



SOFTLOGIC HOLDINGS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
30 JUNE 2014**

Dear Shareholders,

I am pleased to report the first quarter financial results of FY2014/15. Consolidated revenue increased 14.6% to Rs. 8.0 Bn with strong performance reported across all business segments. Healthcare Services maintained its leading contributory position followed by Retail, Financial Services, ICT and Automobiles. This uptrend is expected to bolster further in the upcoming quarters with fresh revenue generation from our most recently opened, Centara Ceysands Resorts & Spa. The peak season for the leisure sector, which is November to March, has now been added to our normal peak calendar: retail (April and December) and Insurance (December and March).

Consolidated Gross Profit increased 14.4% to reach Rs.2.5 Bn during the first three months of the financial year. Operational expenses increased 32.9% to Rs. 2.1 Bn consequent to the increase in operating cost margins to 26.6% from 22.9% in the comparative quarter. Distribution costs increased to Rs.420.0 Mn while administration costs also increased 29.9% to Rs. 1.7 Bn for the period under review. This increase was attributed to the Group's increasing revenue generating activities.

Finance Income, which registered an exceptional 103% growth to Rs.422.6 Mn (Rs. 208.2 Mn in 1QFY14) during the three months period under discussion, was primarily triggered by investment portfolio gains, both fixed and equity investments, at Asian Alliance Insurance PLC. Nonetheless, finance expenses declined marginally to Rs.625.6 Mn as opposed to Rs.677.8 Mn in

the comparative period. This was in light of the favourable macro-economic conditions where interest rates continued to decline allowing the absorption of the rapid capex growth of the Group. Average interest rate of the Group declined to 9.67% from 11.4% in the comparative period. Exchange rates stabilized at Rs.130.5/USD levels during the quarter further assisting the import oriented segments--Retail, Automobiles and ICT.

Group PBT improved 36.% to Rs.294.9 Mn during the quarter against Rs.216.8 Mn in 1QFY14. Profit for the period during the first three months of FY2014/15 amounted to Rs.225.3 Mn (up by a strong 21.9%). Non-controlling interest's share of profit was 81.9% to Rs.184.6 Mn (up 26.6%).

Information & Communication Technology

Information & Communication Technology continued to improve its contribution to Group Revenue with the quarter recording 21.8% (Versus 20.8% of Consolidated Revenue in 1QFY15). The sector recorded a strong improvement in its topline by 20.2% to Rs. 1.7 Bn (Rs.1.5 Bn in the previous period). This was secured by the progression of the IT B2B segment which recognized revenues from some of the IT infrastructure projects. The division continued to strengthen as a fully-fledged IT solutions provider looking beyond end-user computing to data centres, security and intelligent infrastructures. The Communications division continued to see strong sales of its Smart phone and maintained leadership in the lower-end range amidst challenges of the grey market and tough competition. The company is now

contemplating expanding its handset brand range where new mobile brands would easily succeed given its strong retail network.

This segment's Operating Profit improved contribution to the Group accounting for 41.9% (20.5% contribution during the comparative period) adding in Rs.207.6 Mn for 1QFY15.

Sectoral PBT doubled to Rs.137.6 Mn (Rs.68.7 Mn during 1QFY14) improving its contribution to Group PBT to 46.7% from 31.7% last year. ICT sector PAT increased 73.2% to Rs.109.3 Mn with 48.5% of that amount going directly to Group PAT.

Retail

Retail sector contributed 25.6% to Group turnover registering a 10.7% growth to Rs.2.1 Bn during the period. This growth was led by growing footfall rates of existing showrooms coupled new brands, store expansion, and increased product sales.

Operating profit reduced 39.9% to Rs.154.7 Mn in comparison with Rs.257.5 Mn in 1QFY14. The decline in operating profit was as a result of operational expenses led by increasing outlets (pre-operational costs and costs associated during the familiarization period). Consequently, Operating profit contribution to the consolidated number declined to 31.2% from 37.7% in the previous year. Sector's finance cost was maintained at Rs. 125 Mn during the quarter despite the increase of the sector's borrowing status applied mainly to fund the Hire Purchase initiative aside from

the increases seen due to business expansion.

Retail sector has had an upswing during this period with the continuing strategic expansion of this sector. Softlogic Retail added 'Acer' laptops and desktops to its retail range during the quarter. We also launched our e-Commerce portal to market consumer durables, fashion brands and furniture – www.mysoftlogic.lk. This platform has been well sought after by online shoppers in Sri Lanka for local delivery as well as those residing abroad.

We applaud the government's investment initiatives in the development of high-end shopping malls in Colombo. The expected growth in income levels (per capita to reach USD4,000 by 2015) which has been triggering the wish list of consumers preference for authentic and aspirational products has set the platform for the sector's growth potential. Suffice it is to say, tourist shopping has added to the growth story. We now occupy nearly 40% of the recently opened luxury shopping complex, Arcade – Independence Square. We have housed 'Nike', 'Levis', 'Girodano' and 'Charles & Keith' of the Branded Apparel division while also introducing a luggage corner with 'VIP', 'Carlton' and 'Samsonite' and saw the launch of Tommy Hilfiger.

The Consumer Electronics opened its 179th showroom (an exclusive Samsung store) at the Arcade adding to its cumulative retail space which stands at 235,331 sq. ft. We are well in line with our target of 335,000 sq.ft by 2017E.

The Branded Apparel Division continued to focus in acquiring top international fashion brands for Sri Lanka. We introduced 'Dockers', the casual garment and accessories brand from Levi Strauss & Co. The exclusive store for this renowned casual clothing line was opened at the Arcade and it will also be available in all Galleria outlets.

The success of the famous Quick Service Restaurant (QSR) business model was easy; BURGER KING® opened its fourth restaurant at the outlet where consumer response has been very encouraging promising strong contribution in the upcoming periods accelerating the venture's payback. The restaurant chain extended its menu to tailor-made dishes to suit the public taste. 'THE KING RICE', 'SPICY CHICKEN BURGER' and 'FISH & CHIPS' was introduced. Coffee range including 'Lavazza' along with 'Frosty Boy' milkshakes is now served at our four restaurants. We have already opened another outlet in Kandy City Centre. The latest outlet at the Arcade has been very impressive encouraging our expansion strategy.

Sector's PBT declined 64.6% to Rs.60.4 Mn while PAT reduced 57.5% to Rs.85 Mn during 1QFY15. We view this segment on a medium term scale when contributions accumulate.

Healthcare Services

Healthcare Services continued its remarkable performance during the quarter with strong results across its three key hospitals; Central Hospital Ltd, Asiri

Surgical Hospital PLC and Asiri Hospital Holdings PLC. The Sector added Rs.2.1 Bn to Group topline (25.9% contribution), which is 12.2% growth from Rs.1.9 Bn reported during the comparative period.

Operating Profit of the sector was Rs. 541.6 Mn (up 9.9%) during the quarter taking PBT to Rs.397.4 Mn (Versus Rs.325.4 Mn in 1QFY14). Segment's dominant contribution to Group performance continued as it reported Rs.335 Mn for the quarter ended June 2014.

Performance of the hospital is expected to improve further in the upcoming quarters with the consolidation of Asiri Hospital Holdings PLC's ownership at Central Hospital Ltd. A sales agreement to dispose one of the properties at Horton place for a total consideration of Rs.2.6 Bn is expected to materialise. The sales proceeds would be used to reduce Group debt despite other expansion imperatives in the horizon.

Asiri Surgical Hospital PLC introduced Sri Lanka's first of its kind Digital Mammography with new technology. This made Asiri the first private healthcare provider to offer the advanced three-dimensional breast imaging for the earliest detection in breast cancer. The new technology, which is Tomosynthesis, is the gold standard in breast cancer screening and detection and builds upon the success of digital mammography.

Central Hospital Ltd also launched yet another breakthrough state-of-the-art medical facility, the first ever Bone Marrow transplant in June 2014. Patients treated particularly with hematological disorders

such as thalassemia, receiving treatment abroad at phenomenal expenses, can now do so locally at this hospital at an affordable price. This state-of-the-art unit installed handles Allogenic Transplants, another first-time treatment, treating blood and bone marrow related disorders, a big boon particularly for children diagnosed with Thalassemia to whom a Bone Marrow Transplant will in most instances be a definitive lifetime cure.

We would continue to invest in latest technology to ensure that Sri Lanka remains on par with the global medical world.

Asiri Kandy would commence construction soon. This 125-bed hospital looks at a CAPEX of Rs. 3 Bn.

Financial Services

Financial Services segment saw a 14.1% growth in topline to Rs.2.0 Bn during 1QFY15 with its contribution to the Group revenue constituting 24.5%. The sector's PBT recorded an achievement of Rs.14.4 Bn against a loss of Rs.84 Mn during the comparative quarter.

Financial Services Sector had a good quarter overall with Asian Alliance Insurance performance being well ahead of expectations on the back of solid growth in Life premiums and an exceptional investment portfolio result, followed by Softlogic Stockbrokers who also rallied strenuously to achieve 3rd position in the market. Softlogic Finance was impacted by impairment charges but resumed progress towards desired levels. Asian Alliance Insurance improved its performance with

PAT of Rs 89Mn versus a loss of Rs 92Mn in the previous period with premium income for the first half of the year at Rs 2.3Billion, with Life growth at 21% and General at 3%, versus industry performance of 7.3% and 0.2% respectively. Softlogic Finance's Total Assets rose to Rs 18.2Billion recording a growth of 21% versus the previous year with Customer Deposits at Rs 9.7Bn and Customer Advances at Rs 12.5Bn with the Company being included in the A list Category in respect of the Central Bank NBFIs consolidation initiative. Softlogic Stockbrokers have seen a complete turnaround with Rs 27.8Mn turnover recorded for the quarter and profits of Rs 4.6Mn. Overall the Sector is well positioned and is looking towards contributing an increasing share of Group performance during this financial year.

Automobile

Automobile sector saw a strong recovery of 71.7% in revenue during the quarter chiefly led by sale of the 'Ford' vehicle range. However, the sector closed the first quarter with a marginal loss of Rs. 3.8 Mn Versus Rs.19.8 Mn compared with the previous year. The gradual decline in the sector's losses brings hope for the future of the sector which is working on a number of strategies to diversify into related operations such as rent-a-car, commercial and passenger vans, body repair and paint services which would cater to all vehicle brands. We also unveiled our 3S Ford facility in June. This Sales, Service and Spare parts unit of Ford is expected to add to the confidence of 'FORD' in Sri Lanka.

Leisure

Your Company's first resort, Centara Ceysands Resorts & Spa, was opened for external guests in June 2014. Response and bookings have been surpassed expectations. Contributions would stream in particularly during peak November-March period.

The construction of the 219-room Movenpick City Hotel has now completed Level 24 and is progressing as per the construction schedule with a view to open its doors in 4Q2015.

Future Outlook

While we are doing everything commercially right to ensure success of your company, it is also important to make forward thinking decisions with a view to ensure greater upside in the medium term. With the interest regime looking benign we will make opportunistic decisions to take this group to a new level of competency and become unrivalled in certain key areas of business activities.

-sgd-

Ashok Pathirage

Chairman

14th August 2014

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs.	Unaudited 3 months to 30-06-2014	Unaudited 3 months to 30-06-2013	Change as a %	Audited 12 months to 31-03-2014
Revenue	8,043,452,205	7,018,983,262	14.60	29,208,497,751
Cost of sales	(5,514,206,001)	(4,808,417,982)	14.68	(19,201,422,085)
Gross profit	2,529,246,204	2,210,565,280	14.42	10,007,075,666
Other operating income	107,849,340	82,305,764	31.03	497,258,384
Distribution expenses	(420,037,814)	(285,187,133)	47.28	(1,511,521,978)
Administrative expenses	(1,721,492,073)	(1,325,636,888)	29.86	(6,374,080,924)
Results from operating activities	495,565,657	682,047,023	(27.34)	2,618,731,148
Finance income	422,626,216	208,229,066	102.96	1,194,912,822
Finance expenses	(625,643,867)	(677,788,393)	(7.69)	(2,660,026,602)
Net finance cost	(203,017,651)	(469,559,327)	(56.76) #	(1,465,113,780)
Change in fair value of investment property	-	-	-	91,100,500
Share of profit of equity accounted investees	2,341,927	4,275,777	(45.23)	13,280,969
Profit before tax	294,889,933	216,763,473	36.04	1,257,998,837
Tax expense	(69,583,714)	(31,927,857)	117.94	(249,163,813)
Profit for the period	225,306,219	184,835,616	21.90	1,008,835,024
Attributable to:				
Equity holders of the parent	40,689,596	38,971,135	4.41	155,863,629
Non-controlling interest	184,616,623	145,864,481	26.57	852,971,395
	225,306,219	184,835,616 #	21.90 #	1,008,835,024
Earnings per share - Basic	0.05	0.05	4.45	0.20
Dividend per share	-	-		0.155

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In Rs.	Unaudited 3 months to 30-06-2014	Unaudited 3 months to 30-06-2013	Change as a %	Audited 12 months to 31-03-2014
Profit for the period	225,306,219	184,835,616	21.90	1,008,835,024
Other comprehensive income				
Currency translation of foreign operations	1,604,543	1,013,615	58.30	18,526,748
Revaluation of land and buildings	-	-	-	313,990,550
Net (loss) / gain on available-for-sale financial assets	119,286,813	(327,202)	(36,556.63)	(59,626,107)
Net change in fair value on derivative financial instruments	-	-	-	(30,540,342)
Actuarial gains/ (loss) on retirement benefits	(31,583,559)	-	-	931,713
Share of other comprehensive income of equity accounted investments	-	-	-	(85,252)
Tax on other comprehensive income	-	-	-	(15,421,880)
Other comprehensive income for the period, net of tax	89,307,797	686,413	12,910.80	227,775,430
Total comprehensive income for the period, net of tax	314,614,016	185,522,029	69.58	1,236,610,454
Attributable to:				
Equity holders of the parent	93,314,238	40,997,322	127.61	220,149,619
Non-controlling interest	221,299,778	144,524,707	53.12	1,016,460,835
	314,614,016	185,522,029	69.58	1,236,610,454

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In Rs.	Unaudited as at 30-06-2014	Unaudited as at 30-06-2013	Audited as at 31-03-2014
ASSETS			
Non-current assets			
Property, plant and equipment	18,306,960,401	14,860,442,581	17,538,277,279
Lease rentals paid in advance	224,936,273	154,089,884	153,312,190
Investment property	2,266,146,000	2,175,045,500	2,266,146,000
Intangible assets	7,689,421,797	7,591,870,507	7,731,412,573
Investments in associates	26,432,592	61,759,457	24,746,404
Other non-current financial assets	7,226,461,339	6,324,562,906	6,166,907,715
Rental receivable on lease assets and hire purchase	3,592,602,722	4,284,425,826	3,738,692,476
Other non-current assets	194,840,384	84,896,344	142,966,541
Deferred tax assets	301,555,545	252,945,030	307,629,785
	39,829,357,053	35,790,038,035	38,070,090,963
Current assets			
Inventories	4,932,556,051	3,567,679,663	5,109,353,850
Trade and other receivables	6,116,102,202	5,123,519,986	5,095,125,317
Loans and advances	2,071,182,549	1,498,595,834	2,077,038,702
Rental receivable on lease assets and hire purchase	5,300,326,632	3,528,456,938	4,616,673,501
Amounts due from related parties	660,233	105,715,105	778,460
Other current assets	2,826,451,532	1,733,275,713	2,773,900,450
Short term investments	4,802,890,267	3,524,628,373	6,358,330,664
Cash in hand and at bank	1,652,619,786	856,830,551	1,762,101,994
	27,702,789,252	19,938,702,163	27,793,302,938
Total assets	67,532,146,305	55,728,740,198	65,863,393,901
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	5,089,000,000	5,089,000,000	5,089,000,000
Revenue reserves	640,064,867	781,810,132	628,907,044
Other components of equity	1,256,118,241	1,512,885,614	1,083,932,574
	6,985,183,108	7,383,695,746	6,801,839,618
Non-controlling interests	6,848,558,336	6,374,865,575	6,548,905,153
Total equity	13,833,741,444	13,758,561,321	13,350,744,771
Non-current liabilities			
Insurance contract liabilities	4,587,450,736	3,452,799,581	4,184,923,357
Interest bearing borrowings	13,441,797,098	10,086,615,225	12,999,848,935
Public deposits	2,015,167,589	950,990,100	1,885,402,009
Deferred tax liabilities	326,920,971	371,409,868	332,324,498
Employee benefit liabilities	468,163,269	396,774,902	444,467,274
Other deferred liabilities	61,736,386	143,813,153	64,557,961
Other non-current financial liabilities	6,260,352	1,812,828,000	6,260,352
	20,907,496,401	17,215,230,829	19,917,784,386
Current liabilities			
Trade and other payables	5,085,549,928	4,276,230,320	5,751,656,617
Amounts due to related parties	19,894,006	27,775,851	19,508,602
Income tax liabilities	200,244,281	184,652,767	174,142,951
Short term borrowings	12,659,911,322	8,115,466,721	11,822,115,977
Current portion of interest bearing borrowings	3,602,231,733	3,803,814,089	4,144,437,836
Other current liabilities	748,905,784	201,777,075	712,784,853
Public deposits	7,657,853,457	5,785,244,989	7,418,343,338
Bank overdrafts	2,816,317,949	2,359,986,236	2,551,874,570
	32,790,908,460	24,754,948,048	32,594,864,744
Total equity and liabilities	67,532,146,305	55,728,740,198	65,863,393,901

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

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

-sgd-

Group Chief Financial Officer

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

-sgd-

Director

-sgd-

Director

14 August 2014
Colombo

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs.	Unaudited 3 months to 30-06-2014	Unaudited 3 months to 30-06-2013	Audited 12 months to 31-03-2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	294,889,933	216,763,473	1,257,998,837
Adjustments for:			
Finance income	(422,626,216)	(208,229,066)	(1,194,912,822)
Finance costs	625,643,867	677,788,393	2,660,026,602
Change in fair value of investment property	-	-	(91,100,500)
Share of results of associates	(2,341,927)	(3,078,559)	(13,280,969)
Gratuity provision and related costs	30,021,465	24,758,655	105,555,003
Provision for impairment of receivables	-	-	34,210,138
Provision for impairment of inventories	2,145,891	-	49,765,780
Depreciation of property, plant and equipment	253,254,163	222,164,910	901,836,851
Profit on sale of property, plant and equipment	(10,501,028)	(8,235,005)	(34,808,911)
Profit on sale of short term investments	4,549,602	(7,562,786)	(222,795,432)
Unrealised (gain)/loss on foreign exchange	(3,465,950)	35,507,647	25,855,552
Amortisation / impairment of intangible assets	52,109,280	42,611,990	204,045,351
Amortisation of prepaid lease rentals	259,233	259,233	1,036,927
Provision for put option liability	-	-	6,260,352
Increase / (decrease) in deferred income	(2,821,575)	26,971,640	(61,646,822)
Impairment & derecognition of property, plant & equipment	5,421,497	-	29,691,599
Profit before working capital changes	826,538,235	1,019,720,525	3,657,737,536
(Increase) / decrease in inventories	176,797,799	137,643,433	(1,453,796,534)
(Increase) / decrease in trade and other receivable	(1,024,727,319)	(845,868,299)	(860,489,097)
(Increase) / decrease in loans and advances	60,514,687	413,963,922	(818,798,373)
(Increase) / decrease in investments in lease and hire purchase	(537,563,377)	(547,685,079)	(1,102,821,152)
(Increase) / decrease in other current assets	(52,551,082)	(65,034,264)	(1,105,659,002)
(Increase) / decrease in amount due from related parties	118,227	(11,332,691)	93,603,954
Increase / (decrease) in trade and other payables	(666,106,689)	381,724,061	1,876,437,387
Increase / (decrease) in amount due to related parties	385,404	5,755,012	(2,512,237)
Increase / (decrease) in other current liabilities	36,120,930	(30,683,415)	500,247,453
Increase / (decrease) in public deposits	369,275,699	(220,715,958)	2,346,794,300
Increase / (decrease) in Insurance provision	402,527,379	234,422,145	966,545,920
Cash generated from / (used in) operations	(408,670,107)	471,909,392	4,097,290,155
Finance income received	393,569,351	208,229,066	770,592,161
Finance expenses paid	(622,274,555)	(677,788,393)	(2,650,623,018)
Dividend received	-	28,900,789	27,000,000
Tax paid	(41,608,061)	(42,421,958)	(429,862,142)
Gratuity paid/ transfers	(37,870,834)	(6,886,753)	(38,898,992)
Net cash flow from / (used in) operating activities	(716,854,206)	(18,057,857)	1,775,498,164
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(968,113,941)	(514,187,865)	(3,459,164,705)
Additions to Lease rentals paid in advance	(71,883,316)	-	-
Addition to intangible assets	(10,118,504)	(3,651,877)	(305,007,400)
(Increase)/ decrease in other non current assets	(51,873,843)	(5,421,158)	(63,138,432)
(Purchase) / disposal of short term investments (net)	454,182,131	(378,257,955)	469,049,446
Dividends Received	(195,281,281)	-	146,289,554
(Purchase) / disposal of other non current financial assets	(994,925,345)	(1,161,047,536)	(1,989,235,451)
Proceeds from sale of property, plant and equipment	20,937,632	48,467,956	91,402,882
Net cash flow used in investing activities	(1,817,076,467)	(2,014,098,435)	(5,109,804,106)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Dividend paid to non controlling interest	-	-	(613,590,164)
Proceeds from shareholders with non-controlling interest, on issue of rights in subsidiaries	177,776,292	-	-
Proceeds from long term borrowings	1,229,909,049	2,367,958,396	7,546,880,910
(Increase) / decrease of controlling interest	(59,085)	(67,994,167)	(2,529,972,054)
Repayment of long term borrowings	(1,397,002,541)	(915,485,341)	(3,554,156,028)
Proceeds from / (repayment of) short term borrowings (net)	837,795,345	404,890,726	4,643,339,981
Direct cost on issue of shares	(9,479,827)	-	(5,871,054)
Unamortisation of debenture issue expense/ loan processing fee	-	-	(20,136,995)
Dividend paid to equity holders of parent	-	-	(120,033,286)
Net cash flow from financing activities	838,939,233	1,789,369,614	5,346,461,310
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,694,991,440)	(242,786,678)	2,012,155,368
CASH AND CASH EQUIVALENTS AT THE BEGINNING	1,700,038,527	(312,393,037)	(312,393,037)
Effect of exchange rate changes	19,043	318,773	276,196
CASH AND CASH EQUIVALENTS AT THE END	5,066,130	(554,860,942)	1,700,038,527
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	1,652,619,786	856,830,551	1,762,101,994
Short term investments	1,168,764,293	948,294,743	2,489,811,103
Unfavourable balances			
Bank overdrafts	(2,816,317,949)	(2,359,986,236)	(2,551,874,570)
Cash and cash equivalents	5,066,130	(554,860,942)	1,700,038,527

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

In Rs.	Attributable to equity holders of parent									Non-controlling interest	Total equity
	Stated capital	Treasury Shares	Revaluation reserve	Exchange translation reserve	Available for sale reserve	Statutory reserve fund	Other reserves - restated	Revenue reserve - restated	Total		
As at 01 April 2014	5,089,000,000	(55,921,185)	1,461,774,873	(75,358,862)	176,573,503	149,167,942	(572,303,697)	628,907,044	6,801,839,618	6,548,905,153	13,350,744,771
Profit for the period	-	-	-	-	-	-	-	40,689,596	40,689,596	184,616,623	225,306,219
Other Comprehensive income	-	-	-	1,604,543	71,584,842	-	-	(20,564,743)	52,624,642	36,683,155	89,307,797
Total Comprehensive income	-	-	-	1,604,543	71,584,842	-	-	20,124,853	93,314,238	221,299,778	314,614,016
Direct cost on issue of shares	-	-	-	-	-	-	-	(7,481,673)	(7,481,673)	(1,998,154)	(9,479,827)
Transfer to reserve fund	-	-	-	-	-	1,485,357	-	(1,485,357)	-	-	-
Acquisitions, disposals and changes in holding	-	-	-	-	-	-	97,510,925	-	97,510,925	80,351,559	177,862,484
As at 30 June 2014	5,089,000,000	(55,921,185)	1,461,774,873	(73,754,319)	248,158,345	150,653,299	(474,792,772)	640,064,867	6,985,183,108	6,848,558,336	13,833,741,444
As at 01 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	-	-	-	-	-	-	-	38,971,135	38,971,135	145,864,481	184,835,616
Other Comprehensive income	-	-	-	1,013,615	1,012,572	-	-	-	2,026,187	(1,339,774)	686,413
Total Comprehensive income	-	-	-	1,013,615	1,012,572	-	-	38,971,135	40,997,322	144,524,707	185,522,029
Treasury shares purchased during the period	-	(8,167,491)	-	-	-	-	-	-	(8,167,491)	-	(8,167,491)
Transfer to reserve fund	-	-	-	-	-	10,544,815	-	(10,544,815)	-	-	-
Acquisitions, disposals and changes in holding	-	-	-	-	-	-	(15,456,930)	-	(15,456,930)	(67,994,166)	(83,451,096)
As at 30 June 2013	5,089,000,000	(55,921,188)	1,337,323,892	(92,871,995)	241,476,430	98,335,405	(15,456,930)	781,810,132	7,383,695,746	6,374,865,575	13,758,561,321

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

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs.	Unaudited 3 months to 30-06-2014	Unaudited 3 months to 30-06-2013	Change as a %	Audited 12 months to 31-03-2014
Revenue	101,722,010	91,146,825	11.60	355,554,590
Cost of sales	(20,613,770)	(26,824,722)	(23.15)	(90,424,044)
Gross profit	81,108,240	64,322,103	26.10	265,130,546
Dividend income	174,046	215,830	(19.36)	403,985,123
Other operating income	1,873,219	15,223,419	(87.70)	94,532,167
Administrative expenses	(63,394,560)	(52,481,807)	20.79	(221,702,118)
Results from Operating Activities	19,760,945	27,279,545	(27.56)	541,945,718
Finance income	45,782,394	55,324,809	(17.25)	355,897,046
Finance expenses	(241,863,032)	(189,716,467)	27.49	(980,482,527)
Net Finance Cost	(196,080,638)	(134,391,658)	45.90	(624,585,481)
Change in fair value of investment property	-	-	-	60,300,500
Loss before tax	(176,319,693)	(107,112,113)	64.61	(22,339,263)
Tax expense	-	-	-	(1,195,889)
Loss for the period	(176,319,693)	(107,112,113)	64.61	(23,535,152)

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

Softlogic Holdings PLC

COMPANY STATEMENT OF COMPREHENSIVE INCOME

In Rs.	Unaudited 3 months to 30-06-2014	Unaudited 3 months to 30-06-2013	Change as a %	Audited 12 months to 31-03-2014
Loss for the period	(176,319,693)	(107,112,113)	64.61	(23,535,152)
Other comprehensive income				
Net (loss) / gain on available-for-sale financial assets	-	1,611,493	(100.00)	2,749,371
Actuarial gains/ (loss) on retirement benefits	-	-	-	(3,531,852)
Other comprehensive income for the period, net of tax	-	1,611,493	(100.00)	(782,481)
Total comprehensive income for the period, net of tax	(176,319,693)	(105,500,620)	67.13	(24,317,633)

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

Softlogic Holdings PLC

COMPANY STATEMENT OF FINANCIAL POSITION

In Rs.	Unaudited as at 30-06-2014	Unaudited as at 30-06-2013	Audited as at 31-03-2014
ASSETS			
Non-current assets			
Property, plant and equipment	141,592,440	155,514,788	150,325,511
Investment property	394,000,000	333,699,500	394,000,000
Intangible assets	4,386,638	-	5,341,896
Investments in subsidiaries	10,552,537,451	8,669,604,185	9,007,349,758
Investments in associates	11,000,000	861,989,404	11,000,000
Other non-current financial assets	33,823,640	218,860,441	57,797,565
	11,137,340,169	10,239,668,318	9,625,814,730
Current assets			
Trade and other receivables	180,486,655	94,894,620	167,169,840
Amounts due from related parties	2,262,950,231	1,244,532,202	2,453,097,064
Other current assets	33,383,519	18,037,795	31,136,264
Short term investments	130,845,815	568,553,019	1,643,996,056
Cash in hand and at bank	44,549,772	10,370,004	279,766,916
	2,652,215,992	1,936,387,640	4,575,166,140
Total assets	13,789,556,161	12,176,055,958	14,200,980,870
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	5,089,000,000	5,089,000,000	5,089,000,000
Revenue reserves	46,678,324	263,697,908	222,998,017
Other components of equity	-	(1,137,878)	-
Total equity	5,135,678,324	5,351,560,030	5,311,998,017
Non-current liabilities			
Interest bearing borrowings	2,322,611,955	2,282,724,372	2,448,181,474
Employee benefit liabilities	31,883,785	23,192,500	30,083,785
Other non-current financial liabilities	-	906,414,000	-
	2,354,495,740	3,212,330,872	2,478,265,259
Current liabilities			
Trade and other payables	17,154,779	14,141,668	14,569,828
Amounts due to related parties	865,397,367	1,067,919,730	946,657,314
Short term borrowings	3,919,120,405	1,438,875,583	3,920,810,772
Current portion of interest bearing borrowings	1,423,504,123	1,043,234,302	1,455,262,816
Other current liabilities	20,179,579	23,118,879	18,028,772
Bank overdrafts	54,025,844	24,874,894	55,388,092
	6,299,382,097	3,612,165,056	6,410,717,594
Total equity and liabilities	13,789,556,161	12,176,055,958	14,200,980,870

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

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

-sgd-

Group Chief Financial Officer

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

-sgd-

Director

-sgd-

Director

14 August 2014
Colombo

Softlogic Holdings PLC

COMPANY STATEMENT OF CASH FLOW

In Rs.	Unaudited 3 months to 30-06-2014	Unaudited 3 months to 30-06-2013	Audited 12 months to 31-03-2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax	(176,319,693)	(107,112,113)	(22,339,263)
Adjustments for:			
Finance income	(45,782,394)	(55,324,809)	(354,457,046)
Dividend income	(174,046)	(215,830)	(403,985,123)
Finance costs	241,863,032	189,716,467	980,482,527
Change in fair value of investment property	-	-	(60,300,500)
Gratuity provision and related costs	1,800,000	2,000,000	6,319,025
Provision for impairment of receivables	-	-	4,577,366
Depreciation of property, plant and equipment	6,255,408	8,808,749	25,452,041
Profit on sale of property, plant and equipment	(1,543,310)	(8,186,513)	(16,622,339)
Profit on sale of short term investments	-	-	(56,984,480)
Amortisation / impairment of intangible assets	955,259	-	2,221,133
Profit before working capital changes	27,054,256	29,685,951	104,363,341
(Increase) / decrease in trade and other receivable	(13,316,815)	8,452,280	(68,400,306)
(Increase) / decrease in other current assets	(2,247,255)	(3,237,078)	(3,221,346)
(Increase) / decrease in amount due from related parties	190,146,834	(343,486,210)	(1,951,918,164)
Increase / (decrease) in trade and other payables	2,584,951	(930,407)	(502,247)
Increase / (decrease) in amount due to related parties	(641,071,201)	(227,546,540)	(348,808,956)
Increase / (decrease) in other current liabilities	2,150,805	(1,221,963)	(6,312,073)
Cash generated from / (used in) operations	(434,698,425)	(538,283,967)	(2,274,799,751)
Finance income received	45,556,194	55,324,809	352,968,194
Finance expenses paid	(238,231,143)	(189,716,466)	(965,397,880)
Dividend received	174,046	215,830	403,985,123
Tax paid	-	-	(14,310,092)
Gratuity paid/ transfers	-	(243,000)	(1,335,500)
Net cash flow from / (used in) operating activities	(627,199,328)	(672,702,794)	(2,498,889,906)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(874,934)	(27,806,415)	(14,782,876)
Addition to intangible assets	-	-	(7,563,029)
(Purchase) / disposal of short term investments (net)	-	(56,453,619)	507,968,637
(Purchase) / disposal of other non current financial assets	23,973,925	9,081,925	36,324,001
Increase in interest in subsidiaries	(985,376,439)	(400,461,184)	(326,688,191)
Proceeds from sale of property, plant and equipment	4,895,907	10,226,357	24,095,340
Net cash flow used in investing activities	(957,381,541)	(465,412,936)	219,353,882
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from long term borrowings	-	1,038,867,520	2,000,000,000
Repayment of long term borrowings	(160,960,101)	(74,455,423)	(492,003,416)
Proceeds from / (repayment of) short term borrowings (net)	(1,690,365)	491,439,436	2,973,374,625
Unamortisation of debenture issue expense/ loan processing fee	-	-	(11,094,231)
Dividend paid to equity holders of parent	-	-	(120,745,000)
Net cash flow from financing activities	(162,650,466)	1,455,851,533	4,349,531,978
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,747,231,335)	317,735,803	2,069,995,954
CASH AND CASH EQUIVALENTS AT THE BEGINNING	1,737,755,263	(332,240,692)	(332,240,691)
CASH AND CASH EQUIVALENTS AT THE END	(9,476,072)	(14,504,889)	1,737,755,263
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	44,549,772	10,370,004	279,766,916
Short term investments	-	-	1,513,376,439
Unfavourable balances			
Bank overdrafts	(54,025,844)	(24,874,893)	(55,388,092)
Cash and cash equivalents	(9,476,072)	(14,504,889)	1,737,755,263

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY

In Rs.	Stated capital	Available for sale reserve	Revenue reserve	Total
As at 01 April 2014	5,089,000,000	-	222,998,017	5,311,998,017
Loss for the period	-	-	(176,319,693)	(176,319,693)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(176,319,693)	(176,319,693)
As at 30 June 2014	5,089,000,000	-	46,678,324	5,135,678,324
As at 01 April 2013	5,089,000,000	(2,749,371)	370,810,021	5,457,060,650
Loss for the period	-	-	(107,112,113)	(107,112,113)
Other comprehensive income	-	1,611,493	-	1,611,493
Total comprehensive income	-	1,611,493	(107,112,113)	(105,500,620)
As at 30 June 2013	5,089,000,000	(1,137,878)	263,697,908	5,351,560,030

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

REVENUE AND PROFIT		Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Group	
For the three months ended 30 June		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue																	
Total revenue		1,879,720,007	1,539,759,939	24,850,868	18,562,823	2,208,811,126	2,219,373,425	141,510,994	79,150,836	1,982,008,808	1,783,572,713	2,091,308,261	1,864,100,575	118,564,010	108,405,257	8,446,774,074	7,612,925,568
Inter group		(128,433,182)	(83,248,303)	(9,690,748)	(7,489,616)	(143,137,239)	(352,928,084)	(7,122,876)	(896,763)	(10,043,920)	(54,740,466)	(4,281,894)	(4,126,317)	(100,612,010)	(90,512,757)	(403,321,869)	(593,942,306)
Total external revenue		1,751,286,825	1,456,511,636	15,160,120	11,073,207	2,065,673,887	1,866,445,341	134,388,118	78,254,073	1,971,964,888	1,728,832,247	2,087,026,367	1,859,974,258	17,952,000	17,892,500	8,043,452,205	7,018,983,262
Operating profit/ (loss)		207,590,572	140,144,880	(52,044,180)	(27,694,053)	154,685,721	257,461,246	7,918,176	(9,888,373)	(297,284,943)	(127,192,902)	541,590,321	492,682,821	(66,890,010)	(43,466,596)	495,565,657	682,047,023
Finance income		740,673	472,771	1,632,140	2,639,427	31,202,996	41,546,423	-	-	368,798,656	139,825,276	19,056,212	23,131,954	1,195,539	613,215	422,626,216	208,229,066
Finance cost		(70,727,878)	(71,910,032)	(4,552,176)	(704,586)	(125,483,321)	(128,364,376)	(11,491,730)	(9,875,668)	(57,069,493)	(96,625,172)	(163,268,627)	(190,507,236)	(193,050,642)	(179,801,323)	(625,643,867)	(677,788,393)
Share of results of associates		-	-	-	-	-	-	-	-	-	-	-	-	2,341,927	4,275,777	2,341,927	4,275,777
Profit/ (loss) before taxation		137,603,367	68,707,619	(54,964,216)	(25,759,212)	60,405,396	170,643,293	(3,573,554)	(19,764,041)	14,444,220	(83,992,798)	397,377,906	325,307,539	(256,403,186)	(218,378,927)	294,889,933	216,763,473
Taxation		(28,298,565)	(5,608,486)	4,524,770	-	24,562,250	29,248,590	(233,172)	(53,248)	(5,950,005)	(15,963,640)	(62,337,363)	(35,269,355)	(1,851,629)	(4,281,718)	(69,583,714)	(31,927,857)
Profit/ (loss) after taxation		109,304,802	63,099,133	(50,439,446)	(25,759,212)	84,967,646	199,891,883	(3,806,726)	(19,817,289)	8,494,215	(99,956,438)	335,040,543	290,038,184	(258,254,815)	(222,660,645)	225,306,219	184,835,616
Depreciation of property, plant & equipment (PPE)		9,633,180	8,422,390	13,397,959	103,062	34,443,932	21,946,540	2,341,703	392,541	24,950,976	20,739,543	162,201,961	160,899,334	6,284,452	9,661,500	253,254,163	222,164,910
Amortisation of lease rentals paid in advance		-	-	-	-	-	-	-	-	-	-	259,233	259,233	-	-	259,233	259,233
Amortisation of intangible assets		194,263	-	11,897,029	-	2,102,418	-	-	-	34,829,842	42,611,990	2,130,469	-	955,259	-	52,109,280	42,611,990
Retirement benefit obligations and related cost		3,731,245	2,990,366	660,000	353,736	2,624,625	1,825,330	545,629	137,250	5,091,643	4,602,179	15,554,999	12,849,794	1,813,324	2,000,000	30,021,465	24,758,655
Purchase and construction of PPE		7,512,398	1,406,882	642,050,780	265,106,641	105,139,276	49,598,092	85,220,520	31,358,041	32,843,469	31,199,872	93,902,809	110,814,402	1,444,689	24,703,935	968,113,941	514,187,865
Additions to intangible assets		1,550,860	-	83,587	-	-	-	-	-	8,484,057	3,651,877	-	-	-	-	10,118,504	3,651,877
Additions to lease rentals paid in advance		-	-	-	-	-	-	-	-	-	-	71,883,316	-	-	-	71,883,316	-

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

As at 30 June	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Property, plant and equipment	152,946,234	77,818,036	4,371,130,282	1,958,630,885	1,235,465,683	776,528,075	242,527,572	33,745,246	646,977,468	300,208,038	10,188,345,424	10,303,517,002	142,535,639	155,962,710	16,979,928,302	13,606,409,992
Lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	224,936,273	154,089,884	-	-	224,936,273	154,089,884
Investment property	225,300,000	225,300,000	757,492,349	733,000,000	81,510,000	74,100,000	-	-	-	-	-	-	2,578,636,000	2,434,645,000	3,642,938,349	3,467,045,000
Intangible assets	126,684,903	3,685,957	354,442,486	401,947,013	150,678,683	-	-	-	1,921,071,699	2,040,077,985	1,016,333,867	1,030,336,027	4,386,638	-	3,673,598,276	3,476,046,982
Other non current financial assets	10,773,983	12,311,716	-	1,545,000	45,603,084	36,762,992	-	-	6,673,833,397	5,754,829,133	493,391,268	391,322,100	2,859,607	127,791,965	7,226,461,339	6,324,562,906
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	3,592,602,722	4,284,425,826	-	-	-	-	3,592,602,722	4,284,425,826
Other non current assets	8,861,879	-	4,800,420	-	75,900,082	-	1,500,000	-	95,694,670	76,813,009	8,083,333	8,083,335	-	-	194,840,384	84,896,344
Segment non current assets	524,566,999	319,115,709	5,487,865,537	3,095,122,898	1,589,157,532	887,391,067	244,027,572	33,745,246	12,930,179,956	12,456,353,991	11,931,090,165	11,887,348,348	2,728,417,884	2,718,399,675	35,435,305,645	31,397,476,934
Investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	26,432,592	61,759,457	26,432,592	61,759,457
Goodwill	14,086,631	14,086,631	182,206,628	182,206,628	742,615,817	742,615,817	-	-	817,741,917	817,741,917	2,327,709,789	2,327,709,789	31,462,743	31,462,743	4,115,823,525	4,115,823,525
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	301,555,545	252,945,030
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,760,254)	(37,966,911)
Total non current assets	538,653,630	333,202,340	5,670,072,165	3,277,329,526	2,331,773,349	1,630,006,884	244,027,572	33,745,246	13,747,921,873	13,274,095,908	14,258,799,954	14,215,058,137	2,786,313,219	2,811,621,875	39,829,357,053	35,790,038,035
Inventories	723,006,101	832,354,361	6,317,095	271,532	3,012,395,928	1,934,825,536	212,268,133	277,218,642	602,041,519	149,522,579	376,243,789	373,203,528	283,486	283,485	4,932,556,051	3,567,679,663
Trade and other receivables	1,232,855,585	1,111,083,753	33,181,049	258,225,784	2,892,744,729	2,372,877,004	92,187,708	25,451,020	1,029,753,685	688,934,430	760,800,871	624,677,006	74,578,575	42,270,989	6,116,102,022	5,123,519,986
Loans and advances	-	-	-	-	-	-	-	-	2,071,182,549	1,498,595,834	-	-	-	-	2,071,182,549	1,498,595,834
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	5,300,326,632	3,528,456,938	-	-	-	-	5,300,326,632	3,528,456,938
Other current assets	207,455,717	40,503,465	357,206,492	248,164,071	575,767,811	424,353,939	175,962,231	61,057,078	1,332,906,365	937,191,173	132,664,956	3,947,912	44,487,960	18,058,075	2,826,451,532	1,733,275,713
Short term investments	11,764,164	21,960,823	306,499	-	21,813,520	18,881,927	-	-	4,337,443,150	3,473,066,667	300,500,000	-	131,062,934	10,718,956	4,802,890,267	3,524,628,373
Cash in hand and at bank	91,610,931	90,184,523	127,180,288	14,781,375	412,409,820	92,358,835	37,334,692	15,039,338	700,163,704	524,810,129	237,668,812	99,127,802	46,251,539	20,528,549	1,652,619,786	856,830,551
Segment current assets	2,266,692,498	2,096,086,925	524,191,423	521,442,762	6,915,131,808	4,843,297,241	517,752,764	378,766,078	15,373,817,604	10,800,577,750	1,807,878,428	1,100,956,248	296,664,494	91,860,054	27,702,129,019	19,938,702,163
Amounts due from related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	660,233	105,715,105
Total current assets	2,266,692,498	2,096,086,925	524,191,423	521,442,762	6,915,131,808	4,843,297,241	517,752,764	378,766,078	15,373,817,604	10,800,577,750	1,807,878,428	1,100,956,248	296,664,494	91,860,054	27,702,789,252	19,938,702,163
Total assets															67,532,146,305	55,728,740,198
Insurance contract liabilities	-	-	-	-	-	-	-	-	4,587,450,736	3,452,799,581	-	-	-	-	4,587,450,736	3,452,799,581
Interest bearing borrowings	173,563,283	82,993,467	2,834,281,831	1,650,101,903	345,650,475	355,826,727	27,589,938	-	2,002,928,989	1,849,537,055	6,242,370,487	3,783,394,314	2,327,626,997	2,619,623,304	13,954,012,000	10,341,476,770
Public deposits	-	-	-	-	-	-	-	-	2,015,167,589	950,990,100	-	-	-	-	2,015,167,589	950,990,100
Employee benefit liabilities	69,878,947	57,105,720	2,655,316	5,070,955	41,356,764	30,793,210	2,718,187	1,421,997	69,924,516	56,099,081	249,480,129	223,091,436	32,149,410	23,192,503	468,163,269	396,774,902
Other deferred liabilities	6,488,902	96,836,807	-	-	55,247,484	25,342,978	-	-	-	21,633,368	-	-	-	-	61,736,386	143,813,153
Other non current financial liabilities	-	-	-	-	-	-	-	-	6,260,352	1,812,828,000	-	-	-	-	6,260,352	1,812,828,000
Segment non current liabilities	249,931,132	236,935,994	2,836,937,147	1,655,172,858	442,254,723	411,962,915	30,308,125	1,421,997	8,681,732,182	8,143,887,185	6,491,850,616	4,006,485,750	2,359,776,407	2,642,815,807	21,092,790,332	17,098,682,506
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	326,920,971	371,409,868
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(512,214,902)	(254,861,545)
Total non current liabilities	249,931,132	236,935,994	2,836,937,147	1,655,172,858	442,254,723	411,962,915	30,308,125	1,421,997	8,681,732,182	8,143,887,185	6,491,850,616	4,006,485,750	2,359,776,407	2,642,815,807	20,907,496,401	17,215,230,829
Trade and other payables	661,951,799	295,709,899	40,266,284	76,445,155	1,327,404,987	899,115,120	4,873,544	22,982,808	2,471,326,460	2,343,060,830	562,502,871	617,623,497	17,223,983	21,293,011	5,085,549,928	4,276,230,320
Income tax liabilities	31,157,873	51,360,635	3,183,461	4,346,023	40,709,598	72,359,241	2,146,349	53,248	53,620,511	20,116,933	68,865,070	45,059,674	561,419	(8,642,987)	200,244,281	184,652,767
Short term borrowings	2,310,151,696	2,296,165,223	19,573,303	-	3,611,152,936	1,721,136,242	96,722,970	101,264,266	3,397,821,565	3,478,165,601	-	-	5,113,144,619	1,438,875,583	14,548,567,089	9,035,606,915
Current portion of interest bearing borrowings	103,953,192	102,015,156	1,838,244	-	78,032,517	94,543,337	6,053,572	-	898,464,744	1,788,137,751	1,133,383,141	664,399,122	1,425,911,323	1,193,001,420	3,647,636,733	3,842,096,786
Other current liabilities	93,600,346	43,794,213	166,359,790	(28,516,692)	48,728,462	65,501,984	73,134,410	4,549,868	306,531,554	2,468,722	40,191,975	89,492,692	20,359,247	24,486,288	748,905,784	201,777,075
Public deposits	-	-	-	-	-	-	-	-	7,657,853,457	5,785,244,989	-	-	-	-	7,657,853,457	5,785,244,989
Bank overdrafts	95,600,106	123,122,764	45,856,031	14,540,266	711,964,997	482,439,496	26,417,166	39,363,530	751,606,308	583,473,089	1,129,189,726	1,088,024,239	55,683,615	29,022,852	2,816,317,949	2,359,986,236
Segment current liabilities	3,296,415,012	2,912,167,890	277,077,113	66,814,752	5,817,993,497	3,335,095,420	209,348,011	168,213,720	15,537,224,599	14,000,667,915	2,934,132,783	2,504,599,224	6,632,884,206	2,698,036,167	34,705,075,221	25,685,595,088
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,894,006	27,775,851
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,934,060,767)	(958,422,891)
Total current liabilities	3,296,415,012	2,912,167,890	277,077,113	66,814,752	5,817,993,497	3,335,095,420	209,348,011	168,213,720	15,537,224,599	14,000,667,915	2,934,132,783	2,504,599,224	6,632,884,206	2,698,036,167	32,790,908,460	24,754,948,048
Total liabilities															53,698,404,861	41,970,178,877
Total segment assets	2,791,259,497	2,415,202,634	6,012,056,960	3,616,565,660	8,504,289,340	5,730,688,308	761,780,336	412,511,324	28,303,997,560	23,256,931,741	13,738,968,593	12,988,304,596	3,025,082,378	2,810,259,729	63,137,434,664	51,230,463,992
Total segment liabilities	3,546,346,144	3,149,103,884	3,114,014,260	1,721,987,610	6,260,248,220	3,747,058,335	239,656,136	169,635,717	24,218,956,781	22,144,555,100	9,425,983,399	6,511,084,974	8,992,660,613	5,340,851,974	55,797,865,553	42,784,277,594

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

The interim financial statements of the Group and the Company for the 03 months ended 30 June 2014 were authorised for issue by the Board of directors on 14 August 2014.

2. BASIS OF PREPARATION

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2014.

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

3.1 Public Share Holdings

The percentage of shares held by the public as at 30 June 2014 was 29.10% (as at 30 June 2013 - 31.56%)

3.2 Directors' Share Holdings

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

As at	30-06-2014
A K Pathirage - Chairman/ Managing Director	362,856,869
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 (resigned w.e.f. 30 June 2014)	Nil
W M P L De Alwis, PC	Nil
G L H Premaratne	Nil
R A Ebell	Nil
	<u>548,091,669</u>

3.3 Twenty Largest Shareholders of the Company are as follows:

As at	Number of shares	%
	30-06-2014	
1 Mr. A K Pthirage	323,906,869	41.58
2 Mr. H K Kaimal	64,870,800	8.33
3 Mr. R J Perera	60,836,700	7.81
4 Mr. G W D H U Gunawardena	57,527,300	7.38
5 Pemberton Asian Opportunities Fund	42,179,400	5.41
6 Commercial Bank of Ceylon PLC/ A K Pathirage	38,950,000	5.00
7 Bank of Ceylon A/C/ Ceybank Unit Trust	9,158,968	1.18
8 Employees Provident Fund	7,230,500	0.93
9 Asian Alliance Insurance PLC - A/C 02 (Life Fund)	4,591,702	0.59
10 Seylan Bank PLC/ ARC Capital (Pvt) Ltd	4,342,812	0.56
11 Mrs. A Selliah	4,236,000	0.54
12 Arunodhaya Investments (Private) Limited	3,950,000	0.51
13 Arunodhaya Industries (Private) Limited	3,950,000	0.51
14 Arunodhaya (Private) Limited	3,950,000	0.51
15 Sri Lanka Insurance Corporation Ltd - General Fund	3,858,400	0.50
16 Miss. S Subramaniam	3,800,000	0.49
17 Mr. V Kailasapillai	3,800,000	0.49
18 Mrs. A Kailasapillai	3,800,000	0.49
19 Sampath Bank PLC A/C No. 1	3,594,000	0.46
20 Waldock Mackenzie Ltd/ Hi-Line Trading (Pvt) Ltd	3,565,646	0.46

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

4. STATED CAPITAL MOVEMENTS

4.1 No of shares

	No of shares
As at 01 April 2014	779,000,000
As at 30 June 2014	779,000,000

4.2 Value of shares

	Rs
As at 01 April 2014	5,089,000,000
As at 30 June 2014	5,089,000,000

5. INVESTOR INFORMATION

5.1 Market Value of Shares

30-06-2014

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

Closing price on (Rs.)	13.80
Highest price recorded for the three months ending (Rs.)	14.10
Lowest price recorded for the three months ending (Rs.)	10.30
Market Capitalisation (Rs. Mn)	10,750.20

5.2 Ratios

Net assets per share at the period end (Rs.)	9.02
--	------

5.3 Share Trading information from 01 April 2014 to 30 June 2014

Number of shares traded	76,148,389
Value of shares traded (Rs.)	943,099,970

6. LISTED DEBENTURES

6.1 Details regarding the listed debentures are as follows;

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

Interest rate of comparable Government Securities as at 30 June, 2014 - 7.02% (net of tax)

6.2 Ratios

30-06-2014

Debt/ equity ratio	2.35
Quick asset ratio	0.69
Interest cover	1.28

6.3 Debenture Trading information from 01 April 2014 to 30 June 2014

30-06-2014

Closing price on (Rs.)	109.09
Highest price recorded for the three months ending (Rs.)	109.09
Lowest price recorded for the three months ending (Rs.)	109.09
Interest Yield	14.44%
Year to maturity of trade	12.09%

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

7. CONTINGENCIES

CONTINGENT LIABILITIES

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

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

Pending litigations against Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Asiri Hospital Matara (Pvt) Ltd with a maximum liability of Rs. 43 mn, Rs. 50 mn and Rs. 51 mn respectively exist as at 30 June 2014 (2013 - Asiri Hospital Holdings PLC : Rs. 43 mn, Asiri Surgical Hospital PLC : Rs. Nil and Asiri Hospital Matara (Pvt) Ltd - Rs. 51 mn).

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

7.2 Asian Alliance Insurance PLC

VAT Assessments were received by Asian Alliance Insurance PLC in October 2011 and April 2013 in relation to taxable period ended 31 December 2009 and 31 December 2010 amounting to Rs. 4.90 mn and Rs. 26.90 mn respectively.

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

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

8 CAPITAL COMMITMENTS

As at 30 June 2014, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 1,668 Mn (30 June 2013 - 2,360 Mn).

9. EVENTS AFTER THE REPORTING PERIOD

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

Softlogic Finance PLC which is a subsidiary of Softlogic Holdings PLC has obtained the approval from the Colombo Stock Exchange to issue 14,000,000 Rated, Redeemable, Guaranteed Debentures at an issue price of Rs. 100.00 each. The date of opening of the subscription list is on 21 August 2014.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY TRANSACTIONS

10.1 Transactions with related parties

In Rs.	Group		Company	
	Unaudited 3 months to 30-06-2014	Unaudited 3 months to 30-06-2013	Unaudited 3 months to 30-06-2014	Unaudited 3 months to 30-06-2013
Subsidiaries				
(Purchases) / sales of goods	-	-	(4,946,203)	(2,014,428)
(Receiving) / rendering of services	-	-	98,770,010	88,254,825
(Purchases) / sale of property plant & equipment	-	-	(773,519)	(1,808,032)
Loans given / (obtained)	-	-	(450,040,446)	127,123,000
Interest received / (paid)	-	-	31,741,944	48,517,972
Rent received / (paid)	-	-	5,716,002	4,395,000
Dividend received	-	-	-	215,830
Guarantee charges received	-	-	-	-
Guarantees given / (obtained)	-	-	8,774,478,000	7,095,859,640
Associates				
(Purchases) / sale of property plant & equipment	772,880	12,179,781	-	-
(Receiving) / rendering of services	2,237,929	3,032,300	2,952,000	2,892,000
Dividend received	-	-	-	-
Key management personnel				
(Receiving) / rendering of services	-	-	-	-
Close family members of KMP				
(Receiving) / rendering of services	-	-	-	-
Post employment benefit plan				
Contributions to the provident fund	4,747,297	1,538,474	1,704,000	907,357

10.2 Terms and conditions of transactions with related parties

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

Softlogic Holdings PLC

CORPORATE INFORMATION

Name of Company

Softlogic Holdings PLC

Legal Form

Public Limited Liability Company
Incorporated in Sri Lanka on 25 February 1998 as a Private Limited Liability Company under the Companies Act No. 17 of 1982
Re-registered on 17 December 2007 as a Public Limited Liability Company under the Companies Act No 07 of 2007.
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
Deshamanya P D Rodrigo (resigned w.e.f. 30 June 2014)
Dr S Selliah
G L H Premaratne
G W D H U Gunawardena
H Kaimal
R A Ebell
R J Perera
R Rasool
W M P L De Alwis, PC

Audit Committee

R A Ebell - Chairman (appointed w.e.f. 1 July 2014)
Dr S Selliah
G L H Premaratne
W M P L De Alwis, PC

Remuneration Committee

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

Secretaries and Registrars

Softlogic Corporate Services (Pvt) Ltd
14, De Fonseka Place,
Colombo 05
Sri Lanka
Tel : +94 11 5575 000
Fax : +94 11 2595 441

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

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

Auditors

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