



# **SOFTLOGIC HOLDINGS PLC**

Interim Financial Statements  
Six Months ended 30 September 2013

## **Dear Shareholders,**

First half performance of FY 2013/2014 indicated mixed results; nonetheless, our strategy at consolidation should see more rewarding results in FY 2013/2014 notwithstanding the seasonal peaks ahead.

All business segments continued to indicate improved revenue growth for the second quarter to Rs. 7.2 Bn, a YoY growth of 14.6%. This upward momentum would continue in the upcoming quarters and positively impact the retail sector while the third quarter has historically been fortuitous for insurance bookings.

The ICT segment's contribution would also increase with major new hardware projects signed with large state institutions.

The quarter displayed mixed macro-economic conditions with the exchange rates weakening: in September 2013, the monthly average exchange rate for the Dollar was Rs. 132.47 from Rs. 127.81 in June 2013. This created series of challenges for the import-oriented clusters such as Retail, ICT and automobile. However, a decreasing interest rate regime coupled with benign inflationary conditions in recent months had no immediate relief for the Group. Considering the lagged-effect of such policy changes has upon the Group, real savings would ensue in due course.

Our roll-out plan for Consumer Electronics is actively moving on. Having opened the 165th small-format showroom in Rideegama in October, the retail cluster is working on a target of 220 outlets by 2014. The Branded Apparel Division saw Mothercare expand its reach in K-Zone mall, Ja-ela. The store has been well laid out to offer discreet customer convenience along with ample parking facilities. Mothercare will also be opening another showroom in Kandy this month.

Healthcare services continued with strong performance, The Central Hospital, in particular.

Group's Gross Profit for the quarter under review improved by 23% to Rs. 2.4 Bn with the cumulative six month Gross Profit reaching Rs. 4.6 Bn (18% YoY improvement). Operating Profit for the cumulative period recorded 31% YoY growth while the quarter witnessed an impressive 92% increase YoY following a number of new cost efficiency

programmes initiated despite the expansion drive. Investment in Enterprise Resource Management, Oracle, in the coming periods should also ensure further savings for the Group.

Consequently, PBT was Rs. 126.2 Mn during the quarter and strengthened the cumulative PBT by 162% YoY to Rs. 343 Mn. Profit after Tax for the quarter amounted to Rs.118.4 Mn (up by a strong 171% YoY) whilst the six month PAT registered Rs. 303.3 Mn Vs. a loss of Rs. 12.6 Mn in the comparative period.

## **Information & Communication Technology**

Information & Communication Technology sector's revenue improved by 9% YoY during the six month period contributing Rs. 3.0 Bn to the Group's turnover (21% contribution) after registering 7% YoY growth during the second quarter of the period under discussion. Segment's Operating Profit contribution to the Group was 27% (25% for the corresponding period) adding a cumulative Rs. 390 Mn for the period ended 30 September 2013. The IT segment has been progressing well with fresh revenue recognized for new projects finalized with the Ministry of Finance.

Mobile handset sales improved with the expansion of Nokia smart phone range whilst the quarter also saw sale boosted by the lower-end handsets after it announced a replacement guarantee over the previous maintenance guarantee. Following a 60% contribution to the Group at PBT level during 2Q FY 2013/2014 at Rs. 76.1 Mn, the sector concluded PAT at Rs. 92.7 Mn. Six month cumulative sector PAT contribution was 51%, or Rs. 155.8 Mn (173% YoY growth).

## **Retail**

Revenue from new showrooms, new-to-market product branded lines aided by stronger sales efforts should redefine the Retail sector's performance through economies of scale. Retail revenue for second quarter of FY 2013/ 2014 witnessed a 17% YoY increase to Rs. 1.7 Bn with the six month total reporting 18% YoY growth to Rs. 3.6 Bn thus steadily increasing contribution to the Group (25%). The recently opened franchise

outlets have exceeded our expectations spurring retail expansion plans. New franchise showrooms in the like of Splash and French Connection will be opened soon, one in Ja-ela and the other in Colpity. The sector's second quarterly operating profit improved 24% YoY to Rs. 209.1 Mn with a contribution of 28% to the Group. The cumulative Operating Profit increased to 42% YoY strengthening its aggregate contribution to Rs. 466.5 Mn. The Retail sector's profitability remained robust with PAT of Rs. 288 Mn during the first half of FY 2013/2014 (up 61% YoY) after the 2Q FY 2013/2014 reported a growth in PAT by 47% YoY to reach Rs. 88.2 Mn. This was a 75% contribution to Group PAT. Yet the weakening exchange rate is a challenge and prudent treasury management is essential to stay ahead.

### **Healthcare Services**

Performance of our healthcare services sector remained exceptionally healthy contributing 26% to the Group's turnover for second quarter of the FY 13/14. A notable impact of Rs. 3.7 Bn to the Group's topline of Rs. 14.2 Bn was recorded during first half cumulative performance of FY 2013/2014. The sector continued its solid performance with Operating Profit at Rs. 493.6 Mn (up 20% YoY) for the quarter thus taking the cumulative six month Operating Profit to Rs. 986.2 Mn (13% YoY increase). The healthcare cluster contribution of Rs. 656.4 Mn (39% YoY increase) to the Group's bottom line. The Central Hospital's performance during the period under review gathered momentum with fresh revenue flows assisted by the recently commissioned Biplaner Catheterization Laboratory and Stroke Unit, another revolutionary introduction to Sri Lanka's medical technology.

Asiri Group commenced capital repayment of the IFC loan in April 2013 after a two-year grace period. Asiri laboratory's expansion and collection centres will make such initiatives accessible to people across the island. With expertise in Neurological treatments, The Central Hospital is planning to introduce a Bone Marrow transplant unit before March 2014.

### **Financial Services**

Financial Services business segment saw a 17% YoY growth in top line to Rs. 1.8 Bn during 2Q FY 2013/2014 with its contribution to the Group revenue at 25% whilst six months revenue of the sector rose 37% YoY to reach Rs. 3.5 Bn. The sector's performance recorded a reduced net loss of Rs. 228.5 Mn for the quarter compared with Rs 333.4 Mn reported for the previous period. The performance for the first half of the year was a loss of Rs. 299.7 Mn, compared with a loss of Rs. 422.3 Mn incurred in the previous year.

Asian Alliance Insurance PLC continued its strong growth momentum with the company growing YTD topline by 31% to record Rs. 3.0 Bn in premiums. Life business maintained its trajectory with yet another quarter of solid performance taking YTD topline to Rs. 1.8 Bn, an increase of 26% over the previous year.

Non-Life business recorded a GWP of Rs. 1.2 Bn YTD, an impressive 41% over the previous year. The Company is also now within the Top Five for Medical Insurance. The company continues to move forward with momentum surpassing industry growth rates. According to YTD industry figures, Asian Alliance Insurance had delivered some of the highest growth rates in both Life and Non-Life businesses. The YTD loss of Rs. 118 Mn does not include the Life profit transfer that is undertaken as per industry practice at year-end. The Company is expecting to close the year on a strong note buoyed by strong gains in investment income.

Softlogic Finance PLC has navigated through a fairly turbulent period that has impacted both the Banking and Non-Bank Financial Sector which has witnessed sluggish growth and deterioration in credit quality. Total Assets of the Company increased by 14% to Rs. 15 Bn whilst Customer Assets increased by 10% to Rs. 11.6 Bn for the first six months of FY 2013/2014. Total income including net interest income was buoyed by healthy net interest margin that is likely to improve further due to the drop in market interest rates. However, impairment charges are likely to remain a formidable challenge for

the next half of the year as the leasing operations, especially, is impacted by the decline in prices for used vehicles.

The company has successfully completed a number of funding initiatives including a 3 Year Debenture of Rs. 500 Mn along with several securitization deals to raise funds to finance the asset book.

Softlogic Stockbrokers (Pvt) Ltd performance has been small due to the varied performance of the Colombo Stock Exchange whilst the Sector's holding company, Softlogic Capital PLC, improved performance after reducing debt levels compared with the previous period following equity partnerships with DEG and FMO.

### **Automobile**

Automobile sector saw a strong recovery of 96% YoY in revenue during the second quarter of Financial Year 2013/2014. This was primarily led by consumers who held vehicle duty free permits approaching the Company. However, the sector closed the first half year of operations with a loss of Rs. 27.0 Mn Vs. PAT of Rs. 0.6 Mn in the corresponding period. This was due to stockholding cost of vehicles that were purchased during those duty increases compounded by the adverse exchange rate situation that prevailed during that time. Consequently, these stocks were disposed of at a loss in order to compete with vehicle sellers holding duty free permits. April-September period saw a 7% YoY decline in the total vehicle registrations to 164,752. Automobile management is now focusing on the Ford's commercial pickup range to regain market share while Daihatsu is successfully warding off the adverse effects created by the availability of such permits through various price options schemes.

### **Leisure**

Leisure sector's contribution to the Group is yet to materialise. Centara Ceysands Luxury Resort and Spa, at Bentota, a 166 room 4 star-plus resort which will be managed by the Thailand based Centara Resort and Spa. The

Resort will be unveiled to external guests towards the beginning of 2014 after its soft opening in latter part of December 2013. Conforming to the industry averages, we are anticipating to breakeven operationally within a short period after opening the doors to discerning guests.

The construction work of the 219 room 5-star Movenpick City Hotel has now reached level 4 and is progressing as per the construction schedule with a view to open its doors in September 2015.

### **Future Outlook**

During the second quarter, it is noteworthy to state that Softlogic Holdings PLC had successfully raised Rs 1bn through a 3 year listed debenture. This has assisted in replacing short term debt with a longer tenor. The benefit of this debt restructuring is essential for better treasury management.

Our outlook is medium term; real value should not be measured by market sentiments alone but by consolidation and having the right blend of portfolios which have intrinsic values far beyond the reckoning of such sentiments.

(Sgd.)

**Ashok Pathirage**  
**Chairman**

**15 November 2013**

# Softlogic Holdings PLC

## CONSOLIDATED INCOME STATEMENT

Audited year ended 31-03-2013 Rs.		Unaudited 06 months to 30-09-2013 Rs.	Unaudited 06 months to 30-09-2012 Rs.	Change as a %	Unaudited 03 months to 30-09-2013 Rs.	Unaudited 03 months to 30-09-2012 Rs.	Change as a %
25,360,636,147	Revenue	14,186,457,987	12,235,077,242	15.95%	7,167,474,725	6,255,790,844	14.57%
(17,143,556,549)	Cost of sales	(9,550,531,612)	(8,289,796,180)	15.21%	(4,742,113,630)	(4,280,288,836)	10.79%
<b>8,217,079,598</b>	<b>Gross profit</b>	<b>4,635,926,375</b>	<b>3,945,281,062</b>	<b>17.51%</b>	<b>2,425,361,095</b>	<b>1,975,502,008</b>	<b>22.77%</b>
-	Dividend income	-	-	-	-	-	-
470,329,044	Other operating income	179,198,323	86,217,027	107.85%	96,892,559	(10,553,812)	-1018.08%
(1,323,911,846)	Distribution expenses	(699,022,005)	(535,352,948)	30.57%	(413,834,872)	(317,696,175)	30.26%
(5,032,208,723)	Administrative expenses	(2,689,565,180)	(2,406,787,200)	11.75%	(1,363,928,292)	(1,259,274,180)	8.31%
<b>2,331,288,073</b>	<b>Results from Operating Activities</b>	<b>1,426,537,513</b>	<b>1,089,357,941</b>	<b>30.95%</b>	<b>744,490,490</b>	<b>387,977,841</b>	<b>91.89%</b>
825,455,974	Finance income	312,521,516	328,693,626	-4.92%	104,292,450	210,090,889	-50.36%
(2,754,633,185)	Finance expenses	(1,410,874,015)	(1,302,612,140)	8.31%	(733,085,622)	(688,552,995)	6.47%
<b>(1,929,177,211)</b>	<b>Net Finance Cost</b>	<b>(1,098,352,499)</b>	<b>(973,918,514)</b>	<b>12.78%</b>	<b>(628,793,172)</b>	<b>(478,462,106)</b>	<b>31.42%</b>
61,309,000	Change in fair value of investment property	7,410,000	-	-	7,410,000	-	-
20,823,707	Share of profit of equity accounted investees	7,366,298	15,537,148	-52.59%	3,090,521	9,302,638	-66.78%
<b>484,243,569</b>	<b>Profit before tax</b>	<b>342,961,312</b>	<b>130,976,575</b>	<b>161.85%</b>	<b>126,197,839</b>	<b>(81,181,627)</b>	<b>-255.45%</b>
(293,633,128)	Tax expense	(39,695,768)	(143,533,357)	-72.34%	(7,767,911)	(86,588,514)	-91.03%
<b>190,610,441</b>	<b>Profit/ (loss) for the Period</b>	<b>303,265,544</b>	<b>(12,556,782)</b>	<b>2515.15%</b>	<b>118,429,928</b>	<b>(167,770,141)</b>	<b>170.59%</b>
	Attributable to:						
(338,365,963)	Equity holders of the parent	92,913,259	(178,066,140)				
528,976,404	Non-controlling interest	210,352,285	165,509,358				
<b>190,610,441</b>	<b>Profit/ (loss) for the Period</b>	<b>303,265,544</b>	<b>(12,556,782)</b>				
	<b>Earnings/ (loss) per share</b>						
(0.44)	Basic	0.12	(0.23)				

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

# Softlogic Holdings PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Audited year ended 31-03-2013 Rs.		Unaudited 06 months to 30-09-2013 Rs.	Unaudited 06 months to 30-09-2012 Rs.	Change as a %	Unaudited 03 months to 30-09-2013 Rs.	Unaudited 03 months to 30-09-2012 Rs.
190,610,441	<b>Profit/ (loss) for the period</b>	<b>303,265,544</b>	(12,556,782)	-2515.15%	<b>118,429,928</b>	(167,770,141)
	<b>Other comprehensive income</b>					
2,448,866	Currency translation of foreign operations	<b>4,376,293</b>	4,869,890	-10.14%	<b>3,362,678</b>	(12,601,909)
1,678,021,953	Revaluation of land and buildings	<b>60,300,500</b>	1,678,021,954	-96.41%	<b>60,300,500</b>	49,440,681
391,267,941	Net (loss) / gain on available-for-sale financial assets	<b>(241,243,266)</b>	220,813,046	-209.25%	<b>(240,916,064)</b>	224,196,188
(156,081,827)	Tax on other comprehensive income	-	(5,888,195)	-100.00%	-	150,193,632
<b>1,915,656,933</b>	<b>Other comprehensive income for the period, net of tax</b>	<b>(176,566,473)</b>	<b>1,897,816,695</b>		<b>(177,252,886)</b>	<b>411,228,592</b>
<b>2,106,267,374</b>	<b>Total comprehensive income for the period, net of tax</b>	<b>126,699,071</b>	<b>1,885,259,913</b>		<b>(58,822,958)</b>	<b>243,458,451</b>
	Attributable to:					
575,241,096	Equity holders of the parent	<b>(14,408,922)</b>	754,868,055			
1,531,026,278	Non-controlling interest	<b>141,107,993</b>	1,130,391,858			
<b>2,106,267,374</b>	<b>Profit for the period</b>	<b>126,699,071</b>	<b>1,885,259,913</b>			

Note : Figures in brackets indicate deductions.

The above figures are not audited.

# Softlogic Holdings PLC

## STATEMENT OF FINANCIAL POSITION

GROUP		COMPANY		GROUP		COMPANY	
Audited as at 31-03-2013	Audited as at 31-03-2013	Unaudited as at 30-09-2013	Unaudited as at 30-09-2012	Unaudited as at 30-09-2013	Unaudited as at 30-09-2012	Rs.	Rs.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
<b>ASSETS</b>							
<b>Non-current assets</b>							
14,608,652,573	138,556,963	15,392,863,359	13,832,589,540	153,060,468	140,858,550		
154,349,111	-	153,830,642	154,867,578	-	-		
2,175,045,500	333,699,500	2,182,455,500	2,113,736,500	394,000,000	333,699,500		
7,630,830,620	-	7,565,702,585	7,671,022,203	6,979,893	-		
-	8,269,143,001	-	-	8,732,039,002	7,176,214,483		
58,680,898	861,989,404	36,984,632	53,785,485	861,989,404	855,007,284		
5,163,842,563	226,330,873	5,689,032,911	3,903,178,957	210,680,648	336,113,369		
4,278,441,219	-	4,105,132,282	3,955,229,402	-	-		
79,828,109	-	51,339,913	286,476,559	-	-		
230,672,828	-	264,756,674	17,609,040	-	-		
<b>34,380,343,421</b>	<b>9,829,719,741</b>	<b>35,442,098,498</b>	<b>31,988,495,264</b>	<b>10,358,749,415</b>	<b>8,841,893,186</b>		
<b>Current assets</b>							
3,705,323,096	-	3,617,667,577	3,376,241,825	-	-		
4,277,651,687	103,346,900	4,936,986,317	4,709,054,039	100,009,745	64,986,822		
1,912,559,755	-	2,210,707,434	1,229,743,728	-	-		
2,986,756,466	-	4,092,512,026	2,499,519,567	-	-		
94,382,414	901,045,992	75,800,059	112,801,580	2,477,152,417	1,715,479,076		
1,668,241,448	14,800,718	2,623,311,215	849,496,425	61,805,115	12,642,551		
3,544,438,862	512,099,400	3,340,759,573	3,386,924,797	985,175,226	338,426,517		
1,323,124,987	104,332,677	955,576,642	559,223,781	27,815,499	2,365,306		
<b>19,512,478,715</b>	<b>1,635,625,687</b>	<b>21,853,320,843</b>	<b>16,723,005,742</b>	<b>3,651,958,002</b>	<b>2,133,900,272</b>		
<b>53,892,822,136</b>	<b>11,465,345,428</b>	<b>57,295,419,341</b>	<b>48,711,501,006</b>	<b>14,010,707,417</b>	<b>10,975,793,458</b>		
<b>EQUITY AND LIABILITIES</b>							
<b>Equity attributable to equity holders of the parent</b>							
5,089,000,000	5,089,000,000	5,089,000,000	5,089,000,000	5,089,000,000	5,089,000,000		
753,383,812	370,810,021	799,728,822	837,261,261	218,458,564	235,925,109		
1,523,939,034	(2,749,371)	1,438,088,428	1,461,012,769	(3,433,870)	1,900,057		
<b>7,366,322,846</b>	<b>5,457,060,650</b>	<b>7,326,817,250</b>	<b>7,387,274,030</b>	<b>5,304,024,694</b>	<b>5,326,825,166</b>		
6,298,335,034	-	6,324,199,038	5,440,476,326	-	-		
<b>13,664,657,880</b>	<b>5,457,060,650</b>	<b>13,651,016,287</b>	<b>12,827,750,356</b>	<b>5,304,024,694</b>	<b>5,326,825,166</b>		
<b>Non-current liabilities</b>							
3,218,377,437	-	3,659,317,677	2,851,518,732	-	-		
9,555,794,761	1,747,689,927	11,983,015,189	9,582,231,184	3,641,975,649	2,431,313,370		
1,217,018,340	-	1,043,134,631	1,170,013,880	-	-		
366,359,147	-	359,529,112	305,098,149	-	-		
378,902,998	21,435,500	408,784,272	360,220,049	24,716,274	13,663,274		
116,841,514	-	101,884,311	80,082,731	-	-		
1,812,828,000	906,414,000	1,812,828,000	-	906,414,000	-		
<b>16,666,122,197</b>	<b>2,675,539,427</b>	<b>19,368,493,192</b>	<b>14,349,164,725</b>	<b>4,573,105,923</b>	<b>2,444,976,644</b>		
<b>Current liabilities</b>							
3,894,506,258	15,072,075	4,444,366,309	3,661,668,971	33,684,641	17,985,428		
22,020,839	1,295,466,270	22,161,262	18,104,799	967,964,751	1,024,052,743		
191,813,896	-	47,551,897	249,192,881	-	-		
7,710,575,994	947,436,147	8,590,739,311	5,172,444,095	2,501,979,988	329,895,084		
2,846,653,852	613,856,649	3,411,036,627	4,935,461,618	561,558,955	1,361,783,770		
232,460,475	24,340,842	222,614,129	116,165,839	43,064,192	146,429,658		
5,739,932,707	-	5,918,845,592	5,032,813,583	-	-		
2,924,078,038	436,573,368	1,618,594,735	2,348,734,139	25,324,273	323,844,965		
<b>23,562,042,059</b>	<b>3,332,745,351</b>	<b>24,275,909,862</b>	<b>21,534,585,925</b>	<b>4,133,576,800</b>	<b>3,203,991,648</b>		
<b>53,892,822,136</b>	<b>11,465,345,428</b>	<b>57,295,419,341</b>	<b>48,711,501,006</b>	<b>14,010,707,417</b>	<b>10,975,793,458</b>		

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

(Sgd.)

Chief Financial Controller

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

(Sgd.)

Director

(Sgd.)

Director

Note : Figures in brackets indicate deductions.

The above figures are not audited.

15 November 2013

Colombo

# Softlogic Holdings PLC

## CASH FLOW STATEMENT

GROUP	COMPANY		GROUP		COMPANY	
			Unaudited 06 months to 30-09-2013	Unaudited 06 months to 30-09-2012	Unaudited 06 months to 30-09-2013	Unaudited 06 months to 30-09-2012
		<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
484,243,569	348,228,778	Profit before tax	342,961,312	130,976,575	(152,351,457)	212,904,992
		<b>Adjustments for:</b>				
(580,502,165)	(255,175,695)	Finance income	(294,988,045)	(289,234,440)	(145,607,680)	(129,097,420)
(145,007,524)	(360,652,382)	Dividend income	(37,350,296)	(35,371,860)	(30,544,176)	(19,853,766)
2,754,633,185	709,435,645	Finance costs	1,410,874,015	1,302,612,140	426,984,916	317,281,533
(61,309,000)	-	Change in fair value of investment property	(7,410,000)	-	(60,300,500)	-
(99,946,285)	(872,857)	(Appreciation)/ depreciation in market value of quoted shares	19,816,825	(39,459,187)	545,519	-
(20,823,707)	-	Share of results of associates	(7,366,298)	(15,537,148)	-	-
81,842,123	8,508,006	Gratuity provision and related costs	49,568,474	44,682,565	3,523,774	-
(1,037,876)	11,601,478	Provision for impairment of receivables	-	-	-	-
824,136,261	25,785,838	Depreciation of property, plant and equipment	436,956,114	410,624,008	13,223,426	21,420,231
(85,286,164)	(60,320,550)	Profit on sale of property, plant and equipment	(18,039,255)	(39,793,551)	(11,115,499)	(33,903,075)
(86,159,406)	(337,263,068)	Profit on sale of investments	(34,169,827)	38,928,766	-	(337,263,068)
(16,476,268)	-	Profit on disposal of subsidiary	-	-	-	-
(21,520,441)	-	Unrealised (gain)/loss on foreign exchange	52,889,294	46,876,154	-	-
194,546,170	-	Amortisation / impairment of intangible assets	85,436,555	87,293,853	97,136	-
1,036,933	-	Amortisation of prepaid lease rentals	518,469	518,466	-	-
487,826	-	Impairment & derecognition of property, plant & equipment	-	-	-	-
3,222,857,231	89,275,193	<b>Profit before working capital changes</b>	<b>1,999,697,337</b>	<b>1,643,116,341</b>	<b>44,455,459</b>	<b>31,489,427</b>
(225,165,421)	-	(Increase) / decrease in inventories	87,655,519	103,915,848	-	-
(829,605,355)	(37,588,735)	(Increase) / decrease in trade and other receivable	(659,334,630)	(1,357,994,100)	3,337,155	771,343
(998,297,098)	-	(Increase) / decrease in loans and advances	(628,047,366)	(8,984,548)	-	-
(1,204,089,991)	-	(Increase) / decrease in investments in lease and hire purchase	(932,446,623)	(403,736,488)	-	-
(660,411,236)	10,033	(Increase) / decrease in other current assets	(955,069,768)	227,671,914	(47,004,397)	(3,770,557)
(82,292,355)	266,505,459	(Increase) / decrease in amount due from related parties	18,582,355	(100,711,521)	(1,576,106,425)	(482,717,651)
1,269,419,053	5,045,179	Increase / (decrease) in trade and other payables	549,860,047	1,068,977,964	26,156,542	7,958,533
(11,570,532)	1,009,314,590	Increase / (decrease) in amount due to related parties	140,423	(15,486,572)	(327,501,519)	690,434,338
39,890,727	11,393,738	Increase / (decrease) in other current liabilities	(9,846,346)	(76,403,909)	18,723,350	137,631,738
2,495,100,921	-	Increase / (decrease) in public deposits	5,029,176	1,740,977,337	-	-
37,478,774	-	Increase / (decrease) in deferred income	(14,957,203)	719,992	-	-
792,753,277	-	Increase / (decrease) in Insurance provision	440,940,240	425,894,572	-	-
4,246,067,995	1,343,955,457	<b>Cash generated from / (used in) operations</b>	<b>(97,796,839)</b>	<b>3,247,956,830</b>	<b>(1,857,939,835)</b>	<b>381,797,171</b>
580,502,165	255,175,695	Finance income received	294,988,045	289,234,440	145,607,680	129,097,420
(2,733,010,156)	(709,435,645)	Finance expenses paid	(1,410,874,015)	(1,302,612,140)	(426,984,916)	(317,281,533)
19,800,000	-	Dividend received	27,000,000	19,800,000	30,544,176	19,853,766
(290,725,490)	(2,228,444)	Tax paid	(213,689,382)	(106,571,718)	-	-
(29,462,851)	(760,780)	Gratuity paid/ transfers	(19,652,003)	(10,999,051)	(243,000)	(25,000)
1,793,171,663	886,706,283	<b>Net cash flow from / (used in) operating activities</b>	<b>(1,420,024,194)</b>	<b>2,136,808,361</b>	<b>(2,109,015,895)</b>	<b>213,441,824</b>
		<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>				
(2,258,470,611)	(17,003,802)	Purchase and construction of property, plant and equipment	(1,186,418,158)	(1,199,457,158)	(6,688,720)	(11,421,315)
-	(207,999,500)	Addition to investment property	-	-	-	(207,999,500)
-	-	Advance paid to obtain lease right	-	-	-	-
(8,381,405)	-	Addition to intangible assets	(20,359,031)	(125,879)	(7,077,029)	-
(69,647,329)	-	(Increase)/ decrease in other non current assets	28,488,196	(276,295,779)	-	-
246,632,160	(184,490,600)	(Purchase) / disposal of short term investments (net)	201,110,702	(641,000,194)	507,224,210	(11,690,574)
145,007,524	-	Dividends Received	37,350,296	15,571,860	-	-
(1,603,699,653)	448,739,245	(Purchase) / disposal of other non current financial assets	(436,533,927)	(214,208,187)	14,965,726	580,650,351
-	(14,788,004)	Increase in interest in associate	-	-	-	(9,055,884)
-	(2,873,468,038)	Increase in interest in subsidiaries	-	-	(462,896,001)	(2,025,725,463)
(1,250,000)	(1,250,000)	Acquisition of associate	-	(1,250,000)	-	-
(183,980,447)	-	Acquisition of business, net of cash acquired (A)	-	(183,980,447)	-	-
28,899,922	-	Disposal of subsidiary	-	-	-	-
129,297,796	68,332,566	Proceeds from sale of property, plant and equipment and intangible assets	69,519,235	119,400,337	15,970,143	38,396,622
(3,575,592,043)	(2,781,928,133)	<b>Net cash flow used in investing activities</b>	<b>(1,306,842,687)</b>	<b>(2,381,345,447)</b>	<b>61,498,329</b>	<b>(1,646,845,763)</b>
		<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>				
(437,113,099)	-	Dividend paid to non controlling interest	(20,730,992)	(27,757,610)	-	-
495,836,726	-	Proceeds from shareholders with non-controlling interest, on issue of rights in subsidiaries	-	495,836,726	-	-
6,615,163,253	1,980,633,593	Proceeds from long term borrowings	3,872,228,805	5,040,846,727	2,000,000,000	1,622,427,834
650,407,082	-	(Increase) / decrease of controlling interest	(115,026,776)	(151,537,482)	-	-
(7,527,608,082)	(1,933,546,255)	Repayment of long term borrowings	(1,558,046,300)	(4,505,308,894)	(191,448,803)	(143,789,930)
86,371,302	672,082,659	Proceeds from / (repayment of) short term borrowings (net)	1,469,475,894	(1,847,536,389)	1,554,543,841	54,541,596
1,812,828,000	904,414,000	Proceeds from other borrowings	-	-	-	-
(83,981,116)	-	Direct cost on issue of shares	-	-	-	-
(233,700,000)	(233,700,000)	Dividend paid to equity holders of parent	-	(233,700,000)	-	(233,700,000)
1,378,204,066	1,389,883,997	<b>Net cash flow from financing activities</b>	<b>3,647,900,631</b>	<b>(1,229,156,922)</b>	<b>3,363,095,038</b>	<b>1,299,479,500</b>
(404,216,311)	(144,685,471)	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>921,033,750</b>	<b>(1,473,694,008)</b>	<b>1,315,577,472</b>	<b>(133,924,439)</b>
91,876,892	(187,555,220)	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>	<b>(312,393,037)</b>	<b>91,867,892</b>	<b>(332,240,691)</b>	<b>(187,555,220)</b>
(53,617)	-	Effect of exchange rate changes	(20,381)	-	-	-
(312,393,036)	(332,240,691)	<b>CASH AND CASH EQUIVALENTS AT THE END</b>	<b>608,620,332</b>	<b>(1,381,826,116)</b>	<b>983,336,781</b>	<b>(321,479,659)</b>
		<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
		<b>Favourable balances</b>				
1,323,124,987	104,332,677	Cash in hand and at bank	955,576,642	559,223,781	27,815,499	2,365,306
1,288,560,014	-	Short term investments	1,271,638,425	407,684,242	980,845,555	-
		<b>Unfavourable balances</b>				
(2,924,078,038)	(436,573,368)	Bank overdrafts	(1,618,594,735)	(2,348,734,139)	(25,324,273)	(323,844,965)
(312,393,037)	(332,240,691)	<b>Cash and cash equivalents</b>	<b>608,620,332</b>	<b>(1,381,826,116)</b>	<b>983,336,781</b>	<b>(321,479,659)</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited.



# Softlogic Holdings PLC

## CASH FLOW STATEMENT

### A) ACQUISITION OF SUBSIDIARIES

Softlogic Capital PLC, which is a 54.15% owned subsidiary of Softlogic Holding PLC acquired 100% stake in Stockbrokers (Pvt) Ltd (Previously known as Arrenga Capital (Pvt) Ltd as at 01 April 2012.

The acquisition had the following effect on the Groups' assets and liabilities

GROUP		GROUP	
		Unaudited 06 months to 30-09-2013	Unaudited 06 months to 30-09-2012
Audited as at 31-03-2013			
	<b>Acquisition of Softlogic Stockbrokers (Pvt) Ltd [Previously known as Arrenga Capital (Pvt) Ltd]</b>		
12,912,457	Property, Plant and Equipment	-	12,912,457
27,775,137	Intangible Assets	-	27,775,137
3,500,000	Deposits with Colombo Stock Exchange	-	3,500,000
55,663,157	Trade and Other Receivables	-	55,663,157
183,940	Prepayments	-	183,940
18,619,495	Cash and Bank Balance	-	18,619,495
(785,210)	Deferred Tax Liability	-	(785,210)
(876,799)	Retirement Benefit Obligation	-	(876,799)
(34,919,284)	Trade and Other Payables	-	(34,919,284)
(908,860)	Income Tax Payable	-	(908,860)
(2,899,942)	Bank Overdraft	-	(2,899,942)
<b>78,264,091</b>	<b>Net Identifiable assets and liabilities</b>	-	<b>78,264,091</b>
(35,884,653)	Non Controlling Interest holding	-	(35,884,653)
65,756,665	Goodwill/ (negative goodwill) acquired/ loss on disposal	-	65,756,665
108,136,104		-	108,136,104
91,563,896	Investment by Non Controlling Interest	-	91,563,896
<b>199,700,000</b>		-	<b>199,700,000</b>
	<b>Total purchase price paid</b>		
199,700,000	Cash Consideration	-	199,700,000
(15,719,553)	Cash at Bank and in hand acquired	-	(15,719,553)
<b>183,980,447</b>		-	<b>183,980,447</b>

# Softlogic Holdings PLC

## 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	Revenue reserve	Total		
<b>As at 1 April 2013</b>	<b>5,089,000,000</b>	<b>(47,753,697)</b>	<b>1,337,323,892</b>	<b>(93,885,610)</b>	<b>240,463,858</b>	<b>87,790,590</b>	<b>753,383,812</b>	<b>7,366,322,845</b>	<b>6,298,335,034</b>	<b>13,664,657,879</b>
Profit for the period	-	-	-	-	-	-	92,913,259	92,913,259	210,352,285	303,265,544
Other comprehensive income	-	-	60,300,500	4,376,293	(171,998,974)	-	-	(107,322,181)	(69,244,292)	(176,566,473)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>60,300,500</b>	<b>4,376,293</b>	<b>(171,998,974)</b>	<b>-</b>	<b>92,913,259</b>	<b>(14,408,922)</b>	<b>141,107,993</b>	<b>126,699,070</b>
Treasury shares purchased during the period	-	(8,167,488)	-	-	-	-	-	(8,167,488)	-	(8,167,488)
Transfer to reserve fund	-	-	-	-	-	29,639,064	(29,639,064)	-	-	-
Additions, disposals and changes in holding	-	-	-	-	-	-	(16,929,185)	(16,929,185)	(94,512,997)	(111,442,182)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	(20,730,992)	(20,730,992)
<b>As at 30 September 2013</b>	<b>5,089,000,000</b>	<b>(55,921,185)</b>	<b>1,397,624,392</b>	<b>(89,509,317)</b>	<b>68,464,884</b>	<b>117,429,654</b>	<b>799,728,822</b>	<b>7,326,817,250</b>	<b>6,324,199,038</b>	<b>13,651,016,287</b>
<b>As at 1 April 2012</b>	<b>5,089,000,000</b>	<b>-</b>	<b>705,136,747</b>	<b>(96,334,476)</b>	<b>(38,507,190)</b>	<b>255,850,552</b>	<b>1,287,030,750</b>	<b>7,202,176,383</b>	<b>4,110,003,320</b>	<b>11,312,179,703</b>
Profit for the period	-	-	-	-	-	-	(178,066,140)	(178,066,140)	165,509,358	(12,556,782)
Other comprehensive income	-	-	626,187,867	4,869,890	161,806,938	-	-	792,864,695	1,104,952,000	1,897,816,695
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>626,187,867</b>	<b>4,869,890</b>	<b>161,806,938</b>	<b>-</b>	<b>(178,066,140)</b>	<b>614,798,555</b>	<b>1,270,461,358</b>	<b>1,885,259,913</b>
Transfer to reserve fund	-	-	-	-	-	42,002,441	(42,002,441)	-	-	-
Allocation for Life Solvency	-	-	-	-	-	(200,000,000)	200,000,000	-	-	-
Acquisitions, disposals and changes in holding	-	-	-	-	-	-	(196,000,908)	(196,000,908)	87,769,258	(108,231,650)
Dividend paid	-	-	-	-	-	-	(233,700,000)	(233,700,000)	-	(233,700,000)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	(27,757,610)	(27,757,610)
<b>As at 30 September 2012</b>	<b>5,089,000,000</b>	<b>-</b>	<b>1,331,324,614</b>	<b>(91,464,586)</b>	<b>123,299,748</b>	<b>97,852,993</b>	<b>837,261,261</b>	<b>7,387,274,030</b>	<b>5,440,476,326</b>	<b>12,827,750,356</b>

### COMPANY

In Rs.	Stated capital	Available for sale reserve	Accumulated profit	Total
<b>As at 1 April 2013</b>	<b>5,089,000,000</b>	<b>(2,749,371)</b>	<b>370,810,021</b>	<b>5,457,060,650</b>
Profit for the period	-	-	(152,351,457)	(152,351,457)
Other comprehensive income	-	(684,499)	-	(684,499)
<b>Total comprehensive income</b>	<b>-</b>	<b>(684,499)</b>	<b>(152,351,457)</b>	<b>(153,035,956)</b>
<b>As at 30 September 2013</b>	<b>5,089,000,000</b>	<b>(3,433,870)</b>	<b>218,458,564</b>	<b>5,304,024,694</b>
<b>As at 1 April 2012</b>	<b>5,089,000,000</b>	<b>442,818,842</b>	<b>256,720,117</b>	<b>5,788,538,959</b>
Profit for the period	-	-	212,904,992	212,904,992
Other comprehensive income	-	(440,918,785)	-	(440,918,785)
<b>Total comprehensive income</b>	<b>-</b>	<b>(440,918,785)</b>	<b>212,904,992</b>	<b>(228,013,793)</b>
Dividend paid	-	-	(233,700,000)	(233,700,000)
<b>As at 30 September 2012</b>	<b>5,089,000,000</b>	<b>1,900,057</b>	<b>235,925,109</b>	<b>5,326,825,166</b>

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

# Softlogic Holdings PLC

## COMPANY INCOME STATEMENT

Audited year ended 31-03-2013 Rs.		Unaudited 06 months to 30-09-2013 Rs.	Unaudited 06 months to 30-09-2012 Rs.	Change as a %	Unaudited 03 months to 30-09-2013 Rs.	Unaudited 03 months to 30-09-2012 Rs.
280,764,425	Revenue	181,579,150	143,792,150	26.28%	90,432,325	78,170,575
(75,078,810)	Cost of sales	(46,640,705)	(31,885,126)	46.28%	(19,815,983)	(14,503,055)
<b>205,685,615</b>	<b>Gross profit</b>	<b>134,938,445</b>	<b>111,907,024</b>	<b>20.58%</b>	<b>70,616,342</b>	<b>63,667,520</b>
358,107,954	Dividend income	30,544,176	19,853,766	-	30,328,346	17,820,001
403,611,206	Other operating income	18,272,178	381,997,493	-95.22%	3,048,758	366,268,037
-	Distribution expenses	-	-	-	-	-
(168,333,332)	Administrative expenses	(115,029,520)	(92,847,543)	23.89%	(62,547,713)	(53,626,047)
<b>799,071,443</b>	<b>Results from Operating Activities</b>	<b>68,725,279</b>	<b>420,910,740</b>	<b>-83.67%</b>	<b>41,445,733</b>	<b>394,129,511</b>
258,592,980	Finance income	145,607,680	109,275,785	33.25%	90,282,871	60,691,982
(709,435,645)	Finance expenses	(426,984,916)	(317,281,533)	34.58%	(237,268,449)	(185,346,267)
<b>(450,842,665)</b>	<b>Net Finance Cost</b>	<b>(281,377,236)</b>	<b>(208,005,748)</b>	<b>35.27%</b>	<b>(146,985,578)</b>	<b>(124,654,285)</b>
-	Change in fair value of investment property	60,300,500	-	-	60,300,500	-
<b>348,228,778</b>	<b>Profit before tax</b>	<b>(152,351,457)</b>	<b>212,904,992</b>	<b>-171.56%</b>	<b>(45,239,345)</b>	<b>269,475,226</b>
(438,875)	Tax expense	-	-	-	-	-
<b>347,789,903</b>	<b>Profit/ (loss) for the Period</b>	<b>(152,351,457)</b>	<b>212,904,992</b>	<b>-171.56%</b>	<b>(45,239,345)</b>	<b>269,475,226</b>

## COMPANY STATEMENT OF COMPREHENSIVE INCOME

Audited year ended 31-03-2013 Rs.		Unaudited 06 months to 30-09-2013 Rs.	Unaudited 06 months to 30-09-2012 Rs.	Change as a %	Unaudited 03 months to 30-09-2013 Rs.	Unaudited 03 months to 30-09-2012 Rs.
347,789,903	<b>Profit/ (loss) for the period</b>	<b>(152,351,457)</b>	212,904,992	-171.56%	<b>(45,239,345)</b>	269,475,226
	<b>Other comprehensive income</b>					
(445,568,213)	Net (loss) / gain on available-for-sale financial assets	(684,499)	440,918,785	-100.16%	(2,295,992)	586,736,621
<b>(445,568,213)</b>	<b>Other comprehensive income for the period, net of tax</b>	<b>(684,499)</b>	<b>440,918,785</b>	<b>-100.16%</b>	<b>(2,295,992)</b>	<b>586,736,621</b>
<b>(97,778,310)</b>	<b>Total comprehensive income for the period, net of tax</b>	<b>(153,035,956)</b>	<b>653,823,777</b>	<b>-123.41%</b>	<b>(47,535,337)</b>	<b>856,211,847</b>

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

# Softlogic Holdings PLC

## SEGMENT ANALYSIS

REVENUE AND PROFIT																
	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Total	
For the six months ended 30 September	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	3,005,759,852	2,756,919,303	13,446,763	1,019,483	3,607,510,549	3,049,829,620	245,060,813	422,225,918	3,541,232,209	2,593,059,878	3,736,024,238	3,378,028,751	37,423,563	33,994,289	14,186,457,987	12,235,077,242
Operating profit	389,577,355	282,428,159	(31,961,651)	8,270,749	466,542,295	329,473,189	(5,305,617)	29,799,711	(278,951,429)	(388,052,416)	986,245,845	873,141,941	(99,609,285)	(45,703,393)	1,426,537,513	1,089,357,941
Profit before taxation	144,812,003	74,501,726	(30,046,829)	7,381,141	258,876,447	207,315,219	(26,981,402)	569,162	(258,919,504)	(407,804,555)	696,880,756	534,919,228	(441,660,158)	(285,905,346)	342,961,312	130,976,575
Taxation	11,002,900	(17,373,615)	85,299	(15,231,786)	29,248,590	(27,795,121)	-	-	(40,851,205)	(14,559,816)	(40,492,586)	(62,682,297)	1,311,234	(5,890,722)	(39,695,768)	(143,533,357)
Profit after taxation	155,814,902	57,128,111	(29,961,530)	(7,850,645)	288,125,037	179,520,099	(26,981,402)	569,162	(299,770,709)	(422,364,371)	656,388,169	472,236,931	(440,348,923)	(291,796,068)	303,265,544	(12,556,782)

REVENUE AND PROFIT																
	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Total	
For the three months ended 30 September	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	1,549,248,215	1,442,675,274	2,373,555	659,918	1,741,065,209	1,488,310,807	166,806,740	85,108,375	1,812,399,962	1,552,376,049	1,876,049,981	1,654,817,148	19,531,063	31,843,273	7,167,474,725	6,255,790,844
Operating profit	249,432,475	126,234,623	(4,267,598)	18,998,307	209,081,049	168,097,772	4,582,756	3,401,636	(151,758,527)	(313,931,651)	493,563,024	412,619,967	(56,142,689)	(27,442,813)	744,490,490	387,977,841
Profit before taxation	76,104,385	13,430,532	(4,287,617)	19,727,565	88,233,155	87,671,916	(7,217,362)	(14,777,415)	(203,606,522)	(331,228,695)	371,573,217	256,923,845	(194,601,416)	(112,929,375)	126,197,839	(81,181,627)
Taxation	16,611,386	(3,421,688)	85,299	(15,087,467)	-	(27,795,121)	53,248	3,714,792	(24,887,565)	(2,225,745)	(5,223,232)	(39,413,650)	5,592,952	(2,359,635)	(7,767,911)	(86,588,514)
Profit after taxation	92,715,770	10,008,844	(4,202,318)	4,640,098	88,233,155	59,876,796	(7,164,114)	(11,062,623)	(228,494,087)	(333,454,440)	366,349,984	217,510,195	(189,008,464)	(115,289,010)	118,429,928	(167,770,141)

OTHER INFORMATION																		
	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Eliminations		Total	
For the six months ended 30 September	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Segment assets	5,444,782,903	5,426,613,371	6,786,468,744	2,866,935,542	7,309,268,713	5,878,057,060	513,144,738	298,261,329	27,498,097,913	21,513,911,900	21,372,266,997	18,725,966,139	17,181,620,766	14,075,114,259	(28,847,216,065)	(20,127,144,079)	57,258,434,709	48,657,715,521
Investment in equity method - associates																	36,984,632	53,785,485
Consolidate total assets																	57,295,419,341	48,711,501,006
Segment liabilities	4,577,042,079	4,867,393,257	2,974,948,734	1,319,016,971	5,638,931,500	4,768,545,900	520,432,413	237,677,762	23,355,870,933	17,337,393,120	7,785,515,220	8,364,328,883	9,859,929,211	6,709,886,205	(11,068,267,036)	(7,720,491,448)	43,644,403,054	35,883,750,650
Depreciation of property, plant & equipment (PPE)	17,986,405	20,688,691	(191,477)	3,615,508	40,520,906	23,739,067	2,128,828	-	37,196,249	37,621,962	324,885,485	299,456,305	14,429,718	25,502,475			436,956,114	410,624,008
Amortisation of lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	518,461	518,466	-	-			518,461	518,466
Amortisation of intangible assets	58,282	-	-	-	-	-	-	-	85,281,137	87,293,853	-	-	97,136	-			85,436,555	87,293,853
Retirement benefit obligations and related cost	7,055,940	4,469,846	707,472	707,472	4,690,336	3,616,583	194,205	-	7,522,115	10,212,418	25,766,631	25,585,746	3,631,774	90,500			49,568,473	44,682,565
Purchase and construction of PPE	229,124	7,337,281	739,951,731	485,090,398	126,479,747	76,614,788	40,248,050	(2,455,328)	57,346,927	63,870,840	215,529,759	363,506,881	92,911,238	223,670,815			1,272,696,576	1,217,635,675

## NOTES TO THE FINANCIAL STATEMENTS

## FIRST TIME ADOPTION OF SLFRS/LKAS

## 2.1. Reconciliation of comprehensive income- Income Statement

For the six month period ended 30 September 2012 In Rs.	GROUP			COMPANY		
	As per SLAS	Effect of transition to SLFRS/LKAS	As per SLFRS/LKAS	As per SLAS	Effect of transition to SLFRS/LKAS	As per SLFRS/LKAS
Revenue	12,328,072,285	(92,995,043)	12,235,077,242	253,061,547	(109,269,397)	143,792,150
Cost of sales	(8,403,205,314)	113,409,134	(8,289,796,180)	(42,686,166)	10,801,040	(31,885,126)
<b>Gross profit</b>	<b>3,924,866,971</b>	<b>20,414,091</b>	<b>3,945,281,062</b>	<b>210,375,381</b>	<b>(98,468,357)</b>	<b>111,907,024</b>
Dividend income	11,214,631	(11,214,631)	-	19,853,766	-	19,853,766
Other operating income	924,300,635	(838,083,608)	86,217,027	382,003,881	(6,388)	381,997,493
Distribution expenses	(518,221,443)	(17,131,505)	(535,352,948)	-	-	-
Administrative expenses	(2,491,259,059)	84,471,859	(2,406,787,200)	(80,591,243)	(12,256,300)	(92,847,543)
<b>Results from operating activities</b>	<b>1,850,901,735</b>	<b>(761,543,794)</b>	<b>1,089,357,941</b>	<b>531,641,785</b>	<b>(110,731,045)</b>	<b>420,910,740</b>
Finance income	-	328,693,626	328,693,626	-	109,275,785	109,275,785
Finance expenses	(1,295,337,725)	(7,274,415)	(1,302,612,140)	(317,281,533)	-	(317,281,533)
<b>Net finance cost</b>	<b>(1,295,337,725)</b>	<b>321,419,211</b>	<b>(973,918,514)</b>	<b>(317,281,533)</b>	<b>109,275,785</b>	<b>(208,005,748)</b>
Share of profit of equity accounted investees	10,958,034	4,579,114	15,537,148	-	-	-
<b>Profit before tax</b>	<b>566,522,044</b>	<b>(435,545,469)</b>	<b>130,976,575</b>	<b>214,360,252</b>	<b>(1,455,260)</b>	<b>212,904,992</b>
Tax expense	(151,843,619)	8,310,262	(143,533,357)	-	-	-
<b>Profit/ (loss) for the period</b>	<b>414,678,425</b>	<b>(427,235,207)</b>	<b>(12,556,782)</b>	<b>214,360,252</b>	<b>(1,455,260)</b>	<b>212,904,992</b>

## 2.2. Reconciliation of comprehensive income - Statement of comprehensive income

For the six month period ended 30 September 2012 In Rs.	GROUP			COMPANY		
	As per SLAS	Effect of transition to SLFRS/LKAS	As per SLFRS/LKAS	As per SLAS	Effect of transition to SLFRS/LKAS	As per SLFRS/LKAS
<b>Profit/ (loss) for the period</b>	<b>414,678,425</b>	<b>(427,235,207)</b>	<b>(12,556,782)</b>	<b>214,360,252</b>	<b>(1,455,260)</b>	<b>212,904,992</b>
<b>Other comprehensive income</b>						
Currency translation of foreign operations	-	4,869,890	4,869,890	-	-	-
Revaluation of land and buildings	-	1,678,021,954	1,678,021,954	-	-	-
Net (loss) / gain on available-for-sale financial assets	-	220,813,046	220,813,046	-	440,918,785	440,918,785
Tax on other comprehensive income	-	(5,888,195)	(5,888,195)	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>1,903,704,890</b>	<b>1,897,816,695</b>	<b>-</b>	<b>440,918,785</b>	<b>440,918,785</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>414,678,425</b>	<b>1,476,469,683</b>	<b>1,885,259,913</b>	<b>214,360,252</b>	<b>439,463,525</b>	<b>653,823,777</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited.

## NOTES TO THE FINANCIAL STATEMENTS

## 2.3. Reconciliation of equity - Group / Company Statement of Financial Position

	GROUP			COMPANY		
	As per SLAS	Effect of transition to SLFRS/LKAS	As per SLFRS/LKAS	As per SLAS	Effect of transition to SLFRS/LKAS	As per SLFRS/LKAS
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	13,656,494,128	176,095,412	13,832,589,540	95,443,213	45,415,337	140,858,550
Lease rentals paid in advance	155,126,808	(259,230)	154,867,578	-	-	-
Investment property	2,113,736,500	-	2,113,736,500	333,699,500	-	333,699,500
Intangible assets	8,350,875,185	(679,852,982)	7,671,022,203	-	-	-
Investments in subsidiaries	-	-	-	8,044,204,700	(867,990,217)	7,176,214,483
Investments in associates	53,556,772	228,713	53,785,485	11,000,000	844,007,284	855,007,284
Other non current financial assets	-	3,903,178,957	3,903,178,957	-	336,113,369	336,113,369
Rental receivable on lease assets and hire purchase	3,955,229,402	-	3,955,229,402	-	-	-
Deferred tax assets	328,750,269	(42,273,710)	286,476,559	-	-	-
Other non current assets	2,938,471,499	(2,920,862,459)	17,609,040	318,745,075	(318,745,075)	-
	31,552,240,563	436,254,701	31,988,495,264	8,803,092,488	38,800,698	8,841,893,186
<b>Current assets</b>						
Inventories	3,340,963,784	35,278,041	3,376,241,825	-	-	-
Trade and other receivables	5,823,891,413	(1,114,837,374)	4,709,054,039	77,629,374	(12,642,552)	64,986,822
Loans and advances	2,162,725,494	(932,981,766)	1,229,743,728	-	-	-
Rental receivable on lease assets and hire purchase	2,499,519,567	-	2,499,519,567	-	-	-
Amounts due from related parties	112,801,580	-	112,801,580	1,750,197,594	(34,718,518)	1,715,479,076
Other current assets	-	849,496,425	849,496,425	-	12,642,551	12,642,551
Short term investments	3,114,448,700	272,476,097	3,386,924,797	338,426,517	-	338,426,517
Cash in hand and at bank	559,223,781	-	559,223,781	2,365,306	-	2,365,306
	17,613,574,319	(890,568,577)	16,723,005,742	2,168,618,791	(34,718,519)	2,133,900,272
<b>Total Assets</b>	<b>49,165,814,882</b>	<b>(454,313,876)</b>	<b>48,711,501,006</b>	<b>10,971,711,279</b>	<b>4,082,179</b>	<b>10,975,793,458</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to equity holders of the parent</b>						
Stated capital	5,089,000,000	-	5,089,000,000	5,089,000,000	-	5,089,000,000
Capital reserves	1,268,128,581	(1,268,128,581)	-	-	-	-
Revenue reserves	1,454,135,473	(616,874,212)	837,261,261	188,517,377	47,407,732	235,925,109
Other components of equity	-	1,461,012,769	1,461,012,769	-	1,900,057	1,900,057
	7,811,264,054	(423,990,024)	7,387,274,030	5,277,517,377	49,307,789	5,326,825,166
Non-controlling interest	5,364,135,934	76,340,392	5,440,476,326	-	-	-
<b>Total equity</b>	<b>13,175,399,988</b>	<b>(347,649,632)</b>	<b>12,827,750,356</b>	<b>5,277,517,377</b>	<b>49,307,789</b>	<b>5,326,825,166</b>
<b>Non-current liabilities</b>						
Insurance Contract Liabilities	3,051,518,732	(200,000,000)	2,851,518,732	-	-	-
Interest bearing borrowings	9,582,231,184	-	9,582,231,184	2,431,313,370	-	2,431,313,370
Public deposits	1,039,934,979	130,078,901	1,170,013,880	-	-	-
Deferred tax liabilities	308,345,272	(3,247,123)	305,098,149	-	-	-
Employee benefit liabilities	352,448,699	7,771,350	360,220,049	13,663,274	-	13,663,274
Other deferred liabilities	1,504,819	78,577,912	80,082,731	-	-	-
	14,335,983,685	13,181,040	14,349,164,725	2,444,976,644	-	2,444,976,644
<b>Current liabilities</b>						
Trade and other payables	3,978,111,777	(316,442,806)	3,661,668,971	225,923,982	(207,938,554)	17,985,428
Amounts due to related parties	18,104,799	-	18,104,799	1,069,872,735	(45,819,992)	1,024,052,743
Income tax liabilities	251,011,051	(1,818,170)	249,192,881	-	-	-
Short term borrowings	5,115,689,776	56,754,319	5,172,444,095	332,056,366	(2,161,282)	329,895,084
Current portion of interest bearing borrowings	4,935,461,618	-	4,935,461,618	1,297,519,210	64,264,560	1,361,783,770
Other current liabilities	-	116,165,839	116,165,839	-	146,429,658	146,429,658
Public deposits	5,007,318,049	25,495,534	5,032,813,583	-	-	-
Bank overdrafts	2,348,734,139	-	2,348,734,139	323,844,965	-	323,844,965
	21,654,431,209	(119,845,284)	21,534,585,925	3,249,217,258	(45,225,610)	3,203,991,648
<b>Total equity and liabilities</b>	<b>49,165,814,882</b>	<b>(454,313,876)</b>	<b>48,711,501,006</b>	<b>10,971,711,279</b>	<b>4,082,179</b>	<b>10,975,793,458</b>

Note : Figures in brackets indicate deductions.

The above figures are not audited.

**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 06 months ended 30 September 2013 were authorised for issue by the Board of directors on 15 November 2013.

**2. BASIS OF PREPARATION**

The interim financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 -Interim Financial Reporting. These interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2013.

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. SHARE INFORMATION****Public Share Holdings**

The percentage of shares held by the public as at 30 September 2013 was 30.27% (as at 30 September 2012 -31.50%)

**3.2 Directors' Share Holdings**

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

As at	30-09-2013
A K Pathirage - Chairman/ Managing Director	349,135,096
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
Deshamanya P D Rodrigo	Nil
W M P L De Alwis, PC	Nil
<b>Total</b>	<b>534,369,896</b>

**3.3 Twenty Largest Shareholders of the Company are as follows:**

As at	30-09-2013	
	Number of	%
	shares	
1 Mr. A K Pthirage	310,185,096	39.82
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 Commercial Bank of Ceylon PLC/A K Pathirage	38,950,000	5.00
6 Pemberton Asian Opportunities Fund	26,000,000	3.34
7 Sri Lanka Insurance Corporation Ltd-General Fund	15,812,400	2.03
8 Bank of Ceylon A/C Ceybank Unit Trust	10,840,041	1.39
9 Dr. K M P Karunaratne	10,313,159	1.32
10 HSBC INTL NOM LTD-SNFE-NTASIAN Discovery Master Fund	9,900,400	1.27
11 Employees Provident Fund	7,230,500	0.93
12 Asian Alliance Insurance PLC - A/C 2 (Life Fund)	4,591,702	0.59
13 Mrs. A Selliah	4,236,000	0.54
14 Arunodhaya (Private) Limited	3,950,000	0.51
15 Arunodhaya Industries (Private) Limited	3,950,000	0.51
16 Arunodhaya Investments (Private) Limited	3,950,000	0.51
17 Bartleet Finance PLC	3,886,000	0.50
18 Miss. S Subramaniam	3,800,000	0.49
19 Mr. V Kailasapillai	3,800,000	0.49
20 Mrs. A Kailasapillai	3,800,000	0.49

**3.4 Stated Capital**

Stated capital is represented by number of shares in issue as given below:

As at	30-09-2013
Ordinary shares	779,000,000

**3.5 Net Assets per Share**

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 30 September 2013.

**4. STATED CAPITAL MOVEMENTS**

Stated Capital	Rs
As at 01 April 2013	5,089,000,000
As at 30 September 2013	<u>5,089,000,000</u>

**5. INVESTOR INFORMATION****5.1 Market Value of Shares**

The market value of an ordinary share of Softlogic Holdings PLC was as follows.

	30-09-2013
	Rs.
Closing price on	8.70
Highest price recorded for the three months ending	10.00
Lowest price recorded for the three months ending	8.00
Market Capitalisation (Rs. Mn)	6,777.30

**5.2 Ratios**

Net assets per share at the period end 9.46

**5.3 Share Trading information from 01 July 2013 to 30 September 2013**

Number of shares traded	10,633,871
Value of shares traded (Rs.)	92,928,901

**6. LISTED DEBENTURES**

Details regarding the listed debentures are as follows:

**6.1** 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.

**6.2 Ratios**

	30-09-2013
Debt/ equity ratio	1.27
Quick asset ratio	0.88
Interest cover	1.03

**6.3** The listed debentures were not traded during the period 09 September 2013 to 30 September 2013. Therefore, Highest, Lowest and Closing traded prices, Interest Yield and Yield to Maturity of Trade as at 30 September 2013, were not available.

**7. CONTINGENCIES, CAPITAL AND OTHER COMMITMENTS****7.1 CONTINGENT LIABILITIES**

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

Pending litigations against Asiri Hospital Holdings PLC and Asiri Hospitas Matara (Pvt) Ltd with a maximum liability of Rs. 43 Mn and Rs. 51 Mn respectively exist as at the balance sheet date. 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 results of operations, financial position or liquidity of the group. Accordingly no provision for any liability has been made in these financial statements.

**7.2 CAPITAL COMMITMENTS**

As at 30 September 2013, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 2,410 Mn (30 September 2012 - 2,321 Mn).

**8. POST BALANCE SHEET EVENTS**

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

The Board of Directors of the Company declared an interim dividend of Rs. 0.155 per share for the financial year ending 31 March 2014. As required by section 56 (2) of the companies Act no 07 of 2007, the board of directors has confirmed that the company satisfies the solvency test in accordance with section 57 of the companies Act No.07 of 2007, and has obtained a certificate of solvency from the auditors to this effect.



# Softlogic Holdings PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 9. RELATED PARTY TRANSACTIONS

	Group		Company	
	Unaudited 06 months to 30-09-2013 Rs.	Unaudited 06 months to 30-09-2012 Rs.	Unaudited 06 months to 30-09-2013 Rs.	Unaudited 06 months to 30-09-2012 Rs.
<b>Transactions with related parties</b>				
<b>Subsidiaries</b>				
(Purchases)/ sales of goods	-	-	(11,478,907)	(4,505,969)
(Receiving) / rendering of services	-	-	166,705,150	124,971,150
(Purchases) / sale of property plant & equipment	-	-	(6,372,972)	(3,349,986)
Loans given	-	-	1,809,755,000	303,700,000
Interest received / (paid)	-	-	130,149,415	109,275,785
Rent received / (paid)	-	-	8,490,000	11,092,000
Dividend received	-	-	5,942,300	32,130
Guarantees given/ (obtained)	-	-	1,145,100,000	740,700,000
<b>Associates</b>				
(Purchases) / sale of property plant & equipment	22,122,687	6,232,090	-	-
(Receiving) / rendering of services	6,028,450	7,162,500	5,784,000	7,129,000
Dividend received	-	-	27,000,000	19,800,000
<b>Key management personnel</b>				
(Receiving) / rendering of services	-	-	-	-
<b>Close family members of KMP</b>				
(Receiving) / rendering of services	-	-	-	-
<b>Companies controlled / jointly controlled / significantly influenced by KMP and their close family members</b>				
Loans obtained/ (repayments)	(354,182,752)	(356,174,982)	-	-
Interest received/ (paid)	(47,828,571)	(117,658,119)	-	(42,171,232)
<b>Post employment benefit plan</b>				
Contributions to the provident fund	4,841,955	3,188,700	4,207,500	2,764,800

# 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.

Ordinary shares listed on Main Board of Colombo Stock Exchange

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

14, De Fonseka Place,  
Colombo 05  
Sri Lanka

Tel : +94 11 5575 000  
Fax : +94 11 2595 441  
E-mail : info@softlogic.lk  
Web : www.softlogic.lk

### Directors

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

### Audit Committee

Deshamanya P D Rodrigo - Chairman  
W M P L De Alwis, PC  
Dr S Selliah

### Remuneration Committee

W M P L De Alwis - Chairman  
Deshamanya P D Rodrigo

### Secretaries and Registrars

Softlogic Corporate Services (Pvt) Ltd  
14, De Fonseka Place,  
Colombo 05  
Sri Lanka

### Investor Relations

Softlogic Holdings PLC  
14, De Fonseka Place,  
Colombo 05  
Sri Lanka

Tel : +94 11 5575 000

Fax : +94 11 2595 441

### Contact for Media

Softlogic Holdings PLC  
14, De Fonseka Place,  
Colombo 05  
Sri Lanka

Tel : +94 11 5575 000

Fax : +94 11 2595 441

### Bankers

Sampath Bank PLC  
Commercial Bank Ceylon PLC  
Hatton National Bank PLC  
Seylan Bank PLC  
National Development Bank PLC  
Citibank NA  
Nations Trust Bank PLC  
DFCC Bank PLC  
Bank of Ceylon  
Union Bank Colombo PLC  
Pan Asia Banking Corporation  
Amana Bank Limited

### Auditors

Ernst & Young  
Chartered Accountants  
201, De Saram Place,  
Colombo 10