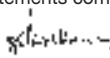


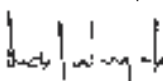
## BALANCE SHEET

As at 31st March <i>In Rs. '000s</i>	Note	Group		Company	
		2009	2008 <i>Re-stated</i>	2009	2008
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2	29,965,422	28,381,329	227,877	289,430
Leasehold property	3	4,775,712	4,638,234	-	-
Investment property	4	2,329,015	2,288,442	899,000	832,158
Intangible assets	5	2,667,891	221,684	-	-
Investments in subsidiaries and joint ventures	6	5,115	5,115	19,693,717	17,452,415
Investments in associates	6	13,055,642	9,952,651	7,959,247	6,204,776
Other investments	6	8,751,603	327,416	814,112	94,957
Deferred tax assets	7	147,846	91,074	-	-
Other non-current assets	8	1,799,000	1,603,746	84,740	65,687
		<u>63,497,246</u>	<u>47,509,691</u>	<u>29,678,693</u>	<u>24,939,423</u>
<b>Current assets</b>					
Inventories	9	2,254,303	3,985,025	810	825
Investments held for sale	6	14,299	37,331	3,900	15,860
Trade and other receivables	10	9,027,653	6,753,452	777,843	263,336
Amounts due from related parties	35	22,129	17,485	200,560	227,481
Short term investments	11	15,347,437	10,455,366	11,431,363	6,984,736
Cash in hand and at bank		2,052,642	2,191,251	16,748	242,702
		<u>28,718,463</u>	<u>23,439,910</u>	<u>12,431,224</u>	<u>7,734,940</u>
<b>Total assets</b>		<u>92,215,709</u>	<u>70,949,601</u>	<u>42,109,917</u>	<u>32,674,363</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent</b>					
Stated capital	12	22,525,108	22,464,267	22,525,108	22,464,267
Capital reserves	13	7,436,723	6,019,027	-	-
Revenue reserves	14	15,620,270	14,913,706	6,527,647	6,342,817
		<u>45,582,101</u>	<u>43,397,000</u>	<u>29,052,755</u>	<u>28,807,084</u>
<b>Minority interest</b>		<u>4,960,310</u>	<u>4,769,775</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u>50,542,411</u>	<u>48,166,775</u>	<u>29,052,755</u>	<u>28,807,084</u>
<b>Non-current liabilities</b>					
Non-interest bearing borrowings	15	21,000	21,000	-	-
Insurance provisions	16	11,025,614	-	-	-
Interest bearing borrowings	17	14,739,141	7,809,452	10,482,593	2,595,493
Deferred tax liabilities	18	777,236	736,045	-	-
Employee benefit liabilities	19	956,917	798,600	92,358	80,330
Other deferred liabilities	20	5,167	7,110	-	-
Other non-current liabilities		274,576	352,051	-	-
		<u>27,799,651</u>	<u>9,724,258</u>	<u>10,574,951</u>	<u>2,675,823</u>
<b>Current liabilities</b>					
Trade and other payables	21	6,505,477	7,869,039	393,311	313,634
Amounts due to related parties	35	16,471	24,953	5,619	9,996
Income tax liabilities	22	514,362	328,104	-	-
Short term borrowings	23	90,000	375,000	-	-
Current portion of interest bearing borrowings	17	1,817,511	1,059,752	777,650	300,000
Bank overdrafts		4,929,826	3,401,720	1,305,631	567,826
		<u>13,873,647</u>	<u>13,058,568</u>	<u>2,482,211</u>	<u>1,191,456</u>
<b>Total equity and liabilities</b>		<u>92,215,709</u>	<u>70,949,601</u>	<u>42,109,917</u>	<u>32,674,363</u>

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

The accounting policies and notes as set out in pages 80 to 127 form an integral part of these financial statements.  
 21 May 2009

## INCOME STATEMENT

For the year ended 31st March In Rs. '000s	Note	Group		Company	
		2009	2008 Re-stated	2009	2008
<b>Revenue</b>	24	<b>41,022,520</b>	41,805,343	<b>587,312</b>	603,665
Cost of sales		<b>(31,211,564)</b>	(30,645,298)	<b>(222,356)</b>	(274,505)
<b>Gross profit</b>		<b>9,810,956</b>	11,160,045	<b>364,956</b>	329,160
Dividend income	25	<b>53,765</b>	93,405	<b>2,482,685</b>	3,159,389
Other operating income	26	<b>3,735,102</b>	2,716,887	<b>1,910,671</b>	1,644,114
Distribution expenses		<b>(1,382,765)</b>	(1,339,501)	-	-
Administrative expenses		<b>(6,255,278)</b>	(5,528,801)	<b>(661,411)</b>	(637,441)
Other operating expenses	27	<b>(1,382,180)</b>	(1,202,402)	<b>(40,232)</b>	(36,872)
Finance expenses	28	<b>(1,695,139)</b>	(1,618,255)	<b>(913,009)</b>	(583,794)
Change in fair value of investment property	4	<b>40,573</b>	-	<b>66,842</b>	-
Share of results of associates		<b>2,349,941</b>	2,242,713	-	-
Profit on sale of non-current investments	29	<b>1,025,779</b>	55,151	<b>1,209,803</b>	41,236
<b>Profit before tax</b>	30	<b>6,300,754</b>	6,579,242	<b>4,420,305</b>	3,915,792
Tax expense	31	<b>(1,326,590)</b>	(1,054,742)	<b>(57,033)</b>	(112,702)
<b>Profit for the year</b>		<b>4,974,164</b>	5,524,500	<b>4,363,272</b>	3,803,090
<b>Attributable to:</b>					
Equity holders of the parent		<b>4,741,818</b>	5,118,934		
Minority interest		<b>232,346</b>	405,566		
		<b>4,974,164</b>	5,524,500		
<b>Earnings per share</b>		<b>Rs.</b>	<b>Rs.</b>		
Basic	32	<b>7.58</b>	8.06		
Diluted	32	<b>7.58</b>	8.00		
<b>Dividend per share</b>	33	<b>3.00</b>	5.00		

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 80 to 127 form an integral part of these financial statements.

21 May 2009

## CASH FLOW STATEMENT

For the year ended 31st March <i>In Rs. '000s</i>	Note	Group 2009	Group 2008 <i>Re-stated</i>	Company 2009	Company 2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before working capital changes	A	3,789,921	5,381,234	4,187,967	4,576,086
(Increase)/decrease in inventories		1,276,007	93,864	14	22
(Increase)/decrease in receivables and prepayments		787,668	213,624	(429,054)	526,884
(Increase)/decrease in other non-current assets		(110,067)	(1,044,779)	(19,052)	26,257
Increase/(decrease) in creditors and accruals		(1,952,124)	1,451,893	73,253	(154,269)
Increase/(decrease) in insurance provision		173,537	-	-	-
<b>Cash generated from operations</b>		<b>3,964,942</b>	<b>6,095,836</b>	<b>3,813,128</b>	<b>4,974,980</b>
Interest received		2,265,663	2,083,916	-	-
Finance expenses paid		(1,695,139)	(1,618,255)	(913,009)	(583,794)
Dividend received		1,090,588	1,491,552	-	-
Tax paid		(1,345,337)	(1,061,346)	(56,075)	(151,736)
Gratuity paid		(92,960)	(77,830)	(3,280)	(13,704)
<b>Net cash flow from operating activities</b>		<b>4,187,757</b>	<b>6,913,873</b>	<b>2,840,764</b>	<b>4,225,746</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>					
Purchase and construction of property, plant and equipment		(2,036,118)	(2,778,167)	(62,937)	(19,723)
Addition to investment property		-	(21,384)	-	(32,158)
Advances paid on investment		-	(615,358)	-	-
Addition to intangible assets		(23,140)	-	-	-
Acquisition of subsidiary	B	170,872	(331,410)	-	-
Increase in interest in subsidiaries		(716,348)	(1,952)	(2,020,901)	(3,022,226)
Increase in interest in associates		(2,728,160)	(858,036)	(2,728,161)	(209,643)
Investment in government securities		-	-	(731,587)	-
Proceeds from sale of property, plant and equipment		88,647	105,107	11,811	410
Proceeds from sale of non-current investments		1,915,261	137,706	1,915,261	53,032
Proceeds from / (repayment of) other investments		(684,696)	-	-	-
Grants received for investing activities		315	4,970	-	-
<b>Net cash flow from / (used in) investing activities</b>		<b>(4,013,367)</b>	<b>(4,358,524)</b>	<b>(3,616,514)</b>	<b>(3,230,308)</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>					
Proceeds from issue of shares - company		60,841	218,373	60,841	218,373
Re-purchase of ordinary shares		(2,295,000)	-	(2,295,000)	-
Proceeds from minority on issue of rights in subsidiaries		5,109	86,900	-	-
Dividend paid to equity holders of parent		(1,883,442)	(3,176,302)	(1,883,442)	(3,176,302)
Dividend paid to minority shareholders		(223,657)	(205,304)	-	-
Proceeds from long term borrowings		8,380,950	1,139,239	8,070,950	-
Repayment of long term borrowings		(1,428,046)	(2,011,519)	(300,000)	(700,000)
Proceeds from/(repayment of) short term borrowings (net)		(285,000)	(2,313,311)	-	(500,000)
<b>Net cash flow from/(used in) financing activities</b>		<b>2,331,755</b>	<b>(6,261,924)</b>	<b>3,653,349</b>	<b>(4,157,929)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2,506,145</b>	<b>(3,706,575)</b>	<b>2,877,599</b>	<b>(3,162,491)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>		<b>9,158,290</b>	<b>12,951,472</b>	<b>6,659,612</b>	<b>9,822,103</b>
<b>CASH AND CASH EQUIVALENTS AT THE END</b>		<b>11,664,435</b>	<b>9,244,897</b>	<b>9,537,211</b>	<b>6,659,612</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>					
<b>Favourable balances</b>					
Cash in hand and at bank		2,052,642	2,191,251	16,748	242,702
Short term investments		15,347,437	10,455,366	11,431,363	6,984,736
Transfer to short term investments		(200,549)	-	-	-
Exchange gain included in short term investments		(605,269)	-	(605,269)	-
<b>Unfavourable balances</b>					
Bank overdrafts		(4,929,826)	(3,401,720)	(1,305,631)	(567,826)
<b>Total cash and cash equivalents as previously reported</b>		<b>11,664,435</b>	<b>9,244,897</b>	<b>9,537,211</b>	<b>6,659,612</b>
Effect of exchange rate changes		-	(86,607)	-	-
<b>Cash and cash equivalents restated</b>		<b>11,664,435</b>	<b>9,158,290</b>	<b>9,537,211</b>	<b>6,659,612</b>

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 80 to 127 form an integral part of these financial statements.

For the year ended 31st March In Rs. '000s	Group		Company	
	2009	2008 Re-stated	2009	2008
<b>A Profit before working capital changes</b>				
Profit before tax	6,300,754	6,579,242	4,420,305	3,915,792
Adjustments for:				
Interest income	(2,265,663)	(2,083,916)	-	-
Dividend income	(53,765)	(93,405)	-	-
Finance expenses	1,695,139	1,618,255	913,009	583,794
Change in fair value of investment property	(40,573)	-	(66,842)	-
Share of results of associates	(2,349,941)	(2,242,713)	-	-
(Profit) / loss on sale of non-current investments	(1,025,779)	(55,151)	(1,209,803)	(41,236)
Depreciation of property, plant and equipment	1,731,626	1,443,471	116,498	110,116
Impairment losses on property, plant & equipment and investments	100,943	3,283	60,263	-
(Profit) / loss on sale of property, plant and equipment	(37,590)	(69,346)	(3,820)	(94)
(Profit) / loss on sale of other investments	(38,192)	(4)	(37,037)	(4)
Amortisation / depreciation of non-current assets	307,583	178,420	-	-
Amortisation of other deferred liabilities	(2,258)	(1,622)	-	-
Gratuity provision and related costs	165,788	165,417	15,308	7,718
(Gain) / loss on foreign exchange	75,138	(5,051)	(19,914)	-
Surplus of insurance claim on property, plant and equipment	(42,676)	-	-	-
(Gain) / loss on revaluation of property, plant and equipment	-	(155)	-	-
Write back of dealer deposits	(89,167)	-	-	-
Negative goodwill on acquisitions	(641,377)	(56,625)	-	-
Unrealised profits	(69)	1,134	-	-
	<u>3,789,921</u>	<u>5,381,234</u>	<u>4,187,967</u>	<u>4,576,086</u>

**B Acquisition of subsidiary**

The fair value of assets acquired and liabilities assumed of Union Assurance PLC were as follows.

Property, plant and equipment	(974,816)
Intangible assets	(2,298,500)
Other non current assets	(454,671)
Other investments	(8,104,141)
Inventories	(3,481)
Trade and other receivables	(2,748,315)
Insurance provision	10,852,077
Deferred tax liabilities	13,085
Employee benefit liabilities	84,736
Income tax liabilities	20,907
Trade and other payables	695,398
Cash and cash equivalents	<u>(1,286,600)</u>
Total net assets	<u>(4,204,321)</u>
Net assets acquired - 41.15% of above	(1,730,429)
Negative goodwill	<u>614,701</u>
Cash consideration paid on acquisition of subsidiary	(1,115,728)
Cash and cash equivalents acquired	<u>1,286,600</u>
Net cash outflow on acquisition of subsidiary	<u>170,872</u>

Note : The assets and liabilities as at the acquisition date are stated at their provisional fair values and may be amended in accordance with SLAS 25 (Revised 2004) - Business Combination.