

SOFTLOGIC HOLDINGS PLC

**INTERIM FINANCIAL STATEMENTS
NINE MONTHS ENDED 31 DECEMBER 2013**



Dear Shareholders,

I am pleased to report the third quarter performance of FY 2013/2014. Aggregate revenue was up for the nine months ended December 2013 crossing Rs. 21.7 Bn mark reporting a strong growth of 14.3% YoY whilst the third quarter results recorded an increase in revenue to Rs. 7.6 Bn (up 11.4% YoY). Healthcare Services maintained its dominant contributory position to the consolidated topline followed by Retail, Financial Services and ICT segments respectively. Topline was buoyed due to business growth relating to the festive season coming into full swing; sales growth generally outperforms budgetary expectations during the months of Nov-Dec, and Mar-Apr which chiefly the two seasons for the year. Also, branch expansion, product/brand acquisitions/development and aggressive sales efforts also assisted business growth. Insurance and healthcare sectors particularly demonstrated business growth stemming from insurance renewals crystallising during the year-end whereas, in the healthcare sector, medical insurance claims augment business growth for a similar reason. Positive performance was reported across all our business segments with the Finance cluster reporting exceptional results followed by strong performance in healthcare and Retail, which was boosted by the seasonal swing. The ICT sector continued on a positive note with the execution of lucrative hardware solutions contracts.

Cumulative Net Profit for the period ending 31st December 2013 recorded over a three-fold YoY growth to Rs. 803.1 Mn whilst the quarter made Rs. 559 Mn reporting a near two-fold YoY growth.

Gross Profit of the Group for the quarter under review increased by 32.5% YoY to Rs. 2.8 Bn taking the cumulative Gross Profit for the three quarters to Rs. 7.4 bn (up 22.7% YoY improvement). Hence, there was a notable improvement in Gross Profit Margins during the quarter by nearly 600 basis points YoY. Operating Profit for the cumulative period under

discussion recorded a 19.8% YoY growth to Rs. 2.4 Bn whilst Rs. 968.5 Mn was reported for the quarter.

The external environment proved benign for the Group with falling interest rates and stabilization of the exchange rates. The Rupee strengthened against the US Dollar during the quarter. December monthly rate settled down to Rs. 130.83 from Rs. 132.47 in September 2013. This was a fillip to our import oriented segments -- Retail and ICT. AWPLR closed the December quarter at 9.88% whilst closing at 11.94% for 2QFY14. This had an impact on performance with saving noted in financial costs. With financial costs reducing the benefits could be passed down to the end consumer thereby absorbing margin pressures and assisting Group's topline growth momentum. Our business model is predicated on lower financial costs given the Group's strong EBIDTA generation as opposed to more expensive alternative quasi capital financing instruments to finance growth and enhance profits. Finance expenses reduced to Rs. 603 Mn which is 43.4% YoY during the third quarter of the year under discussion whilst the cumulative finance cost eased 15% YoY to Rs.2 Bn. As such, the Group's cumulative PBT was Rs. 1 Bn, a remarkable 166.5% YoY growth after the quarter under analysis saw a 168.9% YoY improvement to Rs. 682.6 Mn.

Our quest for more retail space continues encouraged by the positive results reported by our most recent brand/branch expansions. Softlogic Brands (Pvt) Ltd is looking forward to the opening of a flagship store of French Connection -- 'FCUK' -- in the upcoming period. Besides, the opening of BURGER KING® was a resounding success with the three restaurants being visible in a big way in the metropolis. Plans are ahead to expand Burger King's franchise in the forthcoming months. Our accelerated expansion mode for our Consumer Electronics division is well under control targeting 200 by 31st March 2013. The expansion focuses primarily on less costly

small-format showrooms outside the Western province and hence makes the expansion target more realistic and financially viable. The 173rd showroom was opened in the Jaffna Peninsula in January 2014. The Branded Apparel Division continued its induction of world's renowned fashion brands adding 'Splash' to its authorized franchise list. The high street Middle Eastern fashion house marked its identity in Sri Lanka with Softlogic at K-Zone, Ja-ela. Your Extending our mini departmental store concept, we are also looking to house our premier apparel brands along with our fast food franchise at the upmarket shopping arcade located in the refurbished former Auditor General's Building.

A dedicated Apple Service Centre was launched in February consequent to Softlogic Information Technologies being appointed as the Authorized Service Provider and Distributor for Apple products in Sri Lanka.

Our Finance cluster has crafted groundbreaking equity/ debt instruments with renowned global agencies such as the IFC, DEG and FMO. Softlogic Finance PLC announced a deal with GuarantCo, a multilateral organisation, physically based in UK, which would be guaranteeing the issuance of Softlogic Finance Debentures. The transaction will become a 'AAA' rating for the debenture issue making Softlogic Finance Debenture issue the first ever 'AAA' rated debenture to be listed on the Colombo Stock Exchange.

Information & Communication Technology

Information & Communication Technology sector's revenue continued recording a modest growth rate of 9% YoY during the 1-3QFY14 thus reflecting a strong contribution of 21% to the Group topline

with the sector's quarterly revenue improving 8.3% YoY to Rs. 1.5 Bn. Operational Profit for the cumulative period was reported at Rs. 534.8 Mn (up 7.2% YoY). ICT cluster's contribution to the Group PAT was 24.3% after adding in Rs. 195.1 Mn for the cumulative period under discussion. Smart phone sales continued to grow adding to the total sales of the communications division.

The IT business has been moving forward successfully. The business is now diversifying its focus beyond end-user computing towards enterprise computing. We provide nearly 50%-60% of storage business to EMC, the largest storage supplier in the country. We also tied up with EMC and Lenovo for the back-up recovery system space. A number of contracts have already been struck for this solution. We are targeting the end-user computing via Lenovo and Apple. Considerable effort has been expended in Continuous Professional Development (CPD) for corporate software security solution.

Leisure

The hotel project at Bentota -- Centara Ceysands Luxury Resort & Spa - is nearing its completion. This new resort, situated in idyllic location with a blend of luxury and unprecedented style, will open its doors for external guests in April 2014; hence this would add to the Group's consolidated performance in FY14/15E.

Construction of Movenpick city hotel is progressing as per the envisaged time lines. With the completion of the transfer floor at Level 6 as of 10th of February, the target date for opening the 5 star hotel remains on course - Sep15.

Retail

Retail sector continued its growth in terms of business volumes as well as profitability during the period under review. New brand and branch sales coupled with the seasonal effect drove the Retail sector's revenue to cross Rs. 2 Bn (up 8.4% YoY) for the third quarter of FY 2013/ 2014 whilst the cumulative retail sector sales improved a by 14.4% to Rs. 5.7 Bn. The sector maintained its contribution at 26% to the Group's topline. Sector's third quarterly operating profit reported Rs. 224.1 Mn, down by a marginal 2% YoY. This is due to the increased administrative and distribution cost increasing in line with the Company's expansion plans. However, cumulative Operating Profit of the sector was up 23.8% YoY improving to Rs. 690.7 Mn. Retail sector's profitability remained strong with an aggregate PAT of Rs. 412.2 Mn during the FY 2013/ 14 (up 61.4% YoY) after the 3QFY14 reported a PAT of Rs. 177 Mn (Vs. Rs. 76 Mn in the comparative period). Declining interest rate added to the cluster's performance supporting its Hire Purchase financing power.

Suffice it is to say, with the implication of the new VAT law restricting the retail industry's overall exemption of sales for qualifying items the retail industry is unsure as to how to treat the negative impact arising from this without affecting consumer demand. Industry as a whole has appealed to the authorities in this instance, otherwise, the future of the consumer electronics and durables segment may find it increasingly difficult operate should these warning go unheeded.

Automobile

The automobile sector is through a challenging phase until such a time the removal of those selective duty waivers is instituted. However, we are now focusing in related diversification to overcome the systemic challenges. The appointment of an experienced CEO with strong global automotive background in both Sales & after-Sales for those globally leading automobile brands is one step forward for the segment to reach the next level of operational potential. Plans are underway to work with Softlogic Finance to support the financing side of customers, reorganization of service and spare-part operations, appointment of an island wide Service & Parts network and moving into a state-of-the-art 3S facility (Sales, Service & Spare Parts); the latter which is expected to be fast tracked. This facility will be one of the most modern automotive facilities in Asia, built entirely to FORD's global corporate identity (CI) standards. We have also now initiated 'Softlogic Rent-a-Car business under the automobile banner with reorganization of our service operations.

Financial Services

Financial Services recorded remarkable growth during 3QFY14 recording a 29% YoY quarterly increase in topline to Rs. 1.9 Bn taking the cumulative topline to Rs. 5.4 Bn (up 34% YoY). The sector's contribution to Group topline stood strong at 25%. Performance during the quarter, a PAT of Rs. 356.5 Mn (over two-fold YoY growth), was a major turnaround to the sector's cumulative bottom line status which recovered from losses during the first half of FY 2013/ 2014 to a cumulative PAT of Rs. 56.7 Mn.

Asian Alliance Insurance PLC's performance deserves a special applause as it continued to outperform industry growth rates. Its strong sales effort in capturing new business eclipsed yet another milestone, with new business crossing the Rs. 1 Bn mark for Life Insurance segment. Average Client Value has reached Rs. 76,000 - the highest in the industry whilst YTD GWP for the company crossed Rs. 4 Bn. Non-Life business also continued to outperform the industry with an impressive top line growth of 31% YoY (Vs. industry average of 9%). Synergies of the Group continue to be exploited through branch expansion in collaboration with Softlogic Finance and Softlogic Retail.

Balanced growth also formed the cornerstone of Softlogic Finance, with the company recognizing impressive growth of 49% on Income earned up to 3QFY14, once again showcasing the tremendous potential for growth both in the company and in the industry. This also resulted in a 19% growth in assets of the company and thereby allowing it to move two places forward and achieve 12th place in the industry in terms of asset size. Prudent and proactive measures taken during the period in review also resulted in minimization of the potential impact from both the depreciation of gold in the global markets as well as exposure to the domestic infrastructure sector, and combined with aggressive steps taken on recoveries and client management, allowed the company to maintain its profits for the period in question.

Softlogic Stockbrokers (Pvt) Ltd's performance saw slight improvement toward the latter part of the quarter in line with the Colombo bourse. However, we remain quite optimistic with the last quarter of the FY 2013/ 2014 with the

renewed local investor confidence and notable improvement in local institutions activity in the stock market.

Consequent to solid performance at its subsidiaries, Softlogic Capital, the financial services sector's holding arm of the Group, reflecting commendable growth versus the loss reported during the comparative period. This comprehensive financial service portfolio is well positioned to continue on its platform of aggressive growth, leveraging on its accelerated growth in customer base acquired from diverse sectors of the overall Group. Total assets of the sector were Rs. 27.4 Bn as at 31st December 2013 and recorded an increase of 15% for the nine-month period compared with Rs. 23.8 Bn as at 31st March 2013.

Healthcare Services

Healthcare Services continued its uninterrupted growth story with revenue contribution still dominant at 26% of the Group. Sector's revenue for the third quarter of FY 2013/ 14 neared Rs. 2 Bn growing 11.6% YoY whilst heaving the cumulative revenue to Rs. 5.7 Bn (up 10.9% YoY). The cumulative topline contributor position was led by Central Hospital Ltd whilst the bottom line ranking was strong with Asiri Hospital Holdings and Asiri Surgical Hospital following suit. The hospital chain witnessed strong performance in line with their business peak period during the latter of the calendar year when corporate medical insurance claims also crystalise. Contribution to the Group Operational Profits also held firmly at 62% for the cumulative period ended 31st December 2013 to Rs. 1.5 Bn (up18.4%) whilst a growth rate of 31% YoY was reported during the quarter under review

to Rs. 492.3 Mn. The sector's profitability for the period ending December 2013 was Rs. 1 Bn, up 50.3% YoY whilst the quarter concluded with a 76% YoY growth to Rs. 363.9 Mn. Contribution from medical technology investments continued to improve margins. The management is quite confident of commissioning a Bone Marrow transplant unit at Central Hospital Limited during 4QFY14. Asiri Hospital Holdings acquired 37.4% stake in the Central Hospitals Ltd for a total consideration of Rs. 2.4 Bn from the hospital's private placement investors. Asiri Hospital Holdings now holds 90% effectively in the Central Hospitals Ltd. This assuredly would lead to further enhancement of Asiri group earnings and, hence, the overall Softlogic Holdings earnings, in the upcoming periods.

Future Outlook

With the interest rate regime held tightly, which is expected to continue in accordance with market dynamics and other macro-economic factors such as growth in tourism, the Group's performance is expected to surge in the medium term notwithstanding the consolidation taking place across the sectors due to fiscal imperatives, and, for reasons of good commercial discipline, the streamlining of business operations based on capital return prerogatives.

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Ashok Pathirage

Chairman

17 February 2014

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

Audited year ended 31-03-2013 Rs.		Unaudited 09 months to 31-12-2013 Rs.	Unaudited 09 months to 31-12-2012 Rs.	Change as a %	Unaudited 03 months to 31-12-2013 Rs.	Unaudited 03 months to 31-12-2012 Rs.	Change as a %
25,360,636,147	Revenue	21,738,485,882	19,015,565,150	14.32	7,552,027,895	6,780,487,908	11.38
(17,143,556,549)	Cost of sales	(14,315,748,981)	(12,966,784,800)	10.40	(4,765,217,369)	(4,676,988,620)	1.89
8,217,079,598	Gross profit	7,422,736,901	6,048,780,350	22.71	2,786,810,526	2,103,499,288	32.48
470,329,044	Other operating income	421,481,276	429,541,819	(1.88)	242,282,953	343,324,792	(29.43)
(1,323,911,846)	Distribution expenses	(1,052,611,708)	(855,827,997)	22.99	(353,589,703)	(320,475,049)	10.33
(5,032,208,723)	Administrative expenses	(4,396,547,108)	(3,623,626,123)	21.33	(1,706,981,928)	(1,216,838,923)	40.28
2,331,288,073	Results from Operating Activities	2,395,059,361	1,998,868,049	19.82	968,521,848	909,510,108	6.49
825,455,974	Finance income	628,722,826	744,090,966	(15.50)	316,201,310	415,397,340	(23.88)
(2,754,633,185)	Finance expenses	(2,013,911,368)	(2,369,087,829)	(14.99)	(603,037,353)	(1,066,475,689)	(43.46)
(1,929,177,211)	Net Finance Cost	(1,385,188,542)	(1,624,996,863)	(14.76)	(286,836,043)	(651,078,349)	(55.94)
61,309,000	Change in fair value of investment property	7,410,000	-	-	-	-	-
20,823,707	Share of profit of equity accounted investees	8,273,133	10,958,034	(24.50)	906,835	(4,579,114)	(119.80)
484,243,569	Profit before tax	1,025,553,952	384,829,220	166.50	682,592,640	253,852,645	168.89
(293,633,128)	Tax expense	(222,433,575)	(194,315,073)	14.47	(123,573,686)	(50,781,716)	143.34
190,610,441	Profit for the Period	803,120,377	190,514,147	321.55	559,018,954	203,070,929	175.28
	Attributable to:						
(338,365,963)	Equity holders of the parent	196,274,093	(129,777,576)	251.24	162,524,955	48,288,564	(236.57)
528,976,404	Non-controlling interest	606,846,284	320,291,723	89.47	396,493,999	154,782,365	156.16
190,610,441	Profit for the Period	803,120,377	190,514,147	321.55	559,018,954	203,070,929	175.28
(0.44)	Earnings per share - Basic	0.25	(0.17)		0.21	0.06	
0.30	Dividend per share	0.13	0.30		0.13	-	

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 09 months to 31-12-2013 Rs.	Unaudited 09 months to 31-12-2012 Rs.	Change as a %	Unaudited 03 months to 31-12-2013 Rs.	Unaudited 03 months to 31-12-2012 Rs.	Change as a %
190,610,441	Profit for the period	803,120,377	190,514,147	321.55	559,018,954	203,070,929	175.28
	Other comprehensive income						
2,448,866	Currency translation of foreign operations	31,568,508	7,770,110	306.28	27,192,215	2,900,220	837.59
1,678,021,953	Revaluation of land and buildings	60,300,500	1,678,021,953	(96.41)	-	-	-
391,267,941	Net (loss) / gain on available-for-sale financial assets	(218,374,577)	245,247,951	(189.04)	22,868,689	24,434,905	(6.41)
(156,081,827)	Tax on other comprehensive income	-	(5,888,195)	(100.00)	-	-	-
1,915,656,933	Other comprehensive income for the period, net of tax	(126,505,569)	1,925,151,819	(106.57)	50,060,904	27,335,125	83.14
2,106,267,374	Total comprehensive income for the period, net of tax	676,614,808	2,115,665,966	(68.02)	609,079,858	230,406,054	164.35
	Attributable to:						
575,241,096	Equity holders of the parent	125,645,649	494,778,205	(74.61)	199,218,691	(260,089,850)	176.60
1,531,026,278	Non-controlling interest	550,969,159	1,620,887,761	(66.01)	409,861,167	490,495,903	(16.44)
2,106,267,374	Profit for the period	676,614,808	2,115,665,966	(68.02)	609,079,858	230,406,053	164.35

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 31-12-2013	Unaudited as at 31-12-2012	Unaudited as at 31-12-2013	Unaudited as at 31-12-2012	Unaudited as at 31-12-2013	Unaudited as at 31-12-2012
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS							
Non-current assets							
14,608,652,573	138,556,963	16,242,898,219	13,802,597,063	151,215,034	137,935,306		
154,349,111	-	153,571,408	154,608,345	-	-		
2,175,045,500	333,699,500	2,182,455,500	2,113,736,500	394,000,000	333,699,500		
7,630,830,619	-	7,523,704,676	7,683,966,869	6,827,663	-		
-	8,269,143,001	-	-	8,732,380,282	8,267,453,663		
58,680,898	861,989,404	37,637,553	53,521,301	861,989,404	861,269,014		
5,163,842,563	226,330,873	5,965,187,850	4,028,327,300	206,706,139	138,213,593		
4,278,441,219	-	4,010,764,269	4,264,309,144	-	-		
79,828,109	-	211,638,860	97,637,185	-	-		
230,672,828	-	271,493,905	272,280,452	-	-		
34,380,343,421	9,829,719,741	36,599,352,240	32,470,984,159	10,353,118,522	9,738,571,076		
Current assets							
3,705,323,096	-	4,324,773,209	3,298,355,657	-	-		
4,277,651,687	103,346,900	5,414,948,183	4,849,798,269	114,393,234	77,287,158		
1,912,559,755	-	976,811,190	1,354,409,315	-	-		
2,986,756,466	-	4,372,044,312	2,636,458,673	-	-		
94,382,414	901,045,992	95,413,702	112,801,580	2,728,461,613	1,886,448,562		
1,668,241,448	14,800,718	2,263,017,052	1,147,292,071	85,994,757	16,754,295		
3,544,438,862	512,099,400	5,032,539,107	3,272,429,831	862,061,099	96,362,499		
1,323,124,987	104,332,677	1,339,698,980	559,223,781	60,385,204	11,484,335		
19,512,478,715	1,635,625,687	23,819,245,735	17,230,769,177	3,851,295,907	2,088,336,849		
53,892,822,136	11,465,345,428	60,418,597,975	49,701,753,336	14,204,414,429	11,826,907,925		
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent							
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	764,010,429	910,549,825	(47,755,541)	129,719,233		
1,523,939,034	(2,749,371)	1,490,896,888	1,267,703,855	(3,356,403)	(3,019,127)		
7,366,322,846	5,457,060,650	7,343,907,317	7,267,253,680	5,037,888,056	5,215,700,106		
6,298,335,034	-	6,728,442,067	5,790,902,729	-	-		
13,664,657,880	5,457,060,650	14,072,349,384	13,058,156,409	5,037,888,056	5,215,700,106		
Non-current liabilities							
3,218,377,437	-	3,746,464,195	2,904,344,752	-	-		
9,555,794,761	1,747,689,927	12,438,527,830	9,687,897,277	3,460,256,292	2,386,502,839		
1,217,018,340	-	1,381,235,904	1,109,448,140	-	-		
366,359,147	-	417,605,806	248,658,634	-	-		
378,902,998	21,435,500	426,601,832	363,456,882	26,240,049	13,094,244		
116,841,514	-	83,447,263	112,112,814	-	-		
1,812,828,000	906,414,000	1,812,828,000	-	906,414,000	-		
16,666,122,197	2,675,539,427	20,306,710,830	14,425,918,499	4,392,910,341	2,399,597,083		
Current liabilities							
3,894,506,258	15,072,075	4,858,343,396	3,577,648,278	34,657,063	57,014,983		
22,020,839	1,295,466,270	14,551,352	18,104,799	1,005,244,131	1,528,999,977		
191,813,896	-	100,878,152	262,157,815	-	-		
7,710,575,994	947,436,147	9,525,230,770	5,160,423,069	3,019,139,375	909,589,851		
2,846,653,852	613,856,649	3,075,570,932	4,997,732,531	583,620,767	1,295,266,932		
232,460,475	24,340,842	403,718,998	291,053,772	57,847,822	108,143,083		
5,739,932,707	-	6,258,638,444	5,561,824,025	-	-		
2,924,078,038	436,573,368	1,802,605,717	2,348,734,139	73,106,874	312,595,910		
23,562,042,059	3,332,745,351	26,039,537,761	22,217,678,428	4,773,616,032	4,211,610,736		
53,892,822,136	11,465,345,428	60,418,597,975	49,701,753,336	14,204,414,429	11,826,907,925		

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

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Chief Financial Controller

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

Note : Figures in brackets indicate deductions.

The above figures are not audited.

17 February 2014

Colombo

Softlogic Holdings PLC

CASH FLOW STATEMENT

GROUP		COMPANY		GROUP		COMPANY	
Audited as at 31-03-2013	Audited as at 31-03-2013			Unaudited 09 months to 31-12-2013	Unaudited 09 months to 31-12-2012	Unaudited 09 months to 31-12-2013	Unaudited 09 months to 31-12-2012
CASH FLOWS FROM OPERATING ACTIVITIES							
484,243,569	348,228,778	Profit before tax		1,025,553,952	384,829,220	(297,820,562)	106,699,115
Adjustments for:							
(580,502,165)	(255,175,695)	Finance income		(437,172,084)	(592,534,755)	(250,084,001)	(174,704,036)
(145,007,524)	(360,652,382)	Dividend income		(89,891,380)	(32,267,409)	(30,601,056)	(20,710,149)
2,754,633,185	709,435,645	Finance costs		2,013,911,368	2,369,087,829	693,960,280	505,748,352
(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		(101,659,362)	(16,701,990)	(65,859)	-
(20,823,707)	-	Share of results of associates		(8,273,133)	(10,958,034)	-	-
81,842,123	8,508,006	Gratuity provision and related costs		75,618,828	53,429,234	5,047,549	90,500
(1,037,876)	11,601,478	Provision for impairment of receivables		-	-	-	-
824,136,261	25,785,838	Depreciation of property, plant and equipment		650,959,326	521,766,655	18,371,910	27,384,211
(85,286,164)	(60,320,550)	Profit on sale of property, plant and equipment		(28,160,848)	(62,522,840)	(14,403,283)	(47,174,639)
(86,159,406)	(337,263,068)	Profit on sale of investments		(222,343,922)	(98,449,866)	-	(341,515,068)
(16,476,268)	-	Profit on disposal of subsidiary		-	-	-	-
(21,520,441)	-	Unrealised (gain)/loss on foreign exchange		79,067,625	(82,365,476)	-	-
194,546,170	-	Amortisation / impairment of intangible assets		129,380,096	134,985,792	735,367	-
1,036,933	-	Amortisation of prepaid lease rentals		777,703	777,699	-	-
487,826	-	Impairment & derecognition of property, plant & equipment		-	-	-	-
3,222,857,231	89,275,193	Profit before working capital changes		3,080,358,169	2,569,076,059	64,839,845	55,818,286
(225,165,421)	-	(Increase) / decrease in inventories		(619,450,112)	181,802,016	-	-
(829,605,355)	(37,588,735)	(Increase) / decrease in trade and other receivable		(1,137,296,496)	(1,498,738,330)	(11,046,334)	(11,528,993)
(598,297,098)	-	(Increase) / decrease in loans and advances		(629,362,744)	363,337,240	-	-
(1,204,089,991)	-	(Increase) / decrease in investments in lease and hire purchase		(1,117,610,896)	(849,755,336)	-	-
(660,411,236)	10,033	(Increase) / decrease in other current assets		(594,775,604)	(70,123,732)	(71,194,039)	(7,882,301)
(82,292,355)	266,505,459	(Increase) / decrease in amount due from related parties		(1,031,288)	(100,711,521)	(1,827,415,621)	(653,687,137)
1,269,419,053	5,045,179	Increase / (decrease) in trade and other payables		963,837,135	984,957,275	19,584,990	46,988,087
(11,570,532)	1,009,314,590	Increase / (decrease) in amount due to related parties		(7,469,487)	(15,486,572)	(290,222,139)	1,195,381,572
39,890,727	11,393,738	Increase / (decrease) in other current liabilities		171,258,523	98,484,024	33,506,980	99,345,163
2,495,100,921	-	Increase / (decrease) in public deposits		682,923,300	2,209,422,039	-	-
37,478,774	-	Increase / (decrease) in deferred income		(33,394,250)	32,750,075	-	-
792,753,277	-	Increase / (decrease) in insurance provision		528,086,758	478,720,592	-	-
4,246,067,995	1,343,955,457	Cash generated from / (used in) operations		1,286,073,008	4,383,733,837	(2,081,946,318)	724,434,677
580,502,165	255,175,695	Finance income received		437,172,084	592,534,755	250,084,001	174,704,036
(2,733,010,156)	(709,435,645)	Finance expenses paid		(1,934,843,743)	(2,286,722,353)	(693,960,280)	(505,748,352)
19,800,000	-	Dividend received		27,000,000	19,800,000	30,601,056	20,710,149
(290,725,490)	(2,228,444)	Tax paid		(300,123,554)	(118,463,618)	-	-
(29,462,851)	(760,780)	Gratuity paid/ transfers		(27,646,710)	(16,508,888)	(243,000)	(684,530)
1,793,171,663	886,706,283	Net cash flow from / (used in) operating activities		(512,368,915)	2,574,373,733	(2,495,464,541)	413,415,980
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES							
(2,258,470,611)	(17,003,802)	Purchase and construction of property, plant and equipment		(2,215,059,191)	(1,733,433,029)	(10,735,074)	(16,127,277)
-	(207,999,500)	Addition to investment property		-	-	-	(207,999,500)
(8,381,405)	-	Addition to intangible assets		(22,722,587)	(2,609,603)	(7,563,029)	-
(69,647,329)	-	(Increase)/ decrease in other non current assets		(131,810,751)	(87,456,465)	-	-
246,632,160	(184,490,600)	(Purchase) / disposal of short term investments (net)		(1,348,310,096)	212,888,965	507,224,210	230,373,444
145,007,524	-	Dividends Received		89,891,380	32,267,409	-	-
(1,603,699,653)	448,739,245	(Purchase) / disposal of other non current financial assets		531,030,908	(1,209,625,201)	19,017,702	777,882,943
-	(14,788,004)	Increase in interest in associate		-	-	-	(14,067,614)
-	(2,873,468,038)	Increase in interest in subsidiaries		-	-	(463,237,281)	(3,116,964,643)
(1,250,000)	(1,250,000)	Acquisition of associate		-	(1,250,000)	-	(1,250,000)
(183,980,447)	-	Acquisition of business, net of cash acquired (A)		-	(183,980,447)	-	-
28,899,922	-	Disposal of subsidiary		-	28,899,922	-	-
129,297,796	68,332,566	Proceeds from sale of property, plant and equipment and intangible assets		80,695,961	96,827,059	20,001,232	53,333,417
(3,575,592,043)	(2,781,928,133)	Net cash flow used in investing activities		(3,016,284,376)	(2,847,471,330)	64,707,760	(2,294,819,230)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES							
(437,113,099)	-	Dividend paid to non controlling interest		(26,227,352)	(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		5,067,310,101	6,308,615,600	2,000,000,000	1,657,217,373
650,407,082	-	(Increase) / decrease of controlling interest		(119,950,951)	205,652,906	-	-
(7,527,608,082)	(1,933,546,255)	Repayment of long term borrowings		(2,522,320,330)	(5,466,816,800)	(343,562,374)	(289,906,840)
86,371,302	672,082,659	Proceeds from / (repayment of) short term borrowings (net)		2,206,454,775	(1,873,015,243)	2,071,703,226	634,236,362
1,812,828,000	904,414,000	Proceeds from other borrowings		-	-	-	-
(83,981,116)	-	Direct cost on issue of shares		(2,000,000)	-	-	-
(233,700,000)	(233,700,000)	Dividend paid to equity holders of parent		(120,745,000)	(233,700,000)	(120,745,000)	(233,700,000)
1,378,204,066	1,389,883,997	Net cash flow from financing activities		4,482,521,243	(591,184,421)	3,607,395,852	1,767,846,895
(404,216,311)	(144,685,471)	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		953,867,952	(864,282,018)	1,176,639,071	(113,556,355)
91,876,892	(187,555,220)	CASH AND CASH EQUIVALENTS AT THE BEGINNING		(312,393,037)	91,867,892	(332,240,691)	(187,555,220)
(53,618)	-	Effect of exchange rate changes		(34,772)	(32,170)	-	-
(312,393,037)	(332,240,691)	CASH AND CASH EQUIVALENTS AT THE END		641,440,143	(772,446,296)	844,398,380	(301,111,575)
ANALYSIS OF CASH AND CASH EQUIVALENTS							
Favourable balances							
1,323,124,987	104,332,677	Cash in hand and at bank		1,339,698,980	559,223,781	60,385,204	11,484,335
1,288,560,014	-	Short term investments		1,104,346,880	1,017,064,062	857,120,050	-
Unfavourable balances							
(2,924,078,038)	(436,573,368)	Bank overdrafts		(1,802,605,717)	(2,348,734,139)	(73,106,874)	(312,595,910)
(312,393,037)	(332,240,691)	Cash and cash equivalents		641,440,143	(772,446,296)	844,398,380	(301,111,575)

Note : Figures in brackets indicate deductions.

The above figures are not audited.

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 Audited as at 31-03-2013		GROUP	
		Unaudited 09 months to 31-12-2013	Unaudited 09 months to 31-12-2012
	Acquisition of Softlogic Stockbrokers (Pvt) Ltd [Previously known as Arrenga Capital (Pvt) Ltd]		
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)
78,264,091	Net Identifiable assets and liabilities	-	78,264,091
(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
199,700,000		-	199,700,000
	Total purchase price paid		
199,700,000	Cash Consideration	-	199,700,000
(15,719,553)	Cash at Bank and in hand acquired	-	(15,719,553)
183,980,447		-	183,980,447

STATEMENT OF CHANGES IN EQUITY

GROUP

In Rs.	Attributable to equity holders of parent									Total equity
	Stated capital	Treasury Shares	Revaluation reserve	Exchange translation reserve	Available for sale reserve	Statutory reserve fund	Revenue reserve	Total Non-controlling interest		
As at 1 April 2013	5,089,000,000	(47,753,697)	1,337,323,892	(93,885,610)	240,463,858	87,790,590	753,383,812	7,366,322,845	6,298,335,034	13,664,657,879
Profit for the period	-	-	-	-	-	-	196,274,093	196,274,093	606,846,284	803,120,377
Other comprehensive income	-	-	60,300,500	31,568,508	(162,497,452)	-	-	(70,628,444)	(55,877,125)	(126,505,569)
Total comprehensive income	-	-	60,300,500	31,568,508	(162,497,452)	-	196,274,093	125,645,649	550,969,159	676,614,808
Direct cost on issue of shares	-	-	-	-	-	-	(2,000,000)	(2,000,000)	-	(2,000,000)
Treasury shares purchased during the period	-	(8,167,488)	-	-	-	-	-	(8,167,488)	-	(8,167,488)
Transfer to reserve fund	-	-	-	-	-	45,753,787	(45,753,787)	-	-	-
Additions, disposals and changes in holding	-	-	-	-	-	-	(17,148,689)	(17,148,689)	(94,634,774)	(111,783,463)
Dividend paid	-	-	-	-	-	-	(120,745,000)	(120,745,000)	-	(120,745,000)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	(26,227,352)	(26,227,352)
As at 31 December 2013	5,089,000,000	(55,921,185)	1,397,624,392	(62,317,102)	77,966,406	133,544,377	764,010,429	7,343,907,317	6,728,442,067	14,072,349,384
As at 1 April 2012	5,089,000,000	-	705,136,747	(96,334,476)	(38,507,190)	255,850,552	1,287,030,750	7,202,176,383	4,110,003,320	11,312,179,703
Profit for the period	-	-	-	-	-	-	(129,777,576)	(129,777,576)	320,291,723	190,514,147
Other comprehensive income	-	-	632,187,145	7,770,110	(15,401,474)	-	-	624,555,781	1,300,596,038	1,925,151,819
Total comprehensive income	-	-	632,187,145	7,770,110	(15,401,474)	-	(129,777,576)	494,778,205	1,620,887,761	2,115,665,966
Transfer to reserve fund	-	-	-	-	-	42,002,441	(42,002,441)	-	-	-
Allocation for Life Solvency	-	-	-	-	-	(225,000,000)	225,000,000	-	-	-
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)
As at 31 December 2012	5,089,000,000	-	1,337,323,892	(88,564,366)	(53,908,664)	72,852,993	910,549,825	7,267,253,680	5,790,902,729	13,058,156,409

COMPANY

In Rs.	Stated capital	Available for sale reserve	Accumulated profit	Total
As at 1 April 2013	5,089,000,000	(2,749,371)	370,810,021	5,457,060,650
Profit for the period	-	-	(297,820,562)	(297,820,562)
Other comprehensive income	-	(607,032)	-	(607,032)
Total comprehensive income	-	(607,032)	(297,820,562)	(298,427,594)
Dividend paid	-	-	(120,745,000)	(120,745,000)
As at 31 December 2013	5,089,000,000	(3,356,403)	(47,755,541)	5,037,888,056
As at 1 April 2012	5,089,000,000	442,818,842	256,720,118	5,788,538,960
Profit for the period	-	-	106,699,115	106,699,115
Other comprehensive income	-	(445,837,969)	-	(445,837,969)
Total comprehensive income	-	(445,837,969)	106,699,115	(339,138,854)
Dividend paid	-	-	(233,700,000)	(233,700,000)
As at 31 December 2012	5,089,000,000	(3,019,127)	129,719,233	5,215,700,106

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

Softlogic Holdings PLC

INCOME STATEMENT

Audited year ended 31-03-2013 Rs.		Unaudited 09 months to 31-12-2013 Rs.	Unaudited 09 months to 31-12-2012 Rs.	Change as a %	Unaudited 03 months to 31-12-2013 Rs.	Unaudited 03 months to 31-12-2012 Rs.	Change as a %
280,764,425	Revenue	272,391,475	212,628,975	28.11	90,812,325	68,836,825	31.92
(75,078,810)	Cost of sales	(70,280,557)	(63,577,077)	10.54	(23,639,852)	(31,691,951)	(25.41)
205,685,615	Gross profit	202,110,918	149,051,898	35.60	67,172,473	37,144,874	80.84
358,107,954	Dividend income	30,601,056	20,710,149	47.76	56,880	856,383	(93.36)
403,611,206	Other operating income	21,711,942	388,505,318	(94.41)	3,439,764	6,507,825	(47.14)
(168,333,332)	Administrative expenses	(168,668,699)	(120,523,934)	39.95	(53,639,179)	(27,676,391)	93.81
799,071,443	Results from Operating Activities	85,755,217	437,743,431	(80.41)	17,029,938	16,832,691	1.17
258,592,980	Finance income	250,084,001	174,704,036	43.15	104,476,321	65,428,251	59.68
(709,435,645)	Finance expenses	(693,960,280)	(505,748,352)	37.21	(266,975,364)	(188,466,819)	41.66
(450,842,665)	Net Finance Cost	(443,876,279)	(331,044,316)	34.08	(162,499,043)	(123,038,568)	32.07
-	Change in fair value of investment property	60,300,500	-	-	-	-	-
348,228,778	Profit before tax	(297,820,562)	106,699,115	(379.12)	(145,469,105)	(106,205,877)	36.97
(438,875)	Tax expense	-	-	-	-	-	-
347,789,903	Profit for the Period	(297,820,562)	106,699,115	(379.12)	(145,469,105)	(106,205,877)	36.97

STATEMENT OF COMPREHENSIVE INCOME

Audited year ended 31-03-2013 Rs.		Unaudited 09 months to 31-12-2013 Rs.	Unaudited 09 months to 31-12-2012 Rs.	Change as a %	Unaudited 03 months to 31-12-2013 Rs.	Unaudited 03 months to 31-12-2012 Rs.	Change as a %
347,789,903	Profit for the Period	(297,820,562)	106,699,115	(379.12)	(145,469,105)	(106,205,877)	36.97
	Other comprehensive income						
(445,568,213)	Net (loss) / gain on available-for-sale financial assets	(607,032)	(445,837,969)	(99.86)	(2,218,525)	(4,919,184)	(54.90)
(445,568,213)	Other comprehensive income for the period, net of tax	(607,032)	(445,837,969)	(99.86)	(2,218,525)	(4,919,184)	(54.90)
(97,778,310)		(298,427,594)	(339,138,854)	(12.00)	(147,687,630)	(111,125,061)	32.90

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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
For the nine months ended 31 December																
Revenue	4,519,878,350	4,242,095,189	48,577,688	14,468,558	5,664,586,547	4,951,586,371	311,175,383	559,847,965	5,421,918,309	4,047,557,451	5,718,937,105	5,154,690,286	53,412,500	45,319,330	21,738,485,882	19,015,565,150
Operating profit	534,816,240	503,821,628	(67,893,203)	(16,022,037)	690,665,839	557,862,786	(2,993,462)	(4,577,245)	(82,974,216)	(224,850,282)	1,478,503,208	1,248,482,005	(155,065,045)	(65,848,806)	2,395,059,361	1,998,868,049
Profit before taxation	201,341,645	181,804,028	(61,833,862)	(17,191,832)	478,043,606	293,331,344	(29,644,287)	(23,678,302)	126,713,461	(293,141,618)	1,111,341,280	763,767,595	(800,407,891)	(520,061,995)	1,025,553,952	384,829,220
Taxation	(6,253,489)	(20,738,916)	(350,474)	(17,330,522)	(65,796,399)	(37,847,659)	9,174,083	(4,261,458)	(69,971,900)	(29,158,772)	(91,051,993)	(84,762,973)	1,816,597	(214,773)	(222,433,575)	(194,315,073)
Profit after taxation	195,088,156	161,065,112	(62,184,336)	(34,522,354)	412,247,207	255,483,685	(20,470,204)	(27,939,760)	56,741,561	(322,300,390)	1,020,289,287	679,004,622	(798,591,294)	(520,276,768)	803,120,377	190,514,147

REVENUE AND PROFIT	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
For the three months ended 31 December																
Revenue	1,514,118,498	1,485,175,886	35,130,925	13,449,075	2,057,075,998	1,901,756,751	66,114,571	137,622,048	1,880,686,099	1,454,497,572	1,982,912,867	1,776,661,534	15,988,937	11,325,042	7,552,027,895	6,780,487,908
Operating profit	145,238,885	221,393,469	(35,931,552)	(24,292,786)	224,123,544	228,389,597	2,312,155	(34,376,956)	195,977,213	163,202,133	492,257,363	375,340,064	(55,455,760)	(20,145,413)	968,521,848	909,510,108
Profit before taxation	56,529,642	107,302,302	(31,787,033)	(24,572,973)	219,167,159	86,016,125	(2,662,885)	(24,247,466)	385,632,965	114,662,937	414,460,523	228,848,367	(358,747,731)	(234,156,647)	682,592,640	253,852,645
Taxation	(10,999,593)	(3,365,301)	(435,773)	(2,098,736)	(42,137,664)	(10,052,538)	9,174,083	(4,261,458)	(29,120,695)	(14,598,956)	(50,559,407)	(22,080,675)	505,363	5,675,948	(123,573,686)	(50,781,716)
Profit after taxation	45,530,049	103,937,001	(32,222,806)	(26,671,709)	177,029,495	75,963,587	6,511,198	(28,508,924)	356,512,270	100,063,981	363,901,116	206,767,692	(358,242,368)	(228,480,699)	559,018,954	203,070,929

OTHER INFORMATION	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Eliminations		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
For the nine months ended 31 December																		
Segment assets	5,348,299,610	5,424,965,089	7,682,872,403	4,296,124,271	8,194,523,817	6,311,771,892	636,955,291	653,130,192	28,844,276,364	22,412,643,157	21,638,310,991	21,141,522,577	17,471,595,782	14,881,644,169	(29,435,873,836)	(25,473,569,312)	60,380,960,422	49,648,232,035
Investment in equity method - associates																	37,637,553	53,521,301
Consolidate total assets																	60,418,597,975	49,701,753,336
Segment liabilities	4,430,112,438	4,771,139,790	3,880,718,519	1,032,378,482	6,515,367,249	5,214,859,428	651,785,170	603,560,149	24,302,434,209	18,032,645,546	7,664,545,744	7,645,327,287	10,362,251,547	7,633,469,977	(11,460,966,285)	(8,289,783,732)	46,346,248,591	36,643,596,927
Depreciation of property, plant & equipment (PPE)	22,417,932	26,542,125	371,965	453,183	59,394,830	38,258,351	3,924,508	2,750,883	61,488,557	56,268,197	484,906,891	365,941,769	18,454,643	31,552,147			650,959,326	521,766,655
Amortisation of lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	777,703	777,699	-	-			777,703	777,699
Amortisation of intangible assets	386,445	-	-	7,673,809	-	-	-	-	128,258,285	127,311,983	-	-	735,366	-			129,380,096	134,985,792
Retirement benefit obligations and related cost	10,483,760	5,024,984	1,061,208	1,061,208	8,538,796	5,440,662	904,094	-	10,720,072	9,443,471	38,719,349	32,368,409	5,191,549	90,500			75,618,828	53,429,234
Purchase and construction of PPE	9,630,044	10,557,583	1,404,904,497	981,710,577	219,853,123	134,266,052	85,700,733	404,936	81,996,762	81,884,127	291,524,092	300,482,977	121,449,940	224,126,777			2,215,059,191	1,733,433,029

NOTES TO THE FINANCIAL STATEMENTS

FIRST TIME ADOPTION OF SLFRS/LKAS

2.1 Reconciliation of comprehensive income - Income Statement

For the period ended 31 December 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	19,203,117,125	(187,551,975)	19,015,565,150	387,333,011	(174,704,036)	212,628,975
Cost of sales	(12,897,911,770)	(68,873,030)	(12,966,784,800)	(63,577,077)	-	(63,577,077)
Gross profit	6,305,205,355	(256,425,005)	6,048,780,350	323,755,934	(174,704,036)	149,051,898
Dividend income	14,695,926	(14,695,926)	-	20,710,149	-	20,710,149
Other operating income	1,014,142,990	(584,601,171)	429,541,819	389,732,786	(1,227,468)	388,505,318
Distribution expenses	(826,688,226)	(29,139,771)	(855,827,997)	-	-	-
Administrative expenses	(3,553,676,883)	(69,949,240)	(3,623,626,123)	(119,429,551)	(1,094,383)	(120,523,934)
Results from operating activities	2,953,679,162	(954,811,113)	1,998,868,049	614,769,318	(177,025,887)	437,743,431
Finance income	-	744,090,966	744,090,966	-	174,704,036	174,704,036
Finance expenses	(2,091,012,826)	(278,075,003)	(2,369,087,829)	(505,748,352)	-	(505,748,352)
Net finance cost	(2,091,012,826)	466,015,963	(1,624,996,863)	(505,748,352)	174,704,036	(331,044,316)
Share of profit of equity accounted investees	11,467,144	(509,110)	10,958,034	-	-	-
Profit before tax	874,133,480	(489,304,260)	384,829,220	109,020,966	(2,321,851)	106,699,115
Tax expense	(220,055,260)	25,740,187	(194,315,073)	-	-	-
Profit for the period	654,078,220	(463,564,073)	190,514,147	109,020,966	(2,321,851)	106,699,115

2.2 Reconciliation of comprehensive income - Statement of comprehensive income

For the period ended 31 December 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
Profit for the period	654,078,220	(463,564,073)	190,514,147	109,020,966	(2,321,851)	106,699,115
Other comprehensive income						
Currency translation of foreign operations	-	7,770,110	7,770,110	-	-	-
Revaluation of land and buildings	-	1,678,021,953	1,678,021,953	-	-	-
Net (loss) / gain on available-for-sale financial assets	-	245,247,951	245,247,951	-	(445,837,969)	(445,837,969)
Tax on other comprehensive income	-	(5,888,195)	(5,888,195)	-	-	-
Other comprehensive income for the period, net of tax	-	1,925,151,819	1,925,151,819	-	(445,837,969)	(445,837,969)
Total comprehensive income for the period, net of tax	654,078,220	1,461,587,746	2,115,665,966	109,020,966	(448,159,820)	(339,138,854)

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

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
ASSETS						
Non-current assets						
Property, plant and equipment	13,656,494,128	146,102,935	13,802,597,063	89,946,019	47,989,287	137,935,306
Lease rentals paid in advance	155,126,808	(518,463)	154,608,345	-	-	-
Investment property	2,113,736,500	-	2,113,736,500	333,699,500	-	333,699,500
Intangible assets	8,350,875,185	(666,908,316)	7,683,966,869	-	-	-
Investments in subsidiaries	-	-	-	9,127,781,482	(860,327,819)	8,267,453,663
Investments in associates	53,556,772	(35,471)	53,521,301	11,000,000	850,269,014	861,269,014
Other non current financial assets	-	4,028,327,300	4,028,327,300	-	138,213,593	138,213,593
Rental receivable on lease assets and hire purchase	3,955,229,402	309,079,742	4,264,309,144	-	-	-
Deferred tax asset	328,750,269	(56,469,817)	272,280,452	-	-	-
Other non current assets	2,938,471,499	(2,840,834,314)	97,637,185	131,173,915	(131,173,915)	-
	31,552,240,563	918,743,596	32,470,984,159	9,693,600,916	44,970,160	9,738,571,076
Current assets						
Inventories	3,340,963,784	(42,608,127)	3,298,355,657	-	-	-
Trade and other receivables	5,823,891,413	(974,093,144)	4,849,798,269	94,041,453	(16,754,295)	77,287,158
Loans and advances	2,162,725,494	(808,316,179)	1,354,409,315	-	-	-
Rental receivable on lease assets and hire purchase	2,499,519,567	136,939,106	2,636,458,673	-	-	-
Amounts due from related parties	112,801,580	-	112,801,580	1,886,448,562	-	1,886,448,562
Other current assets	-	1,147,292,071	1,147,292,071	-	16,754,295	16,754,295
Short term investments	3,114,448,700	157,981,131	3,272,429,831	96,362,499	-	96,362,499
Cash in hand and at bank	559,223,781	-	559,223,781	11,484,335	-	11,484,335
	17,613,574,319	(382,805,142)	17,230,769,177	2,088,336,849	-	2,088,336,849
Total Assets	49,165,814,882	535,938,454	49,701,753,336	11,781,937,765	44,970,160	11,826,907,925
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	-	5,089,000,000
Capital reserves	1,268,128,581	(1,268,128,581)	-	-	-	-
Revenue reserves	1,454,135,473	(543,585,648)	910,549,825	83,178,092	46,541,141	129,719,233
Other components of equity	-	1,267,703,855	1,267,703,855	-	(3,019,127)	(3,019,127)
	7,811,264,054	(544,010,374)	7,267,253,680	5,172,178,092	43,522,014	5,215,700,106
Non-controlling interest	5,364,135,934	426,766,795	5,790,902,729	-	-	-
Total equity	13,175,399,988	(117,243,579)	13,058,156,409	5,172,178,092	43,522,014	5,215,700,106
Non-current liabilities						
Insurance Contract Liabilities	3,051,518,732	(147,173,980)	2,904,344,752	-	-	-
Interest bearing borrowings	9,582,231,184	105,666,093	9,687,897,277	2,386,502,839	-	2,386,502,839
Public deposits	1,039,934,979	69,513,161	1,109,448,140	-	-	-
Deferred tax liabilities	308,345,272	(59,686,638)	248,658,634	-	-	-
Employee benefit liabilities	352,448,699	11,008,183	363,456,882	13,094,244	-	13,094,244
Other deferred liabilities	1,504,819	110,607,995	112,112,814	-	-	-
	14,335,983,685	89,934,814	14,425,918,499	2,399,597,083	-	2,399,597,083
Current liabilities						
Trade and other payables	3,978,111,777	(400,463,499)	3,577,648,278	163,709,920	(106,694,937)	57,014,983
Amounts due to related parties	18,104,799	-	18,104,799	1,528,999,977	-	1,528,999,977
Income tax liabilities	251,011,051	11,146,764	262,157,815	-	-	-
Short term borrowings	5,115,689,776	44,733,293	5,160,423,069	909,589,851	-	909,589,851
Current portion of interest bearing borrowings	4,935,461,618	62,270,913	4,997,732,531	1,295,266,932	-	1,295,266,932
Other current liabilities	-	291,053,772	291,053,772	-	108,143,083	108,143,083
Public deposits	5,007,318,049	554,505,976	5,561,824,025	-	-	-
Bank overdrafts	2,348,734,139	-	2,348,734,139	312,595,910	-	312,595,910
	21,654,431,209	563,247,219	22,217,678,428	4,210,162,590	1,448,146	4,211,610,736
Total equity and liabilities	49,165,814,882	535,938,454	49,701,753,336	11,781,937,765	44,970,160	11,826,907,925

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 09 months ended 31 December 2013 were authorised for issue by the Board of directors on 17 February 2014.

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 31 December 2013 was 30.27% (as at 31 December 2012 -30.91%)

3.2 Directors' Share Holdings

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

As at	31-12-2013
A K Pathirage - Chairman/ Managing Director	349,135,096
H U Gunawardena	57,527,300
R J Perera	60,836,700
H Kaimal	64,870,800
R Rasool	Nil
Dr S Selliah	2,000,000
Deshamanya P D Rodrigo	Nil
W M P L De Alwis	Nil
Total	534,369,896

3.3 Twenty Largest Shareholders of the Company are as follows:

As at	31-12-2013	
	Number of shares	%
1 Mr. A K Pathirage	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	27,000,000	3.47
7 Sri Lanka Insurance Corporation Ltd-General Fund	15,812,400	2.03
8 Bank of Ceylon A/C Ceybank Unit Trust	11,958,122	1.54
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 02 (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	31-12-2013
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 31 December 2013.

4. STATED CAPITAL MOVEMENTS

	Rs
As at 01 April 2013	5,089,000,000
As at 31 December 2013	<u>5,089,000,000</u>

5. INVESTOR INFORMATION**5.1 Market Value of Shares****31-12-2013**

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

Closing price on	8.40
Highest price recorded for the three months ending	10.00
Lowest price recorded for the three months ending	8.10
Market Capitalisation (Rs. Mn)	6,543.60

5.2 Ratios

Net assets per share at the period end	9.48
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5.3 Share Trading information from 01 October 2013 to 31 December 2013

Number of shares traded	9,919,871
Value of shares traded (Rs.)	88,101,314

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**31-12-2013**

Debt/ equity ratio	1.90
Quick asset ratio	0.70
Interest cover	1.60

- 6.3** The Listed Debentures were not traded during the three month period from 01 October 2013 to 31 December 2013. Therefore, Highest Traded Price, Lowest Traded Price, Interest Yield and Yield to Maturity of trade as at 31 December 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 Hospitals 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 31 December 2013, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 2,440 Mn (31 December 2012 - 2,950 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.

On 06th February 2013, Asiri Hospital Holdings PLC (AHP) acquired 37.34% (80,336,379 shares) stake of Central Hospital Limited (CHL) held by John Keells Holdings PLC (24.61%), Union Assurance PLC (2.73%) and Aureos South Asia Fund LLC (10.00%) for a total consideration of Rs. 2,410 Mn.

Subsequent to the acquisition of 80,336,379 ordinary shares of CHL, AHP holds 55.60% of the issued and paid up ordinary share capital of CHL and Asiri Central Hospitals PLC, which is a subsidiary of the AHP holds 74,500,000 shares (34.63%) in the CHL. After the acquisition, the effective holding in CHL by Softlogic Holdings PLC increased to 45.67% from 26.72%.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

9. RELATED PARTY TRANSACTIONS

	Group		Company	
	Unaudited 09 months to 31-12-2013 Rs.	Unaudited 09 months to 31-12-2012 Rs.	Unaudited 09 months to 31-12-2013 Rs.	Unaudited 09 months to 31-12-2012 Rs.
Transactions with related parties				
Subsidiaries				
(Purchases)/ sales of goods	-	-	(2,608,783)	(1,226,195)
(Receiving) / rendering of services	-	-	250,080,475	186,162,225
(Purchases) / sale of property plant & equipment	-	-	(6,031,198)	(4,423,055)
Loans given	-	-	2,575,405,000	125,700,000
Interest received / (paid)	-	-	215,648,401	151,114,769
Rent received / (paid)	-	-	12,595,000	15,337,000
Dividend received	-	-	6,158,131	345,234
Guarantees given/ (obtained)	-	-	1,260,100,000	992,600,000
Associates				
(Purchases) / sale of property plant & equipment	24,604,579	9,678,014	-	-
(Receiving) / rendering of services	9,251,635	10,967,223	8,676,000	10,229,750
Dividend received	27,000,000	19,800,000	27,000,000	19,800,000
Key management personnel				
(Receiving) / rendering of services	-	-	-	-
Close family members of KMP				
(Receiving) / rendering of services	-	-	-	-
Companies controlled / jointly controlled / significantly influenced by KMP and their close family members				
(Purchases) / sales of goods	37,245,777	11,592,285	-	-
(Receiving) / rendering of services	(9,396,029)	-	(9,396,029)	
Loans (repayments) / obtained	(35,780,099)	(473,878,501)	-	-
Interest (paid) / received	(11,513,111)	(51,615,489)	-	-
Dividend (paid)/ received	75,747,497	-	-	-
Post employment benefit plan				
Contributions to the provident fund	8,591,107	6,546,900	1,552,500	1,350,000

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
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Directors

A K Pathirage - Chairman/ Managing Director

G W D H U Gunawardena

R J Perera

H Kaimal

R Rasool

Dr S Selliah

Deshamanya P D Rodrigo

W M P L De Alwis

Audit Committee

Deshamanya P D Rodrigo - Chairman

W M P L De Alwis

Dr S Selliah

Remuneration Committee

W M P L De Alwis - Chairman

Deshamanya P D Rodrigo

Secretaries and Registrars

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Bankers

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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