

EQUITY TWO PLC

Income Statement

(All figures are in Sri Lankan Rupees '000)

| | Quarter ended | | | Nine months ended | | | Year ended |
|---|----------------|---------|-------------|-------------------|---------|-------------|------------|
| | 31st December | 2008 | Change % | 31st December | 2008 | Change % | |
| | 2009 | | | 2009 | | | 31.03.09 |
| | | | | | | | (Audited) |
| Revenue | 3,958 | 4,750 | (17) | 11,620 | 13,735 | (15) | 18,073 |
| Direct operating cost | (2,671) | (1,944) | 37 | (5,664) | (5,703) | (1) | (8,027) |
| | 1,287 | 2,806 | (54) | 5,956 | 8,032 | (26) | 10,046 |
| Other operating income | 1,707 | 978 | 75 | 2,936 | 2,804 | 5 | 4,208 |
| Fair value adjustment - Investment properties | - | - | - | - | - | - | (90,020) |
| | 2,994 | 3,784 | (21) | 8,892 | 10,836 | (18) | (75,766) |
| Administrative and other operating expenses | (845) | (757) | 12 | (2,097) | (2,334) | (10) | (3,109) |
| Profit/(loss) from operations | 2,149 | 3,027 | (29) | 6,795 | 8,502 | (20) | (78,875) |
| Finance expenses | (20) | (39) | (49) | (81) | (169) | (52) | (212) |
| Profit/(loss) before taxation | 2,129 | 2,988 | (29) | 6,714 | 8,333 | (19) | (79,087) |
| Taxation | (474) | (611) | (22) | (1,412) | (2,177) | (35) | (4,093) |
| Profit/(loss) for the period | 1,655 | 2,377 | (30) | 5,302 | 6,156 | (14) | (83,180) |
| Earnings/(loss) per ordinary share (Rs.) | 0.05 | 0.08 | | 0.17 | 0.20 | | (2.68) |

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

Figures in brackets indicate deductions/negative changes.

EQUITY TWO PLC

Balance Sheet

| | 2009 | 2008 | As at 31.03.09 |
|--|----------------|---------|----------------|
| | | | (Audited) |
| As at 31st December | | | |
| (All figures are in Sri Lankan Rupees '000) | | | |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant & equipment | 490 | 709 | 646 |
| Investment properties | 520,000 | 610,020 | 520,000 |
| | 520,490 | 610,729 | 520,646 |
| Current Assets | | | |
| Trade & other receivables | 4,335 | 4,537 | 4,044 |
| Tax recoverable/credit | 642 | 515 | - |
| Amounts due from related companies | 36,873 | 31,799 | 29,406 |
| Cash at bank & in hand | 631 | 1,775 | 6,141 |
| | 42,481 | 38,626 | 39,591 |
| Total Assets | 562,971 | 649,355 | 560,237 |
| EQUITY & LIABILITIES | | | |
| Equity | | | |
| Stated capital | 444,092 | 444,092 | 444,092 |
| Capital reserves | 750 | 750 | 750 |
| Revenue reserves | 43,690 | 127,723 | 38,388 |
| Total Equity | 488,532 | 572,565 | 483,230 |
| Non-Current Liabilities | | | |
| Long-term borrowings | - | 1,675 | 532 |
| Rental and other deposits | 1,942 | 1,942 | 1,942 |
| Retirement benefit obligations | 1,014 | 878 | 966 |
| Deferred taxation | 67,722 | 66,515 | 67,722 |
| | 70,678 | 71,010 | 71,162 |
| Current Liabilities | | | |
| Trade & other payables | 1,284 | 1,209 | 1,173 |
| Tax payable | - | - | 101 |
| Long-term borrowings repayable within one year | 2,477 | 4,571 | 4,571 |
| | 3,761 | 5,780 | 5,845 |
| Total Liabilities | 74,439 | 76,790 | 77,007 |
| Total Equity & Liabilities | 562,971 | 649,355 | 560,237 |
| Net assets per share (Rs.) | 15.76 | 18.47 | 15.59 |

The Balance Sheet as at 31st December 2009 and the Statements of Income, Changes in Equity and Cash Flow for the nine months then ended as disclosed in pages 2 to 4 have been drawn up from unaudited accounts.

I certify that these Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

(Sgd.)

V.R. Wijesinghe
Financial Controller

Approved & signed on behalf of the Managers,

(Sgd.)
A. P. Weeratunge
Director

Approved & signed on behalf of the Board,

(Sgd.) (Sgd.)
D. C. R. Gunawardena **K. C. N. Fernando**
Chairman Director

Carsons Management Services (Private) Limited
8th February, 2010

EQUITY TWO PLC

Statement of Changes in Equity

(All figures are in Sri Lankan Rupees '000)

| | Stated Capital | Capital Reserves | Fair Value Adjustment Reserve | Accumulated Loss | Total Equity |
|---|----------------|------------------|-------------------------------|------------------|----------------|
| Balance as at 1st April 2008 (Audited) | 444,092 | 750 | 148,062 | (25,254) | 567,650 |
| Loss for the year | - | - | - | (83,180) | (83,180) |
| Transfers | - | - | (90,020) | 90,020 | - |
| Dividend - First & Final | - | - | - | (1,240) | (1,240) |
| Balance as at 31st March 2009 (Audited) | 444,092 | 750 | 58,042 | (19,654) | 483,230 |
| Profit for the period | - | - | - | 5,302 | 5,302 |
| Balance as at 31st December 2009 (Unaudited) | 444,092 | 750 | 58,042 | (14,352) | 488,532 |
| Balance as at 1st April 2008 (Audited) | 444,092 | 750 | 148,062 | (25,254) | 567,650 |
| Profit for the period | - | - | - | 6,156 | 6,156 |
| Dividend - First & Final | - | - | - | (1,241) | (1,241) |
| Balance as at 31st December 2008 (Unaudited) | 444,092 | 750 | 148,062 | (20,339) | 572,565 |

Cash Flow Statement

| | 2009 | 2008 | Year ended 31.03.2009 (Audited) |
|--|----------------|---------|---------------------------------|
| For the nine months ended 31st December | | | |
| (All figures are in Sri Lankan Rupees '000.) | | | |
| Net cash generated from / (used in) operating activities | (5,188) | (2,821) | 5,443 |
| Net cash generated from / (used in) investing activities | 2,304 | 2,652 | (112) |
| Net cash generated used in financing activities | (2,626) | (4,668) | (5,802) |
| Net decrease in cash and cash equivalents | (5,510) | (4,837) | (471) |
| Cash and cash equivalents at the beginning of the year | 6,141 | 6,612 | 6,612 |
| Cash and cash equivalents at the end of the year | 631 | 1,775 | 6,141 |
| Statement of cash and cash equivalents | | | |
| Cash at bank and in hand | 631 | 1,775 | 6,141 |
| | 631 | 1,775 | 6,141 |

Figures in brackets indicate deductions/negative changes.

EQUITY TWO PLC**Notes to the Interim Financial Statements****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 methods applied for the year ended 31st March 2009 and are in compliance with Sri Lanka Accounting Standards 35 - "Interim Financial Reporting". Provisions of the Companies Act No. 07 of 2007 have been considered in preparing these financial statements.

2. Events occurring after the Balance Sheet date

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

3. Contingent Liabilities

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

4. Comparative Figures

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

5. Stated Capital

Stated Capital of the Company consist of 31,000,000 fully paid Ordinary Shares.

6. Public Holding

The percentage of shares held by Public as at 31st December 2009 was 11.17%.

7. Investor Information

| Share Valuation | 31.12.09 | 31.12.08 | 31.03.09 |
|--|----------|----------|----------|
| Market value per share (Rs.) | 16.75 | 6.50 | 9.50 |
| Highest price per share for the period (Rs.) | 17.00 | 15.50 | 11.75 |
| Lowest price per share for the period (Rs.) | 8.75 | 6.00 | 7.00 |

8. Directors shareholdings

| | No of Shares as at 31.03.2009 |
|------------------------|----------------------------------|
| Mr. D.C.R. Gunawardena | - |
| Mr. K.C.N. Fernando | 3,600 |
| Mr. A.P. Weeratunge | - |

EQUITY TWO PLC**Notes to the Interim Financial Statements****9. Twenty major shareholders as at 31st December 2009**

| Name of the Shareholder | No. of Shares | % |
|--|---------------|-------|
| Equity One PLC | 27,532,525 | 88.81 |
| Bank of Ceylon A/C Ceybank Unit Trust | 897,200 | 2.89 |
| Mr. S.N.C.W.M.B.C. Kandegedara | 615,400 | 1.99 |
| Miss. J. Aloysius | 79,500 | 0.26 |
| Mr. I. Paulraj | 51,000 | 0.16 |
| Mr. D. B. N. Samaratunge | 35,000 | 0.11 |
| Dr. C.A. Twerenbold | 29,800 | 0.10 |
| Mr. U.G. Bulumulle | 29,000 | 0.09 |
| Dr. R. M.M. Rinoza | 28,000 | 0.09 |
| Mr. M.N. Alawdeen | 26,900 | 0.09 |
| Mrs. H.I.P. Fernando | 25,000 | 0.08 |
| Mr. C.J.P. Siriwardana | 25,000 | 0.08 |
| Mr. A.A. Noordeen | 23,900 | 0.08 |
| Merchant Bank of Sri Lanka Limited/Union Investments Limited | 20,200 | 0.07 |
| Mr. E.K. Premaratne | 17,200 | 0.06 |
| Mr. L.L. Hettiarachchi | 16,900 | 0.05 |
| Mr. J.B. Hirdaramani | 16,000 | 0.05 |
| Mr. D.C. Wimalasena | 16,000 | 0.05 |
| Mrs. J. Aloysius | 15,900 | 0.05 |
| Mrs. K.G. Abeynayaka | 15,600 | 0.05 |

EQUITY TWO PLC**Interim Financial Statements
for the nine months ended
31st December 2009**

| | |
|--------------------------|---|
| Name of Company | Equity Two PLC (A Carson Cumberbatch Company) |
| Company Registration No. | PQ 34 |
| Legal Form | A Public Quoted Company with limited liability (Incorporated in Sri Lanka in 1990) |
| Directors | D. C. R. Gunawardena (Chairman) K. C. N. Fernando A. P. Weeratunge |
| Bankers | Standard Chartered Bank Bank of Ceylon Deutsche Bank |
| Auditors | Messrs. KPMG Ford, Rhodes, Thornton & Company Chartered Accountants 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03 Sri Lanka |
| Managers & Secretaries | Carsons Management Services (Private) Limited 61, Janadhipathi Mawatha, Colombo 01 Sri Lanka |
| Registered Office | 61, Janadhipathi Mawatha, Colombo 01 Sri Lanka |
| Place of Business | 61, Janadhipathi Mawatha, Colombo 01 Sri Lanka |
| Corporate Website | www.carsoncumberbatch.com |