



SOFTLOGIC HOLDINGS PLC

Interim Financial Statements

Three Months ended 30th June 2012

Dear Stakeholder,

Policy measures implemented in February and March of this year, aimed at reducing the high import growth and the high credit expansion are impacting the private sector especially the businesses of Softlogic where most sectors are dependent on the import market. The depreciation of the Rupee had an overall effect on the ICT, Retail and the Automobile sectors with the Automobile sector also being negatively affected by the increase in import duties. Also affecting the higher automobile levies and higher interest rates is our financial services sector. The Year on year inflation has seen an increase in the first quarter of the financial year and the Central Bank of Sri Lanka has revised the economic growth forecast for 2012 downward to 7.2 per cent.

In this light, I am presenting our first quarter financials with mixed feelings.

The Group turnover for the first three months ending 31 June 2012 was Rs. 6.02 Bn, an increase of 37% when compared to the Rs. 4.4 Bn recorded in the corresponding period of the previous year. The Group wide positive performance, contributed to a Group Gross Profit of Rs. 2.02 Bn for the quarter, an increase of 30% when compared to the Rs.1.55 Bn recorded in the first quarter of 2011.

The PBT for the Group in the first quarter was Rs. 255mn, a decrease of 45% when compared to the Rs. 457mn reported in the first quarter of 2011. The first quarter results were primarily impacted by the exchange losses as mentioned above due to the rupee depreciation.

The PAT for the group for the first quarter was Rs. 198 Mn as compared to Rs. 369 Mn for the same period in the previous year, indicating a decrease of 46%.

The Information and Communication Technology sector of the Group recorded a turnover of Rs. 1.31 Bn and a PBT of Rs. 61Mn for the first quarter, a decrease of 13% and 48% respectively when compared to the revenue of Rs. 1.51 Bn and a PBT of Rs. 117 Mn recorded in the corresponding period of the previous year. The macro environment in the country has not been the most conducive to doing business in this sector however; the ICT business continues to maintain its market leadership position and during the first quarter introduced our own brand of computers "Softlogic Maxmo". We have also secured the distribution rights for Apple products which should give the sector a boost in the coming quarters.

The Healthcare sector of the Group continued to perform exceptionally well with the sector recording revenues of Rs. 1.72Bn and PBT of Rs. 288 Mn for the first quarter of 2012/13 being growths of 25% and 76% respectively. Among our ambitious plans is the establishment of the Asiri Kandy Hospital where construction is expected to commence soon. Plans are underway to open fully-fledged state-of-the-art laboratory facilities in Batticaloa and Anuradhapura before the end of the year. Construction on a new laboratory building in Narahenpita is also expected to commence soon for the convenience of our customers.

The Financial Services sector comprising of Leasing, Finance and Insurance recorded revenues of Rs. 1.04 Bn which is an increase of 248% when compared to the Rs. 299 Mn recorded in the first quarter of last financial year. The PBT for the quarter recorded a loss of Rs. 77 Mn when compared to the Rs. 31 Mn recorded in the first quarter of the last financial year.

Asian Alliance Insurance PLC was acquired by the Softlogic Group during the second quarter of last financial year and the Group currently holds majority interest in the Company through Softlogic Holdings PLC and Softlogic Capital Ltd. Though AAI has performed remarkably well operationally since the acquisition, and the revenue was boosted by the acquisition, the finance cost of holding the Insurance Company resulted in the unfavourable PBT. At the end of the previous financial year, the holding company of the sector – Softlogic Capital - raised Rs 1.904Bn through a 10:1 rights issue at Rs 7.00 per share creatingg 272Mn additional shares and part of the funds raised will be used to correct the high interest cost.

Despite the drastic increase in import levies during the end of the last financial year and the devaluation of the Rupee that impacted the sales, the automobile sector recorded Rs 337Mn in revenue, an increase of 28% when compared to the Rs 264Mn recorded in the corresponding period of the last financial year. However the exchange losses impacted the PBT for the quarter. The Rs. 15 Mn PBT recorded for the first quarter of 2012/13, is a decline of 59% when compared to the Rs. 38Mn recorded in the corresponding period of the last financial year.

Softlogic Group's Retail sector continues to see steady growth amidst the expansion of the Retail outlets throughout the Island. The Company currently has opened 140 showrooms, thereby enabling a wider consumer base to access its Multi Brand stores selling a World reputed range of Consumer Electronics and Home Appliances. With the recent expansion of Service Center facilities to the north central and southern regions, Softlogic has further established its after sales service excellence to its customers.

The Retail sector posted revenues of Rs.1.60 Bn and PBT of Rs. 120 Mn in the first quarter of the year, being increases of 73% and 3% respectively when compared to the revenue of Rs. 923Mn and PBT of Rs. 116 Mn recorded in the corresponding periods of 2011/12. In addition, the expansion of the Branded Apparel sub sector is looking forward to the opening of the first ever Mothercare outlet and Fossil outlet in Sri Lanka during this coming year.

As previously announced, the construction of the Movenpick City Hotel in Colombo has already commenced and the piling work has been completed. The next stage of the development is now ready to commence and the hotel is expected to start operations in the 3rd quarter of 2014. The Ceysands Hotel in Bentota was closed in October for a complete refurbishment and expansion and will re-open in early 2013 as a 166 room 4 star plus resort that will be managed by Centara International Management.

Though the first quarter results have been below our expectations, the expansion plans and our long term strategies should come to fruition in the coming year and I like to take this opportunity to thank all our stakeholders for bearing with us and being patient in continuing this journey with us.

Signed
Ashok Pathirage
Chairman
15 August 2012

BALANCE SHEET

Consolidated		Company		Consolidated		Company	
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
as at	as at	as at	as at	as at	as at	as at	as at
31.03.2012	31.03.2012	30.06.2011	30.06.2011	30.06.2011	30.06.2011	30.06.2011	30.06.2011
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS							
Non-Current Assets							
11,334,063,101	102,080,899	13,129,803,364	10,241,741,664	93,908,679	83,956,739		
155,386,044	-	155,126,922	91,163,742	-	-		
2,113,736,500	125,700,000	2,113,736,500	2,420,284,222	125,700,000	125,700,000		
7,886,270,218	-	7,918,531,569	4,934,155,300	-	-		
-	6,219,213,964	-	-	6,724,586,208	5,335,996,570		
61,148,738	9,750,000	66,191,063	77,282,965	9,750,000	12,449,800		
3,241,768,766	344,934,175	2,898,079,443	162,786,894	332,852,906	242,044,175		
3,847,171,008	-	3,876,602,349	2,922,181,770	-	-		
344,508,458	-	344,446,769	373,642,354	-	-		
28,984,052,833	6,801,679,039	30,502,517,977	21,223,238,912	7,286,797,793	5,800,147,284		
Current Assets							
3,480,157,674	-	3,212,398,661	3,132,148,848	-	-		
5,074,533,622	84,916,602	6,065,928,967	4,499,010,075	122,081,261	60,328,826		
1,126,080,672	-	2,028,174,646	1,189,983,456	-	-		
2,205,972,314	-	2,450,877,755	1,272,695,801	-	-		
12,090,059	1,232,761,426	42,484,777	-	2,798,727,656	372,673,299		
3,061,939,002	97,266,040	2,433,474,893	886,494,694	10,031,640	369,043,064		
914,190,659	235,400,281	738,575,348	2,166,094,663	28,949,986	1,728,959,291		
15,874,964,002	1,650,344,350	16,971,915,047	13,146,427,539	2,959,790,543	2,531,004,480		
44,859,016,835	8,452,023,389	47,474,433,024	34,369,666,451	10,246,588,336	8,331,151,764		
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		
682,231,922	-	1,366,407,512	684,153,591	-	-		
1,512,149,060	200,916,791	1,589,835,345	1,566,355,838	148,605,646	(14,526,069)		
7,283,380,982	5,289,916,791	8,045,242,857	7,339,509,429	5,237,605,646	5,074,473,931		
4,074,905,058	-	5,352,996,718	4,041,658,205	-	-		
11,358,286,040	5,289,916,791	13,398,239,576	11,381,167,634	5,237,605,646	5,074,473,931		
Non-current Liabilities							
8,054,602,684	1,799,233,795	9,274,612,336	4,372,006,627	3,050,472,001	308,201,377		
460,334,147	-	926,324,334	246,568,118	-	-		
2,650,624,160	-	2,601,347,794	-	-	-		
241,482,433	-	233,284,284	265,515,804	-	-		
321,801,650	13,688,274	335,067,623	259,877,727	13,778,774	10,999,896		
1,574,607	-	1,490,693	1,681,189	-	-		
11,730,419,681	1,812,922,069	13,372,127,064	5,145,649,465	3,064,250,776	319,201,273		
Current Liabilities							
2,824,784,516	48,922,968	3,568,579,038	2,434,960,955	99,805,827	234,488,307		
33,591,789	333,618,405	3,656,426	3,721,277	613,636,016	757,732,123		
240,365,009	-	220,557,189	237,218,738	-	-		
7,429,894,025	110,831,301	5,888,448,169	6,308,869,207	282,364,368	1,660,190,815		
5,394,593,642	511,717,362	4,163,820,004	5,188,780,121	629,743,073	220,248,755		
3,992,311,366	-	4,260,135,471	2,018,287,908	-	-		
1,854,770,767	344,094,492	2,598,870,088	1,651,011,146	319,182,630	64,816,560		
21,770,311,114	1,349,184,528	20,704,066,384	17,842,849,352	1,944,731,915	2,937,476,560		
44,859,016,835	8,452,023,389	47,474,433,024	34,369,666,451	10,246,588,336	8,331,151,764		
9.35	6.79	10.33	11.47	6.72	7.93		

Note : The above figures are subject to audit.

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

Signed
Erandi Wickramaarchchi
Chief Financial Officer

The Board of directors is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of the Board by,

Signed
A.K.Pathirage
Chairman

Signed
H.K.Kaimal
Director

SOFTLOGIC HOLDINGS PLC

INCOME STATEMENT

	<u>Unaudited</u> <u>03 months to</u> <u>30.06.2012</u> <u>Rs.</u>	<u>Unaudited</u> <u>03 months to</u> <u>30.06.2011</u> <u>Rs.</u>	<u>Change</u> <u>%</u>	<u>Unaudited</u> <u>year to</u> <u>31.03.2012</u> <u>Rs.</u>
Revenue	6,018,833,292	4,396,141,060	36.91	21,908,307,225
Cost of Sales	(4,002,913,579)	(2,846,891,593)	40.61	(14,639,407,351)
Gross Profit	2,015,919,712	1,549,249,467	30.12	7,268,899,874
Dividend Income	5,974,844	8,502,527	(29.73)	91,670,406
Other Operating Income	206,015,592	194,562,333	5.89	519,681,202
Distribution Expenses	(217,656,773)	(156,704,106)	38.90	(811,849,356)
Administrative Expenses	(1,147,513,021)	(712,867,937)	60.97	(3,934,939,537)
Finance Expenses	(614,059,145)	(432,638,391)	41.93	(1,876,982,292)
Change in Fair Value of Investment Property	-	-	-	340,402,278
Share of Results of Associates	6,234,510	16,169,699	(61.44)	15,626,290
Profit Before Tax	254,915,720	466,273,592	(45.33)	1,612,508,865
Tax Expense	(56,944,844)	(97,478,967)	(41.58)	(590,713,430)
Profit for the Period	197,970,876	368,794,625	(46.32)	1,021,795,435
Attributable to:				
Equity Holders of the Parent	71,005,976	275,545,421	(74.23)	483,284,612
Minority Interest	126,964,899	93,249,204	36.16	538,510,823
	197,970,876	368,794,625	(46.32)	1,021,795,435
Earnings Per Share - Rs.	0.09	0.42	(78.30)	0.65

Figures in brackets indicate deductions.

SOFTLOGIC HOLDINGS PLC

INCOME STATEMENT

	<u>Unaudited</u> <u>03 months to</u> <u>30.06.2012</u> <u>Rs.</u>	<u>Unaudited</u> <u>03 months to</u> <u>30.06.2011</u> <u>Rs.</u>	<u>Change</u> <u>%</u>	<u>Unaudited</u> <u>year to</u> <u>31.03.2012</u> <u>Rs.</u>
Revenue	112,888,232	51,747,910	118.15	262,164,736
Cost of Sales	(21,563,619)	(29,131,788)	(25.98)	(92,791,075)
Gross Profit	91,324,613	22,616,121	303.80	169,373,661
Dividend Income	2,033,766	8,502,527	(76.08)	612,976,781
Other Operating Income	18,605,833	107,983,185	(82.77)	88,417,993
Administrative Expenses	(32,345,428)	(46,504,297)	(30.45)	(123,195,886)
Finance Expenses	(131,929,928)	(88,477,802)	49.11	(302,370,313)
Profit Before Tax	(52,311,145)	4,119,734	(1,369.77)	445,202,235
Tax Expense	-	-	-	(335,923)
Profit for the Period	(52,311,145)	4,119,734	(1,369.77)	444,866,312

SOFTLOGIC HOLDINGS PLC

STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED

In Rs.	Attributable to Equity Holders of Parent						Minority Interest	Total Equity
	Stated Capital	Revaluation Reserve	Exchange Translation Reserves	Statutory Reserve Fund	Accumulated Profit	Total		
FOR THE PERIOD ENDED 30 JUNE 2012								
Balance as at 01 April 2012	5,089,000,000	747,715,846	(96,334,476)	30,850,552	1,512,149,060	7,283,380,982	4,074,905,058	11,358,286,039
Revaluation for the period	-	663,698,772	-	-	-	663,698,772	964,882,500	1,628,581,272
Net gain / (loss) recognised directly in equity								
- Acquisitions, disposals and changes in holding	-	-	-	-	-	-	216,799,633	216,799,633
Transferred to/ (from) during the period	-	-	-	3,005,019	(3,005,019)	-	-	-
Subsidiary dividend to minority shareholders	-	-	-	-	9,685,328	9,685,328	(30,555,372)	(20,870,044)
Currency Translation Difference	-	-	17,471,799	-	-	17,471,799	-	17,471,799
Profit for the period	-	-	-	-	71,005,976	71,005,976	126,964,899	197,970,876
Balance as at 30 June 2012	5,089,000,000	1,411,414,618	(78,862,677)	33,855,571	1,589,835,345	8,045,242,857	5,352,996,718	13,398,239,576

FOR THE PERIOD ENDED 30 JUNE 2011

Balance as at 01 April 2011	1,058,000,000	737,845,882	(56,359,656)	3,414,497	1,298,686,341	3,041,587,064	4,003,432,769	7,045,019,833
Issue of shares	4,031,000,000	-	-	-	-	4,031,000,000	-	4,031,000,000
Currency Translation Difference	-	-	(747,132)	-	-	(747,132)	-	(747,132)
Net gain / (loss) recognised directly in equity								
- Changes in holding	-	-	-	-	-	-	(50,256,418)	(50,256,418)
Subsidiary dividend to minority shareholders	-	-	-	-	-	-	(4,767,350)	(4,767,350)
Direct cost on Share Issue	-	-	-	-	(7,875,924)	(7,875,924)	-	(7,875,924)
Profit for the period	-	-	-	-	275,545,421	275,545,421	93,249,204	368,794,625
Balance as at 30 June 2011	5,089,000,000	737,845,882	(57,106,788)	3,414,497	1,566,355,838	7,339,509,429	4,041,658,205	11,381,167,634

COMPANY

In Rs.	Stated Capital	Accumulated Profit	Total Equity
FOR THE PERIOD ENDED 30 JUNE 2012			
Balance as at 01 April 2012	5,089,000,000	200,916,791	5,289,916,791
Profit for the period	-	(52,311,145)	(52,311,145)
Balance as at 30 June 2012	5,089,000,000	148,605,646	5,237,605,646
FOR THE PERIOD ENDED 30 JUNE 2011			
Balance as at 01 April 2011	1,058,000,000	(10,769,879)	1,047,230,121
Issue of shares	4,031,000,000	-	4,031,000,000
Direct cost on Share Issue	-	(7,875,924)	(7,875,924)
Profit for the period	-	4,119,734	4,119,734
Balance as at 30 June 2011	5,089,000,000	(14,526,069)	5,074,473,931

CASH FLOW STATEMENTS

Consolidated		Company		Consolidated		Company	
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
as at	as at	as at	as at	as at	as at	as at	as at
31.03.2012	31.03.2012	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES							
1,612,508,865	445,202,235	254,915,720	466,273,592	(52,311,145)		4,119,734	
Profit before tax							
Adjustments for:							
(234,294,219)	(1,845,733)	(17,607,830)	(7,560,398)	(48,577,962)		(6,001,328)	
(91,670,406)	(612,976,781)	(5,974,844)	(8,502,527)	(2,033,766)		(8,502,527)	
1,876,982,292	302,370,313	614,059,145	432,638,391	131,929,928		88,477,802	
(340,402,278)	-	-	-	-		-	
(15,626,290)	-	(6,234,510)	(16,169,698)	-		-	
53,504,202	2,204,128	17,298,475	9,019,482	90,500		-	
46,570,190	-	-	-	-		-	
134,844,921	60,992,229	3,383,142	(97,309,796)	2,760,882		97,309,796	
777,542,286	35,952,080	181,497,763	131,780,694	9,295,739		11,175,000	
(36,260,101)	(8,227,231)	(25,747,478)	(2,008,929)	(20,413,178)		(2,008,929)	
(18,641,300)	(125,159,450)	-	(863,131)	(723,093)		(863,131)	
373,222,162	-	47,400,000	-	-		-	
17,069,614	-	-	-	-		-	
(34,063,213)	-	-	-	-		-	
-	2,699,800	-	-	-		-	
136,477,797	-	50,487,925	-	-		-	
-	6,796,281	-	-	10,387		-	
1,036,933	-	259,122	-	-		-	
4,258,801,456	108,007,872	1,113,736,631	907,297,680	20,028,292		183,706,418	
Profit before working capital changes							
(970,820,296)	-	267,759,013.22	(580,784,941)	-		-	
(1,617,707,214)	(9,168,344)	(991,395,345)	(1,443,482,879)	(37,164,659)		15,104,517	
(11,828,461)	(1,053,091,176)	(30,394,718)	261,598	(1,565,966,230)		(94,528,290)	
116,843,105	(18,701,027)	743,794,522	496,365,973	50,882,859		166,864,311	
29,542,179	(370,972,284)	(29,935,363)	(328,333)	280,017,611		53,141,432	
(2,636,524,955)	-	(274,336,781)	(762,375,956)	-		-	
(140,528,692)	-	(902,093,974)	(205,449,723)	-		-	
2,867,807,614	-	733,814,292	680,018,127	-		-	
240,494,533	-	(49,276,366)	-	-		-	
(667,461)	-	(83,919)	(560,880)	-		-	
2,135,411,809	(1,343,924,960)	581,587,991	(909,039,334)	(1,252,202,127)		324,288,388	
Cash Generated from Operations							
234,294,219	1,845,733	17,607,830	7,560,398	48,577,962		6,001,328	
(1,876,982,292)	(302,370,313)	(614,059,145)	(432,638,391)	(131,929,928)		(88,477,802)	
103,670,406	612,976,780	5,974,844	8,502,527	2,033,766		8,502,527	
(569,888,217)	(2,347,487)	(51,506,026)	(48,446,427)	(1,146,656)		(2,032,572)	
(14,551,039)	(115,750)	(4,032,502)	(1,604,413)	-		(600,000)	
11,954,886	(1,033,935,997)	(64,427,008)	(1,375,665,640)	(1,334,666,983)		247,681,869	
Net cash flow from operating activities							
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES							
(1,083,795,542)	(3,973,404)	(363,825,659)	(98,728,866)	(1,123,519)		(21,576,072)	
(65,000,000)	-	-	-	-		-	
(645,000)	-	-	-	-		-	
(1,364,551,682)	-	343,689,323	-	-		-	
809,436,160	228,039,261	(Purchase) / disposal of short term investments (net)	625,080,967	(242,596,341)		96,554,787	(193,764,575)
(4,240,015,780)	(840,780,682)	Acquisition of subsidiaries	(189,168,399)	-		(505,372,244)	(317,340,823)
(476,969,572)	(359,777,535)	Increase in interest in subsidiaries	(150,390,070)	-		-	-
56,211,958	8,242,965	Proceeds from sale of property, plant and equipment	26,390,178	2,008,929		22,272,540	2,008,929
(6,365,329,458)	(968,249,395)	Net cash flow from/ (used in) investing activities	291,776,341	(339,316,278)		(387,668,435)	(530,672,540)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES							
(219,255,728)	-	Dividend paid to minority shareholders	(20,870,044)	(4,767,350)		-	-
(101,270,000)	(101,270,000)	Dividends paid	-	-		-	-
120,403,650	-	Proceeds from minority on issue of rights in subsidiaries	495,836,726	-		-	-
8,871,599,121	1,895,267,900	Proceeds from long term borrowings	1,499,171,308	3,101,200,466		1,402,153,048	-
(3,011,898,561)	(189,241,453)	Repayment of long Term borrowings	(2,661,073,099)	-		(32,889,131)	(14,994,564)
(1,998,500,306)	(3,579,913,581)	Proceeds from / (repayment of) short term borrowings (net)	(1,492,585,856)	(3,774,539,143)		171,533,067	(2,030,554,067)
4,031,000,000	4,031,000,000	Proceeds from share issue	-	4,031,000,000		-	4,031,000,000
(132,154,642)	(131,909,642)	Direct cost on issue of shares	-	(7,875,924)		-	(7,875,924)
7,559,923,533	1,923,933,223	Net cash flow from/ (used in) financing activities	(2,179,520,964)	3,345,018,050		1,540,796,984	1,977,575,445
1,206,548,960	(78,252,169)	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,952,171,632)	1,630,036,132		(181,538,434)	1,694,584,774
(1,114,672,068)	(30,442,043)	CASH AND CASH EQUIVALENTS AT THE BEGINNING	91,876,892	(1,114,952,615)		(108,694,211)	(30,442,043)
91,876,892	(108,694,212)	CASH AND CASH EQUIVALENTS AT THE END	(1,860,294,740)	515,083,517		(290,232,645)	1,664,142,731
ANALYSIS OF CASH AND CASH EQUIVALENTS							
Favourable balances							
914,190,659	235,400,281	Cash in hand and at Bank	738,575,348	2,166,094,663		28,949,986	1,728,959,291
1,032,457,000	-	Short term investments	-	-		-	-
Unfavourable balances							
(1,854,770,767)	(344,094,492)	Bank overdrafts	(2,598,870,088)	(1,651,011,146)		(319,182,630)	(64,816,560)
91,876,892	(108,694,211)	Cash and cash equivalents	(1,860,294,740)	515,083,517		(290,232,645)	1,664,142,731
A Acquisition of subsidiary							
Intangible Assets							
Trade & Other Receivables							
Short Term Investments							
Cash and Cash Equivalents							
Deferred Tax Liabilities							
Retirement Benefit Obligations							
Income Tax Liabilities							
Total net assets							
Net assets acquired							
Minority cost holdings of investment							
Goodwill							
Cash consideration paid on acquisition of subsidiary							
Cash and cash equivalent acquired							
Net cash outflow on acquisition of subsidiary							

The assets and liabilities as at the acquisition date are stated at their provisional fair values and may be amended in accordance with SLAS 25 (Revised 2004) - Business Combination.

SEGMENT ANALYSIS OF REVENUE AND PROFIT

	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Total	
For the three months ended 30 June	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue	1,308,244,029	1,510,245,156	6,359,565	18,754,240	1,601,065,706	923,185,231	337,117,543	264,037,468	1,040,683,829	299,135,917	1,723,211,603	1,380,783,048	2,151,017	-	6,018,833,292	4,396,141,060
Operating Profit	162,168,379	207,334,540	(10,727,558)	(6,267,530)	217,411,781	158,213,933	26,398,075	40,228,589	17,419,713	27,472,595	471,713,685	341,493,682	(21,643,720)	114,266,475	862,740,354	882,742,284
Profit Before Taxation	61,071,194	116,989,507	(12,346,424)	(6,370,159)	119,643,303	115,917,299	15,346,577	37,822,792	(76,575,860)	31,280,043	277,995,383	157,807,526	(130,218,453)	12,826,584	254,915,720	466,273,592
Taxation	(13,951,927)	(30,748,718)	(144,319)	-	-	(16,728,948)	(3,714,792)	(6,873,360)	(12,334,071)	(13,899,372)	(23,268,647)	(28,508,505)	(3,531,088)	(720,065)	(56,944,844)	(97,478,968)
Profit After Taxation	47,119,267	86,240,789	(12,490,743)	(6,370,159)	119,643,303	99,188,351	11,631,786	30,949,432	(88,909,931)	17,380,671	254,726,736	129,299,021	(133,749,542)	12,106,519	197,970,876	368,794,624

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 2012 were authorised for issue by the Board of directors on 14 August 2012.

2. BASIS OF PREPARATION

The interim financial statements of the group and of the company have been prepared on the basis of the same accounting policies and methods applied for the year ended 31 March 2012 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.

The accounting policies adopted in these financial statements are consistent with the accounting policies set out in the Annual Report of the previous year.

The Company is currently in the process of quantifying the impact to the Statement of Comprehensive income and the net assets based on the new volume of Sri Lanka Accounting standards (SLFRS/LKAS).

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.

3. SHARE INFORMATION

3.1 Public Share Holdings

The percentage of shares held by the public as at 30 June 2012 was 31.50%

3.2 Directors' Share Holdings

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

As at	30-06-2012
A K Pathirage - Chairman/ Managing Director	343,812,700
H U Gunawardena	57,527,300
R J Perera	60,836,700
H Kaimal	64,870,800
R Rasool	361,600
Dr S Selliah	2,000,000
Deshamanya P D Rodrigo	Nil
W M P L De Alwis	Nil
Total	529,409,100

3.3 Twenty Largest Shareholders of the Company are as follows:

As at	30-06-2012	
	<u>Number of</u>	<u>%</u>
	<u>shares</u>	
1 Mr. A K Pthirage	304,862,700	39.14
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 Sri Lanka Insurance Corporation Ltd - General Fund	15,812,400	2.03
7 Bank of Ceylon A/C Ceybank Unit Trust	11,503,079	1.48
8 Dr. K M P Karunaratne	10,542,934	1.35
9 Pemberton Asian Opportunities Fund	10,399,979	1.34
10 HSBC INTL NOM LTD-SNFE-NTASIAN Discovery - Master Fund	9,900,400	1.27
11 Mr. K P R B Silva	9,255,000	1.19
12 Employees Provident Fund	7,230,500	0.93
13 Asian Alliance Insurance PLC - A/C 02 (Life Fund)	4,591,702	0.59
14 Mrs. A Selliah	4,236,000	0.54
15 Arunodhaya Investments (Private) Limited	3,950,000	0.51
16 Arunodhaya Industries (Private) Limited	3,950,000	0.51
17 Arunodhaya (Private) Limited	3,950,000	0.51
18 Bartleet Finance PLC	3,886,000	0.50
19 Miss. S Subramaniam	3,800,000	0.49
20 Mr. V Kailasapillai	3,800,000	0.49
21 Mrs. A Kailasapillai	3,800,000	0.49

3.4 Stated Capital

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

As at	30-06-2012
Ordinary shares	779,000,000

3.5 Net Assets per Share

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 30 June 2012.

4. STATED CAPITAL MOVEMENTS

Stated Capital	Rs
As at 01 April 2012	5,089,000,000
As at 30 June 2012	<u>5,089,000,000</u>

5. INVESTOR INFORMATION

30-06-2010

5.1 Market Value of Shares

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

Closing price on	10.20
Highest price recorded for the three months ending	12.10
Lowest price recorded for the three months ending	9.00
Market Capitalisation (Rs. Mn)	7,945.80

5.2 Ratios

Net assets per share at the period end	10.33
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5.3 Share Trading information from 01 April 2012 to 30 June 2012

Number of shares traded	15,717,139
Value of shares traded (Rs.)	178,595,871

6. CONTINGENCIES, CAPITAL AND OTHER COMMITMENTS

6.1 CONTINGENT LIABILITIES

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

Pending litigations against Asiri Hospital Holdings PLC and Matara Medi House (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.

6.2 CAPITAL COMMITMENTS

As at 30 June 2012, the Group had capital commitments contracted but not provided in the financial statements amounting to Rs. 2,201.75 Mn (30 June 2011 - Nil).

7. POST BALANCE SHEET EVENTS

There were no significant events subsequent to the Balance Sheet date, which require disclosure in the interim financial statements.

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 10th 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 25th August 2011

Company Registration No

PV 1536 PB/PQ

Registered Office of the Company

14, De Fonseka Place,
Colombo 05
Sri Lanka

Contact Details

14, De Fonseka Place,
Colombo 05
Sri Lanka

Tel : +94 11 5575 000

Fax : +94 11 2595 441

E-mail : info@softlogic.lk

Web : www.softlogic.lk

Directors

A K Pathirage - Chairman/ Managing Director

G W D H U Gunawardena

R J Perera

H 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

Softlogic Corporate Services (Pvt) Ltd

14, De Fonseka Place,

Colombo 05

Sri Lanka

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Bankers

Sampath Bank PLC

Commercial Bank Ceylon PLC

Hatton National Bank PLC

Seylan Bank PLC

National Development Bank PLC

Citibank NA

Nations Trust Bank PLC

DFCC Bank PLC

Bank of Ceylon

Union Bank Colombo PLC

Pan Asia Banking Corporation

Amana Bank Limited

Auditors

Ernst & Young

Chartered Accountants

201, De Saram Place,

Colombo 10