



SOFTLOGIC HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
31 DECEMBER 2015

Dear Shareholders,

I am pleased to report the third quarter financial results of FY2015/16. Quarterly Group Revenue reported a strong growth of 43.8% to near Rs. 16.0 Bn while the cumulative revenue increased 51.7% to Rs. 42.1 Bn. Contributors to the Group's outstanding performance were primarily derived from its fully owned subsidiaries in the Retail (33.3% contribution to Group topline) and ICT (29.7% of Group revenue) sectors followed by Healthcare Services (17.3%) and Financial Services (16.0%). We are yet to reach full potential of our Leisure sector with our 5-star city hotel to be opened, perhaps, by mid-2016. The sales team of the automotive sector is taking aggressive sales effort and cost cutting measures to enhance bottom line.

Consolidated Gross Profit was Rs. 4.9 Bn, reflecting an increase of 24.2%, during the third quarter of the financial year with cumulative Gross Profit increasing 35.8% to Rs. 13.6 Bn. Hence, the Group EBITDA improved 42.9% to Rs. 6.1 Bn for the nine month period whilst the quarter recorded an EBITDA of Rs. 2.3 Bn, increase of 17.3%.

Operational expenses increased 17.7% to Rs. 3.4 Bn during the quarter with operating expenses for 1-3QFY16 growing 25.5% to Rs. 9.6 Bn. Stringent cost control measures have been a vital part of our expansion strategy and helped operating cost margins to decline from 22.8% in 1-3QFY16 from 27.6% in the cumulative comparative period. The quarter registered an increase of 11.3% in administrative costs to Rs. 2.6 Bn and 44.1% increase in distribution costs to Rs. 820.6 Mn. Thereby, distribution costs increased to Rs. 2.1 Bn (up 29.5%) while administration costs reached Rs. 7.5 Bn (up 24.4%) for the cumulative period under review. Other operating income of Rs. 788.3 Mn for 1-3QFY16 primarily consists of fees received for new loans at Softlogic Finance and other subsidiaries' disposal gains of assets.

Consequently, operating profit registered a 46.6% increase to Rs. 4.8 Bn during the cumulative period under discussion with the quarter making Rs. 1.8 Bn (up 17.6%).

Finance Income, which registered a decline of 12.1% to Rs. 860.6 Mn during the nine-month period and Rs. 312.9 Mn for the quarter (a decrease of Rs. 243.5 Mn in the comparative quarter). The decline during the cumulative period was primarily driven by mark-to-market losses on Asian Alliance Insurance PLC's equity investment portfolio. The increasing interest rates affected the life insurer's fixed income portfolio in the short term treasury/ bond market during the quarter. A transfer of Rs. 847.9 Mn was incurred on the life policyholders' insurance contract liabilities during the period on account of the financial year end.

The increasing interest rates resulted in 14.9% increase in finance cost for the cumulative period to Rs. 2.4 Bn whilst the quarter witnessed a marginal increase of 7.7% to Rs. 811.7 Mn.

Depreciation of the Rupee has had an impact on our business; however, measures have taken place to convert the dollar denominated borrowings to local currency. Our trading business impact has been minimal with purchasing power of the customers remaining stable. Furthermore, Ceysand Resorts reported an exchange loss of Rs. 66.9 Mn and Asiri group recorded a loss of Rs. 75.0 Mn on their foreign currency loans for 1-3QFY16.

Group PBT reported a significant increase of 70.0% to Rs. 2.4 Bn during the cumulative period while the quarterly PBT improved 92.9% to Rs. 1.4 Bn. Taxation for the period more than doubled to Rs. 700.7 Mn (Rs. 327.7 Mn in 1-3QFY15) during the nine-month period. This was mainly as a result of dividend taxation following the Asiri Central Hospital's land sale.

Profit after tax for the period during the nine months of FY2015/16 amounted to Rs. 1.7 Bn (up by 56.9%) with 3QFY16 reporting Rs. 1.0 Bn (up 99.6%).

Information & Communication Technology

Information & Communication Technology revenue more than doubled with the quarterly revenues reaching Rs. 5.0 Bn while the cumulative was Rs. 12.5 Bn (Rs. 6.1 Bn in 1-3QFY16). The seasonal sales added to the growth story as 'Samsung' smart phones captured an attractive market share while 'Nokia' continued to dominate the feature phone market. The Samsung operations, which initiated operations in November 2014, saw revenues nearing Rs. 7.0 Bn for the nine months. The B2B IT segment maintained its steady performance during the period.

This segment's Operating Profit improved 12.1% to Rs. 649.5 Mn to contribute 13.6% to Group operating profit (Rs. 161.9 Mn in 3QFY15) during 1-3QFY15.

Sector PBT improved 25.4% to Rs. 429.3 Mn during the cumulative period while the quarter registered a marginal increase of 8.8% to Rs. 84.9 Mn. A slight decline of 6.6% in finance cost was noted during the period to Rs. 223.4 Mn. The sector's interest bearing borrowings primarily composed of working capital loans for trading purposes. PAT of the sector was Rs. 280.9 Mn for the nine-month period.

Retail

Retail sector contributed 33.3% to Group turnover to register a 64.7% growth to Rs. 14.0 Bn during the cumulative period with the quarter posting Rs. 5.3 Bn (up 24.7%). Acquisition of Odel has had significant synergetic effects. Increasing footfall is evident across our retail stores while brand

acquisitions and store expansions also supported this growth momentum.

Operating profit improved 95.3% to Rs. 1.4 Bn (28.5% contribution to Group). Quarterly operating profit of the sector increased 59.6% to Rs. 578.7 Mn contributing 31.4% to quarterly Group operating profit base.

Sector's finance cost increased to Rs. 280.3 Mn during 3QFY16 with the cumulative figure moving up 62.4% to Rs. 756.2 Mn. Finance Income of the sector declined to Rs. 20.2 Mn during 1-3QFY16 due to the increase in interest free hire purchase model adopted by the Consumer Electronics division.

Sector's PBT increased 132.5% to Rs. 627.4 Mn for the cumulative period while the quarterly PBT growth was 99.8% to Rs. 306.5 Mn. Sector closed the quarter with a PAT of Rs. 235.2 Mn (a strong growth of 98.1%) whilst the accumulated PAT for the period read a growth of 78.3% to Rs. 465.5 Mn (26.9% contribution to Group PAT).

The Consumer Electronics opened its 222nd showroom at Pundaluoya in the Central Province taking its cumulative retail space to 283,068 sq. ft.

Odel opened one of its stores in Thalawathugoda. Fossil store will be opened soon at the Arcade Independence Square.

Furthermore, Burger King, which is financially breaking even, opened restaurants in Negambo and Fort taking its count to ten.

Healthcare Services

Strong performance was registered in the healthcare cluster with turnover for the collective period increasing 14.9% to Rs. 7.3 Bn and quarterly revenues improving 19.4% to Rs. 2.6 Bn. Central Hospital, Asiri Surgical Hospital and Asiri Hospital Holdings continued on a steady pace during the quarter.

Operating Profit of the sector was Rs. 766.7 Mn during the quarter (up 55.4%) with the cumulative number reaching Rs. 1.8 Bn (up 18.9%). Finance Income of the cluster moved up 74.9% to Rs. 117.7 Mn during the cumulative period. Sector PBT stood at Rs. 735.1 Mn during the quarter with 1-3QFY16 reporting a 41.1% growth to Rs. 1.5 Bn. Segment's PAT was Rs. 1.3 Bn, up 43.0%, for the nine months ended December 2015.

Actis Investment Holdings SL Limited exited Asiri at Rs. 24.0 by selling its stake of 27.87% to TPG Growth III SP Pte. Ltd. TPG at present owns 28.86% of the hospital chain.

Asiri Group of Hospitals rebranded itself in January 2016 as 'Asiri Health' with the objective of bringing all properties under one common corporate brand.

Reducing the Group's exposure to forex risk, Asiri Hospital Holdings had fully settled the remainder of USD12.9Mn of the total USD20 Mn loan obtained from International Finance Corporation in January 2016.

Piling work of Asiri Hospital Kandy began in November 2015 while the face-lift of Asiri Hospital Holdings – Kirula Road, and the construction of the new state-of-the-art laboratory building adjacent to the hospital are due for opening in May 2016.

Financial Services

The sector performed well recording revenues of Rs. 6.7 Bn, an increase of 14.3% for the 1-3QFY16. PAT improved to Rs. 844.9 Mn from Rs 554.8 Mn increasing by 52.3% from the previous period.

The sector also had a strong quarter with revenues of Rs 2.4 Bn, up 30.6%, while PAT for the quarter was recorded at Rs 628.8 Mn, which is a sharply increase from Rs 287.9Mn reported in the comparative quarter.

Softlogic Finance posted a significantly improved PAT of Rs. 227.2 Mn for the nine months, an increase of 48.5%. Increase in disbursements to the SME sector enabled higher margins, while we continued in the intensely competitive Leasing/HP products. SME loans now account for 39.8% of the loan book at Rs. 17.2 Bn. The company also rapidly grew its Customer Deposit franchise to record Rs. 14.4 Bn with a growth of 22.6% compared to the previous period.

A private placement of Softlogic Finance shares was undertaken in January where 8.2 Mn shares were issued to FMO following the conversion of USD2 Mn unsecured convertible subordinated loan to equity. These shares were subsequently purchased by Softlogic Capital thereby increasing the Softlogic Group stake in Softlogic Finance to 69.76%.

The insurance business achieved a revenue growth of 30.4% during 1-3QFY16 (adjusted) with GWP growing by 31.3% to Rs. 4.8 Bn. The Life operation once again more than doubled industry standards to record GWP of Rs. 3.2 Bn, which is a 38% growth compared with the previous period. General Insurance revenue for the period surpassed Rs. 1.5 Bn to record a growth of 18.2% amidst a shift in strategy towards retail and change in the product mix. The PAT of the Life Business was Rs. 716 Mn and General Business was Rs. 2 Mn for cumulative period under discussion.

Softlogic Stockbrokers recorded a turnover of Rs 149.8 Mn for the nine months with the quarter in question being rather weak due to the poor performance of the CSE.

Automobile

Automobile sector revenue recorded an increase of 69.9% to Rs. 972.2 Mn in 1-3QFY16 with the three months recording a sum of Rs. 433.3 Mn (up 52.1%). King Long

bus sales were a prime contributor to the growth. King Long buses were the first to be approved by National Transport Commission to operate in the expressways of the country. The main customers of the buses are the tourist and the highway operators. The high standards of service quality coupled with the 24/7 road side assistance make our bus range the most sought after. Our Insurance Accident Repair Workshop has had good progress during the period under concern.

Our Daihatsu business will be focusing on the sale of reconditioned compact cars in the periods to come despite the price increases on the vehicle since December 2015.

Leisure

Leisure sector will witness significant upside in earnings following the opening of the city hotel in mid-2016. Its present earnings primarily reflect Ceysand Resort's performance with turnover improving 72.9% to Rs. 574.9 Mn for 1-3QFY16 with the quarter reporting an increase of 21.2% to Rs. 233.4 Mn. However, a foreign exchange loss of Rs. 66.9 Mn was incurred following the depreciation of the rupee. The resort achieved an average occupancy of 72% during the quarter.

Group Outlook

Although, the last quarter performance was extremely promising given the high growth sectors we are in, the day-to-day macro-economic environment still pose challenges we cannot control; nonetheless, we are confident that with the right management decisions, the Group's performance will reach a new height in the coming periods.

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Ashok Pathirage
Chairman
15 February 2016

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs.	Unaudited 9 months to 31-12-2015	Unaudited 9 months to 31-12-2014	Change as a %	Unaudited 3 months to 31-12-2015	Unaudited 3 months to 31-12-2014	Change as a %	Audited 12 months to 31-03-2015
Revenue	42,149,610,626	27,786,158,197	51.69	15,950,757,958	11,095,370,439	43.76	39,563,884,110
Cost of sales	(28,542,753,114)	(17,766,065,514)	60.66	(11,026,674,590)	(7,131,220,605)	54.63	(25,447,258,306)
Gross profit	13,606,857,512	10,020,092,683	35.80	4,924,083,368	3,964,149,834	24.22	14,116,625,804
Other operating income	788,319,966	902,883,305	(12.69)	353,359,307	520,881,426	(32.16)	1,162,561,036
Distribution expenses	(2,123,607,144)	(1,640,112,910)	29.48	(820,517,412)	(569,362,300)	44.11	(2,016,859,252)
Administrative expenses	(7,494,757,952)	(6,025,102,074)	24.39	(2,611,531,645)	(2,346,047,707)	11.32	(9,010,634,418)
Results from operating activities	4,776,812,382	3,257,761,004	46.63	1,845,393,618	1,569,621,253	17.57	4,251,693,170
Finance income	860,600,820	979,489,378	(12.14)	312,904,638	(243,470,414)	228.52	1,122,173,265
Finance expenses	(2,371,518,093)	(2,063,762,696)	14.91	(811,677,532)	(753,790,091)	7.68	(2,692,809,554)
Net finance cost	(1,510,917,273)	(1,084,273,318)	39.35	(498,772,894)	(997,260,505)	49.99	(1,570,636,289)
Change in fair value of investment property	-	-	-	-	-	-	526,702,000
Change in insurance contract liabilities	(847,871,303)	(750,143,860)	13.03	12,578,830	135,307,608	(90.70)	(944,348,980)
Share of profit of equity accounted investees	13,934,053	7,480,446	86.27	8,105,538	1,306,648	520.33	5,290,016
Profit before tax	2,431,957,859	1,430,824,272	69.97	1,367,305,092	708,975,004	92.86	2,268,699,917
Tax expense	(700,696,028)	(327,669,262)	113.84	(321,435,653)	(184,967,641)	73.78	(449,618,026)
Profit for the period	1,731,261,831	1,103,155,010	56.94	1,045,869,439	524,007,363	99.59	1,819,081,891
Attributable to:							
Equity holders of the parent	540,760,294	322,511,299	67.67	341,079,164	179,128,493	90.41	555,779,746
Non controlling interest	1,190,501,537	780,643,711	52.50	704,790,275	344,878,870	104.36	1,263,302,145
	1,731,261,831	1,103,155,010	56.94	1,045,869,439	524,007,363	99.59	1,819,081,891
Earnings per share - Basic (Rs.)	0.70	0.42	67.74	0.44	0.23	90.49	0.72
Dividend per share	0.25	-	-	-	-	-	-

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In Rs.	Unaudited 9 months to 31-12-2015	Unaudited 9 months to 31-12-2014	Change as a %	Unaudited 3 months to 31-12-2015	Unaudited 3 months to 31-12-2014	Change as a %	Audited 12 months to 31-03-2015
Profit for the period	1,731,261,831	1,103,155,010	56.94	1,045,869,439	524,007,363	99.59	1,819,081,891
Other comprehensive income							
Other comprehensive income to be reclassified to income statement in subsequent periods							
Currency translation of foreign operations	(7,020,578)	32,056,098	(121.90)	(14,003,153)	11,853,045	(218.14)	48,583,081
Net (loss) / gain on available-for-sale financial assets	(1,132,328,001)	411,648,322	(375.07)	(564,936,327)	(89,778,811)	529.25	16,245,855
	(1,139,348,579)	443,704,420	(356.78)	(578,939,480)	(77,925,766)	642.94	64,828,936
Other comprehensive income not to be reclassified to income statement in subsequent periods							
Revaluation of land and buildings	-	-	-	-	-	-	369,616,947
Net change in fair value on derivative financial instruments	-	30,540,342	(100.00)	-	30,540,342	(100.00)	30,540,342
Actuarial gains/ (loss) on retirement benefits	(5,083,630)	(29,981,181)	(83.04)	(5,083,630)	1,380,618	(468.21)	(84,380,473)
Share of other comprehensive income of equity accounted investments	-	-	-	-	-	-	134,233
	(5,083,630)	559,161	(1,009.15)	(5,083,630)	31,920,960	(115.93)	315,911,049
Tax on other comprehensive income	-	-	-	-	-	-	(39,411,524)
Other comprehensive income for the period, net of tax	(1,144,432,209)	444,263,581	(357.60)	(584,023,110)	(46,004,806)	1,169.48	341,328,461
Total comprehensive income for the period, net of tax	586,829,622	1,547,418,591	(62.08)	461,846,329	478,002,557	(3.38)	2,160,410,352
Attributable to:							
Equity holders of the parent	11,657,850	546,407,944	(97.87)	56,426,067	155,200,648	(63.64)	760,741,038
Non-controlling interest	575,171,772	1,001,010,647	(42.54)	405,420,262	322,801,909	25.59	1,399,669,314
	586,829,622	1,547,418,591	(62.08)	461,846,329	478,002,557	(3.38)	2,160,410,352

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In Rs.	Unaudited as at 31-12-2015	Unaudited as at 31-12-2014	Audited as at 31-03-2015
ASSETS			
Non-current assets			
Property, plant and equipment	27,142,713,793	23,441,383,799	24,909,536,887
Lease rentals paid in advance	854,018,205	855,055,150	854,795,905
Investment property	94,848,000	81,510,000	94,848,000
Intangible assets	8,717,916,297	8,690,556,321	8,857,003,875
Investments in associates	35,248,624	29,132,326	26,216,105
Other non-current financial assets	12,249,550,867	8,067,739,363	9,087,649,679
Rental receivable on lease assets and hire purchase	552,885,344	2,929,363,317	3,669,327,302
Other non current assets	308,787,279	315,568,858	292,792,966
Deferred tax assets	267,395,411	293,571,105	318,527,576
	50,223,363,820	44,703,880,239	48,110,698,295
Current assets			
Inventories	7,558,086,212	6,326,918,437	7,669,562,845
Trade and other receivables	9,975,858,511	6,943,379,391	6,622,803,106
Loans and advances	10,973,091,794	6,155,512,383	5,524,162,085
Rental receivable on lease assets and hire purchase	996,755,295	3,459,180,793	2,881,969,879
Amounts due from related parties	2,702,988	539,498	572,053
Other current assets	3,208,481,827	3,322,478,941	3,760,097,208
Short term investments	7,010,275,133	7,693,874,634	8,392,441,152
Cash in hand and at bank	2,227,177,259	2,522,985,264	1,926,725,822
	41,952,429,019	36,424,869,341	36,778,334,150
Investment property held for sale	-	2,184,636,000	2,698,000,000
	41,952,429,019	38,609,505,341	39,476,334,150
Total assets	92,175,792,839	83,313,385,580	87,587,032,445
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	5,089,000,000	5,089,000,000	5,089,000,000
Revenue reserves	1,464,885,757	974,792,623	1,167,195,634
Other components of equity	723,404,612	1,312,443,699	1,368,340,826
	7,277,290,369	7,376,236,322	7,624,536,460
Non controlling interests	8,408,975,606	8,108,944,804	8,157,436,153
Total equity	15,686,265,975	15,485,181,126	15,781,972,613
Non-current liabilities			
Insurance contract liabilities	5,977,143,641	4,935,067,218	5,129,272,339
Interest bearing borrowings	21,086,823,213	22,095,224,511	22,844,291,422
Public deposits	1,606,370,505	2,150,894,372	2,214,295,787
Deferred tax liabilities	296,986,590	334,568,893	314,257,283
Employee benefit liabilities	729,017,677	575,273,031	655,925,545
Other deferred liabilities	26,895,200	23,320,009	3,044,433
Other non current financial liabilities	42,871,747	6,260,352	31,710,620
	29,766,108,573	30,120,608,386	31,192,797,429
Current liabilities			
Trade and other payables	7,134,001,549	5,941,870,845	7,041,840,113
Amounts due to related parties	14,397,029	14,987,529	15,970,784
Income tax liabilities	427,766,546	207,274,489	322,656,391
Short term borrowings	14,171,577,017	13,459,902,375	14,787,184,778
Current portion of interest bearing borrowings	8,560,110,603	3,808,153,335	4,616,956,512
Other current liabilities	1,284,867,000	2,115,133,232	2,330,891,786
Public deposits	12,778,852,107	9,584,769,912	9,838,760,403
Bank overdrafts	2,351,846,440	2,575,504,351	1,658,001,636
	46,723,418,291	37,707,596,068	40,612,262,403
Total equity and liabilities	92,175,792,839	83,313,385,580	87,587,032,445

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

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Group Chief Financial Officer

The Board of directors is responsible for the preparation and presentation of these financial statements.

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Director

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Director

15 February 2016
Colombo

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs.	Unaudited 9 months to 31-12-2015	Unaudited 9 months to 31-12-2014	Audited 12 months to 31-03-2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	2,431,957,859	1,430,824,272	2,268,699,917
Adjustments for:			
Finance income	(860,600,820)	(485,513,019)	(1,122,173,265)
Finance cost	2,371,518,093	2,063,762,696	2,692,809,554
Change in fair value of investment property	-	-	(526,702,000)
Share of results of associates	(13,934,053)	(7,480,446)	(5,290,016)
Gratuity provision and related costs	105,644,401	86,248,676	140,196,129
Provisions for/ write off of impaired receivables	149,634,731	68,901,227	96,689,666
Provision for impairment of inventories	92,121,423	63,402,375	190,001,431
Depreciation of property, plant and equipment	1,120,258,379	855,102,427	1,189,997,919
(Profit)/ loss on sale of property, plant and equipment	1,787,783	(15,628,414)	(24,486,006)
Profit on sale of investment property	(2,000,000)	-	-
Profit on sale of investments	(324,518,974)	(493,976,359)	(644,439,532)
Unrealised (gain)/ loss on foreign exchange	-	28,490,121	(65,919,502)
Amortisation/ impairment of intangible assets	212,390,844	161,088,399	248,049,626
Amortisation of prepaid lease rentals	777,700	777,700	1,036,939
Increase / (decrease) in deferred income	15,669,406	(41,266,081)	64,246,524
Impairment & derecognition of property, plant & equipment and Intangible assets	42,574,548	24,881,037	29,141,735
Profit before working capital changes	5,343,281,320	3,739,614,611	4,531,859,119
(Increase) / decrease in inventories	19,355,210	(77,658,125)	(1,317,762,392)
(Increase) / decrease in trade and other receivables	(3,461,740,136)	(1,700,229,118)	(1,974,792,070)
(Increase) / decrease in loans and advances	(6,173,646,770)	(4,399,918,402)	(5,344,525,114)
(Increase) / decrease in investments in lease and hire purchase	5,001,656,541	1,966,821,867	1,828,266,427
(Increase) / decrease in other current assets	551,615,381	(509,911,891)	(1,083,438,824)
(Increase) / decrease in amounts due from related parties	(2,130,935)	238,962	206,407
Increase / (decrease) in trade and other payables	92,161,434	(126,574,012)	1,033,858,656
Increase / (decrease) in amounts due to related parties	(1,573,755)	(4,521,073)	(3,537,818)
Increase / (decrease) in other current liabilities	162,156,575	1,336,621,485	1,394,780,108
Increase / (decrease) in public deposits	2,332,166,423	2,431,918,938	2,749,310,843
Increase / (decrease) in insurance provision	847,871,302	750,143,861	944,348,982
Cash generated from/ (used in) operations	4,711,172,590	3,406,547,103	2,758,574,324
Finance income received	574,209,081	458,302,807	653,876,070
Finance expenses paid	(2,272,617,358)	(2,022,577,596)	(2,619,644,709)
Dividend received	1,000,000	1,000,000	1,000,000
Tax paid	(405,469,047)	(237,520,898)	(296,639,907)
Gratuity paid	(37,635,899)	(42,428,189)	(71,288,846)
Net cash flow from/ (used in) operating activities	2,570,659,367	1,563,323,227	425,876,932
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(3,147,067,002)	(2,836,884,281)	(4,023,075,585)
Addition to prepaid lease rentals	-	(702,520,660)	(702,520,660)
Addition to intangible assets	(81,273,448)	(51,692,785)	(71,178,662)
(Increase)/ decrease in other non current assets	(15,994,313)	(137,361,661)	(114,585,768)
(Purchase) / disposal of short term investments (net)	(1,031,817,068)	2,176,640,868	3,007,229,282
Dividends received	87,462,628	27,210,212	141,855,097
(Purchase) / disposal of other non current financial assets	(1,294,807,100)	(1,208,161,227)	(858,863,791)
Proceeds from disposal of controlling interest	-	429,264,107	347,856,250
Acquisition of business, net of cash acquired	-	(5,629,455,225)	(5,817,191,859)
Proceeds from sale of investment property	1,500,000,000	-	-
Proceeds from sale of property, plant and equipment	93,716,565	44,289,912	124,167,193
Net cash flow from/ (used in) investing activities	(3,889,779,738)	(7,888,670,740)	(7,966,308,503)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Dividend paid to non controlling interest	(190,451,130)	(87,538,128)	(514,879,693)
Dividend paid to equity holders of parent	(193,602,075)	-	-
Proceeds from shareholders with non-controlling interest on issue of rights in subsidiaries	-	177,776,292	311,113,243
Proceeds from shareholders with non-controlling interest on issue of shares in subsidiaries	845,708,336	-	-
Proceeds from long term borrowings	9,798,442,038	12,563,810,990	18,538,930,076
(Increase) / decrease of controlling interest	(1,175,961,681)	(243,868,018)	(179,401,247)
(Increase) / decrease in other non current financial liabilities	11,161,127	-	25,450,268
Repayment of long term borrowings	(8,185,746,445)	(5,358,770,238)	(8,799,899,215)
Proceeds from / (repayment of) short term borrowings (net)	(615,607,761)	1,711,246,398	2,140,258,979
Direct cost on issue of shares	(1,823,890)	(14,069,728)	(14,325,748)
Unamortisation of debenture issue expense/ loan processing fee	-	-	(17,878,920)
Net cash flow from financing activities	292,118,519	8,748,587,568	11,489,367,743
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,027,001,852)	2,423,240,055	3,948,936,172
CASH AND CASH EQUIVALENTS AT THE BEGINNING	5,648,046,408	1,700,038,527	1,700,038,527
Effect of exchange rate changes	(96,263)	73,700	(928,291)
CASH AND CASH EQUIVALENTS AT THE END	4,620,948,293	4,123,352,282	5,648,046,408
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	2,227,177,259	2,522,985,264	1,926,725,822
Short term investments	4,745,617,474	4,175,871,369	5,379,322,222
Unfavourable balances			
Bank overdrafts	(2,351,846,440)	(2,575,504,351)	(1,658,001,636)
Cash and cash equivalents	4,620,948,293	4,123,352,282	5,648,046,408

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

In Rs.	Attributable to equity holders of parent							Non controlling interest	Total equity		
	Stated capital	Treasury Shares	Revaluation reserve	Exchange translation reserve	Available-for-sale reserve	Statutory reserve fund	Other reserves			Revenue reserve	Total
As at 01 April 2015	5,089,000,000	(55,921,185)	1,636,375,397	(26,775,781)	200,328,059	116,532,044	(502,197,708)	1,167,195,634	7,624,536,460	8,157,436,153	15,781,972,613
Profit for the period	-	-	-	-	-	-	-	540,760,294	540,760,294	1,190,501,537	1,731,261,831
Other comprehensive income	-	-	-	(7,020,578)	(519,870,190)	-	-	(2,211,676)	(529,102,444)	(615,329,765)	(1,144,432,209)
Total Comprehensive income	-	-	-	(7,020,578)	(519,870,190)	-	-	538,548,618	11,657,850	575,171,772	586,829,622
Direct cost on issue of shares	-	-	-	-	-	-	-	(1,820,742)	(1,820,742)	(3,148)	(1,823,890)
Transfer to reserve fund	-	-	-	-	-	45,435,678	-	(45,435,678)	-	-	-
Acquisitions, disposals and changes in holding	-	-	-	-	-	-	(163,481,124)	-	(163,481,124)	809,150,016	645,668,892
Dividend paid	-	-	-	-	-	-	-	(193,602,075)	(193,602,075)	-	(193,602,075)
Subsidiary dividend to non controlling interest	-	-	-	-	-	-	-	-	-	(1,132,779,187)	(1,132,779,187)
As at 31 December 2015	5,089,000,000	(55,921,185)	1,636,375,397	(33,796,359)	(319,542,131)	161,967,722	(665,678,832)	1,464,885,757	7,277,290,369	8,408,975,606	15,686,265,975
As at 01 April 2014	5,089,000,000	(55,921,185)	1,461,774,873	(75,358,862)	176,573,503	149,167,942	(572,303,697)	628,907,045	6,801,839,619	6,548,905,153	13,350,744,772
Profit for the period	-	-	-	-	-	-	-	322,511,299	322,511,299	780,643,711	1,103,155,010
Other comprehensive income	-	-	-	32,056,098	197,324,627	-	-	(5,484,080)	223,896,645	220,366,936	444,263,581
Total Comprehensive income	-	-	-	32,056,098	197,324,627	-	-	317,027,219	546,407,944	1,001,010,647	1,547,418,591
Direct cost on share issue	-	-	-	-	-	-	-	(11,928,550)	(11,928,550)	(2,141,178)	(14,069,728)
Transfer to reserve fund	-	-	-	-	-	(40,786,909)	-	40,786,909	-	-	-
Acquisitions, disposals and changes in holding	-	-	-	-	-	-	39,917,309	-	39,917,309	648,708,310	688,625,619
Subsidiary dividend to non controlling interest	-	-	-	-	-	-	-	-	-	(87,538,128)	(87,538,128)
As at 31 December 2014	5,089,000,000	(55,921,185)	1,461,774,873	(43,302,764)	373,898,130	108,381,033	(532,386,388)	974,792,623	7,376,236,322	8,108,944,804	15,485,181,126

Note : Figures in brackets indicate deductions.
The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs.	Unaudited 9 months to 31-12-2015	Unaudited 9 months to 31-12-2014	Change as a %	Unaudited 3 months to 31-12-2015	Unaudited 3 months to 31-12-2014	Change as a %	Audited 12 months to 31-03-2015
Revenue	443,928,135	311,683,048	42.43	148,458,418	107,429,228	38.19	416,018,805
Cost of sales	(133,918,822)	(61,246,260)	118.66	(46,868,200)	(19,057,891)	145.93	(80,991,653)
Gross profit	310,009,313	250,436,788	23.79	101,590,218	88,371,337	14.96	335,027,152
Dividend income	1,146,277,334	114,997,655	896.78	999,803,909	97,655	1,023,712.31	961,271,765
Other operating income	18,405,550	99,954,113	(81.59)	5,906,632	97,976,295	(93.97)	108,111,472
Administrative expenses	(244,917,534)	(199,555,132)	22.73	(87,394,272)	(68,594,749)	27.41	(347,890,153)
Results from operating activities	1,229,774,663	265,833,424	362.61	1,019,906,487	117,850,538	765.42	1,056,520,236
Finance income	250,811,208	152,697,705	64.25	98,167,132	40,237,620	143.97	201,540,615
Finance expenses	(863,063,961)	(735,154,009)	17.40	(309,961,557)	(261,591,569)	18.49	(1,006,903,157)
Net finance cost	(612,252,753)	(582,456,304)	5.12	(211,794,425)	(221,353,949)	(4.32)	(805,362,542)
Change in fair value of investment property	-	-	-	-	-	-	40,736,886
Profit/ (loss) before tax	617,521,910	(316,622,880)	295.03	808,112,062	(103,503,411)	880.76	291,894,580
Tax expense	(36,391,292)	(28,597,314)	27.25	(32,391,292)	(28,597,314)	13.27	28,417,501
Profit/ (loss) for the period	581,130,618	(345,220,194)	268.34	775,720,770	(132,100,725)	687.22	320,312,081

Note : Figures in brackets indicate deductions.
The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs.	Unaudited 9 months to 31-12-2015	Unaudited 9 months to 31-12-2014	Change as a %	Unaudited 3 months to 31-12-2015	Unaudited 3 months to 31-12-2014	Change as a %	Audited 12 months to 31-03-2015
Profit/ (loss) for the period	581,130,618	(345,220,194)	268.34	775,720,770	(132,100,725)	687.22	320,312,081
Other comprehensive income							
Other comprehensive income not to be reclassified to income statement in subsequent periods							
Actuarial gains/ (loss) on retirement benefits	-	-	-	-	-	-	(2,634,546)
	-	-	-	-	-	-	(2,634,546)
Tax on other comprehensive income	-	-	-	-	-	-	737,672
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	(1,896,874)
Total comprehensive income for the period, net of tax	581,130,618	(345,220,194)	(268.34)	775,720,770	(132,100,725)	(687.22)	318,415,207

Note : Figures in brackets indicate deductions.
The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

COMPANY STATEMENT OF FINANCIAL POSITION

In Rs.	Unaudited as at 31-12-2015	Unaudited as at 31-12-2014	Audited as at 31-03-2015
ASSETS			
Non-current assets			
Property, plant and equipment	133,270,868	134,896,751	121,538,318
Investment property	442,641,386	394,000,000	442,641,386
Intangible assets	3,438,393	4,963,304	1,723,508
Investments in subsidiaries	11,052,354,944	13,232,497,892	10,592,900,172
Investments in associates	11,000,000	11,000,000	11,000,000
Other non current financial assets	1,277,947,548	1,851,930,088	1,277,947,548
Deferred tax assets	38,426,265	-	68,817,557
	12,959,079,404	15,629,288,035	12,516,568,489
Current assets			
Trade and other receivables	369,184,077	250,030,354	241,724,591
Amounts due from related parties	4,070,934,783	1,300,011,885	2,290,507,881
Other current assets	46,477,451	44,459,018	21,724,101
Short term investments	2,377,580,826	153,239,878	3,670,748,138
Cash in hand and at bank	37,501,927	27,506,234	42,695,145
	6,901,679,064	1,775,247,369	6,267,399,856
Total assets	19,860,758,468	17,404,535,404	18,783,968,345
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	5,089,000,000	5,089,000,000	5,089,000,000
Revenue reserves	927,793,842	(122,222,177)	541,413,224
Total equity	6,016,793,842	4,966,777,823	5,630,413,224
Non-current liabilities			
Interest bearing borrowings	4,546,295,270	5,659,109,726	5,767,785,189
Employee benefit liabilities	35,920,576	34,380,587	30,669,730
Other non current financial liabilities	165,000,000	530,000,000	509,915,332
	4,747,215,846	6,223,490,313	6,308,370,251
Current liabilities			
Trade and other payables	62,313,349	30,959,482	29,531,350
Amounts due to related parties	105,830,518	271,640,007	148,005,634
Income tax liabilities	6,000,000	-	-
Short term borrowings	4,714,866,668	5,071,888,372	4,191,598,768
Current portion of interest bearing borrowings	4,125,061,837	725,621,851	2,368,998,067
Other current liabilities	18,079,172	20,157,192	24,009,338
Bank overdrafts	64,597,236	94,000,364	83,041,713
	9,096,748,780	6,214,267,268	6,845,184,870
Total equity and liabilities	19,860,758,468	17,404,535,404	18,783,968,345

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

-sgd-

Group Chief Financial Officer

The Board of directors is responsible for the preparation and presentation of these financial statements.

-sgd-

Director

-sgd-

Director

15 February 2016
Colombo

Softlogic Holdings PLC

COMPANY STATEMENT OF CASH FLOW

In Rs.	Unaudited 9 months to 31-12-2015	Unaudited 9 months to 31-12-2014	Audited 12 months to 31-03-2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (loss) before tax	617,521,910	(316,622,880)	291,894,580
Adjustments for:			
Finance income	(250,811,208)	(152,697,705)	(201,540,615)
Dividend income	(1,146,277,334)	(114,997,655)	(961,271,765)
Finance costs	863,063,961	735,154,009	1,006,903,157
Change in fair value of investment property	-	-	(40,736,886)
Gratuity provision and related costs	5,789,156	5,400,000	6,520,501
Provision for impairment of receivables	29,237,769	7,000,000	61,416,769
Fair value adjustment for asset held for sale	-	-	8,250,980
Depreciation of property, plant and equipment	16,648,096	19,617,619	24,239,655
Loss/ (profit) on sale of property, plant and equipment	6,067	(3,407,320)	(6,368,059)
Profit on sale of investments	-	-	(80,981,615)
Amortisation / impairment of intangible assets	1,419,072	2,240,492	2,624,845
Impairment & derecognition of property, plant & equipment	142,878	-	995,249
Profit before working capital changes	136,740,367	181,686,560	111,946,796
(Increase) / decrease in trade and other receivable	(156,626,155)	(89,860,514)	(74,554,750)
(Increase) / decrease in other current assets	(22,987,256)	(13,322,751)	1,999,042
(Increase) / decrease in amount due from related parties	(1,554,104,184)	(1,041,547,332)	(1,662,568,488)
Increase / (decrease) in trade and other payables	32,781,999	16,389,654	14,961,522
Increase / (decrease) in amount due to related parties	(544,741,498)	(145,017,307)	(294,537,636)
Increase / (decrease) in other current liabilities	(5,930,166)	2,128,420	5,980,569
Cash generated from / (used in) operations	(2,114,866,893)	(1,089,543,270)	(1,896,772,945)
Finance income received	248,545,499	150,077,444	199,719,324
Finance expenses paid	(854,086,769)	(725,270,349)	(994,129,825)
Dividend received	21,033,133	114,997,655	961,271,765
Tax paid	(1,766,094)	(28,597,314)	(32,249,264)
Gratuity paid	(538,311)	(1,103,198)	(2,767,813)
Net cash flow from / (used in) operating activities	(2,701,679,435)	(1,579,439,032)	(1,764,928,758)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(6,764,015)	(8,221,195)	(5,539,092)
Addition to investment property	-	-	(7,904,500)
Addition to intangible assets	(3,133,957)	(1,861,900)	(1,861,900)
Increase in interest in subsidiaries	(301,803,722)	(1,034,672,662)	(1,305,012,469)
Proceeds from disposal of controlling interest	-	-	1,787,901,615
Acquisition of business	-	(2,789,975,487)	(2,789,975,487)
Proceeds from sale of property, plant and equipment	16,729,978	7,439,656	17,405,813
Net cash flow used in investing activities	(294,971,716)	(3,827,291,588)	(2,304,986,020)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from long term borrowings	2,524,765,770	3,788,923,982	5,738,547,536
Repayment of long term borrowings	(2,042,921,942)	(1,317,520,355)	(1,517,981,903)
Proceeds from / (repayment of) short term borrowings (net)	523,267,900	1,151,077,600	270,787,996
Dividend paid to equity holders of parent	(194,750,000)	-	-
Net cash flow from financing activities	810,361,728	3,622,481,227	4,491,353,629
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,186,289,423)	(1,784,249,393)	421,438,851
CASH AND CASH EQUIVALENTS AT THE BEGINNING	2,159,194,114	1,737,755,263	1,737,755,263
CASH AND CASH EQUIVALENTS AT THE END	(27,095,309)	(46,494,130)	2,159,194,114
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	37,501,927	27,506,234	42,695,145
Short term investments	-	20,000,000	2,199,540,683
Unfavourable balances			
Bank overdrafts	(64,597,236)	(94,000,364)	(83,041,714)
Cash and cash equivalents	(27,095,309)	(46,494,130)	2,159,194,114

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY

In Rs.	Stated capital	Revenue reserve	Total
As at 01 April 2015	5,089,000,000	541,413,224	5,630,413,224
Profit for the period	-	581,130,618	581,130,618
Total comprehensive income	-	581,130,618	581,130,618
Dividend paid	-	(194,750,000)	(194,750,000)
As at 31 December 2015	5,089,000,000	927,793,842	6,016,793,842
As at 01 April 2014	5,089,000,000	222,998,017	5,311,998,017
Loss for the period	-	(345,220,194)	(345,220,194)
Total comprehensive income	-	(345,220,194)	(345,220,194)
As at 31 December 2014	5,089,000,000	(122,222,177)	4,966,777,823

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

REVENUE AND PROFIT For the nine months ended 31 December	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue																
Total revenue	13,314,673,621	6,739,522,057	700,466,961	388,293,515	14,660,346,747	8,994,965,929	1,016,497,972	591,022,171	6,973,960,807	5,978,401,349	7,307,261,052	6,361,482,275	456,968,284	314,541,324	44,330,195,444	29,368,228,720
Inter group	(804,129,512)	(641,683,750)	(125,633,863)	(55,848,985)	(613,476,671)	(467,950,889)	(44,328,171)	(18,734,454)	(146,313,822)	(92,897,500)	-	-	(446,707,719)	(305,314,925)	(2,180,594,819)	(1,586,070,523)
Total external revenue	12,510,549,109	6,097,838,307	574,833,098	332,444,529	14,046,870,076	8,527,015,031	972,169,801	572,287,707	6,727,646,985	5,885,503,849	7,307,261,052	6,361,482,275	10,260,005	9,226,399	42,149,610,626	27,786,158,197
Operating profit/ (loss)	649,472,874	579,339,498	(27,213,150)	(131,295,357)	1,363,418,533	697,965,050	(47,125,984)	(28,136,036)	1,076,106,739	622,821,422	1,794,881,151	1,509,954,474	(32,727,781)	7,101,953	4,776,812,382	3,257,761,004
Finance income	3,301,905	2,385,680	7,893,684	4,903,791	20,188,208	37,476,687	142,488	-	709,497,591	885,246,597	117,693,426	67,304,896	2,083,318	2,171,717	860,600,820	979,469,378
Finance cost	(223,439,970)	(239,241,153)	(184,630,432)	(90,377,406)	(796,239,769)	(465,580,184)	(66,571,333)	(38,717,281)	(83,348,111)	(134,080,305)	(402,253,591)	(507,173,061)	(654,936,787)	(626,593,306)	(2,371,610,063)	(2,063,782,696)
Share of results of associates	-	-	-	-	-	-	-	-	(94,871,303)	(750,143,860)	-	-	13,934,053	7,480,446	13,934,053	7,480,446
Change in insurance contract liabilities	429,336,609	342,484,025	(204,349,999)	(176,756,972)	627,366,972	269,861,563	(113,554,829)	(66,853,317)	854,484,916	603,843,854	1,510,320,986	1,070,086,309	(671,646,997)	(611,839,190)	2,431,957,899	1,430,824,272
Profit/ (loss) before taxation	(148,449,457)	(85,152,424)	(5,548,639)	10,636,810	(161,829,855)	(8,706,706)	(5,667,195)	(1,115,734)	(9,864,752)	(49,027,859)	(196,470,291)	(151,267,489)	(173,165,839)	(43,035,860)	(700,696,028)	(327,669,262)
Taxation	260,867,352	257,331,601	(209,898,637)	(166,122,162)	465,537,117	261,154,857	(119,222,024)	(67,989,051)	844,920,164	554,815,985	1,313,850,695	916,818,920	(844,812,636)	(654,875,050)	1,731,261,831	1,103,155,010
Profit/ (loss) after taxation	48,417,895	172,179,177	(308,797,274)	(155,585,352)	303,707,262	253,158,144	(288,409,219)	(183,704,785)	739,835,812	605,971,026	1,114,610,404	765,591,431	(88,655,271)	(107,840,910)	1,030,685,862	775,685,752
Depreciation of property, plant & equipment (PPE)	48,320,724	28,411,109	129,872,152	80,015,221	264,053,981	134,155,032	27,704,207	15,930,461	113,668,287	83,131,561	519,812,987	493,709,101	16,826,441	19,752,943	1,120,258,379	855,102,428
Amortisation of lease rentals paid in advance	14,885,106	3,382,872	36,205,924	35,620,641	42,138,041	6,740,370	1,896,190	1,419,127	111,361,294	106,712,617	6,391,408	6,391,408	1,419,072	2,240,492	212,390,845	161,088,400
Amortisation of intangible assets	14,823,330	5,611,000	3,238,000	17,334,272	17,334,272	9,773,702	11,086,720	43,016,658	15,460,672	44,516,659	43,016,658	6,004,339	5,479,590	105,644,402	86,248,677	
Retirement benefit obligations and related cost	30,955,961	55,312,610	1,627,968,128	1,660,786,949	906,690,404	301,567,156	19,080,847	215,973,177	169,870,380	164,746,224	678,196,896	429,794,652	50,744,061	8,703,512	3,483,506,677	2,839,884,280
Purchase and construction of PPE	16,928,148	2,401,398	6,405,486	304,613	42,902,156	14,814,939	-	-	11,903,701	32,309,734	-	-	3,133,957	1,861,900	81,273,448	51,692,784
Additions to intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions to lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

REVENUE AND PROFIT For the three months ended 31 December	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue																
Total revenue	5,072,233,537	2,710,457,263	292,303,762	211,820,987	5,674,730,530	4,348,577,567	445,807,543	290,005,674	2,411,512,902	1,856,605,384	2,597,776,067	2,175,764,029	152,869,169	106,564,504	16,547,233,510	11,689,925,408
Inter group	(80,036,836)	(351,770,781)	(39,590,345)	(19,369,562)	(39,828,719)	(27,225,052)	(12,500,612)	(5,147,898)	(35,863,603)	(37,540,571)	-	-	(149,472,638)	(103,401,105)	(696,475,552)	(634,554,969)
Total external revenue	4,992,196,701	2,358,686,482	252,713,417	192,451,425	5,314,901,812	4,281,352,515	433,306,931	284,857,776	2,375,649,299	1,819,064,813	2,597,776,067	2,175,764,029	3,396,731	3,193,399	15,850,757,958	11,055,370,439
Operating profit/ (loss)	161,921,286	161,524,465	19,165,236	(29,724,029)	578,709,612	362,883,070	(43,904,884)	(35,162,326)	380,738,934	480,703,473	766,719,096	493,517,060	(17,955,662)	136,079,540	1,845,393,618	1,569,621,253
Finance income	(130,076)	1,045,175	2,262,497	1,778,301	8,128,748	(6,245,086)	32,063	-	219,838,520	(270,808,062)	82,902,731	31,929,119	(129,845)	(11,169,861)	312,904,638	(243,470,414)
Finance cost	(76,910,217)	(84,583,351)	(96,883,119)	(31,488,354)	(280,331,067)	(203,054,123)	(26,056,346)	(16,015,638)	(20,066,525)	(41,087,558)	(114,467,937)	(178,200,962)	(196,940,221)	(199,350,105)	(811,677,532)	(753,790,091)
Share of results of associates	-	-	-	-	-	-	-	-	-	-	-	-	8,105,538	1,306,648	8,105,538	1,306,648
Change in insurance contract liabilities	84,881,003	77,986,289	(75,455,386)	(59,444,082)	306,507,293	153,383,861	(69,931,177)	(51,177,964)	593,089,759	304,115,461	735,133,890	347,245,217	(206,920,590)	(65,193,779)	1,367,905,092	135,307,606
Profit/ (loss) before taxation	(57,955,713)	(38,702,577)	(1,483,232)	2,555,704	(71,343,496)	(34,861,906)	825,118	(1,115,734)	35,749,353	(16,206,118)	(80,258,645)	(56,625,702)	(147,129,038)	(40,011,308)	(321,435,663)	(184,967,641)
Taxation	27,065,200	39,283,712	(76,938,616)	(56,886,378)	235,163,797	118,721,955	(69,106,059)	(52,293,698)	628,639,112	287,909,343	654,875,245	290,419,515	(354,049,228)	(103,145,066)	1,045,866,439	524,007,363
Profit/ (loss) after taxation	19,889,487	17,471,125	(1,519,848)	(54,330,674)	163,820,281	81,916,049	714,011,837	(53,409,432)	267,538,241	271,703,227	574,616,599	233,793,813	(189,278,266)	(143,156,374)	1,041,421,826	640,039,722
Depreciation of property, plant & equipment (PPE)	16,359,029	14,757,506	44,305,596	51,095,244	93,224,941	60,880,938	9,726,590	8,437,484	41,722,763	30,229,767	176,406,909	169,899,949	6,727,346	7,019,677	388,373,174	349,319,965
Amortisation of lease rentals paid in advance	6,660,368	3,382,872	12,925,497	11,826,584	12,951,421	2,404,470	-	-	37,121,294	36,939,256	2,130,468	259,233	887,382	651,837	72,046,610	53,932,616
Amortisation of intangible assets	4,953,040	1,867,000	1,687,000	1,572,000	6,427,999	4,478,047	946,602	482,875	4,380,799	2,655,671	11,541,415	13,741,887	2,288,247	1,800,000	32,401,102	29,900,072
Retirement benefit obligations and related cost	17,396,838	32,630,937	604,970,898	490,037,513	191,499,525	112,372,473	4,222,731	47,392,674	42,129,628	38,737,102	287,141,109	183,429,402	48,519,638	2,636,509	1,195,880,567	907,236,610
Purchase and construction of PPE	11,130,770	-	-	221,226	28,984,059	-	-	-	698,721	5,168,814	-	-	-	-	1,241,900	6,631,940
Additions to intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Figures in brackets indicate deductions.
The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Softlogic Holdings PLC, is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange.

The interim financial statements of the Group and the Company for the nine months ended 31 December 2015 were authorised for issue by the Board of directors on 15 February 2016.

2. BASIS OF PREPARATION

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2015.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The interim financial statements are presented in Sri Lankan Rupees.

3. CHANGE IN LIFE INSURANCE CONTRACT LIABILITIES

The results of Asian Alliance Insurance PLC's life business segment is consolidated line by line into the Group's consolidated income statement. The change in life insurance contract liabilities represents the difference between all income and expenditure attributable to life policy holders during the period.

4. SHARE INFORMATION

4.1 Public Share Holdings

The percentage of shares held by the public as at 31 December 2015 was 28.45% (number of public shareholders - 13,775)

4.2 Directors' Share Holdings

The number of shares held by the Board of directors are as follows:

As at	31-12-2015
A K Pathirage - Chairman/ Managing Director	363,308,030
G W D H U Gunawardena	57,527,300
R J Perera	60,836,700
H K Kaimal	64,870,800
M P R Rasool	Nil
Dr S Selliah	2,000,000
W M P L De Alwis, PC	Nil
G L H Premaratne	Nil
R A Ebell	Nil
	<u>548,542,830</u>

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

4.3 Twenty Largest Shareholders of the Company are as follows:

As at	Number of shares 31-12-2015	%
1 Mr. A K Pthirage	324,358,030	41.64
2 Mr. H K Kaimal	64,870,800	8.33
3 Mr. R J Perera	60,836,700	7.81
4 Mr. G W D H U Gunawardena	57,527,300	7.38
5 Pemberton Asian Opportunities Fund	46,000,000	5.91
6 Commercial Bank of Ceylon PLC/ A K Pathirage	38,950,000	5.00
7 Employees Provident Fund	7,230,500	0.93
8 Rubber Investment Trust Ltd - A/C #01	6,384,277	0.82
9 Asian Alliance Insurance PLC - A/C #02 (Life Fund)	4,591,702	0.59
10 Bank of Ceylon A/C Ceybank Unit Trust	4,322,784	0.55
11 Mrs. A Selliah	4,236,000	0.54
12 Deutsche Bank AG As Trustee for NAMAL Acuity Value Fund	3,996,497	0.51
13 Arunodhaya Investments (Pvt) Ltd	3,950,000	0.51
14 Arunodhaya Industries (Pvt) Ltd	3,950,000	0.51
15 Arunodhaya (Pvt) Ltd	3,950,000	0.51
16 Miss. S Subramaniam	3,800,000	0.49
17 Mr. V Kailasapillai	3,800,000	0.49
18 Mrs. A Kailasapillai	3,800,000	0.49
19 Ceylon Investment PLC - A/C #01	3,671,578	0.47
20 Mr. K Aravinthan	3,500,000	0.45

5. STATED CAPITAL MOVEMENTS

5.1 No of shares

	No of shares
As at 01 April 2015	779,000,000
As at 31 December 2015	779,000,000

5.2 Value of shares

	Rs
As at 01 April 2015	5,089,000,000
As at 31 December 2015	5,089,000,000

6. INVESTOR INFORMATION

6.1 Market Value of Shares

	31-12-2015
The market value of an ordinary share of Softlogic Holdings PLC was as follows.	
Closing price on (Rs.)	15.50
Highest price recorded for the three months ending (Rs.)	16.60
Lowest price recorded for the three months ending (Rs.)	15.00
Market Capitalisation (Rs. mn)	12,074.50

6.2 Ratios

Net assets per share at the period end (Rs.)	9.40
----------------------------------------------	------

6.3 Share Trading information from 01 October 2015 to 31 December 2015

Number of shares traded	11,741,463
Value of shares traded (Rs.)	182,272,871.00

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

7. LISTED DEBENTURES

7.1 Details regarding the listed debentures are as follows;

10,000,000 rated unsecured redeemable debentures at the face value of Rs. 100.00 each with an annual effective interest rate of 16.70% were issued on 09 September 2013 which will be matured on 09 September 2016.

Interest rate of comparable Government Securities as at 31 December, 2015 - 9.00% (net of tax)

7.2 Ratios

31-12-2015

Debt/ equity ratio	2.90
Quick asset ratio	0.70
Interest cover	2.60

7.3 Debenture Trading information from 01 October 2015 to 31 December 2015

31-12-2015

Closing price on	N/A
Highest price recorded for the three months ending	N/A
Lowest price recorded for the three months ending	N/A
Interest Yield	N/A
Year to maturity of trade	N/A

Debentures were not traded during the period from 01 October 2015 to 31 December 2015

8. CONTINGENCIES

CONTINGENT LIABILITIES

There were no significant contingent liabilities as at the date of the statement of financial position other than those disclosed below, which require adjustments to or disclosures in the financial statements.

8.1 Softlogic Holdings PLC

Softlogic Holdings PLC received an income tax assessments from The Department of Inland Revenue for the years of assessment 2009/10 and 2010/11. The company has lodged an appealed against the said assessment and The Department of Inland Revenue has issued their determination. The Management and the tax consultants has submitted an appeal to the Tax Appeal Commission on that determination.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingency is unlikely to have a material adverse effect on the company or on the group.

8.2 Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Asiri Hospital Matara (Pvt) Ltd

Pending litigations against Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Asiri Hospital Matara (Pvt) Ltd with a maximum liability of Rs. 43 mn, Rs. 50 mn and Rs. 51 mn respectively exist as at 31 March 2015 (2014 - Asiri Hospital Holdings PLC : Rs. 43 mn, Asiri Surgical Hospital PLC : Rs. Nil and Asiri Hospital Matara (Pvt) Ltd - Rs. 51 mn).

Although there can be no assurance, the directors believe, based on the information currently available, that the ultimate resolution of such legal procedures would not likely to have a material adverse effect on the company or on the group. Accordingly, no provision for any liability has been made in these financial statements.

8.3 Asian Alliance Insurance PLC

VAT Assessments were received by Asian Alliance Insurance PLC in October 2011 and April 2013 in relation to taxable periods ended 31 December 2009 and 31 December 2010 amounting to Rs. 4.50 mn and Rs. 26.90 mn respectively.

The Company has filed an appeal in November 2011 on the basis that the underlying computation includes items which are exempt /out of scope of the Value Added Tax Act. The Commissioner General of Inland Revenue has determined the assessment and the Company has appealed to the Tax Appeals Commission and awaiting the final decision.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingency is unlikely to have a material adverse effect on the company or on the group.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

8. CONTINGENCIES (cont.....)

CONTINGENT LIABILITIES

8.4 Odel PLC

Odel PLC received an income tax assessments from The Department of Inland Revenue for the years of assessment 2009/10 amounting to Rs. 16.02 mn.

The company has lodged appeals against the said assessments and The Department of Inland Revenue has issued their determinations. The Management and the tax consultants have submitted appeals to the Tax Appeal Commission on that determinations.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingencies is unlikely to have a material adverse effect on the respective companies or on the group.

8.5 Odel Properties (Pvt) Ltd

Odel Properties (Pvt) Ltd received an income tax assessments from The Department of Inland Revenue for the years of assessment 2011/12 and 2012/13 amounting to Rs. 10.50 mn. The company has lodged appeals against the said assessments.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingencies is unlikely to have a material adverse effect on the respective companies or on the group.

9. CAPITAL COMMITMENTS

As at 31 December 2015, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 1,095 mn (31 December 2015 - 1,200 mn).

10. EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to the date of the statement of financial position, which require disclosure in the financial statements other than the following.

10.1 Softlogic Finance PLC - Private placement of ordinary shares

The directors of Softlogic Finance PLC, a subsidiary of Softlogic Holdings PLC resolved to convert out of USD 4.00 mn Unsecured Convertible Subordinated Loan obtained from Nederlandse Financierings-Maatschappij-voor Ontwikkelingslanden N.V. (FMO), USD 2.00 mn was converted to ordinary shares of the company, at a conversion price equal to the Book Value per share based on the audited financial statements of the company as at 31 March 2014 (Rs. 34.96).

Accordingly, 8,240,626 ordinary shares (amounting to Rs. 288,092,284.96) were allotted to FMO by way of a Private Placement on 22 January 2016. These shares were listed on the 26 January 2016.

The stated capital of the company was increased from Rs. 1,404,523,150.00 representing 50,830,362 ordinary shares to Rs. 1,692,615,434.96.00 representing 59,070,988 with the conclusion of the private placement of the said shares.

10.2 Softlogic Capital PLC - Investment in Softlogic Finance PLC

Softlogic Capital PLC, a subsidiary of Softlogic Holdings PLC purchased 8,240,626 shares held by Nederlandse Financierings-Maatschappij-voor Ontwikkelingslanden N.V. (FMO) in Softlogic Finance PLC on 27 January 2016 for a total consideration of Rs. 370,828,170.00. Immediately after the acquisition, the controlling stake of the entity increased to 68.44% from 63.33%.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

11. RELATED PARTY TRANSACTIONS

11.1 Transactions with related parties

In Rs.	Group		Company	
	Unaudited 9 months to 31-12-2015	Unaudited 9 months to 31-12-2014	Unaudited 9 months to 31-12-2015	Unaudited 9 months to 31-12-2014
Subsidiaries				
(Purchases) / sales of goods	-	-	(8,352,103)	(26,536,790)
(Receiving) / rendering of services	-	-	372,411,560	280,591,540
(Purchases) / sale of property plant & equipment	-	-	-	(2,823,650)
Loans given / (obtained)	-	-	405,179,679	16,236,322
Interest received / (paid)	-	-	140,716,995	67,643,000
Rent received / (paid)	-	-	36,303,837	17,233,395
Dividend received	-	-	1,146,097,155	114,097,655
Guarantee charges received	-	-	90,224,096	54,424,490
Guarantees given / (obtained)	-	-	21,384,800,000	11,896,328,000
Associates				
(Purchases) / sale of property plant & equipment	5,734,354	24,604,580	-	-
(Receiving) / rendering of services	4,292,812	9,251,635	9,875,506	9,116,900
Dividend received	-	-	1,000,000	1,000,000
Key management personnel				
(Receiving) / rendering of services	-	-	-	-
Close family members of KMP				
(Receiving) / rendering of services	-	-	-	-

11.2 Terms and conditions of transactions with related parties

Transactions with related parties are carried out in the ordinary course of the business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash. Interest bearing borrowings are at pre-determined interest rates and terms.

Softlogic Holdings PLC

CORPORATE INFORMATION

Name of Company

Softlogic Holdings PLC

Legal Form

Public Limited Liability Company.

Incorporated in Sri Lanka on 25 February 1998 as a Private Limited Liability Company under the Companies Act No. 17 of 1982.

Re-registered on 17 December 2007 as a Public Limited Liability Company under the Companies Act No. 07 of 2007.

The status of the Company was changed to a Public Limited Company on 10 December 2008. Subsequent to the listing of shares on the Main Board of Colombo Stock Exchange, the name of the Company was changed to Softlogic Holdings PLC on 25 August 2011.

Company Registration No

PV 1536 PB/PQ

Registered Office of the Company

14, De Fonseka Place,
Colombo 05
Sri Lanka

Contact Details

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Directors

A K Pathirage - Chairman/ Managing Director
Dr S Selliah
G L H Premaratne
G W D H U Gunawardena
H K Kaimal
M P R Rasool
R A Ebell
R J Perera
W M P L De Alwis, PC

Audit Committee

R A Ebell - Chairman
Dr S Selliah
W M P L De Alwis, PC

Remuneration Committee

W M P L De Alwis - Chairman
G L H Premaratne

Related Party Transaction Committee

Dr S Selliah - Chairman
W M P L De Alwis, PC
H K Kaimal

Secretaries and Registrars

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Bankers

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Cargills Bank Ltd
Commercial Bank of Ceylon PLC
Deutsche Bank AG, Colombo
DFCC Bank PLC
Hatton National Bank PLC
Hongkong & Shanghai Banking Corporation
Muslim Commercial Bank
National Development Bank PLC
Nations Trust Bank PLC
Pan Asia Banking Corporation PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Union Bank of Colombo PLC

Auditors

Ernst & Young
Chartered Accountants
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Colombo 10