

Interim Financial Statement
Three Months Ended 30th June 2012

Ceylon Hotels Corporation PLC
A Member of the Gale Face Hotel Group

Ceylon Hotels Corporation PLC



CORPORATE INFORMATION

Stock Exchange Listing

The Ordinary Shares of the Corporation are listed with the
Colombo Stock Exchange of Sri Lanka

Directors

Mr. Lakshman Samarasinghe - Chairman
Mr. Sanjeev Gardiner
Dr. Dennis Aloysius
Mr. Priyantha Maddumage
Dr. Chrisantha Nonis
Mr. Kuvera De Zoysa
Mr. G.T.Kuttiarachchi
Mr. Jeyam Perumal
Mr. E.M.Mangala Boyagoda

Secretaries

Accounting Systems Secretarial Services (Pvt) Limited
02, Castle Lane, Colombo 04.

Registered Office

Ceylon Hotels Corporation PLC
327 Union Place Colombo 02.
Company Registration No PB 3283
Telephone:- 011 2449168/ 011 2421847 /011 5634573 / 011 5634649
Fax : 011 5345875

Auditors

KPMG Ford, Rhodes, Thornton & Co.
32A, Sir Mohamed Macan Markar Mw.,Colombo 03.

Hotel Reservations

Ceylon Hotels Corporation PLC
Regency Wing - Galle Face Hotel
02, Galle Road, Colombo 3
Tel: 011 5585858 Fax : 011 5345882
Email : sales@ceylonhotels.net
Website : www.ceylonhotels.lk

Ceylon Hotels Corporation PLC

BALANCE SHEET



As at	Group		Company	
	30.06.2012 (Rs. '000')	31.03.2012 (Rs. '000')	30.06.2012 (Rs. '000')	31.03.2012 (Rs. '000')
ASSETS				
Non- Current Assets				
Property, Plant & Equipment	7,846,488	7,866,201	544,318	551,959
Investments in Subsidiary Companies	-	-	41,956	41,956
Investment Property	-	-	986,561	986,561
Intangible Assets	518,383	518,383	518,383	518,383
	8,364,872	8,384,584	2,091,219	2,098,860
Current Assets				
Inventories	62,041	59,330	-	-
Trade & Other Receivables	197,203	199,224	169,486	188,500
Cash & Cash Equivalents	102,787	66,194	17,503	7,444
	362,031	324,748	186,989	195,944
TOTAL ASSETS	8,726,902	8,709,333	2,278,207	2,294,804
EQUITY AND LIABILITIES				
Capital & Reserves				
Stated Capital	1,220,426	1,220,426	1,220,426	1,220,426
Reserves	4,864,516	4,880,416	601,167	606,512
Accumulated Losses	(201,793)	(191,765)	(397,428)	(390,758)
	5,883,149	5,909,077	1,424,165	1,436,179
Minority Interest	1,342,546	1,336,242	-	-
	1,342,546	1,336,242	-	-
Total Equity	7,225,695	7,245,320	1,424,165	1,436,179
Non Current Liabilities				
Interest Bearing Borrowings	475,159	443,175	263,136	238,570
Deferred Tax Liabilities	257,262	257,111	6,898	6,898
Employee Benefits	8,979	8,246	6,367	6,181
	741,400	708,531	276,401	251,649
Current Liabilities				
Trade and Other Payables	622,447	558,156	467,090	437,946
Interest Bearing Borrowings	40,222	89,599	39,562	76,439
Non Interest Bearing Borrowings	1,802	1,802	1,522	1,522
Bank Overdrafts	95,336	105,926	69,466	91,068
	759,808	755,483	577,641	606,976
TOTAL EQUITY AND LIABILITIES	8,726,902	8,709,333	2,278,207	2,294,804
Net Assets per Share (Rs.)	34.24	34.39	8.29	8.36

Note : The above figures for the Three Months ended 30th June 2012 are provisional and subject to Audit
 Figures in brackets indicate deductions.
 All values are in Rupees Thousands unless otherwise stated.

I certify that the Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

Financial Controller

Lakshman Samarasinghe
 Chairman

Colombo, 29 July 2012

Priyantha Maddumage
 Director

Ceylon Hotels Corporation PLC



INCOME STATEMENT

	Group				Company				Variance
	Three Months Ended 30th June		Three Months Ended 30th June		Three Months Ended 30th June		Three Months Ended 30th June		Year
	2012 (Rs.'000')	2011 (Rs.'000')	2012 (Rs.'000')	2011 (Rs.'000')	2012 (Rs.'000')	2011 (Rs.'000')	2012 (Rs.'000')	2011 (Rs.'000')	(Group) %
Revenue	195,746	170,125	195,746	170,125	-	65,717	-	65,717	15
Cost of Sales	(55,164)	(52,087)	(55,164)	(52,087)	-	(24,165)	-	(24,165)	(6)
Gross Profit	140,582	118,038	140,582	118,038	-	41,552	-	41,552	19
Other Operating Income	16,964	5,633	16,964	5,633	9,999	1,184	9,999	1,184	201
Administration Expenses	(151,679)	(116,559)	(151,679)	(116,559)	(21,502)	(41,464)	(21,502)	(41,464)	(30)
Marketing Expenses	(6,746)	(4,783)	(6,746)	(4,783)	-	(1,553)	-	(1,553)	(41)
Other Operating Expenses	(3,989)	(2,034)	(3,989)	(2,034)	-	(1,701)	-	(1,701)	(96)
Profit/(Loss)from Operations	(4,868)	295	(4,868)	295	(11,503)	(1,982)	(11,503)	(1,982)	(1,750)
Finance Expenses	(11,263)	(15,672)	(11,263)	(15,672)	(512)	(15,214)	(512)	(15,214)	28
Profit/(Loss) before Taxation	(16,131)	(15,377)	(16,131)	(15,377)	(12,015)	(17,197)	(12,015)	(17,197)	(5)
Income Tax Expenses	(3,493)	(2,501)	(3,493)	(2,501)	-	-	-	-	(40)
Net Profit/(Loss) after Tax	(19,624)	(17,878)	(19,624)	(17,878)	(12,015)	(17,197)	(12,015)	(17,197)	(10)
Minority Interest	(6,304)	(2,210)	(6,304)	(2,210)	-	-	-	-	185
Net Profit/(Loss)	(25,927)	(20,088)	(25,927)	(20,088)	(12,015)	(17,197)	(12,015)	(17,197)	(29)
Earnings/(Loss) per Share	(0.15)	(0.12)	(0.15)	(0.12)	(0.07)	(0.10)	(0.07)	(0.10)	(29)

Note : The above figures for the Three Months ended 30th June 2012 are provisional and subject to Audit
 Figures in brackets indicate deductions.
 All values are in Rupees Thousands unless otherwise stated.

Ceylon Hotels Corporation PLC



STATEMENT OF CHANGES IN EQUITY - COMPANY

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')
Balance as at 31st March 2010	1,220,426	8,128	462,152	166,718	(330,207)	1,527,217
Surplus on Revaluation of Investment Property	-	-	-	-	2,350	2,350
Deferred Tax impact due to reduction in tax rate	-	-	12,274	-	-	12,274
Transfers	-	-	(21,380)	-	21,380	-
Net Profit / (Loss) for the Year	-	-	-	-	(59,664)	(59,664)
Balance as at 31st March 2011	1,220,426	8,128	453,045	166,718	(366,142)	1,482,176
Transfers	-	-	(21,380)	-	21,380	-
Net Profit / (Loss) for the Period	-	-	-	-	(45,996)	(45,996)
Balance as at 31st March 2012	1,220,426	8,128	431,666	166,718	(390,758)	1,436,179
Transfers	-	-	(5,345)	-	5,345	-
Net Profit / (Loss) for the Period	-	-	-	-	(12,015)	(12,015)
Balance as at 30th June 2012	1,220,426	8,128	426,321	166,718	(397,428)	1,424,165

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')
Balance as at 31st March 2009 (restated)	1,220,426	8,128	485,424	166,718	(314,288)	1,566,408
Net Profit / (Loss) for the Year	-	-	-	-	(39,192)	(39,192)
Transfers	-	-	(21,165)	-	21,165	-
Adjustment on Disposal of Assets	-	-	(2,108)	-	2,108	-
Balance as at 31st March 2010	1,220,426	8,128	462,152	166,718	(330,207)	1,527,216
Surplus on Revaluation of Investment Property	-	-	-	-	2,350	2,350
Transfers	-	-	(21,380)	-	21,380	-
Net Profit/(Loss) for the Period	-	-	-	-	(59,664)	(59,664)
Deferred Tax Effect due to reduction in tax rate	-	-	12,274	-	-	12,274
Balance as at 31st March 2011	1,220,426	8,128	453,045	166,718	(366,141)	1,482,175
Net Profit/(Loss) for the Period	-	-	(5,345)	-	5,345	-
Net Profit / (Loss) for the Period	-	-	-	-	(17,197)	(17,197)
Balance as at 30th June 2011	1,220,426	8,128	447,700	166,718	(377,993)	1,464,978

Note : The above figures for the Three Months ended 30th June 2012 are provisional and subject to Audit

Figures in brackets indicate deductions.

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Ceylon Hotels Corporation PLC



STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')
Balance as at 31st March 2010	1,220,426	8,128	3,752,609	170,019	(362,694)	4,788,487
Surplus on Revaluation of Property, Plant & Equipment	-	-	1,082,159	-	-	1,082,159
Change in fair value on investment Property	-	-	-	-	2,350	2,350
Impairment loss charged against revaluation reserve	-	-	-	-	-	-
Deferred Tax on Revaluation	-	-	(64,526)	-	-	(64,526)
Transfers	-	-	(36,594)	-	36,594	-
Deferred Tax impact due to reduction in tax rate	-	-	29,613	-	-	29,613
Net Profit / (Loss) for the Year	-	-	-	-	40,615	40,615
Balance as at 31st March 2011	1,220,426	8,128	4,763,261	170,019	(283,136)	5,878,699
Transfers to Retained Earnings	-	-	(63,597)	-	63,597	-
Deferred Tax effect on rate change	-	-	2,605	-	-	2,605
Net Profit / (Loss) for the Period	-	-	-	-	27,774	27,774
Balance as at 31st March 2012	1,220,426	8,128	4,702,269	170,019	(191,765)	5,909,077
Transfers to Retained Earnings	-	-	(15,899)	-	15,899	-
Net Profit / (Loss) for the Period	-	-	-	-	(25,927)	(25,927)
Balance as at 30th June 2012	1,220,426	8,128	4,686,369	170,019	(201,793)	5,883,149

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')
Balance as at 31st March 2009 (restated)	1,220,426	8,128	3,791,697	170,119	(361,390)	4,828,978
Net Profit / (Loss) for the Year	-	-	-	-	(39,973)	(39,973)
Reversal of Revaluation Reserve Disposed Assets	-	-	(2,108)	-	2,108	0
Transfer to / (from) Reserves	-	-	(36,980)	(100)	36,618	(461)
Preference Share Dividends	-	-	-	-	(57)	(57)
Balance as at 31st March 2010	1,220,426	8,128	3,752,609	170,019	(362,694)	4,788,487
Surplus on Revaluation of PPE	-	-	1,082,159	-	-	1,082,158.70
Deferred Tax on Revaluation	-	-	(64,526)	-	-	(64,526.09)
Transfers	-	-	(36,594)	-	36,594	-
Deferred Tax Effect due to reduction in tax rate	-	-	29,613	-	-	29,613.20
Changes in fair value on Investment Property	-	-	-	-	2,350	2,350
Net Profit / (Loss) for the Period	-	-	-	-	40,615	40,615
Balance as at 31st March 2011	1,220,426	8,128	4,763,261	170,019	(283,135)	5,878,699
Transfers to Retained Earnings	-	-	(9,148)	-	9,148	-
Net Profit / (Loss) for the Period	-	-	-	-	(20,088)	(20,088)
Balance as at 30th June 2011	1,220,426	8,128	4,754,113	170,019	(294,075)	5,858,609

Note : The above figures for the Three Months ended 30th June 2012 are provisional and subject to Audit
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Ceylon Hotels Corporation PLC

Cash Flow Statement

For the Year Ended 30th June	Group		Company	
	2012 (Rs. '000')	2011 (Rs. '000')	2012 (Rs. '000')	2011 (Rs. '000')
Net Profit/(Loss) before Taxation	(16,131)	(15,377)	(12,015)	(17,197)
Adjustments for:				
Depreciation	36,544	25,781	15,007	11,336
Provision for Gratuity	798	278	250	260
Finance Cost	11,263	15,267	512	15,214
Amortisation of Government Grant	-	(180)	-	(180)
Profit/(Loss) on Disposal of Property Plant & Equipment	809	-	809	-
Other Operating Income	(16,964)	(5,633)	(9,999)	(1,184)
Operating Profit before Working Capital Changes	16,319	20,137	(5,436)	8,249
(Increase) / Decrease in Inventories	(2,710)	(8,964)	-	(3,577)
(Increase) / Decrease in Debtors & Other Receivables	2,021	253,652	19,014	208,031
Increase / (Decrease) in Trade Creditors & Other Payables	64,290	53,046	29,145	74,360
Cash Generated from Operations	79,920	317,871	42,722	287,063
Income Tax Paid	(1,877)	(2,744)	-	(36)
Finance Expenses Paid	(11,263)	(15,672)	(512)	(15,214)
Other Operating Income	16,964	5,633	9,999	1,184
Gratuity Paid	(65)	(86)	(65)	-
Net Cash Inflow from Operating Activities	83,680	305,002	52,145	272,997
Cash Flow from/(used in) Investing Activities				
Acquisition of Property, Plant & Equipment	(19,263)	(103,126)	(8,333)	(113,163)
Proceeds From Disposal of Property Plant & Equipment	160	-	160	-
Net Cash flow from/(used in) Investing Activities	(19,103)	(103,126)	(8,173)	(113,163)
Net Cash Inflow/(Outflow) before Financing Activities	64,576	201,876	43,972	159,834
Cash Flow from/(used in) Financing Activities				
Repayment of Interest Bearing Borrowings	(17,393)	(7,265)	(12,311)	(6,350)
Net Cash flow from (used in) Financing Activities	(17,393)	(7,265)	(12,311)	(6,350)
Net Increase/(Decrease) in Cash & Cash Equivalents	47,183	194,610	31,661	153,484
Net Cash & Cash Equivalents at the beginning of the Period	(39,732)	(234,343)	(83,624)	(237,108)
Net Cash & Cash Equivalents as at 30th June	7,451	(39,732)	(51,963)	(83,624)
Analysis of Net Cash & Cash Equivalents as at 30th June				
Cash & Cash Equivalents	102,787	66,194	17,503	7,444
Bank Overdraft	(95,336)	(105,926)	(69,466)	(91,068)
Net Cash & Cash Equivalents as at 30th June	7,451	(39,732)	(51,963)	(83,624)

Note : The above figures for the Three Months ended 30th June 2012 are provisional and subject to Audit

Figures in brackets indicate deductions.

All values are in Rupees Thousands unless otherwise stated.

Ceylon Hotels Corporation PLC

SHARE INFORMATION



1. The Public Share Holding as at 30th June 2012 17.65%
2. Directors Share Holding as at 30th June 2012

Name of Director	No of Shares
Mr. Lakshman Samarasinghe - Chairman	3,025
Mr. Sanjeev Gardiner	Nil
Dr. Dennis Aloysius	10,069
Mr. Priyantha Maddumage	1
Dr. Chrisantha Nonis	Nil
Mr. Kuvera De Zoysa	Nil
Mr. Gunapala Tissakuttiarachchi	Nil
Mr. Jeyam Perumal	Nil
Mr. E.M.Mangala Boyagoda	Nil

3. Top 20 Ordinary Shareholders as at 30th June 2012

Name	Position	No of Shares	%
Ceylon Hotels Holdings (Pvt) Ltd	1	120,944,925	70.38
Employees Provident Fund	2	20,538,515	11.95
Seylan Bank Ltd/The Galle Face Hotel Co .Ltd	3	9,893,056	5.76
Bank of Ceylon - No 2	4	5,975,000	3.48
National Savings Bank	5	3,304,900	1.92
Mr Hamish Winston Mcdonald Woodward	6	723,173	0.42
Sampath Bank PLC/Capital Trust Holdings (Pvt) Ltd	7	347,789	0.20
Seylan Bank PLC/Mr.Arunasalam Sithampalam	8	320,800	0.19
Mr.Kanishka Nuwan Karunaratne	9	300,150	0.17
Sithlanka (Pvt) Ltd	10	199,500	0.12
Seylan Bank PLC/Capital Trust Holdings (Pvt) Ltd	11	171,802	0.10
Mr. Vivendra Lintotawela	12	150,300	0.09
Mr.S.M.H.Mohamed	13	132,804	0.08
Associated Electrical Corporation Limited	14	128,300	0.07
Cocoshell activated Carbon Company Ltd	15	127,500	0.07
Waldock Mackenzie Ltd / Mr.M.S.F.Haqqe Waldock Mackenzie	16	126,300	0.07
Mr.Piyadasa Guruge	17	125,000	0.07
Premapala Pitipanaarachchi	18	125,000	0.07
Mc Larens Holdings Ltd	19	115,000	0.07
Mr.Derek Joseph De Silva Wijeyeratne	20	112,600	0.07
Sub total		163,862,414	95.36
Balance held by others		7,962,987	4.63
Total number of shares		171,825,401	100.00

NOTES

Market Price per Share for the quarter ended 30th June.

1)

	2012 (Rs.)	2011 (Rs.)
Highest Market Price	18.90	25.80
Lowest Market Price	18.40	25.60
Last Traded Price	18.80	25.80

- 2) The Number of Shares representing the Stated Capital is 171,825,401 Ordinary Shares and 1,200,000 6% non cumulative Preference Shares.
- 3) The Financial Statements have been prepared on the basis of the same Accounting Policies and the Methods applied for the Year Ended 31st March 2012, and are in compliance with SLAS 35.
- 4) The Kandy Hotels Company (1938) PLC, United Hotel Co Ltd, CHC Foods (Pvt) Ltd, Air Line Services Ltd, Tissa Resort (Pvt) Ltd and CHC Rest houses (Pvt) Ltd are the Subsidiary Companies of the Company.
- 5) There have not been any significant changes in the nature of Contingent Liabilities which were disclosed in the Annual Report for the Year Ended 31st March 2012.
- 6) There were no material events taken place after the Balance Sheet date which would require adjustments or disclosure in the Interim Financial Statement.
- 7) A segment is a distinguishable component of an enterprise that is engaged in either providing products or services (Business Segment) or in providing products or services within a particular economic environment (Geographical Segment), which is subject to risks & rewards that are different from those of the segment. However, there are no distinguishable components to be identified as segment for the company.
- 8) The assets of The Kandy Hotels Company (1938) PLC were revalued as at 31st March 2011, on an open market value for existing use basis by Mr.K.Arthur Perera, A.M.I.V (Sri Lanka), Incorporated Valuer. The surplus arising from the revaluation was transferred to the Revaluation Reserve.