



SOFTLOGIC HOLDINGS PLC

Interim Financial Statements
Six Months ended 30 September 2012

Dear Stakeholders,

The Group Revenue for the quarter was Rs. 6.3 Bn, a YoY growth of 14% while the group revenue for the six months grew by 24% over the corresponding period in 2011 to Rs. 12.3 Bn on the back of a strong expansion drive within the group.

The gross profit of the group for the second quarter, improved by 11% to Rs. 1.9 Bn with a cumulative growth for the six months surging 20%, surpassing Rs. 3.9 Bn.

The increase in interest rates, depreciation of the currency and the adverse macro-economic conditions are the major challenges for the economy. This has negatively affected the disposable income of consumers. Amidst the challenging environment, the group achieved a PBT of Rs. 312 Mn for the second quarter and Rs. 567 Mn for the six months. The profit attributable to equity holders stood at Rs. 134 Mn and Rs. 205 Mn for the second quarter and for the six months respectively.

Information Technology

The revenue from Information Technology sector of the group which consists of IT equipment, Nokia mobile phones and Dialog services declined during the second quarter recording a PBT of Rs. 4 Mn. The rise in cost amidst the depreciation of currency affected volumes of the IT segment and the mobile phone segment with consumers adopting a conservative behaviour. The sector was also affected by the foreign exchange losses incurred during the first six months.

Leisure

Redevelopment and renovation of Centara Ceysands Resort and Spa are well under way, changing the resort from a 84 room hotel to a 166 room 4 star-plus resort, managed by the Thailand based Centara Resort and Spa

management Group. The hotel redevelopment project has already secured funding of USD 10 Mn from International Finance Corporation (IFC) and is expected to open by 2013 winter season. The Movenpick City Hotel in Colombo which is currently under construction, is progressing on schedule and anticipated to complete by 2014.

Retail

The Retail sector remained profitable with a PBT of Rs. 74 Mn despite the negative impact from the currency depreciation and increase in finance cost. The sector which is heavily dependent on imports suffered from a dip in volumes amidst the rise in prices hampering affordability. This is expected to be a short term effect until consumers get used to the new pricing structure. With the per-capita GDP of the country expected to reach the USD 4,000 mark, our focus remains on the Retail sector as the planned expansion strategy remains intact. With the drive to widen our consumer base, the group opened its 156th consumer electronics showroom during the second quarter. In addition to the introduction of its own laptop brand "Maxmo" earlier in the financial year which has had a successful launch; Softlogic plans to introduce 'Apple' brand via its showroom network during the upcoming season. The third quarter would also experience the introduction of the world renowned 'Mothercare' brand launching its flagship store in Duplication Road, Colombo 4.

Automobile

The Automobile sector incurred a loss before tax of Rs. 21 Mn during the period under review compared to a PBT of Rs. 12 Mn during the corresponding quarter of previous year. The steep escalation of duty for vehicles and

the depreciation of the currency was a double blow resulting in an 80% drop in Sri Lanka's new vehicle registrations for 2012. A similar effect was witnessed in the Automobile sector of our group.

Financial Services

The Financial Services sector PBT of Rs. 53 Mn was a decline from the corresponding quarter. The sector revenue for the six months grew by 150% to Rs. 2.6 Bn with the consolidation of full six months of Asian Alliance and the expansion drives in Asian Alliance, Softlogic Finance and Softlogic Stockbrokers. The heavy finance cost burden associated with the acquisition of Asian Alliance remains the primary concern for the sector. The group emphasis is to reduce the finance cost burden of the sector during the 2nd half of the financial year.

Healthcare Services

The Healthcare Services sector performance was impressive with a PBT of Rs. 204 Mn. Resulting from the one off foreign exchange loss, sector PBT dipped by 15% compared to corresponding quarter while the sector revenue increased by 17%. The premier healthcare provider continued to expand into new services with its new Fractional Flow Rate and Rotablator Rotational Atherectomy System which are the first in the country. In addition the group installed a state of the art Urodynamics Laboratory adding on to its super – specialization in urology and thereby providing the most complete urologic services in the country. The group is progressing with its re-structuring plan for the sector with its new foreign partner Actis Investment Holdings SL Ltd. Asiri Hospital Holdings PLC is expected to be the sector holding company for all hospitals within the group. The elimination of cross holdings, increased stakes in subsidiary hospitals and reduction of debt is

likely to boost the profitability from this sector.

Future Outlook

The business environment in Sri Lanka posed significant challenges, but has witnessed a steady improvement. Despite the challenges in the short term, your company drives ahead with investments in key growth sectors of the economy and its continuous efforts to reduce the finance cost burden which would invariably lead towards an improved performance in the coming quarters.



Ashok Pathirage
Chairman

13th November 2012

BALANCE SHEET

Consolidated		Company		Consolidated		Company	
Audited	Audited	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	30.09.2012	30.09.2011	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS							
Non-Current Assets							
11,334,063,101	102,080,900	13,656,494,129	10,313,085,061	95,443,213	-	94,515,424	-
155,386,044	-	155,126,808	106,247,165	-	-	-	-
2,113,736,500	125,700,000	2,113,736,500	2,420,284,222	333,699,500	125,700,000	125,700,000	-
7,886,270,218	-	8,350,875,185	7,686,560,060	-	-	-	-
-	6,219,213,964	-	-	8,044,204,700	6,189,336,291	6,189,336,291	-
61,148,738	9,750,000	53,556,772	63,523,322	11,000,000	12,449,800	12,449,800	-
3,241,768,766	344,934,175	2,938,471,499	1,046,235,786	318,745,075	242,044,175	242,044,175	-
3,847,171,008	-	3,955,229,402	3,541,682,026	-	-	-	-
344,508,458	-	328,750,269	397,583,695	-	-	-	-
28,984,052,833	6,801,679,039	31,552,240,563	25,575,201,337	8,803,092,488	6,664,045,690	6,664,045,690	
Current Assets							
3,480,157,674	-	3,340,963,784	3,255,134,211	-	-	-	-
5,074,533,622	76,118,450	5,823,891,413	5,034,654,644	77,629,374	82,244,835	82,244,835	-
1,126,080,672	-	2,162,725,494	1,985,154,225	-	-	-	-
2,205,972,314	-	2,499,519,568	1,886,714,841	-	-	-	-
12,090,059	1,232,761,426	112,801,580	7,823,276	1,750,197,594	442,413,419	442,413,419	-
3,061,939,002	325,547,652	3,114,448,700	3,897,081,785	338,426,518	304,979,106	304,979,106	-
914,190,659	7,118,668	559,223,781	344,993,858	2,365,307	20,123,350	20,123,350	-
15,874,964,002	1,641,546,196	17,613,574,320	16,411,556,840	2,168,618,793	849,760,710	849,760,710	
44,859,016,835	8,443,225,235	49,165,814,883	41,986,758,177	10,971,711,280	7,513,806,400	7,513,806,400	
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	5,089,000,000	
682,231,922	-	1,268,128,581	704,744,999	-	-	-	-
1,512,149,060	207,857,126	1,454,135,473	1,702,271,962	188,517,377	111,519,651	111,519,651	-
7,283,380,982	5,296,857,126	7,811,264,054	7,496,016,960	5,277,517,377	5,200,519,651	5,200,519,651	-
4,074,905,058	-	5,364,135,934	4,989,582,723	-	-	-	-
11,358,286,040	5,296,857,126	13,175,399,988	12,485,599,684	5,277,517,377	5,200,519,651	5,200,519,651	
Non-current Liabilities							
8,504,602,684	1,799,233,795	9,582,231,184	7,621,193,750	2,431,313,370	1,495,530,399	1,495,530,399	-
460,334,147	-	1,039,934,980	380,509,264	-	-	-	-
2,650,624,160	-	3,051,518,732	2,464,270,931	-	-	-	-
241,482,433	-	308,345,272	325,043,572	-	-	-	-
321,801,650	13,688,274	352,448,699	198,148,498	13,663,274	14,121,642	14,121,642	-
1,574,607	-	1,504,819	1,630,982	-	-	-	-
12,180,419,681	1,812,922,069	14,335,983,685	10,990,796,996	2,444,976,644	1,509,652,041	1,509,652,041	
Current Liabilities							
2,824,784,516	33,926,400	3,978,111,777	3,549,840,576	225,923,983	31,863,918	31,863,918	-
33,591,789	333,618,406	18,104,799	3,746,647	1,069,872,735	453,983,827	453,983,827	-
240,365,009	-	251,011,051	207,989,684	-	-	-	-
6,979,894,025	260,251,904	5,115,689,776	4,188,810,267	332,056,366	88,525,046	88,525,046	-
5,394,593,642	510,975,442	4,935,461,618	6,392,795,861	1,297,519,210	223,073,375	223,073,375	-
3,992,311,366	-	5,007,318,049	2,810,810,353	-	-	-	-
1,854,770,767	194,673,888	2,348,734,139	1,356,368,108	323,844,964	6,188,542	6,188,542	-
21,320,311,114	1,333,446,040	21,654,431,210	18,510,361,497	3,249,217,259	803,634,708	803,634,708	
44,859,016,835	8,443,225,235	49,165,814,883	41,986,758,177	10,971,711,280	7,513,806,400	7,513,806,400	
9.35	6.80	10.03	11.71	6.77	8.13	8.13	

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.

Sgd.

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,

Sgd.

Director

Sgd.

Director

SOFTLOGIC HOLDINGS PLC

INCOME STATEMENT

<u>Audited</u> <u>year to</u> <u>31.03.2012</u> <u>Rs.</u>		<u>Unaudited</u> <u>06 months to</u> <u>30.09.2012</u> <u>Rs.</u>	<u>Unaudited</u> <u>06 months to</u> <u>30.09.2011</u> <u>Rs.</u>	<u>Change</u> <u>%</u>	<u>Unaudited</u> <u>03 months to</u> <u>30.09.2012</u> <u>Rs.</u>	<u>Unaudited</u> <u>03 months to</u> <u>30.09.2011</u> <u>Rs.</u>
21,908,307,225	Revenue	12,328,072,285	9,913,032,775	24.36	6,309,238,993	5,516,891,714
(14,639,407,351)	Cost of Sales	(8,403,205,314)	(6,639,323,172)	26.57	(4,400,291,735)	(3,792,294,414)
7,268,899,874	Gross Profit	3,924,866,970	3,273,709,603	19.89	1,908,947,258	1,724,597,300
91,670,406	Dividend Income	11,214,631	38,681,086	(71.01)	5,239,787	30,178,559
519,681,202	Other Operating Income	924,300,635	573,165,188	61.26	718,285,042	378,602,854
(811,849,356)	Distribution Expenses	(518,221,443)	(363,580,963)	42.53	(300,564,670)	(206,876,857)
(3,934,939,537)	Administrative Expenses	(2,491,259,059)	(1,590,267,570)	56.66	(1,343,746,039)	(859,387,272)
(1,876,982,292)	Finance Expenses	(1,295,337,725)	(853,050,371)	51.85	(681,278,580)	(438,561,505)
340,402,278	Change in Fair Value of Investment Property	-	-	-	-	-
15,626,290	Share of Results of Associates	10,958,034	14,677,840	(25.34)	4,723,524	(1,491,859)
1,612,508,865	Profit Before Tax	566,522,043	1,093,334,813	(48.18)	311,606,323	627,061,221
(590,713,430)	Tax Expense	(151,843,619)	(223,945,761)	(32.20)	(94,898,775)	(126,466,793)
1,021,795,435	Profit for the Period	414,678,424	869,389,052	(52.30)	216,707,548	500,594,428
	Attributable to:					
483,284,612	Equity Holders of the Parent	204,578,318	499,878,924	(59.07)	133,572,341	224,333,704
538,510,823	Minority Interest	210,100,106	369,510,128	(43.14)	83,135,206	276,260,724
1,021,795,435		414,678,424	869,389,052	(52.30)	216,707,548	500,594,428
0.65	Earnings Per Share - Rs.	0.26	0.70	(62.31)	0.17	0.29

Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED

In Rs.	Attributable to Equity Holders of Parent					Total	Minority Interest	Total Equity
	Stated Capital	Revaluation Reserve	Exchange Translation Reserves	Statutory Reserve Fund	Accumulated Profit			
FOR THE PERIOD ENDED 30 SEPTEMBER 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	11,358,286,040
Revaluation for the period	-	630,613,212	-	-	-	630,613,212	1,046,548,242	1,677,161,454
Direct cost on Share Issue	-	-	-	-	(7,107,172)	(7,107,172)	(2,763,900)	(9,871,072)
Net gain / (loss) recognised directly in equity								
- Acquisitions, disposals and changes in holding	-	-	-	-	(55,100,425)	(55,100,425)	71,728,270	16,627,845
- Deferred Tax impact due to reduction in tax rate	-	4,423,896	-	-	-	4,423,896	-	4,423,896
Deferred Tax impact on Revaluations	-	(44,579,099)	-	-	-	(44,579,099)	-	(44,579,099)
Transfer to Reserve Fund	-	-	-	308,540	(308,540)	-	-	-
Subsidiary dividend to minority shareholders	-	-	-	-	15,124,232	15,124,232	(42,881,842)	(27,757,610)
Allocation for Life Solvency	-	-	-	-	18,500,000	18,500,000	6,500,000	25,000,000
Currency Translation Difference	-	-	(4,869,890)	-	-	(4,869,890)	-	(4,869,890)
Dividend Paid	-	-	-	-	(233,700,000)	(233,700,000)	-	(233,700,000)
Profit for the period	-	-	-	-	204,578,318	204,578,318	210,100,106	414,678,424
Balance as at 30 September 2012	5,089,000,000	1,338,173,855	(101,204,366)	31,159,092	1,454,135,473	7,811,264,054	5,364,135,934	13,175,399,988

FOR THE PERIOD ENDED 30 SEPTEMBER 2011

Balance as at 01 April 2011	1,058,000,000	737,845,882	(56,359,655)	3,414,497	1,298,686,340	3,041,587,064	4,003,432,768	7,045,019,832
Issue of shares	4,031,000,000	-	-	-	-	4,031,000,000	-	4,031,000,000
Direct cost on Share Issue	-	-	-	-	(131,922,143)	(131,922,143)	-	(131,922,143)
Net gain / (loss) recognised directly in equity								
- Acquisitions, disposals and changes in holding	-	-	-	-	-	-	778,557,819	778,557,819
Transfer to Reserve Fund	-	-	-	3,401,922	(3,401,922)	-	-	-
Subsidiary dividend to minority shareholders	-	-	-	-	39,030,762	39,030,762	(161,917,993)	(122,887,231)
Currency Translation Difference	-	-	16,442,354	-	-	16,442,354	-	16,442,354
Profit for the period	-	-	-	-	499,878,924	499,878,924	369,510,128	869,389,052
Balance as at 30 September 2011	5,089,000,000	737,845,882	(39,917,301)	6,816,419	1,702,271,961	7,496,016,961	4,989,582,722	12,485,599,683

COMPANY

In Rs.	Stated Capital	Accumulated Profit	Total Equity
FOR THE PERIOD ENDED 30 SEPTEMBER 2012			
Balance as at 01 April 2012	5,089,000,000	207,857,126	5,296,857,126
Dividend Paid	-	(233,700,000)	(233,700,000)
Profit for the period	-	214,360,251	214,360,251
Balance as at 30 September 2012	5,089,000,000	188,517,377	5,277,517,377
FOR THE PERIOD ENDED 30 SEPTEMBER 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	-	(131,922,142)	(131,922,142)
Profit for the period	-	254,211,672	254,211,672
Balance as at 30 September 2011	5,089,000,000	111,519,651	5,200,519,651

CASH FLOW STATEMENTS

Consolidated	Company		Consolidated		Company	
	Audited	Audited	Unaudited	Unaudited	Unaudited	Unaudited
	as at	as at	as at	as at	as at	as at
31.03.2012	31.03.2012	30.09.2012	30.09.2011	30.09.2012	30.09.2011	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES						
1,612,508,865	452,089,913		566,522,043	1,093,334,813	214,360,251	254,211,672
Profit before tax						
Adjustments for:						
(234,294,219)	(1,802,562)		(192,119,206)	(619,073)	(109,269,397)	(618,236)
(91,670,406)	(612,976,781)		(11,214,631)	(38,681,086)	(19,853,766)	(282,397,726)
1,876,982,292	312,477,602		1,295,337,725	853,050,371	317,281,533	150,168,203
(340,402,278)	-		-	-	-	-
(15,626,290)	-		(10,958,034)	(14,677,840)	-	-
53,504,202	2,204,128		41,678,756	26,697,456	90,500	2,637,456
46,570,190	-		10,657,213	-	6,796,281	-
134,844,921	60,972,230		(219,795,591)	(120,553,225)	(9,799,788)	(93,497,525)
777,542,286	35,952,080		333,388,794	352,953,397	17,815,451	17,396,098
(36,260,101)	(8,227,231)		(40,125,466)	(3,833,363)	(33,903,075)	(2,000,363)
-	-		(336,644,665)	-	(336,644,665)	-
(18,641,300)	(125,139,450)		(2,586,489)	(124,899,446)	-	(124,899,446)
373,222,162	-		61,936,760	-	-	-
17,069,614	-		-	-	-	-
(34,063,213)	-		-	-	-	-
136,477,797	-		91,469,998	52,894,055	-	-
-	9,496,081		-	-	11,601,474	-
1,036,933	-		259,236	6,264,344	-	-
4,258,801,455	125,046,010		1,587,806,443	2,081,930,403	58,474,800	(78,999,867)
Profit before working capital changes						
(970,820,296)	-	(Increase) / decrease in inventories	139,193,890	(703,770,304)	-	-
(1,617,707,214)	(314,103)	(Increase) / decrease in receivable and prepayments	(760,015,004)	(1,997,723,099)	(8,307,205)	(8,304,983)
(11,828,461)	(1,280,961,351)	(Increase) / decrease in amount due from related parties	(100,711,521)	(7,561,678)	(529,037,642)	(164,268,410)
116,843,105	(33,697,596)	Increase / (decrease) in creditors and accruals	1,153,327,261	3,543,997,210	191,997,583	(35,760,078)
29,542,179	(370,972,284)	Increase / (decrease) in amount due to related parties	(15,486,990)	(302,963)	736,254,329	(250,666,862)
(2,636,524,955)	-	Increase / (decrease) in investments in lease and hire purchase	(401,605,647)	(1,995,895,251)	-	-
(140,528,692)	-	Increase / (decrease) in loans and advances	(1,036,644,822)	(1,000,620,492)	-	-
2,867,807,614	-	Increase / (decrease) Public deposits	1,594,607,516	1,606,481,718	-	-
240,494,533	-	Increase / (decrease) Insurance Provisions	400,894,572	479,061,659	-	-
(667,461)	-	Increase / (decrease) Deferred income	(69,788)	(611,087)	-	-
2,135,411,807	(1,560,899,324)	Cash Generated from Operations	2,561,295,909	2,004,986,116	449,381,866	(537,940,200)
234,294,219	1,802,562	Interest received	192,119,206	619,073	109,269,397	618,236
(1,876,982,292)	(312,477,602)	Finance expenses paid	(1,295,337,725)	(853,050,371)	(317,281,533)	(150,168,203)
103,670,406	612,976,781	Dividend received	31,014,631	38,681,086	19,853,766	282,397,726
(569,888,217)	(2,403,576)	Tax paid	(86,524,539)	(143,413,642)	-	(539,080)
(14,551,039)	(115,750)	Gratuity (paid) / Transfer in	(11,031,707)	(81,011,615)	(115,500)	(115,750)
11,954,884	(1,261,116,909)	Net cash flow from operating activities	1,391,535,775	966,810,647	261,107,995	(405,747,271)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES						
(1,083,795,542)	(3,973,404)	Purchase and construction of property, plant and equipment	(979,983,507)	(408,245,951)	(219,420,815)	(38,364,379)
(65,000,000)	-	Advance paid to obtain lease right	-	-	-	-
(645,000)	-	Addition to intangible assets	(135,487)	283,919,580	-	-
(1,364,551,682)	-	Increase in other non current assets	303,297,267	(748,216,770)	26,189,100	-
809,434,160	227,680,480	(Purchase) / disposal of short term investments (net)	(169,872,382)	(3,018,394,940)	(3,079,078)	185,143,019
(4,240,015,780)	(840,780,682)	Acquisition of subsidiaries	(145,414,338)	(2,183,624,479)	-	(1,170,680,544)
(476,969,572)	(359,777,535)	Increase in interest in subsidiaries	(1,102,325,832)	(340,373,774)	(2,052,792,034)	-
-	-	Proceeds from sale of interest in subsidiaries	600,473,725	-	563,195,965	-
56,211,958	8,242,965	Proceeds from sale of property, plant and equipment	42,311,106	5,750,925	34,146,626	2,008,925
(6,365,329,458)	(968,608,176)	Net cash flow from/ (used in) investing activities	(1,111,904,684)	(6,409,185,409)	(1,651,760,236)	(1,021,892,979)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES						
(219,255,728)	-	Dividend paid to minority shareholders	(42,881,842)	(161,917,993)	-	-
(101,270,000)	(101,270,000)	Dividends paid	(233,700,000)	-	(233,700,000)	-
120,403,650	-	Proceeds from minority on issue of rights in subsidiaries	495,836,726	123,635,150	-	-
8,871,599,121	1,895,267,900	Proceeds from long term borrowings	4,592,921,528	9,165,684,880	1,564,943,274	1,738,118,765
(3,011,898,561)	(189,983,373)	Repayment of long Term borrowings	(5,644,512,696)	(1,585,928,685)	(146,319,932)	(562,959,686)
(1,998,500,306)	(3,430,492,978)	Proceeds from / (repayment of) short term borrowings (net)	(1,318,810,984)	(5,894,598,083)	71,804,462	(3,620,219,836)
4,031,000,000	4,031,000,000	Proceeds from share issue	-	4,031,000,000	-	4,031,000,000
(132,154,642)	(131,809,642)	Direct cost on issue of shares	(9,871,072)	(131,922,142)	-	(131,922,142)
7,559,923,534	2,072,611,907	Net cash flow from/ (used in) financing activities	(2,161,018,341)	5,545,953,127	1,256,727,804	1,472,017,101
1,206,548,960	(157,113,178)	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,881,387,250)	103,578,365	(133,924,437)	44,376,851
(1,114,672,068)	(30,442,043)	CASH AND CASH EQUIVALENTS AT THE BEGINNING	91,876,892	(1,114,552,615)	(187,555,220)	(30,442,043)
91,876,892	(187,555,221)	CASH AND CASH EQUIVALENTS AT THE END	(1,789,510,358)	(1,011,374,250)	(321,479,657)	13,934,808
ANALYSIS OF CASH AND CASH EQUIVALENTS						
Favourable balances						
914,190,659	7,118,668	Cash in hand and at Bank	559,223,781	344,993,858	2,365,307	20,123,350
1,032,457,000	-	Short term investments	-	-	-	-
Unfavourable balances						
(1,854,770,767)	(194,673,888)	Bank overdrafts	(2,348,734,139)	(1,356,368,108)	(323,844,964)	(6,188,542)
91,876,892	(187,555,220)	Cash and cash equivalents	(1,789,510,358)	(1,011,374,250)	(321,479,657)	13,934,808
A Acquisition of subsidiary						
Intangible Assets						
(28,746,003)						
(95,392,009)						
(8,685,516)						
(405,064,640)						
(18,726,000)						
(3,708,742,271)						
(12,316,179)						
(45,621,019)						
-						
2,285,129,627						
-						
831,006,156						
-						
730,081						
-						
211,318						
30,206,637						
-						
137,799						
-						
Total net assets						
(67,394,500)						
(1,108,477,519)						
Net assets acquired						
(44,137,663)						
(498,814,884)						
Minority cost holdings of investment						
(69,686,865)						
-						
Goodwill						
(43,905,989)						
(1,730,430,614)						
Cash consideration paid on acquisition of subsidiary						
(157,730,517)						
(2,229,245,498)						
Cash and cash equivalent acquired						
12,316,179						
45,621,019						
Net cash outflow on acquisition of subsidiary						
(145,414,338)						
(2,183,624,479)						

A Acquisition of subsidiary

Intangible Assets	(28,746,003)	(95,392,009)
Trade & Other Receivables	(8,685,516)	(405,064,640)
Short Term Investments	(18,726,000)	(3,708,742,271)
Cash and Cash Equivalents	(12,316,179)	(45,621,019)
Insurance Provision	-	2,285,129,627
Trade & Other Payables	-	831,006,156
Deferred Tax Liabilities	730,081	-
Retirement Benefit Obligations	211,318	30,206,637
Income Tax Liabilities	137,799	-
Total net assets	(67,394,500)	(1,108,477,519)
Net assets acquired	(44,137,663)	(498,814,884)
Minority cost holdings of investment	(69,686,865)	-
Goodwill	(43,905,989)	(1,730,430,614)
Cash consideration paid on acquisition of subsidiary	(157,730,517)	(2,229,245,498)
Cash and cash equivalent acquired	12,316,179	45,621,019
Net cash outflow on acquisition of subsidiary	(145,414,338)	(2,183,624,479)

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.

SOFTLOGIC HOLDINGS PLC

INCOME STATEMENT

<u>Audited</u> <u>year to</u> <u>31.03.2012</u> <u>Rs.</u>		<u>Unaudited</u> <u>06 months to</u> <u>30.09.2012</u> <u>Rs.</u>	<u>Unaudited</u> <u>06 months to</u> <u>30.09.2011</u> <u>Rs.</u>	<u>Change</u> <u>%</u>	<u>Unaudited</u> <u>03 months to</u> <u>30.09.2012</u> <u>Rs.</u>	<u>Unaudited</u> <u>03 months to</u> <u>30.09.2011</u> <u>Rs.</u>
262,507,906	Revenue	253,061,547	105,467,325	139.94	140,173,315	53,719,416
(81,941,866)	Cost of Sales	(42,686,166)	(44,683,676)	(4.47)	(21,122,547)	(15,689,052)
180,566,040	Gross Profit	210,375,381	60,783,649	246.11	119,050,768	38,030,364
612,976,781	Dividend Income	19,853,766	282,397,726	(92.97)	17,820,000	273,895,199
94,220,580	Other Operating Income	382,003,881	108,385,804	252.45	363,398,048	402,619
(123,195,886)	Administrative Expenses	(80,591,243)	(47,187,304)	70.79	(48,245,815)	(18,695,368)
(312,477,602)	Finance Expenses	(317,281,533)	(150,168,203)	111.28	(185,351,605)	(43,540,877)
452,089,913	Profit Before Tax	214,360,251	254,211,672	(15.68)	266,671,396	250,091,938
(283,266)	Tax Expense	-	-	-	-	-
451,806,647	Profit for the Period	214,360,251	254,211,672	(15.68)	266,671,396	250,091,938

SEGMENT ANALYSIS OF REVENUE AND PROFIT

	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Total	
For the six months ended 30 September	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue	2,758,211,879	3,405,298,367	1,033,807	26,686,173	3,049,852,520	2,178,329,566	421,677,145	577,726,924	2,598,639,721	832,720,994	3,490,717,042	2,891,804,850	7,940,170	465,900	12,328,072,285	9,913,032,774
Operating Profit	253,262,064	430,513,335	17,792,021	(21,153,344)	382,915,372	328,034,730	24,960,461	62,556,317	148,796,257	329,793,506	878,014,357	750,911,240	145,161,203	51,051,560	1,850,901,733	1,931,707,344
Profit Before Taxation	64,764,594	269,808,823	16,901,928	(20,159,194)	193,898,794	220,173,263	(6,005,374)	50,116,259	(23,360,932)	283,118,444	481,827,276	397,484,450	(161,504,243)	(107,207,232)	566,522,043	1,093,334,813
Taxation	(11,979,209)	(50,147,266)	(17,992,560)	-	(38,557,956)	(40,197,251)	(2,717,266)	(9,881,534)	(11,271,809)	(33,755,195)	(63,068,073)	(56,485,670)	(6,256,746)	(33,478,845)	(151,843,619)	(223,945,761)
Profit After Taxation	52,785,385	219,661,557	(1,090,632)	(20,159,194)	155,340,838	179,976,013	(8,722,640)	40,234,725	(34,632,741)	249,363,249	418,759,203	340,998,780	(167,760,989)	(140,686,077)	414,678,424	869,389,052
For the three months ended 30 September	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue	1,444,091,324	1,895,053,211	550,767	7,931,933	1,448,786,814	1,255,144,335	84,559,602	313,689,456	1,557,955,892	533,585,077	1,767,505,439	1,511,021,802	5,789,154	465,900	6,309,238,993	5,516,891,714
Operating Profit	91,093,685	223,178,795	28,519,578	(14,885,814)	165,503,591	169,820,797	(1,437,615)	22,327,728	131,376,544	302,320,911	406,300,672	409,417,558	166,804,923	(45,065,390)	988,161,379	1,067,114,585
Profit Before Taxation	3,693,400	152,819,316	29,248,352	(13,789,035)	74,255,491	104,255,964	(21,351,952)	12,293,467	53,214,929	251,838,401	203,831,893	239,676,924	(31,285,789)	(120,033,816)	311,606,323	627,061,221
Taxation	1,972,719	(19,398,548)	(17,848,241)	-	(38,557,956)	(23,468,303)	997,526	(3,008,174)	1,062,262	(19,855,823)	(39,799,426)	(27,977,165)	(2,725,658)	(32,758,780)	(94,898,775)	(126,466,793)
Profit After Taxation	5,666,119	133,420,768	11,400,111	(13,789,035)	60,298,645	80,787,662	(20,354,426)	9,285,293	54,277,190	231,982,578	164,032,467	211,699,759	(34,011,447)	(152,792,596)	216,707,548	500,594,428

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 06 months ended 30 September 2012 were authorised for issue by the Board of directors on 13 November 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 Institute of Chartered Accountants of Sri Lanka has issued a new volume of Sri Lanka Accounting Standards which have become applicable for financial periods beginning on or after 01 January 2012. However in accordance with the ruling issued by the Institute of Chartered Accountants of Sri Lanka on "Comparative Figures in the Interim Financial Statements", the Group has adopted the second alternative option as given in such ruling where by these Interim Financial Statements were prepared in accordance with the Sri Lanka Accounting Standards which existed immediately prior to 01st January 2012. The Group is in the process of adopting the new Sri Lanka Accounting Standards (SLFRS/LKAS) with effect from 1st April 2012.

The Group is in the process of quantifying the impact to the Statement of Comprehensive Income (SOCI) for the period and Net Assets (NA) based on the new Sri Lanka Accounting Standards.

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 September 2012 was 30.91%

3.2 Directors' Share Holdings

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

As at	30-09-2012
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	30-09-2012	
	Number of shares	%
1 Mr. A K Pathirage	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 Pemberton Asian Opportunities Fund	13,000,000	1.48
8 Bank of Ceylon A/C Ceybank Unit Trust	11,820,727	1.35
9 HSBC INTL NOM LTD-SNFE-NTASIAN Discovery Master Fund	9,900,400	1.34
10 Dr. K M P Karunaratne	9,707,561	1.27
11 Employees Provident Fund	7,230,500	1.19
12 Mr. K P R B Silva	7,184,999	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
20 Mrs. A Kailasapillai	3,800,000	0.49

3.4 Stated Capital

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

As at	30-09-2012
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 September 2012.

4. STATED CAPITAL MOVEMENTS

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

5. INVESTOR INFORMATION

30-09-2010

5.1 Market Value of Shares

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

Closing price on	12.00
Highest price recorded for the three months ending	12.50
Lowest price recorded for the three months ending	09.00
Market Capitalisation (Rs. Mn)	9,348.00

5.2 Ratios

Net assets per share at the period end	10.03
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5.3 Share Trading information from 01 April 2012 to 30 September 2012

Number of shares traded	15,143,495
Value of shares traded (Rs.)	164,447,467

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 September 2012, the Group had capital commitments contracted but not provided in the financial statements amounting to Rs. 2,321.50 Mn (30 September 2011 - Nil).

7. POST BALANCE SHEET EVENTS

There have been no material events occurring after the balance sheet date that require adjustments to or disclosure in the financial statements other than the followings.

7.1 On 03 October 2012, Actis Investment Holdings SL Ltd has subscribed to 209,829,258 (19.09%) new shares in the Asiri Hospitals Holdings PLC at Rs. 10.80 per share through a private placement for a total consideration of Rs. 2,266.15 Mn.

Further subsequent to that Asiri Hospitals Holdings PLC and its subsidiaries are in a process of restructuring the ownership structure of the group.

7.2 The Board of Directors of Ceysand Resorts Ltd and Softlogic Properties (Pvt) Ltd which are subsidiaries of Softlogic Holdings PLC entered in to a ten (10) year loan agreement with International Finance Corporation to raise USD 10.00 million for Ceysand Resorts Ltd for the purposes of acquiring and renovating sixty six (66) room and expanding it in to one hundred and sixty six (166) room four star resort.

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

Ordinary shares were 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

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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

Softlogic Corporate Services (Pvt) Ltd
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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
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