

SHARE INFORMATION

- The issued ordinary shares of JKH are listed on the Colombo Stock Exchange (CSE)
CSE ticker symbol: JKH.N0000
- Newswire codes:
Bloomberg: JKH.SL, Dow Jones: PJKH, Reuters: JKH.CM

The JKH share

The year under review was a difficult one for the Colombo Stock Exchange (CSE), as it was for world equity markets, due to the liquidity crunch caused by the financial crisis which triggered a global economic downturn. Investor sentiment was further affected by the conflict in the Northern parts of Sri Lanka for a greater part of the year.

During the year 2008/09, the All Share Price Index (ASPI) and Milanka Price Index (MPI) of the CSE recorded 37 per cent and 48 per cent declines respectively.

The JKH share closed at Rs. 62.75 as at 31 March 2009 recording a drop of 47 per cent during the year. The share started the year at Rs. 120.00 and traded between a high of Rs. 121.00 and a low of Rs. 49.50. The JKH share remained liquid throughout the year - and experienced a significant increase in liquidity during the last quarter. Trading in the JKH share accounted for 8 per cent of the total market turnover in 2008/09 and 20 per cent of the total market turnover during the 4th quarter.

Despite the fall in price during the year, the JKH share has largely been able to preserve its long term value relative to the market. As depicted in the chart below, the JKH share performance over the last 5 years is mostly in line with market movements during the same period.

Historically, JKH has been one of the most liquid shares on the CSE. As evident from the graph titled 'share performance vs. ASPI and MPI (over 5 years)', the JKH share has historically been following market movements, outperforming the market in upturns and underperforming the market in downturns. This observation is further confirmed by the beta of 1.33 of the JKH share (note that the beta was calculated on daily JKH share and market movements as measured by ASPI for the 5 year period from 1 April 2004 to 31 March 2009).

With the war in the North of Sri Lanka moving towards a government victory, investor sentiment improved considerably in the last quarter of the year. This is reflected in the ASPI and MPI which have recorded increases of 9 per cent and 6 per cent

respectively during the last quarter (31 December 2008 - 31 March 2009) amidst an increase in market activity. The JKH share price increased by 26 per cent during the same period outperforming the ASPI and MPI by 15 per cent and 18 per cent respectively.

Ordinary shares in issue

During the year under review, the number of JKH shares in issue dropped by 25 million due to the share repurchase in the 3rd quarter. The total number of shares in issue at the beginning of the financial year was 636 million. During the year a total of 25.5 million shares were repurchased, resulting in the number of shares in issue decreasing to 611 million. In addition to the shares in issue, there are 30.83 million shares equivalent of unexercised ESOPs as at 31 March 2009. These are eligible for immediate exercise as at the date of this report.

The balance of global depository receipts (GDRs), in ordinary share equivalents, decreased to 1.0 million as at the end of the year from 1.1 million at the beginning of the year mainly due to the share repurchase.

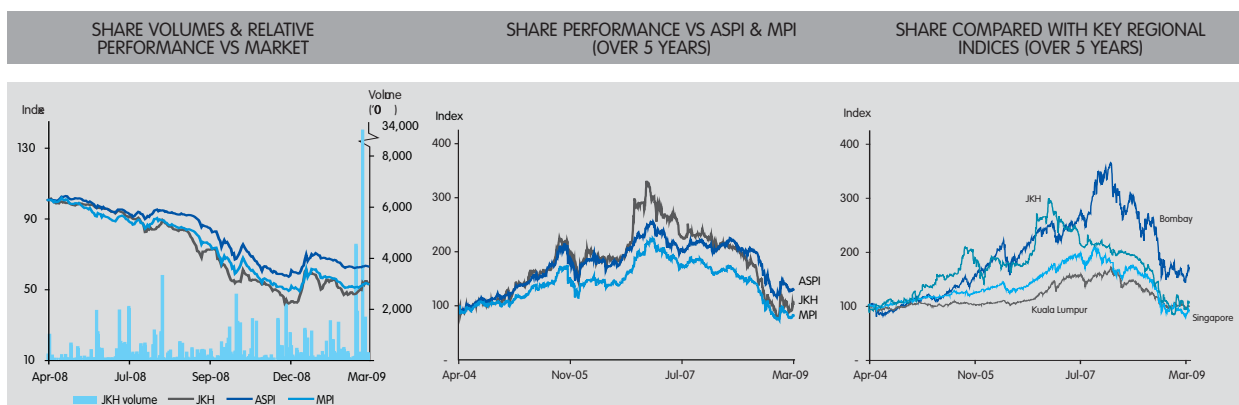
Repurchase of ordinary shares

On 25 September 2008, JKH announced its first share repurchase in the history of the company. The company offered to repurchase shares on a pro rata basis of 1 share for every 25 shares held as at 10 October 2008, up to a maximum of 25.5 million shares. The repurchase price was Rs. 90 per share. The company disbursed Rs. 2.30 billion to shareholders via the repurchase.

Dividends

The dividend policy of JKH seeks to ensure a dividend payout which correlates with the growth in profits, whilst ensuring that the company retains adequate funds to support investments, thereby, facilitating the creation of sustainable shareholder value in the short, medium and long term.

During the year, the company declared, and paid, 2 interim dividends of Rs. 1 per share. The company also announced a final dividend of Rs. 1 per share based on the profits of the financial year 2008/09 for payment on 10 June 2009. No special dividend was announced during the year under review, compared to the year 2007/08 when the company paid a special dividend of Rs. 2 per share in addition to the 2 interim dividends and a final dividend. Accordingly, the dividend per share (DPS) in the current year decreased to Rs. 3 per share compared to Rs. 5 per share in the last year.



The dividend payout ratio dropped to 42 per cent [2007/08: 81 per cent], primarily due to the special dividend of Rs. 2 per share paid in the financial year 2007/08. In absolute terms, the dividend paid during the financial year was Rs. 1.88 billion [2007/08: Rs. 3.18 billion]. Including the repurchase of Rs. 2.30 billion, the total distribution to shareholders amount to Rs. 4.18 billion. The payout ratio taking repurchase disbursements into account would be 93 per cent for the year, which is more than the payout for 2007/08.

	2008/09	2007/08	2006/07
Market cap (Rs. bn)	38.36	76.16	97.95
Enterprise value (Rs. bn)	42.56	76.18	95.96
Market value added (Rs. bn)	(7.22)	32.76	59.47
EV/EBITDA (times)	4.2	7.8	13.0
Diluted EPS (Rs.)	7.58	8.00	6.05
PER (diluted)	8.3	14.8	25.4
Price to book (times)	0.8	1.7	2.2
Price/cash earnings (times)	7.9	12.5	20.5
Dividend yield (%)	4.7	4.8	2.3
Dividend payout (%)	42.0	81.0	62.8
TSR (%)	(44.7)	(19.0)	38.5

Earnings per share

Although the weighted average number of shares in issue was only 626 million [2007/08: 640 million], the fully diluted earnings per share (EPS) for the period fell 5 per cent to Rs. 7.58 [2007/08: Rs. 8.00]. This was due to the drop in profit after tax attributable to the shareholders of 7 per cent to Rs. 4.74 billion largely due to the one off items affecting the bottom line discussed in the Management Discussion & Analysis section of the Annual Report. The cash EPS also fell 17 per cent to Rs. 7.95 [2007/08: Rs. 9.54] in the current year due to the drop in cash earnings of 19 per cent compared to the last year.

Total shareholder returns

The total shareholder returns (TSR) of the JKH share was a negative 44.7 per cent as a result of the 47 per cent fall in the JKH share price during the year, offset by dividends and the share repurchase. The average 1-year treasury bill rate for the same period was 18.56 per cent. Even though the TSR on the JKH share yielded negative returns, the JKH share has consistently outperformed the 1-year treasury bill yield in the past.

Market capitalisation and enterprise value

Market capitalisation of the company dropped by 50 per cent to Rs. 38.36 billion during the year [2007/08: Rs.76.16 billion]. The enterprise value as at 31 March 2009 dropped 44 per cent to Rs. 42.56 billion as a result of the drop in the market capitalisation, despite a Rs. 4.18 billion increase in net debt.

Price earnings ratio

As at 31 March 2009, the JKH share was trading at 8.3 times earnings [2007/08: 14.8 times]. The drop in price earnings ratio has been primarily due to the drop in share price although partially offset by the contraction of EPS.

Price to book

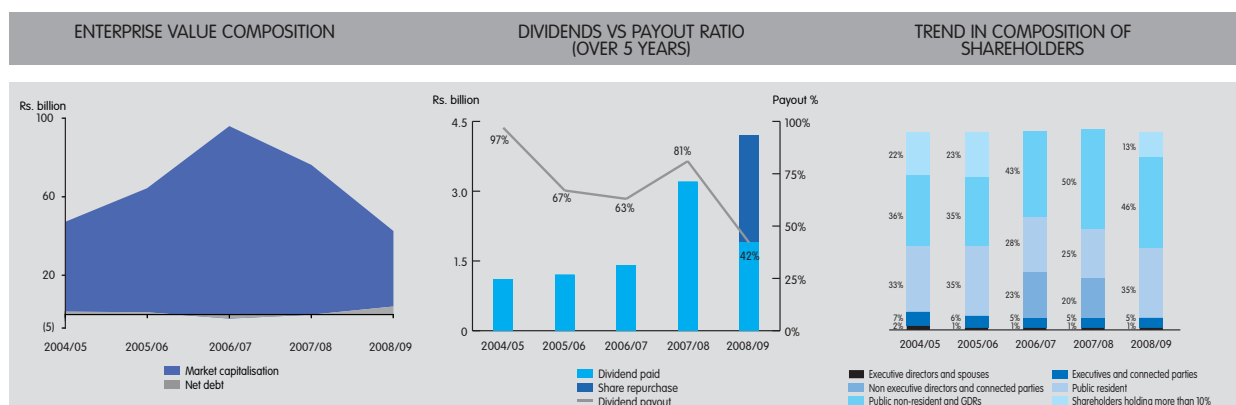
As at 31 March 2009, the price to book ratio of the group was 0.8 times [2007/08: 1.8 times]. The drop in price to book can be primarily attributed to the drop in market value of JKH. The book value of the group increased by 5 per cent during the year under review.

Liquidity

During the year, 109 million shares were traded, which is a marginal increase from last year. The average daily turnover of the JKH share was Rs. 34 million which amounted to 8 per cent of the daily total market turnover. During the year, the percentage free float of the JKH share increased to 81 per cent of the market capitalisation from 75 per cent last year.

Distribution and composition of shareholders

The total number of shareholders of JKH increased to 8,554 from the 8,475 seen last year. Out of the total number of shareholders, 81 per cent of the shares in issue were held by public, while 6 per cent of the shares were held by the directors, executives and connected parties, and the balance 13 per cent by shareholders holding more than 10 per cent as at 31 March 2009. In terms of the domicile of shareholders, 54 per cent of shares were held by residents and 46 per cent was held by non-residents. This compares to 50 per cent held by non-residents at the end of the last year.



MARKET INFORMATION ON ORDINARY SHARES OF THE COMPANY

	2008/09	Q4	Q3	Q2	Q1	2007/08
Share information						
Highest price (Rs.)	121.00	72.00	87.00	109.00	121.00	156.75
Lowest price (Rs.)	49.50	50.00	49.50	81.00	110.00	116.25
As at period end (Rs.)	62.75	62.75	50.00	86.50	110.00	119.75
Dividends paid per share	3.00	1.00	1.00	-	1.00	5.00
Trading statistics						
Number of transactions	15,064	6,752	3,911	3,100	1,301	9,048
Number of shares traded (thousands)	109,156	56,990	22,348	18,302	11,516	104,754
% of total shares in issue	17.9	9.3	3.7	3.0	1.9	16.50
Value of all shares traded (Rs. million)	8,097	3,514	1,411	1,847	1,325	13,930
Average daily turnover (Rs. million)	34	61	24	28	23	58
% of total market turnover	7.5	20.3	17.6	7.5	2.3	16.1
Market capitalisation (Rs. million)	38,362	38,362	30,529	55,021	69,960	76,160
% of total market capitalisation	7.2	7.2	6.3	7.9	8.8	9.2

DISTRIBUTION OF SHAREHOLDERS

	31 March 2009				31 March 2008			
	Number of shareholders	%	Number of shares held	%	Number of shareholders	%	Number of shares held	%
Less than or equal to 1,000	4,961	58.0	1,318,107	0.2	5,151	60.8	1,229,290	0.2
1,001 to 5,000	1,869	21.8	4,554,652	0.7	1,717	20.3	4,123,286	0.6
5,001 to 10,000	536	6.3	3,833,768	0.6	477	5.6	3,380,914	0.5
10,001 to 50,000	779	9.1	16,069,789	2.6	747	8.8	15,525,960	2.4
50,001 to 100,000	132	1.5	9,053,132	1.5	115	1.4	7,916,985	1.2
100,001 to 500,000	153	1.8	34,119,660	5.6	144	1.7	33,511,546	5.3
500,001 to 1,000,000	34	0.4	25,215,666	4.1	31	0.4	23,687,279	3.7
Over 1,000,001	90	1.1	517,188,222	84.6	93	1.1	546,619,292	85.9
Grand total	8,554	100.0	611,352,996	100.0	8,475	100.0	635,994,552	100.0

COMPOSITION OF SHAREHOLDERS

	31 March 2009			31 March 2008		
	Number of shareholders	number of shares held	%	Number of shareholders	number of shares held	%
Executive directors and spouses	6	8,469,617	1.4	6	8,598,117	1.4
Non-executive directors and connected parties	1	4,138	0.1	12	124,274,250	19.5
Executives and connected parties	69	29,305,734	4.8	123	28,901,205	4.5
Public resident						
Institutions	553	121,849,921	19.9	560	73,491,771	11.6
Individuals	7,654	92,212,331	15.1	7,499	83,323,494	13.1
Public non-resident						
Institutions	85	211,725,339	34.6	97	248,498,728	39.1
Individuals	184	65,840,621	10.8	177	67,794,301	10.7
Global depository receipts	1	993,406	0.2	1	1,112,686	0.2
Shareholders holding more than 10%	1	80,951,889	13.2	-	-	0.0
Total	8,554	611,352,996	100.0	8,475	635,994,552	100.0

EMPLOYEE SHARE OPTION PLAN AS AT 31 MARCH 2009

	Date of grant	Shares granted	Expiry date	Option granted price	Shares* adjusted	Exercised	Lapsed/cancelled	Outstanding	Current price*
PLAN 2									
Award 3	23.01.2004	2,994,209	22.01.2009	104.25	5,129,406	2,907,721	2,221,685	-	70.81
PLAN 3									
Award 1	29.03.2005	5,503,850	28.03.2010	136.00	9,746,823	2,249,994	476,051	7,020,778	92.72
Award 2	10.04.2006	6,645,575	09.04.2011	157.25	10,301,859	502,319	973,599	8,825,941	120.74
Award 3	28.05.2007	10,551,062	27.05.2012	146.00	10,551,062	-	817,220	9,733,842	146.00
		22,700,487			30,599,744	2,752,313	2,266,870	25,580,561	
PLAN 4									
Award 1	25.03.2008	5,405,945	24.03.2013	120.00	5,405,945	-	160,400	5,245,545	120.00
Total		31,100,641			41,135,095	5,660,034	4,648,955	30,826,106	

* Adjusted for bonus issues and rights issues

TWENTY LARGEST SHAREHOLDERS OF THE COMPANY

	31 March 2009		31 March 2008	
	Number of shares	%	Number of shares	%
1 Mr S E Captain	80,951,889	13.2	81,364,526	12.8
2 Mr R Rajaratnam	56,358,764	9.2	58,186,212	9.2
3 Sri Lanka Insurance Corporation Ltd-Life Fund	28,062,085	4.6	N/A	
4 The Emerging Markets South Asian Fund	20,142,258	3.3	7,025,900	1.1
5 Genesis Smaller Companies	15,708,495	2.6	15,988,995	2.5
6 Estate of A A N De Fonseka	14,964,269	2.4	15,819,977	2.5
7 Aberdeen Global Asia Pacific Equity Fund	14,885,803	2.4	15,737,023	2.5
8 Arisaig India Fund Limited	14,783,475	2.4	14,783,475	2.3
9 Genesis Group Trust Emerging Markets Fund	13,666,677	2.2	13,666,677	2.2
10 FS Asia Pacific	12,458,500	2.0	12,062,964	1.9
11 Sri Lanka Insurance Corporation Ltd-General Fund	10,800,000	1.8	N/A	
12 Rubber Investment Trust Limited A/C no.1	10,763,178	1.8	10,847,729	1.7
13 Genesis Emerging Markets Opportunities Fund Limited	8,639,739	1.4	13,989,739	2.2
14 Fast Gain International Limited	7,805,062	1.3	7,406,314	1.2
15 Mr K Balendra	7,702,457	1.3	8,142,909	1.3
16 FS Global Emerging Markets Fund	7,269,400	1.2	6,955,246	1.1
17 Aberdeen Asia Pacific Fund	6,805,672	1.1	7,194,843	1.1
18 First State Asian Equity Plus Fund	6,480,700	1.1	5,699,504	0.9
19 Ms L A Captain	6,400,289	1.0	7,058,272	1.1
20 Employees Provident Fund	5,995,548	1.0	5,313,058	0.8

DIVIDENDS SINCE 1992/93

Year ended 31 March	DPS (Rs.)	Dividends (Rs.'000)
1992	3.00	34,701
1993	2.50	35,754
1994	2.50	47,340
1995	3.50	84,285
1996	2.80	77,586
1997	3.00	92,050
1998	4.00	155,783
1999	4.00	151,343
2000	3.00	168,150
2001	2.00	353,128
2002	2.00	329,869
2003	2.00	342,203
2004	2.50	725,783
2005	3.00	1,027,497
2006	3.00	1,199,460
2007	3.00	1,412,306
2008	5.00	3,176,302
2009	3.00	1,883,442

GDR HISTORY* (IN TERMS OF ORDINARY SHARES, MILLION)

Year ended 31 March	Issued **	Converted/Repurchased	Balance
1994	4.50	-	4.50
1995	-	0.21	4.29
1996	0.59	0.20	4.67
1997	0.27	2.80	2.14
1998	0.28	1.06	1.37
1999	-	0.75	0.63
2000	0.26	0.52	0.36
2001	0.72	0.23	0.85
2002	-	0.17	0.68
2003	-	0.16	0.52
2004	0.13	-	0.65
2005	0.06	-	0.71
2006	0.14	-	0.85
2007	0.12	-	0.97
2008	0.14	-	1.11
2009	1.11	0.12	0.99

* 1 GDR equivalent to 2 ordinary shares

** First issued in FY1994 and subsequently increased along with bonus issues of ordinary shares

DIRECTORS' SHAREHOLDING

	31 March 2009	31 March 2008
S C Ratnayake	3,227,747	3,227,747
A D Gunewardene	3,527,462	4,018,568
G S A Gunasekera *	1,524,574	1,348,374
J R F Peiris	189,628	3,428
E F G Amerasinghe	4,136	4,136
T Das	Nil	Nil
S Enderby	Nil	Nil
P D Rodrigo	Nil	Nil
S S Tiruchelvam	Nil	Nil
Options available under the employee share option plan of John Keells Holdings PLC		
S C Ratnayake	1,745,781	1,931,981
A D Gunewardene	1,573,624	1,759,824
G S A Gunasekera *	1,074,411	1,260,611
J R F Peiris	1,401,417	1,587,617

* Retiring w.e.f. 30 June 2009

EMPLOYEE SHARE OPTIONS

Year ended 31 March	Number of options exercised* (million)
1997	0.02
1998	0.16
1999	0.27
2000	0.47
2001	0.02
2002	1.78
2003	2.30
2004	4.08
2005	1.53
2006	2.04
2007	3.67
2008	4.06
2009	0.86

* First exercised in FY1997

ORDINARY SHARES IN ISSUE

Year ended 31 March	Number of shares (million)
1990	10.00
1991	10.00
1992	12.50
1993	15.00
1994	24.50
1995	24.50
1996	28.00
1997	32.02
1998	40.21
1999	40.47
2000	61.18
2001	183.56
2002	185.35
2003	187.64
2004	300.08
2005	331.63
2006	400.00
2007	552.94
2008	635.99
2009	611.35

HISTORY OF SCRIP ISSUES & REPURCHASES SINCE 1992/93

Year ended 31 March	Issue/repurchase	Basis	Number of shares (million)	Ex-date
1992	Rights @ Rs. 160*	1:4	2.50	16-Jan-92
1993	Bonus	1:5	2.50	03-Sep-92
1994	GDRs	n/a	4.50	n/a
1995	Bonus	1:6	2.50	19-Jan-94
1995	Rights @ Rs. 200*	1:6	2.50	19-Jan-94
1996	Bonus	1:7	3.50	20-Dec-95
1997	Bonus	1:7	4.00	20-Jan-97
1998	Bonus	1:4	8.02	09-Jan-98
2000	Bonus	1:5	8.09	15-Jun-99
2000	Bonus	1:4	12.14	05-Jan-00
2001	Bonus	2:1	122.36	27-Jul-00
2004	Bonus	1:4	46.94	10-Jun-03
2004	Private placement	n/a	24.00	21-Oct-03
2004	Rights @ Rs. 75*	1:7	37.42	07-Nov-03
2004	Bonus	1:10	30.02	13-May-04
2005	Bonus	1:5	66.34	10-May-05
2006	Bonus	1:7	57.16	13-Jun-06
2007	Rights @ Rs. 140*	1:5	92.10	23-Jan-07
2007	Bonus	1:7	78.96	13-Mar-07
2009	Repurchase @ Rs. 90*	1:25	25.50	13-Oct-08

* unadjusted prices

FINANCIAL CALENDAR 2009/10

2008/09	
Interim financial statements	
Three months ended 30 June 2008	29 August 2008
Six months ended 30 September 2008	30 October 2008
Nine months ended 31 December 2008	29 January 2009
First interim dividend paid on	24 October 2008
Second interim dividend paid on	20 February 2009
Final dividend proposed to be paid on	10 June 2009
Annual Report	29 May 2009
30th Annual General Meeting	26 June 2009
2009/10	
Interim financial statements	
Three months ended 30 June 2009	on or before 30 July 2009
Six months ended 30 September 2009	on or before 29 October 2009
Nine months ended 31 December 2009	on or before 28 January 2010
Annual Report 2009/10	on or before 28 May 2010
31st Annual General Meeting	25 June 2010