

ASiRi HOSPITALS PLC

**PROVISIONAL ACCOUNTS
FOR THE NINE MONTHS ENDED
31 DECEMBER 2009**

Income Statement

For the 9 months ended 31 December 2009

| | Group | | | | Company | | | |
|--|-------------------------------|-------------------------------|----------------------------|----------------------|-------------------------------|-------------------------------|----------------------------|----------------------|
| | <u>31-Dec-2009</u> Rs.'000 | <u>31-Dec-2008</u> Rs.'000 | <u>Variance</u> Rs.'000 | <u>Variance</u> % | <u>31-Dec-2009</u> Rs.'000 | <u>31-Dec-2008</u> Rs.'000 | <u>Variance</u> Rs.'000 | <u>Variance</u> % |
| Revenue | 2,876,472 | 2,471,983 | 404,489 | 16.4 % | 1,131,900 | 992,855 | 139,045 | 14.0 % |
| Cost of Services Rendered | (1,557,171) | (1,327,349) | (229,822) | (17.3 %) | (622,249) | (580,178) | (42,071) | (7.3 %) |
| Gross Operating Profit | 1,319,301 | 1,144,634 | 174,667 | 15.3 % | 509,651 | 412,677 | 96,974 | 23.5 % |
| Other Operating Income | 38,993 | 40,300 | (1,307) | (3.2 %) | 61,601 | 90,442 | (28,841) | (31.9 %) |
| Profit on Deemed Disposal of Subsidiary Ho | 4,903 | - | 4,903 | | - | - | | |
| | 1,363,197 | 1,184,934 | | | 571,252 | 503,119 | | |
| Administrative Expenses | (588,447) | (524,453) | (63,994) | (12.2 %) | (200,456) | (207,760) | 7,304 | 3.5 % |
| Expenses on Private Placement | (51,320) | - | (51,320) | | - | - | | |
| Distribution Costs | (14,164) | (6,299) | (7,865) | (124.9 %) | (4,596) | (3,390) | (1,206) | (35.6 %) |
| Finance Costs | (400,653) | (462,770) | 62,117 | 13.4 % | (159,178) | (167,994) | 8,816 | 5.2 % |
| Net Profit before Taxation | 308,613 | 191,412 | 117,201 | 61.2 % | 207,022 | 123,975 | 83,047 | 67.0 % |
| Income Tax | (87,014) | (46,954) | (40,060) | (85.3 %) | (61,081) | (21,052) | (40,029) | (190.1 %) |
| Net Profit for the Period | 221,599 | 144,458 | 77,141 | 53.4 % | 145,941 | 102,923 | 43,018 | 41.8 % |
| Attributable to: | | | | | | | | |
| Equity Holders of the Parent Company | 141,521 | 54,940 | 86,581 | 157.6 % | | | | |
| Minority Interest | 80,078 | 89,518 | (9,440) | (10.5 %) | | | | |
| Net Profit for the period | 221,599 | 144,458 | | | | | | |
| Basic Earnings Per Share (EPS) - Rs. | 0.16 | 0.06 | | | 0.16 | 0.12 | | |
| Dividends Per Share (DPS) - Rs. | 0.075 | 0.075 | | | 0.075 | 0.075 | | |
| Based on number of shares in issue as 31 December 2009 | | | | | | | | |

* The figures in brackets indicate deductions.

Income Statement

For the 3 months ended 31 December 2009

| | Group | | | | Company | | | |
|---|----------------|----------------|---------------|---------------|----------------|----------------|---------------|---------------|
| | 31-Dec-2009 | 31-Dec-2008 | Variance | Variance | 31-Dec-2009 | 31-Dec-2008 | Variance | Variance |
| | Rs.'000 | Rs.'000 | Rs.'000 | % | Rs.'000 | Rs.'000 | Rs.'000 | % |
| Revenue | 1,005,773 | 851,278 | 154,495 | 18.1 % | 389,695 | 334,964 | 54,731 | 16.3 % |
| Cost of Services Rendered | (541,313) | (448,017) | (93,296) | 20.8 % | (215,742) | (195,724) | (20,018) | 10.2 % |
| Gross Operating Profit | 464,460 | 403,261 | 61,199 | 15.2 % | 173,953 | 139,240 | 34,713 | 24.9 % |
| Other Operating Income | 16,943 | 11,721 | 5,222 | 44.6 % | 10,889 | 41,634 | (30,745) | (73.8 %) |
| Profit on Deemed Disposal of Subsidiary Holding | 4,903 | - | 4,903 | | - | - | | |
| | 486,306 | 414,982 | | | 184,842 | 180,874 | | |
| Administrative Expenses | (206,665) | (176,729) | (29,936) | 16.9 % | (66,266) | (70,346) | 4,080 | (5.8 %) |
| Expenses on Private Placement | (51,320) | - | (51,320) | | - | - | | |
| Distribution Costs | (4,092) | (3,534) | (558) | 15.8 % | (1,621) | (1,817) | 196 | (10.8 %) |
| Finance Costs | (121,474) | (153,945) | 32,471 | (21.1 %) | (47,755) | (58,194) | 10,439 | (17.9 %) |
| Net Profit before Taxation | 102,755 | 80,774 | 21,981 | 27.2 % | 69,200 | 50,517 | 18,683 | 37.0 % |
| Income Tax | (33,675) | (16,068) | (17,607) | 109.6 % | (24,246) | (6,252) | (17,994) | 287.8 % |
| Net Profit for the Period | 69,080 | 64,706 | 4,373 | 6.8 % | 44,954 | 44,265 | 690 | 1.6 % |
| Attributable to: | | | | | | | | |
| Equity Holders of the Parent Company | 52,745 | 27,869 | 24,876 | 89.3 % | | | | |
| Minority Interest | 16,335 | 36,837 | (20,502) | (55.7 %) | | | | |
| Net Profit for the period | 69,080 | 64,706 | | | | | | |

* The figures in brackets indicate deductions.

Balance Sheet

As at 31 December 2009

| Group | Company | | Group | | Company | |
|------------------|------------------|--|---------------------------------|---------------------------------|---------------------------------|-----------------------------|
| | | | As at 31-Dec-2009 Rs.'000 | As at 31-Dec-2008 Rs.'000 | As at 31-Dec-2009 Rs.'000 | As at 31-Dec-2008 Rs. |
| | | ASSETS | | | | |
| | | Non-Current Assets | | | | |
| | | ASSETS | | | | |
| | | Non-Current Assets | | | | |
| 7,153,675 | 1,239,085 | Property, Plant & Equipment | 9,365,825 | 6,326,979 | 1,199,841 | 953,966 |
| 129,898 | - | Leasehold Property | 126,317 | 131,058 | - | - |
| - | 2,271,443 | Investments in Subsidiaries | - | - | 2,543,851 | 2,193,698 |
| 362 | 362 | Other Investments | 519 | 1,185 | 362 | 1,028 |
| 13,333 | - | Loans | 12,583 | 13,583 | - | 48,866 |
| 199,684 | - | Goodwill on consolidation | 198,783 | 195,831 | - | - |
| 7,496,952 | 3,510,890 | | 9,704,027 | 6,668,636 | 3,744,054 | 3,197,558 |
| | | Current Assets | | | | |
| 207,152 | 87,000 | Inventories | 224,980 | 211,163 | 81,633 | 74,449 |
| 370,668 | 60,806 | Trade Receivables & Other Receivables | 345,265 | 456,574 | 91,511 | 78,187 |
| 60,000 | 60,000 | AHL- Employee Share Trust Fund | 60,000 | 60,000 | 60,000 | 60,000 |
| - | 146,224 | Receivable from Related Parties | - | - | 101,586 | 85,300 |
| - | 10,392 | Taxes paid in advance | 2,523 | 963 | - | - |
| 81,700 | 22,782 | Cash & Bank Balances | 759,198 | 94,858 | 22,408 | 35,771 |
| 719,520 | 387,204 | | 1,391,966 | 823,558 | 357,138 | 333,707 |
| 8,216,472 | 3,898,094 | Total Assets | 11,095,993 | 7,492,194 | 4,101,192 | 3,531,265 |
| | | EQUITY & LIABILITIES | | | | |
| | | Capital and Reserves | | | | |
| 1,636,244 | 1,636,244 | Stated Capital | 1,636,244 | 1,636,244 | 1,636,244 | 1,636,244 |
| 358,404 | 358,404 | Reserves | 358,403 | 48,062 | 358,403 | 48,062 |
| 371,758 | 414,275 | Accumulated Profits | 446,583 | 348,955 | 493,521 | 384,215 |
| 2,366,406 | 2,408,923 | | 2,441,230 | 2,033,261 | 2,488,168 | 2,068,521 |
| 912,164 | - | Minority Interest | 2,673,063 | 881,046 | - | - |
| 3,278,570 | 2,408,923 | Total Equity | 5,114,293 | 2,914,307 | 2,488,168 | 2,068,521 |
| | | Non-Current Liabilities & Deferred Income | | | | |
| 59,746 | - | Non-Interest Bearing Long Term Liabilities | 59,746 | 59,542 | - | - |
| 3,074,698 | 466,941 | Interest Bearing Long Term Liabilities | 2,944,934 | 2,697,871 | 474,866 | 452,168 |
| 115,087 | 114,126 | Deferred Tax Liabilities | 119,989 | 129,894 | 114,126 | 129,122 |
| 78,887 | 46,170 | Retirement Benefit Obligations | 84,346 | 80,877 | 54,869 | 47,659 |
| 98,626 | - | Other Payables | 181,366 | 118,665 | - | - |
| 3,427,044 | 627,237 | | 3,390,381 | 3,086,849 | 643,861 | 628,949 |
| | | Current Liabilities | | | | |
| 267,397 | 77,023 | Trade Creditors & Other Payables | 311,662 | 354,138 | 73,081 | 59,852 |
| - | 9,116 | Due from Related Parties | - | - | 17,538 | 18,052 |
| - | - | Deferred Income | 778 | - | - | - |
| 596,857 | 347,835 | Interest Bearing Borrowings | 1,610,072 | 359,528 | 362,121 | 78,925 |
| 5,113 | - | Non interest Bearing Long Term Liabilities | 5,113 | 5,317 | - | - |
| 6,641 | - | Taxes and Levy Payable | 73,951 | 12,723 | 46,541 | 1,503 |
| 23,226 | 23,226 | Dividends Payable | 24,036 | 4,778 | 23,172 | 4,778 |
| 611,624 | 404,734 | Bank Overdrafts | 565,707 | 754,554 | 446,710 | 670,685 |
| 1,510,858 | 861,934 | | 2,591,319 | 1,491,038 | 969,163 | 833,795 |
| 8,216,472 | 3,898,094 | Total Equity & Liabilities | 11,095,993 | 7,492,194 | 4,101,192 | 3,531,265 |
| 2.66 | 2.71 | Net Assets Per Share | 2.75 | 2.29 | 2.80 | 2.33 |

The above figures are provisional & subject to audit.

Sgd.

Priyal De Silva
Group Financial Controller

Sgd.

Ashok Pathirage
Managing Director
February 01, 2010, Colombo

Sgd.

(Mrs.) Sharmini Nimalasuria
Director - Finance

ASIRI HOSPITALS PLC

Statement of Changes in Equity

As at 31 December 2009

| Description | Stated Capital Rs.'000 | Revaluation Reserves Rs.'000 | Accumulated Profit Rs.'000 | Minority Interest Rs.'000 | Total Rs.'000 |
|---|------------------------------|------------------------------------|----------------------------------|---------------------------------|------------------|
| <u>CONSOLIDATED</u> | | | | | |
| Balance as at 01.04.2008 | 711,410 | 48,062 | 427,404 | 578,016 | 1,764,892 |
| Rights Issue | 924,834 | - | - | 288,265 | 1,213,099 |
| Adjustments due changes in stakes | - | - | - | (12,544) | (12,544) |
| Net Profit for the period | - | - | 54,940 | 89,518 | 144,458 |
| Dividends paid by subsidiaries | - | - | - | (62,209) | (62,209) |
| Dividends Paid | - | - | (133,389) | - | (133,389) |
| Balance as at 31.12.2008 | 1,636,244 | 48,062 | 348,955 | 881,046 | 2,914,307 |
| Balance as at 01.04.2009 | 1,636,244 | 358,403 | 371,757 | 912,163 | 3,278,567 |
| Adjustments due changes in stakes | - | - | - | (5,994) | (5,994) |
| Net Profit for the period | - | - | 141,521 | 80,078 | 221,599 |
| Dividends paid by subsidiaries | - | - | - | (31,006) | (31,006) |
| Dividends Paid | - | - | (66,695) | - | (66,695) |
| Issue of shares to Minority by subsidiaries | - | - | - | 1,717,822 | 1,717,822 |
| Balance as at 31.12.2009 | 1,636,244 | 358,403 | 446,583 | 2,673,063 | 5,114,293 |
| <u>COMPANY</u> | | | | | |
| Balance as at 01.04.2008 | 711,410 | 48,062 | 414,681 | - | 1,174,153 |
| Rights Issue | 924,834 | - | - | - | 924,834 |
| Net Profit for the period | - | - | 102,923 | - | 102,923 |
| Dividends | - | - | (133,389) | - | (133,389) |
| Balance as at 31.12.2008 | 1,636,244 | 48,062 | 384,215 | - | 2,068,521 |
| Balance as at 01.04.2009 | 1,636,244 | 358,403 | 414,275 | - | 2,408,922 |
| Net Profit for the period | - | - | 145,941 | - | 145,941 |
| Dividends Paid | - | - | (66,695) | - | (66,695) |
| Balance as at 31.12.2009 | 1,636,244 | 358,403 | 493,521 | - | 2,488,168 |

Cashflow Statement

For the period ended 31 December 2009

| | Group | | Company | |
|---|-----------------------|-------------------------|-------------------------|-------------------------|
| | <u>31-Dec-2009</u> | <u>31-Dec-2008</u> | <u>31-Dec-2009</u> | <u>31-Dec-2008</u> |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| <u>Cash Flows from/(Used In) Operating Activities</u> | | | | |
| Net profit before Taxation | 308,613 | 191,412 | 207,022 | 123,975 |
| <u>Adjustments for</u> | | | | |
| Depreciation | 231,196 | 152,924 | 80,546 | 76,202 |
| Provision for Retiring Gratuity | 16,291 | 14,218 | 11,250 | 11,250 |
| Finance Cost | 400,653 | 462,770 | 159,178 | 167,994 |
| Investment Income | - | - | (34,097) | (68,702) |
| Others | (4,315) | - | - | - |
| | <u>643,825</u> | <u>629,912</u> | <u>216,877</u> | <u>186,744</u> |
| Operating profit before changes in working capital | 952,438 | 821,324 | 423,899 | 310,719 |
| <u>Changes in working capital</u> | | | | |
| (Increase)/Decrease in Inventories | (17,828) | (35,210) | 5,367 | 1,415 |
| (Increase)/Decrease in Trade & Other Receivables | 25,403 | 43,224 | 13,932 | 44,058 |
| Increase/(Decrease) in Trade & Other Payables | 45,129 | 133,156 | 4,479 | (130,098) |
| | <u>52,704</u> | <u>141,170</u> | <u>23,778</u> | <u>(84,625)</u> |
| Cash Generated from Operations | 1,005,142 | 962,494 | 447,677 | 226,094 |
| Finance Cost | (400,653) | (462,770) | (159,178) | (167,994) |
| Gratuity Paid | (10,832) | (3,103) | (2,550) | (2,825) |
| Taxes Paid | (17,325) | (57,012) | (4,148) | (20,165) |
| Non-current payables | 82,739 | 55,644 | - | - |
| | <u>(346,071)</u> | <u>(467,241)</u> | <u>(165,876)</u> | <u>(190,984)</u> |
| Net Cash from Operating Activities | 659,071 | 495,253 | 281,801 | 35,110 |
| <u>Cash Flows from/(Used in) Investing Activities</u> | | | | |
| Purchase of Property, Plant & Equipment | (2,439,765) | (1,330,002) | (41,303) | (22,812) |
| Recovery of non-current loans | 750 | 750 | - | - |
| Investment Income | - | - | 34,097 | 68,702 |
| Investment in Subsidiaries | - | - | (272,408) | (196,563) |
| Other investments | (157) | - | - | - |
| Dividends Received | - | - | - | - |
| Advancing of non-current loans | - | (4,706) | - | (48,866) |
| Net Cash from/(Used in) Investing Activities | <u>(2,439,172)</u> | <u>(1,333,958)</u> | <u>(279,614)</u> | <u>(199,539)</u> |
| | (1,780,101) | (838,705) | 2,187 | (164,429) |
| <u>Cash Flows from/(Used in) Financing Activities</u> | | | | |
| Dividends Paid | (66,749) | (133,429) | (66,749) | (133,429) |
| Dividends Paid to Minority by Subsidiaries | (31,006) | (62,209) | - | - |
| Minority Proceeds from Rights Issue | 1,717,822 | 288,265 | - | - |
| Proceeds from Long Term Loans | 1,261,660 | 1,667,001 | 242,211 | 257,001 |
| Repayment of Interest Bearing Loans | (378,210) | (1,612,702) | (220,000) | (902,779) |
| Net Cash Flows from/(Used in) Financing Activities | <u>2,503,517</u> | <u>146,926</u> | <u>(44,538)</u> | <u>(779,207)</u> |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 723,416 | (691,779) | (42,351) | (943,636) |
| Cash & Cash Equivalents at beginning of the year | <u>(529,925)</u> | <u>32,083</u> | <u>(381,951)</u> | <u>308,722</u> |
| Cash & Cash Equivalents at end of the year | <u>193,491</u> | <u>(659,696)</u> | <u>(424,302)</u> | <u>(634,914)</u> |
| <u>NOTE 1</u> | | | | |
| <u>Cash & cash equivalents</u> | | | | |
| Cash at Bank & Cash in Hand | 759,198 | 94,858 | 22,408 | 35,771 |
| Bank Overdrafts | (565,707) | (754,554) | (446,710) | (670,685) |
| | <u>193,491</u> | <u>(659,696)</u> | <u>(424,302)</u> | <u>(634,914)</u> |

Asiri Hospitals PLC.

Notes to the Interim Financial Statements

The Highest and the Lowest Market Price per Share recorded during the quarter ended 31 December,

| | 2009 | 2008 |
|-----------------------------|-------------------------|-------------|
| | (After the Subdivision) | |
| - Highest Market Price –Rs. | 10.67 | 55.00 |
| - Lowest Market Price - Rs. | 10.25 | 43.00 |
| - Last Traded Price – Rs. | 10.25 | 49.25 |

- Company and the Group have followed the same Accounting Policies and methods of computation as disclosed in the Annual Report for the year ended March 31, 2009 and are in compliance with Sri Lanka Accounting Standard -35, Interim Financial Reporting. Further, new provisions of the new Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company and of the Group.
- At the EGM held on 04 December 2009, each of the shares of the Company subdivided into ten (10) Ordinary Shares.
- Issued and fully paid number of Ordinary Shares as at 31 December 2009 stands at 889,263,050.
- There have been no other events, which require disclosure in the Interim Financial Statements.
- The Board declared an Interim Dividend of Rs 0.75 per share (before the subdivision of shares) for the year ending 31 March 2010 which was paid on 17 August 2009.
- 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 2009.
- All values included in these financial statements are in Rs '000 unless otherwise stated.
- **No of Shares Representing Stated Capital**

| | As at 31 December 2009 | As at 31 December 2008 | As at 31 March 2009 |
|--------------|-----------------------------------|-----------------------------------|--------------------------------|
| No of Shares | 889,263,050 | 88,926,305 | 88,926,305 |

- **Directors & CEOs Share holding**

| | As at 31 December 2009 (After Subdivision) | As at 31 March 2009 | As at 31 March 2008 |
|--|---|------------------------------------|------------------------------------|
| Dr. D. S. Rajapaksa – Chairman | 2,238,420 | 223,842 | 179,074 |
| Dr. S. Selliah | - | - | - |
| Mr. A. K. Pathirage – Managing Director | 368,120 | 36,812 | 21,450 |
| Dr. K. M. P. Karunaratne – Chief Operating Officer | 5,329,270 | 532,927 | 532,777 |
| Mrs. S. D. Nimalasuria | 7,180 | 718 | 574 |
| Mr. P. P. Subasinghe | 11,594,280 | 1,159,428 | 927,543 |
| Mrs. D. Wimalasundera | 9,748,130 | 877,009 | 712,316 |
| Mr. C. D. Weerasinghe | 9,375,000 | 937,500 | 750,000 |
| Mr. G. L. H. Premaratne | - | - | - |
| Mr. S. A. B. Rajapaksa | - | - | - |
| Mr. H. N. Jayasinghe – Resigned w.e.f 10/09/2009 | 6,912,810 | 691,281 | 661,281 |

Asiri Hospitals PLC.

Notes to the Interim Financial Statements Continued...

• **Twenty largest shareholders**

| | As at 31 December 2009 (After Subdivision) | % | As at 31 March 2009 | % |
|--|---|----------|--------------------------------|----------|
| 1 Softlogic Holdings (Pvt.) Ltd | 180,969,200 | 20.35 | 18,096,920 | 20.35 |
| 2 Sri Lanka Insurance Corporation Ltd-Life Fund | 138,634,530 | 15.59 | 13,762,553 | 15.48 |
| 3 Sri Lanka Insurance Corporation Ltd-General Fund | 101,469,770 | 11.41 | 10,203,217 | 11.47 |
| 4 Waldock Mackenzie Ltd/ Jacey Trust | 82,652,800 | 9.29 | 7,425,280 | 8.35 |
| 5 Mr. Tissa Weerasinghe | 60,750,000 | 6.83 | 6,075,000 | 6.83 |
| 6 Softlogic International (Pvt) Ltd | 26,140,890 | 2.94 | 2,614,089 | 2.94 |
| 7 DSI Samson Group (Pvt) Ltd | 20,647,160 | 2.32 | 2,064,716 | 2.32 |
| 8 Softlogic Trading (Pvt.) Ltd | 19,233,030 | 2.16 | 1,923,303 | 2.16 |
| 9 Mr. P P Subasinghe | 11,594,280 | 1.30 | 1,159,428 | 1.30 |
| 10 Mr. C D Weerasinghe | 9,375,000 | 1.05 | 937,500 | 1.05 |
| 11 Mrs. D Wimalasundera | 9,748,130 | 1.10 | 877,009 | 0.99 |
| 12 Mr. H N Jayasinghe | - | - | 691,281 | 0.78 |
| 13 Mr H B Jayasekera | 6,869,410 | 0.77 | 686,941 | 0.77 |
| 14 Mr S C Wimalasundera | 6,308,180 | 0.71 | 630,818 | 0.71 |
| 15 Mr A H Weerasuriya | 5,704,120 | 0.64 | 570,412 | 0.64 |
| 16 Ms. T T Weerasinghe | 5,625,000 | 0.63 | 562,500 | 0.63 |
| 17 Dr K M P Karunaratne | 5,329,270 | 0.60 | 532,927 | 0.60 |
| 18 Mr D M Rajapakshe | 5,034,370 | 0.57 | 503,437 | 0.57 |
| 19 Timex Garments | 3,578,900 | 0.40 | 357,890 | 0.40 |
| 20 Distilleries Company of Sri Lanka Ltd | 3,541,870 | 0.40 | 354,187 | 0.40 |
| 21 Dr. L.D.A.C. Luvis | 3,541,720 | 0.40 | 354,172 | 0.40 |
| | <hr/> 706,747,630 | 79.48 | 70,383,580 | 79.15 |
| Public Share Holding | 431,881,498 | 48.57% | 42,404,098 | 47.68% |