



SOFTLOGIC HOLDINGS PLC

**INTERIM FINANCIAL STATEMENTS
NINE MONTHS ENDED 31 DECEMBER 2012**

Dear Stakeholders,

I am pleased to report third quarter results for FY 2012/2013. The group's direction augurs well for the future with consolidated cumulative revenue for the nine month period crossing the Rs. 19bn mark, which reflects a year-on-year (YoY) growth of 20% while 3QFY13 performance was Rs. 6.9bn, up by 12%. We envisage stronger revenue growth in the coming quarters. The performance of the Retail sector which had a cumulative growth of 26% for the nine month period deserves special mention. It reconfirms as to how upbeat consumer demand is, especially, in the consumer durables, electronics and apparel brands segments, despite challenging economic conditions but, nonetheless, outside its remit of control.

Third quarter marked a number of milestones with the launch of the renowned baby care global brand, 'Mothercare', in Sri Lanka. Our retail path was further enhanced after the opening of our mini departmental store, 'Galleria', on Havelock Road, displaying all the fast selling retail brands under one roof. Another, very recent proud addition to our brand portfolio is 'Apple'. Softlogic is moving to cater to consumers who would prefer premium brands especially when the country is fast tracking development projects to become a major tourist destination with its per capita income level rising to USD4,000 by 2016. Undoubtedly, we are the first to be there, and by then, we would have learned many lessons reaping economies of scale and diversity.

The financial sector has also done well—while we aggressively grow our portfolios, we are mindful of being disciplined and prudent given the fiduciary responsibilities bestowed on us. Healthcare sector, a key contributor to the Group's cash flows, is almost a world class healthcare provider.

Gross Profit of the Group for the third quarter, improved by 10% to Rs. 2.4 Bn with the cumulative growth for the nine month period increasing by 15.8% to surpass Rs. 6.3 Bn. The Group made a PBT of Rs. 308 Mn (down 10%) for the third quarter and Rs. 874 Mn (down by 39%) for the nine month period. It is noted that the volatile nature of the macroeconomic environment — unfavourable exchange rate and high interest rate regime (finance cost up by 56%) — was further compounded by the adverse weather conditions which dampened consumer spending during the Christmas season. Yet the strong uplift in the third quarter alone showed a 79.8% YoY improvement in PAT to Rs. 240 Mn.

Information & Communication Technology

Information & Communication Technology sector's cumulative performance up to 3QFY13 added Rs. 4.3 bn to the Group's top line despite its contraction of 14% YoY. Strong recovery was visible owing to the suite of new range of products introduced to the market by the Nokia phone division. Hence, the ICT sector's revenue decline was a marginal decrease of 2% YoY to Rs. 1.5 bn and earned a PBT of Rs. 64 Mn. On the brighter side, we were appointed as Dell's first Premier Partner in Sri Lanka paving way to be the largest IT solutions provider to the corporate sector in Sri Lanka.

Leisure

The structural work involving the redevelopment and renovation of CentaraCeysands Resort and Spa, 166 room 4 star-plus resort, to be managed by the Thailand based Centara Resort and Spa management company, is nearing completion and the hotel plans to commence operations in September 2013. The funding side of this hotel project is in place with a long term loan

USD10Mn drawn down from the International Finance Corporation (IFC). The progress of the construction of the 219 room five star Movenpick City Hotel, a renowned Swiss brand, is to be completed by end 2014.

Retail

Strong third quarter revenue generation securing a 27% YoY growth to Rs. 1.9 Bn whilst a 26% YoY growth was visible for the cumulative nine month period. The resilience of the retail segment to overcome the volume fluctuations with the prevailing consumer sentiment is well applauded. The retail sector's profitability remained strong with a PBT of Rs. 196 Mn during the third quarter of FY2013. The stabilization of the Rupee is a consolation to this import-oriented sector whilst the increased finance cost impacted the sector's bottom line.

Automobile

The Automobile sector incurred a loss before tax of Rs. 9.7 Mn during the period under review compared to a PBT of Rs. 47 Mn during the corresponding quarter of the previous year. The negative performance of this sector voices out an industry wide cry after the steep escalation of duties for vehicles which worsened with the currency depreciation. In Sri Lanka, 2012 saw a 32% YoY decline in the total vehicle registrations to 397,295.

Financial Services

The Financial Services sector revenue grew by 134% YoY during the nine month period to LKR4 Bn with post-consolidation of Asian Alliance from September 2011 onwards. The revenue increase of 49.3% YoY during the third quarter could be explained by the strong performance in the Leasing and Insurance business. Improved business was visible in the Life Assurance segment on the back of a focused sales effort that continues to drive

business in the mid to higher personal market segments. Non-Life business expanded the Gross Written Premium (GWP) with distribution being rapidly increased to all parts of the country, leveraging Group synergies and capitalizing on cost-effective channels. The Leasing and Finance business also delivered superior performance with total assets increasing by 33% to Rs 12 Bn, despite being constrained somewhat by the market's lack of liquidity, and higher interest rates. Softlogic Finance PLC drew down on USD6 Mn, part of a USD10 Mn facility negotiated with FMO and is only the third non-bank financial institution to access DFI financing. The quarter also saw a landmark agreement signed with DEG and FMO that will each take a 19% stake in Asian Alliance, a total of 38%, immensely contributing to the prospects of the company in raising its profile—access to international insurance best practices, systems, strategies and re-insurance. This divestiture will reduce debt and cost impacts in a beneficial way.

Healthcare Services

The Healthcare Services sector continues to hold the spotlight as it surpassed Rs.5 Bn turnover with a solid 16% YoY increase during the nine month period. The healthcare division posted a remarkable PBT of Rs. 301 Mn (up 24% YoY) during the quarter under review. Having established the strongest franchise in private healthcare, it has continuously upgraded itself to remain in line with technological advancements. A neuro-catheterization laboratory is to be initiated during the fourth quarter whilst a Diabetic and Fertility centre have been planned in the near future. We are also working to reach another milestone in obtaining the Joint Commission International (JCI) accreditation to ensure our pace with international standards. We would then cement our position as a world class healthcare provider

in the country. Furthermore, in an effort to restructure the healthcare sector with the elimination of cross holdings, the holding company of the sector increased its stake in subsidiary hospitals thereby facilitating wider contribution to the Group's equity holders in the upcoming periods.

Our Way Ahead

Our focus lies in the long term as your company has been investing in areas where economic growth has the biggest upside potential. We will allay all stakeholder concerns by demonstrating that the opportunities that we seize today by the inclusion of renowned global partners and multilateral funding agencies will reap beneficial results in time to come.

Sgd.

Ashok Pathirage

Chairman

14th February 2013

BALANCE SHEET

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			31.12.2012	31.12.2011	31.12.2012	31.12.2011
Rs.	Rs.			Rs.	Rs.	Rs.	Rs.
		ASSETS					
		Non-Current Assets					
11,334,063,101	102,080,900	Property, Plant and Equipment		14,143,594,104	10,976,926,594	89,946,019	97,203,971
155,386,044	-	Leasehold Property		156,589,457	90,645,275	-	-
2,113,736,500	125,700,000	Investment Property		2,113,736,500	1,864,238,730	333,699,500	125,700,000
7,886,270,218	-	Intangible Assets		8,208,294,843	7,806,409,506	-	-
-	6,219,213,964	Investments in Subsidiaries		-	-	9,127,781,482	6,191,671,907
61,148,738	9,750,000	Investments in Associates and Joint Ventures		54,065,882	57,123,522	11,000,000	9,750,000
3,241,768,766	344,934,175	Other Non Current Assets		4,460,499,577	540,681,045	131,173,915	237,044,175
3,847,171,008	-	Rental Receivable on Lease Assets and Hire Purchase		4,002,577,036	3,783,660,221	-	-
344,508,458	-	Deferred Tax Assets		300,690,960	387,624,655	-	-
28,984,052,833	6,801,679,039			33,440,048,359	25,507,309,548	9,693,600,916	6,661,370,053
		Current Assets					
3,480,157,674	-	Inventories		3,271,215,168	3,320,725,789	-	-
5,074,533,622	76,118,450	Trade and Other Receivables		6,696,924,428	4,843,074,788	94,041,453	67,065,117
1,126,080,672	-	Loans and Advances		2,460,275,006	2,123,075,966	-	-
2,205,972,314	-	Rental Receivable on Lease Assets and Hire Purchase		2,850,417,382	2,009,551,000	-	-
12,090,059	1,232,761,426	Amounts Due from Related Parties		5,044,604	6,275,176	1,886,448,562	1,001,342,679
3,061,939,002	325,547,652	Short Term Investments		2,517,387,998	4,685,172,460	96,362,499	226,318,075
914,190,659	7,118,668	Cash in Hand and at Bank		1,447,355,411	463,217,734	11,484,335	9,712,618
15,874,964,002	1,641,546,196			19,248,619,997	17,451,092,913	2,088,336,849	1,304,438,489
44,859,016,835	8,443,225,235	Total Assets		52,688,668,356	42,958,402,461	11,781,937,765	7,965,808,542
		EQUITY AND LIABILITIES					
		Equity Attributable to Equity Holders of the Parent					
5,089,000,000	5,089,000,000	Stated Capital		5,089,000,000	5,089,000,000	5,089,000,000	5,089,000,000
682,231,922	-	Capital Reserves		1,323,090,878	702,530,474	-	-
1,512,149,060	207,857,126	Revenue Reserves		1,673,571,601	1,666,090,910	83,178,092	10,942,990
7,283,380,982	5,296,857,126	Shareholders' Funds		8,085,662,479	7,457,621,384	5,172,178,092	5,099,942,990
4,074,905,058	-	Minority Interest		7,398,908,743	4,102,855,252	-	-
11,358,286,040	5,296,857,126	Total Equity		15,484,571,222	11,560,476,636	5,172,178,092	5,099,942,990
		Non-current Liabilities					
8,504,602,684	1,799,233,795	Interest Bearing Borrowings		9,453,620,298	7,679,593,206	2,386,502,839	1,422,475,280
460,334,147	-	Public Deposits		1,109,088,024	397,140,502	-	-
2,650,624,160	-	Insurance Provisions		3,067,964,491	2,422,283,032	-	-
241,482,433	-	Deferred Tax Liabilities		293,453,778	228,740,801	-	-
321,801,650	13,688,274	Employee Benefit Liabilities		365,295,821	325,777,615	13,094,244	15,440,390
1,574,607	-	Deferred Income		1,415,917	1,513,853	-	-
12,180,419,681	1,812,922,069			14,290,838,329	11,055,049,009	2,399,597,083	1,437,915,670
		Current Liabilities					
2,824,784,516	33,926,400	Trade and Other Payables		3,707,795,424	2,628,053,699	163,709,919	35,819,560
33,591,789	333,618,406	Amounts Due to Related Parties		60,584,837	16,329,259	1,528,999,978	332,855,907
240,365,009	-	Income Tax Liabilities		227,035,508	293,236,495	-	-
6,979,894,025	260,251,904	Short Term Borrowings		5,995,857,428	5,149,139,004	909,589,851	-
5,394,593,642	510,975,442	Current Portion of Interest Bearing Borrowings		5,139,772,886	7,218,953,203	1,295,266,932	1,039,119,204
3,992,311,366	-	Public Deposits		5,562,184,140	3,338,519,277	-	-
1,854,770,767	194,673,888	Bank Overdrafts		2,220,028,582	1,698,645,879	312,595,910	20,155,211
21,320,311,114	1,333,446,040			22,913,258,805	20,342,876,816	4,210,162,590	1,427,949,882
44,859,016,835	8,443,225,235	Total Equity and Liabilities		52,688,668,356	42,958,402,461	11,781,937,765	7,965,808,542
9.35	6.80	Net asset per share - Rs.		10.38	11.65	6.64	7.97

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>09 months to</u> <u>31.12.2012</u> <u>Rs.</u>	<u>Unaudited</u> <u>09 months to</u> <u>31.12.2011</u> <u>Rs.</u>	<u>Change</u> <u>%</u>	<u>Unaudited</u> <u>03 months to</u> <u>31.12.2012</u> <u>Rs.</u>	<u>Unaudited</u> <u>03 months to</u> <u>31.12.2011</u> <u>Rs.</u>
21,908,307,225 Revenue	19,203,117,125	16,035,955,571	19.75	6,875,044,840	6,122,922,796
(14,639,407,351) Cost of Sales	(12,897,911,770)	(10,590,843,455)	21.78	(4,494,706,456)	(3,951,520,283)
7,268,899,874 Gross Profit	6,305,205,355	5,445,112,116	15.80	2,380,338,384	2,171,402,513
91,670,406 Dividend Income	14,695,926	50,851,596	(71.10)	3,481,295	12,170,510
519,681,202 Other Operating Income	1,014,142,990	505,295,056	100.70	89,842,355	(67,870,132)
(811,849,356) Distribution Expenses	(826,688,226)	(580,445,556)	42.42	(308,466,783)	(216,864,593)
(3,934,939,537) Administrative Expenses	(3,553,676,883)	(2,658,902,222)	33.65	(1,062,417,824)	(1,068,634,652)
(1,876,982,292) Finance Expenses	(2,091,012,826)	(1,337,821,570)	56.30	(795,675,101)	(484,771,199)
340,402,278 Change in Fair Value of Investment Property	-	-	-	-	-
15,626,290 Share of Results of Associates	11,467,144	14,677,840	(21.87)	509,110	-
1,612,508,865 Profit Before Tax	874,133,480	1,438,767,260	(39.24)	307,611,436	345,432,447
(590,713,430) Tax Expense	(220,055,260)	(436,260,870)	(49.56)	(68,211,641)	(212,315,109)
1,021,795,435 Profit for the Period	654,078,220	1,002,506,390	(34.76)	239,399,795	133,117,338
Attributable to:					
483,284,612 Equity Holders of the Parent	289,195,749	567,737,475	(49.06)	84,617,430	67,858,551
538,510,823 Minority Interest	364,882,471	434,768,915	(16.07)	154,782,365	65,258,787
1,021,795,435	654,078,220	1,002,506,390	(34.76)	239,399,795	133,117,338
0.65 Earnings Per Share - Rs.	0.37	0.70	(46.72)	0.11	0.29

Figures in brackets indicate deductions.

SOFTLOGIC HOLDINGS PLC

STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED

	Attributable to Equity Holders of Parent							
In Rs.	Stated Capital	Revaluation Reserve	Exchange Translation Reserves	Statutory Reserve Fund	Accumulated Profit	Total	Minority Interest	Total Equity
FOR THE PERIOD ENDED 31 DECEMBER 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	-	-	-	-	(17,384,830)	(17,384,830)	(2,763,900)	(20,148,730)
Net gain / (loss) recognised directly in equity								
- Acquisitions, disposals and changes in holding	-	-	-	-	(50,049,552)	(50,049,552)	1,899,819,484	1,849,769,932
- Deferred Tax impact due to reduction in tax rate	-	(5,518,081)	-	-	-	(5,518,081)	-	(5,518,081)
Deferred Tax impact on Revaluations	-	(370,113)	-	-	-	(370,113)	-	(370,113)
Transfer to Reserve Fund	-	-	-	8,363,828	(8,363,828)	-	-	-
Subsidiary dividend to minority shareholders	-	-	-	-	15,124,232	15,124,232	(42,881,842)	(27,757,610)
Allocation for Life Solvency	-	-	-	-	166,600,770	166,600,770	58,399,230	225,000,000
Currency Translation Difference	-	-	7,770,110	-	-	7,770,110	-	7,770,110
Dividend Paid	-	-	-	-	(233,700,000)	(233,700,000)	-	(233,700,000)
Profit for the period	-	-	-	-	289,195,749	289,195,749	364,882,471	654,078,220
Balance as at 31 December 2012	5,089,000,000	1,372,440,864	(88,564,366)	39,214,380	1,673,571,601	8,085,662,479	7,398,908,743	15,484,571,222

FOR THE PERIOD ENDED 31 DECEMBER 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	-	-	-	-	(131,909,642)	(131,909,642)	-	(131,909,642)
Net gain / (loss) recognised directly in equity								
- Acquisitions, disposals and changes in holding	-	-	-	-	-	-	(172,928,432)	(172,928,432)
Transfer to Reserve Fund	-	-	-	6,184,025	(6,184,025)	-	-	-
Subsidiary dividend to minority shareholders	-	-	-	-	39,030,762	39,030,762	(162,417,999)	(123,387,237)
Currency Translation Difference	-	-	11,445,725	-	-	11,445,725	-	11,445,725
Dividend Paid	-	-	-	-	(101,270,000)	(101,270,000)	-	(101,270,000)
Profit for the period	-	-	-	-	567,737,475	567,737,475	434,768,915	1,002,506,390
Balance as at 31 December 2011	5,089,000,000	737,845,882	(44,913,930)	9,598,522	1,666,090,910	7,457,621,384	4,102,855,252	11,560,476,636

COMPANY

In Rs.	Stated Capital	Accumulated Profit	Total Equity
FOR THE PERIOD ENDED 31 DECEMBER 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	-	109,020,966	109,020,966
Balance as at 31 December 2012	5,089,000,000	83,178,092	5,172,178,092
FOR THE PERIOD ENDED 31 DECEMBER 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	-	(131,909,642)	(131,909,642)
Dividend Paid	-	(101,270,000)	(101,270,000)
Profit for the period	-	254,892,511	254,892,511
Balance as at 31 December 2011	5,089,000,000	10,942,990	5,099,942,990

CASH FLOW STATEMENTS

Consolidated	Company		Consolidated		Company	
			Unaudited	Unaudited	Unaudited	Unaudited
			as at 31.12.2012	as at 31.12.2011	as at 31.12.2012	as at 31.12.2011
Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES						
1,612,508,865	452,089,913	Profit before tax	874,133,480	1,438,767,260	109,020,966	254,892,511
		Adjustments for:				
(234,294,219)	(1,802,562)	Interest income	(369,619,125)	(12,482,779)	(173,804,036)	(5,271,620)
(91,670,406)	(612,976,781)	Dividend income	(14,695,926)	(30,851,596)	(20,710,149)	(368,312,457)
1,876,982,292	312,477,602	Finance expenses	2,091,012,826	1,337,821,570	505,748,352	217,664,451
(340,402,278)	-	Change in fair value of investment property	-	-	-	-
(15,626,290)	-	Share of results of associates	(11,467,144)	(14,677,840)	-	-
53,504,202	2,204,128	Gratuity provision and related costs	60,099,056	84,571,056	90,500	3,956,244
46,570,190	-	Provision for bad debts	-	-	6,796,281	-
134,844,921	60,972,230	Changes in fair value of short term investments	139,122,322	311,433,609	903,541	61,882,575
777,542,286	35,952,080	Depreciation of property, plant and equipment	624,834,074	590,540,501	26,624,038	26,468,335
(36,260,101)	(8,227,231)	(Profit) / loss on sale of property, plant and equipment	(64,089,136)	(20,122,754)	(48,048,536)	(6,325,363)
-	-	(Profit) / loss on sale of interest in subsidiaries	(325,724,910)	(65,073,891)	(341,515,068)	(124,899,446)
(18,641,300)	(125,139,450)	(Profit) / loss on sale of short term investments	(66,572,704)	-	-	-
373,222,162	-	Unrealised (gain)/loss on foreign exchange	8,602,846	-	-	-
17,069,614	-	Impairment & derecognition of property, plant & equipment	-	-	-	-
(34,063,213)	-	Negative goodwill written back	-	-	-	-
136,477,797	-	Amortisation of Intangible assets	111,626,107	66,429,670	-	-
	9,496,081	Provision for intercompany receivable balances	-	23,045,037	-	-
1,036,933	-	Amortisation of lease assets	(1,203,413)	9,396,516	-	-
4,258,801,455	125,046,010	Profit before working capital changes	3,056,058,353	3,698,796,359	65,105,889	60,055,230
		(Increase) / decrease in inventories	208,942,506	(769,361,883)	-	-
(970,820,296)	-	(Increase) / decrease in receivable and prepayments	(1,622,390,806)	(1,964,074,370)	(24,719,284)	7,618,215
(1,617,707,214)	(314,103)	(Increase) / decrease in amount due from related parties	7,045,455	(6,013,578)	(653,687,136)	(723,197,670)
(11,828,461)	(1,280,961,351)	Increase / (decrease) in creditors and accruals	883,010,908	629,743,462	129,783,519	(32,054,438)
116,843,105	(33,697,596)	Increase / (decrease) in amount due to related parties	26,993,048	(10,765,388)	208,337,412	(371,734,782)
29,542,179	(370,972,284)	Increase / (decrease) in investments in lease and hire purchase	(799,851,096)	(2,360,709,605)	-	-
(2,636,524,955)	-	Increase / (decrease) in loans and advances	(1,334,194,334)	(1,138,542,233)	-	-
(140,528,692)	-	Increase / (decrease) Public deposits	2,218,626,651	2,150,821,880	-	-
2,867,807,614	-	Increase / (decrease) Insurance Provisions	417,340,331	2,422,283,032	-	-
240,494,533	-	Increase / (decrease) Deferred income	(158,690)	(728,216)	-	-
(667,461)	-					
2,135,411,807	(1,560,899,324)	Cash Generated from Operations	3,061,422,326	2,651,449,460	(275,179,600)	(1,059,313,445)
		Interest received	369,619,125	12,482,779	173,804,036	5,271,620
234,294,219	1,802,562	Finance expenses paid	(2,091,012,826)	(1,337,821,570)	(505,748,352)	(209,860,692)
(1,876,982,292)	(312,477,602)	Dividend received	14,695,926	50,851,596	20,710,149	368,312,457
103,670,406	612,976,781	Tax paid	(173,616,696)	(198,894,545)	-	(1,113,436)
(569,888,217)	(2,403,576)	Gratuity (paid) / Transfer in	(16,604,885)	(11,256,098)	(684,530)	(115,750)
(14,551,039)	(115,750)					
11,954,884	(1,261,116,909)	Net cash flow from operating activities	1,164,502,970	1,166,811,622	(587,098,297)	(896,819,246)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES						
(1,083,795,542)	(3,973,404)	Purchase and construction of property, plant and equipment	(1,919,766,077)	(750,512,108)	(235,300,527)	(50,159,235)
(65,000,000)	-	Advance paid to obtain lease right	-	-	-	-
(645,000)	-	Addition to intangible assets	41,424	1,350,537,556	-	-
(1,364,551,682)	-	Increase in other non current assets	(1,218,730,811)	(235,404,430)	214,483,599	-
809,436,160	227,680,480	(Purchase) / disposal of short term investments (net)	683,673,326	(4,200,789,816)	228,281,612	114,473,785
(4,240,015,780)	(840,780,682)	Acquisition of subsidiaries (A)	(189,168,399)	(3,102,473,747)	-	(1,170,316,360)
(476,969,572)	(359,777,535)	Increase in interest in subsidiaries	(1,319,839,049)	(1,808,495,812)	(2,154,834,212)	-
-	-	Proceeds from sale of interest in subsidiaries	698,111,764	-	572,852,586	-
56,211,958	8,242,965	Proceeds from sale of property, plant and equipment	78,535,158	33,797,002	60,860,405	6,333,928
(6,365,329,458)	(968,608,176)	Net cash flow from / (used in) investing activities	(3,187,142,664)	(8,713,341,355)	(1,313,656,537)	(1,099,667,882)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES						
(219,255,728)	-	Dividend paid to minority shareholders	(27,757,610)	(123,387,236)	-	-
(101,270,000)	(101,270,000)	Dividends paid	(233,700,000)	(101,270,000)	(233,700,000)	(101,270,000)
120,403,650	-	Proceeds from minority on issue of rights in subsidiaries	2,761,992,712	246,930,300	-	-
8,871,599,121	1,895,267,900	Proceeds from long term borrowings	6,308,615,600	13,072,544,503	1,663,997,373	1,959,509,491
(3,011,898,561)	(189,983,372)	Repayment of long term borrowings	(5,614,418,744)	(4,633,584,376)	(292,436,839)	(161,906,592)
(1,998,500,306)	(3,430,492,978)	Proceeds from / (repayment of) short term borrowings (net)	(984,036,597)	(4,934,269,346)	649,337,945	(3,578,936,679)
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	(20,148,730)	(131,909,642)	-	(131,909,642)
7,559,923,534	2,072,611,908	Net cash flow from / (used in) financing activities	2,190,546,631	7,426,054,203	1,787,198,479	2,016,486,578
1,206,548,960	(157,113,177)	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	167,906,937	(120,475,530)	(113,556,355)	19,999,450
(1,114,672,068)	(30,442,043)	CASH AND CASH EQUIVALENTS AT THE BEGINNING	(940,580,108)	(1,114,952,615)	(187,555,220)	(30,442,043)
91,876,892	(187,555,220)	CASH AND CASH EQUIVALENTS AT THE END	(772,673,171)	(1,235,428,145)	(301,111,575)	(10,442,593)
ANALYSIS OF CASH AND CASH EQUIVALENTS						
Favourable balances						
914,190,659	7,118,668	Cash in hand and at Bank	1,447,355,411	463,217,734	11,484,335	9,712,618
1,032,457,000	-	Short term investments	-	-	-	-
Unfavourable balances						
(1,854,770,767)	(194,673,888)	Bank overdrafts	(2,220,028,582)	(1,698,645,879)	(312,595,910)	(20,155,211)
91,876,892	(187,555,220)	Cash and cash equivalents	(772,673,171)	(1,235,428,145)	(301,111,575)	(10,442,593)
A Acquisition of subsidiary						
		Intangible Assets	(28,746,003)	(1,980,619,826)	-	-
		Property Plant & Equipment	-	(95,392,009)	-	-
		Other Non Current Assets	-	(915,065,833)	-	-
		Inventories	-	(3,959,928)	-	-
		Trade & Other Receivables	(8,685,516)	(348,755,594)	-	-
		Short Term Investments	(18,726,000)	(2,846,025,558)	-	-
		Cash and Cash Equivalents	(12,316,179)	(45,621,019)	-	-
		Insurance Provision	-	2,385,129,627	-	-
		Trade & Other Payables	-	729,499,482	-	-
		Deferred Tax Liabilities	730,081	-	-	-
		Amounts Due to Related Companies	-	1,506,877	-	-
		Retirement Benefit Obligations	211,318	30,206,637	-	-
		Income Tax Liabilities	137,799	-	-	-
		Total net assets	(67,394,500)	(3,089,097,144)	-	-
		Net assets acquired	(44,137,663)	(1,425,533,652)	-	-
		Minority cost holdings of investment	(69,686,865)	(1,058,748,476)	-	-
		Goodwill	(87,660,050)	(663,812,638)	-	-
		Cash consideration paid on acquisition of subsidiary	(201,484,578)	(3,148,094,766)	-	-
		Cash and cash equivalent acquired	12,316,179	45,621,019	-	-
		Net cash outflow on acquisition of subsidiary	(189,168,399)	(3,102,473,747)	-	-

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>09 months to</u> <u>31.12.2012</u> <u>Rs.</u>	<u>Unaudited</u> <u>09 months to</u> <u>31.12.2011</u> <u>Rs.</u>	<u>Change</u> <u>%</u>	<u>Unaudited</u> <u>03 months to</u> <u>31.12.2012</u> <u>Rs.</u>	<u>Unaudited</u> <u>03 months to</u> <u>31.12.2011</u> <u>Rs.</u>
262,507,906	Revenue	387,333,011	156,517,517	147.47	134,271,464	51,050,192
(81,941,866)	Cost of Sales	(63,577,077)	(63,694,204)	(0.18)	(20,890,911)	(19,010,528)
180,566,040	Gross Profit	323,755,934	92,823,313	248.79	113,380,553	32,039,664
612,976,781	Dividend Income	20,710,149	368,312,457	(94.38)	856,383	85,914,731
94,220,580	Other Operating Income	389,732,786	89,289,087	336.48	7,728,905	(19,096,717)
(123,195,886)	Administrative Expenses	(119,429,551)	(81,582,108)	46.39	(38,838,308)	(34,394,804)
(312,477,602)	Finance Expenses	(505,748,352)	(213,950,238)	136.39	(188,466,819)	(63,782,035)
452,089,913	Profit Before Tax	109,020,966	254,892,511	(57.23)	(105,339,286)	680,839
(283,266)	Tax Expense	-	-	-	-	-
451,806,647	Profit for the Period	109,020,966	254,892,511	(57.23)	(105,339,286)	680,839

SEGMENT ANALYSIS OF REVENUE AND PROFIT

	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Total	
For the nine months ended 31 December	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue	4,271,755,240	4,949,960,839	10,869,043	32,414,367	4,925,518,225	3,883,178,286	554,881,554	832,871,468	4,132,145,474	1,764,647,767	5,295,162,755	4,565,280,629	12,784,834	7,602,215	19,203,117,125	16,035,955,571
Operating Profit	392,987,755	650,585,221	(17,688,798)	(24,736,024)	927,683,086	526,617,501	30,194,511	110,932,317	204,586,217	292,458,065	1,353,321,236	1,177,957,120	62,595,155	28,096,790	2,953,679,162	2,761,910,990
Profit Before Taxation	8,480,105	398,832,427	(18,858,593)	(27,815,464)	597,229,970	380,286,829	(15,718,537)	97,740,550	(70,814,492)	81,949,247	783,288,067	640,446,889	(409,473,040)	(132,673,218)	874,133,480	1,438,767,260
Taxation	(20,923,096)	(112,934,943)	(17,330,522)	-	(70,427,930)	(96,860,984)	(3,969,266)	(19,830,050)	(19,200,853)	(56,417,159)	(81,547,762)	(105,858,046)	(6,655,831)	(44,359,688)	(220,055,260)	(436,260,870)
Profit After Taxation	(12,442,991)	285,897,484	(36,189,115)	(27,815,464)	526,802,040	283,425,845	(19,687,803)	77,910,500	(90,015,345)	25,532,088	701,740,305	534,588,843	(416,128,871)	(177,032,906)	654,078,220	1,002,506,390
For the three months ended 31 December	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue	1,513,543,361	1,544,662,472	9,835,236	5,728,194	1,875,665,705	1,704,848,720	133,204,409	255,144,544	1,533,505,753	1,027,043,056	1,804,445,713	1,578,359,495	4,844,663	7,136,315	6,875,044,840	6,122,922,796
Operating Profit	259,725,691	220,071,886	(35,480,819)	(3,582,679)	337,767,714	198,582,771	5,234,050	48,376,000	55,789,960	(37,335,443)	475,306,879	427,045,880	4,433,952	(22,954,769)	1,102,777,427	830,203,646
Profit Before Taxation	63,715,511	129,023,604	(35,760,521)	(7,656,269)	196,331,176	160,113,566	(9,713,163)	47,624,291	(47,453,560)	(201,169,197)	301,460,791	242,962,439	(160,968,798)	(25,465,987)	307,611,436	345,432,447
Taxation	(8,943,887)	(62,787,677)	662,038	-	(31,869,974)	(56,663,733)	(1,252,000)	(9,948,516)	(7,929,044)	(22,661,964)	(18,479,688)	(49,372,376)	(399,086)	(10,880,843)	(68,211,641)	(212,315,109)
Profit After Taxation	54,771,624	66,235,927	(35,098,483)	(7,656,269)	164,461,202	103,449,833	(10,965,163)	37,675,775	(55,382,604)	(223,831,161)	282,981,103	193,590,063	(161,367,884)	(36,346,830)	239,399,795	133,117,338

1. CORPORATE INFORMATION

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

The interim financial statements of the Group and the Company for the 09 months ended 31 December 2012 were authorised for issue by the Board of directors on 14 February 2013.

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 01 January 2012. The Group is in the process of adopting the new Sri Lanka Accounting Standards (SLFRS/LKAS) with effect from 01 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 31 December 2012 was 30.91%

3.2 Directors' Share Holdings

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

As at	31-12-2012
A K Pathirage - Chairman/ Managing Director	343,812,700
G W D H U Gunawardena	57,527,300
R J Perera	60,836,700
H A Kaimal	64,870,800
M P 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	31-12-2012	
	Number of	%
	shares	
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/ Mr. A K Pathirage	38,950,000	5.00
6 Pemberton Asian Opportunities Fund	17,346,000	2.23
7 Sri Lanka Insurance Corporation Ltd - General Fund	15,812,400	2.03
8 Bank of Ceylon A/C Ceybank Unit Trust	11,543,727	1.48
9 HSBC INTL NOM LTD-SNFE-NTASIAN Discovery Master Fund	9,900,400	1.27
10 Dr. K M P Karunaratne	9,707,561	1.25
11 Employees Provident Fund	7,230,500	0.93
12 Mr. K P R B Silva	7,184,999	0.92
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 (Pvt) Ltd	3,950,000	0.51
16 Arunodhaya Industries (Pvt) Ltd	3,950,000	0.51
17 Arunodhaya (Pvt) Ltd	3,950,000	0.51
18 Bartleet Finance PLC	3,886,000	0.50
19 Miss. S Subramaniam	3,800,000	0.49
19 Mr. V Kailasapillai	3,800,000	0.49
19 Mrs. A Kailasapillai	3,800,000	0.49
20 Sampath Bank PLC - A/C 01	3,594,000	0.46

3.4 Stated Capital

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

As at	31-12-2012
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 31 December 2012.

4. STATED CAPITAL MOVEMENTS

Stated Capital	Rs
As at 01 April 2012	5,089,000,000
As at 31 December 2012	5,089,000,000

5. INVESTOR INFORMATION

31-12-2012

5.1 Market Value of Shares

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

	Rs.
Closing price on	10.90
Highest price recorded for the three months ending	12.10
Lowest price recorded for the three months ending	9.90
Market Capitalisation (Rs. Mn)	8,491.10

5.2 Ratios

Net assets per share at the period end	10.38
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5.3 Share Trading information from 01 April 2012 to 31 December 2012

Number of shares traded	9,929,116
Value of shares traded (Rs.)	108,957,205

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 31 December 2012, the Group had capital commitments contracted but not provided in the financial statements amounting to Rs.2,950 Mn (31 December 2011 - 459.60 Mn).

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 Uni Walkers (Pvt) Ltd, Uni Walker Distributors (Pvt) Ltd and Softlogic Holdings PLC entered into a loan agreement with International Finance Corporation to raise USD 15.00 million for Uni Walkers (Pvt) Ltd for the purpose of expansion of retail operation of Uni Walkers (Pvt) Ltd by increasing the number of retail outlets.

7.2 Softlogic Holdings PLC and Softlogic Capital PLC have entered into an agreement with DEG - Deutsche Investition- Und Entwicklungsgesellschaft MBH and Nederlandse Financiering-Maatschappij Voor Ontwikkelingslanden N.V. for the sale and purchase of certain shares held by the said companies in Asian Alliance Insurance PLC.

7.3 Ceysand Resorts Ltd, Softlogic Properties (Pvt) Ltd and Softlogic Holdings PLC entered into a 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.

7.4 Softlogic Finance PLC has entered into agreements with Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden to raise USD 10.00 million viz, Senior Facility Agreement and Unsecured Convertible Subordinated Facility Agreement.

Uni Walkers (Pvt) Ltd, Uni Walker Distributors (Pvt) Ltd, Softlogic Capital PLC, Asian Alliance Insurance PLC, Ceysand Resorts Ltd, Softlogic Properties (Pvt) Ltd and Softlogic Finance PLC are subsidiaries of 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 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 25 August 2011.

Company Registration No

PV 1536 PB/PQ

Registered Office of the Company

14, De Fonseka Place,

Colombo 05

Sri Lanka

Contact Details

14, De Fonseka Place,

Colombo 05

Sri Lanka

Tel : +94 11 5575 000

Fax : +94 11 2595 441

E-mail : info@softlogic.lk

Web : www.softlogic.lk

Directors

A K Pathirage - Chairman/ Managing Director

G W D H U Gunawardena

R J Perera

H A Kaimal

M P 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

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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 of Colombo PLC

Pan Asia Banking Corporation PLC

Amana Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

People's Bank

Auditors

Ernst & Young

Chartered Accountants

201, De Saram Place,

Colombo 10