



Aitken Spence Hotel Holdings PLC

Interim Statement

(For the nine months ended 31st December 2013)

Consolidated Income Statement

	Quarter ended 31st December			Nine months ended 31st December		
	2013 Rs.' 000	2012 Rs.' 000	Change %	2013 Rs.' 000	2012 Rs.' 000	Change %
Gross Revenue	3,405,129	2,939,301	16%	8,830,956	8,030,201	10%
Revenue Tax	(119,119)	(115,447)	3%	(326,781)	(338,505)	(3%)
Net Revenue	3,286,010	2,823,854	16%	8,504,175	7,691,696	11%
Other operating Income/(Expenses)	(12,012)	(25,346)	(53%)	80,172	(7,299)	1198%
Staff Costs	(450,225)	(416,397)	8%	(1,302,815)	(1,232,530)	6%
Depreciation	(172,961)	(174,010)	(1%)	(517,180)	(497,813)	4%
Amortisation	(15,863)	(16,636)	(5%)	(47,157)	(46,344)	2%
Other Operating Expenses - Direct	(630,708)	(590,022)	7%	(1,728,596)	(1,664,102)	4%
Other Operating Expenses - Indirect	(1,055,827)	(880,840)	20%	(2,924,724)	(2,643,829)	11%
Profit/(Loss) from Operations	948,414	720,603	32%	2,063,875	1,599,779	29%
Finance Income	54,578	56,574	(4%)	184,728	171,896	7%
Finance Expenses	(45,920)	(67,512)	(32%)	(152,380)	(183,284)	(17%)
Net Finance Income/(Expenses)	8,658	(10,938)	179%	32,348	(11,388)	384%
	957,072	709,665	35%	2,096,223	1,588,391	32%
Share of Profit of equity accounted investees net of tax	6,310	18,177	(65%)	30,575	54,796	(44%)
Profit/(Loss) before Tax	963,382	727,842	32%	2,126,798	1,643,187	29%
Income Tax Expense	(187,104)	(97,981)	91%	(458,738)	(340,673)	35%
Profit/(Loss) for the period	776,278	629,861	23%	1,668,060	1,302,514	28%
Attributable to:						
Equity Holders of the Parent Company	545,403	436,705	25%	1,118,882	835,862	34%
Non -controlling interests	230,875	193,156	20%	549,178	466,652	18%
	776,278	629,861	23%	1,668,060	1,302,514	28%
Earnings per share for the period - Rs. (Basic / Diluted)	1.61	1.29		3.29	2.45	

The above figures are provisional and subject to Audit.

Company Income Statement

	Quarter ended 31st December			Nine months ended 31st December		
	2013 Rs.' 000	2012 Rs.' 000	Change %	2013 Rs.' 000	2012 Rs.' 000	Change %
Gross Revenue	239,102	211,992	13%	524,909	497,658	5%
Revenue Tax	(5,253)	(4,607)	14%	(11,523)	(10,877)	6%
Net Revenue	233,849	207,385	13%	513,386	486,781	5%
Other Operating Income	385,676	79,566	385%	891,108	320,498	178%
Staff Costs	(38,044)	(36,908)	3%	(100,936)	(99,997)	1%
Depreciation	(25,390)	(23,951)	6%	(75,587)	(70,973)	7%
Amortisation	(67)	(35)	91%	(188)	(35)	437%
Other Operating Expenses - Direct	(45,714)	(38,594)	18%	(113,667)	(98,637)	15%
Other Operating Expenses - Indirect	(81,002)	(75,921)	7%	(210,733)	(193,984)	9%
Profit/(Loss) from Operations	429,308	111,542	285%	903,383	343,653	163%
Finance Income	19,396	22,152	(12%)	61,842	81,365	(24%)
Finance Expenses	(8,636)	(12,380)	(30%)	(31,376)	(38,022)	(17%)
Net Finance Income/(Expenses)	10,760	9,772	10%	30,466	43,343	(30%)
Profit/(Loss) before Tax	440,068	121,314	263%	933,849	386,996	141%
Income Tax Expense	(5,528)	(5,931)	(7%)	(15,100)	(18,294)	(17%)
Profit/(Loss) for the period	434,540	115,383	277%	918,749	368,702	149%
Earnings per share for the period - Rs. (Basic / Diluted)	1.28	0.33		2.70	1.06	

The above figures are provisional and subject to Audit.

Colombo
06th February 2014

Consolidated Statement of Comprehensive Income

	GROUP			
	Quarter ended 31st December		Nine months ended 31st December	
	2013 Rs.' 000	2012 Rs.' 000	2013 Rs.' 000	2012 Rs.' 000
Profit for the period	776,278	629,861	1,668,060	1,302,514
Other Comprehensive Income				
Foreign Currency translation differences of foreign operations	(41,665)	(117,132)	171,529	(59,737)
Revaluation of Subsidiaries	181,143	–	181,143	–
Share of other comprehensive income of equity -accounted investees	–	–	–	–
Net change in fair value of available for sale financial assets	1,645	(11,923)	(8,449)	(13,685)
Other comprehensive income for the period net of tax	141,123	(129,055)	344,223	(73,422)
Total comprehensive income for the period net of tax	917,401	500,806	2,012,283	1,229,092
Attributable to:				
Equity Holders of the Parent Company	705,379	368,465	1,413,910	789,850
Non -controlling interests	212,022	132,341	598,373	439,242
	917,401	500,806	2,012,283	1,229,092

Statement of Comprehensive Income - Company

	COMPANY			
	Quarter ended 31st December		Nine months ended 31st December	
	2013 Rs.' 000	2012 Rs.' 000	2013 Rs.' 000	2012 Rs.' 000
Profit for the period	434,540	115,383	918,749	368,702
Other Comprehensive Income				
Net change in fair value of available for sale financial assets	–	–	–	–
Other comprehensive income for the period net of tax	–	–	–	–
Total comprehensive income for the period net of tax	434,540	115,383	918,749	368,702

The above figures are provisional and subject to Audit.

Consolidated Statement of Financial Position

As at	31.12.2013 Rs.' 000	GROUP 31.12.2012 Rs.' 000	31.03.2013 Rs.' 000
ASSETS			
Non Current Assets			
Property, plant and equipment	12,431,356	11,621,879	11,962,472
Leasehold properties	1,474,686	1,478,855	1,463,930
Prepaid operating leases	1,050,228	1,023,238	1,020,553
Intangible assets	17,064	30,137	26,929
Investment in equity accounted investees	1,333,269	1,287,213	1,302,694
Long term investments	215,006	219,182	221,072
Deferred tax assets	119,037	125,229	132,722
	16,640,646	15,785,733	16,130,372
Current Assets			
Inventories	222,403	223,395	222,838
Trade and other receivable	935,907	1,078,661	968,024
Amount due from ultimate holding company	39,718	-	13,000
Amount due from parent's group entities	297,238	333,674	359,593
Deposits & prepayments	467,657	541,513	361,462
Current tax receivable	5,323	6,272	4,114
Short term deposits	3,604,327	2,342,682	3,058,978
Cash and cash equivalents	1,366,584	767,936	1,241,418
	6,939,157	5,294,133	6,229,427
TOTAL ASSETS	23,579,803	21,079,866	22,359,799
EQUITY AND LIABILITIES			
Equity Attributable to equity holders of the Parent			
Stated capital	3,554,587	3,554,587	3,554,587
Reserves	3,208,922	2,633,002	2,913,894
Retained earnings	7,224,968	5,525,120	6,457,226
	13,988,477	11,712,709	12,925,707
Non Controlling Interests	3,163,286	2,417,364	2,903,733
Total Equity	17,151,763	14,130,073	15,829,440
Non Current Liabilities			
Interest - bearing borrowings	2,120,381	2,936,381	2,790,090
Government grants	650	806	767
Deferred tax liabilities	266,258	252,392	241,856
Employee benefits	71,747	59,577	62,103
	2,459,036	3,249,156	3,094,816
Current Liabilities			
Trade payables	354,360	364,175	371,763
Other provisions & payables	1,763,489	1,566,985	1,384,707
Amount due to ultimate holding company	81,635	143,576	109,340
Amount due to parent's group entities	79,996	55,879	62,671
Interest bearing borrowings	960,146	1,012,075	1,016,999
Current tax payable	582,336	380,522	393,231
Short term bank borrowings	147,042	177,425	96,832
	3,969,004	3,700,637	3,435,543
Total Liabilities	6,428,040	6,949,793	6,530,359
TOTAL EQUITY AND LIABILITIES	23,579,803	21,079,866	22,359,799
Net Asset value per share Rs.	41.11	34.34	37.95

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 requirement of the Companies Act No. 07 of 2007.



D.H.S Jayawardena
Chairman



J.M.S Brito
Managing Director



C.M.S Jayawickrama
Director / Chief Financial Officer

Colombo
06th February 2014

Company Statement of Financial Position

As at	31.12.2013 Rs.' 000	COMPANY 31.12.2012 Rs.' 000	31.03.2013 Rs.' 000
ASSETS			
Non Current Assets			
Property, plant and equipment	1,551,206	1,614,003	1,601,196
Intangible assets	524	594	591
Investments in subsidiaries and joint ventures	3,234,940	1,776,778	3,234,940
Investment in equity accounted investees	906,602	903,519	906,602
Deferred tax assets	879	2,302	1,851
	5,694,151	4,297,196	5,745,180
Current Assets			
Inventories	26,305	22,339	17,440
Trade and other receivable	168,052	129,404	124,483
Amount due from ultimate holding company	25,359	-	-
Amount due from parent's group entities	1,414,644	2,654,311	1,092,961
Deposits & prepayments	10,234	8,805	6,025
Current tax receivable	1,167	2,131	1,167
Short term deposits	1,470,000	638,720	1,303,042
Cash and cash equivalents	200,599	24,799	43,529
	3,316,360	3,480,509	2,588,647
TOTAL ASSETS	9,010,511	7,777,705	8,333,827
EQUITY AND LIABILITIES			
Equity Attributable to equity holders of the parent			
Stated capital	3,554,587	3,554,587	3,554,587
Reserves	660,050	660,050	660,050
Retained earnings	4,004,725	2,859,284	3,437,116
Total Equity	8,219,362	7,073,921	7,651,753
Non Current Liabilities			
Interest - bearing borrowings	60,842	238,442	194,042
Employee benefits	23,956	19,079	21,409
	84,798	257,521	215,451
Current Liabilities			
Trade creditors	31,631	20,324	16,955
Other Provisions & payables	155,834	195,665	178,902
Amount due to ultimate holding company	38,941	35,352	40,341
Amount due to parent's group entities	267,434	381	42,761
Interest bearing borrowings	177,600	177,600	177,600
Current tax payable	17,287	6,525	9,713
Short term bank borrowings	17,624	10,416	351
	706,351	446,263	466,623
Total Liabilities	791,149	703,784	682,074
TOTAL EQUITY AND LIABILITIES	9,010,511	7,777,705	8,333,827
Net Asset value per share (Rs.)	23.95	20.54	22.26

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 requirement of the Companies Act No. 07 of 2007.



D.H.S Jayawardena
Chairman



J.M.S Brito
Managing Director



C.M.S Jayawickrama
Director / Chief Financial Officer

Colombo
06th February 2014

Statement of Changes in Equity

For the nine months ended 31st December 2013

GROUP	Attributable to Equity Holders of the parent								
	Stated Capital	Reserves	Foreign Currency Translation Reserve	Available for Sale Reserve	Revaluation Reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2012	3,554,587	20,840	718,643	11,662	1,927,869	4,935,978	11,169,579	2,189,351	13,358,930
Profit for the period	-	-	-	-	-	835,862	835,862	466,652	1,302,514
Other comprehensive income	-	-	(34,365)	(11,647)	-	-	(46,012)	(27,410)	(73,422)
Total Comprehensive Income	-	-	(34,365)	(11,647)	-	835,862	789,850	439,242	1,229,092
Share issue expenses of equity accounted investees	-	-	-	-	-	(307)	(307)	-	(307)
Effect of acquisitions disposals and changes to percentage holdings	-	-	-	-	-	3,840	3,840	-	3,840
Dividends -2011/12	-	-	-	-	-	(250,253)	(250,253)	(211,229)	(461,482)
Balance as at 31st December 2012	3,554,587	20,840	684,278	15	1,927,869	5,525,120	11,713,016	2,417,364	14,130,073
Balance as at 01st April 2013	3,554,587	20,840	683,482	1,456	2,208,116	6,457,226	12,925,707	2,903,733	15,829,440
Profit for the period	-	-	-	-	-	1,118,882	1,118,882	549,178	1,668,060
Other comprehensive income	-	-	119,706	(5,821)	181,143	-	295,028	49,195	344,223
Total Comprehensive Income	-	-	119,706	(5,821)	181,143	1,118,882	1,413,910	598,373	2,012,283
Dividends -2012/13	-	-	-	-	-	(351,140)	(351,140)	(338,820)	(689,960)
Balance as at 31st December 2013	3,554,587	20,840	803,188	(4,365)	2,389,259	7,224,968	13,988,477	3,163,286	17,151,763

Statement of Changes in Equity

For the nine months ended 31st December 2013

COMPANY	Stated Capital	Reserves	Foreign Currency Translation Reserve	Available for Sale Reserve	Revaluation Reserve	Retained Earnings	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2012	3,554,587	20,840	–	–	639,210	2,740,835	6,955,472
Profit for the year	–	–	–	–	–	368,702	368,702
Other Comprehensive Income	–	–	–	–	–	–	–
Total Comprehensive Income	–	–	–	–	–	368,702	368,702
Dividends -2011/12	–	–	–	–	–	(250,253)	(250,253)
Balance as at 31st December 2012	3,554,587	20,840	–	–	639,210	2,859,284	7,073,921
Balance as at 01st April 2013	3,554,587	20,840	–	–	639,210	3,437,116	7,651,753
Profit for the period	–	–	–	–	–	918,749	918,749
Other Comprehensive Income	–	–	–	–	–	–	–
Total Comprehensive Income	–	–	–	–	–	918,749	918,749
Dividends -2012/13	–	–	–	–	–	(351,140)	(351,140)
Balance as at 31st December 2013	3,554,587	20,840	–	–	639,210	4,004,725	8,219,362

Cash Flow Statement

For the nine months ended	GROUP		COMPANY	
	31.12.2013 Rs.' 000	31.12.2012 Rs.' 000	31.12.2013 Rs.' 000	31.12.2012 Rs.' 000
Cash flow from operating activities				
Profit before taxation	2,126,798	1,643,187	933,849	386,996
Adjustments for				
Depreciation	517,180	497,813	75,587	70,973
Amortisation	47,157	46,344	188	35
Amortisation of government grant	(117)	(117)	–	–
Provision for impairment of debtors	6,934	(32,766)	(375)	(1,746)
Interest expense	152,380	183,284	31,376	38,022
Interest income	(184,728)	(171,896)	(61,842)	(81,365)
Profit/(Loss) on sale of property, plant and equipment	1,508	(901)	–	–
Provision for Employee Benefits	15,452	13,999	4,566	3,718
Share of (Profit)/loss of equity accounted investees net of tax	(30,575)	(54,796)	–	–
Effect of changes in percentage Holdings and acquisition/disposal of subsidiaries	–	(151)	–	–
	2,651,989	2,124,000	983,349	416,633
Operating profit before working capital changes				
(Increase) / Decrease in inventories	435	(17,503)	(8,865)	(4,424)
(Increase) / Decrease in trade and other receivables	44,303	57,703	(30,092)	(22,332)
(Increase) / Decrease in amount due from ultimate holding company	(26,718)	35,800	(25,359)	–
(Increase) / Decrease in amount due from parents group entities	62,355	41,672	(321,683)	(765,704)
(Increase) / Decrease in deposits and prepayments	(106,195)	(311,268)	(4,209)	(2,314)
Increase / (Decrease) in trade creditors	(17,403)	4,361	14,676	(1,885)
Increase / (Decrease) in provisions and other payables	378,782	377,738	(23,068)	(14,241)
Increase / (Decrease) in amount due to ultimate holding company	(27,705)	(61,203)	(1,400)	5,627
Increase / (Decrease) in amount due to parents group entities	17,325	(52,302)	224,673	(429)
Cash Generated/ (used in) from Operations	2,977,168	2,198,998	808,022	(389,069)
Interest paid	(152,380)	(183,284)	(31,376)	(38,022)
Gratuity Paid	(5,808)	(7,161)	(2,020)	(1,154)
Income tax paid	(232,755)	(159,341)	(6,554)	(9,678)
Net Cash generated / (used in) from operating activities	2,586,225	1,849,212	768,072	(437,923)

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Cash Flow Statement

For the nine months ended	GROUP		COMPANY	
	31.12.2013 Rs.' 000	31.12.2012 Rs.' 000	31.12.2013 Rs.' 000	31.12.2012 Rs.' 000
Net Cash generated/(used in) from operating activities	2,586,225	1,849,212	768,072	(437,923)
Cash Flows from Investing Activities				
Investments made during the year	–	(1,512)	–	(1,512)
Purchase of property plant and equipment	(703,216)	(1,074,011)	(25,596)	(18,674)
Purchase of intangible assets	(752)	(6,057)	(121)	(629)
Proceeds from sale of property, plant & equipment	28,678	1,140	–	–
Interest received from deposits	165,608	245,402	48,740	149,835
Net cash used in investing activities	(509,682)	(835,038)	23,023	129,020
Cash Flows from financing activities				
Proceeds from long term borrowings	–	2,353,015	–	–
Repayment of long term borrowings	(819,150)	(2,159,223)	(133,200)	(50,450)
Dividends paid	(351,140)	(250,253)	(351,140)	(250,253)
Dividends paid by subsidiary companies	(338,820)	(211,229)	–	–
Net cash flow (used in) from financing activities	(1,509,110)	(267,690)	(484,340)	(300,703)
Net Increase/(Decrease) in cash & cash equivalents	567,433	746,484	306,755	(609,606)
Cash & cash equivalents at the beginning of the period adjusted for effect of exchange rate change	4,256,436	2,186,709	1,346,220	1,262,709
Cash & cash equivalents at the end of the period	4,823,869	2,933,193	1,652,975	653,103
Analysis of cash & cash Equivalents at the end of the period				
Cash at bank and in hand	1,366,584	767,936	200,599	24,799
Short term deposits	3,604,327	2,342,682	1,470,000	638,720
Bank Overdrafts	(147,042)	(177,425)	(17,624)	(10,416)
	4,823,869	2,933,193	1,652,975	653,103

Notes to Interim Financial Statements

1 Segmental Results

1.1 Revenue

<i>For the nine months ended 31st December</i>	External Rs.' 000	Intra Group Rs.' 000	GROUP	
			Total 2013 Rs.' 000	Total 2012 Rs.' 000
Sri Lanka Sector				
Resorts and Hotels	2,165,785	10,043	2,175,828	1,830,796
Others	72,158	272,342	344,500	314,086
Total Sri Lanka Sector	2,237,943	282,385	2,520,328	2,144,882
South Asian Sector				
	6,593,013	117,978	6,710,991	6,322,348
	8,830,956	400,363	9,231,319	8,467,230
Intra Group			(400,363)	(437,029)
Total			8,830,956	8,030,201

1.2 Profit/(Loss) before taxation

<i>For the nine months ended 31st December</i>	GROUP	
	2013 Rs.' 000	2012 Rs.' 000
Sri Lanka Sector		
Resorts and Hotels	349,275	203,844
Others	390,062	283,156
	739,337	487,000
Share of Profit of equity accounted investees	30,575	54,796
Total Sri Lanka Sector	769,912	541,796
South Asian Sector		
	1,356,886	1,101,391
Total	2,126,798	1,643,187

- 2** The Financial statements of the Company and those consolidated with such for the interim period have been prepared using same accounting policies and methods of computations as in the most recent audited financial statements and are in compliance with LKAS 34-Interim Financial Reporting.
- 3** 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 period.
- 4** The company paid the final recommended ordinary dividend of Rs.1.00 per ordinary share for the year ended 31st March 2013 on 8th July 2013 after it was approved at the Annual General Meeting. Total final ordinary dividend payment amounted to Rs. 336,290,010.
- 5** 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.
- 6** The company entered into a Shareholder Agreement with RIU Hotels of Spain to build a 500 rooms five star luxury resort in Ahungalla costing approximately USD 100m.

Notes to Interim Financial Statements

- 7 There were no material events subsequent to the end of the interim period which require disclosure in the interim financial statements.
- 8 There were no material changes in contingent liabilities which were disclosed in the Annual Report for the year ended 31st March 2013.
- 9 There was no liability to management fees or any other similar expenditure not provided for in the interim accounts.

10 Share Information

	31.12.2013	31.12.2012	31.03.2013
Market Price per Share			
- Highest (Rs.)	74.80	79.00	81.00
- Lowest (Rs.)	62.10	67.90	61.00
Last Traded Price (Rs.)	69.90	73.10	74.00
Dividend per ordinary share (Rs.)	-	-	1.00
Number of shares represented by the stated capital			
- Ordinary	336,290,010	336,290,010	336,290,010
- Preference	16,500,000	16,500,000	16,500,000

- 11 Percentage of shares held by the public as at 31st December 2013 is 25.39%

12 Share held by the Directors are as follows:

Name of the Director	Position	No of Shares	No of Shares
		31.12.2013	31.12.2012
D.H.S Jayawardena	Chairman	-	-
J.M.S Brito	Managing Director	106,596	106,596
R.E.V Casie Chetty	Director	180,299	180,299
S.M Hapugoda	Director	-	-
C.M.S Jayawickrama	Director	-	-
G.P.J Goonewardena	Director	5,460	5,460
R.N Asirwatham	Director	1,000	1,000
C.H Gomez	Director	-	-
N.J. de S. Deva Aditya	Director	-	-
		293,355	293,355

Notes to Interim Financial Statements

13 Twenty Largest Shareholders as at 31st December 2013

Name of the Shareholder	No of Shares	%
Aitken Spence PLC - A/C No. 1	239,472,667	71.21%
Employees Provident Fund	30,278,074	9.00%
Sri Lanka Insurance Corporation Ltd. - Life Fund	7,268,727	2.16%
HSBC INTL Nominees Ltd. JPMCB- Scottish ORL SML TR G	5,625,407	1.67%
Ace Cargo (Pvt) Ltd	4,423,601	1.32%
Aitken Spence Hotel Managements (Pvt) Ltd	3,530,639	1.05%
Aitken Spence Aviation (Pvt) Ltd.	2,604,140	0.77%
Employee Trust Fund Board	2,370,705	0.70%
G.C Wickremasinghe	2,082,241	0.62%
AIA Insurance PLC A/C No 07	1,943,956	0.58%
Bank of Ceylon No 01 Account	1,625,600	0.48%
National Savings Bank	1,613,400	0.48%
A.T Wickremasinghe	1,245,004	0.37%
HSBC INTL NOM LTD - BBH Mathews Emerging Asia Fund	1,184,124	0.35%
The Ceylon Guardian Investments Trust PLC A/C # 02	1,025,480	0.30%
F.A.A Mack	1,004,550	0.30%
K Fernando	991,149	0.29%
Ceylon Investments PLC # 01	985,900	0.29%
The Ceylon Investment PLC A/C #02	973,675	0.29%
Bank of Ceylon A/C Ceybank Century Growth Fund	945,603	0.28%
	311,194,642	92.54%

Corporate Information as at 31.12.2013

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 FCMA

G.P.J Goonewardena

R.N Asirwatham FCA

C.H Gomez

N.J. de S. Deva Aditya DL, FRSA, MEP

Secretaries

Aitken Spence Corporate Finance (Pvt) Ltd

Registered Address

No 315, Vauxhall Street

Colombo 02

Sri Lanka