

**INCOME STATEMENTS**For the 3 months ended 30th June  
Rs.'000s

	CONSOLIDATED			COMPANY		
	2007	2006	Variance %	2007	2006	Variance %
<b>Gross Turnover</b>	<b>14,708,741</b>	11,495,692	28.0	<b>7,316,012</b>	6,757,734	8.3
<b>Net Turnover</b>	<b>8,237,635</b>	6,799,977	21.1	<b>2,250,755</b>	2,147,119	4.8
Cost of Sales, Benefits & Losses	<b>(5,331,220)</b>	(4,725,504)	12.8	<b>(1,415,591)</b>	(1,379,359)	2.6
<b>Gross Profit/Underwriting Revenue</b>	<b>2,906,415</b>	<b>2,074,473</b>	40.1	<b>835,164</b>	<b>767,760</b>	8.8
Income from Investments	113,839	157,965	(27.9)	<b>32,180</b>	67,025	(52.0)
Other Operating Income	194,604	288,856	(32.6)	<b>30,119</b>	4,236	611.0
Distribution Cost	(441,330)	(221,563)	99.2	<b>(44,550)</b>	(47,904)	(7.0)
Administrative Expenses	(756,306)	(632,941)	19.5	<b>(77,147)</b>	(74,023)	4.2
Increase in Life Fund	(862,468)	(991,610)	(13.0)	-	-	
Other Operating Expenses	(226,732)	(9,892)	2192.1	-	-	
<b>Profit from Operations</b>	<b>928,022</b>	<b>665,288</b>	39.5	<b>775,766</b>	<b>717,094</b>	8.2
Financing Income/(Cost)	872,418	822,028	6.1	<b>(5,455)</b>	(28,220)	(80.7)
Income from Associate Company	155,105	97,217	59.5	-	-	
<b>Profit Before Taxation</b>	<b>1,955,545</b>	<b>1,584,533</b>	23.4	<b>770,311</b>	<b>688,874</b>	11.8
Income Tax Expenses	(486,143)	(524,453)	(7.3)	<b>(247,703)</b>	(195,245)	26.9
<b>Profit After Taxation</b>	<b>1,469,402</b>	<b>1,060,080</b>	38.6	<b>522,608</b>	<b>493,629</b>	5.9
Minority Interest	(90,706)	(167,775)	(45.9)	-	-	
<b>Net Profit for the Period</b>	<b>1,378,696</b>	<b>892,305</b>	54.5	<b>522,608</b>	<b>493,629</b>	5.9
<b>Earnings Per Share of Re.1/- (Annualised)</b>	<b>18.38</b>	<b>11.90</b>		<b>6.97</b>	<b>6.58</b>	

The above figures are Provisional and subject to audit

**BALANCE SHEETS AS AT**

	CONSOLIDATED			COMPANY		
	30-06-2007	30-06-2006	31-03-2007	30-06-2007	30-06-2006	31-03-2007
<b>Rs. '000s</b>						
<b>ASSETS</b>						
<b>Non Current Assets</b>						
Property Plant and Equipment	14,103,160	8,541,159	14,358,390	513,718	590,543	540,218
Investment in Subsidiaries	-	-	-	8,342,388	8,342,388	8,342,388
Investment in Joint Venture	-	-	-	20,000	20,000	20,000
Investment in Associates	2,777,968	2,322,833	2,641,622	548,904	548,904	548,904
Other Long Term Investments	22,038,711	17,343,789	23,184,038	1,251,994	887,975	932,031
Goodwill on Acquisition	924,289	924,289	924,289	-	-	-
Policyholder Loans & Other Loans	2,385,443	2,425,468	2,414,903	-	-	-
Development Expenditure	140,801	157,216	144,905	-	-	-
	<b>42,370,372</b>	<b>31,714,754</b>	<b>43,668,147</b>	<b>10,677,004</b>	<b>10,389,810</b>	<b>10,383,541</b>
<b>Current Assets</b>						
Short Term Investments	20,244,157	22,385,942	18,010,336	-	-	-
Inventories	3,700,913	2,878,126	3,058,497	1,221,198	1,194,293	1,043,731
Trade and Other Receivables	6,337,746	4,966,311	5,923,128	852,069	876,017	1,372,760
Amounts Due from Subsidiaries and Joint Venture	-	-	-	322,734	127,533	364,547
Amounts Due from Related Cos	-	1,841	908	-	-	-
Life Fund - Current Assets	-	-	-	-	-	-
Short Term Deposits	1,701,814	550,622	1,353,668	1,575,399	435,888	1,650,399
Cash and Cash Equivalents	2,371,292	1,833,229	1,917,651	432,986	105,065	398,049
	<b>34,355,922</b>	<b>32,616,071</b>	<b>30,264,188</b>	<b>4,404,386</b>	<b>2,738,796</b>	<b>4,829,486</b>
<b>Total Assets</b>	<b>76,726,294</b>	<b>64,330,825</b>	<b>73,932,335</b>	<b>15,081,390</b>	<b>13,128,606</b>	<b>15,213,027</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and Reserve</b>						
Share Capital	300,000	300,000	300,000	300,000	300,000	300,000
Capital Reserve	1,995,294	1,458,081	1,995,294	107,882	107,882	107,882
Revenue Reserve	13,911,249	10,016,308	12,532,553	9,230,771	7,512,844	8,708,163
	<b>16,206,543</b>	<b>11,774,389</b>	<b>14,827,847</b>	<b>9,638,653</b>	<b>7,920,726</b>	<b>9,116,045</b>
<b>Minority Interest</b>	<b>3,257,444</b>	<b>2,413,849</b>	<b>3,166,738</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non Current Liabilities</b>						
Insurance Provision - Life	31,043,668	29,444,412	31,642,599	-	-	-
Insurance Provision - Non Life	8,161,162	6,304,646	6,814,773	-	-	-
Interest Bearing Loans & Borrowings	1,495,018	587,539	1,564,931	-	-	-
Deferred Taxation	285,742	65,802	482,909	13,342	26,072	13,342
Retirement Benefit Obligations	924,355	768,769	875,619	73,354	71,652	74,685
Deferred Income	279,424	282,164	120,075	-	-	-
Debentures	200,000	-	200,000	-	-	-
	<b>42,389,369</b>	<b>37,453,332</b>	<b>41,700,906</b>	<b>86,696</b>	<b>97,724</b>	<b>88,027</b>
<b>Current Liabilities</b>						
Trade and Other Payables	8,236,206	6,768,655	7,725,032	3,153,772	2,586,422	3,569,189
Amount Due to Related Companies	1,202,742	107,837	809,199	-	-	-
Income Tax Payable	1,972,399	2,429,085	2,068,662	883,336	940,675	805,724
Interest Bearing Loans & Borrowings	3,461,591	3,383,678	3,633,951	1,318,933	1,583,059	1,634,042
Dividend Payable	-	-	-	-	-	-
LTI Fund - Current Liabilities	-	-	-	-	-	-
	<b>14,872,938</b>	<b>12,689,255</b>	<b>14,236,844</b>	<b>5,356,041</b>	<b>5,110,156</b>	<b>6,008,955</b>
<b>Total Equity and Liabilities</b>	<b>76,726,294</b>	<b>64,330,825</b>	<b>73,932,335</b>	<b>15,081,390</b>	<b>13,128,606</b>	<b>15,213,027</b>

<b>CASH FLOW STATEMENTS</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Company</b>	<b>Company</b>
<b>For the Period Ended 30th June</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Rs.'000s</b>				
<b>Cash Generated from Operations</b>				
<b>Profit from operations</b>				
<b>Adjustments for</b>	1,913,327	1,565,294	<b>782,469</b>	723,401
Depreciation.	255,231	154,850	<b>26,500</b>	6,324
Provision for Fall in value of Investments	-	(27,763)	-	-
Provision for Retiring Gratuity	60,017	18,928	-	-
(Gain)/ Loss on Disposal of P.P.E	(800)	(33)	<b>(800)</b>	(33)
Increase in LTAF during the year	862,468	991,610	-	-
Gain on Disposal of Investments	(79,449)	(90,016)	-	-
Provision for Bad Debts	-	47,657	-	-
Interest Expenses	112,887	77,978	<b>259</b>	22,371
Movement In Technical Reserve	(375,120)	(295,994)	-	-
Movement In LTAF	-	-	-	-
Amortization of Goodwill on Acquisition	-	-	-	-
Amortization of Capital Grants	-	(2,201)	-	-
Written off the Development Expenditure	-	1,382	-	-
Provision for Fall in value of Investments	-	-	-	-
Dividend Income	(113,839)	(157,965)	<b>(32,180)</b>	(60,718)
Interest Income	(985,305)	(900,006)	<b>(6,703)</b>	(6,307)
Share of Associate Co. Profit	(155,105)	(97,217)	-	-
Foreign Currency (Gain)/Loss	-	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>1,494,312</b>	<b>1,286,504</b>	<b>769,545</b>	<b>685,038</b>
(Increase)/Decrease in Inventories	(642,416)	(192,793)	<b>(177,469)</b>	(6,874)
(Increase)/Decrease in Receivables	(414,618)	514,289	<b>562,504</b>	252,495
Increase/(Decrease) in Payables	511,174	353,999	<b>(415,210)</b>	(77,442)
<b>Cash flows from Operating Activities</b>	<b>948,452</b>	<b>1,961,999</b>	<b>739,370</b>	<b>853,217</b>
Interest paid	(112,887)	(77,978)	<b>(12,417)</b>	(28,220)
Income Tax paid	(582,406)	(25,227)	<b>(170,090)</b>	(56,560)
Retiring Gratuity paid	(11,281)	(21,455)	<b>(1,331)</b>	(1,548)
<b>Net Cash flows from Operating Activities</b>	<b>241,878</b>	<b>1,837,339</b>	<b>555,532</b>	<b>766,889</b>
<b>Cash flows from Investing Activities</b>				
Acquisition of Property Plant and Equipment	-	(298,948)	-	-
Purchase of Shares	(2,139,024)	(3,407,738)	<b>(319,963)</b>	-
Dividends Received	113,839	157,965	<b>32,180</b>	60,718
Proceeds on sale of P.P.E	800	2,441	<b>800</b>	2,441
Proceeds on sale of Investments	1,653,811	2,097,667	-	-
Grant Received	-	2,619	-	-
Interest Received	985,305	900,006	<b>6,703</b>	6,307
<b>Cash flows from Financing Activities</b>	<b>614,731</b>	<b>(545,988)</b>	<b>(280,280)</b>	<b>69,466</b>
Receipts/(Repayment) of Loans	-	(94,084)	-	-
Term Loan Received	-	-	-	-
Dividend paid	(207)	-	<b>(207)</b>	-
Repayment of Loans	-	-	-	-
Lease Rentals paid	-	-	-	-
	<b>(207)</b>	<b>(94,084)</b>	<b>(207)</b>	-
<b>Cash and Cash Equivalents</b>				
At the Beginning of the year	(244,887)	(2,197,094)	<b>414,407</b>	(1,878,461)
Net Movement during the year	856,402	1,197,267	275,045	836,355
	<b>611,515</b>	<b>(999,827)</b>	<b>689,452</b>	<b>(1,042,106)</b>
<b>At the End of the year</b>				
Short Term Deposits	1,701,814	550,622	<b>1,575,399</b>	435,888
Cash in Transit	164,807	29,022	<b>164,807</b>	29,022
Cash in Hand and Bank	2,206,485	1,804,207	<b>268,179</b>	76,043
Bank & Other Borrowings	(3,461,591)	(3,383,678)	<b>(1,318,933)</b>	(1,583,059)
	<b>611,515</b>	<b>(999,827)</b>	<b>689,452</b>	<b>(1,042,106)</b>

## STATEMENT OF CHANGES IN EQUITY

Consolidated	Share Capital	Capital Reserve	Capital Reserve on Script Issue	General Reserve	Exchange Fluctuation Reserve	Retained Earnings	Total
<b>Rs.'000s</b>							
<b>Balance as at 1st April 2005</b>	300,000	872,866		5,211,191	29,865	1,490,205	7,904,127
Exchange Fluctuation Reserve-Associate		-		-	(3,882)	-	(3,882)
Adjustments Due to Holding Changes in Associate		19,472		5,305		22,455	47,232
Share option Scheme - Associate		-		-		(20,392)	(20,392)
Surplus on Revaluation - Associate		209		-		-	209
Dividend Paid		-		-		(150,000)	(150,000)
Net Profit for the Period		-		-		2,896,064	2,896,064
Transfer from Life Fund - SLICL		-		-		196,278	196,278
Transfers		(496,082)	1,095,539	2,124,660		(2,709,665)	14,452
<b>Balance as at 31March 2006</b>	<b>300,000</b>	<b>396,465</b>	<b>1,095,539</b>	<b>7,341,156</b>	<b>25,983</b>	<b>1,724,945</b>	<b>10,884,088</b>
<b>Balance as at 1st April 2006</b>	300,000	396,465	1,095,539	7,341,156	25,983	1,724,945	10,884,088
Exchange Fluctuation Reserve-Associate		-		-	(3,635)	-	(3,635)
Adjustments Due to Holding Changes in Associate		-		-		-	-
Adjustments Due to Holding Changes in Subsidiareis		478,026		85,526		219,850	783,402
Surplus on Revaluation- Associate		25,264		-		-	25,264
Net Profit for the Period		-		-		3,318,728	3,318,728
Transfer from Life Fund - SLICL		-		-		-	-
Transfers		-		-		-	-
Dividend Paid		-		-		(180,000)	(180,000)
<b>Balance as at 31st March 2007</b>	<b>300,000</b>	<b>899,755</b>	<b>1,095,539</b>	<b>7,426,682</b>	<b>22,348</b>	<b>5,083,523</b>	<b>14,827,847</b>
<b>Balance as at 1st April 2007</b>	300,000	899,755	1,095,539	7,426,682	22,348	5,083,523	14,827,847
Exchange Fluctuation Reserve - Associate							0
Impact of adoption of revised Accounting - - Standards by Associates							0
Adjustments Due to Holding Changes in Associate							0
Net Profit for the Period						1,378,696	1,378,696
<b>Balance as at 3th June 2007</b>	<b>300,000</b>	<b>899,755</b>	<b>1,095,539</b>	<b>7,426,682</b>	<b>22,348</b>	<b>6,462,219</b>	<b>16,206,543</b>

## NOTES TO THE FINANCIAL STATEMENTS

1. The Financial Statements of the company and those consolidated with such for the interim period have

been prepared on the same basis as the most recent audited Financial Statements. Interim Financial Statements prepared in compliance with Sri Lanka Accounting Standards.

2. There has been no other events subsequent to the interim report period which require disclosure in the

provisional Financial Statements.

3. Non Financial Information

	<b>30/06/2007</b>	30/06/2006
Net Assets Value per Share -Group(Rs)	<b>42.77</b>	39.25
- Company(Rs)	<b>32.13</b>	26.40
- Market Price per Share - Last traded (Rs)	<b>94.00</b>	45.00
Market Price per Share - Highest (Rs)	<b>113.25</b>	51.00
Market Price per Share - Lowest (Rs)	<b>90.25</b>	41.25