

NURTURING LIFE



Finlays

Finlays Colombo PLC

**Finlays Colombo PLC
Interim Report for the 3rd
Quarter ended 03rd October
2010**

Finlays Colombo PLC

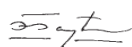
BALANCE SHEET

As at

	GROUP			COMPANY		
	03 Oct 2010 Rs. 000	27 Sep 2009 Rs. 000	31 Dec 2009 Rs. 000 Audited	03 Oct 2010 Rs. 000	27 Sep 2009 Rs. 000	31 Dec 2009 Rs. 000 Audited
ASSETS						
Non-Current Assets						
Property, Plant & Equipment	3,269,147	3,306,791	3,318,802	1,707,714	1,720,210	1,729,256
Investments in Subsidiaries	-	-	-	824,585	824,785	824,585
Investments in Associates	-	36,688	42,340	-	16,000	16,000
Investments in Joint Venture	-	-	-	1,325	1,325	1,325
Other Investments	712	2,776	712	712	2,776	712
Defined Benefits Obligation - Plan Assets	65,386	-	65,386	65,386	-	65,386
Amounts due from Related Companies	-	-	-	728,465	777,308	745,456
Employees' Share Trust Loan	-	6,250	6,103	6,103	6,250	6,103
	3,335,245	3,352,505	3,433,343	3,334,290	3,348,654	3,388,823
Current Assets						
Inventories	410,912	332,623	390,828	357,924	296,463	351,703
Trade and Other Receivables	736,028	675,792	627,469	458,295	352,071	248,138
Amounts due from Related Companies	-	967	1,984	86,193	67,572	81,781
Tax Recoverable	43,458	35,983	39,103	43,445	33,970	37,573
Cash and Bank Balances	855,446	662,288	672,878	494,412	390,479	392,732
	2,045,843	1,707,653	1,732,262	1,440,269	1,140,555	1,111,927
Total Assets	5,381,088	5,060,157	5,165,605	4,774,559	4,489,209	4,500,750
EQUITY AND LIABILITIES						
Capital and Reserves						
Stated Capital	636,194	636,194	636,194	636,194	636,194	636,194
Reserves	2,011,507	2,011,507	2,011,507	1,519,621	1,519,621	1,519,621
Accumulated Profits	1,392,921	1,209,006	1,217,814	1,045,252	872,810	854,653
Total Equity	4,040,622	3,856,707	3,865,515	3,201,067	3,028,625	3,010,468
Non-Current Liabilities						
Amounts due to Related Companies	-	-	-	676,610	672,463	675,254
Interest Bearing Loans & Borrowings	11,018	-	14,324	-	-	-
Deferred Tax Liabilities	49,006	44,449	49,006	34,169	44,966	34,169
Defined Benefits Obligation	86,218	424	86,218	86,218	413	86,218
	146,242	44,873	149,548	796,997	717,842	795,641
Current Liabilities						
Trade and Other Payables	804,118	848,185	810,078	419,244	448,415	371,639
Income Tax Liabilities	32,399	47,331	42,799	-	-	-
Interest Bearing Loans & Borrowings	4,407	-	4,407	-	-	-
Amounts due to Related Companies	-	-	1,387	8,967	31,266	32,149
Bank Overdraft & Short Term Loans	353,301	263,061	291,871	348,284	263,061	290,853
	1,194,225	1,158,577	1,150,542	776,495	742,742	694,641
Total Liabilities	1,340,467	1,203,450	1,300,090	1,573,492	1,460,584	1,490,282
Total Equity and Liabilities	5,381,088	5,060,157	5,165,605	4,774,559	4,489,209	4,500,750
Net Assets per Share (Rs.)	115.45	110.19	110.44	91.46	86.53	86.01

The above figures are provisional and unaudited.

The Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.



H.P.S. Jayaratne
GROUP FINANCE MANAGER



C.L.K.P. Jayasuriya
CHAIRMAN



S. Ray
DIRECTOR

Colombo
08 November 2010

Finlays Colombo PLC

INCOME STATEMENT

For the Period Ended

	GROUP					
	Three months ended			Nine months ended		
	03 October 2010 Rs. 000	27 September 2009 Rs. 000	Change %	03 October 2010 Rs. 000	27 September 2009 Rs. 000	Change %
Revenue	1,199,513	1,212,820	-1%	3,487,573	3,478,092	0%
Cost of Sales	(949,587)	(972,146)	2%	(2,773,737)	(2,648,021)	-5%
Gross Profit	249,926	240,675	4%	713,836	830,072	-14%
Other Operating Income	38,652	12,773	203%	144,813	29,755	387%
Selling & Distribution Costs	(35,170)	(42,131)	17%	(116,235)	(148,259)	22%
Administrative Expenses	(122,836)	(117,455)	-5%	(365,366)	(357,641)	-2%
Finance Cost	(9,257)	(11,394)	19%	(25,758)	(33,658)	23%
Share of Associate Company Profit	-	3,317	-100%	4,125	8,317	-50%
Profit before Tax	121,315	85,784	41%	355,415	328,586	8%
Income Tax Expense	(30,867)	(27,507)	-12%	(75,308)	(83,390)	10%
Net Profit attributable to shareholders	90,448	58,277	55%	280,107	245,195	14%
Earnings per Share (Rs.)	2.58	1.67		8.00	7.01	

	COMPANY					
	Three months ended			Nine months ended		
	03 October 2010 Rs. 000	27 September 2009 Rs. 000	Change %	03 October 2010 Rs. 000	27 September 2009 Rs. 000	Change %
Revenue	940,342	1,029,884	-9%	2,802,671	2,885,800	-3%
Cost of Sales	(826,725)	(899,149)	8%	(2,503,171)	(2,424,249)	-3%
Gross Profit	113,617	130,735	-13%	299,500	461,551	-35%
Other Operating Income	161,505	77,211	109%	333,439	168,167	98%
Selling & Distribution Costs	(28,767)	(35,379)	19%	(91,462)	(125,561)	27%
Administrative Expenses	(73,406)	(78,766)	7%	(221,968)	(234,948)	6%
Finance Cost	(8,583)	(11,191)	23%	(23,910)	(32,917)	27%
Profit before Tax	164,366	82,610	99%	295,599	236,292	25%
Income Tax Expense	-	(3,750)		-	(14,250)	100%
Net Profit attributable to shareholders	164,366	78,860	108%	295,599	222,042	33%
Earnings per Share (Rs.)	4.70	2.25		8.45	6.34	

The above figures are provisional and unaudited.

Colombo
08 November 2010

Finlays Colombo PLC

CASH FLOW STATEMENT

For the Period Ended

	GROUP		COMPANY	
	03 Oct 2010 Rs. 000	27 Sep 2009 Rs. 000	03 Oct 2010 Rs. 000	27 Sep 2009 Rs.000
Cash Flows From / (Used in) Operating Activities				
Net profit before Income Tax Expense	355,415	328,586	295,599	236,292
Adjustments for				
Depreciation	86,544	88,450	32,434	30,949
Income from Investments	(10,467)	(5,632)	(177,572)	(144,079)
Profit on sale of Property, Plant & Equipment	-	(141)	-	-
Profit on Sale of Investments	(80,740)	-	(102,261)	-
Finance Costs	25,758	33,658	23,910	32,917
Share of Associate Company Profit net of Dividend Received	3,375	(1,117)	-	-
Operating Profit/(Loss) before Working Capital Changes	379,885	443,804	72,110	156,079
(Increase)/ Decrease in Inventories	(20,084)	(18,656)	(6,221)	(21,122)
(Increase)/ Decrease in Trade and Other Receivables	(102,456)	(96,973)	(210,157)	(108,742)
Increase/ (Decrease) in Trade and Other Payables	(5,961)	130,411	47,605	33,017
Increase/ Decrease in Amounts Due from/ to Related Companies	597	4,270	(9,247)	10,368
Cash Generated from Operations	251,982	462,856	(105,910)	69,600
Finance Costs paid	(25,758)	(33,658)	(23,910)	(32,917)
Income Tax Paid	(88,620)	(65,510)	(5,872)	(6,526)
Net Cash From/(Used in) Operating Activities	137,605	363,688	(135,692)	30,157
Cash Flows from / (Used in) Investing Activities				
Acquisition of Property, Plant & Equipment	(36,889)	(105,381)	(10,892)	(79,437)
Proceeds from Sale of Property, Plant & Equipment	-	141	-	-
Dividend Received	-	-	172,530	141,971
Interest Received	10,467	5,632	5,042	2,108
Acquisition of Investments	-	(313)	-	(313)
Proceeds from sales of Investments	118,261	-	118,261	-
Net Cash Flows from/(Used in) Investing Activities	91,839	(99,921)	284,941	64,329
Cash Flows from/(Used in) Financing Activities				
Repayment of Interest Bearing Loans & Borrowings	(3,306)	-	-	-
Dividends Paid	(105,000)	(105,000)	(105,000)	(105,000)
Net Cash Flows from/(Used in) Financing Activities	(108,306)	(105,000)	(105,000)	(105,000)
Net Increase/(Decrease) in Cash and Cash Equivalents	121,138	158,768	44,249	(10,514)
Cash and Cash Equivalents at the beginning of the period	381,007	240,459	101,879	137,932
Cash and Cash Equivalents at the end of the period (Note)	502,145	399,227	146,128	127,418
Note				
Cash and Cash Equivalents	855,446	662,288	494,412	390,479
Bank Overdraft & Short Term Loans	(353,301)	(263,061)	(348,284)	(263,061)
	502,145	399,227	146,128	127,418

The above figures are provisional and unaudited.

Colombo
08 November 2010

Finlays Colombo PLC

STATEMENT OF CHANGES IN EQUITY

For the Period Ended

GROUP	Stated	Revaluation	General	Accumulated	Total
	Capital Rs.000	Reserve Rs.000	Reserve Rs.000	Profit Rs.000	Rs.000
Balance as at 31 December 2008	636,194	1,752,930	258,577	1,072,061	3,719,762
Net Profit For The Period	-	-	-	245,195	245,195
Adjustment For					
Associate Company Net Assets	-	-	-	(3,250)	(3,250)
Dividends Paid - Final 2008	-	-	-	(52,500)	(52,500)
Dividends Paid - Interim 2009	-	-	-	(52,500)	(52,500)
Balance as at 27 September 2009	<u>636,194</u>	<u>1,752,930</u>	<u>258,577</u>	<u>1,209,006</u>	<u>3,856,707</u>
Balance as at 31 December 2009	636,194	1,752,930	258,577	1,217,814	3,865,515
Net Profit For The Period	-	-	-	280,107	280,107
Dividends Paid - Final 2009	-	-	-	(52,500)	(52,500)
Dividends Paid - Interim 2010	-	-	-	(52,500)	(52,500)
Balance as at 03 October 2010	<u>636,194</u>	<u>1,752,930</u>	<u>258,577</u>	<u>1,392,921</u>	<u>4,040,622</u>
COMPANY					
Balance as at 31 December 2008	636,194	1,261,348	258,273	755,768	2,911,583
Net Profit For The Period	-	-	-	222,042	222,042
Dividends Paid - Final 2008	-	-	-	(52,500)	(52,500)
Dividends Paid - Interim 2009	-	-	-	(52,500)	(52,500)
Balance as at 27 September 2009	<u>636,194</u>	<u>1,261,348</u>	<u>258,273</u>	<u>872,810</u>	<u>3,028,625</u>
Balance as at 31 December 2009	636,194	1,261,348	258,273	854,653	3,010,468
Net Profit For The Period	-	-	-	295,599	295,599
Dividends Paid - Final 2009	-	-	-	(52,500)	(52,500)
Dividends Paid - Interim 2010	-	-	-	(52,500)	(52,500)
Balance as at 03 October 2010	<u>636,194</u>	<u>1,261,348</u>	<u>258,273</u>	<u>1,045,252</u>	<u>3,201,067</u>

SEGMENT INFORMATION

For the Period Ended

Industry Segment Revenue and Results	Segment Revenue		Segment Result	
	2010	2009	2010	2009
	Rs.000	Rs.000	Rs.000	Rs.000
Tea Exports	2,756,156	2,810,690	126,727	206,789
Warehousing	48,228	43,185	13,662	9,821
Environmental Services	218,106	215,848	67,505	74,348
Airline GSA	59,551	58,490	27,334	26,408
Insurance	107,649	79,302	49,626	39,708
Agencies	61,061	55,127	6,177	15,406
Cold Storage	205,888	191,081	61,270	53,112
Others/Unallocated	55,307	60,653	(66,460)	(77,297)
	<u>3,511,946</u>	<u>3,514,376</u>	<u>285,841</u>	<u>348,295</u>
Inter Segment Sales	(24,373)	(36,284)		
External Sales	<u>3,487,573</u>	<u>3,478,092</u>		
Profit on Sale of Non Current Investments			80,740	-
Interest Income			10,467	5,632
Finance Cost			(25,758)	(33,658)
Share of Associate Company Profit			4,125	8,317
Group profit from operating activities			<u>355,415</u>	<u>328,586</u>

NOTES TO THE FINANCIAL STATEMENTS

STATED CAPITAL	GROUP		COMPANY	
	2010 Number 000	2009 Number 000	2010 Number 000	2009 Number 000
Number of Ordinary Shares Issued and Fully Paid				
At the beginning of the Period	35,000	35,000	35,000	35,000
At the end of the Period	35,000	35,000	35,000	35,000
Value of Issued and Fully Paid Ordinary Shares	LKR '000	LKR '000	LKR '000	LKR '000
At the beginning of the Period	636,194	636,194	636,194	636,194
At the end of the Period	636,194	636,194	636,194	636,194
Share prices recorded during the third quarter				
	2010 Rs.	2009 Rs.		
Highest	255.00	200.00		
Lowest	181.10	169.50		
Last Traded	229.10	200.00		

The Financial Statements of the Group and the Company have been prepared on the same accounting policies and methods as applied for the year ended 31 December 2009 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.

In March 2010, the group divested its stake in BASF Finlay (Pvt) Ltd for a total consideration of Rs. 118.2 million. The profit for the group is approximately Rs. 80.7 million, which has been shown in the Income Statement under 'Other Operating Income'. There have been no other changes in the composition of the Group during the interim period.

There was no significant capital commitments as at 03rd October 2010. There were no material changes in the contingent liabilities from that disclosed for the year ended 31 December 2009. No circumstance have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the Financial Statements.

An Actuarial valuation of the Defined Benefits Obligation will be carried out at the end of the year. Pending this, Plan Assets and Liabilities have been reported at the same amount as at 31.12.2009.

The presentation and classification of the figures for the corresponding period of the previous year have been amended to be comparable with those for the current period.

The first three quarters of 2010 comprise a period commencing from 1st January 2010 and ending on 03rd October 2010 in line with the practice followed internationally by the Finlays group of companies.

Finlays Colombo PLC

NOTES TO THE FINANCIAL STATEMENTS

Names and Number of Shares held by the 20 largest holders of voting shares and the percentage of such shares .

Name of Shareholder	30th September 2010	
	No. of shares	% of shares held
1 James Finlay Limited	33,740,210	96.4
2 Bank of Ceylon A/C Ceybank Unit Trust	332,400	0.95
3 Mr. A.M.T. T. Alghanim & Mrs A. T. T.T. Alnaquib	272,700	0.78
4 Jacey Trust Services (Pvt) Ltd.,	137,357	0.39
5 Leaf Limited	100,000	0.29
6 Mr C P de Silva	75,000	0.21
7 Mr. S.T. Nagendra	33,660	0.10
8 Mr. R.L. Juriansz	42,000	0.12
9 Anverally & Sons (Pvt) Limited A/c No 1	34,000	0.10
10 Mr. S Mylvienthen	12,500	0.04
11 Mr. A M S Fernando	10,500	0.03
12 Mrs M T Nagendra	6,100	0.02
13 Mr. C.L.K.P. Jayasuriya	6,000	0.02
14 Mrs J Aloysius	5,000	0.01
15 Seylan Bank PLC/W.D.N. H. Perera	5,000	0.01
16 Crescent Launderers & Dry Cleaners (Pvt) Ltd.,	4,700	0.01
17 Mr. E. R. Croos Moraes	4,335	0.01
18 Mr. K. S. D Senaweera	4,000	0.01
19 Mr L E Bernard	3,218	0.01
20 Mr J A C Kurukulasuriya	3,100	0.01

The Public Holding percentage as at 30th September 2010 was 3.17%
The number of shares representing the Company's stated capital amounts to 35,000,000

Directors of the Company

Mr. C.L.K.P. Jayasuriya (Chairman)
Mr. E. R. Croos Moraes (Executive Director)
Mr. S. Ray (Executive Director)
Mr. C. Jayaratne (Independent Non-Executive Director)
Mr. N.K.H. Ratwatte (Non-executive Director)
Mr. J.D. Bandaranayake (Independent Non-Executive Director)
Mr. N. G. Wickremaratne (Independent Non-Executive Director)
Mr. R. J. Mathison (Non-Executive Director)
Mr. P.R. Henson (Non-Executive Director)

Shareholding as at 30th September 2010	
6,000	
4,335	
-	
2,333	
600	
-	
-	
-	

The number of shares representing the Company's stated capital amounts to 35,000,000

Finlays Colombo PLC

Names and Number of Shares held by the 20 largest holders of voting shares and the percentage of such shares held as at 31st December 2009

Name of Shareholder	31st December 2009	
	No. of shares	% of shares held
1 James Finlay Limited	27,118,597	77.48
2 Mr M T T Al-Nakib	2,725,100	7.79
3 HSBC International Nominees Ltd-HSBC Bank PLC-Tea Plantations Investment Trust PLC	1,395,418	3.99
4 Mr D S A L Abdul Karim	1,020,200	2.91
5 Mr T Al- Nakib	700,000	2.00
6 HSBC International Nominees Ltd-BNP Paribas Securities Services Jersey-The Value Catalyst Fund	500,000	1.43
7 HSBC International Nominees Ltd-BNP Paribas Securities Services Jersey-LP Value Ltd	448,800	1.28
8 Bank of Ceylon A/C Ceybank Unit Trust	291,600	0.83
9 Mr. A.M.T. T. Alghanim & Mrs A. T. T.T. Alnaquib	272,700	0.78
10 Jacey Trust Services (Pvt) Ltd.,	137,357	0.39
11 Leaf Limited-Isle of Man	100,000	0.29
12 Mr. S.T. Nagendra	45,160	0.13
13 Mr. R.L. Juriansz	42,000	0.12
14 Mr. A M S Fernando	10,500	0.03
15 Mr. P N S Fernando	10,000	0.03
16 Mrs M T Nagendra	6,100	0.02
17 Mr. C.L.K.P. Jayasuriya	6,000	0.02
18 Mrs J. Aloysius	5,000	0.01
19 Crescent Launderers & Dry Cleaners (Pvt) Ltd.,	4,700	0.01
20 Mr. E. R. Croos Moraes	4,335	0.01

The Public Holding percentage as at 31st December 2009 was 22%

The number of shares representing the Company's stated capital amounts to 35,000,000