

The Narborough Plantations, plc
(Incorporated in England 1910 – Registration No. 109273)
(Registered as a Foreign Company in Malaysia – No. 991416-W)

**INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2008**

(the figures have not been audited)

(in Ringgit Malaysia)

	3 months ended		6 months ended	
	30.06.08	30.06.07	30.06.08	30.06.07
Continuing Operations	RM	RM	RM	RM
Revenue	2,423,189	1,707,754	4,987,448	2,817,910
Cost of sales	<u>(731,497)</u>	<u>(417,917)</u>	<u>(1,200,330)</u>	<u>(746,560)</u>
Gross Profit	1,691,692	1,289,837	3,787,118	2,071,350
Other operating income	4,075	23,147	8,310	25,147
Administrative expenses	(223,611)	(185,631)	(384,887)	(310,888)
Exchange profit/(loss)	<u>84,389</u>	<u>67,366</u>	<u>(49,129)</u>	<u>159</u>
Operating Profit	1,556,545	1,194,719	3,361,412	1,785,768
Share of operating profit/(loss) in associate after tax	(463,960)	203,946	(229,256)	345,467
Finance income	47,452	52,101	107,704	97,253
Finance cost	(6,300)	(9,531)	(12,317)	(9,531)
Amount written back on fixed asset investment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation	1,133,737	1,441,235	3,227,543	2,218,957
Taxation	<u>(412,200)</u>	<u>(393,673)</u>	<u>(933,200)</u>	<u>(599,122)</u>
Profit after tax	<u>721,537</u>	<u>1,047,562</u>	<u>2,294,343</u>	<u>1,619,835</u>
Earnings per share (sen)	<u>5.42</u>	<u>7.87</u>	<u>17.23</u>	<u>12.16</u>

The income statements should be read in conjunction with the financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

The Narborough Plantations, plc
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**INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE
2008**

*(the figures have not been audited)
(in Pound Sterling)*

	3 months ended		6 months ended	
	30.06.08	30.06.07	30.06.08	30.06.07
	£	£	£	£
Continuing Operations				
Revenue	382,810	246,785	784,190	407,212
Cost of sales	<u>(115,560)</u>	<u>(60,393)</u>	<u>(188,731)</u>	<u>(107,884)</u>
Gross Profit	267,250	186,392	595,459	299,328
Other operating income	644	3,345	1,307	3,634
Administrative expenses	(35,326)	(26,825)	(60,517)	(44,926)
Exchange profit/(loss)	<u>13,332</u>	<u>9,735</u>	<u>(7,725)</u>	<u>23</u>
Operating Profit	245,900	172,647	528,524	258,059
Share of operating profit/(loss) in associate after tax	(71,269)	29,472	(35,216)	49,923
Finance income	7,496	7,529	16,935	14,054
Finance cost	(946)	(1,377)	(1,937)	(1,377)
Amount written back on fixed asset investment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation	181,181	208,271	508,306	320,659
Taxation	<u>(65,118)</u>	<u>(56,889)</u>	<u>(146,730)</u>	<u>(86,578)</u>
Profit after tax	<u>116,063</u>	<u>151,382</u>	<u>361,576</u>	<u>234,081</u>
Earnings per share (pence)	<u>0.87 p</u>	<u>1.14 p</u>	<u>2.72 p</u>	<u>1.76 p</u>

The income statements should be read in conjunction with the financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

The Narborough Plantations, plc
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BALANCE SHEET AS AT 30 JUNE 2008

ASSETS	As at 30.06.08 (Unaudited)		Year ended 31.12.07 (Audited)	
	RM	£	RM	£
NON-CURRENT ASSETS				
Property, plant and equipment	16,169,419	2,483,782	16,177,006	2,447,353
Biological assets	14,225,020	2,185,103	14,225,020	2,152,045
Prepaid lease payments	125,000	19,201	134,375	20,329
Investment in associate	4,001,958	614,740	4,231,214	640,123
	<u>34,521,397</u>	<u>5,302,826</u>	<u>34,767,615</u>	<u>5,259,850</u>
CURRENT ASSETS				
Inventories	9,142	1,404	8,134	1,231
Trade and other receivables	793,135	121,833	580,961	87,891
Short term deposits	8,285,720	1,272,769	7,575,741	1,146,103
Cash and bank balances	255,698	39,278	516,683	78,167
	<u>9,343,695</u>	<u>1,435,284</u>	<u>8,681,519</u>	<u>1,313,392</u>
TOTAL CURRENT ASSETS	<u>9,343,695</u>	<u>1,435,284</u>	<u>8,681,519</u>	<u>1,313,392</u>
TOTAL ASSETS	<u>43,865,092</u>	<u>6,738,110</u>	<u>43,449,134</u>	<u>6,573,242</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	(470,322)	(72,246)	(1,943,428)	(294,013)
Tax liabilities	(658,604)	(101,168)	(318,900)	(48,245)
	<u>(1,128,926)</u>	<u>(173,414)</u>	<u>(2,262,328)</u>	<u>(342,258)</u>
NON CURRENT LIABILITES				
Provision for retirement benefits	(26,444)	(4,062)	(26,444)	(4,001)
Deferred tax liabilities	(148,548)	(22,817)	(148,548)	(22,473)
Cumulative preference shares	(84,163)	(19,024)	(84,163)	(19,024)
	<u>(259,155)</u>	<u>(45,903)</u>	<u>(259,155)</u>	<u>(45,498)</u>
TOTAL LIABILITIES	<u>(1,388,081)</u>	<u>(219,317)</u>	<u>(2,521,483)</u>	<u>(387,756)</u>
TOTAL NET ASSETS	<u>42,477,011</u>	<u>6,518,793</u>	<u>40,927,651</u>	<u>6,185,486</u>
CAPITAL & RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
Share capital	4,891,969	1,331,659	4,891,969	1,331,659
Other reserves	22,313,966	2,841,345	22,313,966	2,777,925
Retained profits	15,271,076	2,345,789	13,721,716	2,075,902
TOTAL EQUITY	<u>42,477,011</u>	<u>6,518,793</u>	<u>40,927,651</u>	<u>6,185,486</u>
Net assets per share (RM / pence)	<u>3.19</u>	<u>48.95 p</u>	<u>3.07</u>	<u>46.45 p</u>

The balance sheet should be read in conjunction with the financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

The Narborough Plantations, plc
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**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2008**

*(the figures have not been
audited)*

(in Ringgit Malaysia)

	Share capital RM	Revaluation reserve net of attributable deferred tax (Non- distributable) RM	Retained profits (Distributable) RM	Total RM
At 1 January 2007	4,891,969	17,292,317	7,314,413	29,498,699
Total recognised income and expense for the period	-	5,021,649	8,856,241	13,877,890
Dividends	-	-	(2,448,938)	(2,448,938)
At 31 December 2007	<u>4,891,969</u>	<u>22,313,966</u>	<u>13,721,716</u>	<u>40,927,651</u>
At 1 January 2008	4,891,969	22,313,966	13,721,716	40,927,651
Total recognised income and expense for the period	-	-	2,294,343	2,294,343
Dividends	-	-	(744,983)	(744,983)
At 30 June 2008	<u>4,891,969</u>	<u>22,313,966</u>	<u>15,271,076</u>	<u>42,477,011</u>

The statement of changes in equity should be read in conjunction with the financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2008**

(the figures have not been audited)
(in Pound Sterling)

	Share capital £	Foreign exchange reserve (Non- distributable) £	Revaluation reserve net of attributable deferred tax (Non- distributable) £	Retained profits (Distributable) £	Total £
At 1 January 2007	1,331,659	(490,644)	2,495,284	913,489	4,249,788
Exchange adjustments					-
Net surplus/(deficit) arising on translation of balance sheet items at beginning of year	-	(107,220)	120,800	204,742	218,322
Total recognised income and expense for the period		-	759,705	1,317,352	2,077,057
Dividends	-	-	-	(359,681)	(359,681)
At 31 December 2007	<u>1,331,659</u>	<u>(597,864)</u>	<u>3,375,789</u>	<u>2,075,902</u>	<u>6,185,486</u>
At 1 January 2008	1,331,659	(597,864)	3,375,789	2,075,902	6,185,486
Exchange adjustments	-	-	-	-	-
Net surplus/(deficit) arising on translation of balance items at beginning of period	-	11,564	51,856	26,562	89,982
Total recognised income and expense for the period	-	-	-	361,576	361,576
Dividends	-	-	-	(118,251)	(118,251)
At 30 June 2008	<u>1,331,659</u>	<u>(586,300)</u>	<u>3,427,645</u>	<u>2,345,789</u>	<u>6,518,793</u>

The statement of changes in equity should be read in conjunction with the financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2008**

(the figures have not been audited)

	6 months ended 30.06.2008		6 months ended 30.06.2007	
	RM	£	RM	£
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	3,227,543	508,306	2,218,956	320,659
Adjustments for:				
Depreciation	35,187	5,405	44,310	6,403
Amortisation of lease payments	9,375	1,440	9,375	1,355
Exchange adjustment	-	8,917	-	-
Share of (profit)/loss of associate after tax	229,256	35,216	(345,467)	(49,923)
Finance income	(107,704)	(16,935)	(97,251)	(14,054)
Finance cost	12,317	1,937	-	-
Operating profit before working capital changes	<u>3,405,974</u>	<u>544,286</u>	<u>1,829,923</u>	<u>264,440</u>
Changes in working capital				
Inventories	(1,008)	(155)	(23,603)	(3,411)
Receivables	(212,174)	(32,592)	(247,016)	(35,697)
Payables	<u>(72,333)</u>	<u>(11,111)</u>	<u>96,691</u>	<u>13,973</u>
Cash generated from operating activities	3,120,459	500,428	1,655,995	239,305
Retirement benefits paid	-	-	-	-
Tax paid	<u>(593,496)</u>	<u>(93,317)</u>	<u>(410,898)</u>	<u>(59,378)</u>
Net cash (used in)/generated from operating activities	<u>2,526,963</u>	<u>407,111</u>	<u>1,245,097</u>	<u>179,927</u>
CASH FLOW FROM INVESTING ACTIVITY				
Repayment from / (advances to) affiliated company	553	85	42,132	6,088
Interest received	107,704	16,935	97,251	14,054
Proceeds from disposal of property, plant & equipment	-	-	-	-
Purchase of property, plant & equipment	<u>(27,600)</u>	<u>(4,240)</u>	<u>-</u>	<u>-</u>
Net cash generated from investing activity	<u>80,657</u>	<u>12,780</u>	<u>139,383</u>	<u>20,142</u>
CASH FLOW FROM FINANCING ACTIVITY				
Dividends paid on equity shares	(2,158,626)	(332,115)	-	-
Dividends paid on preference shares	-	-	-	-
Net cash (used in)/generated from financing activities	<u>(2,158,626)</u>	<u>(332,115)</u>	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	448,994	87,776	1,384,480	200,069
Cash and cash equivalents at beginning of period	<u>8,092,424</u>	<u>1,224,270</u>	<u>5,051,544</u>	<u>729,992</u>
Cash and cash equivalents at end of period	<u>8,541,418</u>	<u>1,312,046</u>	<u>6,436,024</u>	<u>930,061</u>
Cash and cash equivalents comprise:				
Deposits with financial institutions	8,285,720	1,272,768	5,758,782	832,194
Cash and bank balances	<u>255,698</u>	<u>39,278</u>	<u>677,242</u>	<u>97,867</u>
	<u>8,541,418</u>	<u>1,312,046</u>	<u>6,436,024</u>	<u>930,061</u>

The cash flow statement should be read in conjunction with the financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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Notes to the interim financial statements

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC) issued by the International Accounting Standards Board (IASB) as adopted by the EU and with those parts of the Companies Act, 1985 applicable to companies preparing their accounts under IFRS.

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2007. There was no qualification in the audited financial statements for the year ended 31 December 2007.

The accounting policies and methods of computation adopted by the Company in the interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2007 except for the adoption of the following new/revised International Financial Reporting Standards (“IFRS”) effective for the financial period beginning 1 January 2008.

IFRS 8 Operating Segments

*IAS 23 Borrowing Costs (revised)**

IFRIC 11, IFRS 2 Group and Treasury Share Transactions

*IFRIC 12 Service Concession Arrangements**

*IFRIC 13 Customer Loyalty Programmes**

*IFRIC 14, IAS 1 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**

*Revised IFRS 3 Business Combination and complementary Amendments to IAS 27 ‘Consolidated and separate financial statements’**

*Amendment to IFRS 2 Share-based payments: vesting conditions and cancellations**

*IAS 1 Presentation of Financial Statements (Amendment)**

*IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (Amendment)**

*IAS 32 Financial Instruments: Presentation (Amendment)**

*Not endorsed by the EU as at the date of approval of these financial statement.

The adoption of the above IFRS does not have any significant financial impact on the Company.

A2. Seasonal or cyclical factors

The production of fresh fruits bunches (“FFB”) is dependent on weather conditions; hence is seasonal in nature.

A3. Items affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A4. Change in estimates

There were no changes in estimates that have a material effect in the current quarter.

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Notes to the interim financial statements - cont'd

A5. Debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debt and equity securities in the current quarter.

A6. Dividend paid

An Interim Dividend of RM372,492 (£59,126) and a Special Dividend of RM372,491 (£59,125) for the year ending 31 December 2008 was announced on 30 April 2008 and paid on 3 June 2008.

A7. Segment information

Segmental information is not presented as the principal activity of the Company is the cultivation of oil palm wholly carried out within Malaysia.

A8. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A9. Capital commitments

There are no capital commitments as at 30 June 2008.

A10. Events subsequent to the balance sheet date

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements under review.

A11. Changes in composition

There were no changes in the composition of the Company for the current quarter.

A12. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at the last annual balance sheet date and the latest practicable date.

A13. Related party transactions

There were no significant related party transactions of the Company for the current quarter.

Additional information

B1. Review of performance

The Company registered revenue of RM4,987,448 (£784,190) for the current financial period, an increase of 77% as compared to the preceding year corresponding period. The Company also recorded a higher pre-tax profit of RM3,227,543 (£508,306) against pre-tax profit of RM2,218,957 (£320,659) in the preceding year corresponding period.

Percentage yield of fresh fruit bunches (FFB) for the current period has increased by 8% from 6,218 MT to 6,721 MT as compared to the preceding year corresponding period. The average price of FFB for the current financial period has also increased by 64% from RM453.20/MT to RM742.08/MT as compared to the preceding year corresponding period. The higher revenue was mainly due to the buoyant CPO prices and increase in yield during the months of January to March and May 2008.

B2. Variation of results against preceding quarter

The current quarter recorded a pre-tax profit in the financial quarter of RM1,133,737 (£181,181) against pre-tax profit of RM1,441,235 (£208,271) in the preceding year corresponding quarter.

The lower pre-tax profit in the current quarter is mainly attributed by the share of operating loss in associate after tax.

B3. Current year prospects

Barring any unforeseen circumstances, the directors expect the performance of the Company for the current financial year to be satisfactory.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Tax expense

	3 months ended		6 months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	RM'000	RM'000	RM'000	RM'000
Current tax expense of the company (in Ringgit Malaysia)	<u>412</u>	<u>394</u>	<u>933</u>	<u>599</u>

	3 months ended		6 months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	£'000	£'000	£'000	£'000
Current tax expense of the company (in Pound Sterling)	<u>65</u>	<u>57</u>	<u>147</u>	<u>87</u>

The effective rate of taxation of the Company is higher than the statutory rate of taxation for the current financial period to date due to certain income/expenses which are not tax allowable.

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Additional information – cont'd

B6. Unquoted investments and properties

There were no purchase or sales of unquoted investments or properties for the current financial year to date.

B7. Quoted investments

There were no purchases of quoted securities for the current financial period.

B8. Status of corporate proposal announced

There were no corporate proposals announced and not completed as at the latest practicable date.

B9. Borrowing and debt securities

There were no borrowings and debt securities as at the end of the current quarter.

B10. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the latest practicable date.

B11. Changes in material litigation

There was no pending material litigation as at the latest practicable date.

B12. Dividends

An Interim Dividend of RM372,492 (£59,126) and a Special Dividend of RM372,491 (£59,125) for the year ending 31 December 2008 was announced on 30 April 2008 and paid on 3 June 2008.

B13. Earnings per share

Basic earnings per share

The earnings per share is calculated by dividing the net profit for the period attributable to equity holders of the Company by the weighted average number of shares of the Company in issue during the period.

	Individual period		Cumulative period	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
Net profit attributable to ordinary shareholders (RM)	721,537	1,047,562	2,294,343	1,619,835
Basic earnings per share				
Weighted average number of ordinary shares of 10 p each	13,316,590	13,316,590	13,316,590	13,316,590
Basic earnings per ordinary share of 10 p each (sen)	5.42	7.87	17.23	12.16

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Additional information – cont'd

B13. Earnings per share (cont'd)

	Individual period		Cumulative period	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
Net profit attributable to ordinary shareholders (£)	116,063	151,382	361,576	234,081
Basic earnings per share				
Weighted average number of ordinary shares of 10 p each	13,316,590	13,316,590	13,316,590	13,316,590
Basic earnings per ordinary share of 10 p each (pence)	<u>0.87 p</u>	<u>1.14 p</u>	<u>2.72 p</u>	<u>1.76 p</u>

Diluted earnings per shares

Not applicable.

The financial statements are measured in Ringgit Malaysia (RM), which is the functional currency, being the currency of the primary economic environment in which the Company operates.

The financial statements are presented in both RM and Pound Sterling. The balance sheet is translated to Pound Sterling for presentation purpose at an exchange rate of RM1 = 15.36p (2007: RM1 = 14.45p) whereas the income statement is translated at an average exchange rate of RM1 = 15.72p (2007: RM1 = 14.45p) for the quarter and at an average exchange rate of RM1 = 15.79p (2007: RM1 = 14.45p) for the period ended 30 June 2008.

By Order of the Board

Adrian Tsen
Company Secretary

Dated : 25 July 2008