



Interim Statement
for the nine months ended 31st December 2009

CONSOLIDATED INCOME STATEMENT

For the nine months ended 31st December 2009

	Quarter Ended 31st December			Nine months Ended 31st December		
	2009	2008	Change	2009	2008	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Gross Revenue	1,985,470	1,659,961	20%	4,904,087	4,505,446	9%
Revenue Tax	<u>(84,535)</u>	(72,947)	16%	<u>(226,908)</u>	(219,057)	4%
Net Revenue	1,900,935	1,587,014	20%	4,677,179	4,286,389	9%
Other Operating Income	25,606	246,348	-90%	32,763	265,772	-88%
Staff Costs	<u>(234,264)</u>	(219,796)	7%	<u>(714,019)</u>	(627,408)	14%
Depreciation and Amortisation	<u>(190,620)</u>	(140,900)	35%	<u>(555,144)</u>	(441,051)	26%
Other Operating Expenses – Direct	<u>(468,382)</u>	(351,643)	33%	<u>(1,192,659)</u>	(1,050,576)	14%
Other Operating Expenses – Indirect	<u>(648,324)</u>	(614,970)	5%	<u>(1,793,377)</u>	(1,808,383)	-1%
Profit from Operations	384,951	506,053	-24%	454,743	624,743	-27%
Finance Income	1,198	484	148%	12,060	6,157	96%
Finance Expenses	<u>(88,678)</u>	(82,154)	8%	<u>(302,904)</u>	(245,030)	24%
Net Finance Income/(Expenses)	<u>(87,480)</u>	(81,670)	7%	<u>(290,844)</u>	(238,873)	22%
	297,471	424,383	-30%	163,899	385,870	-58%
Share of Profit/(Loss) of Associates after tax	<u>157</u>	(2,401)	107%	<u>123</u>	(4,393)	103%
Profit before Tax	297,628	421,982	-29%	164,022	381,477	-57%
Income Tax Expense	<u>2,245</u>	6,280	-64%	<u>(15,348)</u>	(10,640)	44%
Profit for the Period	299,873	428,262	-30%	148,674	370,837	-60%
Attributable to:						
Equity Holders of the Parent	210,499	357,849	-41%	104,689	264,590	-60%
Minority Interest	<u>89,374</u>	70,413	27%	<u>43,985</u>	106,247	-59%
	<u>299,873</u>	428,262	-30%	<u>148,674</u>	370,837	-60%
Earnings per Share for the Period – Rs. (Basic/Diluted)	5.38	9.21	-42%	2.43	6.59	-63%

The above figures are provisional and subject to audit.

The Chief Financial Officer certifies that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Sgd.
D.H.S. Jayawardena
Chairman

Sgd.
J. M. S. Brito
Managing Director

Sgd.
Ms. N. Sivapragasam
Chief Financial Officer

Colombo
02nd February, 2010

COMPANY INCOME STATEMENT

For the nine months ended 31st December 2009

	Quarter Ended 31st December			Nine months Ended 31st December		
	2009	2008	Change	2009	2008	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue	130,533	88,318	48%	257,202	184,163	40%
Other Operating Income	1,841	148,281	-99%	29,452	381,081	-92%
Staff Costs	(19,839)	(18,845)	5%	(55,582)	(55,160)	1%
Depreciation & Amortisation	(22,480)	(24,335)	-8%	(67,438)	(72,574)	-7%
Other Operating Expenses – Direct	(27,290)	(21,737)	26%	(56,316)	(48,226)	17%
Other Operating Expenses – Indirect	(48,796)	(37,635)	30%	(109,751)	(104,965)	5%
Profit/(Loss) from Operations	13,969	134,047	-90%	(2,433)	284,319	-101%
Finance Income	189	809	-77%	2,145	1,937	11%
Finance Expenses	(36,417)	(43,033)	-15%	(135,472)	(132,143)	3%
Net Finance Income/(Expenses)	(36,228)	(42,224)	-14%	(133,327)	(130,206)	2%
	(22,259)	91,823	-124%	(135,760)	154,113	-188%
Income Tax Expense	(37)	(577)	-94%	(495)	(866)	-43%
Profit/(Loss) for the period	(22,296)	91,246	-124%	(136,255)	153,247	-189%
Earnings per Share for the Period – Rs. (Basic/Diluted)	(0.68)	2.28	-130%	(3.84)	3.70	-204%

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Colombo
02nd February, 2010

CONSOLIDATED BALANCE SHEET

As at 31st December 2009	31.12.2009	31.12.2008	31.03.2009
	Rs. '000	Rs. '000	Rs. '000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	8,375,211	8,047,533	8,686,707
Leasehold Property	1,538,082	1,464,547	1,554,651
Intangible Assets	3,624	3,048	1,524
Investment in Associates	188,444	183,965	185,118
Long Term Investment	212,423	216,728	218,081
	<u>10,317,784</u>	<u>9,915,821</u>	<u>10,646,081</u>
Current Assets			
Inventories	208,817	215,361	194,049
Trade and other Receivable	725,857	886,137	982,611
Amount due from Related Parties	217,229	199,866	214,648
Deposits & Prepayments	252,851	250,349	204,378
Current Tax Receivable	10,269	9,391	11,005
Short Term Deposits	250	312,647	341,821
Cash and Cash Equivalents	207,214	307,917	116,778
	<u>1,622,487</u>	<u>2,181,668</u>	<u>2,065,290</u>
TOTAL ASSETS	<u>11,940,271</u>	<u>12,097,489</u>	<u>12,711,371</u>
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the parent			
Stated Capital	1,055,810	1,055,810	1,055,810
Reserves	1,442,825	1,124,921	1,462,526
Retained Earnings	2,276,351	1,877,758	2,205,729
	<u>4,774,986</u>	<u>4,058,489</u>	<u>4,724,065</u>
Minority Interest	1,346,124	1,176,634	1,346,064
Total Equity	<u>6,121,110</u>	<u>5,235,123</u>	<u>6,070,129</u>
Non-Current Liabilities			
Interest-bearing borrowings	2,850,577	3,470,980	3,746,361
Government grants	1,274	1,430	1,391
Deferred Tax Liabilities	86,671	88,766	90,297
Retirement benefit obligation	20,139	21,389	22,629
	<u>2,958,661</u>	<u>3,582,565</u>	<u>3,860,678</u>
Current Liabilities			
Trade Creditors	288,194	505,966	229,578
Other Provisions & Payables	720,170	913,678	798,591
Amount due to Ultimate Holding Company	896,950	642,796	779,109
Amount due to Related Parties	31,665	44,310	55,487
Interest bearing Borrowings	737,925	762,356	675,895
Current Tax Payable	13,554	16,250	24,812
Short Term Bank Borrowings	172,042	394,445	217,092
	<u>2,860,500</u>	<u>3,279,801</u>	<u>2,780,564</u>
Total Liabilities	<u>5,819,161</u>	<u>6,862,366</u>	<u>6,641,242</u>
TOTAL EQUITY AND LIABILITIES	<u>11,940,271</u>	<u>12,097,489</u>	<u>12,711,371</u>

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Chief Financial Officer

Colombo
02nd February, 2010

COMPANY BALANCE SHEET

As at 31st December 2009

	31.12.2009 Rs. '000	31.12.2008 Rs. '000	31.03.2009 Rs. '000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1,503,072	1,590,275	1,569,881
Investments in Subsidiaries and Joint Ventures	1,065,040	939,020	1,002,301
Investment in Associates	102,189	98,987	98,987
	<u>2,670,301</u>	<u>2,628,282</u>	<u>2,671,169</u>
Current Assets			
Inventories	19,053	20,663	15,362
Trade and Other Receivable	66,130	75,665	42,404
Amount due from Related Parties	823,652	1,115,675	1,110,935
Deposits & Prepayments	8,664	9,353	2,782
Current Tax Receivable	2,659	2,300	3,056
Short Term Deposits	-	76,523	64,596
Cash and cash Equivalents	18,650	10,791	14,097
	<u>938,808</u>	<u>1,310,970</u>	<u>1,253,232</u>
TOTAL ASSETS	<u>3,609,109</u>	<u>3,939,252</u>	<u>3,924,401</u>
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the parent			
Stated Capital	1,056,433	1,056,433	1,056,433
Reserves	356,650	356,650	356,650
Retained Earnings	766,398	976,492	936,720
Total Equity	<u>2,179,481</u>	<u>2,389,575</u>	<u>2,349,803</u>
Non-Current Liabilities			
Interest - bearing Borrowings	623,821	1,032,508	1,087,063
Retirement benefit obligation	9,621	7,946	8,312
	<u>633,442</u>	<u>1,040,454</u>	<u>1,095,375</u>
Current Liabilities			
Trade creditors	26,412	21,867	18,125
Other Provisions & Payables	60,815	66,755	36,106
Amount due to Ultimate Holding Company	160,502	173,389	237,037
Amount due to Related Parties	302,070	12,498	10,298
Interest bearing borrowings	246,212	233,212	177,657
Short term Bank Borrowings	175	1,502	-
	<u>796,186</u>	<u>509,223</u>	<u>479,223</u>
Total Liabilities	<u>1,429,628</u>	<u>1,549,677</u>	<u>1,574,598</u>
TOTAL EQUITY AND LIABILITIES	<u>3,609,109</u>	<u>3,939,252</u>	<u>3,924,401</u>

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Chief Financial Officer

Colombo
02nd February, 2010

STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 2009

GROUP Attributable to the Equity Holders of the parent					Total Equity Rs. '000
	Stated Capital Rs. '000	Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000	Minority interest Rs. '000	
Balance as at 01st April 2008	1,055,810	1,034,550	1,666,451	3,756,811	1,219,998	4,976,809
Currency Translation Difference	-	90,371	-	90,371	33,076	123,447
Effects of Subsidiaries acquired/disposed during the year	-	-	-	-	(5,944)	(5,944)
Net Income directly recognised in the Equity statement	-	90,371	-	90,371	27,132	117,503
Net profit/(Loss) for the Period	-	-	264,590	264,590	106,247	370,837
Preference Dividend declared - 2007/08	-	-	(14,850)	(14,850)	-	(14,850)
Ordinary Dividend declared - 2007/08	-	-	(38,433)	(38,433)	-	(38,433)
Dividends of Subsidiaries	-	-	-	-	(176,743)	(176,743)
Balance as at 31st December 2008	1,055,810	1,124,921	1,877,758	4,058,489	1,176,634	5,235,123
Balance as at 01st April 2009	1,055,810	1,462,526	2,205,729	4,724,065	1,346,064	6,070,129
Currency Translation Difference	-	(19,701)	-	(19,701)	(697)	(20,398)
Effect of New Companies Acquired	-	-	-	-	(21,394)	(21,394)
Net Income directly recognised in the Equity Statement	-	(19,701)	-	(19,701)	(22,091)	(41,792)
Net profit/(Loss) for the Period	-	-	104,689	104,689	43,985	148,674
Preference Dividend declared - 2008/09	-	-	(14,850)	(14,850)	-	(14,850)
Ordinary Dividend declared - 2008/09	-	-	(19,217)	(19,217)	-	(19,217)
Dividends of Subsidiaries	-	-	-	-	(21,834)	(21,834)
Balance as at 31st December 2009	1,055,810	1,442,825	2,276,351	4,774,986	1,346,124	6,121,110
COMPANY	Stated Capital Rs. '000	Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000		
Balance as at 01st April 2008	1,056,433	356,650	876,528	2,289,611		
Net profit/(Loss) for the Period	-	-	153,247	153,247		
Preference Dividend declared - 2007/08	-	-	(14,850)	(14,850)		
Ordinary Dividend declared - 2007/08	-	-	(38,433)	(38,433)		
Balance as at 31st December 2008	1,056,433	356,650	976,492	2,389,575		
Balance as at 01st April 2009	1,056,433	356,650	936,720	2,349,803		
Net profit/(Loss) for the Period	-	-	(136,255)	(136,255)		
Preference Dividend declared - 2008/09	-	-	(14,850)	(14,850)		
Ordinary Dividend declared - 2008/09	-	-	(19,217)	(19,217)		
Balance as at 31st December 2009	1,056,433	356,650	766,398	2,179,481		

CASH FLOW STATEMENTS

For the nine months ended 31st December 2009

	Group		Company	
	31.12.2009 Rs. '000	31.12.2008 Rs. '000	31.12.2009 Rs. '000	31.12.2008 Rs. '000
Profit before Taxation	164,022	381,477	(135,760)	154,113
Adjustments for				
Depreciation of Property, Plant and Equipment	499,742	428,835	67,438	72,574
Amortisation of pre-paid lease rentals	1,125	1,125	-	-
Amortisation of leasehold rights	52,569	11,091	-	-
Amortisation of Government Grant	(117)	(117)	-	-
Provision for doubtful debts	(1,491)	743	1,695	(2,729)
Interest	302,904	245,030	135,472	132,143
Profit on sale of Property, Plant and Equipment	(4,157)	(3,218)	-	-
Profit on Sale of Investments	-	(218,992)	-	-
Gratuity provision	4,802	4,221	1,771	1,579
Effect of Subsidiaries acquired during the year	(21,394)	(3,099)	-	-
Effect of Subsidiaries disposed during the year	-	(18,808)	-	-
Share of Associate Companies (profit)/Loss	(123)	4,393	-	-
	997,882	832,681	70,616	357,680
Operating profit before working capital changes				
(Increase)/Decrease in Inventories	(14,768)	(40,804)	(3,691)	(1,106)
(Increase)/Decrease in Trade and other receivables	258,245	206,391	(25,421)	46,994
(Increase)/Decrease in Amount due from related parties	(2,581)	(19,307)	287,283	(190,532)
(Increase)/Decrease in Deposits and Prepayments	(48,473)	3,736	(5,882)	(4,961)
Increase/(Decrease) in Trade Creditors	58,616	251,438	8,287	1,942
Increase/(Decrease) in Provisions and other Payables	(78,421)	41,983	24,709	(31,983)
Increase/(Decrease) in Amount due to ultimate Holding Company	117,841	116,009	(76,535)	94,609
Increase/(Decrease) in Amount due to related Parties	(23,822)	(13,486)	291,772	7,018
Cash generated from operations	1,264,519	1,378,641	571,138	279,661
Interest paid	(302,904)	(245,030)	(135,472)	(132,143)
Gratuity paid	(7,292)	(3,747)	(462)	(1,376)
Income Tax paid	(29,496)	(5,000)	(98)	(1,167)
Net Cash Flow from operating activities	924,827	1,124,864	435,106	144,975
(carried forward to next page)				

CASH FLOW STATEMENTS – CONTD.

For the nine months ended 31st December 2009

	Group		Company	
	31.12.2009 Rs. '000	31.12.2008 Rs. '000	31.12.2009 Rs. '000	31.12.2008 Rs. '000
Net Cash Flow from Operating Activities	924,827	1,124,864	435,106	144,975
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(225,290)	(1,655,113)	(628)	(9,275)
Proceeds from sale of Property, Plant & Equipment	4,157	3,332	-	-
Proceeds from sale of Investments	-	236,860	-	-
Investments made	(54,673)	(126,650)	(65,942)	-
Net cash used in Investing Activities	(275,806)	(1,541,571)	(66,570)	(9,275)
Cash flows from Financing Activities				
Proceeds from Long term borrowings	29,288	1,005,789	6,200	-
Repayment of Long term borrowings	(832,870)	(304,842)	(400,887)	(47,962)
Dividends paid	(34,067)	(53,283)	(34,067)	(53,283)
Dividends paid by subsidiary Companies	(21,834)	(176,743)	-	-
Net cash used in Financing Activities	(859,483)	470,921	(428,754)	(101,245)
Net increase/ (Decrease) in cash & cash equivalents	(210,462)	54,214	(60,218)	34,455
Cash & cash equivalents at the beginning of the period adjusted for effect of Exchange Rate change	245,884	171,905	78,693	51,357
Cash & cash equivalents at the end of the period	35,422	226,119	18,475	85,812
Analysis of cash & cash equivalents at the end of the period				
Cash at Bank and in Hand	207,214	307,917	18,650	10,791
Short Term Deposits	250	312,647	-	76,523
Bank Overdrafts	(172,042)	(394,445)	(175)	(1,502)
	35,422	226,119	18,475	85,812

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENTAL RESULTS

1.1 Revenue

	External Rs. '000	Intra Group Rs. '000	GROUP	
			Total 2009/2010 Rs. '000	Total 2008/2009 Rs. '000
Sri Lanka Sector				
Resorts and Hotels	736,211	411	736,622	678,691
Others	59,431	115,617	175,048	189,870
Total Sri Lanka Sector	795,642	116,028	911,670	868,561
South Asian Sector	4,108,445	79,590	4,188,035	3,850,753
Total	4,904,087	195,618	5,099,705	4,719,314
Intra Group			(195,618)	(213,868)
			4,904,087	4,505,446

1.2 Profit/(Loss) before taxation

	GROUP	
	2009/2010 Rs. '000	2008/2009 Rs. '000
Sri Lanka Sector		
Resorts and Hotels	(154,478)	(243,299)
Others	122,551	160,088
	(31,927)	(83,211)
Share of Profit/(Loss) of Associates	123	(4,393)
Total Sri Lanka Sector	(31,804)	(87,604)
South Asian Sector	197,535	469,081
Total	165,731	381,477
Impairment of Goodwill on Acquisition	(1,709)	-
	164,022	381,477

- The Financial statements of the Company and those consolidated with such for the interim period have been prepared on the same basis as the most recent audited financial statements and are in compliance with Sri Lanka Accounting Standards 35 – Interim Financial Statements.
- The presentation and classification of the financial statements of the previous year have been amended where relevant to be comparable with those of the current year.
- The company paid the final recommended ordinary dividend of Rs. 0.50 per ordinary share for the year ended 31st March 2009 on 09th July 2009 after it was approved at the Annual General Meeting. Total final ordinary dividend payment amounted to Rs. 19,216,572/-.
- Six months of the period under review relates to the off season of the tourism industry both in Sri Lanka and Overseas, the group operates.
- There were no material events subsequent to the end of the interim period which require disclosure in the interim financial statements.
- There were no material changes in contingent liabilities and contingent Assets which were disclosed in the Annual Report for the year ended 31st March 2009.
- There was no liability to management fees or any other similar expenditure not provided for in the interim accounts.

NOTES TO THE FINANCIAL STATEMENTS – CONTD.

9 Share Information

	31.12.2009	31.12.2008	31.03.2009
Net Asset Value per Share (Rs.)	119.95	101.31	118.62
Market Price per Share - Highest (Rs.)	270.00	114.50	119.00
- Lowest (Rs.)	118.00	83.25	83.25
- Last traded Price (Rs.)	269.25	95.00	90.00
Dividend per Ordinary Share (Rs.)	—	—	0.50
Debt Equity Ratio	0.51	0.72	0.66
Number of Shares Represented by the Stated Capital	38,433,144	38,433,144	38,433,144

10 Percentage of shares held by the public as at 31st December 2009 is 23.98%

12 Share held by the Directors as at 31st December 2009

Name of the Director	Position	No of Shares
D.H.S Jayawardena	Chairman	—
J.M.S Brito	Managing Director	9,000
R.E.V Casie Chetty	Director	23,863
S.M Hapugoda	Director	—
C.M.S Jayawickrama	Director	—
K.A.A.C Perera	Director	—
G.P.J Goonewardene	Director	248
R.N. Asirwatham	Director	—
		33,111

12 Twenty Largest Shareholders as at 31st December 2009.

Name of the Share Holder	No of Shares	%
Aitken Spence PLC - A/C No. 1	27,368,127	71.21%
Employees Provident Fund	1,449,000	3.77%
Sri Lanka Insurance Corporation Ltd. - Life Fund	1,222,310	3.18%
The Ceylon Guardian Investment Trust PLC #2	400,000	1.04%
Bank of Ceylon A/C Ceybank Unit Trust	1,023,985	2.66%
Ace Cargo (Pvt) Ltd	505,555	1.32%
Aitken Spence Hotel Managements (Pvt) Ltd	403,502	1.05%
G.C Wickremasinghe	316,551	0.82%
Aitken Spence Aviation (Pvt) Ltd.	297,616	0.77%
Eagle Insurance Company Ltd. A/C No 03	157,000	0.41%
Bank of Ceylon A/C Ceybank Century Growth Fund	243,652	0.63%
MAS Capital (Pvt) Ltd	145,300	0.38%
The Ceylon Investment PLC A/C #02	400,000	1.04%
F.A.A Mack	127,633	0.33%
A.T Wickremasinghe	92,689	0.24%
Union Assurance PLC / No. - 01 A/C	100,000	0.26%
Deutsche Bank AG As trustee for Namal Acuity value	150,000	0.39%
Deutsche Bank AG - National Equity Fund	100,000	0.26%
Eagle Insurance Company Ltd. - A/C No -07	100,900	0.26%
Rubber Investment Trust Ltd A/C #01	200,000	0.52%

DIRECTORS

D. H. S. Jayawardena (*Chairman*)

J. M. S. Brito LLB., FCA., MBA (*Managing Director*)

R. E. V. Casie Chetty FCA., FCMA., M.C.M.I., J.Dip. M.A.

S. M. Hapugoda FCIM (UK)

C. M. S. Jayawickrama ACMA

K. A. A. C. Perera HCIMA (UK)

G. P. J. Goonewardene

R. N. Asirwatham FCA (*appointed w.e.f. 1st september 2009*)

SECRETARIES

Aitken Spence Corporate Finance (Pvt) Ltd.

REGISTERED OFFICE

305, Vauxhall Street,
Colombo 2.