

# EQUITY ONE PLC

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30TH JUNE 2009

A CARSON CUMBERBATCH COMPANY

**INCOME STATEMENT - GROUP**  
Interim Financial Statements

For the first quarter ended 30th June (All figures in Sri Lankan Rupees '000)	2009	2008	Change %	Year ended 31.03.2009 (Unaudited)
Revenue	20,692	25,350	(18)	111,332
Direct operating cost	<u>(14,714)</u>	<u>(15,619)</u>	(6)	<u>(100,532)</u>
	5,978	9,731	(39)	10,800
Fair value adjustment - Investment properties	-	-	-	95,870
Profit on disposal of investment properties	-	-	-	58,975
Provision for inventories	-	-	-	(450,399)
Other operating income	<u>1,150</u>	<u>395</u>	191	<u>8,901</u>
	7,128	10,126	(30)	(275,853)
Administrative and other operating expenses	<u>(5,788)</u>	<u>(3,536)</u>	64	<u>(18,426)</u>
<b>Profit/(loss) from operations</b>	<b>1,340</b>	<b>6,590</b>	<b>(80)</b>	<b>(294,279)</b>
Finance expenses	<u>(28,097)</u>	<u>(154)</u>	18,145	<u>(43,103)</u>
<b>Profit/(loss) before taxation</b>	<b>(26,757)</b>	<b>6,436</b>	<b>(516)</b>	<b>(337,382)</b>
Taxation	<u>(3,252)</u>	<u>(4,810)</u>	(32)	<u>(15,623)</u>
<b>Profit/(loss) for the period</b>	<b><u>(30,009)</u></b>	<b><u>1,626</u></b>	<b>(1,946)</b>	<b><u>(353,005)</u></b>
<b>Profit/(loss) attributable to:</b>				
Shareholders of the parent company	<b>(30,208)</b>	1,434		(343,697)
Minority shareholders	<u>199</u>	<u>192</u>		<u>(9,308)</u>
	<b><u>(30,009)</u></b>	<b><u>1,626</u></b>		<b><u>(353,005)</u></b>
<b>Earnings/(loss) per share (Rs.)</b>	<b>(0.74)</b>	0.04		(8.75)

Change % represent the percentage change in current period's results compared to the comparative period of previous year.

Figures in brackets indicate deductions.

**BALANCE SHEET - GROUP**  
Interim Financial Statements

(All figures in Sri Lankan Rupees '000)  
As at 30th June

As at  
31.03.09  
(Unaudited)

	2009	2008 Restated	31.03.09 (Unaudited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment	22,234	27,196	23,354
Investment properties	1,846,200	1,895,705	1,846,200
Long-term investments - Debentures	-	7,000	-
	<u>1,868,434</u>	<u>1,929,901</u>	<u>1,869,554</u>
<b>Current Assets</b>			
Inventories	708,193	1,076,559	703,336
Trade & other receivables	22,137	37,028	18,978
Amounts due from related companies	5,202	8,460	-
Tax recoverable / credit	57	1,432	37
Investments in Debentures	-	-	7,000
Short-term deposits	8,387	-	-
Cash at bank and in hand	2,206	4,562	17,475
	<u>746,182</u>	<u>1,128,041</u>	<u>746,826</u>
<b>Total Assets</b>	<u>2,614,616</u>	<u>3,057,942</u>	<u>2,616,380</u>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital &amp; Reserves</b>			
Stated capital	1,085,584	1,085,584	1,085,584
Capital reserves	13,236	13,236	13,236
Revenue reserves	407,971	783,310	438,179
	<u>1,506,791</u>	<u>1,882,130</u>	<u>1,536,999</u>
Minority shareholders' interest	54,272	63,573	54,073
<b>Total Equity</b>	<u>1,561,063</u>	<u>1,945,703</u>	<u>1,591,072</u>
<b>Non-Current Liabilities</b>			
Long-term bank borrowings	250,000	419,960	286,533
Refundable rental and other deposits	23,748	29,217	27,569
Deferred taxation	156,005	156,159	156,005
Retirement benefit obligations	6,034	4,622	5,964
	<u>435,787</u>	<u>609,958</u>	<u>476,071</u>
<b>Current Liabilities</b>			
Trade & other payables	22,842	32,536	25,772
Amount due to related companies	318,989	179,783	206,079
Taxation payable	3,975	5,391	2,815
Long term bank borrowings repayable within one year	271,960	284,571	314,571
	<u>617,766</u>	<u>502,281</u>	<u>549,237</u>
<b>Total Equity &amp; Liabilities</b>	<u>2,614,616</u>	<u>3,057,942</u>	<u>2,616,380</u>
Net assets per share (Rs.)	38.72	48.25	39.46

The Balance Sheet as at 30th June 2009 and the related Statements of Income, Changes in Equity and Cash Flow for the first quarter then ended as disclosed in pages 1 to 8 have been drawn up from unaudited accounts.

I certify that these Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

**V.R. Wijesinghe**  
Financial Controller

Approved & Signed on behalf of the Managers

Approved & Signed on behalf of the Board

(Sgd.)  
**A.P. Weeratunge**  
Director

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

(Sgd.)  
**K.C.N. Fernando**  
Director

Carsons Management Services (Private) Limited.  
11th August 2009

**STATEMENT OF CHANGES IN EQUITY - GROUP**  
Interim Financial Statements

(All figures in Sri Lankan Rupees '000)

	Stated Capital	Capital Reserves	Revenue Reserve	Fair Value Adjustment Reserve	Retained Profit /(Accumulated loss)	Total	Minority Shareholders' Interest	Total Equity
Balance as at 1st April 2008 as previously reported (Audited)	1,085,584	13,236	39	626,434	83,467	1,808,760	63,520	1,872,280
Prior Year Adjustment	-	-	-	80,000	-	80,000	-	80,000
Restated balance as at 1st April 2008	1,085,584	13,236	39	706,434	83,467	1,888,760	63,520	1,952,280
Transfers	-	-	-	95,870	(95,870)	-	-	-
Loss for the year	-	-	-	-	(343,697)	(343,697)	(9,308)	(353,005)
Dividend - First & Final 2007/2008	-	-	-	-	(8,064)	(8,064)	(139)	(8,203)
<b>Balance as at 31st March 2009 (Unaudited)</b>	<b>1,085,584</b>	<b>13,236</b>	<b>39</b>	<b>802,304</b>	<b>(364,164)</b>	<b>1,536,999</b>	<b>54,073</b>	<b>1,591,072</b>
<b>Profit/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,208)</b>	<b>(30,208)</b>	<b>199</b>	<b>(30,009)</b>
<b>Balance as at 30th June 2009 (Unaudited)</b>	<b>1,085,584</b>	<b>13,236</b>	<b>39</b>	<b>802,304</b>	<b>(394,372)</b>	<b>1,506,791</b>	<b>54,272</b>	<b>1,561,063</b>
Balance as at 1st April 2008 as previously reported (Audited)	1,085,584	13,236	39	626,434	83,467	1,808,760	63,520	1,872,280
Prior Year Adjustment	-	-	-	80,000	-	80,000	-	80,000
Restated balance as at 1st April 2008	1,085,584	13,236	39	706,434	83,467	1,888,760	63,520	1,952,280
Profit for the period	-	-	-	-	1,434	1,434	192	1,626
Dividend- First & Final 2007/2008	-	-	-	-	(8,064)	(8,064)	(139)	(8,203)
Balance as at 30th June 2008 (Unaudited)	1,085,584	13,236	39	706,434	76,837	1,882,130	63,573	1,945,703

**CASH FLOW STATEMENT - GROUP**

## Interim Financial Statements

(All figures in Sri Lankan Rupees '000)  
For the first quarter ended 30th June

	2009	2008	As at 31.03.09 (Unaudited)
Net cash generated from / (used in) operating activities	<b>64,169</b>	7,023	(86,713)
Net cash generated from / (used in) investing activities	<b>8,093</b>	(1,665)	208,412
Net cash generated from / (used in) financing activities	<b>(79,144)</b>	(17,347)	(120,775)
Net increase / (decrease) in cash and cash equivalents	<b>(6,882)</b>	(11,989)	924
Cash and cash equivalent at the beginning of the year	<b>17,475</b>	16,551	16,551
Cash and cash equivalent at the end of the period	<b>10,593</b>	4,562	17,475

**Statement of Cash and Cash Equivalents**

Cash at bank & in hand	<b>2,206</b>	4,562	17,475
Short term deposits	<b>8,387</b>	-	-
	<b>10,593</b>	4,562	17,475

## INCOME STATEMENT - COMPANY

### Interim Financial Statements

For the first quarter ended 30th June (All figures in Sri Lankan Rupees '000)	2009	2008	Change %	Year ended 31.03.2009 (Unaudited)
Revenue	13,275	15,522	(14)	58,581
Direct operating cost	<u>(7,018)</u>	<u>(5,571)</u>	26	<u>(29,861)</u>
	6,257	9,951	(37)	28,720
Fair value adjustment - Investment properties	-	-	-	172,550
Provision for investments	-	-	-	(159,999)
Provision for amounts due from related companies	<b>(38,406)</b>	-	100	(396,159)
Other operating income	<u>924</u>	<u>4,047</u>	(77)	<u>7,429</u>
	<b>(31,225)</b>	13,998	(323)	<b>(347,459)</b>
Administration and other operating expenses	<u>(881)</u>	<u>(1,151)</u>	(23)	<u>(6,640)</u>
<b>Profit/(loss) from operations</b>	<b>(32,106)</b>	12,847	(350)	<b>(354,099)</b>
Finance expenses	<u>(632)</u>	<u>(871)</u>	(27)	<u>-</u>
<b>Profit/(loss) before taxation</b>	<b>(32,738)</b>	11,976	(373)	<b>(354,099)</b>
Taxation	<u>(2,222)</u>	<u>(3,309)</u>	(33)	<u>(17,749)</u>
<b>Profit/(loss) for the period</b>	<b>(34,960)</b>	<b>8,667</b>	(503)	<b>(371,848)</b>
<b>Earnings/(loss) per share (Rs.)</b>	<b>(0.87)</b>	0.21		(9.22)

Change % represent the percentage change in current period's results compared to the comparative period of previous year.

*Figures in brackets indicate deductions*

**BALANCE SHEET - COMPANY**  
Interim Financial Statements

As at 30th June (All figures in Sri Lankan Rupees '000)	2009	2008	As at 31.03.09 (Unaudited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment	9,263	12,264	9,798
Investment properties	1,096,200	923,650	1,096,200
Investments in Subsidiaries	662,436	822,436	662,437
Long-term investments - Debentures	-	7,000	-
	<b>1,767,899</b>	1,765,350	1,768,435
<b>Current Assets</b>			
Trade & other receivables	4,955	5,176	4,111
Amounts due from related companies	186,709	265,172	107,336
Investments in debentures	7,000	-	7,000
Cash at bank and in hand	698	3,072	451
	<b>199,362</b>	273,420	118,898
<b>Total Assets</b>	<b>1,967,261</b>	2,038,770	1,887,333
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital &amp; Reserves</b>			
Stated Capital	1,085,584	1,085,584	1,085,584
Capital reserves	13,236	13,236	13,236
Revenue reserves	227,293	642,768	262,253
<b>Total Equity</b>	<b>1,326,113</b>	1,741,588	1,361,073
<b>Non-Current Liabilities</b>			
Refundable rental and other deposits	15,190	19,756	17,011
Deferred taxation	65,204	58,452	65,204
Retirement benefit obligations	3,904	2,911	3,850
	<b>84,298</b>	81,119	86,065
<b>Current Liabilities</b>			
Trade & other payables	4,700	4,673	3,238
Taxation payable	2,711	3,975	2,162
Amount due to related companies	549,439	207,415	434,795
	<b>556,850</b>	216,063	440,195
<b>Total Equity &amp; Liabilities</b>	<b>1,967,261</b>	2,038,770	1,887,333
Net assets per share (Rs.)	<b>32.89</b>	43.19	33.76

The Balance Sheet as at 30th June 2009 and the related Statements of Income, Changes in Equity and Cash Flow for the first quarter then ended as disclosed in pages 1 to 8 have been drawn up from unaudited accounts.

I certify that these Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

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(Sgd.)

**K.C.N. Fernando**

Director

Carsons Management Services (Private) Limited.

11th August 2009

**STATEMENT OF CHANGES IN EQUITY - COMPANY**  
Interim Financial Statements

(All figures in Sri Lankan Rupees '000)	Stated Capital	Capital Reserves	Revenue Reserve	Fair Value Adjustment Reserve	Retained Profit/ (Accumulated Loss)	Total Equity
Balance as at 1st April 2008 (Audited)	1,085,584	13,236	39	597,798	44,328	1,740,985
Loss for the year	-	-	-	-	(371,848)	(371,848)
Transfers	-	-	-	172,550	(172,550)	-
Dividend - First & Final 2007/2008	-	-	-	-	(8,064)	(8,064)
<b>Balance as at 31st March 2009 (Unaudited)</b>	<b>1,085,584</b>	<b>13,236</b>	<b>39</b>	<b>770,348</b>	<b>(508,134)</b>	<b>1,361,073</b>
<b>Loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,960)</b>	<b>(34,960)</b>
<b>Balance as at 30th June 2009 (Unaudited)</b>	<b>1,085,584</b>	<b>13,236</b>	<b>39</b>	<b>770,348</b>	<b>(543,094)</b>	<b>1,326,113</b>
Balance as at 1st April 2008 (Audited)	1,085,584	13,236	39	597,798	44,328	1,740,985
Profit for the period	-	-	-	-	8,667	8,667
Dividend - First & Final 2007/2008	-	-	-	-	(8,064)	(8,064)
Balance as at 30th June 2008 (Unaudited)	1,085,584	13,236	39	597,798	44,931	1,741,588

## CASH FLOW STATEMENT - COMPANY

### Interim Financial Statements

(All figures in Sri Lankan Rupees '000)  
For the first quarter ended 30th June

As at  
31.03.09  
(Unaudited)

	<b>2009</b>	2008	
Net cash generated from / (used in) operating activities	<b>(649)</b>	(270)	(219)
Net cash generated from / (used in) investing activities	<b>896</b>	4,047	1,385
Net cash generated from / (used in) financing activities	-	(8,064)	(8,074)
Net increase / (decrease) in cash and cash equivalents	<b>247</b>	(4,287)	(6,908)
Cash and cash equivalent at the beginning of the year	<b>451</b>	7,359	7,359
Cash and cash equivalent at the end of the period	<b>698</b>	3,072	451

### Statement of Cash and Cash Equivalents

Cash at bank & in hand	<b>698</b>	3,072	451
	<b>698</b>	3,072	451



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 1. Basis of preparation of Interim Financial Statements

The Interim Financial Statements of the Company and Group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st March 2008 and are in compliance with Sri Lanka Accounting Standard 35 - "Interim Financial Reporting". The provisions of the new Companies Act No. 7 of 2007 have been considered in preparing these Interim financial Statements.

### 2. Provision for amounts due from related companies

During the period company made a provision of Rs. 38.4 mn on amounts due from related companies. This provision is against amounts lent to Equity Property Developers (Private) Limited, Equity Nine (Private) Limited, Equity Developers (Private) Limited and Carsons Real Estate Management Services (Private) Limited to service their bank borrowings and operational expenditure as these companies are not generating sufficient revenues with the decision to defer property development activities due to the prevailing market conditions.

### 3. Voluntary offer from Carson Cumberbatch PLC

Carson Cumberbatch PLC, who owns 94.59% of the issued share capital of the company on 24th June 2009 made an announcement to the Colombo Stock Exchange and to the company to acquire all the shares of the company other than those held by Carson Cumberbatch PLC. The offer was unconditional as to acceptance and price offered was Rs. 24/- per share. Directors of the Company have appointed NDB Investment Bank as Independent Advisor to the Offer. The report of the Independent Advisors with the comments of the Company's Board was also circulated to the shareholders within the stipulated time period.

### 4. Prior year adjustment

Equity Three (Private) Limited, a fully own subsidiary of Equity One PLC has omitted 40 perches of land extent in previous year's professional valuations of its investment property. This omission was rectified as at 31st March 2009 and previous years figures are restated to incorporate the true value of the investment property of Equity Three (Private) Limited. Accordingly Rs. 80mn was adjusted to the opening balance of investment property and fair value adjustment reserve as per Sri Lanka Accounting Standards 10 - "Accounting Policies, Changes in Accounting Estimates and Errors (Revised 25)".

### 5. 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.

### 6. Contingent liability

Company's Land & Building situated at Dharmapala Mawatha is mortgaged as primary and secondary mortgages to Hatton National Bank in addition to the respective subsidiary company project assets for the following loan facilities obtained by the subsidiary Companies;

Name of the subsidiary	Loan Amount	Outstanding balance as at 30.06.09
Equity Property Developers (Private) Limited	430 Mn	394 Mn
Equity Nine (Private) Limited	250 Mn	124 Mn

The above loans have been settled on due dates and there are no overdue/default settlements as at Balance Sheet Date.

There were no material Contingent Liabilities as at the Balance Sheet date other than those disclosed above.

### 7. Comparative Figures

Previous year's figures and phrases have been rearranged wherever necessary to conform to the current year's presentation.

### 8. Stated Capital

Stated capital of the company comprise of 40,321,730 fully paid ordinary shares.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**9. Twenty major shareholders as at 30 June 2009:**

	<b>Name of Shareholders</b>	<b>Number of Shares</b>	<b>%</b>
1	Carson Cumberbatch PLC A/C No.1	38,141,543	94.59
2	Mr. M. De Saram	195,600	0.49
3	Mr. M. Sri Mahadeva	135,200	0.34
4	Mr. S. Sivasundaram	65,000	0.16
5	Mr. J.B. Hirdaramani	57,850	0.14
6	Mr. A.A. Noordeen	38,100	0.09
7	Mrs. C.R. Dunuwille	35,900	0.09
8	Mr. T.C.H. Ferdinandis	33,900	0.08
9	CSCM/ Mr. Halpawattege Geethal Ranjan Peiris	33,700	0.08
10	Equity Services Limited	33,683	0.08
11	Seylan Bank Limited/Jayantha Dewage	29,000	0.07
12	First Capital Markets Limited /Mr. K.G.K.R.C.Appuhamy	25,200	0.06
13	Mrs. L.W. Dhammika	20,800	0.05
14	Mr. A.A.N. De Silva	20,400	0.05
15	Waldock Mackenzie Limited/Dr. H.S.D. Soysa	18,200	0.05
16	Mr. S.N.C.W.M.B.C. Kandedegara	17,600	0.04
17	Calton Hill Ltd	17,329	0.04
18	First Capital Markets Limited / Mr.P. Alagaratnam	17,200	0.04
19	Rufico Ltd	16,666	0.04
20	Mr. U.S. Sellamuttu	15,000	0.04

10. The percentage of shares held by public as at 30th June 2009 was 5.4%

**11. Directors Shareholding as at 31.03.2009**

	<b>No. of Shares</b>
Mr. D.C.R. Gunawardena	-
Mr. K.C.N. Fernando	-
Mr. S. Nagendra	2,889
Mr. E.H. Wijenaika	-

**INVESTOR INFORMATION**

**Share Valuation**

	<b>30.06.09</b>	<b>30.06.08</b>	<b>31.03.09</b>
Market value per share (Rs.)	<b>22.00</b>	19.00	18.00
Highest price per share for the period (Rs.)	<b>24.75</b>	25.00	22.75
Lowest price per share for the period (Rs.)	<b>17.00</b>	18.50	14.00

<b>Name of the Company</b>	Equity One PLC (A Carson Cumberbatch Company)
<b>Company Registration Number</b>	PQ 19
<b>Legal Form</b>	A Public Quoted Company with limited liability (Incorporated in Sri Lanka in 1981)
<b>Directors</b>	D.C.R. Gunawardena (Chairman) S. Nagendra K.C.N. Fernando E.H. Wijenaik
<b>Bankers</b>	Citibank N.A Standard Chartered Bank Deutsche Bank Hatton National Bank Commercial Bank
<b>Auditors</b>	Messrs. KPMG Ford, Rhodes, Thornton & Company Chartered Accountants 32A, Sir Mohamed Macan Marker Mawatha Colombo 03 Sri Lanka
<b>Managers &amp; Secretaries</b>	Carsons Management Services (Private) Limited 61, Janadhipathi Mawatha Colombo 01 Sri Lanka
<b>Registered Office</b>	61, Janadhipathi Mawatha Colombo 01 Sri Lanka
<b>Place of Business</b>	65C, Dharmapala Mawatha Colombo 07 Sri Lanka