

EQUITY TWO PLC Income Statement

(All figures are in Sri Lankan Rupees '000)

	Quarter ended 31st December			For the nine months ended 31st December			Year ended 31.03.07 (Audited)
	2007	2006	Change %	2007	2006	Change %	
Revenue	3,950	3,573	11	11,227	10,667	5	14,288
Direct operating cost	(2,031)	(2,826)	(28)	(6,155)	(7,976)	(23)	(10,074)
	1,919	747	157	5,072	2,691	88	4,214
Other operating income	804	504	60	2,342	1,609	46	2,652
Fair value adjustment - Investment Properties	-	-	-	-	-	-	(28,051)
	2,723	1,251	118	7,414	4,300	72	(21,185)
Administrative expenses	(747)	(559)	34	(2,076)	(1,494)	39	(2,360)
Profit/(Loss) from operations	1,976	692	186	5,338	2,806	90	(23,545)
Finance expenses	(80)	(121)	(34)	(279)	(389)	(28)	(499)
Profit/(Loss) before taxation	1,896	571	232	5,059	2,417	109	(24,044)
Taxation	(716)	(53)	1,251	(1,972)	(739)	167	(13,009)
Profit/(Loss) for the period	1,180	518	128	3,087	1,678	84	(37,053)
Earnings/(Loss) per ordinary share (Rs.)	0.04	0.02	0.10	0.05			(1.20)

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

Figures in brackets indicate deductions/negative changes.

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EQUITY TWO PLC Balance Sheet

	2007	2006	As at 31.03.07 (Audited)
As at 31st December (All figures are in Sri Lankan Rupees '000)	2007	2006 (Restated)	As at 31.03.07 (Audited)
ASSETS			
Non-Current Assets			
Property, plant & equipment	1,081	2,476	2,146
Investment properties	610,020	638,071	610,020
	611,101	640,547	612,166
Current Assets			
Trade & other receivables	4,670	5,356	3,950
Tax recoverable/credit	1,621	2,106	2,284
Amounts due from related companies	3,859	3,958	-
Short term deposits	-	17,701	1,892
Cash at bank & in hand	26,790	5,415	27,255
	36,940	34,536	35,381
Total Assets	648,041	675,083	647,547
EQUITY & LIABILITIES			
Equity			
Stated capital	444,092	444,092	444,092
Capital reserves	750	750	750
Revenue reserves	122,923	158,567	119,836
Total Equity	567,765	603,409	564,678
Non-Current Liabilities			
Long-term bank borrowings	6,239	10,817	9,675
Rental and other deposits	1,942	1,865	1,942
Retirement benefit obligations	1,231	1,048	1,192
Deferred Taxation	65,505	51,986	64,198
	74,917	65,716	77,007
Current Liabilities			
Trade & other payables	788	1,387	1,291
Long-term bank borrowings repayable within one year	4,571	4,571	4,571
	5,359	5,958	5,862
Total Equity & Liabilities	648,041	675,083	647,547
Net assets per share (Rs.)	18.32	19.46	18.22

The Balance Sheet as at 31st December 2007 and the Statements of Income, Changes in Equity and Cash Flow for the nine months then ended as disclosed in pages 1 to 3 have been drawn up from unaudited accounts.

Approved & signed on behalf of the Managers,

Approved & signed on behalf of the Board,

K. C. N. Fernando
Director

D. C. R. Gunawardena
Chairman

P. C. P. Tissera
Director

Carsons Management Services (Private) Limited
12th February, 2008

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EQUITY TWO PLC Statement of Changes in Equity

(All figures are in Sri Lankan Rupees '000)

	Stated Capital	Capital Reserves	Fair Value Adjustment Reserve	Retained Profit/ Accumulated Loss	Total Equity
Balance as at 1st April 2006 (Audited)	444,092	750	-	156,889	601,731
Loss for the period	-	-	-	(37,053)	(37,053)
Transfers	-	-	148,062	(148,062)	-
Balance as at 31st March 2007 (Audited)	444,092	750	148,062	(28,226)	564,678
Profit for the period	-	-	-	3,087	3,087
Balance as at 31st December 2007	444,092	750	148,062	(25,139)	567,765
Balance as at 1st April 2006 (Audited) as previously reported	444,092	169,899	-	(12,260)	601,731
Prior period adjustment (Note)	-	(169,149)	-	169,149	-
Profit for the period	-	-	-	1,678	1,678
Restated balance as at 31st December 2006	444,092	750	-	158,567	603,409

Note : Prior period adjustment

The adjustment made to the opening balance of retained earnings includes the reclassification of the amount held in revaluation surplus for investment property transferred into retained earnings as required by the SLAS 40 (Revised 2005) - Investment Property

Cash Flow Statement

	2007	2006	Year ended 31.03.2007 (Audited)
For the period ended 31st December (All figures are in Sri Lankan Rupees '000.)			
Net cash generated from / (used in) operating activities	(1,263)	(2,995)	3,450
Net cash generated from / (used in) investing activities	2,342	1,479	2,207
Net cash generated from / (used in) financing activities	(3,436)	(3,429)	(4,571)
Net increase/(decrease) in cash and cash equivalents	(2,357)	(4,945)	1,086
Cash and cash equivalents at the beginning of the period	29,147	28,061	28,061
Cash and cash equivalents at the end of the period	26,790	23,116	29,147
Statement of cash and cash equivalents			
Short term deposits	-	17,701	1,892
Cash at bank and in hand	26,790	5,415	27,255
	26,790	23,116	29,147

Figures in brackets indicate deductions/negative changes.

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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 2007 and are in compliance with Sri Lanka Accounting Standards 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. 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 Statement.

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.

Investor Information

Share Valuation

	31.12.07	31.12.06	31.03.2007
Market value per share (Rs.)	11.50	12.75	11.50
Highest price per share for the period (Rs.)	16.25	18.75	18.75
Lowest price per share for the period (Rs.)	11.25	10.50	9.25

EQUITY TWO PLC

Interim Financial Statements for the nine months ended 31st December 2007

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) N. Ramaiah - Resigned w.e.f. 20.11.2007 P. C. P. Tissera K. C. N. Fernando
Alternate Directors	K. C. N. Fernando (for P. C. P. Tissera)
Bankers	Standard Chartered Bank Bank of Ceylon
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