Bank Customers	-	2,832,986,999
Increase/(Decrease) in Trade & Other Payables	(3,133,192)	258,340,046
(Increase)/Decrease in Inventories	-	(653,717,848)
Increase/(Decrease) in Amounts Due to Related Companies	11,482,470	12,060,769
Increase/(Decrease) in Amounts Due from Related Companies	(52,457,592)	21,700

Cash Generated from Operations

Retirement Benefits Liabilities paid	-	(2,175,850)
WHT Paid	(16,311,719)	(16,311,719)
Interest Received	166,474,947	171,205,995
Finance Cost Paid	(25,476)	(291,584,052)
Taxes Paid	-	(619,169,709)

Net Cash from/(Used in) Operating Activities

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of Property, Plant & Equipment	(20,182,665)	(1,358,578,086)
Proceeds from Sale of Property, Plant & Equipment	-	30,949,047
(Acquisition) / Proceeds from sale of Other Investments	(339,597,613)	(341,001,843)
Investment in Associates	-	(305,293,420)
Acquisition of Short Term Investment	-	(276,172,141)
Proceeds from Short Term Investments	1,547,015,175	1,928,013,819
Dividends Received	224,266,995	25,845,813
Acquisition of Subsidiaries (Note 11)	(1,981,524,722)	(3,272,431,992)

Net Cash used in Investing Activities

CASH FLOWS FROM FINANCING ACTIVITIES

Principal Payment under Finance Lease Liability	-	(12,544,982)
Issue of Shares	532,796,789	532,796,789
Proceeds from Interest Bearing Loans & Borrowings	-	1,664,220,763
Repayment of Non Interest Bearing Loans & Borrowings	-	(118,728,274)
Repayment of Interest Bearing Loans & Borrowings	-	(942,613,631)
Dividend Paid	-	(217,079,014)

Net Cash from Financing Activities

Net Increase / (Decrease) in Cash & Cash Equivalents

Cash and Cash Equivalents at the beginning of the Period

Cash and Cash Equivalents at the end of the Period

Company	Group
30.09.2011	30.09.2011
Rs.	Rs.
363,147,709	2,188,403,792
2,510,107	463,632,891
-	2,410,292
-	19,810,632
-	2,370,547
-	34,357,660
-	68,318,890
-	(21,512,510)
-	(5,794,489)
-	(2,516,733)
-	(163,083,753)
-	(91,105,336)
-	338,902,817
25,476	291,584,034
(191,533,258)	(196,264,306)
(224,266,995)	(25,845,813)
(50,116,961)	2,903,668,613
-	78,020,451
-	(3,985,598,540)
-	350,967,992
-	536,195,198
(17,800,225)	77,311,957
-	141,713,768
-	(242,223,913)
-	2,832,986,999
(3,133,192)	258,340,046
-	(653,717,848)
11,482,470	12,060,769
(52,457,592)	21,700
(112,025,500)	2,309,747,192
-	(2,175,850)
(16,311,719)	(16,311,719)
166,474,947	171,205,995
(25,476)	(291,584,052)
-	(619,169,709)
38,112,253	1,551,711,857
(20,182,665)	(1,358,578,086)
-	30,949,047
(339,597,613)	(341,001,843)
-	(305,293,420)
-	(276,172,141)
1,547,015,175	1,928,013,819
224,266,995	25,845,813
(1,981,524,722)	(3,272,431,992)
(570,022,830)	(3,568,668,802)
-	(12,544,982)
532,796,789	532,796,789
-	1,664,220,763
-	(118,728,274)
-	(942,613,631)
-	(217,079,014)
532,796,789	906,051,651
886,212	(1,110,905,294)
19,038,427	401,282,521
19,924,639	(709,622,773)

VALLIBEL ONE PLC

STATEMENT OF CHANGES IN EQUITY

For the 6 Months period ended 30 September 2011

Company	Stated Capital Rs.	General Reserve Rs.	Reserve Fund Rs.	Investment Fund Reserve Rs.	Retained Earnings Rs.	Minority Interest Rs.	Total Rs.
Balance as at 31 March 2011	26,631,186,970	-	-	-	(60,127,292)	-	26,571,059,678
Profit for the period	-	-	-	-	321,826,265	-	321,826,265
Issue of Shares	532,796,789	-	-	-	-	-	532,796,789
Balance as at 30 September 2011	<u>27,163,983,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,698,973</u>	<u>-</u>	<u>27,425,682,732</u>
Group							
Balance as at 31 March 2011	26,631,186,970	-	58,951,071	16,602,912	524,866,659	3,535,355,319	30,766,962,931
Profit for the period	-	-	-	-	1,014,434,448	772,617,697	1,787,052,147
Appropriation of Bad Debts	-	-	-	-	2,672,924	2,357,043	5,029,967
Issue of Shares	532,796,789	-	-	-	-	-	532,796,789
Acquisition of Subsidiaries	-	-	-	-	-	1,290,533,228	1,290,533,228
Adjustment due to changes in holding	-	-	-	-	51,403,291.08	19,880,619	71,283,911
Transfers	-	36,285,145	74,413,902	34,095,434	(139,675,121)	3,245,608	8,364,969
Dividend paid to Minority Share holders	-	-	-	-	-	(222,140,077)	(222,140,077)
Exchange Equilisation for the year	-	918,998	-	-	1,814,267	2,727,512	5,460,777
Balance as at 30 September 2011	<u>27,163,983,759</u>	<u>37,204,143</u>	<u>133,364,973</u>	<u>50,698,346</u>	<u>1,455,516,469</u>	<u>5,404,576,949</u>	<u>34,245,344,640</u>

VALLIBEL ONE PLC
NOTES TO THE FINANCIAL STATEMENTS

1. Financial year of the company ends on 31st March.

2. Figures for the period ended 30th September 2011 are provisional and subject to audit.

3. Number of fully paid ordinary shares as at 30th September 2011 is 1,086,559,353 (31st March 2011- 1,065,247,483)

4. The Balance Sheet of the Company as at 30th September 2011 and Statements of Income, Changes in Equity and Cash Flow for the period then ended have been prepared in accordance with Sri Lanka Accounting Standards and are in agreement with the books of accounts maintained by the Company and have provided the information required by the Colombo Stock Exchange.

5. The Company has adopted consistent accounting policies and method of computation as disclosed in the Annual Report for the year ended 31st March 2011.

6. There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the 6 months ended September 2011.

7. The Company has acquired 61.2% stake of Lewis Brown & Company Limited at a cost of Rs. 1,592,025,327/- on 23rd of June 2011. The Company has also acquired 50% stake of Orit Apparels Lanka Private Limited at a cost of Rs. 801,944,645/- on 1st of July 2011.

8. The Consolidated Financial Statements of the Company for the period ended 30 September 2011 comprise of the Company and its Subsidiaries. The details of Subsidiaries are as follows:

<u>Company Name</u>	<u>Ownership percentage</u>
Royal Ceramics Lanka PLC	51.01%
Royal Ceramics Distributors (Private) Limited.	51.01%
Royal Porcelain (Private) Limited	51.01%
Rocell Bathware Limited	51.01%
Ever Paint and Chemical Industries (Pvt) Ltd	100.00%
L B Finance PLC	53.14%
Greener Water Ltd	100.00%
Lewis Brown & Company Limited	61.20%
Orit Apparels Lanka Private Limited	50.00%

9. There have been no material events occurring after the balance sheet date that require adjustment or disclosure in the Financial Statements.

10. Since this is the first period of operation, there are no comparative information to be disclosed.

11. Acquisition of Subsidiaries

The fair value of assets acquired and liabilities assumed of Orit Apparels Lanka Pvt Ltd and Lewis Brown & Co. Pvt Ltd were as follows;

	Rs.
ASSETS	
Cash and Cash Equivalents	(902,752,895)
Short Term Investment	782,753,485
Other Debtors, Deposits and Prepayments	3,317,155,586
Investments in Securities	418,584,052
Investments in Subsidiaries	-
Investment Associate	-
Amount Due From Related Parties	-
Deferred Tax Asset	16,869,363
Income Tax Recoverable	52,913,832
Inventories	2,359,883,985
Goodwill	-
Intangible Assets	3,311,254
Property, Plant & Equipment	2,851,771,710
LIABILITIES	
Interest Bearing Loans and Borrowings	(3,314,389,698)
Non Interest Bearing Loans and Borrowings	(462,786,373)
Trade & Other Payables	(1,332,991,018)
Amount Due to Related Parties	(3,398,060)
Dividend Payable	(1,782,315)
Retirement Benefit Liability	(157,349,497)
Income Tax Liabilities	209,619
Deferred Tax Liabilities	(47,271,017)
Net Assets	<u><u>3,580,732,013</u></u>
Minority Interest	1,595,826,647
Net Assets Acquired (50 % in Orit, 61.2% in Lewis Brown)	1,984,905,366
Goodwill	797,218,981
Total Value of Investment Acquired	(2,782,124,347)
Payable in Consideration	<u>412,445,250</u>
Cash consideration paid on acquisition of subsidiaries	(2,369,679,097)
Cash and Cash Equivalents acquired with subsidiaries	(902,752,895)
Net cash outflow on acquisition of subsidiaries	<u><u>(3,272,431,991)</u></u>

Note: The assets and liabilities as at the acquisition date are stated at their provisional fair values and may be amended in accordance with SLAS 25 (Revised 2004) - Business Combination.

12. Market prices of the share for the quarter ended 30th September

	Rs. Cts.
Highest	38.50
Lowest	26.80
Closing	27.20

13. Directors' shareholding

Name	No of shares As at 30th September 2011	No of shares As at 31st March 2011
K D D Perera	686,351,969	685,351,969
W D N H Perera	Nil	8,200,000
S H Amarasekera	1,000,000	1,000,000
J A S S Adhihetty	100,000	100,000
K Fernando	800,000	800,000
R N Asirwatham	800	Nil

14. The Twenty Major Share Holders as at 30 th September 2011

Name of Shareholder	Number of Shares as at 30.09.2011	% of issued capital
K D D Perera	686,351,969	63.17%
Vallibel Investments (Private) Limited	91,966,451	8.46%
Vallibel Leisure (Private) Limited	91,929,063	8.46%
Employees Provident Fund	41,623,500	3.83%
Mercantile Investments Plc	5,176,000	0.48%
RoseWood (Pvt) Ltd-Account No.2	4,303,300	0.40%
Bank of Ceylon A/C Ceybank Unit Trust	3,486,400	0.32%
Aviva NDB Insurance Plc A/C No. 07	3,150,000	0.29%
Mr S N Kumar	2,613,000	0.24%
Mr R F T Perera	2,600,000	0.24%
Merill J Fernando & Sons (Pvt) Ltd	2,299,000	0.21%
Mr M Sritharan	2,200,000	0.20%
Standard Chartered Bank Singapore/S/A HL Bank Sing 516FC0027L Apore Branch	2,090,000	0.19%
Mrs D P N Kumar	2,090,000	0.19%
Mr A Esufally	2,090,000	0.19%
Esna Holdings (Pvt) Ltd	2,090,000	0.19%
Mr E M A Weerasinghe	2,081,900	0.19%
Mr H R S Wijeratne	2,069,000	0.19%
Mr A M Weerasinghe	2,000,000	0.18%
Rubber Investment Trust Limited A/C # 01	1,913,900	0.18%

15. The percentage of shares held by the public as at 30th September 2011 - 19.69%

VALLIBEL ONE PLC

16. Segment Results

	Investment	Tiles	Sanitary wear	Paint and allied products	Finance	Leisure	Trading	FMCG	Interior Decoration	Transport	Tea & Coconut products	Services	Apparels	Group
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	15.00	2,628,879,849	370,720,798	73,083,905	3,240,486,597	-	90,855,716	1,224,658,133	243,841,660	54,146,561	483,041,963	15,949,244	2,264,658,102	10,690,322,542
Cost of Sales		(1,322,712,189)	(268,095,712)	(52,472,934)	(1,477,377,238)	-	(74,635,956)	(1,046,117,710)	(197,896,189)	-	(440,410,545)		(2,143,936,159)	(7,023,654,633)
Gross Profit/ (Loss)	15.00	1,306,167,660	102,625,086	20,610,971	1,763,109,359	-	16,219,760	178,540,423	45,945,470	54,146,561	42,631,418	15,949,244	120,721,943	3,666,667,909
Other Income and Gains	49,859,075	159,657,575	352,459	338,750	233,211,943	1,395	2,276,110	1,339,286	1,506	35,629,268	(7,646,441)	4,166,198	-	483,353,320
Administrative Expenses	(64,989,488)	(178,861,312)	(8,269,092)	(2,306,904)	(358,441,141)	(10,140,327)	(33,173,735)	(45,074,947)	(25,947,738)	(49,129,850)	(12,866,597)	3,549,507	(58,164,324)	(860,647,262)
Distribution Expenses	-	(371,953,151)	(11,344,986)	(10,221,783)	(376,034,793)	-	(8,889,505)	(62,211,197)	(13,886,395)	(277,008)	854,671	898,547	-	(853,527,380)
Finance Cost	(25,476)	(114,452,458)	(19,634,734)	(850,982)	-	(5,720)	(38,260,205)	(12,346,389)	(3,838,749)	(13,679,870)	(3,424,516)	(1,135,799)	(46,387,189)	(234,735,350)
Provision for fall in value of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad and Doubtful Loans and Write Offs	-	-	-	-	(30,276,486)	-	-	-	-	-	-	-	-	(30,276,486)
Finance Income	-	256,929	-	-	-	-	-	-	-	-	-	-	-	256,929
Share of Associate company profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Negative Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	91,105,336
Profit From Operations	(15,155,874)	800,815,243	63,728,733	7,570,052	1,231,568,882	(10,144,652)	(61,827,577)	60,247,175	2,274,095	26,689,100	19,548,534	23,427,696	16,170,429	2,262,197,016
Value Added Tax on Financial Service	-	-	-	-	(73,793,226)	-	-	-	-	-	-	-	-	(73,793,226)
Profit/(Loss) before tax	(15,155,874)	800,815,243	63,728,733	7,570,052	1,157,775,656	(10,144,652)	(61,827,577)	60,247,175	2,274,095	26,689,100	19,548,534	23,427,696	16,170,429	2,188,403,790
Profit from Associated company	-	-	-	-	-	-	-	-	-	-	-	-	-	7,471,580
Income Tax Expense	(41,321,443)	(6,583,931)	-	-	(316,282,438)	-	(4,428,200)	(12,102,960)	(17,086,813)	(4,970,767)	(2,301,830)	(3,744,842)	-	(408,823,225)
Net Profits for the Year	(56,477,317)	794,231,312	63,728,733	7,570,052	841,493,218	(10,144,652)	(66,255,777)	48,144,215	(14,812,719)	21,718,333	17,246,704	19,682,853	16,170,429	1,787,052,145

17. Segment Assets and Liabilities

Segment Assets	20,518,925,408	6,861,093,368	2,121,623,573	105,073,380	34,719,231,080	346,164,732	674,061,721	1,391,338,072	436,965,975	545,851,921	397,465,995	1,732,849,207	4,629,968,265	74,480,612,698
Segment Liabilities	495,451,480	3,544,843,993	574,339,217	114,000,884	29,348,807,347	14,003,947	827,700,440	1,299,814,527	305,033,410	395,337,402	249,900,111	243,792,449	2,822,242,849	40,235,268,057

VALLIBEL ONE PLC

Corporate Information

Name of Company

Vallibel One 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

09 th June 2011

Company Registration Number

P.B 3831

Nature of the Business

Diversified holding company with strategic investment

Board of Directors

K.D.D.Perera – Chairman

W.D.N.H.Perera

J A S S Adhietty

K Fernando

S.H.Amarasekera

R N Asirwatham

Head Office and Registered Office

29, West Tower, World Trade Center

Colombo 01

Telephone: 011 2445577

Fax: 011 2441444

Subsidiary Companies

Royal Ceramics Lanka PLC

Royal Ceramics Distributors (Private) Limited

Royal Porcelain (Private) Limited

Rocell Bathware Limited

L B Finance PLC

Greener Water Ltd

Lewis Brown & Company Limited

Orit Apparels Lanka Private Limited

Ever Paint and Chemical Industries (Pvt) Ltd

Company Secretaries

P W Corporate Secretarial (Pvt) Ltd

No.3/17, Kynsey Road,

Colombo 08.

Telephone: 011 4640360

Fax: 011 4740588

E-mail:pwcs@pwcs.lk

Auditors

Ernst & Young

Chartered Accountants

No.201, De Saram Place

Colombo 10.

Bankers

Pan Asia Banking corporation PLC.

Sampath Bank PLC.

Hatton National Bank PLC.