

Aitken Spence

## **Interim Statements**

*for the nine months ended 31st December 2016*

Aitken Spence<sup>®</sup> 

**Aitken Spence PLC**

## CONSOLIDATED INCOME STATEMENTS

	Quarter ended 31st December		Nine months ended 31st December	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Revenue</b>	<b>13,141,502</b>	6,491,923	<b>30,526,392</b>	18,062,611
Revenue taxes	<b>(138,285)</b>	(86,600)	<b>(350,175)</b>	(152,595)
<b>Net revenue</b>	<b>13,003,217</b>	6,405,323	<b>30,176,217</b>	17,910,016
Other operating income	<b>288,627</b>	74,668	<b>308,133</b>	174,855
Changes in inventories of finished goods and work-in-progress	<b>215,959</b>	205,160	<b>154,619</b>	173,627
Raw materials and consumables used	<b>(3,653,849)</b>	(484,717)	<b>(8,343,114)</b>	(1,355,221)
Employee benefits expense	<b>(1,846,608)</b>	(1,571,555)	<b>(5,179,769)</b>	(4,379,053)
Depreciation and amortisation	<b>(697,573)</b>	(429,511)	<b>(1,688,527)</b>	(1,247,291)
Other operating expenses-direct	<b>(4,112,392)</b>	(1,783,582)	<b>(7,769,484)</b>	(4,968,158)
Other operating expenses-indirect	<b>(1,706,581)</b>	(1,311,969)	<b>(4,408,372)</b>	(3,711,108)
<b>Profit from operations</b>	<b>1,490,800</b>	1,103,817	<b>3,249,703</b>	2,597,667
Finance income	<b>180,800</b>	171,916	<b>529,971</b>	504,556
Finance expenses	<b>(453,441)</b>	(247,532)	<b>(1,201,637)</b>	(664,537)
<b>Net finance expense</b>	<b>(272,641)</b>	(75,616)	<b>(671,666)</b>	(159,981)
Share of profit of equity-accounted investees (net of tax)	<b>197,883</b>	78,051	<b>292,896</b>	173,728
<b>Profit before tax</b>	<b>1,416,042</b>	1,106,252	<b>2,870,933</b>	2,611,414
Income tax expenses	<b>(203,472)</b>	(176,596)	<b>(625,774)</b>	(532,159)
<b>Profit for the period</b>	<b>1,212,570</b>	929,656	<b>2,245,159</b>	2,079,255
<b>Attributable to:</b>				
Equity holders of the company	<b>870,096</b>	637,497	<b>1,659,583</b>	1,418,831
Non-controlling interests	<b>342,474</b>	292,159	<b>585,576</b>	660,424
<b>Profit for the period</b>	<b>1,212,570</b>	929,656	<b>2,245,159</b>	2,079,255
Earnings per share - Basic/Diluted (Rs.)	<b>2.14</b>	1.57	<b>4.09</b>	3.49

The above figures are subject to audit.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 31st December		Nine months ended 31st December	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Profit for the period</b>	<b>1,212,570</b>	929,656	<b>2,245,159</b>	2,079,255
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Share of other comprehensive income of equity-accounted investees (net of tax)	—	—	<b>(80)</b>	86
	—	—	<b>(80)</b>	86
<b>Items that are or may be reclassified to profit or loss</b>				
Exchange differences on translation of foreign operations	<b>443,502</b>	249,201	<b>623,692</b>	648,318
Net change in fair value of available-for-sale financial assets	<b>(2,185)</b>	2,373	<b>(73,140)</b>	19,494
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	—	1,554	—	1,498
Share of other comprehensive income of equity-accounted investees (net of tax)	<b>(4,513)</b>	41	<b>60,070</b>	608
	<b>436,804</b>	253,169	<b>610,622</b>	669,918
<b>Other comprehensive income for the period, (net of tax)</b>	<b>436,804</b>	253,169	<b>610,542</b>	670,004
<b>Total comprehensive income for the period</b>	<b>1,649,374</b>	1,182,825	<b>2,855,701</b>	2,749,259
<b>Attributable to:</b>				
Equity holders of the company	<b>1,206,023</b>	806,604	<b>2,127,401</b>	1,862,318
Non-controlling interests	<b>443,351</b>	376,221	<b>728,300</b>	886,941
<b>Total comprehensive income for the period</b>	<b>1,649,374</b>	1,182,825	<b>2,855,701</b>	2,749,259

The above figures are subject to audit.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>As at</i>	<b>31.12.2016</b> <b>Rs.'000</b>	<b>31.03.2016</b> <b>Rs.'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	48,424,979	35,278,046
Investment properties	1,630,801	1,630,801
Intangible assets	885,069	867,223
Biological assets	36,364	25,838
Leasehold properties	2,028,460	2,006,728
Pre-paid operating leases	1,801,595	1,828,797
Investments in equity-accounted investees	5,766,642	9,771,984
Deferred tax assets	391,860	328,140
Other financial assets	294,992	257,799
	<u>61,260,762</u>	<u>51,995,356</u>
<b>Current assets</b>		
Inventories	1,776,359	1,195,831
Pre-paid operating leases	68,941	32,795
Trade and other receivables	10,228,081	4,800,506
Current tax receivable	208,558	224,257
Deposits and prepayments	1,908,243	1,165,943
Other current assets	10,428,660	9,136,630
Cash and short-term deposits	5,262,628	4,653,788
	<u>29,881,470</u>	<u>21,209,750</u>
Assets classified as held for sale	149,125	149,125
<b>Total Assets</b>	<u><b>91,291,357</b></u>	<u><b>73,354,231</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	2,135,140	2,135,140
Reserves	15,716,167	15,248,423
Retained earnings	20,325,382	19,262,056
<b>Total equity attributable to equity holders of the company</b>	<u><b>38,176,689</b></u>	<u><b>36,645,619</b></u>
Non-controlling interests	10,989,068	7,554,724
<b>Total Equity</b>	<u><b>49,165,757</b></u>	<u><b>44,200,343</b></u>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	18,919,935	12,242,494
Deferred tax liabilities	759,576	678,010
Employee benefits	920,968	718,654
Other liabilities	524,242	-
	<u>21,124,721</u>	<u>13,639,158</u>
<b>Current liabilities</b>		
Interest-bearing liabilities	3,482,537	3,736,594
Trade and other payables	11,127,203	9,783,515
Current tax payable	273,100	554,937
Bank overdrafts and other short-term borrowings	6,118,039	1,439,684
	<u>21,000,879</u>	<u>15,514,730</u>
<b>Total Equity and Liabilities</b>	<u><b>91,291,357</b></u>	<u><b>73,354,231</b></u>
<b>Net Assets per share (Rs.)</b>	<b>94.03</b>	<b>90.26</b>

The above figures are 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  
Colombo,  
09th February 2017

Sgd.  
J.M.S. Brito  
Managing and Finance Director

Sgd.  
Ms. N. Sivapragasam  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 2016

	Attributable to equity holders of the company									
	Stated capital	Capital reserves	General reserves	Revaluation reserve	Foreign currency translation reserve	Available for sale reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Balance as at 01st April 2016</b>	2,135,140	148,440	7,298,726	6,387,900	1,318,925	94,432	19,262,056	36,645,619	7,554,724	44,200,343
Profit for the period	-	-	-	-	-	-	1,659,583	1,659,583	585,576	2,245,159
Other comprehensive income for the period	-	-	-	-	531,162	(63,285)	(59)	467,818	142,724	610,542
<b>Total comprehensive income for the period</b>	-	-	-	-	531,162	(63,285)	1,659,524	2,127,401	728,300	2,855,701
Share of net assets of equity-accounted investees	-	-	-	-	-	-	27,277	27,277	(2,642)	24,635
Acquisition and changes in non-controlling interest	-	-	-	-	(133)	-	(14,481)	(14,614)	3,056,804	3,042,190
Dividends for 2015/2016	-	-	-	-	-	-	(608,994)	(608,994)	-	(608,994)
Dividends paid by subsidiary companies to minority shareholders	-	-	-	-	-	-	-	-	(348,118)	(348,118)
<b>Total contributions and distributions, recognised directly in equity</b>	-	-	-	-	(133)	-	(596,198)	(596,331)	2,706,044	2,109,713
<b>Balance as at 31st December 2016</b>	<b>2,135,140</b>	<b>148,440</b>	<b>7,298,726</b>	<b>6,387,900</b>	<b>1,849,954</b>	<b>31,147</b>	<b>20,325,382</b>	<b>38,176,689</b>	<b>10,989,068</b>	<b>49,165,757</b>

For the nine months ended 31st December 2015

	Attributable to equity holders of the company									
	Stated capital	Capital reserves	General reserves	Revaluation reserve	Foreign currency translation reserve	Available for sale reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Balance as at 01st April 2015</b>	2,135,140	127,521	6,544,890	6,387,900	732,476	74,900	18,748,033	34,750,860	7,166,971	41,917,831
Profit for the period	-	-	-	-	-	-	1,418,831	1,418,831	660,424	2,079,255
Other comprehensive income for the period	-	-	-	-	424,777	18,608	102	443,487	226,517	670,004
<b>Total comprehensive income for the period</b>	-	-	-	-	424,777	18,608	1,418,933	1,862,318	886,941	2,749,259
Share of net assets of equity-accounted investees	-	-	-	-	-	-	(30)	(30)	(10)	(40)
Reduction of stated capital by subsidiary	-	-	-	-	-	-	-	-	(246,223)	(246,223)
Dividends for 2014/2015	-	-	-	-	-	-	(811,992)	(811,992)	-	(811,992)
Dividends paid by subsidiary companies to minority shareholders	-	-	-	-	-	-	-	-	(240,704)	(240,704)
<b>Total contributions and distributions, recognised directly in equity</b>	-	-	-	-	-	-	(812,022)	(812,022)	(486,937)	(1,298,959)
<b>Balance as at 31st December 2015</b>	<b>2,135,140</b>	<b>127,521</b>	<b>6,544,890</b>	<b>6,387,900</b>	<b>1,157,253</b>	<b>93,508</b>	<b>19,354,944</b>	<b>35,801,156</b>	<b>7,566,975</b>	<b>43,368,131</b>

## COMPANY INCOME STATEMENTS

	Quarter ended 31st December		Nine months ended 31st December	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Revenue</b>	<b>147,391</b>	145,396	<b>504,129</b>	479,283
Revenue tax	<b>(2,647)</b>	(2,761)	<b>(8,760)</b>	(8,512)
<b>Net revenue</b>	<b>144,744</b>	142,635	<b>495,369</b>	470,771
Other operating income	<b>198,264</b>	41,327	<b>767,279</b>	828,219
Employee benefits expense	<b>(126,116)</b>	(135,583)	<b>(345,325)</b>	(360,199)
Depreciation and amortisation	<b>(12,548)</b>	(12,289)	<b>(35,304)</b>	(40,978)
Other operating expenses-indirect	<b>(69,249)</b>	(63,983)	<b>(216,348)</b>	(193,673)
<b>Profit from operations</b>	<b>135,095</b>	(27,893)	<b>665,671</b>	704,140
Finance income	<b>175,651</b>	144,913	<b>510,960</b>	389,697
Finance expenses	<b>(211,783)</b>	(138,243)	<b>(583,905)</b>	(365,983)
<b>Net finance income/(expense)</b>	<b>(36,132)</b>	6,670	<b>(72,945)</b>	23,714
<b>Profit before tax</b>	<b>98,963</b>	(21,223)	<b>592,726</b>	727,854
Income tax expenses	<b>(32,502)</b>	5,459	<b>1,039</b>	19,138
<b>Profit for the period</b>	<b>66,461</b>	(15,764)	<b>593,765</b>	746,992
Earnings per share - Basic/Diluted (Rs.)	<b>0.16</b>	(0.04)	<b>1.46</b>	1.84

The above figures are subject to audit.

## COMPANY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 31st December		Nine months ended 31st December	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Profit for the period</b>	<b>66,461</b>	(15,764)	<b>593,765</b>	746,992
<b>Other comprehensive income</b>				
<i>Items that are or may be reclassified to profit or loss</i>				
Net change in fair value of available-for-sale financial assets	(1,718)	(552)	(2,262)	(1,107)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	–	–	–	(56)
<b>Other comprehensive income for the period, (net of tax)</b>	<b>(1,718)</b>	(552)	<b>(2,262)</b>	(1,163)
<b>Total comprehensive income for the period</b>	<b>64,743</b>	(16,316)	<b>591,503</b>	745,829

*The above figures are subject to audit.*

## COMPANY STATEMENT OF FINANCIAL POSITION

<i>As at</i>	<b>31.12.2016</b> <b>Rs.'000</b>	<b>31.03.2016</b> <b>Rs.'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	148,882	118,702
Investment properties	3,432,375	3,434,441
Intangible assets	12,694	21,876
Investments in subsidiaries	7,348,121	7,287,194
Investments in equity-accounted investees	2,789,360	2,850,235
Deferred tax assets	132,564	78,385
Other financial assets	155,807	43,779
	<u>14,019,803</u>	<u>13,834,612</u>
<b>Current assets</b>		
Inventories	2,329	2,322
Trade and other receivables	3,367,021	3,189,439
Current tax receivable	184,477	206,746
Deposits and prepayments	57,143	38,349
Other financial assets	6,103,028	5,130,226
Cash and short-term deposits	589,183	1,397,670
	<u>10,303,181</u>	<u>9,964,752</u>
Assets classified as held for sale	57,237	57,237
<b>Total Assets</b>	<u>24,380,221</u>	<u>23,856,601</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	2,135,140	2,135,140
Reserves	7,257,646	7,259,908
Retained earnings	3,875,117	3,890,346
<b>Total Equity</b>	<u>13,267,903</u>	<u>13,285,394</u>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	2,920,645	3,684,817
Employee benefits	114,148	100,414
	<u>3,034,793</u>	<u>3,785,231</u>
<b>Current liabilities</b>		
Interest-bearing liabilities	1,530,063	1,770,729
Trade and other payables	3,803,374	4,831,831
Bank overdrafts and other short-term borrowings	2,744,088	183,416
	<u>8,077,525</u>	<u>6,785,976</u>
<b>Total Equity and Liabilities</b>	<u>24,380,221</u>	<u>23,856,601</u>
<b>Net Assets per share (Rs.)</b>	<b>32.68</b>	<b>32.72</b>

The above figures are 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

Colombo,  
09th February 2017

Sgd.  
J.M.S. Brito  
Managing and Finance Director

Sgd.  
Ms. N. Sivapragasam  
Chief Financial Officer



## COMPANY STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 2016

	Stated capital	General reserve	Available for sale reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 01st April 2016</b>	2,135,140	7,272,014	(12,106)	3,890,346	13,285,394
Profit for the period	–	–	–	593,765	593,765
Other comprehensive income for the period	–	–	(2,262)	–	(2,262)
<b>Total comprehensive income for the period</b>	–	–	(2,262)	593,765	591,503
Dividends for 2015/2016	–	–	–	(608,994)	(608,994)
<b>Balance as at 31st December 2016</b>	<b><u>2,135,140</u></b>	<b><u>7,272,014</u></b>	<b><u>(14,368)</u></b>	<b><u>3,875,117</u></b>	<b><u>13,267,903</u></b>

For the nine months ended 31st December 2015

	Stated capital	General reserve	Available for sale reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 01st April 2015</b>	2,135,140	6,518,178	(10,182)	4,052,959	12,696,095
Profit for the period	–	–	–	746,992	746,992
Other comprehensive income for the period	–	–	(1,163)	–	(1,163)
<b>Total comprehensive income for the period</b>	–	–	(1,163)	746,992	745,829
Dividends for 2014/2015	–	–	–	(811,992)	(811,992)
<b>Balance as at 31st December 2015</b>	<b><u>2,135,140</u></b>	<b><u>6,518,178</u></b>	<b><u>(11,345)</u></b>	<b><u>3,987,959</u></b>	<b><u>12,629,932</u></b>

## CASH FLOW STATEMENTS

For the nine months ended 31st December	Group		Company	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Cash flow from operating activities</b>				
Profit before taxation	2,870,933	2,611,414	592,726	727,854
<b>Adjustments for</b>				
Depreciation and amortisation	1,688,527	1,247,291	35,304	40,978
Interest expense	1,118,354	604,031	582,240	360,387
Gain on disposal of property plant and equipment	(18,804)	(20,845)	(2,561)	(811)
Gain on disposal of equity securities classified as available-for-sale financial assets	–	(53)	–	(53)
Gain on retirement of assets held for sale	(3,356)	–	(3,356)	–
Interest income	(529,971)	(504,556)	(510,960)	(389,697)
Share of profit of equity-accounted investees (net of tax)	(292,896)	(173,728)	–	–
Impairment losses and write offs of trade and other receivables	9,352	21,617	–	–
Net foreign exchange (gain)/loss	217,612	594,923	127,812	231,212
Provision for retirement benefit obligations	138,947	117,970	17,343	17,833
	<u>2,327,765</u>	<u>1,886,650</u>	<u>245,822</u>	<u>259,849</u>
<b>Operating profit before working capital changes</b>	<b>5,198,698</b>	4,498,064	<b>838,548</b>	987,703
(Increase)/decrease in trade and other receivables	(1,957,057)	995,057	(177,582)	(263,716)
(Increase)/decrease in inventories	(576,893)	(175,162)	(7)	(830)
(Increase)/decrease in deposits and prepayments	(323,679)	(323,238)	(18,794)	10,888
Increase/(decrease) in trade and other payables	(1,226,608)	1,445,282	(1,032,469)	589,260
Increase/(decrease) in other liabilities	524,242	–	–	–
	<u>(3,559,995)</u>	<u>1,941,939</u>	<u>(1,228,852)</u>	<u>335,602</u>
<b>Cash generated from/(used in) operations</b>	<b>1,638,703</b>	6,440,003	<b>(390,304)</b>	1,323,305
Interest paid	(1,110,128)	(596,103)	(576,526)	(353,081)
Income tax paid	(900,415)	(1,014,568)	(30,870)	(59,508)
Retirement benefit obligations paid	(57,630)	(41,950)	(3,609)	(1,817)
	<u>(2,068,173)</u>	<u>(1,652,621)</u>	<u>(611,005)</u>	<u>(414,406)</u>
<b>Net cash flow from operating activities</b>	<b>(429,470)</b>	4,787,382	<b>(1,001,309)</b>	908,899
<b>Cash flow from investing activities</b>				
Interest received from deposits	529,971	496,829	510,960	388,990
Assets and liabilities vested on business combination (Note B)	3,110,578	–	–	–
Investment in subsidiaries and equity-accounted investees	(145,673)	(383,173)	(52)	(297,500)
Purchase of equity and debt securities	(150,000)	(466)	(150,000)	–
Capital reduction by subsidiary	–	(246,223)	–	700,789
Purchase of property, plant and equipment	(4,761,584)	(2,277,914)	(65,371)	(10,451)
Purchase of intangible assets	(21,261)	(7,793)	(467)	(6,991)
Purchase of biological assets	(10,604)	–	–	–
Purchase of leasehold rights	–	(673,677)	–	–
Proceeds from disposal of property, plant and equipment	55,694	52,066	14,162	4,679
Proceeds from disposal of investment property	–	17,500	–	–
Proceeds from sale of equity and debt securities	34,283	34,373	34,283	34,432
Proceeds/(purchase) of other financial assets and liabilities (net)	(1,384,699)	(1,173,551)	(971,374)	(2,954,269)
Proceeds on retirement of assets held for sale	3,356	77,799	3,356	77,799
Dividends paid to non-controlling interests	(348,118)	(240,704)	–	–
Dividends received from equity-accounted investees	158,634	198,058	–	–
	<u>(2,929,423)</u>	<u>(4,126,876)</u>	<u>(624,503)</u>	<u>(2,062,522)</u>
<b>Net cash flow from investing activities</b>	<b>(2,929,423)</b>	(4,126,876)	<b>(624,503)</b>	(2,062,522)

## CASH FLOW STATEMENTS – CONTD.

For the nine months ended 31st December	Group		Company	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Cash flow from financing activities</b>				
Proceeds from interest-bearing liabilities	3,065,134	3,625,967	–	2,340,650
Repayment of interest-bearing liabilities	(3,277,905)	(2,820,412)	(1,138,775)	(641,045)
Issue of shares by subsidiaries	97,255	–	–	–
Dividends paid to equity holders of the parent	(604,983)	(941,475)	(604,983)	(941,475)
<b>Net cash flow from financing activities</b>	<b>(720,499)</b>	<b>(135,920)</b>	<b>(1,743,758)</b>	<b>758,130</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4,079,392)</b>	<b>524,586</b>	<b>(3,369,570)</b>	<b>(395,493)</b>
Cash and cash equivalents at the beginning of the period (Note A)	3,223,981	832,873	1,214,665	(63,573)
<b>Cash and cash equivalents at the end of the period</b>	<b>(855,411)</b>	<b>1,357,459</b>	<b>(2,154,905)</b>	<b>(459,066)</b>
<b>Cash and cash equivalents at the end of the period</b>				
Cash at bank and in hand & deposits	5,262,628	4,798,004	589,183	1,522,733
Short-term bank borrowings	(6,118,039)	(3,440,545)	(2,744,088)	(1,981,799)
<b>Cash and cash equivalent at the end of the period</b>	<b>(855,411)</b>	<b>1,357,459</b>	<b>(2,154,905)</b>	<b>(459,066)</b>
<b>Note A</b>				
<b>Cash and cash equivalents at the beginning of the period</b>				
Cash at bank and in hand & deposits	4,653,788	2,911,135	1,397,670	185,561
Short-term bank borrowings	(1,439,684)	(2,089,729)	(183,416)	(254,619)
<b>Cash and cash equivalent as previously reported</b>	<b>3,214,104</b>	<b>821,406</b>	<b>1,214,254</b>	<b>(69,058)</b>
Effect of exchange rate changes	9,877	11,467	411	5,485
<b>Cash and cash equivalent as restated</b>	<b>3,223,981</b>	<b>832,873</b>	<b>1,214,665</b>	<b>(63,573)</b>

### Note B

#### Assets and liabilities vested on business combination

The assets and liabilities vested on the business combination specified in note 7 to the financial statements are included below ;

	Group 2016 Rs.'000
Property, plant and equipment	(9,508,007)
Intangible assets	(4,377)
Inventories	(3,635)
Trade and other receivables	(3,479,870)
Deposits and prepayments	(418,621)
Deferred taxation	(485)
Interest-bearing liabilities	6,509,164
Income taxation	15,178
Employee benefits	120,111
Trade and other payables	2,566,284
Cash and cash equivalents	(3,110,578)
<b>Total identifiable net assets</b>	<b>(7,314,836)</b>
Re-classified under subsidiaries	4,259,229
Changes in non-controlling interest	3,055,607
Cash and cash equivalents acquired	3,110,578
<b>Net cash inflow on business combination</b>	<b>3,110,578</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Segment analysis

#### 1.1 Segment analysis of Group revenue and profit

	Tourism sector		Maritime & Logistics sector		Strategic Investments		Services sector		Total	
<i>For the nine months ended 31st December</i>	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
Total revenue generated	14,986,622	12,076,899	7,418,664	5,974,839	12,703,730	3,973,121	1,243,541	885,231	36,352,557	22,910,090
Less: Inter-segmental revenue	9,359	15,401	226,132	68,445	249,251	193,029	171,737	172,763	656,479	449,638
Less: Intra-segmental revenue	1,107,957	755,426	240,278	175,820	452,296	472,978	30,018	43,189	1,830,549	1,447,413
Total revenue with equity-accounted investees	13,869,306	11,306,072	6,952,254	5,730,574	12,002,183	3,307,114	1,041,786	669,279	33,865,529	21,013,039
Share of equity-accounted investees' revenue	(1,576,634)	(2,150,368)	(921,672)	(353,246)	(836,458)	(441,121)	(4,373)	(5,693)	(3,339,137)	(2,950,428)
<b>Revenue from external customers</b>	<b>12,292,672</b>	<b>9,155,704</b>	<b>6,030,582</b>	<b>5,377,328</b>	<b>11,165,725</b>	<b>2,865,993</b>	<b>1,037,413</b>	<b>663,586</b>	<b>30,526,392</b>	<b>18,062,611</b>
Profit from operations	1,146,391	1,604,902	1,095,427	903,201	822,702	(51,682)	185,183	141,246	3,249,703	2,597,667
Finance income	344,151	138,985	44,075	34,857	134,679	318,986	7,066	11,728	529,971	504,556
Finance expenses	(771,832)	(264,369)	(64,566)	(48,299)	(355,521)	(345,100)	(9,718)	(6,769)	(1,201,637)	(664,537)
Share of profit of equity-accounted investees (net of tax)	(14,307)	131,176	258,222	26,786	77,979	37,032	(28,998)	(21,266)	292,896	173,728
<b>Profit before tax</b>	<b>704,403</b>	<b>1,610,694</b>	<b>1,333,158</b>	<b>916,545</b>	<b>679,839</b>	<b>(40,764)</b>	<b>153,533</b>	<b>124,939</b>	<b>2,870,933</b>	<b>2,611,414</b>
Income tax expense	(315,614)	(302,826)	(231,463)	(165,856)	(30,074)	(29,504)	(48,623)	(33,973)	(625,774)	(532,159)
<b>Profit for the period</b>	<b>388,789</b>	<b>1,307,868</b>	<b>1,101,695</b>	<b>750,689</b>	<b>649,765</b>	<b>(70,268)</b>	<b>104,910</b>	<b>90,966</b>	<b>2,245,159</b>	<b>2,079,255</b>

#### 1.2 Segment analysis of Group assets

	Tourism sector		Maritime & Logistics sector		Strategic Investments		Services sector		Total	
<i>As at</i>	31.12.16 Rs.'000	31.03.16 Rs.'000	31.12.16 Rs.'000	31.03.16 Rs.'000	31.12.16 Rs.'000	31.03.16 Rs.'000	31.12.16 Rs.'000	31.03.16 Rs.'000	31.12.16 Rs.'000	31.03.16 Rs.'000
Segment assets	51,955,354	33,606,894	5,875,463	6,133,432	23,884,556	20,173,527	2,822,567	2,694,389	84,537,940	62,608,242
Investments in equity-accounted investees	1,276,375	5,612,048	3,394,131	3,112,779	941,115	863,137	155,021	184,020	5,766,642	9,771,984
Goodwill on consolidation	-	-	-	-	-	-	-	-	837,650	824,880
Assets classified as held for sale	-	-	-	-	-	-	-	-	149,125	149,125
<b>Total assets</b>	<b>53,231,729</b>	<b>39,218,942</b>	<b>9,269,594</b>	<b>9,246,211</b>	<b>24,825,671</b>	<b>21,036,664</b>	<b>2,977,588</b>	<b>2,878,409</b>	<b>91,291,357</b>	<b>73,354,231</b>

- 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 - LKAS 34 - Interim Financial Reporting.
- A first & final ordinary dividend of Rs. 1.50 per share for the year ended 31st March 2016 was paid on 12th July 2016, after it was approved at the Annual General Meeting on the 30th June 2016. The total dividend payment for the year ended 31st March 2016 amounted to Rs. 608,994,067.50.
- There were no liabilities for management fees or any other similar expenditure not provided for in the interim financial statements.
- During the period under review there were no material change in the nature of contingent liabilities disclosed in the annual report for the year ended 31st March 2016.
- There were no material events that occurred after the reporting date that require adjustments to or disclosure in the financial statements.
- Investments in subsidiaries**  
During the quarter under review the Group reassessed its control over Aitken Spence Travels Ltd., and Ahungalla Resorts Ltd., and concluded that they would be treated as subsidiaries based on the underlying circumstances. These investments were previously accounted as joint ventures using the equity method.
- The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The presentation and classification of the financial statements of the previous period have been adjusted where relevant, for better presentation and to be comparable with year end reporting.

## NON FINANCIAL INFORMATION

	<b>31.12.2016</b>
<b>1. Stated Capital</b>	
Number of shares represented by the stated capital (31.03.2016 - 405,996,045)	405,996,045
Number of Public Shareholders	4,576
Percentage of shares held by the Public	34.75%
<b>2. Shares Traded</b>	
Market Price per Share - Last traded (Rs.)	65.00
Market Price per Share - Highest (Rs.)	73.00
Market Price per Share - Lowest (Rs.)	63.00

### 3. Shareholding of Directors

The number of shares held by the Board of Directors are as follows;

<b>Name of Director</b>	<b>Position</b>	<b>31.12.2016</b>	<b>31.03.2016</b>
1 D. H. S. Jayawardena	Chairman	Nil	Nil
2 J. M. S. Brito	Managing and Finance Director	309,495	309,495
3 R. M. Fernando	Director	Nil	Nil
4 M. P. Dissanayake	Director	Nil	Nil
5 D. S. T. Jayawardena	Director	27,839	27,839
6 G. C. Wickremasinghe	Director	7,308,240	7,308,240
7 C. H. Gomez	Director	Nil	Nil
8 N. J. de Silva Deva Aditya	Director	Nil	Nil
9 R. N. Asirwatham	Director	1,000	1,000

### 4. Substantial Shareholdings

The twenty largest shareholding as at 31st December 2016, are as follows;

<b>Name of the Shareholder</b>	<b>Share Holding</b>	<b>%</b>
1 Melstacorp Limited	183,190,790	45.12
2 Rubicond Enterprises Limited	65,990,145	16.25
3 Employees' Provident Fund	20,590,978	5.07
4 HSBC International Nominees Limited-BPSS LUX-Aberdeen Global-Asian Smaller Companies Fund	20,215,873	4.98
5 HSBC International Nominees Limited -BP2S London-Aberdeen Asia Pasific Equity Fund	10,490,578	2.58
6 Mr. G.C. Wickremasinghe	7,308,240	1.80
7 Placidrange Holdings Limited	5,521,500	1.36
8 Milford Exports (Ceylon) (Pvt) Limited	4,321,500	1.06
9 HSBC International Nominees Limited -BP2S London-Aberdeen New Dawn Investment Trust Xcc6	3,874,977	0.95
10 HSBC International Nominees Limited- SSBT-Aberdeen Institutional Commingled funds, LLC	3,868,047	0.95
11 HSBC International Nominees Limited -BP2S London-Aberdeen Asia Smaller Companies Investment Trust	3,400,000	0.84
12 Stassen Exports (Pvt) Limited	3,244,500	0.80
13 Ms. A.T. Wickremasinghe	3,211,975	0.79
14 Ms. K. Fernando	3,135,070	0.77
15 Mr. G.Wickremasinghe	3,019,090	0.74
16 HSBC International Nominees Limited -BP2S Luxembourg-Aberdeen Global-Frontier Markets Equity Fund	3,013,214	0.74
17 Employees Trust Fund Board	2,621,870	0.65
18 Bank of Ceylon No. 1 Account	2,596,230	0.64
19 National Savings Bank	2,593,516	0.64
20 Mellon Bank N.A.-Florida Retirement System	2,142,462	0.53

## **CORPORATE INFORMATION**

*as at 31st December 2016*

### **DIRECTORS**

Deshamanya D. H. S. Jayawardena - Chairman

Mr. J. M. S. Brito - Managing and Finance Director

Dr. R. M. Fernando

Dr. M. P. Dissanayake

Miss. D. S. T. Jayawardena

Mr. G. C. Wickremasinghe

Mr. C. H. Gomez

Mr. N. J. de Silva Deva Aditya

Mr. R. N. Asirwatham

Mr. A. L. Gooneratne (Alternate Director to Mr. N. J. de Silva Deva Aditya)

### **SECRETARY**

P W Corporate Secretarial (Pvt) Ltd.

### **REGISTERED OFFICE**

Aitken Spence Tower II

315, Vauxhall Street,

Colombo 02,

Sri Lanka.