



MAHAWELI REACH HOTELS LIMITED
SUMMARIZED PROFIT & LOSS ACCOUNT
 (All figures in Rs: '000)

	APR. DEC. 2006	APR. DEC. 2005	OCT. DEC. 2006	OCT. DEC. 2005
	Rs:	Rs:	Rs:	Rs:
Revenue	161,403	137,189	49,102	46,530
Cost of Sales	(60,627)	(51,201)	(20,358)	(17,935)
Gross Profit	100,776	85,988	28,744	28,595
Selling & Distribution Cost	(10,153)	(14,119)	(3,042)	(5,521)
Administration cost	(30,499)	(26,808)	(10,594)	(9,679)
Other Costs	(35,230)	(32,977)	(11,669)	(12,021)
Gross Profit From Operations	24,894	12,084	3,439	1,374
Finance Cost & Depreciation	(28,360)	(24,978)	(10,359)	(8,792)
Profit on Sales of Fixed assets	791	4,394	4,394	4,394
Profit / Loss before Taxation	(2,675)	(8,500)	(6,920)	(3,024)
Taxation	-	-	-	-
Profit / Loss after Taxation	(2,675)	(8,500)	(6,920)	(3,024)
Retained Loss Brought Forward**	(194,219)	(182,926)	(189,974)	(188,402)
Retained Loss Carried Forward	(196,894)	(191,426)	(196,894)	(191,426)

The above figures are provisional & subject to audit

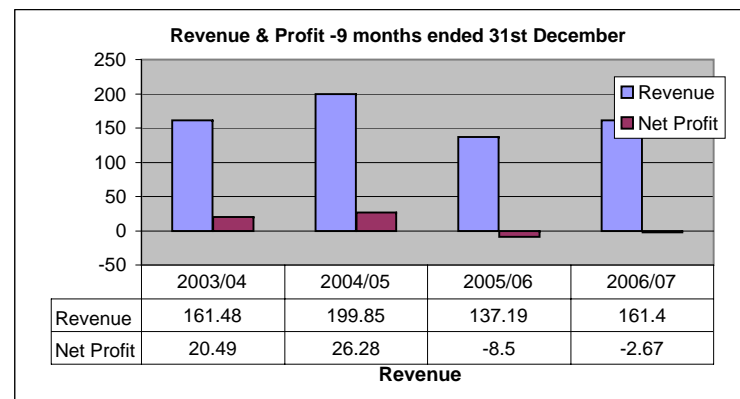
Mrs. L.R. Panabokke
 Director
 31st January 2007

Jayantha A Panabokke
 Director



MAHAWELI REACH HOTELS LTD.
SUMMARIZED BALANCE SHEET
 (All figures in Rs: '000)

<u>Audited</u>	12/31/2006	12/31/2005
	Rs:	Rs:
ASSETS		
Non Current Assets		
Property, Plant & Equipment	491,397	469,299
Capital Work in Progress	10,281	10,281
Current Assets		
Stocks	11,838	10,726
Trade & Other Receivable	55,930	40,689
Loans & Advances	10,508	12,029
Cash & Bank Balance	5,256	35,659
TOTAL ASSETS	585,210	578,683
EQUITY AND LIABILITIES		
Capital & Reserves		
Share Capital	470,781	470,781
Capital Reserves	121,494	123,976
Revenue Reserves	(196,894)	(191,426)
Deferred Revenue Income/Expenditure	161	322
Non Current Liabilities		
Provision for liabilities & Charges	12,883	11,592
Long Term Liabilities (secured)	116,739	128,552
Current Liabilities		
Trade & Other Payable	34,502	30,222
Accruals	11,438	4,536
Bank Overdrafts	14,106	128
TOTAL EQUITY AND LIABILITIES	585,210	578,683





MAHAWELI REACH HOTELS LIMITED
STATEMENT OF CHANGES IN EQUITY

For the 9 months ended 31st December 2005 & 31st December 2006

	Share Capital	Capital Reserves	Revenue Reserves	Total
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Balance as at 01.04.2005	470,781	123,976	-182,926	411,831
Net Profit / Loss for the Period	0	0	-8,500	(8,500)
Balance as at 31.12.2005	470,781	123,976	-191,426	403,331
Balance as at 01.04.2006	470,781	121,494	-194,219	398,056
Net Profit / Loss for the Period			-2,675	(2,675)
Balance as at 31.12.2006	470,781	121,494	-196,894	395,381

	<u>31/03/2006</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Net Assets Per Share	8.54	8.49	8.58
Basic Earnings Per Share	(0.16)	(0.06)	(0.18)

Market prices of shares	<u>31/03/2006</u>	<u>31/12/2006</u>	<u>31/12/2005</u>
Highest Price (Rs)	33.25	25.75	32.00
Lowest Price (Rs)	16.25	19.00	25.00
Closeing Price (Rs)	19.75	21.50	27.00

Notes

* The balance Sheet of the Company as at 31st December 2006, the Income Statement, Cash Flow Statement and Statement of Changes in Equity of the Company for the 9 Months ended 31st December 2006, are drawn up from unaudited Accounts of the Company and provide information as required by the Colombo Stock Exchange and SLAS 35.

* Accounting policies and methods of computation as stated in the Annual Report 2006, are followed in the preparation of these Interim Accounts.

* Comparative figures have been re-stated wherever necessary to conform to the current periods presentation.

**Payment of Rs:3.8mn in respect of Vat and Payee relating to prior years.



MAHAWELI REACH HOTELS LIMITED
CASH FLOW STATEMENTS
9 Months Ended 31st December 2006/2005

	31.12.2006	31.12.2005
	Rs: 000	Rs: 000
For the 9 Months ended 31st December		
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	(2,675)	(8,500)
Adjustment for :		
Prior year adjustment	(3,811)	-
Depreciation of property plant & equipment	13,500	13,500
Profit on sale of Fixed Assets	(791)	(4,394)
Interest cost	10,893	7,104
Movement in Provisions and Accruals	3,621	739
Operating profit before working capital change	20,737	8,449
(Increase)/Decrease in accounts receivables & others	16,692	(9,449)
(Increase)/(Decrease) in accounts payables	5,199	(1,007)
Interest paid	(10,893)	(7,104)
Gratuity paid	-	-
Tax paid	-	-
Net cash flow from operating activities	31,735	(9,111)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment	(27,571)	(24,207)
Capital work in progress	-	(92)
Proceeds from disposal of Fixed Assets	791	9,074
Net cash flow from investing activities	(26,780)	(15,225)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Loans/Finance Leases	-	132,596
Repayment of Long Term Loans/Finance Leases	(12,953)	(63,559)
Net cash flow from financing activities	(12,953)	69,037
Net Increase/(decrease) in cash and cash equivalents during the period	(7,998)	44,701
Cash & cash equivalents at the beginning of the period	(852)	(9,170)
Cash & cash equivalents at the end of the period	(8,850)	35,531
End of the period		
Cash at banks and in hand	5,256	35,659
Bank overdraft	(14,106)	(128)