JOHN KEELLS HOLDINGS PLC

Interim Report

Three Months Ended 30th June 2010

CHAIRMAN'S MESSAGE

Dear Stakeholder,

Profit Before Tax (PBT) of Rs. 1.53 billion for the first quarter reflects an increase of 60 per cent compared to the Rs. 959 million in the corresponding period in the previous year.

The profits attributable to Equity Holders for the first quarter, ended 30 June 2010, of Rs. 1.01 billion, reflects an increase of 55 per cent compared to the corresponding period in the previous year.

The revenue for the first quarter ended 30 June 2010, was Rs. 12.92 billion, an increase of 28 per cent over the corresponding period in the previous year.

Transportation PBT for the first quarter increased by 52 per cent to Rs. 802 million compared to the same period last year [2009/10 Q1: Rs. 529 million]. All the businesses in this segment showed an improved performance.

Despite the full complement of our hotel rooms not being available due to refurbishment and upgrades **Leisure** recorded a significant improvement compared to the same period last year [Loss of Rs. 14 million versus a Loss of Rs. 47 million in Q1 last year] on the back of better performance by the Sri Lankan segment. The newly refurbished Chaaya Blu and the Courtyard wing of the Cinnamon Grand were both launched in May. The Chaaya Lagoon Hakuraa Huraa in the Maldives closed in May 2010 for refurbishment and is expected to be re-opened in September 2010. Cinnamon Lodge, Habarana which was non operational in the first quarter has now been re-opened and will be relaunched as a five star resort in November this year. Bentota Beach Hotel, which is under a soft refurbishment programme, will operate without the full complement of rooms until September 2010.

Construction of a 200 room hotel in Beruwala on the 10 acre beach front site owned by the Group will commence in August this year. Our 150 room property in Hikkaduwa, Coral Gardens, has been closed for a complete refurbishment and is scheduled to re-open under the Chaaya brand for Winter 2011/12.

Property had an increase of 324 per cent in PBT to Rs. 145 million compared to the corresponding period last year [2009/10 Q1: Rs. 34 million]. The better performance in the first quarter compared to the corresponding period of last year is due to the revenue recognition cycle of the Emperor project.

Consumer Foods and Retail PBT for the quarter showed an increase of 313 per cent to Rs. 169 million compared to the first quarter last year [2009/10 Q1: Rs. 41 million]. The Soft drinks and ice cream businesses and the Keells Food Products business saw substantial volume growth during the quarter. The processed meats business in India is operating under a new model and we expect an improved financial performance this year. The Retail business bettered its performance this quarter over the corresponding period last year due to higher revenue and margins.

Financial Services PBT of Rs. 377 million for the first quarter is a 74 per cent increase compared to the same period last year [2009/10 Q1: Rs. 217 million]. John Keells Stock Brokers, Union Assurance and the banking associate of the financial services group, Nations Trust Bank, all contributed to this improved performance.

The Information Technology Group recorded a PBT of Rs. 0.8 million for the first quarter [2009/10 Q1: Loss Rs. 32 million] on the back of an improved performance by the Office Automation segment.

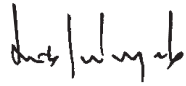
Others comprising of Plantation Services, John Keells Capital and the Corporate Centre recorded a decrease in PBT for the first quarter of 76 per cent to Rs. 52 million [2009/10 Q1: Rs. 217 million]. The drop in prices due to increased global supply of tea, affected the PBT of Plantation Services. Interest income was lower due to the investments made in

the last year and as expected Central Hospital, which comes under the John Keells Capital division, made a loss in its initial months of operations.

A new environmental initiative - John Keells Tree Planting Campaign - was launched in the first quarter by the John Keells Social Responsibility Foundation (JKSRF). The JKSRF-led Group wide initiative to commemorate the World Environment Day falling on 5 June was a success with a total of 473 trees being planted by the Group's businesses in Sri Lanka and the Maldives. In a related project, JKSRF initiated landscaping work on the rail reservation in Slave Island as an environment-friendly project which was completed and commissioned on 31 May 2010 in collaboration with Sri Lanka Railways. In another new initiative aimed at reducing the human-leopard conflict in the villages adjacent to the Yala National Park, JKSRF together with Yala Village has espoused `Project Leopard' which involves the provision of steel pens to herd cattle calves in place of traditional stick-and-wire pens used by villagers. This aims to prevent the growing risk of revenge attacks by farmers on marauding leopards.

With work under the 5-year development plan for Halmillawe in the Anuradhapura District coming to an end in March 2010, the former `border village' of Mangalagama in the Ampara District has been selected as the second village to be developed under the Village Adoption project. JKSRF in the first year will focus mainly on infrastructure including the development of water and irrigation facilities and addressing essential infrastructure requirements of the village school.

The John Keells HIV/AIDS Awareness Campaign has educated a total of 4,114 persons via 19 sessions during the first quarter including multiple sessions for the members of the armed forces.



Susantha Ratnayake
Chairman
29 July 2010

CONSOLIDATED BALANCE SHEET

As at 30th June	**2010**	2009	As at **31.03.2010**
ASSETS			
Non-current assets			
Property, plant & equipment	**30,306,376**	29,673,535	**29,988,664**
Leasehold property	**4,518,283**	4,719,319	**4,576,687**
Investment property	**2,334,475**	2,329,015	**2,334,475**
Intangible assets	**2,528,577**	2,625,042	**2,556,145**
Investments in subsidiaries & joint ventures	**5,115**	5,115	**5,115**
Investments in associates	**14,934,150**	12,696,312	**14,309,186**
Other investments	**8,492,620**	8,449,675	**8,415,216**
Deferred tax assets	**189,193**	156,163	**182,252**
Other non-current assets	**1,946,314**	1,851,415	**1,724,717**
	65,255,103	62,505,591	**64,092,457**
Current assets			
Inventories	**2,336,509**	2,476,728	**2,295,066**
Trade & other receivables	**10,307,371**	9,522,215	**9,933,777**
Amounts due from related parties	**14,366**	14,275	**22,889**
Short term investments	**17,713,705**	16,410,039	**19,300,956**
Cash in hand & at bank	**1,893,247**	1,717,892	**3,013,164**
	32,265,198	30,141,149	**34,565,852**
Total assets	**97,520,301**	92,646,740	**98,658,309**
EQUITY & LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	**23,431,897**	22,544,204	**23,322,400**
Capital reserves	**7,541,047**	7,374,059	**7,573,612**
Revenue reserves	**19,346,215**	15,663,579	**18,936,259**
	50,319,159	45,581,842	**49,832,271**
Minority interest	**6,239,835**	4,675,498	**6,429,512**
Total equity	**56,558,994**	50,257,340	**56,261,783**
Non-current liabilities			
Insurance provisions	**13,652,773**	11,670,613	**12,945,576**
Non-interest bearing borrowings	**18,000**	21,000	**18,000**
Interest bearing borrowings	**9,621,010**	13,755,798	**10,539,450**
Deferred tax liabilities	**743,117**	737,465	**781,742**
Employee benefit liabilities	**1,073,968**	982,615	**1,041,395**
Other deferred liabilities	**4,526**	5,038	**4,655**
Other non-current liabilities	**218,906**	278,045	**216,401**
	25,332,300	27,450,574	**25,547,219**
Current liabilities			
Trade & other payables	**7,169,446**	6,977,022	**8,867,078**
Amounts due to related parties	**6,946**	20,623	**13,163**
Income tax liabilities	**613,753**	573,466	**454,292**
Short term borrowings	**410,000**	90,000	**150,000**
Current portion of interest bearing borrowings	**4,169,847**	2,326,062	**4,168,976**
Dividend payable	**-**	-	**619,455**
Bank overdrafts	**3,259,015**	4,951,653	**2,576,343**
	15,629,007	14,938,826	**16,849,307**
Total equity & liabilities	**97,520,301**	92,646,740	**98,658,309**
	Rs.	Rs.	**Rs.**
Net assets per share	**81.12**	73.48	**80.33**

Note : All values are in Rupees '000s, unless otherwise stated.
The above figures are subject to audit.

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

M.J.S. Rajakariar
Group Financial Controller

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

S. C. Ratnayake
Chairman

J. R. F. Peiris
Group Finance Director

29 July 2010

CONSOLIDATED INCOME STATEMENT

For the three months ended 30th June	**2010**	2009	Change %	Year ended **31.03.2010**
Revenue	**12,919,485**	10,067,314	28	**47,980,004**
Cost of sales	**(10,335,422)**	(8,080,204)	28	**(36,914,007)**
Gross profit	**2,584,063**	1,987,110	30	**11,065,997**
Dividend income	**7,452**	328	2,172	**43,951**
Other operating income	**1,054,093**	1,228,360	(14)	**5,020,745**
Distribution expenses	**(516,678)**	(431,977)	20	**(2,066,691)**
Administrative expenses	**(1,883,194)**	(1,742,005)	8	**(7,218,294)**
Other operating expenses	**(371,271)**	(303,265)	22	**(1,493,864)**
Finance expenses	**(237,990)**	(428,863)	(45)	**(1,370,156)**
Share of results of associates	**894,919**	649,748	38	**2,555,867**
Profit before tax	**1,531,394**	959,436	60	**6,537,555**
Tax expense	**(454,523)**	(267,229)	70	**(985,240)**
Profit for the period	**1,076,871**	692,207	56	**5,552,315**
Attributable to :				
Equity holders of the parent	**1,010,490**	650,446	55	**5,201,491**
Minority interest	**66,381**	41,761	59	**350,824**
	1,076,871	692,207	56	**5,552,315**
Earnings per share	**Rs.**	Rs.		**Rs.**
Basic	**1.63**	1.06		**8.44**
Diluted	**1.60**	1.06		**8.38**
Dividend per share	**1.00**	1.00		**3.00**

Note : All values are in Rupees '000s, unless otherwise stated.
Figures in brackets indicate deductions.
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CONSOLIDATED CASH FLOW STATEMENT

For the three months ended 30th June	Note	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	A	**606,405**	362,516
(Increase)/decrease in inventories		**(41,443)**	(219,353)
(Increase)/decrease in receivables & prepayments		**(267,916)**	(374,095)
(Increase)/decrease in other non-current assets		**(240,926)**	(104,261)
Increase/(decrease) in creditors & accruals		**(1,690,534)**	495,865
Increase/(decrease) in insurance provision		**707,197**	644,999
Cash generated from operations		**(927,217)**	805,671
Interest received		**734,166**	767,086
Finance expenses paid		**(237,990)**	(428,863)
Dividend received		**95,278**	858,853
Tax paid		**(285,280)**	(316,136)
Gratuity paid		**(17,303)**	(18,775)
Net cash flow from operating activities		**(638,346)**	1,667,836
CASH FLOWS FROM /(USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant & equipment		**(780,450)**	(217,072)
Addition to intangible assets		**(23,313)**	(1,983)
Increase in interest in subsidiaries		**-**	(70,113)
Acquisition of quoted investments held for trade		**(38,022)**	-
Proceeds from sale of property, plant & equipment		**14,543**	32,045
Proceeds from sale of investments held for sale		**-**	84,632
(Purchase)/disposal of other investments (net)		**(77,404)**	392,406
Proceeds from/(repayment of) short term investments (net)		**68,000**	99,277
Net cash flow from/(used in) investing activities		**(836,646)**	319,192
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issue of shares		**109,497**	19,096
Direct cost on share issue		**(4,407)**	-
Dividend paid to equity holders of parent		**(1,239,322)**	(611,353)
Dividend paid to minority shareholders		**(230,320)**	(215,691)
Repayment of long term borrowings		**(876,369)**	(412,088)
Proceeds from/(repayment of) short term borrowings (net)		**260,000**	-
Net cash flow from/(used in) financing activities		**(1,980,921)**	(1,220,036)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		**(3,455,913)**	766,992
CASH & CASH EQUIVALENTS AT THE BEGINNING		**18,949,876**	11,978,076
CASH & CASH EQUIVALENTS AT THE END		**15,493,963**	12,745,068
ANALYSIS OF CASH & CASH EQUIVALENTS			
Favourable balances			
Short term investments		**16,859,731**	15,978,829
Cash in hand & at bank		**1,893,247**	1,717,892
Unfavourable balances			
Bank overdrafts		**(3,259,015)**	(4,951,653)
		15,493,963	12,745,068

Note : All values are in Rupees '000s, unless otherwise stated.
Figures in brackets indicate deductions.
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CONSOLIDATED CASH FLOW STATEMENT

For the three months ended 30th June	**2010**	2009
A Profit before working capital changes		
Profit before tax	**1,531,394**	959,436
Adjustments for :		
Interest income	**(734,166)**	(767,086)
Dividend income	**(7,452)**	(328)
Finance expenses	**237,990**	428,863
Share of results of associates	**(894,919)**	(649,748)
Depreciation of property, plant & equipment	**408,702**	449,839
Impairment of property, plant & equipment	**105**	-
Loss/(profit) on sale of property, plant & equipment	**7,903**	(9,889)
Profit on sale of investments held for sale	**-**	(9,109)
Profit on sale of other investments	**-**	(90,478)
Increase in market value of quoted investments held for trade	**(96,051)**	(38,310)
Amortisation/depreciation of leasehold property and other non-current assets	**65,354**	86,850
Amortisation of intangible assets	**57,605**	54,371
Amortisation of other deferred liabilities	**(129)**	(129)
Gratuity provision and related costs	**50,061**	44,422
Unrealised gain on foreign exchange	**(19,992)**	(27,716)
Proceeds from insurance claim on property, plant and equipment	**-**	(30,000)
Negative goodwill on acquisitions	**-**	(38,472)
	606,405	362,516

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STATEMENT OF CHANGES IN EQUITY - GROUP

	Attributable to equity holders of parent										
	Stated capital	Revaluation reserve	Exchange translation reserve	Other capital reserves	General reserves	Dividend reserve	Investment equalisation reserve	Accumulated profit	Total	Minority interest	Total equity
As at 1st April 2010	**23,322,400**	**5,727,326**	**1,417,921**	**428,365**	**3,900,775**	**1,572,188**	**75,000**	**13,388,296**	**49,832,271**	**6,429,512**	**56,261,783**
Share options exercised	109,497	-	-	-	-	-	-	-	109,497	-	109,497
Direct cost on share issue	-	-	-	-	-	-	-	(3,627)	(3,627)	(780)	(4,407)
Currency translation differences	-	-	(13,204)	-	-	-	-	-	(13,204)	(1,998)	(15,202)
Net gain/(loss) recognised directly in equity											
Associate company share of net assets	-	-	(19,361)	-	-	-	-	-	(19,361)	-	(19,361)
Profit for the period	-	-	-	-	-	-	-	1,010,490	1,010,490	66,381	1,076,871
Final dividend - paid 2009/10	-	-	-	-	-	-	-	(619,867)	(619,867)	-	(619,867)
Subsidiary dividend to minority shareholders	-	-	-	-	-	-	-	22,960	22,960	(253,280)	(230,320)
As at 30th June 2010	**23,431,897**	**5,727,326**	**1,385,356**	**428,365**	**3,900,775**	**1,572,188**	**75,000**	**13,798,252**	**50,319,159**	**6,239,835**	**56,558,994**
As at 1st April 2009	**22,525,108**	**5,517,736**	**1,493,222**	**425,765**	**3,870,775**	**1,572,188**	**75,000**	**10,102,307**	**45,582,101**	**4,960,310**	**50,542,411**
Share options exercised	19,096	-	-	-	-	-	-	-	19,096	-	19,096
Currency translation differences	-	-	(30,645)	-	-	-	-	-	(30,645)	(2,620)	(33,265)
Net gain/(loss) recognised directly in equity											
Acquisitions, disposals and changes in holding	-	-	-	-	-	-	-	-	-	(104,046)	(104,046)
Associate company share of net assets	-	-	(32,019)		-	-	-	-	(32,019)	-	(32,019)
Profit for the period	-	-	-		-	-	-	650,446	650,446	41,761	692,207
Final dividend - paid - 2008/09	-	-	-	-	-	-	-	(611,353)	(611,353)	-	(611,353)
Subsidiary dividend to minority shareholders	-	-	-	-	-	-	-	4,216	4,216	(219,907)	(215,691)
As at 30th June 2009	**22,544,204**	**5,517,736**	**1,430,558**	**425,765**	**3,870,775**	**1,572,188**	**75,000**	**10,145,616**	**45,581,842**	**4,675,498**	**50,257,340**

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COMPANY BALANCE SHEET

As at 30th June	**2010**	2009	**As at 31.03.2010**
ASSETS			
Non-current assets			
Property, plant & equipment	**102,425**	196,123	**111,615**
Investment property	**899,000**	899,000	**899,000**
Intangible assets	**34,873**	-	**37,450**
Investments in subsidiaries & joint ventures	**21,951,738**	19,826,830	**21,772,182**
Investments in associates	**9,110,819**	7,959,247	**9,110,819**
Other investments	**79,507**	82,525	**79,507**
Other non-current assets	**56,938**	78,509	**60,079**
	32,235,300	29,042,234	**32,070,652**
Current assets			
Inventories	**776**	807	**778**
Trade & other receivables	**682,988**	606,570	**848,223**
Amounts due from related parties	**631,238**	215,956	**532,884**
Short term investments	**9,265,549**	12,660,129	**10,177,965**
Cash in hand & at bank	**86,368**	43,240	**82,154**
	10,666,919	13,526,702	**11,642,004**
Total assets	**42,902,219**	42,568,936	**43,712,656**
EQUITY & LIABILITIES			
Stated capital	**23,431,897**	22,544,204	**23,322,400**
Revenue reserves	**9,739,823**	7,717,340	**9,345,064**
Total equity	**33,171,720**	30,261,544	**32,667,464**
Non-current liabilities			
Interest bearing borrowings	**6,248,000**	9,817,243	**6,840,000**
Employee benefit liabilities	**95,798**	92,458	**92,630**
	6,343,798	9,909,701	**6,932,630**
Current liabilities			
Trade & other payables	**229,493**	239,788	**343,426**
Amounts due to related parties	**5,924**	6,323	**3,001**
Current portion of interest bearing borrowings	**3,131,493**	1,349,500	**3,135,493**
Dividend payable	**-**	-	**619,455**
Bank overdrafts	**19,791**	802,080	**11,187**
	3,386,701	2,397,691	**4,112,562**
Total equity & liabilities	**42,902,219**	42,568,936	**43,712,656**
	Rs.	Rs.	**Rs.**
Net assets per share	**53.47**	48.78	**52.66**

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

M.J.S. Rajakariar
Group Financial Controller

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

S. C. Ratnayake
Chairman

J. R. F. Peiris
Group Finance Director

29 July 2010

COMPANY INCOME STATEMENT

For the three months ended 30th June	**2010**	2009	Change %	**Year ended 31.03.2010**
Revenue	**135,223**	132,952	2	**544,193**
Cost of sales	**(62,604)**	(57,984)	8	**(230,156)**
Gross profit	**72,619**	74,968	(3)	**314,037**
Dividend income	**987,329**	1,709,368	(42)	**3,573,576**
Other operating income	**241,299**	442,570	(45)	**2,205,081**
Administrative expenses	**(147,300)**	(176,588)	(17)	**(654,211)**
Other operating expenses	**(11,325)**	(13,148)	(14)	**(44,187)**
Finance expenses	**(127,996)**	(236,124)	(46)	**(716,629)**
Profit before tax	**1,014,626**	1,801,046	(44)	**4,677,667**
Tax expense	-	-	-	**(16,608)**
Profit for the period	**1,014,626**	1,801,046	(44)	**4,661,059**
	Rs.	Rs.		**Rs.**
Dividend per share	**1.00**	1.00		**3.00**

Note : *All values are in Rupees '000s, unless otherwise stated.*
Figures in brackets indicate deductions.
The above figures are subject to audit.

COMPANY CASH FLOW STATEMENT

For the three months ended 30th June	**2010**	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**1,014,626**	1,801,046
Adjustments for:		
Interest Income	**(220,190)**	(339,466)
Dividend Income	**(987,329)**	(1,709,368)
Finance expenses	**127,996**	236,124
Depreciation of property, plant & equipment	**10,546**	26,930
Amortisation of intangible assets	**2,577**	-
Impairment of property plant & equipment	**35**	-
Profit on sale of property, plant & equipment	**-**	(97)
Profit on sale of Investments held for sale	**-**	(19,508)
Profit on sale of other investments	**-**	(90,478)
Gratuity provision and related costs	**3,999**	2,110
Unrealised gain on foreign exchange	**(27,686)**	(42,541)
Operating profit before working capital changes	**(75,426)**	(135,248)
(Increase)/decrease in receivables & prepayments	**82,102**	104,229
Increase/(decrease) in creditors & accruals	**(110,670)**	(150,767)
Cash generated from operations	**(103,994)**	(181,786)
Interest received	**220,190**	339,466
Finance expenses paid	**(127,996)**	(236,124)
Dividend received	**987,329**	1,709,368
Tax paid	**(12,683)**	(16,528)
Gratuity paid	**(830)**	(2,010)
Net cash flow from operating activities	**962,016**	1,612,386
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase and construction of property, plant & equipment	**(1,391)**	(1,329)
Increase in interest in subsidiaries	**(179,556)**	(133,113)
Proceeds from sale of property, plant & equipment	**-**	6,250
Proceeds from sale of investments held for sale	**-**	72,404
(Purchase)/disposal of other investments (net)	**-**	844,468
Net cash flow used in investing activities	**(180,947)**	788,680
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from issue of shares	**109,497**	19,096
Dividend paid	**(1,239,322)**	(611,353)
Repayment of long term borrowings	**(568,050)**	(50,000)
Net cash flow from/(used in) financing activities	**(1,697,875)**	(642,257)
NET INCREASE IN CASH & CASH EQUIVALENTS	**(916,806)**	1,758,809
CASH & CASH EQUIVALENTS AT THE BEGINNING	**10,248,932**	10,142,480
CASH & CASH EQUIVALENTS AT THE END	**9,332,126**	11,901,289
ANALYSIS OF CASH & CASH EQUIVALENTS		
Favourable balances		
Short term investments	**9,265,549**	12,660,129
Cash in hand & at bank	**86,368**	43,240
Unfavourable balances		
Bank overdrafts	**(19,791)**	(802,080)
	9,332,126	11,901,289

Note : All values are in Rupees '000s, unless otherwise stated.
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STATEMENT OF CHANGES IN EQUITY - COMPANY

	Stated Capital	General reserve	Dividend reserve	Investment equalisation reserve	Accumulated profit	Total equity
As at 1st April 2010	**23,322,400**	**2,600,000**	**1,519,322**	**75,000**	**5,150,742**	**32,667,464**
Share options exercised	109,497	-	-	-	-	109,497
Profit for the period	-	-	-	-	1,014,626	1,014,626
Final dividend paid - 2009/10	-	-	-	-	(619,867)	(619,867)
As at 30th June 2010	**23,431,897**	**2,600,000**	**1,519,322**	**75,000**	**5,545,501**	**33,171,720**
As at 1st April 2009	**22,525,108**	**2,600,000**	**1,519,322**	**75,000**	**2,333,325**	**29,052,755**
Share options exercised	19,096	-	-	-	-	19,096
Profit for the period	-	-	-	-	1,801,046	1,801,046
Final dividend paid - 2008/09	-	-	-	-	(611,353)	(611,353)
As at 30th June 2009	**22,544,204**	**2,600,000**	**1,519,322**	**75,000**	**3,523,018**	**30,261,544**

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

Figures in brackets indicate deductions.

The above figures are subject to audit.

SEGMENT INFORMATION

For the three months ended 30th June	Transportation		Leisure		Property		Consumer Foods & Retail		Financial Services		Information Technology		Others		Group Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
Total revenue	**3,100,192**	1,865,901	**2,791,140**	2,192,842	**504,016**	206,198	**4,534,270**	3,928,467	**1,385,083**	1,220,715	**460,440**	403,076	**817,444**	817,035	**13,592,585**	10,634,234
Intra segment revenue	**-**	-	**(211,576)**	(149,782)	**-**	(431)	**(100,780)**	(94,436)	**(46)**	-	**(3,201)**	(1,651)	**(12,257)**	(20,442)	**(327,860)**	(266,742)
Segment revenue	**3,100,192**	1,865,901	**2,579,564**	2,043,060	**504,016**	205,767	**4,433,490**	3,834,031	**1,385,037**	1,220,715	**457,239**	401,425	**805,187**	796,593	**13,264,725**	10,367,492
Inter segment revenue	**(84,665)**	(72,196)	**(6,313)**	(2,952)	**(49,281)**	(51,539)	**(18,331)**	(12,141)	**(23,494)**	(18,148)	**(55,111)**	(34,377)	**(108,045)**	(108,825)	**(345,240)**	(300,178)
Revenue	**3,015,527**	1,793,705	**2,573,251**	2,040,108	**454,735**	154,228	**4,415,159**	3,821,890	**1,361,543**	1,202,567	**402,128**	367,048	**697,142**	687,768	**12,919,485**	10,067,314
Segment results	**134,162**	42,363	**(7,884)**	68,229	**140,537**	25,251	**190,428**	87,786	**87,598**	73,262	**(134,009)**	(20,175)	**(603)**	(13,084)	**410,229**	263,632
Eliminations	**11,273**	21,033	**78,087**	14,383	**5,687**	11,485	**(829)**	(3,835)	**7,452**	(46,527)	**149,274**	4,229	**213,292**	474,151	**464,236**	474,919
Finance expenses	**(4,198)**	(8,335)	**(84,470)**	(129,792)	**(1,367)**	(2,569)	**(20,195)**	(42,910)	**(1)**	(41)	**(428)**	(1,511)	**(127,331)**	(243,705)	**(237,990)**	(428,863)
Share of results of associates	**660,342**	473,701	**-**	-	**-**	-	**-**	-	**282,152**	190,515	**(14,010)**	(14,468)	**(33,565)**	-	**894,919**	649,748
Profit/(loss) before tax	**801,579**	528,762	**(14,267)**	(47,180)	**144,857**	34,167	**169,404**	41,041	**377,201**	217,209	**827**	(31,925)	**51,793**	217,362	**1,531,394**	959,436
Tax expense	**(52,672)**	(22,771)	**(35,977)**	(7,545)	**(11,816)**	(11,867)	**(99,612)**	(51,702)	**(182,341)**	(106,351)	**(11,953)**	(5,248)	**(60,152)**	(61,745)	**(454,523)**	(267,229)
Profit/(loss) for the period	**748,907**	505,991	**(50,244)**	(54,725)	**133,041**	22,300	**69,792**	(10,661)	**194,860**	110,858	**(11,126)**	(37,173)	**(8,359)**	155,617	**1,076,871**	692,207
Attributable to:																
Equity holders of the parent	**730,946**	496,286	**(36,781)**	(50,663)	**112,257**	19,997	**52,616**	(8,897)	**189,562**	110,402	**(11,126)**	(37,173)	**(26,984)**	120,494	**1,010,490**	650,446
Minority interest	**17,961**	9,705	**(13,463)**	(4,062)	**20,784**	2,303	**17,176**	(1,764)	**5,298**	456	**-**	-	**18,625**	35,123	**66,381**	41,761
	748,907	505,991	**(50,244)**	(54,725)	**133,041**	22,300	**69,792**	(10,661)	**194,860**	110,858	**(11,126)**	(37,173)	**(8,359)**	155,617	**1,076,871**	692,207
Purchase and construction of PPE	**5,513**	76	**640,982**	128,643	**582**	386	**78,609**	57,312	**38,633**	21,485	**6,580**	4,218	**9,551**	4,952	**780,450**	217,072
Purchase and construction of intangible assets	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**23,313**	1,983	**-**	-	**23,313**	1,983
Depreciation of PPE	**27,659**	26,490	**216,664**	244,899	**2,386**	2,841	**91,601**	93,288	**26,552**	21,874	**11,675**	13,140	**32,165**	47,307	**408,702**	449,839
Amortisation of intangible assets	**3,570**	3,570	**-**	-	**-**	-	**-**	-	**46,854**	46,854	**4,604**	2,517	**2,577**	1,430	**57,605**	54,371
Amortisation/depreciation of leasehold property and other non-current assets	**-**	-	**45,678**	37,731	**-**	-	**19,331**	48,774	**-**	-	**-**	-	**345**	345	**65,354**	86,850
Gratuity provision and related costs	**2,734**	2,057	**18,527**	11,908	**790**	458	**13,781**	15,580	**5,147**	4,203	**2,768**	4,098	**6,314**	6,118	**50,061**	44,422
Impairment of PPE	**-**	-	**-**	-	**-**	-	**70**	-	**-**	-	**-**	-	**35**	-	**105**	-
Amortisation of other deferred liabilities	**-**	-	**81**	81	**-**	-	**-**	-	**-**	-	**-**	-	**48**	48	**129**	129

Note: All values are in Rupees '000s, unless otherwise stated. Figures in brackets indicate deductions.
In addition to segment results, information such as finance expenses, tax expenses has been allocated to segments for better presentation.
The above figures are subject to audit.

NOTES TO THE 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.

The interim financial statements of the Group and the Company for the three months ended 30 June 2010 were authorised for issue by the Board of directors on 29 July 2010.

2 **Basis of preparation**

The interim financial statements of the group and of the company have been prepared on the basis of the same accounting policies and methods applied for the year ended 31 March 2010 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.

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

3 **Share information**

3.1 **Public share holdings**

The percentage of shares held by the public as at 30 June 2010 was 73.64% (31 March 2010 – 73.39%).

3.2 **Directors' share holdings**

The number of shares held by the Board of directors are as follows:

As at	30-06-2010	31-03-2010
S C Ratnayake – Chairman/CEO	**3,403,909**	3,403,909
A D Gunewardene – Deputy Chairman	**3,903,830**	3,903,830
J R F Peiris	**415,790**	415,790
E F G Amerasinghe	**4,136**	4,136
T Das	**Nil**	Nil
E Enderby	**Nil**	Nil
P D Rodrigo	**Nil**	Nil
S S Tiruchelvam	**Nil**	Nil

3.3 **Twenty largest shareholders of the company are as follows:**

	As at	30-06-2010 Number of shares	%	31-03-2010 Number of shares	%
1	Mr S E Captain	**90,845,590**	**14.6**	92,186,290	14.9
2	Janus Overseas Fund	**64,902,100**	**10.4**	64,902,100	10.5
3	Employees Provident Fund	**22,309,348**	**3.6**	10,365,548	1.7
4	Deutsche Bank AG – London	**16,991,000**	**2.7**	16,331,000	2.6
5	The Emerging Markets South Asian Fund	**16,415,358**	**2.6**	19,595,358	3.2
6	Sri Lanka Insurance Corporation Ltd-General Fund	**15,800,000**	**2.5**	15,800,000	2.6
7	Estate of A A N De Fonseka	**14,964,269**	**2.4**	14,964,269	2.4
8	Aberdeen Global Asia Pacific Equity Fund	**14,885,803**	**2.4**	14,885,803	2.4
9	Arisaig India Fund Limited	**14,431,575**	**2.3**	14,431,575	2.3
10	Janus Aspen series Overseas Portfolio Fund	**13,727,500**	**2.2**	13,727,500	2.2
11	Paints & General Industries Limited	**12,955,689**	**2.1**	13,467,521	2.2
12	Sri Lanka Insurance Corporation Ltd-Life Fund	**12,716,085**	**2.0**	13,716,085	2.2
13	J P Morgan Clearing Corp	**12,560,674**	**2.0**	6,204,995	1.0
14	Rubber Investment Trust Limited A/C no.1	**10,697,178**	**1.7**	10,927,178	1.8
15	Ms L A Captain	**7,505,789**	**1.2**	7,433,789	1.2
16	RBC Dexia Investor Services Trust S/A Edinburgh Dragon Trust PLC	**7,452,498**	**1.2**	7,452,498	1.2
17	Mr K Balendra	**7,440,457**	**1.2**	7,440,457	1.2
18	Aberdeen Global-Asian Smaller Companies Fund	**7,102,113**	**1.1**	7,102,113	1.1
19	Aberdeen Asia Pacific Fund	**6,805,672**	**1.1**	6,805,672	1.1
20	Batterymarch Global Emerging Market Fund	**6,730,800**	**1.1**	6,730,800	1.1

3.4 **Stated capital**

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

As at	**30-06-2010**	31-03-2010	30-6-2009
Ordinary shares	**619,354,419**	618,489,896	610,574,327
Global depository receipts	**983,736**	983,736	983,736

3.5 **Net assets per share**

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 30 June 2010.

3.6 **Market price per share**

For the three months ended 30 June	**2010 Rs.**	2009 Rs.
Highest	**207.00**	145.00
Lowest	**177.00**	62.50
Last traded	**205.00**	136.75

4 **Dividend paid**

A final dividend of Rs. 1.00 per share for the financial year ended 31 March 2010 was paid on 10 June 2010.

5 **Contingencies, capital and other commitments**

There has been no significant change in the nature of the contingencies, capital and other commitments, which were disclosed in the annual report for the year ended 31 March 2010.

6 **Post balance sheet events**

There have been no other events subsequent to the Balance sheet date, which require disclosure in the interim financial statements.

7 All values included in these financial statements are in Rs.'000s unless othewise stated.

NOTES

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
A D Gunewardene – Deputy Chairman
J R F Peiris
E F G Amerasinghe
T Das
S Enderby
P D Rodrigo
S S Tiruchelvam

Senior Independent Director
E F G Amerasinghe

Audit Committee
P D Rodrigo – Chairman
E F G Amerasinghe
S Enderby
S S Tiruchelvam

Remuneration Committee
E F G Amerasinghe – Chairman
P D Rodrigo
S S Tiruchelvam

Nominations Committee
T Das – Chairman
S Enderby
S C Ratnayake
S S Tiruchelvam

Bankers
Bank of Ceylon
Citibank N A
Commercial Bank
Deutsche Bank A G
DFCC Bank
DFCC Vardhana Bank
Hatton National Bank
Hongkong and Shanghai Banking Corporation
ICICI Bank
Nations Trust Bank
Pan Asia Banking Corporation
People's Bank
Sampath Bank
Seylan Bank
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