

Corporate *Craftsmanship*



John Keells Holdings PLC
Interim Condensed Financial Statements
Nine months ended 31 December 2017

Chairman's Review

Dear Stakeholder,

The cumulative revenue for the first nine months of the financial year 2017/18 at Rs.87.66 billion is an increase of 15 per cent over the revenue of Rs.76.43 billion recorded in the same period of the previous financial year. The revenue at Rs.31.22 billion for the quarter under review is a 12 per cent increase over the Rs.27.94 billion recorded in the previous financial year.

The Group profit before tax (PBT) for the first nine months of the financial year 2017/18 at Rs.14.87 billion is a decrease of 4 per cent over the PBT of Rs.15.48 billion recorded in the same period of the previous financial year. The Group PBT at Rs.5.83 billion in the third quarter of the financial year 2017/18 is a decrease of 13 per cent over the Rs.6.72 billion recorded in the corresponding period of the previous financial year.

The profit attributable to shareholders in the first nine months at Rs.11.06 billion is a decrease of 2 per cent over the corresponding period of the previous financial year while the Rs.4.49 billion recorded in the third quarter is a decrease of 13 per cent over the previous year.

The Company PBT for the first nine months of the financial year 2017/18 at Rs.7.90 billion is an increase of 7 per cent over the previous financial year. The Company PBT for the third quarter of 2017/18 at Rs.2.36 billion is a decrease of 16 per cent over the Rs.2.83 billion recorded in the corresponding period of 2016/17.

Transportation

The Transportation industry group PBT of Rs.945 million in the third quarter of 2017/18 is an increase of 12 per cent over the third quarter of the previous financial year [2016/17 Q3: Rs.845 million]. During the calendar year 2017, the Port of Colombo witnessed a year on year growth of 8 per cent whilst South Asia Gateway Terminals (SAGT) recorded a growth in throughput of 11 per cent. The market share and profits of the Group's Bunkering business increased as a result of a double-digit growth in volumes. The performance of the Logistics business was in line with expectations. A new 57,000 sq. ft. warehouse was commissioned in Enderamulla during the quarter under review. DHL Keells recorded an improvement in performance driven by a growth in its active customer base.

Leisure

The Leisure industry group PBT of Rs.901 million in the third quarter of 2017/18 is a decrease of 34 per cent over the third quarter of the previous financial year [2016/17 Q3: Rs.1.36 billion]. The decline in profitability is mainly attributable to the City Hotel sector which witnessed a decline in occupancies primarily as a result of the increase in room inventory within Colombo. However, it is encouraging that the total number of rooms occupied in the city witnessed a double-digit growth in the quarter under review. Whilst the Sri Lankan Resorts segment recorded an improvement in room rates and maintained occupancies, profit for the quarter under review was lower when compared to the corresponding period of the previous financial year which included the operations of "Bentota Beach by Cinnamon" which is now closed for the construction of a new hotel. The Maldivian Resorts segment recorded an improvement in average room rates, although profitability was impacted by lower occupancies and the partial closure of "Ellaidhoo Maldives by Cinnamon" for refurbishments in October 2017. However, occupancies at our hotels remained above the

Chairman's Review

industry average during the quarter under review.

Property

The Property industry group PBT of Rs.34 million in the third quarter of 2017/18 is a decrease of 83 per cent over the third quarter of the previous financial year [2016/17 Q3: Rs.196 million]. The decline in profitability is on account of the third quarter of the previous year which included recognition of revenue on the "7th Sense" on Gregory's Road residential development. The construction of Cinnamon Life is progressing well with the super structure approximately 50 per cent complete. Parallel to the ongoing construction work of the super structure, the installation of the façade of the hotel will commence shortly. The construction work on the main access point via a six lane bridge is nearing completion. The pre-sales of both the residential and commercial space continue to be encouraging.

The concept design for the new 800-apartment joint venture residential development project, "Tri-Zen", in Union Place, Colombo, has been finalised whilst the schematic designs are currently underway. This unique development will target a broader section of the market

with apartments offered at attractive price points. Pre-sales have commenced and initial bookings are very encouraging.

Consumer Foods and Retail

The Consumer Foods and Retail industry group PBT of Rs.947 million in the third quarter of 2017/18 is a decrease of 26 per cent over the third quarter of the previous financial year [2016/17 Q3: Rs.1.29 billion]. The decline in profitability is on account of the Consumer Foods sector and to a lesser extent the Retail sector. The Beverage and Frozen Confectionery businesses recorded a decline in volumes as a result of continued tapering of demand arising from subdued consumer discretionary spending. The volume decline in the Beverage business was further exacerbated by the implementation of a sugar tax from November 2017, which resulted in substantial price increases across the industry. Whilst over the years we have taken measures to reduce a significant quantum of sugar in our beverages, we will continue to aggressively expand our low sugar product range by accelerating the launch of such new products. As a continuing part of our beverage portfolio strategy, we will also launch more

non-carbonated beverages to broaden our offerings. Keells Food Products PLC recorded an increase in profitability on account of a better sales mix.

The Retail sector recorded growth in footfall contributing towards a year-on-year growth in same store sales, although profitability was impacted by store expansion related costs and promotional expenses. During the quarter under review, three new outlets were opened, bringing the total store count to 72 as at 31 December 2017. The stores opened during the quarter featured the new branding which will be rolled out to the existing stores as well in the ensuing quarters. The branding initiative encompasses new elements to the store in line with evolving consumer needs which we are confident will drive footfall, although this impacted the roll out of the store openings for the quarter under review.

Financial Services

The Financial Services industry group PBT of Rs.1.54 billion in the third quarter of 2017/18 is an increase of 35 per cent over the third quarter of the previous financial year [2016/17 Q3: Rs.1.14 billion]. The increase in profitability is on account of the performance of Union Assurance PLC, where gross

written premiums recorded strong growth above industry average whilst Nations Trust Bank recorded sound loan growth during the quarter under review.

Information Technology

The Information Technology industry group PBT of Rs.86 million in the third quarter of 2017/18 is a decrease of 56 per cent over the third quarter of the previous financial year [2016/17 Q3: Rs.195 million]. The corresponding quarter of the previous year included profits of the Group's BPO business which was divested in September 2017. The Office Automation businesses recorded a decline in profitability on account of lower volumes in its product segments.

Other, Including Plantation Services

Other, comprising of the Holding Company and other investments, and the Plantation Services sector, recorded a PBT of Rs.1.37 billion in the third quarter of 2017/18, which is a decrease of 19 per cent over the third quarter of the previous financial year [2016/17 Q3: Rs.1.70 billion]. The decrease in PBT is mainly attributable to lower exchange gains recorded at the Company on its foreign currency denominated cash

holdings compared to the corresponding quarter of the previous financial year. The performance of the Plantation Services sector was impacted by trading losses due to a decline in tea prices within the quarter under review.

Sustainability Initiatives

Demonstrating the ongoing efficiency initiatives implemented by the Group, the carbon footprint and water withdrawn per million rupees of revenue decreased by 6 per cent and 18 per cent respectively to 0.79 MT and 15.12 cubic meters during the quarter. In absolute terms, the carbon footprint increased by 2 per cent to 23,244 MT mainly as a result of increased operational activities in the Retail sector and the inclusion of Cinnamon Air to the Group's sustainability reporting scope whilst water withdrawal decreased by 11 per cent to 443,384 cubic meters mainly due to decreased operational activities in the Consumer Foods sector and the closing down of "Bentota Beach by Cinnamon" for refurbishment. The quarter on quarter performance when assessed against the 2020 Group sustainability goals, indicates a 5 per cent increase in energy usage and a 7 per cent reduction in water usage, from

the targets established against the baseline year of 2015/16. The Group continuously monitors the progress towards the established goals and will strive to achieve the 2020 Goal. Group employees were provided with approximately 9 hours of training per employee, whilst 61 occupational injuries were reported during the quarter under review.

Corporate Social Responsibility

Following are some of the highlights of John Keells Foundation's (JKF) initiatives during the quarter under review:

- Under the John Keells English Language Scholarship Programme, a total of 1,248 school children followed classes under "English for Teens" courses held in various parts of the country.
- Under the Neighbourhood Schools Development Project, Ordinary Level revision classes were conducted benefiting 196 students sitting for the examination in December 2017.
- The third and final phase of the three-year Science Day Programme (conducted in collaboration with the Sri

Chairman's Review

Lanka Association for the Advancement of Science) was completed with a cumulative participation of 858 students and 66 teachers from 62 schools in 6 districts.

- Under "Project WAVE" (Working Against Violence through Education), 741 employees were sensitised on gender based violence and child abuse. JKF conducted its second public awareness campaign against sexual harassment in public transport to coincide the International Day for the Elimination of Violence Against Women. The campaign targeting train commuters and undertaken in collaboration with the Sri Lanka Railways saw 107 John Keells volunteers disseminating approximately 30,000 information cards to commuters as well as pasting 1,500 stickers in railway carriages. Parallel to the public campaign, a social media campaign and a campaign targeting staff were also carried out.
- Under the John Keells Vision Project, 6,008 students of 30 schools

in the Colombo district underwent vision screening and 475 eye glasses were donated to students.

- A total of 1,901 persons were sensitised under the John Keells HIV and AIDS Awareness Campaign. World AIDS Day falling on 1st December was commemorated across the Group with awareness raising initiatives for internal and external audiences.
- Under the Village Adoption Project, 30 low income families in Mullaitivu were provided seed capital and guidance to pursue self-enterprises under a Family Empowerment Programme conducted in collaboration with Sri Lanka Red Cross Society.
- Under Project Gathering (a 2-year research initiative on elephant gathering, behavioural and dispersion patterns undertaken by Cinnamon Nature Trails in collaboration with JKF), the satellite tracking of two elephant herds was initiated through GPS collaring.

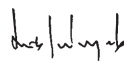
Dividends

The Company paid a first interim dividend for the financial year 2017/18 in November 2017, amounting to Rs.2.00 per share. Your Board declared a second interim dividend of Rs.2.00 per share to be paid on 22 February 2018.

Retirements and Appointments

I would like to place on record our deep appreciation for the invaluable contribution made by Mr. Ajit Gunewardene, Deputy Chairman, and Mr. Ronnie Peiris, Group Finance Director, who retired with effect from 31 December 2017.

As announced in the Group's succession plan, Mr. Krishan Balendra and Mr. Gihan Cooray assumed office as the Deputy Chairman and the Group Finance Director respectively, effective from 1 January 2018. Further, Mr. Balendra will take over as Chairman and Mr. Cooray as Deputy Chairman/ Group Finance Director upon my retirement at the end of this year.



Susantha Ratnayake
Chairman

30 January 2018

Consolidated Income Statement

	Note	Quarter ended 31 December			Nine months ended 31 December		
		2017	2016	Change %	2017	2016	Change %
Continuing operations							
Sale of goods		21,416,901	18,314,008	17	60,126,523	49,798,413	21
Rendering of services		9,799,269	9,623,298	2	27,535,893	26,626,732	3
Revenue		31,216,170	27,937,306	12	87,662,416	76,425,145	15
Cost of sales		(24,332,208)	(19,798,782)	23	(66,946,413)	(53,735,578)	25
Gross profit		6,883,962	8,138,524	(15)	20,716,003	22,689,567	(9)
Other operating income		529,179	437,382	21	1,559,797	1,167,109	34
Selling and distribution expenses		(1,136,594)	(1,108,166)	3	(3,133,636)	(3,010,665)	4
Administrative expenses		(3,125,619)	(3,067,844)	2	(9,573,199)	(8,674,756)	10
Other operating expenses		(751,675)	(863,701)	(13)	(2,310,726)	(2,539,028)	(9)
Results from operating activities		2,399,253	3,536,195	(32)	7,258,239	9,632,227	(25)
Finance cost		(153,308)	(3,090)	4,861	(414,081)	(310,955)	33
Finance income		2,615,340	2,647,664	(1)	8,609,699	7,290,398	18
Change in insurance contract liabilities	6	663	(347,633)	(100)	(3,626,788)	(3,543,541)	2
Change in fair value of investment property		-	9,677	-	-	9,677	-
Share of results of equity accounted investees		967,702	881,754	10	3,039,962	2,401,645	27
Profit before tax		5,829,650	6,724,567	(13)	14,867,031	15,479,451	(4)
Tax expense	8	(1,025,294)	(1,067,235)	(4)	(3,038,730)	(2,981,582)	2
Profit for the period		4,804,356	5,657,332	(15)	11,828,301	12,497,869	(5)
Attributable to:							
Equity holders of the parent		4,492,196	5,149,282	(13)	11,055,001	11,289,298	(2)
Non-controlling interest		312,160	508,050	(39)	773,300	1,208,571	(36)
		4,804,356	5,657,332	(15)	11,828,301	12,497,869	(5)
		LKR.	LKR.		LKR.	LKR.	
Earnings per share							
Basic		3.24	3.73		7.97	8.24	
Diluted		3.24	3.73		7.97	8.24	
Dividend per share		2.00	2.00		4.00	3.50	

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

Consolidated Statement of Comprehensive Income

	Note	Quarter ended 31 December		Nine months ended 31 December	
		2017	2016	2017	2016
Profit for the period		4,804,356	5,657,332	11,828,301	12,497,869
Other comprehensive income					
Other comprehensive income to be reclassified to income statement in subsequent periods					
Currency translation of foreign operations		(339,895)	815,457	(15,719)	622,439
Net (loss)/gain on cash flow hedges		128,311	514,744	108,384	383,331
Share of other comprehensive income of equity- accounted investees		(20,018)	101,274	181,459	183,658
Net gain/(loss) on available-for-sale financial assets		(32,293)	(470,462)	831,630	(194,709)
Net other comprehensive income to be reclassified to income statement in subsequent periods		(263,895)	961,013	1,105,754	994,719
Other comprehensive income not to be reclassified to income statement in subsequent periods					
Revaluation of land and buildings		1,916,986	202,753	1,983,986	202,753
Remeasurement gain / (loss) on defined benefit plans		-	-	(9,600)	-
Share of other comprehensive income of equity accounted investees		-	6,525	-	6,525
Net other comprehensive income not to be reclassified to income statement in subsequent periods		1,916,986	209,278	1,974,386	209,278
Tax on other comprehensive income	8	(20,007)	-	(22,708)	(1,185)
Other comprehensive income for the period, net of tax		1,633,084	1,170,291	3,057,432	1,202,812
Total comprehensive income for the period, net of tax		6,437,440	6,827,623	14,885,733	13,700,681
Attributable to:					
Equity holders of the parent		5,787,298	6,236,930	13,664,328	12,433,493
Non-controlling interest		650,142	590,693	1,221,405	1,267,188
		6,437,440	6,827,623	14,885,733	13,700,681

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

Consolidated Statement of Financial Position

As at	31.12.2017	31.03.2017
ASSETS		
Non-current assets		
Property, plant and equipment	71,279,577	64,396,373
Lease rentals paid in advance	12,945,581	13,206,058
Investment property	9,763,471	5,366,180
Intangible assets	2,053,284	2,118,160
Investments in equity accounted investees	21,403,633	17,718,887
Non current financial assets	33,222,818	27,666,621
Deferred tax assets	162,741	143,548
Other non current assets	48,239,825	41,692,316
	199,070,930	172,308,143
Current assets		
Inventories	5,880,019	5,605,712
Trade and other receivables	11,836,506	11,687,429
Amounts due from related parties	159,925	111,639
Other current assets	3,741,415	3,265,327
Short term investments	67,328,052	79,174,327
Cash in hand and at bank	6,119,004	5,119,185
	95,064,921	104,963,619
Total assets	294,135,851	277,271,762
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	62,796,910	62,790,080
Revenue reserves	83,090,827	77,193,184
Other components of equity	41,614,053	38,651,568
	187,501,790	178,634,832
Non-controlling interest	15,720,253	15,695,543
Total equity	203,222,043	194,330,375
Non-current liabilities		
Insurance contract liabilities	34,955,793	31,700,278
Interest bearing loans and borrowings	17,964,254	14,202,636
Deferred tax liabilities	2,696,934	2,336,241
Employee benefit liabilities	2,044,109	1,880,287
Other deferred liabilities	749,541	838,891
Other non-current liabilities	4,861,464	3,933,882
	63,272,095	54,892,215
Current liabilities		
Trade and other payables	14,437,256	14,136,040
Amounts due to related parties	1,945	10,434
Income tax liabilities	1,820,551	2,395,379
Short term borrowings	2,332,599	1,380,238
Interest bearing loans and borrowings	1,829,066	2,918,854
Other current liabilities	3,241,367	2,944,118
Bank overdrafts	3,978,929	4,264,109
	27,641,713	28,049,172
Total equity and liabilities	294,135,851	277,271,762
	LKR.	LKR.
Net assets per share	135.14	128.75

Note : All values are in LKR '000s, unless otherwise stated.

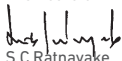
The above figures are not audited.

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



Suran Wijesinghe
Group Financial Controller

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



S C Ratnayake
Chairman



J G A Cooray
Group Finance Director

Consolidated Statement of Cash Flows

For the nine months ended 31 December	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before working capital changes	A	7,163,091	9,507,755
(Increase) / Decrease in inventories		(274,307)	(1,026,620)
(Increase) / Decrease in trade and other receivables		(389,004)	502,392
(Increase) / Decrease in other current assets		165,661	(369,460)
(Increase) / Decrease in other non-current assets		(6,193,604)	(3,783,608)
Increase / (Decrease) in trade and other payables and other non-current liabilities		1,160,608	21,187
Increase / (Decrease) in other current liabilities		355,814	811,509
Increase / (Decrease) in insurance contract liabilities		3,255,515	3,321,119
Cash generated from operations		5,243,774	8,984,274
Finance income received		8,281,122	6,959,628
Finance costs paid		(414,081)	(204,679)
Dividend received		1,341,176	1,280,475
Tax paid		(4,004,514)	(3,081,590)
Gratuity paid		(129,525)	(143,213)
Net cash flow from operating activities		10,317,952	13,794,895
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(7,506,746)	(3,312,458)
Purchase of intangible assets		(180,314)	(72,053)
Purchase of lease rights		-	(2,653,534)
Addition to investment property		(4,397,291)	(98)
Acquisition of subsidiaries (net of cash acquired)	7.1	(78,584)	-
Investments in equity accounted investees	7.3	(1,804,500)	-
Proceeds from sale of property, plant and equipment and intangible assets		215,090	448,886
Proceeds from sales of non-current investments	7.4	207,164	-
Proceeds from sale of financial instruments - fair valued through profit or loss		759,411	829,009
Purchase of financial instruments - fair valued through profit or loss		(969,932)	(1,013,092)
(Purchase) / disposal of short term investments (net)		(13,439,257)	(12,587,078)
(Purchase) / disposal of non current financial assets (net)		(4,706,672)	(3,307,739)
Grants received for investing activities		32,476	69,511
Net cash flow from / (used in) investing activities		(31,869,155)	(21,598,646)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issue of shares		5,369	4,088,103
Changes in non controlling interest		(293,890)	65,660
Payment of other deferred liability		-	(115,407)
Dividend paid to equity holders of parent		(5,549,936)	(4,505,563)
Dividend paid to shareholders with non-controlling interest		(538,002)	(757,231)
Proceeds from long term borrowings		4,990,503	3,044,513
Repayment of long term borrowings		(2,489,187)	(2,937,587)
Proceeds from/(repayment of) other financial liabilities (net)		952,361	727,287
Net cash flow from / (used in) financing activities		(2,922,782)	(390,225)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(24,473,985)	(8,193,976)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		47,643,605	48,398,696
CASH AND CASH EQUIVALENTS AT THE END		23,169,620	40,204,720
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Short term investments		21,029,545	38,007,139
Cash in hand and at bank		6,119,004	6,040,302
Unfavourable balances			
Bank overdrafts		(3,978,929)	(3,842,721)
Total cash and cash equivalents		23,169,620	40,204,720

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

For the nine months ended 31 December	Note	2017	2016
A. Profit before working capital changes			
Profit before tax		14,867,031	15,479,451
Adjustments for:			
Finance income		(8,609,699)	(7,290,398)
Finance cost		414,081	310,955
Change in fair value of investment property		-	(9,677)
Share-based payment expense		382,778	329,992
Share of results of equity accounted investees		(3,039,962)	(2,401,645)
Depreciation of property, plant and equipment		2,424,430	2,114,046
(Profit)/loss on sale of property, plant and equipment and intangible assets		(103,821)	15,840
Profit on sale of investment in subsidiaries	7.4	(28,575)	-
Amortisation of lease rentals paid in advance		327,486	483,896
Amortisation of intangible assets		245,190	249,410
Amortisation of other deferred liabilities		(17,824)	(18,365)
Gratuity provision and related costs		284,854	237,519
Goodwill Impairment	7.1	23,445	-
Accumulated unrecognised (gain)/ loss net		(31,392)	-
Unrealised (gain) / loss on foreign exchange (net)		25,069	6,731
		7,163,091	9,507,755

Note : All values are in LKR '000s, unless otherwise stated.
Figures in brackets indicate deductions.
The above figures are not audited.

Consolidated Statement of Changes in Equity

Note	Attributable to equityholders of parent							Non-controlling interest	Total Equity
	Stated capital	Revaluation reserve	Foreign currency translation reserve	Cash flow hedge reserve	Other capital reserves	Available for sale reserve	Revenue reserves		
As at 1 April 2016	58,701,977	20,846,190	7,080,979	-	958,310	(170,217)	67,564,513	13,498,570	168,480,322
Profit for the period	-	-	-	-	-	-	-	1,208,571	12,497,869
Other comprehensive income	-	201,206	703,465	361,273	-	(127,168)	5,419	58,617	1,202,812
Total comprehensive income	-	201,206	703,465	361,273	-	(127,168)	11,294,717	12,433,493	13,700,681
Exercise of share warrants	3,176,842	-	-	-	-	-	-	3,176,842	-
Exercise of share options	911,261	-	-	-	-	-	-	911,261	-
Share based payments	-	-	-	-	329,992	-	-	329,992	-
Final dividend paid - 2015/16	-	-	-	-	-	-	(1,784,105)	-	(1,784,105)
Interim dividend paid - 2016/17	-	-	-	-	-	-	(2,721,458)	-	(2,721,458)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	381,084	(1,138,315)	(757,231)
Acquisition, disposal and changes in non-controlling interest	-	-	-	-	-	-	46,682	18,978	65,660
As at 31 December 2016	62,790,080	21,047,396	7,784,444	361,273	1,288,302	(297,385)	74,781,433	13,646,421	181,401,964
As at 1 April 2017	62,790,080	28,994,792	8,303,895	312,529	1,402,656	(362,304)	77,193,184	15,695,543	194,330,375
Profit for the period	-	-	-	-	-	-	-	773,300	11,828,301
Other comprehensive income	-	1,598,074	(21,681)	102,878	-	901,655	28,401	448,105	3,057,432
Total comprehensive income	-	1,598,074	(21,681)	102,878	-	901,655	11,083,402	1,221,405	14,885,733
Exercise of share options	4,985	-	-	-	-	-	-	4,985	-
Share based payments	1,845	-	-	-	380,933	-	-	382,778	-
Final dividend paid - 2016/17	-	-	-	-	-	-	(2,774,934)	-	(2,774,934)
Interim dividend paid - 2017/18	-	-	-	-	-	-	(2,775,002)	-	(2,775,002)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	364,531	(902,533)	(538,002)
Acquisition, disposal and changes in non-controlling interest	-	626	-	-	-	-	(354)	272	(293,890)
As at 31 December 2017	62,796,910	30,593,492	8,282,214	415,407	1,783,589	539,351	83,090,827	15,720,253	203,222,043

Note : All values are in LKR '000s, unless otherwise stated.
Figures in brackets indicate deductions.
The above figures are not audited.

Company Income Statement

	Note	Quarter ended 31 December			Nine months ended 31 December		
		2017	2016	Change %	2017	2016	Change %
Continuing operations							
Rendering of services		327,990	269,214	22	982,277	795,114	24
Revenue		327,990	269,214	22	982,277	795,114	24
Cost of sales		(130,113)	(101,196)	29	(475,841)	(396,732)	20
Gross profit		197,877	168,018	18	506,436	398,382	27
Dividend income		990,478	1,680,378	(41)	3,558,331	4,441,412	(20)
Other operating income		2,935	5,153	(43)	10,208	13,710	(26)
Administrative expenses		(259,598)	(756,312)	(66)	(879,328)	(1,282,759)	(31)
Other operating expenses		(7,643)	(11,178)	(32)	(23,495)	(31,917)	(26)
Results from operating activities		924,049	1,086,059	(15)	3,172,152	3,538,828	(10)
Finance cost		(32,692)	78,160	(142)	(69,681)	(69,222)	1
Finance income		1,473,386	1,662,542	(11)	4,802,228	3,946,799	22
Profit before tax		2,364,743	2,826,761	(16)	7,904,699	7,416,405	7
Tax expense	8	(314,690)	(290,788)	8	(1,034,659)	(780,448)	33
Profit for the period		2,050,053	2,535,973	(19)	6,870,040	6,635,957	4
		LKR.	LKR.		LKR.	LKR.	
Dividend per share		2.00	2.00		4.00	3.50	

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

Company Statement of Comprehensive Income

	Note	Quarter ended 31 December		Nine months ended 31 December	
		2017	2016	2017	2016
Profit for the period		2,050,053	2,535,973	6,870,040	6,635,957
Other comprehensive income					
Other comprehensive income to be reclassified to income statement in subsequent periods					
Net gain/(loss) on available-for-sale financial assets		(77,699)	10,896	(67,840)	23,424
Net other comprehensive income to be reclassified to income statement in subsequent periods		(77,699)	10,896	(67,840)	23,424
Tax on other comprehensive income	8	-	-	-	-
Other comprehensive income for the period, net of tax		(77,699)	10,896	(67,840)	23,424
Total comprehensive income for the period, net of tax		1,972,354	2,546,869	6,802,200	6,659,381

Note : All values are in LKR '000s, unless otherwise stated.
 Figures in brackets indicate deductions.
 The above figures are not audited.

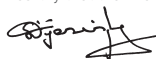
Company Statement of Financial Position

As at	31.12.2017	31.03.2017
ASSETS		
Non-current assets		
Property, plant and equipment	129,296	93,913
Intangible assets	30,694	30,801
Investments in subsidiaries	53,931,171	42,987,395
Investments in equity accounted investees	8,910,800	8,910,800
Non current financial assets	2,948,960	2,789,980
Other non current assets	19,695	16,254
	65,970,616	54,829,143
Current assets		
Trade and other receivables	127,909	118,076
Amounts due from related parties	213,137	286,735
Other current assets	53,458	99,442
Short term investments	50,478,079	60,243,280
Cash in hand and at bank	263,441	304,265
	51,136,024	61,051,798
Total assets	117,106,640	115,880,941
EQUITY AND LIABILITIES		
Stated capital	62,796,910	62,790,080
Revenue reserves	51,308,599	49,988,495
Other components of equity	1,817,969	1,504,876
Total equity	115,923,478	114,283,451
Non-current liabilities		
Employee benefit liabilities	266,370	217,910
Other deferred liabilities	-	103,218
	266,370	321,128
Current liabilities		
Trade and other payables	261,184	330,078
Amounts due to related parties	4,064	210,029
Income tax liabilities	438,841	635,532
Other current liabilities	8,544	16,441
Bank overdrafts	204,159	84,282
	916,792	1,276,362
Total equity and liabilities	117,106,640	115,880,941
	LKR.	LKR.
Net assets per share	83.55	82.37

Note : All values are in LKR '000s, unless otherwise stated.

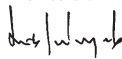
The above figures are not audited.

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

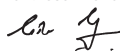


Suran Wijesinghe
Group Financial Controller

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



S C Ratnayake
Chairman



J G A Cooray
Group Finance Director

Company Statement of Cash Flows

For the nine months ended 31 December	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		7,904,699	7,416,405
Adjustments for:			
Finance income		(4,802,228)	(3,946,799)
Dividend income		(3,558,331)	(4,441,412)
Finance cost		69,681	69,222
Impairment losses of non financial assets		-	544,343
(Profit) / Loss on sale of non-current investments		-	1,649
Depreciation of property, plant and equipment		22,913	25,951
(Profit)/ loss on sale of property, plant and equipment and intangible assets		(354)	(17)
Amortisation of intangible assets		14,383	15,350
Share based payment expenses		123,610	90,509
Gratuity provision and related costs		28,330	21,165
Profit before working capital changes		(197,297)	(203,634)
(Increase) / Decrease in trade and other receivables		(41,770)	79,334
(Increase) / Decrease in other current assets		45,984	75,107
(Increase) / Decrease in other non-current assets		(3,441)	1,190
Increase / (Decrease) in trade and other payables		(379,909)	16,062
Increase / (Decrease) in other current liabilities		(7,897)	26,941
Cash generated from operations		(584,330)	(5,000)
Finance income received		4,411,596	3,044,716
Finance costs paid		(67,848)	(66,970)
Dividend received		3,682,864	4,886,686
Tax paid		(1,231,350)	(668,434)
Gratuity paid (Net of transfers)		20,131	(7,334)
Net cash flow from operating activities		6,231,063	7,183,664
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(77,449)	(5,595)
Purchase of intangible assets		(14,278)	(3,335)
Investment in subsidiaries		(6,177,680)	-
Increase in interest in subsidiaries		(4,506,927)	(3,431,973)
Proceeds from sale of property, plant and equipment		507	20
Proceeds from sale of non-current investments		-	36,357
(Purchase) / disposal of short term investments (net)		(15,986,570)	(9,150,240)
(Purchase) / disposal of non current financial assets (net)		(18,501)	8,134
Net cash flow from/(used in) investing activities		(26,780,898)	(12,546,632)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from issue of shares		4,985	4,088,103
Settlement of other deferred liabilities		-	(199,893)
Dividend paid		(5,549,936)	(4,505,563)
Repayment of long term borrowings		-	(1,469,884)
Net cash flow from / (used in) financing activities		(5,544,951)	(2,087,237)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(26,094,786)	(7,450,205)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		39,989,190	37,135,335
CASH AND CASH EQUIVALENTS AT THE END		13,894,404	29,685,130
ANALYSIS OF CASH & CASH EQUIVALENTS			
Favourable balances			
Short term investments		13,835,122	28,023,390
Cash in hand and at bank		263,441	1,738,562
Unfavourable balances			
Bank overdrafts		(204,159)	(76,822)
Total cash and cash equivalents		13,894,404	29,685,130

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

Company Statement of Changes in Equity

	Note	Stated capital	Other capital reserves	Available for sale reserve	Revenue reserves	Total Equity
As at 1 April 2016		58,701,977	958,310	126,307	41,121,860	100,908,454
Profit for the period		-	-	-	6,635,957	6,635,957
Other comprehensive income		-	-	23,424	-	23,424
Total comprehensive income		-	-	23,424	6,635,957	6,659,381
Exercise of share warrants		3,176,842	-	-	-	3,176,842
Exercise of share options		911,261	-	-	-	911,261
Share based payments		-	329,992	-	-	329,992
Final dividend paid - 2015/16	11	-	-	-	(1,784,105)	(1,784,105)
Interim dividend paid - 2016/17	11	-	-	-	(2,721,458)	(2,721,458)
As at 31 December 2016		62,790,080	1,288,302	149,731	43,252,254	107,480,367
As at 1 April 2017		62,790,080	1,402,656	102,220	49,988,495	114,283,451
Profit for the period		-	-	-	6,870,040	6,870,040
Other comprehensive income		-	-	(67,840)	-	(67,840)
Total comprehensive income		-	-	(67,840)	6,870,040	6,802,200
Exercise of share options		4,985	-	-	-	4,985
Share based payments		1,845	380,933	-	-	382,778
Final dividend paid - 2016/17	11	-	-	-	(2,774,934)	(2,774,934)
Interim dividend paid - 2017/18	11	-	-	-	(2,775,002)	(2,775,002)
As at 31 December 2017		62,796,910	1,783,589	34,380	51,308,599	115,923,478

Note : All values are in LKR '000s, unless otherwise stated.
 Figures in brackets indicate deductions.
 The above figures are not audited.

Notes to the Interim Condensed Financial Statements

Operating segment information

Business segments

The following tables present revenue, profit information and other disclosures regarding Group's business segments.

	Transportation		Leisure		Property	
For the Quarter ended 31 December	2017	2016	2017	2016	2017	2016
External revenue	4,754,366	3,169,473	6,062,660	6,497,193	165,076	487,468
Inter segment revenue	140,289	97,142	5,430	9,031	53,495	52,655
Total segment revenue	4,894,655	3,266,615	6,068,090	6,506,224	218,571	540,123
Eliminations of inter segment revenue						
Net revenue						
Segment results	264,146	206,766	845,959	1,272,839	30,019	381,867
Finance cost	(14,520)	(7,574)	(56,862)	(47,610)	(9,959)	2,546
Finance income	36,023	31,893	100,446	123,052	21,910	12,301
Change in fair value of investment property	-	-	-	-	-	9,677
Share of results of equity accounted investees	660,035	614,517	15,963	18,361	-	-
Eliminations / adjustments	(780)	(759)	(4,601)	(4,206)	(7,971)	(210,472)
Profit / (loss) before tax	944,904	844,843	900,905	1,362,436	33,999	195,919
Tax expense	(60,432)	(27,363)	(261,825)	(164,833)	(6,866)	(5,541)
Profit / (loss) for the period	884,472	817,480	639,080	1,197,603	27,133	190,378
Purchase and construction of PPE*	13,838	40,722	1,136,328	606,746	21,408	21,846
Addition to IA*	-	4,400	-	-	-	-
Depreciation of PPE*	28,600	50,648	362,302	773,490	8,366	8,830
Amortisation / impairment of IA*	769	840	13,572	33,546	193	247
Amortisation of LRPA*	-	-	103,331	308,985	5,077	9,469
Gratuity provision and related costs	4,113	6,783	31,266	53,665	581	1,206

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

*PPE (Property, plant and equipment), IA (Intangible assets), LRPA (Lease rentals paid in advance)

Consumer Foods & Retail		Financial Services		Information Technology		Others		Group Total	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
13,433,509	11,859,726	2,804,795	2,171,078	3,163,229	3,036,001	832,535	716,367	31,216,170	27,937,306
91,504	102,349	-	-	73,337	57,709	237,292	194,893	601,347	513,779
13,525,013	11,962,075	2,804,795	2,171,078	3,236,566	3,093,710	1,069,827	911,260	31,817,517	28,451,085
								(601,347)	(513,779)
								31,216,170	27,937,306
896,535	1,224,971	1,225,995	860,490	86,662	(605,611)	(50,011)	(1,250,731)	3,299,305	2,090,591
(9,926)	(4,647)	-	-	(11,424)	(1,710)	(50,617)	55,905	(153,308)	(3,090)
38,655	69,518	25,039	30,843	10,519	11,273	1,477,287	1,762,769	1,709,879	2,041,649
-	-	-	-	-	-	-	-	-	9,677
-	-	291,704	248,876	-	-	-	-	967,702	881,754
22,000	(3,000)	-	-	-	790,785	(2,576)	1,131,638	6,072	1,703,986
947,264	1,286,842	1,542,738	1,140,209	85,757	194,737	1,374,083	1,699,581	5,829,650	6,724,567
(273,898)	(378,467)	(1,280)	3,347	(29,087)	(41,829)	(391,906)	(452,549)	(1,025,294)	(1,067,235)
673,366	908,375	1,541,458	1,143,556	56,670	152,908	982,177	1,247,032	4,804,356	5,657,332
2,302,016	1,039,144	13,359	28,703	36,701	59,602	98,143	13,251	3,621,793	1,810,014
13,666	-	136,684	34,173	2,732	5,010	4,152	3,334	157,234	46,917
258,391	400,338	17,567	40,222	32,409	65,698	37,448	66,195	745,083	1,405,421
3,530	5,978	54,227	109,821	1,810	5,108	4,758	10,263	78,859	165,803
757	885	-	-	-	-	293	587	109,458	319,926
43,800	53,823	12,450	10,940	5,186	7,986	6,962	21,046	104,358	155,449

Notes to the Interim Condensed Financial Statements

Operating segment information

Business segments

The following tables present revenue, profit information and other disclosures regarding Group's business segments.

	Transportation		Leisure		Property	
For the nine months ended 31 December	2017	2016	2017	2016	2017	2016
External revenue	12,291,331	7,655,267	16,758,666	17,745,368	500,951	949,334
Inter segment revenue	365,240	269,776	19,578	21,321	161,062	154,793
Total segment revenue	12,656,571	7,925,043	16,778,244	17,766,689	662,013	1,104,127
Eliminations of inter segment revenue						
Net revenue						
Segment result	585,431	546,430	1,705,197	3,110,168	126,868	476,818
Finance cost	(39,562)	(17,363)	(175,318)	(136,480)	(24,569)	(19,118)
Finance income	99,644	88,614	357,492	289,847	71,660	63,861
Change in fair value of investment property	-	-	-	-	-	9,677
Share of results of equity accounted investees	2,098,960	1,647,107	43,562	32,602	2,574	-
Eliminations / adjustments	72,493	(41,794)	(12,826)	(12,618)	(23,829)	(225,910)
Profit / (loss) before tax	2,816,966	2,222,994	1,918,107	3,283,519	152,704	305,328
Tax expense	(119,047)	(59,773)	(453,496)	(402,785)	(31,564)	(26,405)
Profit / (loss) for the period	2,697,919	2,163,221	1,464,611	2,880,734	121,140	278,923
Purchase and construction of PPE*	409,208	68,162	2,668,396	1,290,323	28,491	21,994
Addition to IA*	-	4,400	-	-	-	-
Depreciation of PPE*	82,858	75,401	1,320,423	1,163,997	19,137	16,170
Amortisation / impairment of IA*	2,306	1,260	47,118	50,319	579	580
Amortisation of LRPA*	-	-	309,450	466,901	15,230	15,230
Gratuity provision and related costs	12,980	10,162	98,842	83,099	2,259	2,013

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

*PPE (Property, plant and equipment), IA (Intangible assets), LRPA (Lease rentals paid in advance)

Consumer Foods & Retail		Financial Services		Information Technology		Others		Group Total	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
39,350,862	34,195,187	7,587,920	6,099,523	8,613,298	7,710,334	2,559,388	2,070,132	87,662,416	76,425,145
285,896	279,212	69	110	212,614	153,780	691,014	560,635	1,735,473	1,439,627
39,636,758	34,474,399	7,587,989	6,099,633	8,825,912	7,864,114	3,250,402	2,630,767	89,397,889	77,864,772
								(1,735,473)	(1,439,627)
								87,662,416	76,425,145
3,025,906	4,016,656	1,171,049	765,421	517,038	(428,954)	(278,431)	(1,462,924)	6,853,058	7,023,615
(18,311)	(15,005)	(309)	(5)	(25,280)	(8,306)	(130,732)	(114,678)	(414,081)	(310,955)
110,322	199,485	91,621	92,873	29,369	27,959	4,817,412	3,959,729	5,577,520	4,722,368
-	-	-	-	-	-	-	-	-	9,677
-	-	894,866	721,936	-	-	-	-	3,039,962	2,401,645
16,000	(9,000)	-	-	(223,857)	790,785	(17,409)	1,131,638	(189,428)	1,633,101
3,133,917	4,192,136	2,157,227	1,580,225	297,270	381,484	4,390,840	3,513,765	14,867,031	15,479,451
(915,285)	(1,216,590)	(5,809)	4,066	(92,517)	(97,652)	(1,421,012)	(1,182,443)	(3,038,730)	(2,981,582)
2,218,632	2,975,546	2,151,418	1,584,291	204,753	283,832	2,969,828	2,331,322	11,828,301	12,497,869
4,034,505	1,781,377	26,743	45,170	179,251	85,783	160,152	19,649	7,506,746	3,312,458
14,052	-	144,971	56,582	7,013	7,737	14,278	3,334	180,314	72,053
742,123	600,606	53,776	60,832	107,777	97,191	98,336	99,849	2,424,430	2,114,046
10,144	8,964	165,091	165,042	5,571	7,897	14,381	15,348	245,190	249,410
1,926	885	-	-	-	-	880	880	327,486	483,896
98,118	80,705	24,968	16,509	15,025	13,017	32,662	32,014	284,854	237,519

Notes to the Interim Condensed Financial Statements

Operating segment information

Business segments

The following table presents segment assets and liabilities of the Group's business segments.

	Transportation		Leisure		Property	
As at	31.12.2017	31.03.2017	31.12.2017	31.03.2017	31.12.2017	31.03.2017
Property, plant and equipment	832,976	500,463	44,341,603	43,251,774	3,894,930	2,318,107
Lease rentals paid in advance	-	-	11,278,499	11,495,184	243,247	245,301
Investment property	554,000	487,000	2,148,400	2,148,400	9,628,923	5,230,949
Intangible assets	11,766	14,072	327,073	374,191	208	2,963
Non-current financial assets	126,711	74,073	5,611,533	5,710,380	469,212	432,679
Other non-current assets	18,078	11,163	32,656	25,343	47,702,642	41,379,103
Segment non-current assets	1,543,531	1,086,771	63,739,764	63,005,272	61,939,162	49,609,102
Investments in equity accounted investees	11,931,802	11,118,544	521,072	512,143	1,807,074	-
Deferred tax assets						
Goodwill						
Eliminations / adjustments						
Total non-current assets						
Inventories	120,833	522,461	383,169	337,494	16,865	15,255
Trade and other receivables	2,405,438	1,685,506	2,642,802	3,474,959	63,858	941,864
Short term investments	644,952	2,053,279	4,886,262	8,188,744	810,753	987,176
Cash in hand and at bank	1,875,355	290,699	2,194,182	2,198,542	762,250	973,122
Segment current assets	5,046,578	4,551,945	10,106,415	14,199,739	1,653,726	2,917,417
Other current assets						
Eliminations / adjustments						
Total current assets						
Total assets						
Insurance contract liabilities	-	-	-	-	-	-
Interest bearing loans and borrowings	-	-	8,208,930	6,650,926	13,407,726	12,548,001
Employee benefit liabilities	77,953	84,859	665,799	638,131	44,778	29,435
Other deferred liabilities	820	1,640	144,219	120,007	559,796	558,435
Other non-current liabilities	11,246	10,267	-	-	4,675,429	3,730,151
Segment non-current liabilities	90,019	96,766	9,018,948	7,409,064	18,687,729	16,866,022
Deferred tax liabilities						
Eliminations / adjustments						
Total non-current liabilities						
Trade and other payables	988,181	847,988	1,656,735	2,074,128	462,797	1,382,676
Short term borrowings	2,342,004	1,389,643	1,204,773	3,487,404	-	-
Interest bearing loans and borrowings	-	-	1,157,692	2,662,075	208,646	181,645
Bank overdrafts	138,283	374,011	1,059,127	1,847,574	712,184	709,561
Segment current liabilities	3,468,468	2,611,642	5,078,327	10,071,181	1,383,627	2,273,882
Income tax liabilities						
Other current liabilities						
Eliminations / adjustments						
Total current liabilities						
Total liabilities						
Total segment assets	6,590,109	5,638,716	73,846,179	77,205,011	63,592,888	52,526,519
Total segment liabilities	3,558,487	2,708,408	14,097,275	17,480,245	20,071,356	19,139,904

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

Consumer Foods & Retail		Financial Services		Information Technology		Others		Group Total	
31.12.2017	31.03.2017	31.12.2017	31.03.2017	31.12.2017	31.03.2017	31.12.2017	31.03.2017	31.12.2017	31.03.2017
12,572,335	9,290,844	2,005,469	1,498,964	328,950	260,153	1,332,631	1,287,795	65,308,894	58,408,100
147,019	174,701	-	-	-	-	39,798	40,679	11,708,563	11,955,865
207,042	207,042	-	-	-	-	3,434,063	3,434,063	15,972,428	11,507,454
41,594	37,685	871,426	891,546	29,750	28,305	32,871	30,802	1,314,688	1,379,564
259,361	226,097	28,863,291	23,645,619	57,162	57,131	3,011,796	2,827,038	38,399,066	32,973,017
726,539	553,357	80,256	51,378	13,017	15,994	32,263	21,603	48,605,451	42,057,941
13,953,890	10,489,726	31,820,442	26,087,507	428,879	361,583	7,883,422	7,641,980	181,309,090	158,281,941
-	-	7,143,685	6,088,200	-	-	-	-	21,403,633	17,718,887
								162,741	143,548
								738,596	738,596
								(4,543,130)	(4,574,829)
								199,070,930	172,308,143
4,200,251	3,840,380	21,521	14,966	778,540	676,063	361,230	217,483	5,882,409	5,624,102
2,946,768	2,720,088	847,159	1,415,290	2,367,649	1,938,636	456,601	1,084,448	11,730,275	13,260,791
1,107,774	553,219	9,349,923	9,318,833	1,094,834	994,577	50,704,116	60,565,974	68,598,614	82,661,802
634,457	232,360	587,545	336,648	185,740	580,119	378,144	456,679	6,617,673	5,068,169
8,889,250	7,346,047	10,806,148	11,085,737	4,426,763	4,189,395	51,900,091	62,324,584	92,828,971	106,614,864
								3,741,415	3,265,327
								(1,505,465)	(4,916,572)
								95,064,921	104,963,619
								294,135,851	277,271,762
-	-	34,955,793	31,700,278	-	-	-	-	34,955,793	31,700,278
1,462,522	289,896	-	-	34,961	-	12,000	12,000	23,126,139	19,500,823
612,724	549,079	153,056	138,656	110,972	106,889	387,591	333,238	2,052,873	1,880,287
44,734	55,490	-	-	-	-	643	103,991	750,212	839,563
174,789	193,464	-	-	-	-	-	-	4,861,464	3,933,882
2,294,769	1,087,929	35,108,849	31,838,934	145,933	106,889	400,234	449,229	65,746,481	57,854,833
								2,696,934	2,336,241
								(5,171,320)	(5,298,859)
								63,272,095	54,892,215
7,075,668	5,293,347	1,764,197	1,955,235	2,033,388	1,994,141	490,783	768,391	14,471,749	14,315,906
-	-	-	-	-	-	12,074	12,074	3,558,851	4,889,121
462,727	65,000	-	-	-	10,134	-	-	1,829,065	2,918,854
1,454,730	766,477	203,647	137,849	275,233	338,122	207,725	90,515	4,050,929	4,264,109
8,993,125	6,124,824	1,967,844	2,093,084	2,308,621	2,342,397	710,582	870,980	23,910,594	26,387,990
								1,820,551	2,395,379
								3,241,367	2,944,118
								(1,330,799)	(3,678,315)
								27,641,713	28,049,172
								90,913,808	82,941,387
22,843,140	17,835,773	42,626,590	37,173,244	4,855,642	4,550,978	59,783,513	69,966,564	274,138,061	264,896,805
11,287,894	7,212,753	37,076,693	33,932,018	2,454,554	2,449,286	1,110,816	1,320,209	89,657,075	84,242,823

Notes to the Interim Condensed Financial Statements

1 CORPORATE INFORMATION

John Keells Holdings PLC. is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. Ordinary shares of the company are listed on the Colombo Stock Exchange and Global Depository Receipts (GDRs) are listed on the Luxembourg Stock Exchange.

2 INTERIM CONDENSED FINANCIAL STATEMENTS

The financial statements for the period ended 31 December 2017, includes "the Company" referring to John Keells Holdings PLC., as the holding company and "the Group" referring to the companies whose accounts have been consolidated therein.

3 APPROVAL OF FINANCIAL STATEMENTS

The interim condensed financial statements of the Group and the Company for the 9 months ended 31 December 2017 were authorised for issue by the Board of Directors on 30 January 2018.

4 BASIS OF PREPARATION

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2017.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The interim condensed financial statements are presented in Sri Lankan Rupees (LKR) and all values are rounded to the nearest thousand except when otherwise indicated.

5 OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services and has seven reportable operating segments as follows:

- Transportation
- Leisure
- Property
- Consumer Foods & Retail
- Financial Services
- Information Technology
- Others

6 CHANGE IN INSURANCE CONTRACT LIABILITIES

The results of Union Assurance PLC are consolidated line by line into the Group's consolidated income statement. The change in insurance contract liabilities represents the transfer to the Life Fund, the difference between all income and expenditure attributable to life policy holders during the period.

7 BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

7.1 Obtaining control of subsidiaries

Mack International Freight (Pvt) Ltd

In June 2017, Mack International Freight (Pvt) Ltd (formerly known as NDO Lanka (Pvt) Ltd), became a fully owned subsidiary of the Group, arising from the buyout of the 40% stake from the other venture partner, for a nominal value by John Keells Holdings PLC.

The fair value of assets acquired and liabilities assumed were as follows:

In LKR '000s	Mack International Freight (Pvt) Ltd
ASSETS	
Cash	3,211
Trade and other receivables	125,200
Other current assets	26,425
Non-current financial assets	23,335
Non-current assets	524
Property, plant and equipment	1,445
LIABILITIES	
Bank overdrafts	(153,795)
Income tax liabilities	(12,040)
Other current liabilities	(795)
Trade and other payables	(64,588)
Employee benefit liabilities	(7,535)
Total identifiable net assets at fair value	(58,613)
Share of net assets acquired	(23,445)
Goodwill	23,445
Purchase consideration	-
Bank overdraft directly settled by other venture partner	72,000
Cash and cash equivalent acquired	(150,584)
Net cash outflow on acquisition of the subsidiary	(78,584)

7.2 Increase in interest in subsidiaries

Waterfront Properties (Pvt) Ltd

John Keells Holdings PLC. (JKH) further invested LKR 4,202Mn in Waterfront Properties (Pvt) Ltd, a subsidiary of JKH involved in developing, owning, managing, operating, selling, leasing and renting of a luxury multi/mixed use Integrated Resort.

Trans-Ware Logistics (Private) Limited

In November 2017, Trans-Ware Logistics (Private) Limited, became a fully owned subsidiary of the Group, arising from the buyout of the 50% stake from the other venture partners, for a cash consideration of LKR 305Mn by John Keells Holdings PLC.

Notes to the Interim Condensed Financial Statements

7 BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS (Contd.)

7.3 Investment in equity accounted investees

Baybrook Residential Properties (Pvt) Ltd

In September 2017, the Group acquired a 50% stake with a total investment of LKR 1,804Mn in Baybrook Residential Properties (Pvt) Ltd. (formally known as Indra Holdings (Pvt) Ltd).

Nations Trust Bank PLC (NTB)

The Director of Bank Supervision of the Central Bank of Sri Lanka (CBSL) has by letter dated 12 October 2017 informed NTB that the Monetary Board of the CBSL has permitted the John Keells Group to retain its current shareholdings in the Bank till 31 December 2020 and to reduce it to 15 per cent with effect from that date. The Monetary Board has also required NTB to limit the voting rights of the John Keells Group to 10 per cent with effect from 31 March 2018. NTB will continue to be an associate company of the JKH Group. The Group's External Auditors have concurred with this position.

7.4 Disposal of a subsidiary

John Keells BPO Solutions India (Pvt) Ltd

In September 2017, the Group disposed of its 100% interest in John Keells BPO Solutions India (Pvt) Ltd for a sales consideration of LKR 633Mn.

The fair value of assets and liabilities disposed were as follows:

In LKR '000s	John Keells BPO Solutions India (Pvt) Ltd
ASSETS	
Cash	277,276
Short term investments	65,789
Trade and other receivables	287,142
Other current assets	81,657
Property, plant and equipment	48,741
LIABILITIES	
Bank overdrafts	(3,828)
Income tax liabilities	(27,756)
Other current liabilities	(5,121)
Trade and other payables	(109,937)
Employee benefit liabilities	(8,763)
Total identifiable net assets at fair value	605,200
Gain on disposal	28,575
Sales consideration	633,775
Deferred sales consideration	(153,163)
Cash and cash equivalent disposed	(273,448)
Net cash inflow on disposal of non current investments	207,164

8 TAX EXPENSE

The Inland Revenue Act No. 24 of 2017 was certified on 24 October 2017 and is effective from 1 April 2018. Accordingly, Income tax provisions for the period ended 31 December 2017 were made based on rates applicable for Year of Assessment 2017/18 with Deferred tax for the same period being computed based on rates applicable post 1 April 2018, other than for any impact on Land revaluations, which is currently being evaluated.

	Group		Company	
For the nine months ended 31 December	2017	2016	2017	2016
In LKR '000s				
Income statement				
Current income tax	2,804,110	2,862,709	1,034,659	780,448
Deferred tax charge/(reversal)	234,620	118,873	-	-
	3,038,730	2,981,582	1,034,659	780,448
Other comprehensive Income				
Deferred tax charge/(reversal)	(22,708)	(1,185)	-	-
	(22,708)	(1,185)	-	-

9 RELATED PARTY TRANSACTIONS

	Group		Company	
For the nine months ended 31 December	2017	2016	2017	2016
In LKR '000s				
Transactions with related parties				
Subsidiaries				
Purchase of goods	-	-	16,973	2,961
Rendering of services	-	-	628,923	508,365
Receiving of services	-	-	44,256	54,325
Rent paid	-	-	28,880	26,670
Equity accounted investees				
Sale of goods	5,681	11,488	-	-
Rendering of services	483,006	380,731	254,533	207,711
Receiving of services	373,133	327,925	1,228	203
Interest received	199,146	173,318	94,534	70,206
Interest paid	1,340	7,627	-	-
Key management personnel (KMP)				
Sale of goods	-	-	-	-
Close family members of KMP				
Sale of goods	-	-	-	-
Companies controlled/jointly controlled/ significantly influenced by KMP and their close family members of KMP				
Sale of goods	-	-	-	-
Post employment benefit plan				
Contributions to the provident fund	203,057	192,813	48,387	43,105

Notes to the Interim Condensed Financial Statements

10 SHARE INFORMATION

10.1 Stated capital

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

As at	31-12-2017	30-09-2017
Ordinary shares*	1,387,501,097	1,387,495,797

* Includes global depository receipts of 1,320,942 (30.09.2017 - 1,320,942).

10.2 Public share holdings

Percentage of shares held by the public and the number of public shareholders is as given below:

As at	31-12-2017	30-09-2017
Public share holding (%)	97.53	97.53
Public share holders	11,358	10,992

10.3 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 2017.

10.4 Market price per share

The Company's highest, lowest and last traded market price is as given below:

For the quarter ended 31 December	2017 LKR.	2016 LKR.
Highest	166.10	158.00
Lowest	145.00	143.00
Last traded	148.50	145.00

10.5 Directors' share holdings

The number of shares held by the Board of Directors (including their spouses) are as given below:

As at	31-12-2017	30-09-2017
S C Ratnayake – Chairman/CEO	9,241,144	9,241,144
A D Gunewardene – Deputy Chairman (Retired w.e.f. 31 December 2017)	10,989,350	10,989,350
J R F Peiris (Retired w.e.f. 31 December 2017)	2,966,800	2,966,800
K N J Balendra	10,914,400	10,914,400
J G A Cooray	207,105	207,105
D A Cabraal	137	137
A N Fonseka	Nil	Nil
M A Omar	Nil	Nil
M P Perera	Nil	Nil
S S H Wijayasuriya	Nil	Nil

10.6 Twenty largest shareholders

Twenty largest shareholders of the Company are as given below:

As at	31-12-2017		30-09-2017	
	Number of shares	%	Number of shares	%
1 Broga Hill Investment Ltd	141,854,717	10.2%	141,854,717	10.2%
2 Mr. S E Captain	140,655,708	10.1%	136,862,939	9.9%
3 Schroder International Selection Fund	86,509,669	6.2%	77,661,278	5.6%
4 Paints & General Industries Ltd	86,465,085	6.2%	89,935,774	6.5%
5 Melstacorp PLC	49,053,506	3.5%	49,453,712	3.6%
6 HWIC Asia Fund	36,000,982	2.6%	34,164,753	2.5%
7 Aberdeen Global-Asian Smaller Companies Fund	28,413,338	2.0%	30,213,338	2.2%
8 Aberdeen Institutional Commingled Funds LLC	27,473,813	2.0%	27,473,813	2.0%
9 Aberdeen Global Asia Pacific Equity Fund	26,257,908	1.9%	31,257,908	2.3%
10 Northern Trust Co S/A Edgbaston Asian Equity Trust	23,769,313	1.7%	19,798,026	1.4%
11 Aberdeen Global - Emerging Markets Smaller Companies Fund	23,463,481	1.7%	23,463,481	1.7%
12 Employees Trust Fund	21,259,711	1.5%	21,259,711	1.5%
13 Mr. K Balendra	19,606,476	1.4%	19,606,476	1.4%
14 BBH Luxfidelity Fund-Pacific	18,911,322	1.4%	18,911,322	1.4%
15 Deutsche Bank AG-London	15,512,571	1.1%	15,512,571	1.1%
16 First State Investments ICVC	15,486,461	1.1%	15,486,461	1.1%
17 London- Edinburgh Dragon Trust PLC	15,447,390	1.1%	15,447,390	1.1%
18 Mrs. S A J De Fonseka	12,935,666	0.9%	12,935,666	0.9%
19 Mr. C S De Fonseka	12,896,423	0.9%	12,896,423	0.9%
20 T Rowe New Asia Fund	12,831,617	0.9%	12,831,617	0.9%

11 DIVIDENDS PAID

For the nine months ended 31 December In LKR '000s	Company	
	2017	2016
Final dividend for 2016/17 LKR 2.00 (2015/16 LKR 1.50)	2,774,934	1,784,105
Interim dividend for 2017/18 LKR 2.00 (2016/17 LKR 2.00)	2,775,002	2,721,458

Notes to the Interim Condensed Financial Statements

12 CONTINGENCIES, CAPITAL AND OTHER COMMITMENTS

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2017.

13 EVENTS AFTER THE REPORTING PERIOD

Nation Trust Bank PLC (NTB)

On 12th January 2018, the shareholders of NTB approved to issue 40,105,614 Ordinary Non-Voting Convertible Shares in the proportion of four (4) Ordinary Non-Voting Convertible Shares for every twenty three (23) Ordinary Shares held in the capital of the bank by way of a Rights Issue, at a price of Rupees eighty (LKR 80/-) per share. The last date for the acceptance and payment for the rights is 30 January 2018. The John Keells Group has subscribed to its entitlement of rights and also applied for additional rights (if available).

Interim Dividend

The Board of Directors of the Company declared a second interim dividend of LKR 2.00 per share for the financial year 2017/18. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors have confirmed that the Company satisfied the solvency test in accordance with section 57 of the Companies Act No. 07 of 2007, and obtained a certificate from the auditors, prior to declaring the dividend, which is to be paid on 22 February 2018.

Corporate Information

Name of Company

John Keells Holdings PLC

Legal Form

Public Limited Liability Company
Incorporated in Sri Lanka in 1979
Ordinary Shares listed on the
Colombo Stock Exchange
GDRs listed on the
Luxembourg Stock Exchange

Company Registration No.

PQ 14

Directors

S C Ratnayake - Chairman/CEO
K N J Balendra - Deputy Chairman
J G A Cooray
D A Cabraal
A N Fonseka
M A Omar
M P Perera
S S H Wijayasuriya

Senior Independent Director

A N Fonseka

Audit Committee

A N Fonseka - Chairman
D A Cabraal
M P Perera

Human Resources and Compensation Committee

D A Cabraal - Chairman
M A Omar
S S H Wijayasuriya

Nominations Committee

M A Omar - Chairman
M P Perera
S C Ratnayake
S S H Wijayasuriya

Related Party Transaction

Review Committee

M P Perera - Chairperson
D A Cabraal
A N Fonseka
S C Ratnayake

Registered Office of the Company

117 Sir Chittampalam A.
Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6000
Internet : www.keells.com
Email : jkh@keells.com

Secretaries

Keells Consultants (Private)
Limited
117 Sir Chittampalam A.
Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6245
Facsimile : +94 11 243 9037

Investor Relations

John Keells Holdings PLC
117 Sir Chittampalam A.
Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6166
Facsimile : +94 11 230 6160
Email : investor.relations@keells.com

Sustainability, Enterprise Risk Management and Group Initiatives

186 Vauxhall Street
Colombo 2, Sri Lanka
Telephone : +94 11 230 6182
Facsimile : +94 11 230 6249
Email : sustainability@keells.com

Contact for Media

Corporate Communications Division

John Keells Holdings PLC
117 Sir Chittampalam A.
Gardiner Mawatha,
Colombo 2, Sri Lanka
Telephone : +94 11 230 6191
Email : jkh@keells.com

Auditors

Ernst & Young
Chartered Accountants
P.O. Box 101
Colombo, Sri Lanka

Bankers for the Company

Bank of Ceylon
Citibank N.A.
Commercial Bank of Ceylon
Deutsche Bank A.G.
DFCC Bank
Habib Bank
Hatton National Bank
Hongkong and Shanghai Banking
Corporation
MCB Bank
National Savings Bank
Nations Trust Bank
NDB Bank
Pan Asia Banking Corporation
People's Bank
Sampath Bank
Seylan Bank
Standard Chartered Bank

Depository for GDRs

Citibank N.A. New York



www.keells.com