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J THOMSON
FINANCIAL



JOHN KEELLS HOLDINGS LIMITED
Interim Report
Three months ended 30th June 2004

CHAIRMAN'S MESSAGE

Your company, JKH, maintained the momentum of 2003/2004 in registering a strong first quarter 2004/2005 performance highlighted by Profit Attributable to Shareholders of Rs 537 million compared to the Rs 45 million in the corresponding period in the previous year, an increase of 1088 per cent and a Pre-Tax Profits, prior to exceptional items, of Rs 759 million, an increase of 61 per cent over the corresponding period in the previous year. Group Turnover at Rs 5.2 billion was 17 per cent over the Rs 4.4 billion recorded in the corresponding period in the previous year. The quarter also witnessed the furtherance of a number of Group-wide change initiatives including a formalised Corporate and Social Responsibility Programme, a SAP based ERP, a new Reward and Recognition Scheme for Group employees and the enjoyment of previously contracted Group Sourcing benefits.

The Food & Beverage Sector recorded a Profit Before Tax of Rs 43 million which, though better than the loss of Rs 589 million recorded in the VRS affected first quarter 2003/2004, was still below expectations. The Sector continues with its programme of consolidation and betterment.

In the Transportation Sector, the availability of higher capacity and a greater level of activity at the Port of Colombo resulted in good contributions from South Asia Gateway Terminals and Lanka Marine Services.

The Leisure Sector was a significant contributor to the Group's first quarter earnings. Despite the sluggish arrivals in April, a recovery in May coupled with higher average room rates, during the quarter, enabled the Resort Hotels and In-bound Tour Operations to record healthy profit growth. The City Hotels, namely Colombo Plaza and Trans Asia, and the Maldivian Hotels also performed well during the quarter.

The Information Technology Sector, registered higher profitability compared to the corresponding period of the previous year, although still not performing to its full potential.

The Plantations Sector showed better than previous year first quarter profitability despite the absence of Kegalle and Maskeliya Plantations because of good performances from Tea Smallholders and Tea Brokering.

The Financial Services Sector profitability, though lower than that recorded during the first quarter of the previous year, was above expectations during a period where the financial markets and overall investor confidence were negatively impacted by macro-economic and political uncertainties.

CHAIRMAN'S MESSAGE (Contd.)

Real Estate contributed well to the Group profitability mainly as a result of the sale and lease of Crescat apartments. The construction of a 30-storey, 200 luxury-apartment, "Monarch Tower", by Asian Hotels Properties Limited, has been approved subject to satisfaction of certain pre-sales criteria. Initial indications are encouraging and, everything being equal, construction will commence in January 2005. A Group Real Estate Strategy will be finalised once research and further discussion/evaluation are completed.

While the recommencement of the peace process is an absolute necessity, we, as we have stated on many previous occasions, believe that the longer-term sustainable growth of the economy is very dependant on the ability of the Government to foster a sound economic partnership with the Private Sector. On our part, we remain firmly committed, not only to ensuring steady returns to our Shareholders but also towards contributing to the national economy whilst upholding the principles of good Corporate Citizenry. In this respect, our Corporate Social Responsibility goals include, inter-alia, the provision of sanitation facilities to 37 schools island-wide, the provision of English Scholarships, the establishment of IT Kiosks at Universities and the sponsorship of 1000 cataract operations under the Vision 2020 Programme. JKH's commitment to the ten principles of the UN Global Compact remains undiminished.

V Lintotawela
Chairman

13 July 2004

Provisional Financial Statements
CONSOLIDATED INCOME STATEMENT

| | | | | Year Ended |
|---|-----------------------|----------------------|--------------|-------------------------|
| <i>For the three months ended 30th June</i> | 2004 | 2003 | Change | 31.03.2004 |
| Revenue | 5,153,207 | 4,398,151 | 17% | 20,924,520 |
| Cost of Sales | <u>(3,426,907)</u> | <u>(3,139,336)</u> | 9% | <u>(14,133,402)</u> |
| Gross Profit | 1,726,300 | 1,258,815 | 37% | 6,791,118 |
| Other Operating Income | <u>145,279</u> | <u>68,747</u> | 111% | <u>306,831</u> |
| | 1,871,579 | 1,327,562 | 41% | 7,097,949 |
| Administrative Expenses | <u>(893,106)</u> | <u>(662,384)</u> | 35% | <u>(2,913,493)</u> |
| Distribution Expenses | <u>(184,985)</u> | <u>(144,990)</u> | 28% | <u>(753,607)</u> |
| Other Operating Expenses | <u>(162,288)</u> | <u>(95,220)</u> | 70% | <u>(685,534)</u> |
| Profit from Operating Activities | 631,200 | 424,968 | 49% | 2,745,315 |
| Provision for fall in value of Investments | - | - | - | (6,947) |
| Finance Expenses | <u>(74,294)</u> | <u>(93,265)</u> | -20% | <u>(457,708)</u> |
| Share of Associate Company Profits | <u>202,551</u> | <u>139,338</u> | 45% | <u>703,378</u> |
| Profit from sale of Non-Current Investments | - | - | - | <u>158,939</u> |
| Profit before Voluntary Retirement Scheme | 759,457 | 471,041 | 61% | 3,142,977 |
| Cost of Voluntary Retirement Scheme | - | <u>(687,378)</u> | N/A | <u>(766,786)</u> |
| Profit before Taxation | 759,457 | (216,337) | N/A | 2,376,191 |
| Income Tax Expense | <u>(119,427)</u> | <u>84,710</u> | N/A | <u>(244,416)</u> |
| Profit after Taxation | 640,030 | (131,627) | N/A | 2,131,775 |
| Minority Interest | <u>(103,143)</u> | <u>176,818</u> | N/A | <u>(201,685)</u> |
| Profit attributable to the Group | <u>536,887</u> | <u>45,191</u> | 1088% | <u>1,930,090</u> |
| | Rs. | Rs. | | Rs. |
| Earnings per share for the period - Basic/Diluted | 1.63 | 0.16 | | 6.39 |
| Dividends per share - Gross | 0.00 | 0.00 | | 0.00 |

Note: All values are in Rupees '000s, unless otherwise stated.
The above figures are subject to audit.

Provisional Financial Statements

CONSOLIDATED BALANCE SHEET

| As at 30th June | 2004 | 2003 | As at 31.03.2004 |
|--|-------------------|-------------------|---------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 18,838,580 | 10,191,837 | 18,824,542 |
| Intangible Assets | 725,718 | 674,548 | 718,317 |
| Investments in Subsidiaries | 5,665 | 9,785 | 5,665 |
| Investments in Associates | 2,336,176 | 2,797,048 | 2,147,557 |
| Other Investments | 146,357 | 196,072 | 146,407 |
| Investment Properties | 65,802 | - | 100,472 |
| Other Non-Current Assets | 567,544 | 15,368 | 598,908 |
| | <u>22,685,842</u> | <u>13,884,658</u> | <u>22,541,868</u> |
| Current Assets | | | |
| Inventories | 1,618,403 | 1,799,766 | 1,473,029 |
| Trade & Other Receivables | 4,150,251 | 3,216,605 | 4,537,860 |
| Short Term Investments | 2,448,286 | 505,567 | 1,601,632 |
| Cash in Hand and at Bank | 1,524,346 | 1,305,816 | 2,184,923 |
| | <u>9,741,286</u> | <u>6,827,754</u> | <u>9,797,444</u> |
| Total Assets | <u>32,427,128</u> | <u>20,712,412</u> | <u>32,339,312</u> |
| EQUITY & LIABILITIES | | | |
| Capital & Reserves | | | |
| Authorised Share Capital | 10,000,000 | 3,000,000 | 10,000,000 |
| Issued Share Capital | 3,302,936 | 1,879,184 | 3,000,818 |
| Capital Reserves | 7,651,807 | 2,866,100 | 7,896,081 |
| Revenue Reserves | 3,128,309 | 2,449,898 | 3,128,309 |
| Retained Earnings | 3,286,034 | 2,532,104 | 3,202,414 |
| Total Equity | <u>17,369,086</u> | <u>9,727,286</u> | <u>17,227,622</u> |
| Minority Interest | 4,955,132 | 1,717,374 | 4,939,611 |
| Non-Current Liabilities | | | |
| Negative Goodwill | 1,293,131 | 640,729 | 1,292,633 |
| Non-Interest Bearing Borrowings | 25,000 | 41,705 | 25,000 |
| Interest Bearing Borrowings | 1,584,009 | 2,091,452 | 1,601,061 |
| Deferred Tax Liabilities | 348,114 | 234,191 | 348,090 |
| Retirement Benefit Obligation | 654,093 | 479,385 | 633,783 |
| Other Deferred Liabilities | 99,495 | 101,023 | 103,340 |
| | <u>4,003,842</u> | <u>3,588,485</u> | <u>4,003,907</u> |
| Current Liabilities | | | |
| Trade & Other Payables | 3,189,103 | 2,434,679 | 3,612,839 |
| Provision | 8,391 | - | 7,301 |
| Dividends Payable | 445,784 | - | - |
| Income Tax Liabilities | 98,409 | - | 118,538 |
| Short Term Borrowings | 882,565 | 494,467 | 955,132 |
| Current Portion of Non-Interest Bearing Borrowings | 10,000 | 10,000 | 10,000 |
| Current Portion of Interest Bearing Borrowings | 391,692 | 333,747 | 362,103 |
| Bank Overdrafts | 1,073,124 | 2,406,374 | 1,102,259 |
| | <u>6,099,068</u> | <u>5,679,267</u> | <u>6,168,172</u> |
| Total Equity & Liabilities | <u>32,427,128</u> | <u>20,712,412</u> | <u>32,339,312</u> |
| | Rs. | Rs. | Rs. |
| Net Assets per share | 52.59 | 51.76 | 57.41 |

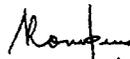
Note: All values are in Rupees '000s, unless otherwise stated.

The above figures are subject to audit.

The Board of Directors is responsible for the preparation and presentation of these financial statements.



V. Lintotawela
Chairman



J.R.F. Peiris
Group Finance Director

13 July 2004

Provisional Financial Statements
CONSOLIDATED CASH FLOW STATEMENT

For the three month ended 30th June
In Rs. '000s

| | 2004 | 2003 |
|---|------------------|------------------|
| CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES | | |
| Net Profit before Taxation | 759,457 | (216,337) |
| Adjustments for: | | |
| Interest Received | (22,911) | (11,557) |
| Finance Expenses | 74,294 | 93,265 |
| Dividends Received | - | (2,777) |
| Cost of Voluntary Retirement Scheme | - | 687,378 |
| Share of Associate Company Profits | (202,551) | (139,338) |
| Transfer from Investment Properties | 34,670 | - |
| Depreciation | 291,427 | 179,301 |
| Profit on sale of Property, Plant & Equipment | (11,266) | (5,459) |
| (Profit)/Loss on sale of Shares | (14,239) | (6,439) |
| Goodwill on Consolidation (net) | (4,211) | 2,630 |
| Retiring Gratuity (net of payments) | 20,025 | (61,970) |
| Amortisation of Other Deferred Liabilities | (3,845) | (980) |
| Intangible Assets & Non Current Assets (net) | 28,293 | (8,701) |
| Operating Profit before Working Capital Changes | 949,143 | 509,016 |
| (Increase)/Decrease in Inventories | (141,898) | (109,478) |
| (Increase)/Decrease in Receivables & Prepayments | 476,958 | 87,982 |
| Increase/(Decrease) in Creditors & Accruals | (429,417) | (8,496) |
| Increase/(Decrease) in Short Term Borrowings | (72,567) | (210,000) |
| Increase/(Decrease) consequent to Changes in Subsidiaries | - | 31,426 |
| Cash Generated from Operations | 782,219 | 300,450 |
| Interest Received | 22,911 | 11,557 |
| Finance Expenses Paid | (74,294) | (93,265) |
| Dividends Received | 9,563 | 75,902 |
| Voluntary Retirement Cost Paid | - | (687,378) |
| Income Tax Paid | (163,948) | (57,321) |
| Net Cash Flow from / (used in) Operating Activities | 576,451 | (450,055) |
| CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES | | |
| Acquisition of Property, Plant & Equipment | (318,110) | (198,661) |
| Purchase of Investments | (15,750) | (246,496) |
| Acquisition of Interest in Subsidiaries | (18,514) | (46,442) |
| Proceeds from sale of Property, Plant & Equipment | 24,032 | 7,938 |
| Proceeds from sale of Other Investments | 155 | - |
| Grants Received for Investing Activities | - | 1,863 |
| Net Cash Flow from / (used in) Investing Activities | (328,187) | (481,798) |
| CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES | | |
| Proceeds from Issuance of Shares - Company | 12,106 | 10,962 |
| Minority Interest | (63,288) | (109,005) |
| Dividends Paid | - | (179,936) |
| Proceeds from Interest Bearing Borrowings | 89,467 | 695,043 |
| Repayment of Interest Bearing Borrowings | (76,927) | (74,304) |
| Net Cash Flow from / (used in) Financing Activities | (38,642) | 342,760 |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS | 209,622 | (589,093) |
| CASH & CASH EQUIVALENTS AT THE BEGINNING (after adjustments) | 2,689,886 | (5,898) |
| CASH & CASH EQUIVALENTS AT THE END | 2,899,508 | (594,991) |
| CASH & CASH EQUIVALENTS | | |
| Short Term Investments | 2,448,286 | 505,567 |
| Cash in Hand | 1,524,346 | 1,305,816 |
| Bank Overdrafts | (1,073,124) | (2,406,374) |
| Cash & Cash Equivalents | 2,899,508 | (594,991) |

Provisional Financial Statements

COMPANY INCOME STATEMENT

| <i>For the three months ended 30th June</i> | | | | As at |
|---|-----------------------|-----------------------|------------|-------------------------|
| | 2004 | 2003 | Change | 31.3.2004 |
| Revenue | 359,610 | 294,592 | 22% | 1,543,875 |
| Cost of Sales | <u>(36,307)</u> | <u>(27,527)</u> | 32% | <u>(104,220)</u> |
| Gross Profit | 323,303 | 267,065 | 21% | 1,439,655 |
| Other Operating Income | <u>13,606</u> | <u>10,290</u> | 32% | <u>14,004</u> |
| | 336,909 | 277,355 | 21% | 1,453,659 |
| Administrative Expenses | <u>(83,334)</u> | <u>(56,447)</u> | 48% | <u>(225,053)</u> |
| Other Operating Expenses | <u>(5,493)</u> | <u>(8,262)</u> | -34% | <u>(36,821)</u> |
| Profit from Operating Activities | 248,082 | 212,646 | 17% | 1,191,785 |
| Provision for fall in value of Investments | <u>(15,226)</u> | <u>(10,876)</u> | 40% | <u>(39,734)</u> |
| Finance Expenses | <u>(27,087)</u> | <u>(52,700)</u> | -49% | <u>(247,086)</u> |
| Profit from sale of Non-Current Investments | <u>-</u> | <u>-</u> | - | <u>383,109</u> |
| Profit before Taxation | 205,769 | 149,070 | 38% | 1,288,074 |
| Income Tax Expense | <u>(3,859)</u> | <u>4,848</u> | N/A | <u>7,749</u> |
| Profit after Taxation | <u>201,910</u> | <u>153,918</u> | 31% | <u>1,295,823</u> |
| | Rs. | Rs. | | Rs. |
| Earnings per share for the period - Basic/Diluted | 0.61 | 0.55 | | 4.29 |
| Dividends per share - Gross | 0.00 | 0.00 | | 0.00 |

Note : All values are in Rupees '000s, unless otherwise stated.

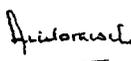
The above figures are subject to audit.

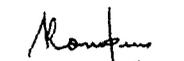
Provisional Financial Statements
COMPANY BALANCE SHEET

| <i>As at 30th June</i> | <u>2004</u> | <u>2003</u> | <u>As at 31.03.2004</u> |
|--|-------------------|------------------|-----------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 606,974 | 416,160 | 559,563 |
| Investments in Subsidiaries & Joint Ventures | 9,338,227 | 3,642,061 | 9,350,632 |
| Investments in Associates | 1,437,721 | 1,498,847 | 1,437,722 |
| Other Investments | 94,507 | 97,056 | 94,556 |
| Other Non-Current Assets | <u>106,786</u> | <u>368,417</u> | <u>142,610</u> |
| | <u>11,584,215</u> | <u>6,022,541</u> | <u>11,585,083</u> |
| Current Assets | | | |
| Inventories | 398 | 525 | 485 |
| Trade & Other Receivables | 678,706 | 388,549 | 572,970 |
| Short Term Loans given to Related Parties | 306,780 | 380,081 | 218,981 |
| Short Term Investments | 274,380 | 180,725 | 121,500 |
| Cash in Hand and at Bank | 5,425 | 31,307 | 292,715 |
| | <u>1,265,689</u> | <u>981,187</u> | <u>1,206,651</u> |
| Total Assets | <u>12,849,904</u> | <u>7,003,728</u> | <u>12,791,734</u> |
| EQUITY & LIABILITIES | | | |
| Capital & Reserves | | | |
| Authorised Share Capital | 10,000,000 | 3,000,000 | 10,000,000 |
| Issued Share Capital | 3,302,936 | 1,879,184 | 3,000,818 |
| Capital Reserves | 5,998,204 | 1,209,934 | 6,288,216 |
| Revenue Reserves | 1,776,497 | 1,229,936 | 1,776,497 |
| Retained Earnings | <u>247,560</u> | <u>176,090</u> | <u>491,434</u> |
| Total Equity | <u>11,325,197</u> | <u>4,495,144</u> | <u>11,556,965</u> |
| Non-Current Liabilities | | | |
| Interest Bearing Borrowings | 697,624 | 776,744 | 730,093 |
| Deferred Tax Liabilities | - | 693 | - |
| Retirement Benefit Obligation | <u>60,856</u> | <u>42,970</u> | <u>59,021</u> |
| | <u>758,480</u> | <u>820,407</u> | <u>789,114</u> |
| Current Liabilities | | | |
| Trade & Other Payables | 127,009 | 96,759 | 105,022 |
| Amounts due to Related Parties | - | 259,510 | 114,681 |
| Dividends Payable | 445,784 | - | - |
| Current Portion of Interest Bearing Borrowings | 179,158 | 179,158 | 179,158 |
| Bank Overdrafts | <u>14,276</u> | <u>1,152,750</u> | <u>46,794</u> |
| | <u>766,227</u> | <u>1,688,177</u> | <u>445,655</u> |
| Total Equity & Liabilities | <u>12,849,904</u> | <u>7,003,728</u> | <u>12,791,734</u> |
| | Rs. | Rs. | Rs. |
| Net Assets per share | 34.29 | 23.92 | 38.51 |

Note : All values are in Rupees '000s, unless otherwise stated.
The above figures are subject to audit.

The Board of Directors is responsible for the preparation and presentation of these financial statements.


V. Lintotawela
Chairman


J.R.F. Peiris
Group Finance Director

13 July 2004

Provisional Financial Statements

COMPANY CASH FLOW STATEMENT

For the three months ended 30th June

In Rs. '000s

| | 2004 | 2003 |
|--|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit before Taxation | 205,769 | 149,070 |
| Adjustments for : | | |
| Finance Expenses | 27,087 | 52,700 |
| Depreciation | 5,721 | 4,323 |
| Profit on sale of Property, Plant & Equipment | - | (1,008) |
| (Profit)/Loss on sale of Shares | (8,481) | (8,712) |
| Provision for fall in value of Investments | 15,226 | 10,876 |
| Bad Debts | 4,478 | 4,478 |
| Retiring Gratuity (net of payments) | 1,835 | 1,682 |
| Operating Profit before Working Capital Changes | <u>251,635</u> | <u>213,409</u> |
| (Increase)/Decrease in Receivables & Prepayments | (152,097) | (42,386) |
| Increase/(Decrease) in Creditors & Accruals | (96,548) | 40,014 |
| Increase/(Decrease) in Short Term Borrowings | - | (250,000) |
| Cash Generated from Operations | <u>2,990</u> | <u>(38,963)</u> |
| Finance Expenses Paid | (27,087) | (52,700) |
| Income Tax Paid | - | - |
| Net Cash Flow from / (used in) Operating Activities | <u>(24,097)</u> | <u>(91,663)</u> |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | |
| Acquisition of Property, Plant & Equipment | (53,132) | (5,802) |
| Purchase of Investments | (18,514) | (292,937) |
| Proceeds from sale of Property, Plant & Equipment | - | 1,008 |
| Proceeds from sale of Investments | 155 | 43,012 |
| Net Cash Flow Used in Investing Activities | <u>(71,491)</u> | <u>(254,719)</u> |
| CASH FLOWS USED IN FINANCING ACTIVITIES | | |
| Proceeds from Issuance of Shares | 12,106 | 10,962 |
| Dividends Paid | - | (179,936) |
| Long Term Borrowings - related parties | 14,059 | (485) |
| Repayment of Interest Bearing Borrowings | (32,469) | (32,469) |
| Net Cash Flow used in Financing Activities | <u>(6,304)</u> | <u>(201,928)</u> |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS | <u>(101,892)</u> | <u>(548,310)</u> |
| CASH & CASH EQUIVALENTS AT THE BEGINNING | <u>367,421</u> | <u>(392,408)</u> |
| CASH & CASH EQUIVALENTS AT THE END | <u>265,529</u> | <u>(940,718)</u> |
| CASH & CASH EQUIVALENTS | | |
| Short Term Investments | 274,380 | 180,725 |
| Cash in Hand | 5,425 | 31,307 |
| Bank Overdrafts | (14,276) | (1,152,750) |
| Cash & Cash Equivalents | <u>265,529</u> | <u>(940,718)</u> |

Provisional Financial Statements
STATEMENT OF CHANGES IN EQUITY

| Group | 2004 | 2003 |
|--|--------------------------|-------------------------|
| <i>As at 30th June</i> | <u>2004</u> | <u>2003</u> |
| Balance as at 31st March | 17,227,622 | 9,814,048 |
| Adjustment on account of changes in holdings | <u>(7,484)</u> | <u>34,265</u> |
| | 17,220,138 | 9,848,313 |
| Share Options exercised during the period | 1,927 | 2,714 |
| Premium on issue of Shares during the period | <u>10,179</u> | <u>8,248</u> |
| | 17,232,244 | 9,859,275 |
| Gain/Loss not recognised in the Income Statement | | |
| - Currency Translation Reserve | 45,739 | 2,756 |
| Net Profit for the period | 536,887 | 45,191 |
| Final Dividend - 2003/2004 | <u>(445,784)</u> | <u>(179,936)</u> |
| Balance as at 30th June | <u>17,369,086</u> | <u>9,727,286</u> |

Company

| <i>As at 30th June</i> | 2004 | 2003 |
|--|--------------------------|-------------------------|
| Balance as at 31st March | 11,556,965 | 4,510,200 |
| Share Options exercised during the period | 1,927 | 2,714 |
| Premium on issue of Shares during the period | <u>10,179</u> | <u>8,248</u> |
| | 11,569,071 | 4,521,162 |
| Net Profit for the period | 201,910 | 153,918 |
| Final Dividend - 2003/2004 | <u>(445,784)</u> | <u>(179,936)</u> |
| Balance as at 30th June | <u>11,325,197</u> | <u>4,495,144</u> |

13 July 2004

Provisional Financial Statements
SEGMENT INFORMATION

For the three months
 ended 30th June

| | Food & Beverage | | Transportation | | Plantation | | Leisure | | Information Technology | | Financial Services | | Real Estate | | Other | | Group Total | | |
|--|------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|------------------------|----------------|--------------------|----------------|----------------|--------------|---------------|----------------|------------------|------------------|--|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | |
| In Rs. '000s | | | | | | | | | | | | | | | | | | | |
| Total Sales | 2,315,148 | 1,989,238 | 1,702,827 | 1,341,038 | 768,222 | 912,524 | 1,032,419 | 528,493 | 325,274 | 312,652 | 385,768 | 428,594 | 140,569 | 4,308 | 134,280 | 632,767 | 6,804,517 | 6,149,924 | |
| Less: Inter Segment Sales | (7,332) | (6,283) | (10,258) | (15,917) | (25,083) | (18,461) | (29,517) | (26,246) | (24,091) | (8,206) | - | - | (3,368) | (2,657) | (96,862) | (300,962) | (1,966,517) | (376,732) | |
| Intra Segment Sales | (691,294) | (494,323) | (87) | (41) | - | - | (35,052) | (15,839) | (2,491) | (7,537) | - | - | - | - | (549) | (688) | (729,473) | (518,428) | |
| Segment Revenue | 1,616,522 | 1,488,632 | 1,692,482 | 1,325,080 | 743,133 | 896,063 | 967,850 | 486,408 | 298,692 | 296,909 | 385,768 | 428,994 | 137,201 | 1,651 | 36,879 | 331,117 | 5,878,527 | 5,254,764 | |
| Share of Associate Company Turnover | | | | | | | | | | | | | | | | | (725,320) | (856,613) | |
| Revenue | | | | | | | | | | | | | | | | | 5,153,207 | 4,398,151 | |
| Segment Operating Profits | 57,527 | (587,779) | 419,265 | 283,791 | 79,127 | 59,728 | 90,412 | (13,223) | 455 | (3,689) | 43,572 | 61,674 | 30,226 | 4,224 | (32,112) | 4,065 | 688,472 | (191,819) | |
| Other Operating Income | | | | | | | | | | | | | | | | | 145,279 | 68,747 | |
| Finance Expenses | | | | | | | | | | | | | | | | | (74,294) | (93,265) | |
| Profit before Taxation | 42,853 | (588,574) | 431,970 | 299,271 | 60,000 | 36,085 | 135,926 | 8,834 | 9,713 | 555 | 47,726 | 62,100 | 56,800 | 3,014 | (25,211) | (37,622) | 759,457 | (216,337) | |
| Income Tax Expense | (24,303) | 125,451 | (30,075) | (13,368) | (17,107) | (17,357) | (16,189) | (3,273) | (2,659) | (591) | (10,406) | (6,198) | (5,152) | (1,618) | (13,536) | 3,684 | (119,427) | 84,710 | |
| Profit after Taxation | 18,550 | (463,123) | 401,895 | 285,903 | 42,893 | 18,728 | 119,737 | 5,561 | 7,054 | (36) | 37,320 | 53,902 | 51,528 | 1,396 | (38,747) | (33,938) | 640,030 | (131,627) | |

Provisional Financial Statements
NOTES TO THE FINANCIAL STATEMENTS

For the three month ended 30th June

1. Market Price per share

| | 2004 | Company | 2003 |
|---|--------|---------|--------|
| Market Price - Highest (for the period) | 113.00 | | 116.00 |
| Market Price - Lowest (for the period) | 95.00 | | 69.75 |
| Market Price - Last Traded (for the period) | 107.50 | | 103.25 |

2. The Interim Financial Statements of the Company and of the Group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31 March 2004 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.
3. The presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant, to be comparable with those for the current year.
4. All values included in these Financial Statements are in Rs. '000s unless otherwise stated.
5. The Company granted a bonus issue of 1 ordinary share for every 10 existing ordinary shares on 10 June 2004. A final dividend of 15% was paid on the increased post-scrip issued capital on 5 July 2004.
6. There have been no other events subsequent to the Balance Sheet Date, which require disclosure in the Interim Financial Statements.

CORPORATE INFORMATION

Name of Company

John Keells Holdings Limited

Legal Form

Public Limited Liability Company
Incorporated in Sri Lanka in 1979
Ordinary Shares listed on the Colombo Stock Exchange
GDRs listed on the Luxembourg Stock Exchange

Directors

Mr V Lintotawela – Chairman
Mr S C Ratnayake – Joint Managing Director
Mr A D Gunewardene – Joint Managing Director
Mr G S A Gunasekera
Mr J R F Peiris
Mr E F G Amerasinghe
Mr S Easparathasan
Mr T Das
Mr N C Vitarana

Audit Committee

Mr N C Vitarana – Chairman
Mr E F G Amerasinghe
Mr S Easparathasan

Remuneration Committee

Mr E F G Amerasinghe – Chairman
Mr S Easparathasan
Mr N C Vitarana

Nominations Committee

Mr S Easparathasan – Chairman
Mr E F G Amerasinghe
Mr V Lintotawela
Mr N C Vitarana

Secretaries and Registrars

Keells Consultants Limited
130 Glennie Street
Colombo 2
Sri Lanka

Auditors

Ernst and Young
Chartered Accountants
P O Box 101
Colombo
Sri Lanka

Bankers

Bank of Ceylon
CitiBank NA
Commercial Bank
Deutsche Bank
Hatton National Bank
Hongkong and Shanghai Banking Corporation
Nations Trust Bank
NDB Bank
People's Bank
Sampath Bank
Seylan Bank
Standard Chartered Bank

Depository for GDRs

CitiBank NA
New York

Registered Office of the Company

130 Glennie Street
Colombo 2
Sri Lanka

Contact Details

P O Box 76
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Sri Lanka

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