



Interim Statement
for the six months ended 30th September 2009

CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September 2009

	Quarter Ended 30th September			Six months Ended 30th September		
	2009	2008	Change	2009	2008	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Gross Revenue	1,665,904	1,482,219	12%	2,918,617	2,845,485	3%
Revenue Tax	<u>(77,691)</u>	(73,918)	5%	<u>(142,373)</u>	(146,110)	-3%
Net Revenue	1,588,213	1,408,301	13%	2,776,244	2,699,375	3%
Other Operating Income	4,009	10,013	-60%	7,157	19,424	-63%
Staff Costs	(240,046)	(199,703)	20%	(479,755)	(407,612)	18%
Depreciation and Amortisation	(180,585)	(144,988)	25%	(364,524)	(300,151)	21%
Other Operating Expenses – Direct	(448,258)	(382,041)	17%	(724,277)	(698,933)	4%
Other Operating Expenses – Indirect	(587,806)	(622,604)	-6%	(1,145,053)	(1,193,413)	-4%
Profit/(Loss) from Operations	135,527	68,978	96%	69,792	118,690	-41%
Finance Income	5,044	488	934%	10,862	5,673	91%
Finance Expenses	(104,832)	(79,273)	32%	(214,226)	(162,876)	32%
Net Finance Income/(Expenses)	(99,788)	(78,785)	27%	(203,364)	(157,203)	29%
	35,739	(9,807)	464%	(133,572)	(38,513)	247%
Share of Profit/(Loss) of Associates after Tax	1,263	567	123%	(34)	(1,992)	-98%
Profit/(Loss) before Tax	37,002	(9,240)	500%	(133,606)	(40,505)	230%
Income Tax Expense	(13,909)	(9,280)	50%	(17,593)	(16,920)	4%
Profit/(Loss) for the Period	23,093	(18,520)	225%	(151,199)	(57,425)	163%
Attributable to:						
Equity holders of the Parent	8,597	(45,084)	119%	(105,810)	(93,259)	13%
Minority Interest	14,496	26,564	-45%	(45,389)	35,834	227%
	23,093	(18,520)	225%	(151,199)	(57,425)	163%
Earnings per Share for the Period – Rs. (Basic/Diluted)	0.13	(1.27)	110%	(2.95)	(2.62)	12%

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. 7 of 2007.

Sgd.
D.H.S. Jayawardena
Chairman

Sgd.
J. M. S. Brito
Managing Director

Sgd.
C. M. S. Jayawickrama
Director/Chief Financial Officer

Colombo
04th November, 2009

COMPANY INCOME STATEMENT

For the six months ended 30th September 2009

	Quarter Ended			Six months Ended		
	30th September			30th September		
	2009	2008	Change	2009	2008	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue	81,694	56,366	45%	126,669	95,845	32%
Other Operating Income	28,358	9,136	210%	27,611	232,800	-88%
Staff Costs	(18,101)	(17,980)	1%	(35,743)	(36,315)	-2%
Depreciation and Amortisation	(22,479)	(24,162)	-7%	(44,958)	(48,239)	-7%
Other Operating Expenses – Direct	(18,741)	(16,467)	14%	(29,026)	(26,489)	10%
Other Operating Expenses – Indirect	(32,458)	(35,729)	-9%	(60,955)	(67,330)	-9%
Profit/(Loss) from Operations	18,273	(28,836)	163%	(16,402)	150,272	-111%
Finance Income	1,075	689	56%	1,956	1,128	73%
Finance Expenses	(49,042)	(44,738)	10%	(99,055)	(89,110)	11%
Net Finance Income/(Expenses)	(47,967)	(44,049)	9%	(97,099)	(87,982)	10%
	(29,694)	(72,885)	-59%	(113,501)	62,290	-282%
Income Tax Expense	(458)	(289)	58%	(458)	(289)	58%
Profit/(Loss) for the period	(30,152)	(73,174)	-59%	(113,959)	62,001	-284%
Earnings per Share for the Period – Rs. (Basic/Diluted)	(0.88)	(2.00)	-56%	(3.16)	1.42	-322%

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C. M. S. Jayawickrama
Director/Chief Financial Officer

Colombo
04th November, 2009

CONSOLIDATED BALANCE SHEET

As at 30th September 2009	30.09.2009 Rs. '000	30.09.2008 Rs. '000	31.03.2009 Rs. '000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	8,554,230	7,157,288	8,686,707
Leasehold Property	1,539,470	1,397,509	1,554,651
Intangible Assets	3,624	3,048	1,524
Investment in Associates	188,038	186,366	185,118
Long Term Investment	217,669	92,975	218,081
	<u>10,503,031</u>	<u>8,837,186</u>	<u>10,646,081</u>
Current Assets			
Inventories	203,984	259,752	194,049
Trade and Other Receivable	543,743	413,478	982,611
Amount due from Related Parties	196,192	349,799	214,648
Deposits & Prepayments	289,340	305,326	204,378
Current Tax Receivable	10,227	8,527	11,005
Short Term Deposits	320,018	210,589	341,821
Cash and Cash Equivalents	134,156	197,934	116,778
	<u>1,697,660</u>	<u>1,745,405</u>	<u>2,065,290</u>
TOTAL ASSETS	<u>12,200,691</u>	<u>10,582,591</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	1,451,454	1,025,369	1,462,526
Retained Earnings	2,065,852	1,519,909	2,205,729
	<u>4,573,116</u>	<u>3,601,088</u>	<u>4,724,065</u>
Minority Interest	1,257,959	1,168,599	1,346,064
Total Equity	<u>5,831,075</u>	<u>4,769,687</u>	<u>6,070,129</u>
Non-Current Liabilities			
Interest-bearing borrowings	3,336,845	3,134,378	3,746,361
Government grants	1,313	1,469	1,391
Deferred Tax Liabilities	90,340	98,449	90,297
Retirement benefit obligation	19,170	21,731	22,629
	<u>3,447,668</u>	<u>3,256,027</u>	<u>3,860,678</u>
Current Liabilities			
Trade Creditors	265,900	363,641	229,578
Other Provisions & Payables	480,595	652,852	798,591
Amount due to Ultimate Holding Company	874,348	526,963	779,109
Amount due to Related Parties	32,386	34,613	55,487
Interest bearing Borrowings	745,739	637,946	675,895
Current Tax Payable	17,344	13,542	24,812
Short Term Bank Borrowings	505,645	327,320	217,092
	<u>2,921,948</u>	<u>2,556,877</u>	<u>2,780,564</u>
Total Liabilities	<u>6,369,616</u>	<u>5,812,904</u>	<u>6,641,242</u>
TOTAL EQUITY AND LIABILITIES	<u>12,200,691</u>	<u>10,582,591</u>	<u>12,711,371</u>

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Colombo
04th November, 2009

COMPANY BALANCE SHEET

As at 30th September 2009

	30.09.2009 Rs. '000	30.09.2008 Rs. '000	31.03.2009 Rs. '000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1,525,551	1,611,929	1,569,881
Investment in Subsidiaries and Joint Ventures	1,065,040	939,020	1,002,301
Investment in Associates	101,942	98,987	98,987
	<u>2,692,533</u>	<u>2,649,936</u>	<u>2,671,169</u>
Current Assets			
Inventories	17,686	22,441	15,362
Trade and Other Receivable	29,383	72,980	42,404
Amount due from Related Parties	920,036	926,642	1,110,935
Deposits and Prepayments	9,139	8,583	2,782
Current Tax Receivable	2,616	2,402	3,056
Short Term Deposits	53,453	75,834	64,596
Cash & Cash Equivalents	7,411	14,248	14,097
	<u>1,039,724</u>	<u>1,123,130</u>	<u>1,253,232</u>
TOTAL ASSETS	<u><u>3,732,257</u></u>	<u><u>3,773,066</u></u>	<u><u>3,924,401</u></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	788,694	885,246	936,720
Total Equity	<u>2,201,777</u>	<u>2,298,329</u>	<u>2,349,803</u>
Non-Current Liabilities			
Interest bearing Borrowings	1,006,935	1,034,508	1,087,063
Retirement benefit obligations	9,454	8,116	8,312
	<u>1,016,389</u>	<u>1,042,624</u>	<u>1,095,375</u>
Current Liabilities			
Trade Creditors	16,576	18,625	18,125
Other Provisions and Payables	30,741	97,567	36,106
Amount due to Ultimate Holding Company	257,211	68,722	237,037
Amount due to Related Parties	10,871	9,754	10,298
Interest bearing Borrowings	185,846	233,212	177,657
Short Term Bank Borrowings	12,846	4,233	-
	<u>514,091</u>	<u>432,113</u>	<u>479,223</u>
Total Liabilities	<u>1,530,480</u>	<u>1,474,737</u>	<u>1,574,598</u>
TOTAL EQUITY AND LIABILITIES	<u><u>3,732,257</u></u>	<u><u>3,773,066</u></u>	<u><u>3,924,401</u></u>

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Managing Director

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C. M. S. Jayawickrama
Director/Chief Financial Officer

Colombo
04th November, 2009

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 2009

GROUP Attributable to Equity Holders of the parent				Minority interest Rs. '000	Total Equity Rs. '000
	Stated Capital Rs. '000	Reserves Rs. '000	Retained Earnings Rs. '000	Total 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	-	(9,181)	-	(9,181)	(9,599)	(18,780)
Net Income Directly Recognised in the Equity Statement	-	(9,181)	-	(9,181)	(9,599)	(18,780)
Net profit/(loss) for the Period	-	-	(93,259)	(93,259)	35,834	(57,425)
Preference Dividend Paid - 2007/08	-	-	(14,850)	(14,850)	-	(14,850)
Ordinary Dividend Paid - 2007/08	-	-	(38,433)	(38,433)	-	(38,433)
Dividends of Subsidiaries	-	-	-	-	(77,634)	(77,634)
Balance as at 30th September 2008	1,055,810	1,025,369	1,519,909	3,601,088	1,168,599	4,769,687
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	-	(11,072)	-	(11,072)	512	(10,560)
Effect of New Companies Acquired	-	-	-	-	(21,394)	(21,394)
Net Income Directly Recognised in the Equity Statement	-	(11,072)	-	(11,072)	(20,882)	(31,954)
Net profit/(loss) for the Period	-	-	(105,810)	(105,810)	(45,389)	(151,199)
Preference Dividend Paid - 2008/09	-	-	(14,850)	(14,850)	-	(14,850)
Ordinary Dividend Paid - 2008/09	-	-	(19,217)	(19,217)	-	(19,217)
Dividends of Subsidiaries	-	-	-	-	(21,834)	(21,834)
Balance as at 30th September 2009	1,055,810	1,451,454	2,065,852	4,573,116	1,257,959	5,831,075

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	-	-	62,001	62,001
Preference Dividend Paid - 2007/08	-	-	(14,850)	(14,850)
Ordinary Dividend Paid - 2007/08	-	-	(38,433)	(38,433)
Balance as at 30th September 2008	1,056,433	356,650	885,246	2,298,329
Balance as at 01st April 2009	1,056,433	356,650	936,720	2,349,803
Net profit/(Loss) for the Period	-	-	(113,959)	(113,959)
Preference Dividend Paid - 2008/09	-	-	(14,850)	(14,850)
Ordinary Dividend Paid - 2008/09	-	-	(19,217)	(19,217)
Balance as at 30th September 2009	1,056,433	356,650	788,694	2,201,777

CASH FLOW STATEMENTS

For the six months ended 30th September 2009

	Group		Company	
	30.09.2009 Rs. '000	30.09.2008 Rs. '000	30.09.2009 Rs. '000	30.09.2008 Rs. '000
Profit before Taxation	(133,606)	(40,505)	(113,501)	62,290
Adjustments for				
Depreciation of Property, Plant & Equipment	327,525	288,681	44,958	48,239
Amortisation of Pre-paid Lease Rentals	750	750	–	–
Amortisation of Leasehold Rights	35,290	10,720	–	–
Amortisation of Government Grant	(78)	(78)	–	–
Provision for Doubtful Debts	(1,273)	(4,436)	(43)	(2,683)
Interest	214,226	162,876	99,055	89,110
Profit on sale of Property, Plant & Equipment	(2,857)	(3,280)	–	–
Gratuity Provision	3,367	2,852	1,231	1,052
Share of Associate Companies (Profit)/Loss	34	1,992	–	–
	443,378	419,572	31,700	198,008
Operating Profit before Working Capital Changes				
(Increase)/Decrease in Inventories	(9,935)	(85,195)	(2,324)	(2,884)
(Increase)/Decrease in Trade & Other Receivables	440,141	684,229	13,064	49,633
(Increase)/Decrease in Amount due from Related Parties	18,456	(169,240)	190,899	(1,499)
(Increase)/Decrease in Deposits & Prepayments	(84,962)	(51,241)	(6,357)	(4,191)
Increase/(Decrease) in Trade Creditors	36,322	109,113	(1,549)	(1,300)
Increase/(Decrease) in Provisions and Other Payables	(317,996)	(218,843)	(5,365)	(1,171)
Increase/(Decrease) in Amount due to ultimate Holding Company	95,239	176	20,174	(10,058)
Increase/(Decrease) in Amount due to Related Parties	(23,101)	(23,183)	573	4,274
Cash generated from operations	597,542	665,388	240,815	230,812
Interest Paid	(214,226)	(162,876)	(99,055)	(89,110)
Gratuity Paid	(6,826)	(2,036)	(89)	(679)
Income Tax Paid	(24,240)	(3,441)	(18)	(692)
Net Cash Flow from Operating Activities	352,250	497,035	141,653	140,331
(carried forward to next page)				

CASH FLOW STATEMENTS – CONTD.

For the six months ended 30th September 2009

	Group		Company	
	30.09.2009 Rs. '000	30.09.2008 Rs. '000	30.09.2009 Rs. '000	30.09.2008 Rs. '000
Net Cash Flow from Operating Activities	352,250	497,035	141,653	140,331
(brought forward from previous page)				
Cash Flows from Investing Activities				
Purchase of Property, Plant & Equipment	(214,248)	(800,798)	(627)	(6,594)
Proceeds from sale of Property, Plant & Equipment	2,857	3,280	-	-
Investments made	(31,663)	(6,375)	(65,695)	-
Net Cash Used in Investing Activities	(243,054)	(803,893)	(66,322)	(6,594)
Cash Flows from Financing Activities				
Proceeds from Long Term Borrowings	13,813	543,377	5,000	-
Repayment of Long Term Borrowings	(335,451)	(201,077)	(76,939)	(45,962)
Dividends Paid	(34,067)	(53,283)	(34,067)	(53,283)
Dividends Paid by Subsidiary Companies	(21,834)	(77,634)	-	-
Net Cash Used in Financing Activities	(377,539)	211,383	(106,006)	(99,245)
Net increase/(Decrease) in Cash & Cash Equivalents	(268,343)	(95,475)	(30,675)	34,492
Cash & Cash Equivalents at the Beginning of the Period Adjusted for Effect of Exchange Rate Change	216,872	176,678	78,693	51,357
Cash & Cash Equivalents at the End of the Period	(51,471)	81,203	48,018	85,849
Analysis of Cash & Cash Equivalents at the End of the Period				
Cash at Bank & in Hand	134,156	197,934	7,411	14,248
Short Term Deposits	320,018	210,589	53,453	75,834
Bank Overdrafts	(505,645)	(327,320)	(12,846)	(4,233)
	(51,471)	81,203	48,018	85,849

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	419,698	351	420,049	405,390
Others	38,032	57,307	95,339	112,537
Total Sri Lanka Sector	457,730	57,658	515,388	517,927
South Asian Sector	2,460,887	46,439	2,507,326	2,433,483
Total	2,918,617	104,097	3,022,714	2,951,410
Intra Group			(104,097)	(105,925)
			2,918,617	2,845,485

1.2 Profit/(Loss) before taxation

	GROUP	
	2009/2010 Rs. '000	2008/2009 Rs. '000
Sri Lanka Sector		
Resorts and Hotels	(159,799)	(198,961)
Others	68,481	83,694
	(91,318)	(115,267)
Share of Profit/(Loss) of Associates	(34)	(1,992)
Total Sri Lanka Sector	(91,352)	(117,259)
South Asian Sector	(40,545)	76,754
Total	(131,897)	(40,505)
Impairment of Goodwill on Acquisitions	(1,709)	-
	(133,606)	(40,505)

- 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 Standard 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 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/-.
- Five 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

	30.09.2009	30.09.2008	31.03.2009
Net Asset Value per Share (Rs.)	114.70	89.40	118.62
Market Price per Share - Highest (Rs.)	220.00	119.00	119.00
- Lowest (Rs.)	128.25	94.75	83.25
- Last traded Price (Rs.)	219.75	116.25	90.00
Dividend per Ordinary Share (Rs.)	-	-	0.50
Debt Equity Ratio	0.62	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 30th September 2009 is 23.98%

11 Share held by the Directors as at 30th September 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 Goonewardena	Director	248
R.N. Asirwatham	Director	-
		33,111

13 Twenty Largest Shareholders as at 30th September 2009.

Name of the Share Holder	No. of Shares	%
Aitken Spence PLC - A/C No. 1	27,368,127	71.21%
Employees Provident Fund	1,462,000	3.80%
Sri Lanka Insurance Corporation Ltd. - Life Fund	1,222,310	3.18%
Mercantile Investments Ltd.	1,000,000	2.60%
Bank of Ceylon A/C Ceybank Unit Trust	974,385	2.54%
Freudenberg Shipping Agencies Ltd.	119,400	0.31%
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	165,500	0.43%
Bank of Ceylon A/C Ceybank Century Growth Fund	226,952	0.59%
MAS Capital (Pvt) Ltd	145,300	0.38%
D D H S Wickremeratne	85,000	0.22%
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%
Employee Trust Fund Board	101,000	0.26%
Deutsche Bank AG As trustee for Namal Acuity Value	97,700	0.25%
M.B Sivaratnam	88,266	0.23%

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 (*Appointed w.e.f. from 01st September 2009*)

SECRETARIES

Aitken Spence Corporate Finance (Pvt) Ltd.

REGISTERED OFFICE

305, Vauxhall Street,
Colombo 2.

