



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
31 ST DECEMBER 2012**

INTERIM FINANCIAL STATEMENTS**FOR THE NINE MONTHS ENDED 31ST DECEMBER 2012****CONSOLIDATED BALANCE SHEET AS AT 31 ST DECEMBER**

	As.At 31.12.2012 Rs. '000	As.At 31.03.2012 Rs. '000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	1,067,402	1,078,074
Intangible Assets	7,720	6,189
WIP	880	-
	1,076,002	1,084,263
CURRENT ASSETS		
Inventories	14,699	13,891
Trade Debtors & Other Receivables	60,208	80,890
Income Tax Receivable	3,246	2,404
Short Term Deposits	155,000	40,000
Cash & Cash Equivalents	11,316	11,338
	244,469	148,523
TOTAL ASSETS	1,320,471	1,232,786
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share Capital	1,108,867	1,108,867
Other Reserves	124,373	124,373
Accumulated losses	(392,763)	(484,993)
	840,477	748,247
NON-CURRENT LIABILITIES		
Interest Bearing Borrowings	331,638	359,832
Retirement Benefit Obligations	4,551	3,881
	336,189	363,713
CURRENT LIABILITIES		
Trade Creditors & Other Payables	82,397	55,495
Interest Bearing Loans & Borrowings	61,408	65,331
	143,805	120,826
TOTAL EQUITY AND LIABILITIES	1,320,471	1,232,786
Net Assets value per share	7.58	6.75

These financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

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Shyamalie Weerasooriya
Chief Financial Officer

Approved and signed for and on behalf of the Board of Directors.

.....
K.D.D.Perera
Chairman

.....
J.A.S.S.Adihetty
Managing Director

Colombo
28 th January 2013

Note: The above figures for the current period are subject to audit.

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 ST DECEMBER 2012

Page 02

CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS ENDED
31 ST DECEMBER

	FOR 3 MONTHS ENDED			FOR 9 MONTHS ENDED		
	31.12.2012	31.12.2011	Variance	31.12.2012	31.12.2011	Variance
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
REVENUE	155,816	121,127	29	366,479	284,612	29
Cost of Sales	(35,655)	(24,946)	43	(90,362)	(76,070)	19
GROSS PROFIT	120,161	96,181	25	276,117	208,542	32
Other Operating Income	8,797	7,246	21	31,809	17,082	86
Administration & Establishment Cost	(56,187)	(50,368)	12	(166,622)	(140,665)	18
Selling & Distribution Cost	(7,056)	(6,409)	10	(19,890)	(13,436)	48
Finance Cost	(13,581)	(12,096)	12	(38,750)	(38,083)	2
Finance Income	5,230	-		9,566	-	
PROFIT/(LOSS) BEFORE TAXATION	57,364	34,554	66	92,230	33,440	176
Taxation	-	-	-	-	-	
PROFIT / (LOSS) FOR THE PERIOD	57,364	34,554	66	92,230	33,440	176
Attributable to:						
Equity holders of the parent	57,364	34,554	66	92,230	33,440	176
	57,364	34,554	66	92,230	33,440	176
Earnings / (Loss) per share for the period	0.52	0.31	66	0.83	0.30	176

Note: The above figures for the current period are subject to audit.

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 ST DECEMBER 2012

Page 03

COMPANY BALANCE SHEET AS AT 31 ST DECEMBER

	As.At 31.12.2012 Rs. '000	As.At 31.03.2012 Rs. '000
ASSETS		
NON-CURRENT ASSETS		
Investment In Subsidiary	1,000,010	1,000,010
	<u>1,000,010</u>	<u>1,000,010</u>
CURRENT ASSETS		
Income Tax Receivables	137	137
Cash & Cash Equivalents	36	36
	<u>173</u>	<u>173</u>
TOTAL ASSETS	<u>1,000,183</u>	<u>1,000,183</u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share Capital	1,108,867	1,108,867
Accumulated losses	(135,590)	(131,089)
	<u>973,277</u>	<u>977,778</u>
NON-CURRENT LIABILITIES		
Non Interest Bearing Borrowings	-	-
Interest Bearing Loans and Borrowings	-	-
Retirement Benefit liability	-	-
	<u>-</u>	<u>-</u>
CURRENT LIABILITIES		
Trade Creditors & Other Payables	26,906	22,405
	<u>26,906</u>	<u>22,405</u>
TOTAL EQUITY AND LIABILITIES	<u>1,000,183</u>	<u>1,000,183</u>
Net Assets value per share	8.78	8.82

These financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

.....
Shyamalie Weerasooriya
Chief Financial Officer

Approved and signed for and on behalf of the Board of Directors.

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K.D.D.Perera
Chairman

.....
J.A.S.S.Adihetty
Managing Director

Colombo
28 th January 2013

Note: The above figures for the current period are subject to audit.

INTERIM FINANCIAL STATEMENTS**FOR THE NINE MONTHS ENDED 31ST DECEMBER 2012****COMPANY INCOME STATEMENT FOR THE NINE MONTHS ENDED
31ST DECEMBER**

	FOR 3 MONTHS ENDED		Variance	FOR 9 MONTHS ENDED		Variance
	31.12.2012	31.12.2011	%	31.12.2012	31.12.2011	%
	Rs. '000	Rs '000		Rs. '000	Rs '000	
REVENUE	-	-		-	-	-
Cost of Sales	-	-		-	-	-
GROSS PROFIT	-	-		-	-	-
Other Operating Income	-	-		-	-	-
Administration & Establishment Cost	(481)	(1,330)	(64)	(4,500)	(2,054)	119
Finance Cost	(1)	(2)	(50)	(1)	(7)	(86)
PROFIT/(LOSS) BEFORE TAXATION	(482)	(1,332)	(64)	(4,501)	(2,061)	118
Taxation	-	-	-	-	-	
NET PROFIT/(LOSS) FOR THE PERIOD	(482)	(1,332)	(64)	(4,501)	(2,061)	118
Earnings / (Loss) per share for the period	(0.00)	(0.01)	(64)	(0.04)	(0.02)	118

Note: The above figures for the current period are subject to audit.

INTERIM FINANCIAL STATEMENTSFOR THE NINE MONTHS ENDED 31ST DECEMBER 2012STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31ST DECEMBER

Consolidated	Stated Capital	Revaluation Reserve	Accumulated Loss	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2011	1,108,867	124,373	(604,009)	629,231
Net Loss for the Period	-	-	33,440	33,440
Balance as at 31 st December 2011	<u>1,108,867</u>	<u>124,373</u>	<u>(570,569)</u>	<u>662,671</u>
Balance as at 01st April 2012	1,108,867	124,373	(484,993)	748,247
Net Profit for the Period	-	-	92,230	92,230
Balance as at 31 st December 2012	<u>1,108,867</u>	<u>124,373</u>	<u>(392,763)</u>	<u>840,477</u>
Company		Stated Capital Rs.'000	Accumulated Loss Rs.'000	Total Rs.'000
Balance as at 01st April 2011		1,108,867	(128,108)	980,759
Net Loss for the Period		-	(2,061)	(2,061)
Balance as at 31 st December 2011		<u>1,108,867</u>	<u>(130,169)</u>	<u>978,698</u>
Balance as at 01st April 2012		1,108,867	(131,089)	977,778
Net Loss for the Period		-	(4,501)	(4,501)
Balance as at 31st December 2012		<u>1,108,867</u>	<u>(135,590)</u>	<u>973,277</u>

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2012

CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 30TH SEPTEMBER

	FOR THE 9 MONTHS ENDED Group		FOR THE 9 MONTHS ENDED Company	
	2012 Rs.'000	2011 Rs.'000	2012 Rs.'000	2011 Rs.'000
Cash Flows From / (Used in) Operating Activities				
Profit/(Loss) before tax	92,230	33,440	(4,501)	(2,061)
Adjustments for				
Depreciation	56,813	55,465	-	-
Interest Expense	38,750	38,083	-	-
Exchange Gain	(4,768)	(1,030)	-	-
Interest Income	(9,566)	-	-	-
Provision for Defined Benefit Plans	710	2,833	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	(6,250)	-	-	-
Operating Profit/(Loss) before Working Capital Changes	167,919	128,791	(4,501)	(2,061)
(Increase)/ Decrease in Inventories	(808)	(3,069)	-	-
(Increase)/ Decrease in Trade and Other Receivables	15,185	(18,423)	-	-
Increase /(Decrease) in Trade and Other Payables	31,557	38,835	4,501	2,191
Cash Generated from Operations	213,853	146,134	-	130
Income Tax Paid	(979)	(963)	-	(137)
Interest Paid	(38,783)	(38,083)	-	-
Gratuity Paid	(40)	-	-	-
Net Cash From Operating Activities	174,051	107,088	-	(7)
Cash Flows from / (Used in) Investing Activities				
Acquisition of Property, Plant & Equipment	(22,874)	(29,847)	-	-
Proceeds from Disposal of Property, Plant & Equipment	8,017	3,637	-	-
Acquisition of Intangible Assets	(1,531)	(2,253)	-	-
Interest Received	9,566	-	-	-
Net Cash Flows from/(Used in) Investing Activities	(6,822)	(28,463)	-	-
Cash Flows from (Used in) Financing Activities				
Re-payment of Interest Bearing Loans and Borrowings	(47,513)	(79,000)	-	-
Principal Payment under Finance Lease Liabilities	(5,896)	(1,765)	-	-
Net Cash Flows from/(Used in) Financing Activities	(53,409)	(80,765)	-	-
Effect of Exchange rates changes on Cash & Cash Equivalent	4,768	1,030	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	118,587	(1,110)	-	(7)
Cash and Cash Equivalents at the beginning of the year	41,478	18,543	36	44
Cash and Cash Equivalents at the end of the period	160,065	17,433	36	37

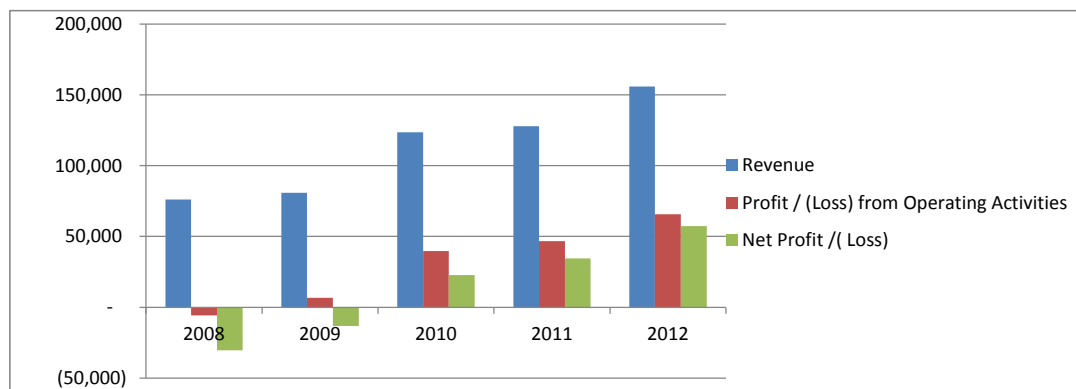
For the purpose of the cash flow statement, the period end cash and cash equivalents comprise of the following:

Cash at Bank & In Hand	166,316	25,917	37	37
Bank Overdraft	(6,251)	(8,484)	(1)	-
	160,065	17,433	36	37

Note: The above figures for the current period are subject to audit.

INTERIM FINANCIAL STATEMENTS**FOR THE NINE MONTHS ENDED 31ST DECEMBER 2012****NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER****1. Market Price per Share for the period**

	31.12.2012	31.12.2011
Highest	20.30	28.30
Lowest	14.60	20.00
Last Traded	16.30	23.00

2. Financial year of the company / group ends on 31st March . Interim figures are for three months ended 31 st December 2012. Figures for the period ended 31 st December 2012 are provisional and subject to Audit.**3. The Balance Sheet of the company and group as at 31 st December 2012 and Statements of Income, Changes in Equity and Cash Flow for the period then ended have been prepared in accordance with Sri Lanka Accounting Standards and are in agreement with the books of accounts maintained by the group and have provided the information required by the Colombo Stock Exchange.****4. The presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant, to be comparable with those for the current year.****5. All values included in these Financial Statements are in Rs.'000 unless otherwise stated.****6. There have been no other material events that took place since 30th December 2012, that require disclosure in the Financial Statements.****7. Net Assets per Share has been calculated, for all periods, based on the number of shares in issue as at 31 st December 2012, amounting to 110,886,684.****8. There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2012.****9. Graphical Analysis of Seasonality performance - For the three Months ended 31 st December****10. The percentage of the shares held by public as at 31 st December 2012 was 27.834% (31st March 2012 27.83 %)**

11. The interim financial statements are unaudited and have been prepared in accordance with the same accounting policies and methods set out in the Annual Financial Statements for the year ended 31 March 2012 and are in compliance with the Sri Lanka Accounting Standard 34 - Interim Financial Reporting.

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 st 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 company has adopted the second alternative option as given in such ruling where by these Financial Statements were prepared in accordance with the Sri Lanka Accounting Standards which existed immediately prior to 01st January 2012. The company is in the process of adopting the new Sri Lanka Accounting Standards (SLFRS/LKAS) with effect from 01st April 2012 and the impact to the Statement of Comprehensive Income and Net Assets has not been determined yet due to the assessment in progress.

12. The number of shares held by the Board of directors as of 31st December 2012 are as follows:

Name of the Director	No of Shares	%
Mr. K.D.D.Perera	10,329,317	9.32
Mr.J.A.S.S. Adhihetty	Nil	Nil
Mr.W.A.D. C. J. Wickramasinghe	19,291	0.02
Mr. Malik J. Fernando	833,333	0.75
Mr. Merrill J. Fernando	2,124,400	1.92
Mr. S. Senaratne	1,000	-
Mr. L.T.Samarawickrama	1,550	-
Mr. D.E.Silva	500	-
Mr.L.N.De Silva Wijeyerathne	Nil	Nil
Mr.W.D.P.B.Perera	500	-
Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama)	Nil	Nil

13. Twenty largest shareholders of the company are as follows,

	Name of the Share Holder	No of Shares	%
1	M J F Holdings Limited	28,616,411	25.81
2	Vallibel Leisure (Pvt) Ltd	24,417,932	22.02
3	Vallibel one PLC	13,676,350	12.33
4	Mr.K.D.D Perera	10,329,317	9.32
5	Vallibel Power Erathna Plc	5,933,400	5.35
6	L B Finance Plc	4,051,100	3.65
7	Mr.Merril J Fernando	2,124,400	1.92
8	Bank of Ceylon No 1. Account	1,461,100	1.32
9	Seylan Bank PLC- Jayantha Dewage	1,441,400	1.30
10	Mrs.N.U.D Ariyaratne	1,414,500	1.27
11	Almar International (Pvt) Ltd.	1,249,600	1.13
12	Mr.D.C Fernando	833,333	0.75
13	Mr. Malik J Fernando	833,333	0.75
14	Freudenberg Shipping Agencies Limited	816,124	0.74
15	Polychrome Inks Limited	566,666	0.51
16	Seylan Bank PLC/Bertram Manson Amarasekara	550,000	0.50
17	Royal Ceramics Lanka PLC	336,100	0.30
18	Merchant Bank of Sri Lanka PLC / J.A.S Piyawardana	315,196	0.28
19	Mr.Y.K.B.Dissanayake	303,540	0.27
20	Mr. R. Manoharan	291,000	0.26

CORPORATE INFORMATION

STATUTORY STATUS	Public Company with Limited Liability, Quoted on the Secondary Board of the Colombo Stock Exchange
COMPANY REGISTRATION NO	<i>PQ 207</i>
BOARD OF DIRECTORS	Mr.K.D.D.Perera (Chairman) Mr. J.A.S.S.Adhihetty(Managing Director) Mr. W. A. D. C.J. Wickramasinghe Mr. Malik .J.Fernando Mr. Merrill J. Fernando Mr. S. Senaratne Mr.L.T.Samarawickrama Mr.W.D.N.H.Perera Mr.D.E.Silva Mr. L.N.De Silva Wijeyeratne Mr.H.Somashantha Mr.W.D.P.B. Perera
HOTEL	The Fortress , Koggala.
REGISTERED OFFICE	Level 27, East Tower World Trade Center Echelon Square Colombo 01
SECRETARIES	P W Corporate Secretarial (Pvt) Ltd. 3/17, Kynsey Road Colombo 08
AUDITORS	Ernst & Young Chartered Accountants 201, De Seram Place Colombo 10
BANKERS	Bank of Ceylon Hatton National Bank PLC Sampath Bank PLC Pan Asia Banking Corporation PLC