

PEGASUS HOTELS OF CEYLON PLC

Income Statement

(All figures in Sri Lankan Rupees '000)

For the period ended 30th June	2007	2006	Change %	Year ended 31.03.07 (Audited)
Revenue	26,537	15,160	100	93,172
Cost of Sales	<u>(7,992)</u>	<u>(5,782)</u>	100	<u>(27,883)</u>
Gross Profit	18,545	9,378	100	65,289
Selling expenses	(1,319)	(1,250)	6	(4,513)
Administrative expenses	(13,938)	(14,804)	(6)	(85,343)
Other operating expenses	(6,637)	(5,099)	30	(1,703)
Loss from operations	(3,349)	(11,775)	(72)	(26,270)
Finance cost	(2,688)	(2,358)	14	(9,828)
Loss before taxation	(6,037)	(14,133)	(57)	(36,098)
Taxation	-	-	-	-
Net Loss	(6,037)	<u>(14,133)</u>	(57)	<u>(36,098)</u>
Earnings per ordinary share (Rs.)	(0.22)	(0.52)		1.32

Changes represent the percentage change in current period's results compared to comparative period.

Figures in brackets indicate deductions/negative changes.

PEGASUS HOTELS OF CEYLON PLC

Balance Sheet

As at 30th June	2007	2006	As at 31.03.07 (Audited)
(All figures in Sri Lankan Rupees '000)			
ASSETS			
Non-current Assets			
Property, plant & equipment	649,584	652,113	650,787
Current Assets			
Inventories	13,334	9,614	13,241
Trade and other receivables	21,882	21,884	16,404
Cash at bank and in hand	2,333	875	1,721
	<u>37,549</u>	<u>32,373</u>	<u>31,366</u>
Total Assets	687,133	684,486	682,153
EQUITY & LIABILITIES			
Capital and Reserves			
Stated Capital	398,889	398,889	398,889
Capital reserves	317,831	322,195	317,831
Revenue reserves	(190,532)	(166,894)	(184,495)
Total equity	526,188	554,190	532,225
Non-current Liabilities			
Long term bank borrowings	63,582	67,752	63,582
Retirement benefit obligations	965	1,480	993
	<u>64,547</u>	<u>69,232</u>	<u>64,575</u>
Current Liabilities			
Trade and other payables	30,287	15,754	22,009
Amounts due to related companies	57,459	28,953	51,400
Long-term loans repayable within one year	5,057	6,107	5,474
Bank overdrafts	3,595	10,250	6,470
	<u>96,398</u>	<u>61,064</u>	<u>85,353</u>
Total Equity & Liabilities	687,133	684,486	682,153
Net assets per ordinary share (Rs.)	19.24	20.26	19.46

The Balance Sheet as at 30th June 2007, and the related Statements of Income, Changes in Equity and Cash Flow for the three months then ended as disclosed in pages 1 to 3 have been drawn up from unaudited Accounts.

Approved & Signed on behalf of the Manager: Approved & Signed on behalf of the Board.

(Sgd.)
P. C. P. Tissera
Director

(Sgd.)
D. C. R. Gunawardena
Chairman

(Sgd.)
M. Selvanathan
Director

Carsons Management Services (Pvt) Ltd.
7th August 2007

PEGASUS HOTELS OF CEYLON PLC

Statement of Changes in Equity

For the quarter ended 30th June 2007

(All figures in Sri Lankan Rupees '000)

	Stated Capital	Capital Reserves	Revenue Reserve	Accumulated Loss	Total Equity
Balance as at 31st March 2006	398,889	322,195	176	(152,937)	568,323
Loss after taxation	-	-	-	(36,098)	(36,098)
Transfers		(4,364)	-	4,364	-
Balance as at 31st March 2007 (Audited)	398,889	317,831	176	(184,671)	532,225
Net loss for the period	-	-	-	(6,037)	(6,037)
Balance as at 30th June 2007	398,889	317,831	176	(190,708)	526,188
Balance as at 1st April 2006	398,889	322,195	176	(152,937)	568,323
Net loss for the period	-	-	-	(14,133)	(14,133)
Balance as at 30th June 2006	398,889	322,195	176	(167,070)	554,190

Cash Flow Statement

For the three months ended 30th June

(All figures in Sri Lankan Rupees '000)

	2007	2006	Year ended 31.03.07 (Audited)
Net cash generated from operating activities	7,631	14,075	34,617
Net cash used in investing activities	(3,727)	(13,592)	(24,705)
Net cash used in financing activities	(417)	(1,917)	(6,720)
Net increase / (decrease) in cash and cash equivalents	3,487	(1,434)	3,192
Cash and cash equivalents at the beginning of the year	(4,749)	(7,941)	(7,941)
Cash and cash equivalents at the end of the period	(1,262)	(9,375)	(4,749)
Cash and cash equivalents			
Cash at Bank and in Hand	2,333	875	1,721
Bank Overdrafts	(3,595)	(10,250)	(6,470)
	<u>(1,262)</u>	<u>(9,375)</u>	<u>(4,749)</u>

PEGASUS HOTELS OF CEYLON PLC
Notes to the Interim Financial Statement

1. Basis of preparation of Interim Financial Statements

The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and method applied for the year ended 31st March 2007 and are in compliance with Sri Lanka Accounting Standards 35 - "Interim Financial Reporting". Further, provision of the new companies Act No.7 of 2007 have been considered in preparing the Interim Financial Statements of the company

2. Events occurring after the Balance Sheet date

Subsequent to the Balance Sheet date, no circumstances have arisen which require adjustments to or disclosure in the Interim Financial Statements.

3. Contingent Liabilities

There were no material Contingent Liabilities since the last Balance Sheet date.

4. Restatement of Comparative Figures

Certain Comparative Figures have been restated to confirm to the classification and presentation as at 30th June 2007.

Investor Information

Share Valuation

	30.06.2007	30.06.2006	31.03.2007
Market value per share (Rs.)	12.50	17.50	15.50
Highest price per share for the period (Rs.)	16.50	34.25	34.25
Lowest price per share for the period (Rs.)	10.25	17.00	14.00



PEGASUS HOTELS OF CEYLON PLC
Interim Financial Statements for the
Three months ended
30th June 2007

Corporate Information

Name of the Company	Pegasus Hotels of Ceylon PLC (A Carson Cumberbatch Company)
Company Number	PQ 40
Legal Form	A Public Quoted Company with Limited Liability Incorporated in Sri Lanka in 1966
Directors	D. Chandima R. Gunawardena (Chairman) Mano Selvanathan Hari Selvanathan Sega Nagendra P. M. Withana
Alternate Directors	P.C.P. Tissera (For Mr.D.C.R.Gunawardena) K.C.N. Fernando (For Mr. M. Selvanathan)
Bankers	Commercial Bank of Ceylon Ltd. Standard Chartered Bank Sampath Bank National Development Bank
Auditors	Messrs. KPMG Ford, Rhodes, Thornton & Company Chartered Accountants No. 32A, Sir Mohamed Macan Markar Mawatha, Colombo 3.
Managers & Secretaries	Carsons Management Services (Pvt) Ltd. No. 61, Janadhipathi Mawatha, Colombo 1.
Registered Office	No. 61, Janadhipathi Mawatha, Colombo 1.
Place of Business	Santha Maria Mawatha, Wattala.
Corporate Website	www.carsoncumberbatch.com