

PEGASUS HOTELS OF CEYLON PLC

Income Statement

(All figures in Sri Lankan Rupees '000)

	For the Quarter ended 31st March			For the year ended 31st March		
	2010	2009	Change %	2010	2009	Change %
Revenue	53,758	42,182	27	176,912	152,283	16
Cost of Sales	<u>(13,625)</u>	<u>(10,760)</u>	27	<u>(49,167)</u>	<u>(43,873)</u>	12
Gross Profit	40,133	31,422	28	127,745	108,410	18
Selling and promotional expenses	<u>(1,442)</u>	<u>(1,223)</u>	18	<u>(4,915)</u>	<u>(5,146)</u>	(4)
Administrative expenses	<u>(25,308)</u>	<u>(26,139)</u>	(3)	<u>(97,891)</u>	<u>(99,677)</u>	(2)
Other operating expenses	<u>(3,263)</u>	<u>(556)</u>	487	<u>(5,368)</u>	<u>(2,453)</u>	119
Profit from operations	10,120	3,504	189	19,571	1,134	1,626
Net finance expenses	<u>(4,978)</u>	<u>(1,536)</u>	224	<u>(9,530)</u>	<u>(6,658)</u>	43
Profit / (Loss) before Taxation	5,142	1,968	161	10,041	(5,524)	282
Income tax expenses/reversal	<u>2,057</u>	-	100	<u>2,057</u>	<u>(15)</u>	(13,813)
Profit / (loss) for the period	<u>7,199</u>	<u>1,968</u>	266	<u>12,098</u>	<u>(5,539)</u>	(318)
Profit / (Loss) per ordinary share	0.26	0.07		0.44	(0.20)	

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

	2010	2009
As at 31st March (All figures in Sri Lankan Rupees '000)		
ASSETS		
Non-current Assets		
Property, plant & equipment	740,478	748,535
Deferred tax asset	4,295	-
Compensation receivable	189,463	189,463
Total non-current assets	934,236	937,998
Current Assets		
Inventories	9,464	11,147
Trade and other receivables	27,844	15,107
Cash at bank and in hand	14,055	6,915
Total current assets	51,363	33,169
Total Assets	985,599	971,167
EQUITY & LIABILITIES		
Equity		
Stated capital	398,889	398,889
Capital reserves	440,787	440,787
General reserves	176	176
Accumulated loss	(18,427)	(30,525)
Total equity	821,425	809,327
Non-Current Liabilities		
Long-term bank borrowings	47,367	51,399
Retirement benefit obligations	2,024	1,645
Amounts due to related companies	78,286	71,760
Total non-current liabilities	127,677	124,804
Current Liabilities		
Trade and other payables	24,214	20,943
Long-term borrowings repayable within one year	12,283	12,656
Bank overdrafts	-	3,437
Total current liabilities	36,497	37,036
Total liabilities	164,174	161,840
Total Equity & Liabilities	985,599	971,167
Net assets per ordinary share (Rs.)	30.03	29.59

The Balance Sheet as at 31st March 2010 and the Statements of Income, Changes in Equity and Cash Flow for the fourth quarter ended as disclosed in pages 1 to 3 have been drawn up from audited 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 and signed on behalf of the Board,

(Sgd.)
D.C.R. Gunawardena Chairman
(Sgd.)
M. Selvanathan Director

Carsons Management Services (Private) Limited
2nd June, 2010

PEGASUS HOTELS OF CEYLON PLC

Statement of Changes in Equity

(All figures in Sri Lankan Rupees '000)

	Stated Capital	Revaluation Reserve	Capital Accretion Reserve	General Reserve	Accumulated Loss	Total Equity
Balance as at 1st April 2008 (Audited)	398,889	302,687	15,144	176	(209,740)	507,156
Revaluation	-	307,710	-	-	-	307,710
Transfer on Disposal of Land	-	(184,754)	-	-	184,754	-
Loss for the Year	-	-	-	-	(5,539)	(5,539)
Balance as at 31st March 2009 (Audited)	398,889	425,643	15,144	176	(30,525)	809,327
Profit for the Period	-	-	-	-	12,098	12,098
Balance as at 31st March 2010	398,889	425,643	15,144	176	(18,427)	821,425

Cash Flow Statement

For the year ended 31st March

(All figures in Sri Lankan Rupees '000')

	2010	2009
Net cash generated from operating activities	15,018	17,795
Net cash used in investing activities	(2,608)	(2,135)
Net cash used in financing activities	(1,833)	(4,423)
Net increase / (decrease) in cash and cash equivalents	10,577	11,237
Cash and cash equivalents at the beginning of the year	3,478	(7,759)
Cash and cash equivalents at the end of the period	14,055	3,478
Cash and cash equivalents		
Cash at Bank and in Hand	14,055	6,915
Bank Overdrafts	-	(3,437)
	14,055	3,478

PEGASUS HOTELS OF CEYLON 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 in consistence with the accounting policies and methods applied for the year ended 31st March 2010 and are in compliance with Sri Lanka Accounting Standard 35-"interim Financial Reporting". Further, provisions of the Companies Act No.07 of 2007 have been considered in preparing the Interim Financial Statements.

2. Events occurring after the Balance Sheet date

Subsequent to the date of the Balance Sheet, no circumstances have arisen, which required adjustments to/or disclosures in the interim financial statements.

3. Contingent Liabilities

a.) A case has been filed against the Company by an individual in the district court of Negombo seeking a declaratory title from court stating that he is co-owner of 127.5 perches of the Land belonging to Pegasus Hotels of Ceylon PLC. This matter is still pending. However the Company is confident that it can establish title to the land it holds. In any case the claimed land extent falls within the 1,252 perches of land acquired by the Government for the fisheries harbour project.

b.) An employee has filed action in the Labour Tribunal against the termination of their services on disciplinary grounds. The case is in progress and the estimated potential liability that may arise, in the event the decision is awarded against the Company, is approximately Rs. 400,000/-.

There were no contingent liabilities other than those disclosed above as at the date of the Balance Sheet.

4. Comparative Figures

Previous year figures and phrases have been rearranged to confirm to the current year's presentation.

5. Stated capital

Stated capital of the company consists of,
Issued and Fully Paid ordinary shares

	As at	As at
	31.03.10	31.03.09
	27,352,385	27,352,385

6. Segment Reporting

The Company has no identifiable segments.

7. Investor Information

Share Valuation 31.03.2010

Last traded price per share (Rs.)	43.00
Highest price per share for the period (Rs.)	47.00
Lowest price per share for the period (Rs.)	30.50

PEGASUS HOTELS OF CEYLON PLC

Investor Information (contd.)

Twenty Major Shareholders as at 31st March 2010

Name of the Shareholder	No of shares	%
CARSON CUMBERBATCH PLC A/C NO. 01	25,369,210	92.75
EMPLOYEES PROVIDENT FUND	174,600	0.64
MR. K.A.S. PERERA	71,700	0.26
WALDOCK MACKENZIE LIMITED/ MR LALITH PRABASH HAPANGAMA	52,600	0.19
MRS. I. GWYN	46,766	0.17
WALDOCK MACKENZIE LIMITED/ MR ANANT HARGOVIND UDESHI	44,700	0.16
THE FINANCE COMPANY LIMITED A/C NO. 1	39,800	0.15
PAN ASIA BANKING CORPORATION PLC/MR.RAVINDRA ERLE RAMBUKWELLE	32,500	0.12
DR. S.K KULARATNA	31,400	0.11
MR. R.A. RISHARD	27,100	0.10
DR. H.H.S. SAMARASIRI	21,900	0.08
MR. P. POLWATTE GAMAGE	21,700	0.08
WALDOCK MACKENZIE LIMITED/E-W INFORMATION SYSTEM Ltd	21,700	0.08
MR. M.M.FUAD	20,040	0.07
MR.B.V.HETTITHANTHIRIGE	20,000	0.07
MR. G.S.RUWAN	20,000	0.07
MR.T.R.HAPUGALA	18,800	0.07
MERCHANT BANK OF SRILANKA LTD/UNION INVESTMENTS Ltd	18,240	0.07
MR. K.G.DAMINDA KUMARA	17,500	0.06
MR. S.N.C.W.M.B.C. KANDEGEDARA	14,900	0.05
MS. M.R.L.JINADASA	14,900	0.05

The Public Holding percentage as at 31st March 2010 was 7.24%

Directors shareholding as at 31st March 2010

Name	No of Shares held
Mr. D. C. R. Gunawardena	-
Mr. M. Selvanathan	-
Mr. H. Selvanathan	-
Mr. S. Nagendra	-
Mr. P. M. Withana	-

Alternate Directors

Mr. K.C.N. Fernando (for Mr. M. Selvanathan)	-
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PEGASUS HOTELS OF CEYLON PLC

Interim Financial Statements for the Fourth Quarter ended 31st March 2010

Corporate Information

Name of the Company	Pegasus Hotels of Ceylon PLC (A Carson Cumberbatch Company)
Registration No	PQ 40
Legal Form	A Public Quoted Company with Limited Liability Incorporated in Sri Lanka in 1966
Parent Enterprise	The Company's holding company and controlling entity is Carson Cumberbatch PLC, which is incorporated in Sri Lanka
Directors	D. Chandima R. Gunawardena (Chairman) Mano Selvanathan Hari Selvanathan Sega Nagendra P.M. Withana
Alternative Directors	K.C.N. Fernando (Alternate Director to Mr. M. Selvanathan)
Bankers	Commercial Bank PLC Standard Chartered Bank Sampath Bank
Auditors	Messrs. KPMG Ford, Rhodes, Thornton & Company Chartered Accountants No. 32A, Sir Mohamed Macan Markar Mawatha, Colombo 3, Sri Lanka.
Managers & Secretaries	Carsons Management Services (Private) Limited, No. 61, Janadhipathi Mawatha, Colombo 1, Sri Lanka. Tel: 0114739200 Fax: 0114739300
Registered Office	No. 61, Janadhipathi Mawatha, Colombo 1, Sri Lanka.
Place of Business	Santha Maria Mawatha, Wattala, Sri Lanka.
Corporate Website	www.carsoncumberbatch.com