

**Interim Financial Statement
Six Months Ended 30th September 2012**

Ceylon Hotels Corporation PLC
A Member of the Galle 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. 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	
	30.09.2012 (Rs. '000')	31.03.2012 (Rs. '000')	30.09.2012 (Rs. '000')	31.03.2012 (Rs. '000')
ASSETS				
Non- Current Assets				
Property, Plant & Equipment	7,849,774	7,866,201	538,228	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
	8,368,157	8,384,584	2,085,128	2,098,860
Current Assets				
Inventories	63,436	59,330	-	-
Trade & Other Receivables	236,205	199,224	213,298	188,500
Cash & Cash Equivalents	47,986	66,194	7,477	7,444
	347,628	324,748	220,774	195,944
TOTAL ASSETS	8,715,785	8,709,333	2,305,902	2,294,804
EQUITY AND LIABILITIES				
Capital & Reserves				
Stated Capital	1,220,426	1,220,426	1,220,426	1,220,426
Reserves	4,848,616	4,880,416	595,822	606,512
Accumulated Losses	(176,163)	(191,765)	(390,077)	(390,758)
	5,892,879	5,909,077	1,426,171	1,436,179
Minority Interest	1,352,381	1,336,242	-	-
	1,352,381	1,336,242	-	-
Total Equity	7,245,260	7,245,320	1,426,171	1,436,179
Non Current Liabilities				
Interest Bearing Borrowings	402,849	443,175	210,745	238,570
Deferred Tax Liabilities	255,142	257,111	4,508	6,898
Employee Benefits	9,593	8,246	6,593	6,181
	667,584	708,531	221,846	251,649
Current Liabilities				
Trade and Other Payables	600,901	558,156	503,902	437,946
Interest Bearing Borrowings	88,939	89,599	76,439	76,439
Non Interest Bearing Borrowings	1,802	1,802	1,522	1,522
Bank Overdrafts	111,297	105,926	76,021	91,068
	802,941	755,483	657,884	606,976
TOTAL EQUITY AND LIABILITIES	8,715,785	8,709,333	2,305,902	2,294,804
Net Assets per Share (Rs.)	34.30	34.39	8.30	8.36

Note : The above figures for the Six Months ended 30th September 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

Priyantha Maddumage
Director

Colombo, 05 November 2012

Ceylon Hotels Corporation PLC



INCOME STATEMENT

	Group				Company				Variance
	Three Months Ended 30th September		Six Months Ended 30th September		Three Months Ended 30th September		Six Months Ended 30th September		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	237,768	209,883	444,010	379,132	10,054	81,023	21,001	145,866	17
Cost of Sales	(54,616)	(58,844)	(109,944)	(110,931)	-	(27,658)	-	(51,823)	1
Gross Profit	183,152	151,039	334,066	268,201	10,054	53,365	21,001	94,043	25
Other Operating Income	25,296	15,382	42,296	21,889	17,539	3,071	27,567	5,129	93
Administration Expenses	(155,227)	(140,894)	(314,348)	(259,125)	(25,441)	(54,743)	(52,730)	(96,206)	(21)
Marketing Expenses	(7,792)	(7,287)	(14,737)	(12,070)	(1)	(3,231)	(3)	(4,784)	(22)
Other Operating Expenses	(3,154)	(2,961)	(8,012)	(4,994)	(2)	(2,843)	(2)	(4,545)	(60)
Profit/(Loss)from Operations	42,275	15,280	39,265	13,902	2,149	(4,381)	(4,167)	(6,363)	182
Finance Expenses	(14,945)	(16,949)	(30,037)	(32,621)	(4,001)	(16,477)	(8,232)	(31,691)	8
Profit/(Loss) before Taxation	27,331	(1,669)	9,228	(18,719)	(1,852)	(20,857)	(12,399)	(38,054)	149
Income Tax Expenses	(5,903)	(2,560)	(7,253)	(5,061)	2,390	-	2,390	-	(43)
Net Profit/(Loss) after Tax	21,428	(4,229)	1,975	(23,781)	538	(20,857)	(10,009)	(38,054)	108
Minority Interest	(11,867)	(5,794)	(18,172)	(7,611)	-	-	-	-	139
Net Profit/(Loss)	9,560	(10,023)	(16,197)	(31,391)	538	(20,857)	(10,009)	(38,054)	48
Earnings/(Loss) per Share	0.06	(0.06)	(0.09)	(0.18)	0.00	(0.12)	(0.06)	0.00	48

Note : The above figures for the Six Months ended 30th September 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	-	-	(10,690)	-	10,690	-
Net Profit / (Loss) for the Period	-	-	-	-	(10,009)	(10,009)
Balance as at 30th September 2012	1,220,426	8,128	420,976	166,718	(390,077)	1,426,171

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	1,220,426	8,128	518,476	166,718	(399,085)	1,514,663
Prior Period Adjustment	-	-	(33,051)	-	84,796	51,745
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
Transfers	-	-	(10,690)	-	10,690	-
Net Profit / (Loss) for the Period	-	-	-	-	(38,054)	(38,054)
Balance as at 30th September 2011	1,220,426	8,128	442,356	166,718	(393,506)	1,444,121

Note : The above figures for the Six Months ended 30th September 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 - GROUP

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total (Rs.'000')	Minority Interest (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	989,355	5,777,842
Surplus on Revaluation of Property, Plant & Equipment	-	-	1,082,159	-	-	1,082,159	331,493	1,413,651
Change in fair value on investment Property	-	-	-	-	2,350	2,350	-	2,350
Deferred Tax on Revaluation	-	-	(64,526)	-	-	(64,526)	(19,766)	(84,292)
Transfers	-	-	(36,594)	-	36,594	-	-	-
Deferred Tax impact due to reduction in tax rate	-	-	29,613	-	-	29,613	5,312	34,925
Net Profit / (Loss) for the Year	-	-	-	-	40,615	40,615	10,928	51,543
Acquisition of Subsidiary	-	-	-	-	-	-	0	0
Preference Share Dividends Paid	-	-	-	-	-	-	(33)	(33)
Balance as at 31st March 2011	1,220,426	8,128	4,763,261	170,019	(283,136)	5,878,699	1,317,287	7,195,985
Transfers to Retained Earnings	-	-	(63,597)	-	63,597	-	-	-
Deferred Tax effect on rate change	-	-	2,605	-	-	2,605	-	2,605
Net Profit /(Loss) for the Period	-	-	-	-	27,774	27,774	19,607	47,381
Ordinary Share Dividend paid	-	-	-	-	-	-	(619)	(619)
Preference Share Dividend paid	-	-	-	-	-	-	(33)	(33)
Balance as at 31st March 2012	1,220,426	8,128	4,702,269	170,019	(191,765)	5,909,077	1,336,242	7,245,320
Transfers to Retained Earnings	-	-	(31,799)	-	31,799	-	-	-
Net Profit /(Loss) for the Period	-	-	-	-	(16,197)	(16,197)	18,172	1,975
Ordinary Share Dividend paid	-	-	-	-	-	-	(2,032)	(2,032)
Balance as at 30th September 2012	1,220,426	8,128	4,670,470	170,019	(176,163)	5,892,879	1,352,381	7,245,260

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')	Minority Interest (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	988,518	5,817,496
Net Profit / (Loss) for the Year	-	-	-	-	(39,973)	(39,973)	855	(39,118)
Reversal of Revaluation Reserve Disposed Assets	-	-	(2,108)	-	2,108	-	-	-
Transfer to /(from) Reserves	-	-	(36,980)	(100)	36,618	(461)	-	(461)
Preference Share Dividends	-	-	-	-	(57)	(57)	(18)	(75)
Balance as at 31st March 2010	1,220,426	8,128	3,752,609	170,019	(362,694)	4,788,487	989,355	5,777,842
Surplus on Revaluation of PPE	-	-	1,082,159	-	-	1,082,158.70	331,493	1,413,652
Deferred Tax on Revaluation	-	-	(64,526)	-	0	(64,526.09)	(19,766)	(84,292)
Transfers	-	-	(36,594)	-	36,594	-	-	-
Deferred Tax Effect due to reduction in tax rate	-	-	29,613	-	-	29,613.20	5,312	34,925
Changes in fair value on Investment Property	-	-	0	-	2,350	2,350	-	2,350
Net Profit /(Loss) for the Period	-	-	-	-	40,615	40,615	10,928	51,543
Acquisition of Subsidiary	-	-	-	-	-	-	-	-
Preference Share Dividend paid	-	-	-	-	-	-	(33)	(33)
Balance as at 31st March 2011	1,220,426	8,128	4,763,261	170,019	(283,135)	5,878,697	1,317,289	7,195,986
Transfers to Retained Earnings	-	-	(18,297)	-	18,297	-	-	-
Net Profit /(Loss) for the Period	-	-	-	-	(31,391)	(31,391)	7,611	(23,780)
Balance as at 30th September 2011	1,220,426	8,128	4,744,964	170,019	(296,230)	5,847,305	1,324,900	7,172,206

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

Cash Flow Statement

For the Year Ended 30th September	Group		Company	
	2012 (Rs. '000')	2011 (Rs. '000')	2012 (Rs. '000')	2011 (Rs. '000')
Net Profit / (Loss) before Taxation	9,228	(18,719)	(12,399)	(38,054)
Adjustments for:				
Depreciation	65,629	68,405	27,087	29,141
Provision for Gratuity	1,612	997	499	554
Finance Cost	30,037	32,621	8,232	31,691
Loss on Transfer of PPE	-	-	132	-
Amortisation of Government Grant	-	(360)	-	(360)
Loss on Disposal of Property Plant & Equipment	1,163	-	1,163	-
Other Operating Income	(42,296)	(15,382)	(27,567)	(5,129)
Operating Profit before Working Capital Changes	65,373	67,561	(2,853)	17,843
(Increase) / Decrease in Inventories	(4,106)	(3,211)	-	(4,917)
(Increase) / Decrease in Debtors & Other Receivables	(36,981)	(39,846)	(24,798)	(91,623)
Increase / (Decrease) in Trade Creditors & Other Payables	42,745	81,953	65,957	116,270
Cash Generated from Operations	67,031	106,457	38,306	37,573
Income Tax Paid	(11,568)	(8,998)	-	(49)
Finance Expenses Paid	(30,037)	(32,621)	(8,232)	(31,691)
Other Operating Income	42,296	15,382	27,567	5,129
Gratuity Paid	(265)	(3,070)	(88)	(115)
Net Cash Inflow from Operating Activities	67,456	77,151	57,553	10,846
Cash Flow from/(used in) Investing Activities				
Acquisition of Property, Plant & Equipment	(48,321)	(80,908)	(14,952)	(56,647)
Proceeds From Disposal of Property Plant & Equipment	304	-	304	-
Net Cash flow from/(used in) Investing Activities	(48,017)	(80,908)	(14,648)	(56,647)
Net Cash Inflow/(Outflow) before Financing Activities	19,439	(3,757)	42,906	(45,801)
Cash Flow from/(used in) Financing Activities				
Dividend paid to minority	(2,032)	-	-	-
Repayment of Interest Bearing Borrowings	(40,986)	(18,131)	(27,825)	(17,216)
Increase in Interest Bearing Borrowings	-	216,500	-	216,500
Net Cash flow from (used in) Financing Activities	(43,018)	198,369	(27,825)	199,284
Net Increase/(Decrease) in Cash & Cash Equivalents	(23,579)	194,612	15,081	153,483
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 September	(63,311)	(39,731)	(68,544)	(83,624)
Analysis of Net Cash & Cash Equivalents as at 30th September				
Cash & Cash Equivalents	47,986	66,194	7,477	7,444
Bank Overdraft	(111,297)	(105,926)	(76,021)	(91,068)
Net Cash & Cash Equivalents as at 30th September	(63,311)	(39,731)	(68,544)	(83,624)

Note : The above figures for the Six Months ended 30th September 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 September 2012 17.65%
2. Directors Share Holding as at 30th September 2012

Name of Director	Ledger	CDS	Total
Mr. Lakshman Samarasinghe - Chairman	131	2,894	3,025
Mr. Sanjeev Gardiner	Nil	Nil	Nil
Dr. Dennis Aloysius	Nil	10,069	10,069
Mr. Priyantha Maddumage	Nil	1	1
Dr. Chrisantha Nonis	Nil	Nil	Nil
Mr. Kuvera De Zoysa	Nil	Nil	Nil
Mr. Gunapala Tissakuttiarachchi	Nil	Nil	Nil
Mr. E.M.Mangala Boyagoda	Nil	Nil	Nil

3. Top 20 Ordinary Shareholders as at 30th September 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	353,301	0.21
Seylan Bank PLC/Mr.Arunasalam Sithampalam	8	320,800	0.19
Mr.Kanishka Nuwan Karunaratne	9	276,500	0.16
Sithlanka (Pvt) Ltd	10	199,500	0.12
Associated Electrical Corporation Limited	11	196,713	0.11
Seylan Bank PLC/Capital Trust Holdings (Pvt) Ltd	12	175,620	0.10
Mr.Vivendra Lintotawela	13	150,300	0.09
Mr.S.M.H.Mohamed	14	132,804	0.08
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		163,916,507	95.39
Balance held by others		7,908,894	4.60
Total number of shares		171,825,401	100.00

NOTES

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

1)

	2012 (Rs.)	2011 (Rs.)
Highest Market Price	29.00	40.00
Lowest Market Price	17.10	21.00
Last Traded Price	27.60	33.40

- 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 Hotels Co (Pvt) 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) 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 1st 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(2) alternative option as given in such ruling where by these Interim Financial Statements were prepared in accordance with the Sri Lanka Accounting Standards which existed immediately prior to 1st January 2012. The Company is in the process of adopting the new Sri Lanka Accounting Standards (SLFRS/LKAS) with effect from 1st 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.
- 6) 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.
- 7) There were no material events taken place after the Balance Sheet date which would require adjustments or disclosure in the Interim Financial Statement.
- 8) 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.
- 9) 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.