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Chairman's Message

On behalf of the Board of Directors, I have pleasure in presenting the Annual Report and Audited Accounts of the Company for the financial year ended 31st March 2000.

Although the Company fared well during the first half of the year under review, it had to contend with two major adverse factors during the second half. The first was the steep increase in fuel prices during the latter part of the year, which affected the entire airline industry. Our expenditure on fuel rose from Rs 2,532 million in 1998/99 to Rs 4,778 million in 1999/2000. The impact of the price increase will be even greater in the current year as the higher prices are likely to prevail during the entire year, in spite of international pressure on the OPEC countries for lower oil prices. The second factor was the deterioration of the security situation in the country. This situation, which was highlighted in the world media, affected both the tourist and airline industries. In addition to the decrease in tourist traffic, we were also faced with a decline in the numbers of expatriate Sri Lankans residing in Europe, North America and Australia who usually visit Sri Lanka each year to meet their relatives and friends. As a result, our load factors showed a marked decrease in the second half of the year under review. These adverse factors and the higher debt servicing costs in respect of the aircraft we have acquired, due to devaluation of the Sri Lankan rupee, led to a loss during the year under review.

To counter these adverse trends, the Company reviewed its strategies and decided to concentrate to a greater degree on its plan for developing Colombo as a hub for international air traffic. As will be appreciated, transit traffic through Colombo is less affected by the security situation in the country. I am pleased to report that our efforts to encourage international air travellers to use our flights to and from Europe, India, Australia and the Middle East by transiting through Colombo have already been successful. At the same time, we embarked on a review of our flight schedules in order to reduce frequencies in non-productive sectors and to increase them on the busier routes. In this latter respect, we have been successful in obtaining additional flights to India, which will allow us to carry 745 more passengers a week. We have also secured additional flights to Bangkok with fifth freedom rights to carry traffic from



Bangkok to China. In view of this re-scheduling of flights we have looked closely at the immediate fleet requirements and decided to defer the acquisition of the last three Airbus A330 aircraft, which were due for delivery in the last quarter of this year. Our partner, Emirates, will be assisting us by taking over these deliveries and we will then have an option to acquire three aircraft at a later date next year, after we have reviewed our capacity requirements once again.

During the year we carried out a right sizing programme across the Company offering the option of voluntary resignation under a scheme applicable to all categories of employees. A total of 157 staff from managerial, executive and non-executive grades availed themselves of the facility offered through this scheme. All grades of staff including those of Air Lanka Catering Services Ltd. received a gift of a total of nine percent of the Company's shareholding from the Government of Sri Lanka.

In order to enhance our customer service, we have introduced an automated baggage reconciliation system, which ensures speedy and efficient handling of passenger baggage. Thus Colombo has become the third airport in Asia to adopt such a system. Singapore and Hongkong are the only other Asian airports to employ this facility.

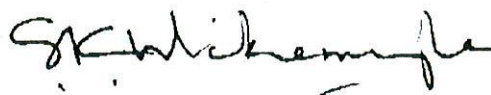
We have also launched, in partnership with Emirates, a new frequent flier programme called Skywards, which will offer many more rewards to this category of customers than our previous Serendib Club scheme. Our subsidiary, Air Lanka Catering Services Ltd., has completed planning work on a new flight kitchen, which will have 21/2 times the present capacity and will also have more modern facilities. This new flight kitchen is designed to cope with the demand from SriLankan Airlines, as well as from other airlines using Bandaranaike International Airport, in the foreseeable future.

I mentioned in my statement last year that we were collaborating with Airport & Aviation Services Ltd on the new airport expansion project. I am pleased to say that the plans have now been completed for this project, which will provide improved facilities, including aerobridges for our passengers in the new terminal.

As far as the future is concerned, we are hopeful

that we will be able to overcome the adverse factors, which I have mentioned earlier in my statement, through the new business strategies we have developed in close collaboration with our partner, Emirates. I would like to take this opportunity to express our sincere thanks to them for their advice and assistance, which have been of much help in overcoming these problems.

Our major strength has been the team of highly motivated staff without whom it would not have been possible to achieve so much in the face of adverse conditions. I would like to thank all of them, as well as my colleagues on the Board, for the valuable support they have extended to the Company.



S K Wickremesinghe
Chairman

Managing Director's Review

This year has witnessed some remarkable achievements by the Company in its ambition to become the preferred International Airline of South Asia.

The second year of a ten year Business Plan produced by Emirates was aggressive, focusing on fleet renewal, schedule expansion, product enhancement, information technology systems overhaul with Y2K compliance and human resource development. That so much has been accomplished in all of these fields is indeed a tribute to the dedication and commitment of the Management and Staff.

The arrival of our fourth Airbus A340-300 aircraft in July launched our new Corporate Identity Programme with a new name, stylised logo and colour scheme, and the airline had taken the first step on its fleet modernisation process. More new aircraft followed shortly after with our first Airbus A330-200 joining us in October and by July 2000, we had taken delivery of five more of these wide-body, state-of-the-art twin jets. Their arrival signalled the departure of our last L1011 Tristars in March 2000, following their sale to the Canadian airline, Air Transat. A massive re-training exercise was undertaken to convert our pilots, engineers and cabin crew to the A330s, while at the same time maintaining our normal operating programme. Our existing fleet of Airbus A340s are being reconfigured into a two class Business and Economy layout, with new seats, interior decor and entertainment/communication systems to match the new A330s, and they will be re-delivered resplendent in our new livery. The A320 fleet will also undergo a refurbishment programme. With the now all Airbus fleet we have seen significant improvement in our technical despatch record and continue to strive towards even higher punctuality levels.

On operating revenues of Rs. 24,751.79 million, we recorded a loss of Rs. 388.21 million, mainly as a result of the security situation in Sri Lanka during the second half of this financial year, which depressed inbound tourism and business traffic coupled with the sharp rise in aviation fuel prices. Passengers carried was a record 1,475,054 at a load factor of 67.92% and cargo carried a record 41,670 tonnes.

Our inflight product has been completely



redesigned to reflect the capabilities of the new interior facilities and layout of our fleet. New crockery, cutlery, glassware, all featuring our new house-style has been introduced which together with an exciting range of new menus, selected by leading international chefs, cater to the preferences of our customers on a route by route basis. State-of-the-art entertainment systems featuring video and audio programmes in every seat, in addition to telephone and fax facilities are available to all customers travelling on our A330/340 fleets.

Our route network continues to grow. New destinations introduced are Sydney, Beirut, Stockholm, Milan, Dhaka and from Winter 2000, Berlin and Jakarta, as well as a code-share service to Munich with our partner Emirates. Our expanded fleet has allowed us to increase services to points already served in Europe, Middle East and Asia.

We continue to make progress on improving the Company's aeropolitical access to overseas markets. This year has seen increases in capacity to India, United Kingdom, Italy, Switzerland, Thailand, Indonesia and Australia.

Our ambition to develop Colombo into a major hub in South Asia is beginning to take shape. Our schedules from Europe and the Middle East are now connecting with an increasing number of services to India, the Far East and Australia, opening up new markets and opportunities for both passenger and cargo growth. Some improvements have been made at Bandaranaike International Airport, but much remains to be done to enhance the facilities and infrastructure to cope with our forecasted growth in business.

The major event from an Information Technology perspective was the unqualified success of our Y2K programme, which thanks to months of careful planning and preparation, was implemented without any disruption whatsoever to our commercial operation.

During this year, the IT Division ably assisted by the Mercator Division of Emirates introduced new computerised systems in virtually every major area of the Company's core activities, including MARS - Reservations, MACS - Departure Control, RAPID - Revenue Accounting, COMET - Outstation Accounting, ORACLE FINANCIALS - Finance, FLEETPLAN - Schedules Planning, FLEETWATCH - Schedules tracking, BRS - Baggage Reconciliation,

NOVO-CETEC - Crew Rostering and an upgrade to MAXI-MERLIN for Engineering. These systems now provide us with a platform on which to manage the future profitable growth of the Company.

In the field of Human Resources much has been achieved following the implementation of new collective bargaining agreements for all Sri Lanka based employees, providing significant salary and benefits improvement to everyone. Ongoing projects include job evaluation and regrading, process optimisation, manpower planning and a voluntary resignation scheme.

The implementation of the new Corporate Identity Programme is being applied as cost effectively as possible. A new corporate headquarters has been established in the prestigious World Trade Centre in Colombo. New Reservations/Ticket Offices are being opened in the Landmark building and WTC in Colombo and in Galle, Kandy and other regional centers in Sri Lanka, all featuring our new hi-tech interior design and house-style.

The challenges that the Company, its Management and Staff will face in the year ahead are formidable. We have successfully undertaken the re-launching of the Company as SriLankan Airlines, on target with our Business Plan. Now we must consolidate this achievement to produce sustained profitable growth against a background of ever increasing fuel prices and the continued pressure on passenger and cargo yields worldwide.



Tim Clark
Managing Director

New Frontiers

The year was a landmark one, a year in which the airline obtained its 'SriLankan' identity designed in accordance with its new market position as a truly modern and international airline. Throughout the Company, our energies were naturally directed towards unfolding the SriLankan ethos. Our growth in terms of fleet modernization and the onboard product offer was phenomenal and in terms of route development and expansion, significant.

We phased out the Lockheed Tristars and at the same time began upgrading our fleet with brand new Airbus A330-200s. At the end of the year in review, we were an all Airbus carrier with four A330-200s, four A340-300s and two A320-200s.

Our new market positioning saw us also offering the customer some of the most sophisticated inflight amenities and entertainment systems onboard our new A330s.

Moreover, the end of the year saw the first of our A340s off to the Air France base in Paris for retrofitting, to put in place the same inflight product that the A330s offer. This is to be a staggered program which is scheduled for completion in late 2000.



Route Development

We were happy to announce a daily non-stop service to one of our prime destinations - London Heathrow - in the summer of 1999, increasing frequencies from the previous six to seven per week. We also introduced a second weekly non-stop flight to Dammam and a fourth weekly non-stop flight to Delhi.

The synergies that we forecast would be generated through our strategic partnership with Emirates saw fruition in several codeshare flights with the International Airline of the U.A.E. We began to operate codeshare flights to Singapore and Jakarta, and from Dubai to Munich, with Emirates.

With the first A330s joining our fleet in the winter of 1999, we launched services to three new destinations - Beirut, Stockholm and Sydney. The Stockholm flight operates via Dubai, with the Dubai/Stockholm sector codeshared with Emirates.



Cargo Sets Records

SriLankan Cargo branded as a separate entity in the airline's new market positioning to boost its operations, had an eventful year, one in fact in which we had record growth.

Cargo revenue increased by 45% to LKR 3,215.07 million. To this growth, home base Sri Lanka contributed 35% in revenue. The Far East's contribution of 28% continued to indicate its potential for further growth.

SriLankan Cargo's contribution to total airline revenue was 14%.

We continued to operate the blocked space agreement with our strategic partner Emirates on its weekly Amsterdam/Dubai/Hong Kong service which operates through Colombo.

We also initiated our own freighter service to Trivandrum and Madras using a dedicated cargo freighter with plans to broaden the service in the Indian sub continent.



This was the first year in our 20-year history in which our cargo-handling in Colombo topped the 100,000 tonne mark. We are the sole cargo handling agent at Bandaranaike International Airport and handled a total of 112, 344 tonnes of export and import cargo. This is a 22% increase over the previous year. Both export and import cargo handling grew in the year under review, the former by 27% and the latter by 15%. We expect cargo handling to increase further - by about 20 % during the year 2000/2001.

We expect to shortly finalize an agreement with Airport and Aviation Services Limited to develop cargo handling facilities at the Bandaranaike International Airport. This project is envisaged to be completed by 2003 and will then enable the processing of a total of 250,000 tonnes of export and import cargo each year, which capacity we have anticipated reaching by 2007/2008.



New Offices

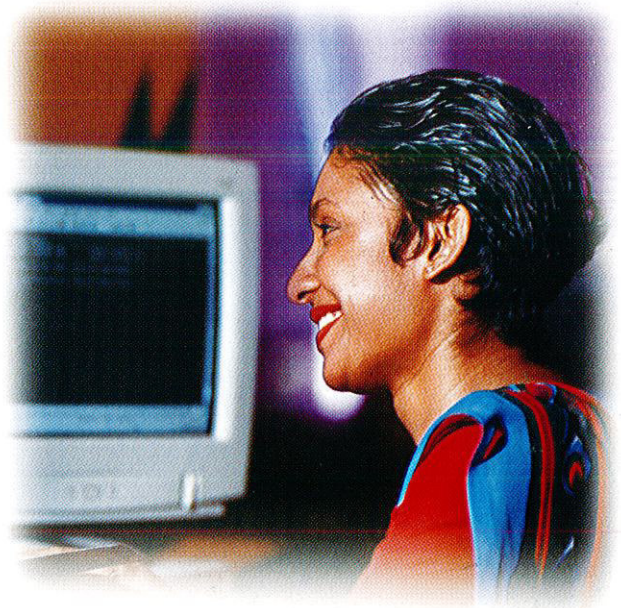
Our new positioning as a truly modern and international airline saw us shift headquarters in Colombo to the World Trade Centre building in the city centre. We also opened a 24-hour ticket office at the Bandaranaike International Airport to offer our customers round-the-clock service.



Saving Distribution Costs

Our recently established Distribution Systems department made considerable savings in distribution costs by closely monitoring and controlling same with the help of new software. Computerization has enabled us to save Rs. 3.5 million in costs through efficient and stringent accounting procedures. The information generated is also vital for sales and marketing and is distributed to our offices all over the world.

The unit monitoring the Global Distribution Systems was expanded to examine all bookings made by travel agents and other airlines through global reservations systems and release all unproductive bookings back to the inventory to maximize sales. As a result we have been able to cancel approximately Rs. 4 million worth of unproductive bookings and release over 50,000 seats back to the inventory for resale, every month.



Operations

Both Flight Operations and Engineering underwent major organizational change. The concept has been to streamline and join areas of similar task and function as well as provide for improved communications and control. The functional relocation of the Flight Control Centre and the Maintenance Control Centre has resulted in increased efficiency and enhanced productivity.

Flight Operations

Every division of the Flight Operations department was upgraded with new equipment and personnel to meet the operational requirements of the hi-tech A330s. The highest priority was given to recruiting and training pilots to operate the new fleet and the pilot cadre was increased to 175. Since the A330 is a relatively new aircraft, sourcing experienced aircrew on this type was a particularly challenging exercise.



In this respect, Airbus' cockpit design commonality which makes cross utilization of pilots between two types of Airbus aircraft possible, was a great advantage. We recruited a number of A320 pilots and are progressively training them on A330 and later, A340 aircraft. Cross utilization has enabled the airline to reduce technical crew layover costs to a large extent. The degree to which we are able to cross utilize pilots is also testimony to their level of skill.

Our Tristar pilots were also trained for the A330. We obtained more audio/visual computer based instructing equipment and used the flight simulators from Emirates in Dubai and Thai Airways in Thailand to cater to our increased training need.

The Director General of Civil Aviation has recognized the competence of our A330 operations, by approving the airline to fly 90 minutes ETOPS (Extended Twin Engine Operations) in our first year of service with this type of aircraft.

The Flight Control Centre previously housed in our office complex adjacent to the airport was shifted to the main terminal building of the Bandaranaike International Airport to facilitate crew reporting with the ever increasing flight schedules. Computerization and a refurbished office has lent greater efficiency to the Flight Control Centre which also handles flight operations for 16 foreign carriers operating to Colombo.



Engineering

Since the year gone by was one of re-fleeting, our engineers were busy overseeing the induction of the A330s and the phasing out of the Lockheed Tristars. The Tristars were sold together with the complete spares inventory for this aircraft type. In February 2000, we also began the phased upgrading and reconfiguration of our A340 fleet to be in line with our A330s, introducing in-seat videos, enhanced passenger facilities and updated navigational systems (satellite communications) together with increased passenger seat capacity (292 to 312). This programme is scheduled to be completed by December 2000.

Our licensed engineers were trained, mainly in-house, to certify the A330, including certification of ETOPS dispatch. Our technicians completed ramp and transit training for the A330, while some of our licensed technicians completed full A330 type training.

Our technical dispatch reliability improved towards the end of the year, with the phasing out of the Tristars. Overall efficiency of the Engineering department also improved as a result of Airbus aircraft's computerized reliability monitoring

systems and upgrading of the Maxi Merlin computer system.

Our Maintenance Control Centre now works round-the-clock to be readily available with technical assistance and advice for all our flights as well as those of our client airlines to whom we provide technical services.

We successfully re-negotiated several vendor contracts resulting in substantial savings with regard to supplies and repairs. Each existing contract was reviewed and the resulting average cost saving has been about 18 per cent.



Inflight Services

The introduction of a wholly new, hi-tech inflight product on our A330s was an exciting prospect for our cabin crew and they undertook the training with enthusiasm.

We now offer passengers a choice of 17 video channels on personal TVs. Business Class passengers can also watch videos on individual players and a selection of over 40 titles is on offer. Personal TVs offer an air show (showing flight path and other details like weather conditions and altitude) as well as classic views of take off, landing and overflying regions on forward and downward cameras. All passengers also have personal telephones, while the A330 also offers air-to-ground fax and laptop recharging facilities.

The redesign of our inflight product included menus, crockery and cutlery. Luxury Business Class features crockery from Royal Doulton, cutlery from Arthur Price and glassware from Dema Glassware. Economy Class also features new upgraded items. Cuisine in both classes was revamped and will be changed regularly with assistance from chefs from five star hotels in Colombo. Business Class now offers a choice of four main meals including a vegetarian selection.

We also recruited 180 flight stewardesses for the expanded fleet and route network that we now operate.

Air Lanka Catering Services Ltd., which provides services to airlines operating out of Colombo, added four new customers to its clientele, making for a customer base of 15 airlines and catering upto 7,000 meals per day during peak season. We continued with our plans for a state-of-the-art facility to boost our catering operations and facilitate our plans to develop Colombo into an aviation hub.



Ground Services

Like the rest of the airline, Ground Services was reorganized, to improve efficiency and provide better service to our customers and client airlines. More career opportunities have been created as a result, boosting staff morale, the most significant being the appointment of five more duty managers and 10 aircraft dispatchers.

A total of 1.32 million passengers passed through the arrivals terminal and 1.34 million passengers passed through the departure terminal of the Bandaranaike International Airport, representing an increase of 10 per cent over the previous year. Two new airlines signed contracts with us, increasing the total number of airlines to which we provide handling services to 33.

Under the departmental re-organization, the Plant and Equipment section was transferred to Ground Services from Engineering as the bulk of its activity involves servicing ground support equipment. Two skyloaders, four container/pallet loaders and four sets of passenger steps were added to the fleet of ground support equipment as part of an ongoing exercise to replace older equipment and ensure a high standard of aircraft handling and safety. With



the expansion of the aircraft fleet, 385 containers and 192 pallets were procured for more efficient transportation of baggage and other cargo.

We also began repainting all ground support equipment in the new corporate colours, a program that had to be effectively coordinated in order to ensure no disruption to airport operations. Over half of the 260 vehicles had been re-painted in the new colours by the end of the year.

We made headway in increasing the efficiency of baggage services, installing a computerized baggage reconciliation system, only the third to be installed in Asia, after Singapore and Hong Kong. This new system eliminates baggage mishandling and assists in improving flight punctuality as fewer discrepancies occur which require investigation prior to departure. This system also precludes the necessity for manual identification of baggage, particularly eliminating the need for passengers having to do so in inclement weather. The baggage reconciliation system together with the already installed Mercator Airport Control System for check in, will facilitate our plans to make Colombo an aviation hub.



Information Technology

The Information Technology systems and infrastructure employed at SriLankan Airlines were the subject of a significant investment programme during the year. The drivers behind this investment were ensuring the company was secure from any Y2K problems and to put in place solutions that supported the aggressive growth of the company defined in the business plan.

Highlights of the Information Technology achievements were;

- The change of Passenger Reservations system to the MARS system hosted by Mercator. This was a most complex project and was completed as planned in June. MARS allows us to develop many commercial synergies with our strategic partner Emirates and also to reduce our international communication costs.
- To improve our commercial operations, we implemented Galileo Global Fares and Lanyon's Audit system to help us control the cost of selling seats through Global Distribution Systems.
- The FleetPlan system from SITA was



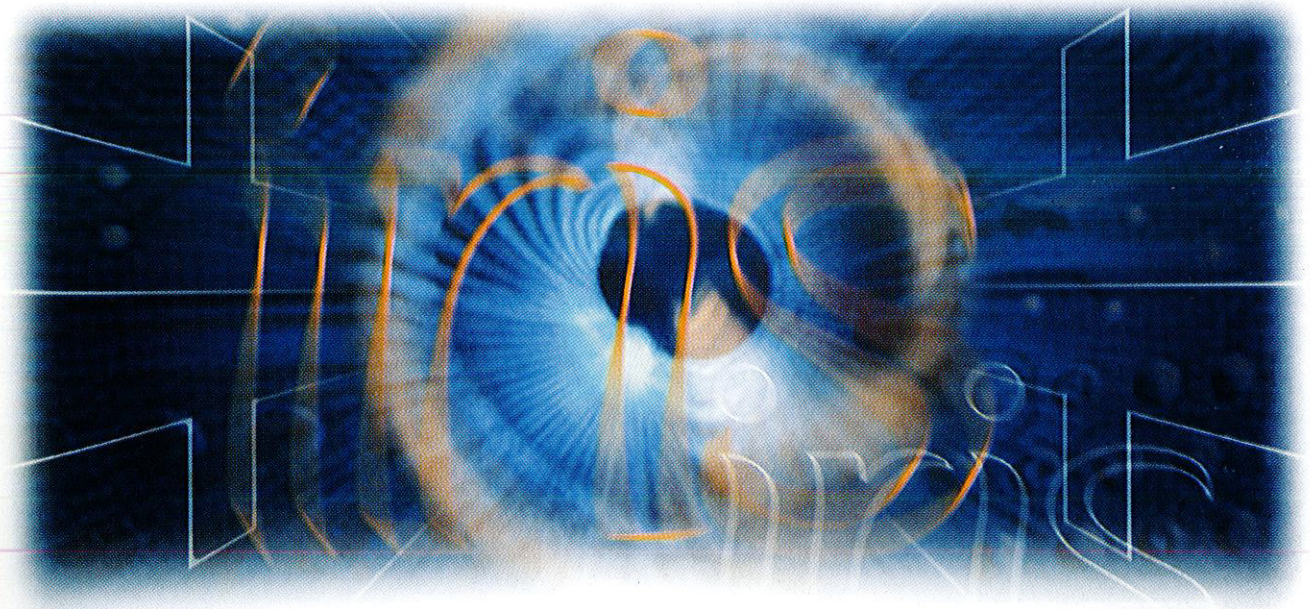
introduced to support the production of our flight schedules.

- A new system to help us manage customer complaints and comments was developed in-house and introduced in August.
- Following the change to the MACS departure control system at Bandaranaike International Airport in 1998, we implemented MACS at Singapore, Karachi and Dubai airports to handle the flights we operate from those airports
- A Baggage Reconciliation System was purchased and implemented.
- We implemented the Rapid system as our Revenue Accounting system in June. This has brought significant advances and efficiencies in the way in which we handle the complex subject of revenue accounting.
- In November the Oracle Financials system was implemented with modules covering General Ledger, Accounts Receivable, Accounts Payable, Fixed Assets and Cash Management made operational. This was a

very complicated project and it was delivered on schedule within very short time scales.

- In order to improve the way in which we handle the accounting functions at our overseas stations, the Comet system was implemented at our offices in Colombo, London, Paris, Frankfurt, Amsterdam, Rome and Zurich.
- A new Payroll system was made operational in October.
- To assist our Engineering Department to maintain our aircraft fleet and manage the spares inventory, a new version of the Maxi-Merlin system was implemented. This too was a complex project involving six different companies, but it was delivered on time.
- In Flight Operations, the SITA FleetWatch system was introduced. This system allows the efficient management of our aircraft fleet and provides up to the minute information on each aircraft.

In addition to the above systems, a large amount of computer hardware and infrastructure was put in



place. I.T. infrastructure which is modern, efficient and cost effective is vital to support the growth of the airline and to enable costs to be controlled. Some highlights of the work completed include;

- The construction of two new data centres, one in Katunayake and the other in the World Trade Center.
- The installation of 13 servers and large amount of network hardware.
- The commissioning of more than 1,600 personal computers across the airline. Every office staff now has a computer on his or her table and almost all manual processes have been automated. E mail is now widely used by staff for internal and external communication. During the year we ran many training programmes so that they were equipped to gain the maximum benefit from the new facilities.
- The installation of structured cabling in most of our offices and in the Airport terminal building.
- A very significant upgrade of our networking

facilities including a radio link between Colombo and Katunayake, a wide area network to connect our offices and an inter-office fibre optic backbone at Katunayake.

- An upgrade of our telephone exchange to implement a new range of facilities
- A "firewall" was installed to protect our computing facilities from threat of hackers and viruses.

The year 1999-2000 was one of great change and enhancements to our Information Technology capabilities. Next year will bring many more challenges including taking advantage of the fast emerging opportunities offered by internet technologies and e-commerce.

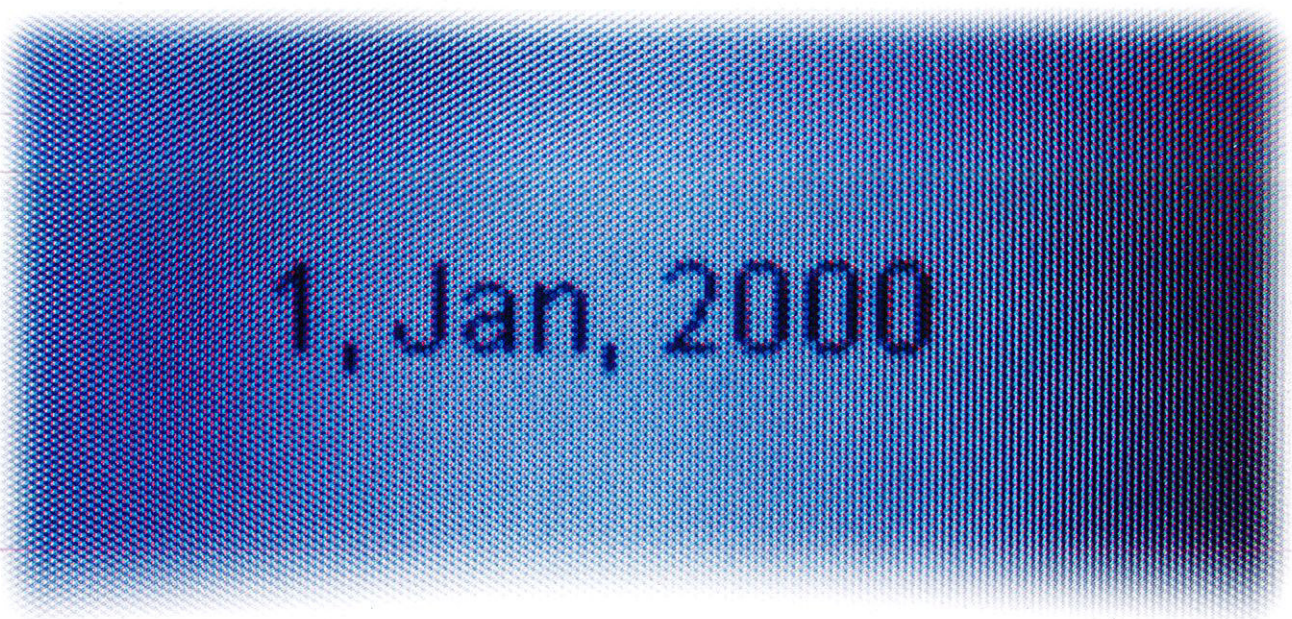


Year 2000

During the year, we ran a significant programme to manage the problems associated with the Year 2000 or millennium bug as it was often referred to. We worked very closely with a number of external organisations including the Airport and Aviation Services of Sri Lanka, Cintec, IATA and our partner Emirates. We also undertook interviews for television, radio, newspapers and periodicals and gave several trade and public presentations to disseminate as much information as possible.

We received over 2,800 written queries regarding Year 2000 from suppliers, customers and various trade organisations. We were the subject of several external audits including those conducted by representatives from IATA, ICAO and SriLankan Airlines' auditors Ernst & Young.

The airline was well protected from any Year 2000 problems and experienced no difficulties in this regard. The programme was well managed and conducted in a manner which ensured that the confidence of our customers, suppliers and the many trade bodies we deal with, was maintained at all times.



1, Jan, 2000

Galileo Sri Lanka

Galileo Sri Lanka, the national distribution company that we set up in partnership with Galileo, one of the world's leading travel distribution companies, completed its first year in November 1999. Besides providing travel agencies in Sri Lanka access to one of the largest air services inventories, this innovative system also enables its users to book hotels, cars or tours giving them the ability to offer a complete product to their clientele.

At the end of the year in review, Galileo Sri Lanka had enlisted 74 travel agencies with over 150 computers connected to the Galileo network. We also trained over 500 staff from travel agencies to use Galileo.

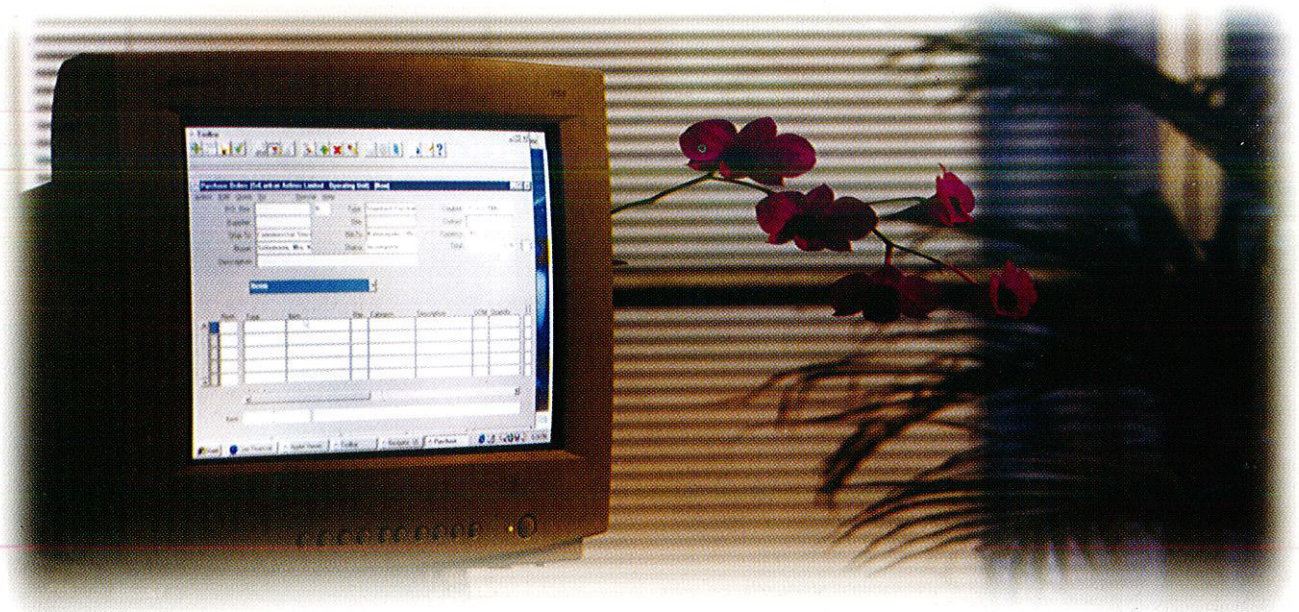
We have enabled our travel agents to issue automated tickets in addition to making bookings. We also increased their efficiency and saved cost by electronically distributing local market fares through Galileo.



Finance

We now have several ultra modern computer systems such as Rapid, Comet and Oracle to assist us with the different Finance functions, vastly increasing efficiency and timely availability of information.

The Comet station accounting system, now in use in Sri Lanka will be extended to our Indian and Far Eastern stations in 2000. Comet has enabled us to invest our station accountant with more autonomy. Transfer of information to head office is now largely in electronic form resulting in timely and accurate reporting.



Corporate Communications

Much of our work focused on our new corporate identity, propagating the new colours and logo among all the stations on our route network as well our GSAs all over the world. Changing all our material from business cards to posters was no small task.

The launch of three new destinations - Beirut on 31st October, Stockholm on 12th November and Sydney on 13th November - meant we were also busy getting advertisements, press and other promotional material ready for these events.

While celebrating the new, we had occasion to celebrate the old too, the 1st September 1999 marking our twentieth year of operations. Staff Day was organized to commemorate the event, a gala evening of fun and entertainment for staff and their families.

Some of the other highlights of the year were the following promotional events:

SriLankan Airlines enthusiastically joined in The Kandy Sports Club's venture to organize Rugby Asiad in Sri Lanka, a tournament modelled on the Hong Kong Rugby Sevens. Teams from several



countries such as China, Taipei, Hong Kong, South Korea, Japan, Malaysia, Singapore, Thailand and India participated. The organizers hope to make this an annual event and our involvement is the promotion of the destination for sports holidays.

With this type of promotion of the destination in mind, we also held the fourth in our series of Golf Classics at the Royal Colombo Golf Club on 9 and 10 October with a mini tournament on the 7th October at the newest golf course, the Victoria Golf Club in Rajawela, Digana. Over 240 players participated and the gala awards ceremony and dinner at the five-star Trans Asia hotel on the evening of the 10th was as usual a roaring success.

This year too we brought down cultural shows, ensembles and popular singers to entertain local audiences at sell-out concerts.

We made sure we were part of the millennium celebrations in the country by sponsoring state television Rupavahini's live transmissions from Colombo and two other towns - Kurunegala and Galle - which were transmitted worldwide on New Year's eve.

Cricket loving nation that we are, the sport figured prominently on our agenda. We organized a giant mobile screen relaying different matches during the World Cup series, to tour different towns in the country which proved very popular.

We made much headway with our international advertising campaign (which ran in pan regional TV plus the trade and consumer press) to publicize and promote our new identity and new product. The advertisements encouraged customers to 'change the way you look at travel', positioning the airline as offering a very warm yet unique travel experience. The campaign therefore used images of the rich variety of the country's history and culture, counterpointing these with the promise of a very modern, international airline.



Human Resources

With the dawn of the 21st century, we have witnessed accelerated competition in almost all areas of airline business demanding the application of the most advanced and productive human resource management techniques to ensure performance excellence. With this end in view, we have begun to focus our attention on strategic human resource management on the premise of a new culture encompassing strong and shared values, dynamic and consistent leadership, customer-based orientation, recruitment of the best talent, investment in training and career development for our work force. We also made progress in our efforts to computerize human resource management in order to provide our staff with timely and more efficient delivery of human resource services.



Recruitment

Our staff strength at the end of the year in review was 5,070, an increase of 238 or 4.93 per cent over the previous year. Of the total, 4,779 employees are locally based, while 291 are based abroad.

We recruited 180 cabin crew and 70 technical crew. This is a 15 per cent increase compared with the previous year's recruitment figures and was a result of requirements arising out of our expanded fleet and route network. New recruitment techniques such as psychometric testing and structured interviews have been introduced to aid the selection process.

Careers at Sri Lankan

As we mentioned earlier, career development forms an important segment of our HR focus, both to motivate staff and build a strong second layer of trained professionals for the airline's management succession plan.

As an employer in Sri Lanka we have a social responsibility to provide job opportunities to young people in the country and so a trainee executive scheme was launched in October 1999 to strengthen our workforce with qualified young academics and professionals.



Staff Benefits

Management was happy to be able to motivate staff with salary increases. Non-executive staff including cabin crew received a 44 per cent increase in June 1999 based on individual basic salaries as existed in May 1999. We also made substantial increase in the salaries and allowances of pilots, engineers and management staff. In addition, most job related allowances were increased by 100 per cent or more.

We entered into several collective bargaining agreements with the trade unions of different categories of staff providing them with improved terms and conditions.

Our aim in ensuring benefits for our staff is to be a fair and reasonable employer who gives due consideration to employee needs and satisfaction and draws a balance between employee expectations and fair market practices locally and internationally.

In order to ensure a rational basis for pay structures, we also embarked on a job evaluation exercise doing away with the rigid pyramidal hierarchy that existed earlier.

Other welfare measures we implemented were free transport for shift and office staff working at our Katunayake complex, improved medical and loan schemes and an employee suggestion scheme. Our contributory family medical scheme is comprehensive and covers out-patient treatment, dental care, optical assistance and hospitalization.



Training

Our Centre for Training continued to play a vital role in taking the airline forward. A total of Rs. 8.5 million was invested in training, the main focus of which was training for office automation. We trained our staff to use MS Office products, as well as the modern reservations and departure control systems - MARS and MACS - that we now use. Management training focused on productivity improvement, human potential development and general management.

Sporty SriLankans

Our staff took keen interest in a variety of sports at national and international level, as in previous years. We were proud to be placed third at the World Airline Badminton Championship held in Malaysia. Our athletes participating at the Asian Veterans' Athletic Championship, also held in Malaysia, brought glory to the airline and the country bringing home three gold medals, seven silvers and four bronze medals. At the New Zealand Masters Swimming Championship, SriLankan Airlines put up a magnificent performance, walking away with no less than 17 medals including one gold, eight silvers and eight bronze medals. We were also declared champions for the sixth successive year at the Travel Trade Swimming Championship in Sri Lanka. For the first time we also sent a team to participate in the Dubai Rugby Sevens.

Our ace pistol shooter Ruwani Abeyamanna, Sri Lanka record holder and national champion for the last five years, continued her stellar performance at the South Asian Athletic meet winning two gold medals and a silver. No wonder that she represented Sri Lanka at the Sydney 2000 Olympics.



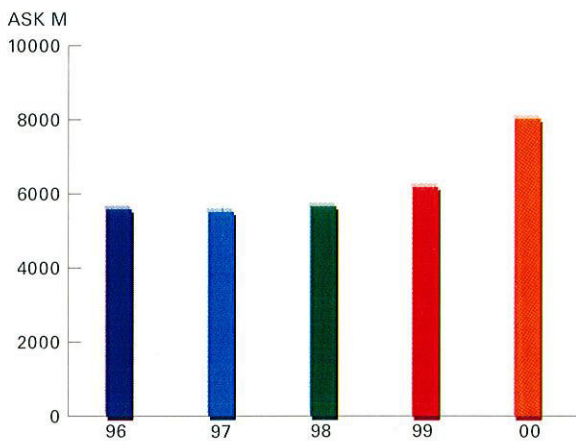
Review of operations

Capacity and Traffic Growth

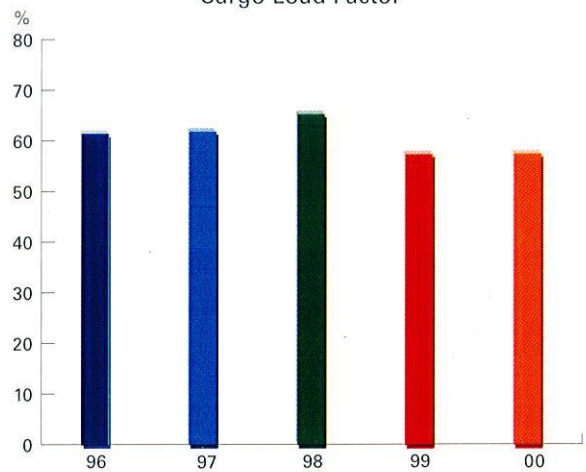
1999/2000 saw an increase of 30.7% in total capacity production from 832.69 million tonne kilometers to 1,088.38 million tonne kilometers. Seat kilometers offered increased 29.4% to 8,038.31.

Passenger seat factor declined 3.2 percentage points to 67.9% while the overall load factor averaged 64.6%, 2.0 percentage points below last year.

Passenger Capacity



Cargo Load Factor

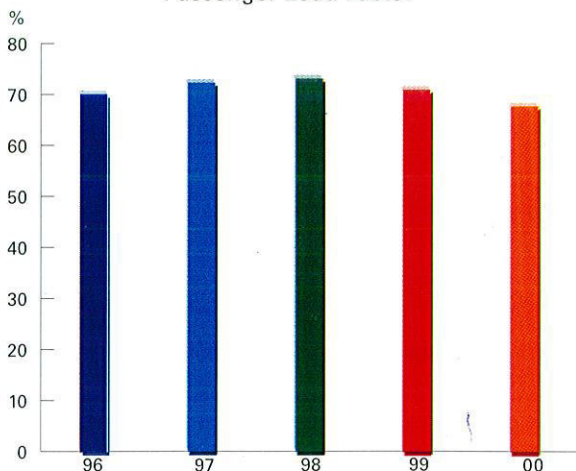


Traffic registered an increase of 26.7% against the 30.7% increase in capacity. The number of passengers carried during the year increased to 1.5 million from 1.3 million carried in the previous year. Cargo carriage increased from 35,566 tonnes to 41,670 tonnes.

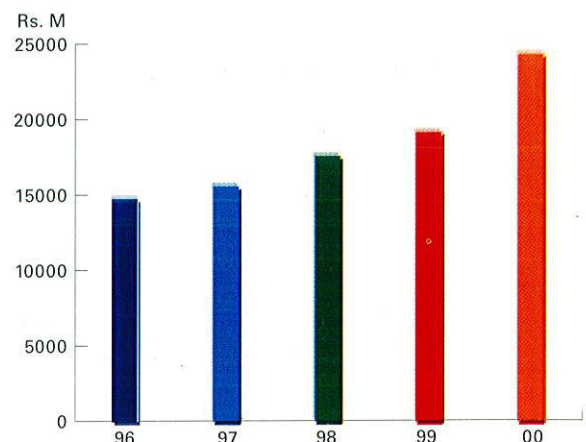
Revenue

Total operating revenue amounted to Rs. 24,354.32 million, up by Rs. 5,182.89 million or 27% from 1998/99.

Passenger Load Factor



Operating Revenue



The revenue of the Group in 1999/2000 was Rs. 24,751.79 million, an increase of Rs. 5,175.37 million or 26.4% from the previous year.

Composition of Revenue	2000	1999
	%	%
Passenger	77	76
Cargo	13	11
Charter	-	1
Ground Handling & Flight Catering	9	11
Duty Free Sales	1	1

Passenger revenue excluding charter revenue totalled Rs. 18,659.37 million, an increase of 28% from 1998/99. Revenue from cargo carriage increased by 45% to Rs. 3,215.07 million.

Revenue from charter operations decreased by Rs. 56.09 million or 40% to Rs. 83.97 million, while ground handling revenue increased by 10% or Rs. 160.55 million to Rs. 1,816.33 million.

Duty Free Sales increased by Rs. 1.00 million or 0.7% to Rs. 146.07 million.

Expenditure

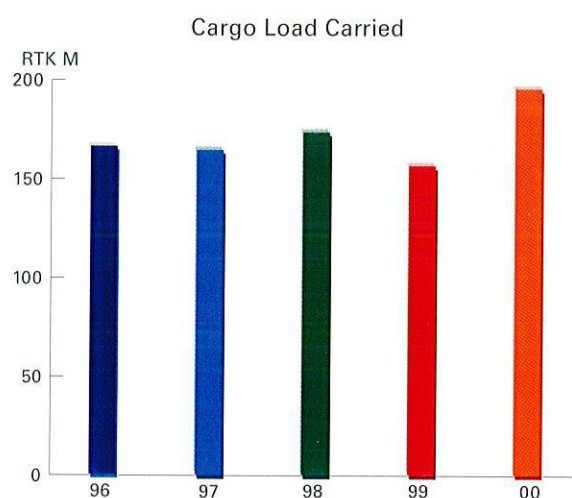
In 1999/2000 the Company's total expenditure totalled Rs. 24,116.33 million, reflecting an increase of 49% from 1998/99. Aviation fuel costs surged 89%, mainly due to the spiralling oil price. Lease rentals of aircraft inducted to the fleet during the year accounted for Rs. 1,531.57 million of the increase in Route costs.

Composition of Expenditure	2000		1999	
	Rs. M	%	Rs.M	%
Staff	4,686.98	19	3,274.38	20
Fuel	4,778.03	20	2,532.27	16
Aircraft Maintenance	2,937.29	12	2,398.98	15
Route	8,032.44	33	4,723.92	29
Aircraft related depreciation	1,459.51	6	1,489.55	9
Others	2,222.08	10	1,717.37	11
Total	24,116.33	100	16,136.47	100

Yield / Unit Cost / Break-Even Load Factor

Compared to 1998/99, unit yield increased by 1.6% to Rs. 31.8 per load tonne kilometer.

Unit cost increased from Rs. 20.4 to Rs. 22.9 per capacity tonne kilometer. Break-even load factor increased from 65.2% to 72.0%.



Financial Position

The Company registered an operating profit of Rs. 1,698.41 million, before charging finance and related costs and income taxes for the year ended 31st March 2000.

The result after charging finance costs and related costs and income taxes was a net loss of Rs. 750.41 million for the year.

At the Group level, an operating profit of Rs. 2,082.33 million, before charging finance and related costs and income taxes was recorded.

The Group net loss after charging finance and related costs and income taxes was Rs. 388.21 million.

Management Team

Peter Hill - *Chief Executive Officer*

Neeraj Kumar - *Chief Financial and Administrative Officer*

S.A. Chandrasekera - *Chief Financial Officer*

Capt. Richard Hutton - *Chief Technical Officer*

Nigel O'Shea - *Head of Information Technology*

G.T. Jeyaseelan - *Head of Commercial*

Walter Riggans - *Head of Service Delivery*

Sunil Dissanayake - *Head of Human Resources*

Naveen Gunawardene - *Senior Manager Cargo*

Preethimali Galgamuwa - *Senior Manager Customer Affairs & Service Monitoring*

Chandana de Silva - *Senior Manager Sri Lanka & Maldives*

Priyani Abeyasekera - *Senior Manager Legal Affairs*

Damitha Cooke - *Senior Manager Internal Audit*

Oenone Gunewardena - *Senior Manager Planning*

Rienzie de Silva - *Senior Manager Ground Services*

Capt. Milinda Ratnayake - *Senior Manager Flight Operations*

Mildred Peries - *Company Secretary*

Major Nihal Perera - *Manager Security & Investigations*

Dilip Nijhawan - *Chief Executive Officer, Air Lanka Catering Services Ltd.*

Board of Directors and Chief Executive Officer

In terms of the Memorandum and Articles of Association of the Company, the Government of Sri Lanka (GOSL) shall appoint four Nominee Directors and Emirates (Investor) shall appoint three Nominee Directors to the Board of the Company.

Left to right:

Mr. Gary Chapman, Mr. Dermot Mannion, Mr. Tim Clark (Managing Director), Mr. S.K. Wickremesinghe (Chairman), Dr. P.B. Jayasundera, Mr. W.P.S. Jayawardena and Mr. Peter Hill (Chief Executive Officer).

GOSL Nominee Directors

Sarath Kusum Wickremesinghe - *Chairman*
Former High Commissioner for Sri Lanka in the United Kingdom and currently Chairman of the National Development Bank.

Kusum Balapatabendi - *Director*
President's Counsel – Secretary to Her Excellency the President

Dr. Punchi Bandara Jayasundera - *Director*
Secretary to the Ministry of Finance and Secretary Treasury

Wicremasinghe Pathirana Sirisena Jayawardena
- *Director*
Secretary to the Ministry of Aviation and Airport Development.

Investor Nominee Directors

Timothy Charles Clark - *Managing Director*
Chief Director (Airline) of Emirates

Gary William Chapman - *Director*
Chief Director (Group Services) of the Emirates Group.

Dermot Edward Mannion - *Director*
Finance Director of Emirates.

Chief Executive Officer

Peter Murray Hill joined the Company as Chief Commercial Officer in April 1998. He was appointed Chief Executive Officer in February 1999.



Directors' Report

The Directors have pleasure in submitting their Report and Audited Accounts for the year ended 31st March 2000. The Accounts are set out on pages 37 to 62.

Principal Activities

The principal activity of the Company is the operation of international scheduled and non-scheduled air services for the carriage of passengers, freight and mail as the designated carrier of Sri Lanka. Providing Air Terminal services at the Bandaranaike International Airport and the sale of duty-free goods on-board, constitute other main activities of the Company.

There was no significant change in the nature of the activities of the Company during the year.

Change of company name

The name of the company was changed from Air Lanka Limited to SriLankan Airlines Limited with effect from July 1999.

Directors in office

The names of the present Directors of the Company are listed below:

Mr. S K Wickremesinghe - Chairman

Mr. K Balapatabendi PC

Dr. P B Jayasundera

Mr. W P S Jayawardena

Mr. T C Clark - Managing Director

Mr. G W Chapman

Mr. D E Mannion

Mr. P M Hill - alternate to Mr. T C Clark

Mr. M Flanagan - alternate to Mr. G W Chapman

Mr. Ghaith Al Ghaith - alternate to Mr. D E Mannion

The Company's acting Chairman as at 01st April 1999, Mr. W P S Jayawardena was replaced by Mr. S K Wickremesinghe as Chairman with effect from 07th June 1999.

Mr. Dixon Nilaweera, Director who was on the

Board from 01st April 1999, tendered his resignation from the Board with effect from 10th November 1999. Dr. P B Jayasundera was appointed to the Board with effect from 17th December 1999.

In view of the resignation of the Acting Chairman Mr. W P S Jayawardena and Mr. Dixon Nilaweera, Director, from the Board of SriLankan Airlines Limited with effect from June 1999 and December 1999 respectively, their status as Chairman and Director of Air Lanka Catering Services Limited also ceased. Accordingly the current Directors of Air Lanka Catering Services Limited are:

Mr. S K Wickremesinghe - Chairman

Mr. K Balapatabendi PC

Dr. P B Jayasundera

Mr. D E Mannion

Mr. D Nijhawan - Alternate Director to
Mr. D E Mannion (Appointed
with effect from 01.12.1999)

Particulars of interests of Directors in contracts and proposed contracts having been declared by the Directors, are in note 24 to the accounts.

Accounts

The consolidated profit for the year ended 31st March 2000, before interest and other similar charges was Rs. 2,082.33 million. Consolidated net loss for the year, after interest and similar charges, extraordinary items, taxation and minority interests amounted to Rs. 388.21 million.

Reserves

There were no material transfers to or from reserves or provisions during the year ended 31st March 2000, other than those stated in the accounts and the notes thereto.

ACCOUNTING POLICIES

The principal accounting policies of the Company are set out on pages 42 to 47.

PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment are shown in note 10 to the accounts.

BANK AND OTHER BORROWINGS

The net bank loans and other borrowings, including obligations under finance leases of the Company are shown under note 18 to the accounts.

AUDITORS

A resolution for the re-appointment of Ernst & Young as the auditors of the Company and determining their remuneration is to be proposed at the Annual General Meeting.

By order of the Board

Mrs. M R Peries

Company Secretary.

20th September 2000

Registered Office:

22-01, East Tower,

World Trade Centre,

Echelon Square,

Colombo 01.

Report of the Auditors

To the members of SriLankan Airlines Limited
(formerly known as Air Lanka Limited)

We have audited the balance sheet of SriLankan Airlines Limited as at 31st March 2000, the consolidated balance sheet of the Company and of its Subsidiary as at that date and the related statements of income, cash flows and changes in equity for the year then ended, together with the accounting policies and notes as set out on pages 37 to 62 of this Annual Report.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing and presenting these financial statements in accordance with Sri Lanka Accounting Standards. Our responsibility is to express an opinion on these financial statements, based on our audit.

Basis of Opinion

We conducted our audit in accordance with the Sri Lanka Auditing Standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the said financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the said financial statements, assessing the accounting principles used and significant estimates made by the directors, evaluating the overall presentation of the financial statements, and determining whether the said financial statements are prepared and presented in accordance with the Sri Lanka Accounting Standards. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper books of account for the year ended 31st March 2000 and proper returns adequate for the purpose of our audit have been received from stations not visited by us and to the best of our information and according to the explanations given to us, the said balance sheet and related statements of income,

cash flows and changes in equity and the accounting policies and notes thereto, which are in agreement with the said books and have been prepared and presented in accordance with the Sri Lanka Accounting Standards, provide the information required by the Companies Act No. 17 of 1982 and give a true and fair view of the Company's state of affairs as at 31st March 2000, its loss and cash flows for the year then ended.

In our opinion, the consolidated balance sheet and statements of income, cash flows and changes in equity and the accounting policies and notes thereto have been properly prepared and presented in accordance with the Companies Act No.17 of 1982 and the Sri Lanka Accounting Standards, and give a true and fair view of the state of affairs as at 31st March 2000 and the loss and cash flows for the year then ended of the Company and its subsidiary dealt with thereby, so far as concerns the members of the Company.

Without qualifying our opinion we draw attention to note 2.7 (iii) to the financial statements.

The Company has departed from Sri Lanka Accounting Standard (SLAS) 21, "The Effects of Changes in Foreign Exchange Rates" with regard to the treatment of foreign exchange losses on translation of loans and lease liabilities denominated in foreign currencies in financing specific property, plant & equipment, which as represented by the management of the Company are saleable only in foreign currency. Further, the matching of foreign currency debt repayments against foreign currency operating cash flows is a key foreign exchange risk management technique of the Company. This practice is followed by many Companies in the Airline Industry.

Thus, in accordance with SLAS 3, "Presentation of Financial Statements" Para, 13 (Revised 1998), the Company has concluded that the departure from SLAS 21 provides a fair presentation of the financial position, financial performance and cash flows of the enterprise. The effect had SLAS 21 been adopted is given in note 2.7 (iii) to the financial statements.

Directors' Interests in Contracts with the Company

According to the information made available to us, the directors of the Company were not directly or indirectly interested in contracts with the Company during the year ended 31st March 2000, except as stated in note 24 to these financial statements.



Ernst & Young

Chartered Accountants

Colombo

20th September 2000.

Income Statement

(Year ended 31st March 2000)

	Note	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Revenue	3	24,751.79	19,576.42	24,354.32	19,171.43
Cost of Sales		<u>(22,380.20)</u>	<u>(15,033.86)</u>	<u>(22,683.85)</u>	<u>(15,112.30)</u>
Gross Profit		2,371.59	4,542.56	1,670.47	4,059.13
Other Income	4	1,185.09	567.29	1,165.76	580.58
Profit on Sale of Investment	5	-	726.72	-	726.72
Distribution Costs		(494.96)	(120.60)	(494.96)	(120.60)
Administrative Expenses		(1,200.22)	(1,186.97)	(937.52)	(903.57)
Other Operating Expenses		<u>220.83</u>	<u>618.14</u>	<u>294.66</u>	<u>578.65</u>
Profit/(Loss) from Operating Activities	6	2,082.33	5,147.14	1,698.41	4,920.91
Finance Costs	7	(1,688.17)	(1,602.45)	(1,687.76)	(1,593.08)
Amortization of Currency Losses	17	<u>(751.98)</u>	<u>(611.92)</u>	<u>(751.98)</u>	<u>(611.92)</u>
Profit/(Loss) from Ordinary Activities Before Tax		(357.82)	2,932.77	(741.33)	2,715.91
Income Tax Expense	8	<u>(30.39)</u>	<u>(218.94)</u>	<u>(9.08)</u>	<u>(197.28)</u>
Net Profit/(Loss) from Ordinary Activities		(388.21)	2,713.83	(750.41)	2,518.63
Minority Interest		-	<u>(16.17)</u>	-	-
Net Profit/(Loss) for the Year		<u>(388.21)</u>	<u>2,697.66</u>	<u>(750.41)</u>	<u>2,518.63</u>
Earnings Per Share - Basic	9	(7.54)	52.42	(14.58)	48.94
Dividends Per Share		-	4.23	-	4.23

The accounting policies and notes on pages 42 to 62 form an integral part of these financial statements.


20th September 2000

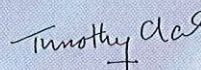
Balance Sheet

(As at 31st March 2000)

	Note	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	10	17,630.53	16,409.18	17,525.99	16,359.69
Investments in Subsidiaries	11		-	70.40	70.40
		<u>17,630.53</u>	<u>16,409.18</u>	<u>17,596.39</u>	<u>16,430.09</u>
Current Assets					
Inventories	12	1,744.25	1,214.89	1,648.25	1,174.09
Trade and Other Receivables	13	10,435.95	5,881.44	10,209.87	5,658.15
Cash and Cash Equivalents	14.1	3,403.48	9,526.36	3,117.70	9,258.62
		<u>15,583.68</u>	<u>16,622.69</u>	<u>14,975.82</u>	<u>16,090.86</u>
Total Assets		<u>33,214.21</u>	<u>33,031.87</u>	<u>32,572.21</u>	<u>32,520.95</u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued Capital	15	5,146.35	5,146.35	5,146.35	5,146.35
Reserves	16	159.27	159.27	129.04	129.04
Accumulated Profits		3,267.44	3,655.65	2,693.09	3,443.50
		<u>8,573.06</u>	<u>8,961.27</u>	<u>7,968.48</u>	<u>8,718.89</u>
Exchange Equalisation Account	17	(4,677.26)	(4,411.73)	(4,677.26)	(4,411.73)
Total Equity		<u>3,895.80</u>	<u>4,549.54</u>	<u>3,291.22</u>	<u>4,307.16</u>
Non-Current Liabilities					
Interest Bearing Loans & Borrowings	18	15,221.51	16,308.11	15,221.51	16,308.11
Provisions and Other Liabilities	19	561.36	510.01	485.20	428.43
		<u>15,782.87</u>	<u>16,818.12</u>	<u>15,706.71</u>	<u>16,736.54</u>
Current Liabilities					
Trade and Other Payables	20	6,737.05	5,733.33	6,826.39	5,720.15
Dividends Payable		39.16	217.80	0.44	217.80
Income Tax Payable		412.42	565.21	400.54	391.44
Provisions and Other Liabilities	19	2,789.99	1,987.87	2,789.99	1,987.87
Bank Overdraft	14.2	333.02	168.26	333.02	168.25
Interest Bearing Loans & Borrowings	18	3,223.90	2,991.74	3,223.90	2,991.74
		<u>13,535.54</u>	<u>11,664.21</u>	<u>13,574.28</u>	<u>11,477.25</u>
Total Equity and Liabilities		<u>33,214.21</u>	<u>33,031.87</u>	<u>32,572.21</u>	<u>32,520.95</u>

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of the Board by:


Director


Director

The accounting policies and notes on pages 42 to 62 form an integral part of these financial statements.

20th September 2000

Statement of Changes in Equity

(Year ended 31st March 2000)

GROUP	Share Capital Rs. M	Capital Reserve Rs. M	Revenue Reserve Rs. M	General Reserve Rs. M	Accumulated Profit Rs. M	Total Rs. M
Balance as at 31st March 1998	5,146.35	297.16	0.63	-	(1,990.26)	3,453.88
Effects of changes in accounting policy	-	-	-	-	3,166.05	3,166.05
Restated Balance as at 31st March 1998	5,146.35	297.16	0.63	-	1,175.79	6,619.93
Net Gains and Losses not recognised in the Income Statement						
Net Profit/(Loss) for the year	-	-	-	-	2,697.66	2,697.66
Dividends	-	-	-	-	(217.80)	(217.80)
Transferred to/from during the year	-	(53.44)	-	53.44	-	-
Transferred to Property, Plant & Equipment	-	(138.52)	-	-	-	(138.52)
Balance as at 31st March 1999	5,146.35	105.20	0.63	53.44	3,655.65	8,961.27
Net Gains and Losses not recognised in the Income Statement						
Net Profit/(Loss) for the year	-	-	-	-	(388.21)	(388.21)
Dividends	-	-	-	-	-	-
Transferred to/from during the year	-	-	-	-	-	-
Balance as at 31st March 2000	<u>5,146.35</u>	<u>105.20</u>	<u>0.63</u>	<u>53.44</u>	<u>3,267.44</u>	<u>8,573.06</u>

The accounting policies and notes on pages 42 to 62 form an integral part of these financial statements.

20th September 2000

Statement of Changes in Equity

(Year ended 31st March 2000)

COMPANY	Share Capital Rs. M	Capital Reserve Rs. M	General Reserve Rs. M	Accumulated Profit Rs. M	Total Rs. M
Balance as at 31st March 1998	5,146.35	267.56	-	(2,023.38)	3,390.53
Effects of changes in accounting policy	-	-	-	3,166.05	3,166.05
Restated Balance as at 31st March 1998	5,146.35	267.56	-	1,142.67	6,556.58
Net Gains and Losses not recognised in the Income Statement					
Net Profit/(Loss) for the year	-	-	-	2,518.63	2,518.63
Dividends	-	-	-	(217.80)	(217.80)
Transferred to/from during the year	-	(53.44)	53.44	-	-
Transferred to Property, Plant & Equipment	-	(138.52)	-	-	(138.52)
Balance as at 31st March 1999	5,146.35	75.60	53.44	3,443.50	8,718.89
Net Gains and Losses not recognised in the Income Statement					
Net Profit/(Loss) for the year	-	-	-	(750.41)	(750.41)
Dividends	-	-	-	-	-
Transferred to/from during the year	-	-	-	-	-
Balance as at 31st March 2000	<u>5,146.35</u>	<u>75.60</u>	<u>53.44</u>	<u>2,693.09</u>	<u>7,968.48</u>

The accounting policies and notes on pages 42 to 62 form an integral part of these financial statements.

20th September 2000

Cash Flow Statement

(Year ended 31st March 2000)

	Note	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Cash Flows From / (Used in) Operating Activities					
Net Profit before Income Tax Expense		(357.82)	2,932.77	(741.33)	2,715.91
Adjustments for					
Depreciation		1,677.34	1,680.39	1,658.91	1,656.36
Amortization of Currency Losses		751.98	611.92	751.98	611.92
Dividend from Subsidiary Company		-	-	-	(30.09)
(Profit)/Loss on sale of Property, Plant & Equipment		(693.17)	2.55	(693.16)	3.02
Finance Costs		1,688.17	1,602.45	1,687.76	1,593.08
Deferred Expenses		-	65.94	-	65.94
Profit on sale of Investment		-	(726.72)	-	(726.72)
Provision for Gratuity and Provision for Airframe and Aircraft Engine Overhauls		908.50	232.77	896.60	223.67
Operating Profit/(Loss) before Working Capital Changes		3,975.00	6,402.07	3,560.76	6,113.09
(Increase)/Decrease in Inventories		(529.36)	(136.12)	(474.16)	(125.84)
(Increase)/Decrease in Trade and Other Receivables		(4,559.09)	(2,176.39)	(4,551.72)	(2,134.72)
Increase/(Decrease) in Trade and Other Payables		436.37	616.56	670.17	486.76
Cash Generated from Operations		(677.08)	4,706.12	(794.95)	4,339.29
Finance Costs Paid		(1,141.93)	(1,383.98)	(1,141.93)	(1,383.98)
Defined Benefit Plan Costs Paid		(54.84)	(26.59)	(37.72)	(24.91)
Income Tax Paid		(9.22)	(18.72)	-	-
Net Cash from/(used in) Operating Activities		(1,883.07)	3,276.83	(1,974.60)	2,930.40
Cash Flows from/(used in) Investing Activities					
Acquisition of Property, Plant & Equipment		(3,108.95)	(283.76)	(3,035.47)	(275.92)
Proceeds from sale of Property, Plant & Equipment		954.39	1.15	954.39	0.69
Purchase of shares in Subsidiary Company		-	(40.00)	-	(40.00)
Proceeds from sale of Investment		-	726.72	-	726.72
Dividend Received		-	-	-	30.09
Net Cash Flows from/(used in) Investing Activities		(2,154.56)	404.11	(2,081.08)	441.58
Cash Flows from/(used in) Financing Activities					
Proceeds from Interest Bearing Loans & Borrowings		2,015.82	1,121.77	2,015.82	1,121.77
Repayment of Interest Bearing Loans & Borrowings		(2,319.63)	(140.91)	(2,319.63)	(140.91)
Principal Payments under Finance Lease Liabilities		(1,728.84)	(1,463.06)	(1,728.84)	(1,463.06)
Dividends Paid		(217.36)	(273.06)	(217.36)	(85.01)
Net Cash flows from/(used in) Financing Activities		(2,250.01)	(755.26)	(2,250.01)	(567.21)
Net increase/(decrease) in Cash and Cash Equivalents		(6,287.64)	2,925.68	(6,305.69)	2,804.77
Cash and Cash Equivalents at the beginning of the year		9,358.10	6,432.42	9,090.37	6,285.60
Cash and Cash Equivalents at the end of the year	14	3,070.46	9,358.10	2,784.68	9,090.37

The accounting policies and notes on pages 42 to 62 form an integral part of these financial statements.

Notes to the Financial Statements

(Year ended 31st March 2000)

1.0. CORPORATE INFORMATION

1.1. GENERAL

SriLankan Airlines Limited is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at # 22-01, East Tower, World Trade Centre, Echelon Square, Colombo 1, Sri Lanka. The principal place of business is situated at the Bandaranaike International Airport, Katunayake, Sri Lanka.

1.2. PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The principal activity of the Company is the operation of international scheduled and non-scheduled air services for the carriage of passengers, freight and mail as the designated carrier of Sri Lanka. Providing Air Terminal services at the Bandaranaike International Airport and the sale of duty-free goods on-board, constitute other main activities of the Company.

1.3. NUMBER OF EMPLOYEES

The number of employees in service at the end of the year was 5,070. (1999 - 4,832)

2.0. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. GENERAL POLICIES

2.1.1. Basis of Preparation

The balance sheet, statements of income, changes in equity and cash flows, together with the accounting policies and notes ("Financial Statements") of the Company as at 31st March 2000, and for the year then ended, comply with the Sri Lanka Accounting Standards, except that these have departed from Sri Lanka Accounting Standard 21 in order to achieve fair presentation. (See note 2.7 (iii))

These financial statements presented in Sri Lankan Rupees have been prepared on a historical cost basis, except for the revaluation of certain property, plant and equipment.

The following standards have been adopted in the financial statements before their effective dates:

- Sri Lanka Accounting Standard 3 - Presentation of Financial Statements
- Sri Lanka Accounting Standard 34 - Earnings Per Share

2.1.2. Changes in Accounting Policies

With effect from 01st April 1999, the Company changed its accounting policy with respect to the translation of foreign currency transactions. This is more fully described in notes 2.7 (iii) & 21 to the financial statements.

2.2. CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiary - Air Lanka Catering Services Limited.

The Company and its subsidiary have a common financial year, which ends on 31st March.

The consolidated income statement includes the total profits and losses of the Company and of its subsidiary, Air Lanka Catering Services Limited. The proportion of the profit or loss applicable to outside shareholders is shown under the heading "Minority Interest".

All assets and liabilities of the Company and of its subsidiary - Air Lanka Catering Services Limited, are included in the consolidated balance sheet.

The consolidated income statement does not include unrealised profits from inter-company transactions involving inventory and turnover from intra-group transactions.

Notes to the Financial Statements

(Year ended 31st March 2000)

2.3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost of acquisition or construction except for certain properties, which are included at valuation or are restated.

Major overhauls and modifications, which result in an increase in the earning capacity or the useful life of assets, are capitalised.

Cost of property plant & equipment, which have been financed by foreign currency loans/leases, were restated in 1987/88 and in 1988/89 at year-end exchange rates. These are carried at their restated value as at 31st March 1989.

1. Fleet

Aircraft and aircraft engines owned by the Company prior to 31st March 1989 are stated in the accounts at their restated value as at 31st March 1989. Subsequent additions are reflected at cost.

The Company receives credits from manufacturers in connection with the acquisition of certain aircraft and engines. These credits are recorded as a reduction of the cost of the related aircraft and engines except where the aircraft is held under an operating lease, in which case the credits are deferred and reduced from the operating lease rentals on a straight-line basis over the period of the related lease as deferred credits.

2. Property and Equipment

Property owned by the Company and situated at No. 12, Sir Baron Jayatilaka Mawatha, Colombo 1, was valued by Mr. D S A Senaratne, Chartered Valuer on 25th December 1988, and the Air Lanka Administration and Training Building situated at Katunayake was valued by Mr. S Fernando, Chartered Valuer, on 20th January 1989. These properties are included in the accounts on the basis of that valuation. All other property and equipment have been included in these accounts at cost.

3. Aircraft Rotable Spares

Aircraft rotatable spares, which are treated as tangible fixed assets are recorded in the balance sheet at cost.

4. Leased Assets

Finance Leases

Property, plant & equipment on finance leases (which effectively transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items) are capitalised at their cash price and depreciated over the period the Company is expected to benefit from the use of the leased assets. The corresponding principal amount payable to the lessor is shown as a liability.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased terms are classified as operating leases. Rentals paid under operating leases are recognized as an expense in the income statement on a straight-line basis over the lease term.

5. Capital Projects

Capital projects are stated at cost together with financing costs incurred from the date of commencement of the project to the date on which it is commissioned. When commissioned, capital projects are transferred to the appropriate category under property, plant and equipment and depreciated in accordance with Company policies.

Notes to the Financial Statements

(Year ended 31st March 2000)

2.4. DEPRECIATION

Depreciation is provided on all property, plant and equipment (freehold and leasehold), other than freehold land, at rates calculated to write off their cost or valuation less residual value, if any, over their estimated useful lives on a straight-line basis.

- New aircraft and spare engines - over 16 years after making a 10 percent allowance for residual value.
- Used aircraft and spare engines - over the estimated remaining useful life, which currently ranges from 4 to 8 years.
- Buildings - over the expected useful life subject to a maximum of 20 years.
- Equipment - over periods ranging from 3 to 10 years according to the type of equipment.
- Aircraft rotatable spares - over 8 years.

2.5. SUBSIDIARY COMPANY

A subsidiary company is an enterprise in which the Company has a controlling interest or in which the Company has more than 50 percent investment in equity.

The income statement of the Company includes the dividends declared and paid by the subsidiary company.

The investment in the subsidiary company is stated at cost.

2.6. INVENTORIES

Inventories are stated at the lower of cost and net realisable value after making due allowances for any obsolete or slow-moving items.

All inventories are valued on the basis of weighted average cost.

2.7. CONVERSION OF FOREIGN CURRENCIES

- (i) Foreign currency transactions are converted into Sri Lanka Rupees at the rates of exchange prescribed by the International Air Transport Association where applicable, and at exchange rates ruling on transaction dates in all other cases.
- (ii) All monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates ruling as at 31st March 2000.
- (iii) Gains and losses arising from the year-end translation of long-term foreign currency borrowings which finance specific property, plant & equipment are recorded in an exchange equalisation account and amortised as currency gains/losses over the period during which the foreign currency liability is outstanding. Unamortised balances of such gains and losses are carried forward in the exchange equalisation account.

Although this policy is a departure from the provisions of the Sri Lanka Accounting Standard (SLAS) No. 21 issued by the Institute of Chartered Accountants of Sri Lanka and effective from 01st April 1990, the Company has adopted this policy as it provides a fair presentation of the financial position, performance and cash flows of the enterprise for the following reasons:

- a) Foreign exchange earnings of the Company are adequate to meet the foreign currency commitments on long-term loans and finance leases without the need to convert Sri Lankan Rupees into the relevant currencies.
- b) The related assets, mainly aircraft, which are financed by foreign currency loans and finance leases, are saleable only in foreign currency

Notes to the Financial Statements

(Year ended 31st March 2000)

and

- c) It is an industry practice to differ exchange differences arising on translation of long-term foreign currency borrowings and is one of the methods recommended by the International Air Transport Association's (IATA) exposure draft on "Translation of Long Term Foreign Currency Borrowings."

In these circumstances, if the entire unrealised exchange differences were taken into the income statement of a given year, it would distort that particular year's result.

The directors consider that the policy adopted presents a fair view.

The SLAS 21 requires such exchange differences to be dealt with in the income statement in the year in which they arise. Adoption of the provisions of the Sri Lanka Accounting Standard No. 21 would result in an increase in the loss for the year by Rs. 265.53 million and the reduction of the accumulated profit by Rs. 4,411.73 million.

- (iv) All other gains and losses arising on translation are dealt with through the income statement as exchange differences.

2.8. RECEIVABLES

Receivables are stated at the amounts that they are estimated to realise. Provision has been made in the accounts for bad and doubtful debts.

2.9. LIABILITIES AND PROVISIONS

- (a) All known liabilities as at the balance sheet date have been provided for in the financial statements.

- (b) All employees based in Sri Lanka are covered under the Employees Provident Fund and Employees Trust Fund.

All employees based in Sri Lanka with 5 or more years' service with the Company are entitled to the payment of gratuity under the Payment of Gratuity Act No. 12 of 1983. An actuarial valuation of the gratuity liability of the Company as at 31st March 1999 was undertaken in June 1999 by Watson Wyatt Lanka (Pvt.) Ltd., a firm of professional actuaries.

The method used by the actuaries to value the gratuity liability is the 'Projected Unit Cost Method'. The key assumptions used by the actuary include the following:

- i) Rate of Interest 10%
- ii) Rate of Salary Increase 10%
- iii) Retirement Age - Male 55 years
Female 55 years

- iv) The company will continue as a going concern.

The next actuarial valuation will be conducted as at 31st March 2001.

The amount recognised as an expense for the current year in terms of the actuarial valuation is Rs. 76.70 million.

The actuarial present value of the accrued benefits as at 31st March 2000 is Rs. 422.94 million. This liability is not externally funded but is included under Provisions and Other Liabilities (see note 19).

Overseas-based employees are covered under social security schemes applicable in their home countries.

Notes to the Financial Statements

(Year ended 31st March 2000)

(c) Airframe and Aircraft engine overhaul cost is provided for in these accounts on the basis of actual hours flown, at an estimated cost per flying hour established at the commencement of the financial year.

2.10. AIRLINE REVENUE RECOGNITION

Passenger and Cargo sales are initially recorded as a liability in the sales in advance of carriage account and subsequently recognised as air transport revenue when the service is utilised through carriage by the Company.

Passenger and Cargo sales made by the company and utilised on the services of other airlines are billed by them and offset against sales in advance of carriage when paid.

Passenger tickets that remain unutilised are credited to the income statement after a predetermined period.

Actual revenue adjustments are dealt with in the income statement.

2.11. BORROWING COSTS

Borrowing costs amounting to Rs. 588.5 million incurred on long-term loans obtained to meet pre-delivery payments in respect of new aircraft have been capitalised during the financial years of 1992/93 to 1994/95 as part of the cost of such aircraft.

Exchange losses which are regarded as an adjustment to borrowing costs, amounting to Rs. 258.66 million on long-term loans obtained to meet pre-delivery payments in respect of new aircraft have been capitalised during the financial years of 1992/93 to 1994/95 as part of the cost of such aircraft, as permitted by Sri Lanka Accounting Standard No. 20 - Borrowing Costs.

2.12. INCOME FROM INVESTMENTS

Dividend income and interest income are accounted for on a cash basis.

Rental income is recognised on an accrual basis.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

2.13. EXPENDITURE RECOGNITION

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business and in maintaining property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the purpose of presentation of the income statement, the Directors are of the opinion that the function of expenses method presents the elements of the Company's performance, and hence such a presentation method is adopted.

2.14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash on hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities (i.e. three months or less from the date of acquisition) are also treated as cash equivalents.

Notes to the Financial Statements

(Year ended 31st March 2000)

2.15. POST BALANCE SHEET EVENTS

All material events occurring after the balance sheet date are considered and where necessary, adjustments are made in these financial statements.

2.16. FREQUENT FLYER PROGRAMME

The Company operates three principal frequent flyer programmes. They are Serendib Club, Serendib Premium and Air Lanka Plus Programme. The obligation to provide travel rewards to members of the frequent flyer programme is progressively accrued as a current liability as points are accumulated. This accrual is based on the incremental direct cost of ultimately providing the travel rewards. As members redeem awards or their entitlements expire, the accrual is reduced accordingly to reflect the acquittal of the outstanding obligation.

3. REVENUE

	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Total Revenue	<u>24,751.79</u>	<u>19,576.42</u>	<u>24,354.32</u>	<u>19,171.43</u>
3.1. In terms of GST Act No. 34 of 1996				
* Company activities directly connected with international transportation of passenger and goods, and the provision of ground handling services are zero rated.				
* Any other income derived in Sri Lanka is liable at the standard rate of 12.5%.				
3.2. Goods and Services Analysis				
Sale of goods	-	-	-	-
Rendering of Services				
Scheduled services - Passenger	18,659.37	14,573.95	18,659.37	14,573.95
- Excess baggage	366.42	370.04	366.42	370.04
- Cargo	3,215.07	2,217.05	3,215.07	2,217.05
- Mail	67.09	69.48	67.09	69.48
	<u>22,307.95</u>	<u>17,230.52</u>	<u>22,307.95</u>	<u>17,230.52</u>
Non-scheduled services	83.97	140.06	83.97	140.06
Ground Handling & Flight Catering	2,213.80	2,060.77	1,816.33	1,655.78
Duty Free	146.07	145.07	146.07	145.07
Total	<u>24,751.79</u>	<u>19,576.42</u>	<u>24,354.32</u>	<u>19,171.43</u>

Passenger revenue includes Rs. 1,063 million recognised as unutilised ticket sales in accordance with the Accounting Policy on Revenue Recognition. (See note 2.10).

Notes to the Financial Statements

(Year ended 31st March 2000)

4. OTHER INCOME

	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Dividend from subsidiary company	-	-	-	30.09
Interest Income	379.25	468.17	361.50	453.25
Rental Income Receivable	0.55	0.60	0.55	0.60
Miscellaneous revenue	112.12	101.07	110.55	99.66
Profit/(Loss) on Disposal of Property, Plant and Equipment	693.17	(2.55)	693.16	(3.02)
	<u>1,185.09</u>	<u>567.29</u>	<u>1,165.76</u>	<u>580.58</u>

5. PROFIT ON SALE OF INVESTMENT

As a result of its membership in Societe International de Telecommunications Aeronautiques (SITA), the Company became eligible to receive Depository Certificates representing economic interest in Class A shares of Equant N.V. held by the SITA Foundation, on behalf of the air transport community.

Depository Certificates are not transferable, except in certain restricted circumstances.

In February 1999, a portion of the shares of Equant N.V. held by the SITA Foundation on behalf of the air transport community was sold in a Public Offering. In this process, 149,017 Equant N.V. shares in which the Company held a beneficial interest was sold.

As at the balance sheet date, the Company holds 278,240 Depository Certificates. Due to the restriction on the transferability of Depository Certificates, the Company's beneficial interest in Equant N.V. shares is not reflected in these financial statements.

The market value of 278,240 shares of Equant N.V. as at 31st March 2000 is US Dollars 23.65 million (Rs. 1,744.81 million).

Conversion Rate 1 US Dollar = Rs. 73.7750.

6. Profit/(Loss) from Operating Activities Includes the following:	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Bad Debts	22.00	-	22.00	-
Advertising Costs	472.96	120.60	472.96	120.60
Directors' Emoluments	-	3.53	-	-
Auditors' Remuneration (Fees and Expenses)	1.60	1.19	1.25	0.85
Depreciation	1,677.34	1,680.39	1,658.91	1,656.36
Staff Costs	4,339.93	2,912.66	4,135.52	2,749.32
Defined Benefit Plan costs - Gratuity	114.53	161.24	102.84	152.15
Defined Contribution Plan costs - EPF & ETF	321.50	199.67	304.19	183.21
Staff Incentive Payments	172.43	243.63	144.43	189.71
Exchange (Gain)/Loss	(331.41)	(684.29)	(294.66)	(644.59)
Aircraft Structural Modifications	-	53.82	-	53.82

Notes to the Financial Statements

(Year ended 31st March 2000)

7. FINANCE COSTS

	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Interest Expense on Loans, Borrowings & Overdrafts	431.06	309.50	430.65	300.13
Finance Charges on Lease Liabilities	1,257.11	1,292.95	1,257.11	1,292.95
	<u>1,688.17</u>	<u>1,602.45</u>	<u>1,687.76</u>	<u>1,593.08</u>

8. INCOMETAX EXPENSE

	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Current Income Tax				
Current Tax expense on ordinary activities for the year	30.39	218.94	9.08	197.28
Deferred Income Tax				
Deferred Taxation Charge/(Reversal)	-	-	-	-
	<u>30.39</u>	<u>218.94</u>	<u>9.08</u>	<u>197.28</u>

The Company has signed an agreement under Section 17 of the Greater Colombo Economic Commission Law No. 4 of 1978 which exempts it from the payment of income tax, corporate tax and tax on dividends and royalties for an initial period of seven years from 01st September 1979, subsequently extended for a period of three years from 01st August 1986, and thereafter a period of five years from 01st August 1989. In August 1994 the Board of Investment of Sri Lanka granted flagship status to the Company, extending the tax exemption period up to 31st March 1998.

In March 1998 the Board of Investment of Sri Lanka granted a further extension extending the tax exemption period up to 31st March 2013.

The subsidiary, Air Lanka Catering Services Limited has signed an agreement under Section 17 of the Greater Colombo Economic Commission Law No. 4 of 1978 which exempts it from the payment of income tax, corporate tax and tax on dividends and royalties for an initial period of five years from 01st April 1980, subsequently extended for a period of two years and thereafter for another three years. This exemption which was further extended for a period of five years, ended in August 1995. With effect from 20th August 1995, the Company now pays a tax on turnover at a flat rate of 2%. This tax is paid instead of income tax and is applicable until the year 2006.

Deferred Taxation

No deferred taxation has been provided for in the financial statements in view of the above tax holiday.

Overseas Taxation

The Company is liable to tax on its overseas operations in countries where there are no double tax treaties at present. However, there is no liability in the current year due to the carry forward tax losses available to the Company.

9. EARNINGS PER SHARE

9.1 Basic Earnings per Share is calculated by dividing the Net Profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the

Notes to the Financial Statements

(Year ended 31st March 2000)

previous year are adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in the resources, such as a bonus issue.

9.2. The following reflects the income and the share data used in the Basic Earnings per Share computations

	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Amounts used as the Numerators:				
Net Profit	(388.21)	2,697.66	(750.41)	2,518.63
Net Profit attributable to ordinary shareholders for				
Basic Earnings per Share	<u>(388.21)</u>	<u>2,697.66</u>	<u>(750.41)</u>	<u>2,518.63</u>
	Group 2000 Number	Group 1999 Number	Company 2000 Number	Company 1999 Number
Number of Ordinary Shares used as Denominators:				
Weighted average number of Ordinary Shares in issue applicable to Basic Earnings per Share	<u>51,463,463</u>	<u>51,463,463</u>	<u>51,463,463</u>	<u>51,463,463</u>

10. PROPERTY, PLANT & EQUIPMENT - GROUP

10.1. Gross Carrying Amounts	Balance As at 01.04.1999 Rs. M	Additions/ Transfers/ Acquisitions Rs. M	Adjustments during the year Rs. M	Disposals/ Transfers Rs. M	Balance As at 31.03.2000 Rs. M
Cost/Valuation					
Land & Buildings	794.79	31.54	4.92	-	831.25
Equipment	2,196.47	840.96	-	(281.95)	2,755.48
Aircraft & Related Equipment	8,826.98	1,838.58	-	(5,883.84)	4,781.72
Projects	4.92	420.27	(4.92)	-	420.27
	<u>11,823.16</u>	<u>3,131.35</u>	<u>-</u>	<u>(6,165.79)</u>	<u>8,788.72</u>
Assets on Finance Leases					
Aircraft & Related Equipment	18,871.39	-	-	-	18,871.39
Total Value of Depreciable Assets	<u>30,694.55</u>	<u>3,131.35</u>	<u>-</u>	<u>(6,165.79)</u>	<u>27,660.11</u>
10.2. In the Course of Construction					
	Balance As at 01.04.1999 Rs. M	Incurred during the year Rs. M	Adjustments during the year Rs. M	Disposals/ Transfers Rs. M	Balance As at 31.03.2000 Rs. M
Building Work in Progress	0.03	28.57	-	-	28.60
Total Gross Carrying Amount	<u>30,694.58</u>	<u>3,159.92</u>	<u>-</u>	<u>(6,165.79)</u>	<u>27,688.71</u>

Notes to the Financial Statements

(Year ended 31st March 2000)

10.3. Depreciation	Balance As At 01.04.1999 Rs. M	Charge for the year/ Transfers Rs. M	Disposals/ Transfers Rs. M	Balance As at 31.03.2000 Rs. M
Land & Buildings	549.65	38.00	-	587.65
Equipment	1,949.71	184.17	(286.17)	1,847.71
Aircraft & Related Equipment	6,783.02	393.65	(5,618.39)	1,558.28
	<u>9,282.38</u>	<u>615.82</u>	<u>(5,904.56)</u>	<u>3,993.64</u>
Assets on Finance Leases				
Aircraft & Related Equipment	5,003.02	1,061.52	-	6,064.54
Total Depreciation	<u>14,285.40</u>	<u>1,677.34</u>	<u>(5,904.56)</u>	<u>10,058.18</u>
10.4. Net Book Value		Group 2000 Rs. M		Group 1999 Rs. M
At Cost/Valuation		4,823.68		2,540.81
On Finance Leases		12,806.85		13,868.37
Total Carrying Amount of Property, Plant & Equipment		<u>17,630.53</u>		<u>16,409.18</u>

10(a) PROPERTY, PLANT & EQUIPMENT - COMPANY

10(a) 1. Gross Carrying Amounts	Balance As at 01.04.1999 Rs. M	Additions/ Transfers/ Acquisitions Rs. M	Adjustments during the year Rs. M	Disposals/ Transfers Rs. M	Balance As at 31.03.2000 Rs. M
Cost/Valuation					
Land & Buildings	697.28	31.54	4.92	-	733.74
Equipment	1,883.20	795.51	-	(281.93)	2,396.78
Aircraft & Related Equipment	8,826.98	1,838.58	-	(5,883.84)	4,781.72
Projects	4.92	420.27	(4.92)	-	420.27
	<u>11,412.38</u>	<u>3,085.90</u>	<u>-</u>	<u>(6,165.77)</u>	<u>8,332.51</u>
Assets on Finance Leases					
Aircraft & Related Equipment	18,871.39	-	-	-	18,871.39
Total Value of Depreciable Assets	<u>30,283.77</u>	<u>3,085.90</u>	<u>-</u>	<u>(6,165.77)</u>	<u>27,203.90</u>
10 (a) 2. In the Course of Construction	Balance As at 01.04.1999 Rs. M	Incurred during the year Rs. M	Adjustments during the year Rs. M	Disposals/ Transfers Rs. M	Balance As at 31.03.2000 Rs. M
Building Work in Progress	-	0.54	-	-	0.54
Total Gross Carrying Amount	<u>30,283.77</u>	<u>3,086.44</u>	<u>-</u>	<u>(6,165.77)</u>	<u>27,204.44</u>

Notes to the Financial Statements

(Year ended 31st March 2000)

10(a) 3. Depreciation	Balance As At 01.04.1999 Rs. M	Charge for the year/ Transfers Rs. M	Disposals/ Transfers Rs. M	Balance As at 31.03.2000 Rs. M
Land & Buildings	474.97	34.08	-	509.05
Equipment	1,663.07	169.66	(286.15)	1,546.58
Aircraft & Related Equipment	6,783.02	393.65	(5,618.39)	1,558.28
	<u>8,921.06</u>	<u>597.39</u>	<u>(5,904.54)</u>	<u>3,613.91</u>
Assets on Finance Leases				
Aircraft & Related Equipment	5,003.02	1,061.52	-	6,064.54
Total Depreciation	<u>13,924.08</u>	<u>1,658.91</u>	<u>(5,904.54)</u>	<u>9,678.45</u>

10(a).4. Net Book Value	Company 2000 Rs. M	Company 1999 Rs. M
At Cost/Valuation	4,719.14	2,491.32
On Finance Leases	12,806.85	13,868.37
Total Carrying Amount of Property, Plant & Equipment	<u>17,525.99</u>	<u>16,359.69</u>

11 INVESTMENTS IN SUBSIDIARIES

Name of Subsidiary	Country of Incorporation	Holding %	Cost 2000 Rs. M	Directors' Valuation 2000 Rs. M	Cost 1999 Rs. M	Directors' Valuation 1999 Rs. M
Air Lanka Catering Services Ltd.	Sri Lanka	100%	70.40	70.40	70.40	70.40
		<u>100%</u>	<u>70.40</u>	<u>70.40</u>	<u>70.40</u>	<u>70.40</u>

12 INVENTORIES

	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Consumable Spares	1,744.25	1,214.89	1,648.25	1,174.09
Total Inventories at lower of cost and net realisable value	<u>1,744.25</u>	<u>1,214.89</u>	<u>1,648.25</u>	<u>1,174.09</u>

Notes to the Financial Statements

(Year ended 31st March 2000)

13 TRADE AND OTHER RECEIVABLES

	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
13.1 Current				
Trade Debtors	2,619.18	1,981.69	2,550.34	1,897.64
Less: Provision for doubtful debts	(157.08)	(134.87)	(156.87)	(134.87)
	<u>2,462.10</u>	<u>1,846.82</u>	<u>2,393.47</u>	<u>1,762.77</u>
Other Debtors	534.84	139.47	556.18	170.39
Advances and Prepayments	7,425.29	3,882.39	7,248.34	3,714.70
	<u>10,422.23</u>	<u>5,868.68</u>	<u>10,197.99</u>	<u>5,647.86</u>
Loans to Company officers (13.2)	13.72	12.76	11.88	10.29
	<u>10,435.95</u>	<u>5,881.44</u>	<u>10,209.87</u>	<u>5,658.15</u>

13.2 Loans to Company Officers:

Given below are particulars of loans granted to Company officers in excess of Rs. 20,000 only;

Summary

Balance as at the beginning of the year	2.61	2.95	1.96	2.64
Loans granted during the year	0.90	1.16	0.26	0.52
Less: Repayments during the year	(0.71)	(1.50)	(0.24)	(1.20)
Balance as at the end of the year	<u>2.80</u>	<u>2.61</u>	<u>1.98</u>	<u>1.96</u>

14 CASH AND CASH EQUIVALENTS

	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Components of Cash and Cash Equivalents				
14.1 Favourable Cash & Cash Equivalent Balances				
Cash & Bank Balances	787.17	604.33	633.08	493.89
Fixed & Call Deposits	2,597.33	8,903.90	2,484.62	8,764.73
Treasury Bills	18.98	18.13	-	-
	<u>3,403.48</u>	<u>9,526.36</u>	<u>3,117.70</u>	<u>9,258.62</u>
14.2 Unfavourable Cash & Cash Equivalent Balances				
Bank Overdrafts	(333.02)	(168.26)	(333.02)	(168.25)
Total Cash and Cash Equivalents for the purpose of the Cash Flow Statement	<u>3,070.46</u>	<u>9,358.10</u>	<u>2,784.68</u>	<u>9,090.37</u>

Notes to the Financial Statements

(Year ended 31st March 2000)

15 ISSUED CAPITAL

15.1 Authorised

		Par Value	Company 2000 Number	Company 1999 Number
Number of Shares	Ordinary Shares	Rs. 100/-	150,000,000	150,000,000
			<u>150,000,000</u>	<u>150,000,000</u>

			Rs. M	Rs. M
Nominal Value	Ordinary Shares	Rs. 100/-	15,000.00	15,000.00
			<u>15,000.00</u>	<u>15,000.00</u>

15.2 Issued and Fully Paid

		Par Value	2000 Number	1999 Number
Number of Shares	Ordinary Shares	Rs. 100/-	51,463,463	51,463,463
			<u>51,463,463</u>	<u>51,463,463</u>
			Rs. M	Rs. M
Nominal Value	Ordinary Shares	Rs. 100/-	5,146.35	5,146.35
			<u>5,146.35</u>	<u>5,146.35</u>

16 RESERVES

Summary	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Capital Reserves (16.1)	105.20	105.20	75.60	75.60
Revenue Reserves (16.2)	0.63	0.63	-	-
General Reserves (16.3)	53.44	53.44	53.44	53.44
	<u>159.27</u>	<u>159.27</u>	<u>129.04</u>	<u>129.04</u>

16.1 Capital Reserves

	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
As at 1st April	105.20	297.16	75.60	267.56
Transfer to Property, Plant & Equipment	-	(138.52)	-	(138.52)
Transfer to General Reserve	-	(53.44)	-	(53.44)
As at 31st March	<u>105.20</u>	<u>105.20</u>	<u>75.60</u>	<u>75.60</u>

Notes to the Financial Statements

(Year ended 31st March 2000)

The Capital Reserve represents;

The Group:

- a) The difference between the book value and the restated value of property - Rs. 75.60 million.
(See note 2.3.2).
- b) Reserve on Consolidation - Rs. 8.00 million.
- c) Bonus Issue - Rs. 21.60 million.

The Company:

- a) The difference between the book value and the restated value of property - Rs. 75.60 million.
(See note 2.3.2).

16.2. Revenue Reserves	Group	Group	Company	Company
	2000	1999	2000	1999
	Rs. M	Rs. M	Rs. M	Rs. M
As at 1st April	0.63	0.63	-	-
Additions/transfers during the year	-	-	-	-
As at 31st March	<u>0.63</u>	<u>0.63</u>	<u>-</u>	<u>-</u>

16.3. General Reserves	Group	Group	Company	Company
	2000	1999	2000	1999
	Rs. M	Rs. M	Rs. M	Rs. M
As at 1st April	53.44	-	53.44	-
Additions during the year	-	-	-	-
Charge for the year	-	-	-	-
Transferred from Capital Reserve	-	53.44	-	53.44
As at 31st March	<u>53.44</u>	<u>53.44</u>	<u>53.44</u>	<u>53.44</u>

Transfers from Capital Reserve represent the exchange differences capitalised in 1987/88 and in 1988/89 in respect of Property, Plant & Equipment which had been financed by foreign currency loans.

17. EXCHANGE EQUALISATION ACCOUNT	Group	Group	Company	Company
	2000	1999	2000	1999
	Rs. M	Rs. M	Rs. M.	Rs. M.
17.1. Summary				
As at the beginning of the year	4,411.73	3,166.05	4,411.73	3,166.05
Deferred during the year	1,017.51	1,857.60	1,017.51	1,857.60
Amortised during the year	(751.98)	(611.92)	(751.98)	(611.92)
As at the year end	<u>4,677.26</u>	<u>4,411.73</u>	<u>4,677.26</u>	<u>4,411.73</u>

Notes to the Financial Statements

(Year ended 31st March 2000)

17.2. Gains and losses arising from the year-end translation of long-term foreign currency borrowings which finance specific property, plant & equipment are recorded in an exchange equalisation account and amortised as currency gains/losses over the period during which the foreign currency liability is outstanding. Unamortised balances of such gains and losses are carried forward in the exchange equalisation account.

18. INTEREST BEARING LIABILITIES - GROUP/COMPANY

	2000 Amount Repayable Within 1 Year	2000 Amount Repayable After 1 Year	2000 Total	1999 Amount Repayable Within 1 Year	1999 Amount Repayable After 1 Year	1999 Total
	Rs. M	Rs. M	Rs. M	Rs. M	Rs. M	Rs. M
Finance Leases (18.1)	1,953.27	14,464.81	16,418.08	1,679.40	15,450.02	17,129.42
Long-term Loans (18.2)	1,270.63	756.70	2,027.33	1,312.34	858.09	2,170.43
	<u>3,223.90</u>	<u>15,221.51</u>	<u>18,445.41</u>	<u>2,991.74</u>	<u>16,308.11</u>	<u>19,299.85</u>

18.1. The future payments under finance leases, which are US Dollar denominated are as follows:

	2000 USD M	2000 Rs. M	1999 USD M	1999 Rs. M
Within one year	26.48	1,953.27	24.19	1,679.40
Between :				
- One and two years	28.97	2,137.29	26.48	1,838.40
- two and three years	31.70	2,338.78	28.97	2,011.26
- three and four years	34.69	2,559.26	31.70	2,200.80
- four and five years	37.96	2,800.42	34.69	2,408.38
- after five years	62.75	4,629.06	100.70	6,991.18
	<u>222.55</u>	<u>16,418.08</u>	<u>246.73</u>	<u>17,129.42</u>
Amount due within one year included under current liabilities	(26.48)	(1,953.27)	(24.19)	(1,679.40)
	<u>196.07</u>	<u>14,464.81</u>	<u>222.54</u>	<u>15,450.02</u>

The future payments of interest charges relating to these finance leases are as follows:

	USD M	Rs. M
Within one year	16.25	1,198.79
Between :		
- One and two years	14.15	1,043.69
- two and three years	11.78	868.29
- three and four years	9.16	676.36
- four and five years	6.33	467.18
- after five years	4.57	337.69
	<u>62.24</u>	<u>4,592.00</u>

Notes to the Financial Statements

(Year ended 31st March 2000)

Interest rates applicable to the finance leases range from 6.6242 percent to 9.1141 percent per annum. The Government of Sri Lanka has guaranteed the obligations of the Company under the finance lease agreements up to a limit of US Dollars 87.53 million (Rs. 6,457.52 million).

Conversion Rate - 1 US Dollar = Rs. 73.7750 (Rs. 69.4257 in 1998/99).

18.2. The future payments under long-term loans, which are US Dollar denominated are as follows:

	2000 USD M	2000 Rs. M	1999 USD M	1999 Rs. M
Bank Loans Payable				
Within one year	15.12	1,115.48	16.80	1,166.34
- After one year	-	-	-	-
	<u>15.12</u>	<u>1,115.48</u>	<u>16.80</u>	<u>1,166.34</u>
Other Loans Payable				
Within one year	2.10	155.15	2.10	146.00
Between :				
- One and two years	2.10	155.15	2.10	146.00
- two and three years	2.10	155.15	2.10	146.00
- three and four years	2.10	155.15	2.10	146.00
- four and five years	2.10	155.15	2.10	146.00
- after five years	1.84	136.10	3.97	274.09
	<u>12.34</u>	<u>911.85</u>	<u>14.47</u>	<u>1,004.09</u>
Total Long Term Loans	<u>27.46</u>	<u>2,027.33</u>	<u>31.27</u>	<u>2,170.43</u>
Amounts due within one year included under current liabilities	(17.22)	(1,270.63)	(18.90)	(1,312.34)
	<u>10.24</u>	<u>756.70</u>	<u>12.37</u>	<u>858.09</u>

Loans are repayable on various dates up to the year 2007 at varying interest rates which range from 6.6242 percent to 7.5500 percent per annum during the year.

The outstanding balance on other loans of USD 12.34 M (Rs.911.85 M) is guaranteed by the Government of Sri Lanka.

Conversion Rate - 1 US Dollar = Rs. 73.7750 (Rs. 69.4257 in 1998/99)

19. PROVISIONS AND OTHER LIABILITIES

19.1. Group	Non-Current 2000 Rs. M	Non-Current 1999 Rs. M	Current 2000 Rs. M	Current 1999 Rs. M	Total 2000 Rs. M	Total 1999 Rs. M
Retirement benefit obligations						
- Gratuity	561.36	510.01	-	-	561.36	510.01
Provision for airframe & aircraft engine overhaul	-	-	2,789.99	1,987.87	2,789.99	1,987.87
	<u>561.36</u>	<u>510.01</u>	<u>2,789.99</u>	<u>1,987.87</u>	<u>3,351.35</u>	<u>2,497.88</u>

Notes to the Financial Statements

(Year ended 31st March 2000)

19.2. Company

	Non-Current 2000 Rs. M	Non-Current 1999 Rs. M	Current 2000 Rs. M	Current 1999 Rs. M	Total 2000 Rs. M	Total 1999 Rs. M
Retirement benefit obligations - Gratuity	485.20	428.43	-	-	485.20	428.43
Provision for airframe & aircraft engine overhaul	-	-	2,789.99	1,987.87	2,789.99	1,987.87
	<u>485.20</u>	<u>428.43</u>	<u>2,789.99</u>	<u>1,987.87</u>	<u>3,275.19</u>	<u>2,416.30</u>

20. TRADE AND OTHER PAYABLES

	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Trade Payables	4,895.90	2,525.13	5,027.22	2,617.09
Sundry Creditors including accrued expenses	71.87	208.02	29.89	102.88
Sales in Advance of Carriage	1,769.28	3,000.18	1,769.28	3,000.18
	<u>6,737.05</u>	<u>5,733.33</u>	<u>6,826.39</u>	<u>5,720.15</u>

21. EFFECTS OF CHANGES IN ACCOUNTING POLICIES

Prior Year Accumulated Profits/ (Losses) after Adjustments	2000 Rs. M	1999 Rs. M
At the beginning of the year as previously stated	(968.23)	(2,023.38)
Change in accounting policy - Deferment of Currency Losses	4,411.73	3,166.05
Adjusted balance brought forward	<u>3,443.50</u>	<u>1,142.67</u>

This change in accounting policy has been accounted for with retrospective effect. The comparative figures in the financial statements have been restated to conform with the changed policy. (See note 2.7 (iii)).

The effect of the change in the accounting policy on financial statements is as follows:

	2000 Rs. M	1999 Rs. M	Prior to 1999 Rs. M
Decrease in the amount charged as Currency Losses	<u>265.53</u>	<u>1,245.68</u>	<u>3,166.05</u>

Notes to the Financial Statements

(Year ended 31st March 2000)

22. COMMITMENTS AND CONTINGENCIES

22.1. Capital Expenditure Commitments

The Company had purchase commitments for acquisition of property, plant & equipment incidental to the ordinary course of business as at 31st March:

	Group 2000 Rs. M	Group 1999 Rs. M	Company 2000 Rs. M	Company 1999 Rs. M
Contracted but not provided for	43,201.92	41,099.33	43,201.92	41,099.33
Authorised by the Board, but not contracted for	334.32	334.32	334.32	334.32
	<u>43,536.24</u>	<u>41,433.65</u>	<u>43,536.24</u>	<u>41,433.65</u>

Amounts shown under contracts placed include the price of Airbus A330-200 aircraft Nos. 5, 6, 7, 8 and 9, which were on order as at the balance sheet date.

The Company took delivery of the 5th and 6th Airbus A330-200 aircraft on 28th April 2000 and on 15th June 2000 respectively.

The contracted delivery positions that the Company held with respect to Airbus A330-200 aircraft Nos. 7, 8 and 9 were transferred to Emirates on 05th June 2000. Consequently, the company received a full refund of pre-delivery payments totalling up to USD 40.32 million that had been paid to Airbus Industrie on account of the said aircraft.

22.2. Lease Commitments

Commitments for minimum lease payments under non-cancellable operating leases as at 31st March were as follows:

	Non-Cancellable Operating Leases	
	2000 Rs. M	1999 Rs. M
Not later than 1 year	3,632.94	-
Later than one year and not later than 5 years	14,506.20	-
Later than 5 years	15,569.48	-
	<u>33,708.62</u>	<u>-</u>

Under the terms of the lease agreements, no contingent rentals are payable.

22.3. Contingencies

- a) No provision has been made in these accounts in respect of contingent liabilities arising in the normal course of business of the Company in respect of legal actions or other claims being made against the Company. The management estimates contingent liabilities at Rs.1,300.12 million.

Notes to the Financial Statements

(Year ended 31st March 2000)

- b) A contingent liability exists on account of a bank guarantee valued at US Dollars 2 million (Rs. 147.55 million) which has been issued in connection with the sale of Lockheed Tristar aircraft, spare engines and related spares. The purpose of this guarantee is to secure certain maintenance obligations undertaken by SriLankan Airlines Limited as the seller of the said Lockheed Tristar aircraft, spare engines and related spares.
- c) All employees based in Sri Lanka with 5 or more years of service with the Company are entitled to the payment of gratuity, under the Payment of Gratuity Act No. 12 of 1983. An actuarial valuation of the gratuity liability of the Company as at 31st March 1999 was undertaken in June 1999 by Cost Method'. The actuarial valuation assumed a salary escalation rate of 10% per annum in respect of salaries denoted in Sri Lankan Rupees, a salary escalation rate of 3% per annum in respect of salaries denoted in US Dollars, and a discount rate of 10% per annum. The actuarial present value of accrued benefits as at 31st March 2000 is Rs. 422.94 million. If the method of making a provision for all employees were to be adopted, the gratuity liability of the Company as at 31st March 2000 would be Rs. 529.43 million. Hence there is a Contingent liability of Rs. 106.49 million which would crystallise if the Company ceases to be a going concern.
- d) A contingent asset exists in respect of Depository Certificates which the Company became eligible to receive as a result of its membership in Societe International de Telecommunications Aeronautiques (SITA). Originally the Company became eligible to receive 505,180 Depository Certificates representing economic interest in Class A shares of Equant N.V. held by the SITA Foundation on behalf of the air transport community. These Depository Certificates are not transferable, except in certain restricted circumstances. In February 1999, a portion of the shares of Equant N.V. held by the SITA Foundation on behalf of the air transport community was sold in a Public Offering. In this process, 149,017 Equant N.V. shares, beneficial interest of which the Company held were sold. Net proceeds of this sale are shown as Profit on sale of investments in the financial statements for the year ended 31st March 1999. In June 1999, 77,923 Depository Certificates held on behalf of the Company subject to reallocation, were reallocated to other Certificates holders by the SITA Foundation. As at balance sheet date the Company held 278,240 Depository Certificates. Due to the restriction on the sale/transfer of Depository Certificates, the Company's interest in Equant shares is not reflected in the accounts. The market value of 278,240 shares of Equant N.V. as at 31st March 2000 is US Dollars 23.65 million (Rs. 1,744.81 million).

The Conversion rate 1 US Dollar = Rs. 73.7750.

23. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Company took delivery of its 5th and 6th Airbus A330-200 aircraft on 28th April 2000 and on 15th June 2000. The contracted delivery positions that the Company held with respect to Airbus A330-200 aircraft Nos. 7, 8 and 9 were transferred to Emirates on 05th June 2000. Consequently, the company received a full refund of pre-delivery payments totalling up to USD 40.32 million that had been paid to Airbus Industrie on account of the said aircraft.

On 08th June 2000, the Company entered into a number of related agreements with RPPF Engine Leasing Limited and Rolls-Royce & Partners Finance Limited for the sale and lease back of two Rolls-Royce Trent 772B and two IAE V2500-A1 spare engines owned by the Company.

Since the Balance Sheet date there have been no other events which could materially affect the state of affairs of the Company as shown by the accounts as at that date, the loss for the year then ended or any of the figures in the Accounts or notes thereto.

Notes to the Financial Statements

(Year ended 31st March 2000)

24 DIRECTORS' INTERESTS

Emirates, which holds 29.61% of the issued Share Capital of the Company as at the balance sheet date, together with Management Control of the Company for a period of ten years from 31st March 1998, has nominated three directors to the Board of the Company. The nominee directors as at 31st March 2000 and holding office as at that date are:

Mr. T C Clark Managing Director

Mr. G W Chapman

Mr. D E Mannion

The Company has nominated four directors to the Board of Air Lanka Catering Services Limited (ALCS), with whom the company has a contract for catering. In view of the resignation of the Acting Chairman Mr. W P S Jayawardena and Mr. Dixon Nilaweera, Director, from the Board of SriLankan Airlines Limited with effect from June 1999 and December 1999 respectively, their status as Chairman and Director of Air Lanka Catering Services Limited also ceased. Accordingly the current Directors of Air Lanka Catering Services Limited are:

Mr. S K Wickremesinghe Chairman

Mr. K Balapatabendi PC

Dr. P B Jayasundera

Mr. D E Mannion

Mr. D Nijhawan Alternate Director to Mr. D E Mannion (Appointed with effect from 01.12.1999)

Notes to the Financial Statements

(Year ended 31st March 2000)

25. RELATED PARTY DISCLOSURES

25.1. Four directors of the Company are directors of Air Lanka Catering Services Limited (ALCS), which is a wholly owned subsidiary of the Company. ALCS provides flight catering services to the Company, and the Company provides passenger and freight services to ALCS in the normal course of business.

During the year 1999/2000, the value of flight catering services provided to the Company amounted to Rs. 658.40 million, while freight and air tickets provided by the Company to ALCS amounted to Rs. 20.42 million.

During the year, the Company recovered in full the loan of Rs. 91,498,000 (at 16% per annum) granted to Air Lanka Catering Service Limited in 1998. The amount outstanding as at 31st March 1999 was Rs. 30,499,333.

25.2. Emirates holds 29.61% of the issued Share Capital of the Company. The Company has entered into a number of specific related party agreements to obtain specific goods and services from Emirates. Payments made for goods and services obtained from Emirates during the year are as follows.

	USD	Rs.
(a) Computer systems and services	928,097	66,321,812
(b) Buyer Furnished Equipment for A 330 aircraft procured through Emirates	12,434,812	888,591,666
(c) Purchase of other goods and services	4,368,928	312,203,595
(d) Transactions relating to international air transport, settled through the IATA Clearing House in the normal course of business (net)	1,574,013	112,478,955
(e) Finance charges on funds advanced for the purchase of Buyer Furnished Equipment for A330 aircraft	400,660	28,631,164

The Company has also entered into an exclusive marketing and sales agreement with Emirates, trading as Galileo Emirates, for the purpose of distributing Galileo CRS for use in Sri Lanka.

Ten Year Review - Company

INCOME STATEMENT		1991	1992	1993
Operating revenue	Rs. Million	9,226.19	10,936.03	12,945.44
Operating expenditure	Rs. Million	8,821.99	10,571.89	12,390.28
Net profit/(loss)	Rs. Million	201.06	218.36	127.61
BALANCE SHEET				
Share capital	Rs. Million	7,369.47	7,369.47	7,369.47
Fixed assets	Rs. Million	3,231.25	5,723.71	9,019.84
Current assets	Rs. Million	3,354.33	2,554.93	5,323.45
Total assets	Rs. Million	6,609.58	8,309.04	14,373.69
Current liabilities	Rs. Million	3,710.71	4,614.17	7,005.56
YIELD/UNIT COST				
Overall yield	Rs. tkm	20.9	22.8	24.9
Unit cost	Rs. tkm	14.4	15.1	15.5
Break-even load factor	%	68.7	66.4	62.1
Revenue per RPK	Rs./RPK	2.1	2.4	2.5
PRODUCTION				
Passenger capacity	ASK Millions	4,539.59	5,307.55	6,137.90
Overall capacity	ATK Millions	600.66	698.37	782.71
TRAFFIC				
Passengers carried	Nos. Thousands	878	958	1,067
Passengers carried	RPK Millions	3,445.91	3,772.02	4,203.25
Passenger load factor	%	75.91	71.07	68.48
Cargo carried	Tonnes	22,090	25,819	26,518
Cargo load carried	RTK Millions	92.13	105.49	108.63
Overall load carried	RTK Millions	414.76	453.44	492.20
Cargo load factor	%	53.05	51.95	48.28
Overall load factor	%	69.05	64.93	62.88
STAFF				
Average strength	Nos.	3,678	4,181	4,531
Revenue per employee	Rs.	2,508,480	2,615,649	2,857,082
Capacity per employee	Tonne-km	163,312	167,034	172,746
Load carried per employee	Tonne-km	112,768	108,453	108,629
FLEET				
L1011-500	Nos.	3	3	3
L1011-200	Nos.	-	2	2
L1011-100	Nos.	1	1	1
L1011-50	Nos.	1	1	1
B737-200	Nos.	1	1	1
A320-200	Nos.	-	-	1
A330-200	Nos.	-	-	-
A340-300	Nos.	-	-	-
Aircraft in service at year end	Nos.	6	8	9

1994	1995	1996	1997	1998	1999	2000
12,456.05	13,651.28	14,807.92	15,619.30	17,592.00	19,171.43	24,354.32
11,747.81	12,154.46	13,253.64	14,121.08	14,657.40	16,136.47	24,116.33
188.60	650.05	118.53	449.51	2,361.36	2,518.63	(750.41)
5,146.35	5,146.35	5,146.35	5,146.35	5,146.35	5,146.35	5,146.35
10,742.20	22,318.81	20,836.32	19,217.72	17,882.38	16,359.69	17,525.99
5,054.09	7,175.43	8,154.25	8,769.55	11,196.80	16,090.86	14,975.82
15,826.69	29,524.64	29,020.97	28,017.67	29,109.58	32,520.95	32,572.21
7,142.16	8,858.31	8,740.41	8,856.67	9,224.37	11,477.25	13,574.28
27.6	27.8	26.5	27.4	29.3	31.3	31.8
18.1	17.6	16.7	20.3	20.8	20.4	22.9
65.6	63.1	63.1	74.4	70.9	65.2	72.0
2.8	2.9	2.9	3.0	3.2	3.3	3.4
5,145.36	5,405.55	5,602.21	5,525.10	5,672.66	6,209.80	8,038.31
632.15	672.27	772.27	746.78	757.42	832.69	1,088.38
994	1,081	1,149	1,196	1,201	1,260	1,475
3,576.75	3,786.56	3,931.26	4,003.19	4,154.46	4,417.55	5,459.65
69.51	70.06	70.17	72.45	73.24	71.14	67.92
25,957	28,748	35,409	35,039	36,478	35,566	41,670
107.38	119.77	166.23	164.43	173.62	156.61	195.67
419.37	454.19	514.81	522.09	547.14	554.90	703.28
50.81	52.15	61.56	61.94	65.40	57.50	57.53
66.34	67.56	66.66	69.91	72.24	66.64	64.62
4,442	4,584	4,880	4,965	4,823	4,832	5,070
2,804,154	2,978,028	3,034,410	3,145,881	3,647,522	3,967,597	4,803,614
142,312	146,656	158,252	150,409	157,043	172,329	214,670
94,410	99,082	105,494	105,153	113,444	114,838	138,713
2	2	2	2	2	2	-
2	-	-	-	-	-	-
1	1	1	1	1	1	-
1	1	1	1	1	1	-
-	-	-	-	-	-	-
2	2	2	2	2	2	2
-	-	-	-	-	-	4
-	3	3	3	3	3	4
8	9	9	9	9	9	10

Glossary

Available Seat Kilometres (ASK)

The Product of seats offered for sale and the distance over which they are carried.

Available Tonne Kilometres (ATK)

This is the measure of transport production.

The ATK produced by a flight are the capacity for payload of the aircraft measured in tonnes multiplied by the distance flown.

Break-even Load Factor

The load factor required to equate revenue from scheduled airline operations with operating costs.

Load Factor

The percentage relationship of revenue load to capacity provided.

The passenger load factor relates RPK to ASK while the overall load factor relates RTK to ATK.

Revenue Passenger Kilometres (RPK)

The product of passengers carried and the distance over which they are carried.

Revenue Tonne Kilometres (RTK)

The product of passenger and cargo carried in tonnes and the distance over which they are carried.

SriLankan Directory

1. AUSTRALIA

Adelaide:

World Aviation Systems(Aus) Pty Ltd
Avion House 49 251, Pulteney Street
Tel: (R/RC) 61 8 83068411
(G/A) 61 8 83068400
Fax: 61 8 8306 8439

Perth:

World Aviation Systems
(Aus) Pty Limited
Level 9, Qvi Building, 250, St Georges Terrace
Perth WA 6000
Tel: (R/RC) 61 8 92299212
(G/A) 61 8 92299211
Fax: 61 8 92299399

Brisbane:

World Aviation Systems
(Aus) Pty Limited
Level 5, 212, George Street,
Tel: 07 3407 7188
Fax: 07 3407 7149

Melbourne:

World Aviation Systems
Ground floor, 310, King Street, Melbourne 3000
Tel: (R/RC) 61 3 99203882
(G/A/S) 61 3 99203860
Fax: 61 3 99203889

Sydney:

Level 10, 403 George Street, Sydney NSW 2000
Tel: 61 2 9244 2800
Fax: 61 2 9244 2810

Sydney (GSA):

World Aviation Systems
Ground Floor, 64, York Street, Sydney 2000
New South Wales, Australia.
Tel: (R/RC) 612 92442234
Fax: 612 92903306

2. BAHRAIN

Manama:

SriLankan Airlines Limited
Chamber of Commerce Bldg
Ground Floor, King Faizal Road
P O Box 1142, Manama, Bahrain.
Tel: (R/RC) 224819
(GSA(G)) 223315
(D) 211405
(F) 225617
Fax: (GSA) 210175
Email: srilankan@batelco.com.bh

3. BANGLADESH

Dhaka:

Bengal Airlift Limited
Landmark building
5th floor, 12-14, Gulshan - 2, Dhaka 1212, Bangladesh.
Tel: (D) 008 802 9886634-37
(G) 600948/605598
Fax: 880 2 871335
Apt No: 894494/894584
Email (GSA): baair
net@dhaka.agni.com
Mobile (DACDZUL): 018238146

4. BRAZIL

Rio De Janeiro:

Varig Airlines AV Almirante
Room 391, CEP 20021-010, Reo De Janeiro, Brazil
Tel: (D) 2625881/2725461
Fax: 2725720/2725700

5. BULGARIA

Sofia:

Balkan Bulgarian Airlines
12, Narodno Subranie, Square, Sofia
People's Republic of Bulgaria.
Tel: (D) 884433/884493/881180

6. CANADA

Montreal:

Repworld Inc SriLankan Airlines
GSA, 1425 Boul Rene-Levesque O
Suite 507, Montreal Quebec H3G 1T7, Canada.
Tel: (D) 514 940 2424
Toll Free: 800 837 5377
Fax: 514 940 1153

Vancouver:

Repworld Inc SriLankan Airlines
GSA, 1166, Alberni Street, Suite 1202
Vancouver BC V6E 3Z3, Canada.
Tel: 604 683 7824
Toll Free: 800 837 5377
Fax: 604 683 7819

Toronto:

Repworld Inc/SriLankan Airlines
GSA, 415, Young Street, Suite 1704, Toronto,
Ontario, Canada, M5B 2E7.
Tel: (D) 416 598 4464
(G) 416 598 5554
Toll Free: 1 800 837 5377
Fax: (416) 598 4043

7. CYPRUS

Nicosia:

Louis Tourist Agency Limited
54-58, Evagoras Avenue, CY 1506 Nicosia
P O Box 1301 Nicosia, Cyprus.
Tel: (R/RC) 00357 2670764
(C) 00357 2679999
Fax: 00357 2671894

8. FRANCE

Paris:

SriLankan Airlines Limited
2 Rue Des Moulins, BP 2745, 75027, Paris, Cedex 01, France.
Tel: (R/T) 0142974344
0144778224
(G) 0144778214
Fax: 0142868320
Email: airlanka@wanadoo.fr

9. GERMANY

Frankfurt:

SriLankan Airlines Limited
Zeil 79, 60313, Frankfurt Main.
Tel: (R/C) 069 97573923
(A) 069 97573912
(G) 069 9757390
Fax: 069 748432

SriLankan Directory

Airport Office:

SriLankan Airlines
Rhein - Main Airport Building, 201, 5103, 60549 Frankfurt
Apt Tel: 069 69048221
Apt Fax: 069 694851
Email: Airlanka.FRA@t-online.de

Berlin Airport Office:

SriLankan Airlines Ltd
Room 1001.2, 1st Floor,
Terminal A
Flughafen-Berlin-Schonefeld, 12521 Berlin
Tel: 030 60915460
Fax: 030 60915461

10. GREECE

Athens:

Intermodalair SA
25, Filellinon Street, 10557 Athens, Greece
Tel: (R/RC) 3013249797/4249098
Fax: (301) 3249152
Email: intermod@tag.gr

11. HONG KONG

SriLankan Airlines Limited
Room 2703 27 floor, Tower 1, Lippo Centre, 89 Queensway
Hongkong.
Tel: (R/RC/G) 852 2521 0708
(S) 2521 0812/25
(A) 2521 0830
Apt Fax: 852-2801 5600
Email: srilanka@netvigator.com

Airport Office:

5N002 Arrival Level
North Concourse, Pax Terminal Bldg, 1 Cheong
Hong Kong Road, Hongkong International Airport
Lantau.
Tel: 852 2769 7182/4
Fax: 852 2718 5359

12. INDIA

Ahmedabad:

Stic Travels (Pvt) Limited
2nd floor, Karishma Complex
Stadium Circle, Navrangpura
Ahmedabad 380009.
Tel: (R/RC/G) 0796423518/6427638
Fax: 079 6426153

Amritsar:

Stic Travels (Pvt) Limited
Hotel Amritsar International
City Centre, Amritsar-143 001, India.
Tel: (G) 31991/31992

Bangalore:

Stic Travels Pvt Limited
G-5, Imperial Court, 33/1, Cunningham Road
Bangalore-560052.
Tel: (D) 2259523/2269181
mobile: 9844110977
(R) 2202408/2256194/2256195/2267613/2269182/3
(A) 2269186 (S) 2269187
Fax: 2202409
Email: sticblr@vsnl.com

Bombay:

SriLankan Airlines Limited
C/o Jetair Limited
12D, Raheja Centre, Ground floor, Free Press Journal Marg
Nariman Point, Mumbai 400 021
Tel: (R/S) 2823288/99, 2823599, 2944156
(A/G) 2844148
Fax: 2833864
Apt Tel: 835 3508
Fax: 835 3051
Email: srilankan@jlbomfin.jetair.co.in

Calcutta:

Anusha Air Travels Limited (GSA)
1st floor/Western Tourist Home, Movoor Road, Calcutta 673001
Tel: (G) 310565/722115
Fax: 301565
Email: vbinu@md4.vsnl.net.in

Chandigarh:

Stic Travels Pvt Limited
SCO 40-41, Sector 17A, Chandigarh 160017
Tel: (D) 0172 721828/7065622
Fax: 0172 702770

Cochin:

Ms Anusha Travels Limited
XL/7434, Shenoy's Junction, 38/1043, M G Road, Cochin - 682035
Tel: (G) 380293/370740
Fax: 370740
Email: cokul@md4.vsnl.net.in

Faridabad:

Stic Travels (Pvt) Limited
Magpie Tourist complex, Mathura Road
Faridabad
Tel: (G) 3473, 5864

Goa:

Jetair Limited
102 Rizvi Chambers 1st floor, Dr Salgado Road
Panajim, Goa.
Tel: 0832 222438/226154
Fax: 0832 223324

Hyderabad:

Nagarjuna Travels & Hotels Pvt Ltd
Shop No 8A, Amrutha Ville, Opp Yashodha Hospital
Rajbhavan Road, Somajiguda
Hyderabad 500082
Tel: 3372429/3372430
Fax: 040 3372427
Email: nagalanka@hotmail.com

Jalandhar:

Stic Travels Pvt Limited
2nd floor, Alfa Estate, G T Road
opp General Bus Stand, Jalandhar 144001
Tel: 0181 232056, 232058, 232059
Fax: 0181 230961

Jullundur:

Stic Travels Pvt Limited
Hotel International, G T Road
Jullundur, India
Tel: (G) 2975

SriLankan Directory

Madras: (Chennai)

SriLankan Airlines Ltd
76 Cathedral Road
Nagabrahma Towers
2nd floor, Chennai 600086.
Tel: (G)(44) 8261152/8261154/8261147
(G) (44) 8275348/8237226/8261152/8261154/8261147.
(R) (44) 8261535/8261536/8261537/8261538
(C) (44) 8238923
Fax: (44) 8261153/8253760
Email: srilankanmaa@satyammail.com
slankasales@satyam.net.in
Trans Lanka Air Travels Pvt Limited
Nagabramha Towers
76, Cathedral Road
Chennai 600 086.
Tel: 8261535/6/7/8, 8261152/53/54

New Delhi:

SriLankan Airlines Limited
C/o Stic Travels Pvt Limited, G-55 Connaught Circus
New Delhi 110001.
(D) 3731 928
Tel : (R/RC) 011 373 1473/1474
011 373 1478/1943, 011 373 1961/1967
Fax: 011 373 1480/331 9454
Email: sra.srilankan@mantraonline.com
General Email: srilankan@mantraonline.com

Patna:

Stic Travels Pvt Limited
Hotel Ashok, Patliputra, Patna
Tel: (G) 26270

Poona:

Jetair Limited
243/244 Century Arcade! 1st floor, Narangi Baug Road
Pune 411 001
Tel: 020 6123261/6123267
Fax: 020 6124897

Salam:

Translanka Air Travels Pvt Limited
47 Divya Road, Fort Main Road
Salam 636001.
Tel: (G) 91 427 51542

Tiruchirapalli:

M/S SriLankan Airlines Ltd
14 C Williams Road,
Femina Hotel Complex, Cantonment, Trichy - 620 001
South India.
Tel: (R) 460844/462381
(S) 467953
Fax: 414076
Email: trszs@eth.net

Trivandrum:

SriLankan Airlines Limited, GSA
C/o Anusha Air Travels, Spencer Tower, M G Road
Trivandrum 695 001, Kerala, India.
Tel: (R/RC) 0471 471810
(B) 471815/471838
(G/A) 475037/474934
(S) 471838/471815
Fax: 0471 460639/460224
Apt No: 0471 501140/501424
Email: spentrvul1@satyam.net.in

Sales Office - Trivandrum:

SriLankan Airlines Limited
Spencers Building, M.G. Road,
Trivandrum 695 001, India.
Tel: (R) 0471 471810/15/38
(D)/(F) of DSM 0471 460224
Email: srilankantrv@eth.net

Airport office:

International Airport, Room No: 160
Trivandrum, India.
Tel: 0471 501140/501424
Extn: SriLankan Airlines

13. INDONESIA

Jakarta:

SriLankan Airlines Limited
C/o P T Dharma Buana Experindo
JL IR H Juanda III No 2
Jakarta Pusat 10120, Indonesia.
Tel: (R/RC) 62 21 350 1022
G/C/A/F
Fax: 62 21 386 2544

14. IRELAND

Belfast:

Aer Lingus, 46-48 Castle Street
Belfast, BT1 1HB
Northern Ireland.
Tel: 08445151
Cork:
Aer Lingus 38, Patrick Street,
Cork.

Dublin:

Aer Lingus
40, Upper O Connel Street
Dublin, Ireland.
Tel: 01 377747, 01 377777

Branch office:

1. Aer Lingus,
42, Grafton Street,
Dublin, Ireland.
2. Aer Lingus, 12 Upper George
Street, Dublin, Ireland.
3. Aer Lingus, Teoranta, Dublin
Airport, Dublin, Ireland.
Tel: (D) 370011

Limerick

Aer Lingus 136
O Connell Street
Limerick, Ireland.
Tel: (D) 061 45556

15. ITALY

Milan:

SriLankan Airlines Limited
Via Gonzaga 5, 20123 Milan
Tel: (G/S) 02 86995105
(R) 1470 62616
Fax: 02 86461852

Malpensa Airport Office:

Malpensa 2000, Terminal 1,
3rd floor, Room A 200
Tel: 02 74866211/212
Fax: 02 74866082

Rome:

SriLankan Airlines Limited
Via Barberini 3
00187 Rome.
Tel: (R/RC) 06 483830
(A) 484428/483732
(G) 06 484858/4741084
Fax: 06 4746385
Email : srilankanrome@compuserve.com

SriLankan Directory

Rome Airport office:

Aeroporto Internazionale
L DA Vinci.
Tel: (G) 06 65010496
06 65953717
(C) 06 65010829
Fax: 06 6529196

16. JAPAN

Narita:

SriLankan Airlines Limited
Room M-5048, Passenger Terminal Building 2
New Tokyo International Airport
Narita 282-0004.
Tel: (G) 0476 348350
Fax: 0476 348351

Osaka:

Overseas Travel Agency Co Limited
7th floor, Hommachi NS Bldg, 3-2-5 Hommachi, Chyuo-ku
Osaka 541-0053.
Tel: (R/RC) 06 6282 2661
Fax: 06 6282 2669

Tokyo:

SriLankan Airlines Limited
Dowa building, 7 2 22, Ginza, Chuo-ku
Tokyo 104-0061.
Tel: (RC/T) 03 3573 4261
(G) 03 3573 4263
(C) 03 3573 4265
Fax: 03 3574 0780
Airport No: 047 6348350
E mail: srilankan@nyc.odn.ne.jp

17. JORDAN

Amman:

Grand Travel & Tourism/
GSA SriLankan Airlines
Behind Housing Bank Complex
Shmeisani, P O Box 2152/Amman-Jordan.
Tel: (R/RC/F) 962 65682140
(G) 5682148/9
(A) 5698112/3
Fax: 5694689
Email: grandms@joinnet.com.jo

18. KOREA (SOUTH)

Seoul:

Pacific Air Agency Limited
1006 Soonhwa Bldg. 5-2
Soonhwa Dong, Choong-Ku, Seoul, South Korea.
Tel: (R/RC/S/T) 02 3183721/5
(C) 02 3183720
Email: selppaa@unitel.co.kr

19. KUWAIT

Safat:

SriLankan Airlines Limited
Emad Commercial Centre
Admin & Sales Mezzanine Floor
Ahmed Al Jaber Street Sharq, P.O. Box 20053
Postal Code 13061 Safat, Kuwait
Tel: 2424444 Ext 110
(D) 2425239 (F) 2429151
email: srilankan_kwi@hotmail.com

20. LEBANON

Beirut:

Sin El Fil Saloume Highway - Aramex Ctr -
Ground Floor, Beirut, Lebanon.
Tel: 01 489186/485076
Fax: 961 1 484310
Email: srilankan@aramex.com.lb

21. MALAYSIA

Kuala Lumpur:

SriLankan Airlines Limited
3rd floor, MUI Plaza, Jalan P Ramlee
50250 Kuala Lumpur, Malaysia
Tel: (R/RC/F) 03 2323633
(A) 03 2325805/2325814/2326022
Fax: 03 2388233
Cargo: (G) 03 87766301
Airport fax: 03 87874329
Email: kul@srilankanairlines.com.my

Airport Office:

Lot N12, Mezzanine Level
Main Terminal Building, Kila 43900 Sepang
Selangor Darul Ehasn.
Tel: (D) 03 87766303
(C) 03 877 66301
Fax: 03 87874329

22. MALDIVES

Male:

SriLankan Airlines Limited
26, Ameer Ahmed Magu,
Male 20-05, Rep of Maldives.
Tel: (R/RC/G/A) 323459/328329/320189
Sales Mgr 333746
Fax: 313169

Airport Office:

No. TO- 15,
Terminal Building Complex, 1st floor
Male International Airport
Tel: 315508

SriLankan Airlines Ltd/GSA Office:

C/o Galaxy Enterprises Maldives (Pvt) Limited
GSA for SriLankan Airlines-Male
Fasmeeru, Boduthakurufaanu Magu
Male, Republic of Maldives.
Tel: 00960 320002
Fax: 00960 317254
Sita: MLEGSUL

23. MALTA

World Aviation Systems Limited
20/2, Republic Street Valetta.
VLT 04, Malta.
Tel: (A) 00356 242848/248744
(G) 242233/4
(R/S)00356232057/232066
Fax: 00356 220479

SriLankan Directory

24. NEPAL

Katmandu:

Zenith Travels (Pvt) Limited
Durbār Marg, P.O. Box 4163
Kathmandu, Nepal.
Tel: (R/RC/G)
977 1 223162/227064
(A) 977 1 223502
Fax: 977 227132
Email: zenith@mail.com.np

25. NETHERLANDS

Amsterdam:

SriLankan Airlines Limited
Assumburg 150-1081 GC Amsterdam
Tel: (R/T) 0031206442929
(F) 0031206428181
Mgmt/Sales: 0031206448989
(F) 0031206428899
(A) 0031206428809
Email: srilankanairlines_Benelux@compuserve.com

26. PAKISTAN

Karachi:

SriLankan Airlines Limited
Crown Travels, 2
Services Mess, Extension Building
Mereweather Road, Karachi 75530
Tel: R/RC 5214421/5214428/5662679/5676480
(S) 5218760
(C) 5653544
DZ - 5678286
Fax: R/T 5662843
5680382 (DZ Office)
Email: davidh@gerrys.net

Lahore:

Crown Travels
GSA for SriLankan Airlines
Ali Complex, 23, Empress Road, Lahore.
Tel: 042 6313718/042 6303265
Fax: 042 6308350
Islamabad:
1-D Rehmat Plaza
Jinnah Avenue Blue Area, Islamabad.
Tel: 051 816461/279795
Fax: 051 278206

NEW ZEALAND

Auckland:

World Aviation Systems
6th floor, Trustbank Building
229 Queen Street, Auckland.
Mailing address:
P O Box 3883, Auckland
New Zealand.
Tel: 09 3083353
Fax: 09 3083388
Email: srilankan@was.co.nz

27. QATAR

Doha:

SriLankan Airlines Limited
C/o Ali Bin Ali Travel Bureau
P O Box 2197, Doha, Qatar.
Tel: 4446345 (R/T) 44441217/44441161
(H) 4379261
Mobile: 5557530
Fax: 4441241
Email: uldoha@qatar.net.qa

28. SAUDI ARABIA

Dammam:

SriLankan Airlines Limited
Kanoo Airline Centre
King Abdul Aziz Street, P.O. Box 1878
Al Khobar 31952.
Tel: (S&A) 966 3 8822195
(R&T) 966 3 8822675/8822789/ 8822792
Fax: (S&A)966 3 8823940
Email: srilankan_dmm@sahara.com.sa

Airport Office:

Tel&Fax: 966 3 8837920
Jeddah:
SriLankan Airlines Limited
Kanoo Tower, Kilo 7, Madina Road,
P.O. Box 812, Jeddah 21421
Tel: (R&T) 966 2 6614915
/6696933 Ext 185
Fax: 966 2 6609347/6696933
Ext: 190

Riyadh:

SriLankan Airlines Limited
Kanoo Tower
King Abdul Aziz Road, P O Box 753, Riyadh 11421
Kingdom of Saudi Arabia.
Tel: (R/S/T) 01 4772228
Ext 291/292/293
Fax: 4772228 Ext 294
Email: srilankan.ruh@zajil.net

29. SINGAPORE

SriLankan Airlines Limited
133, Cecil Street, Unit 13-01 A/B Keck Seng Tower
Singapore 069535.
Tel: (R/RC) 2236026/7
(S) 2236353
(A/G) 2257233
(C) 5459243
Apt No: 5459242/5424422
Fax: 2219425 (Town off)
5427687 (Apt off)
5467458 (Cargo off)

30. SOLOMON ISLANDS

Guadalcanal:

Solomon Islands Airlines
Solar House, P O Box 23
Honiara, Solomon Islands.
Tel: (D/T) 20031/20152
Fax: 67723992

31. SPAIN

Madrid:

Global Aviation Services
Gran via 86 - Group 5 - Planta 21
28013 Madrid, Spain.
Tel: 34 91 542 71 32
34 91 542 73 31
email: global.a@teleline.es

SriLankan Directory

32. SRILANKA

Colombo:

H/O: # 22-01, East Tower,
World Trade Centre, Colombo 1.
Tel: (G) 073 5555
(R) 01 421161
(RC) 073 5500
Fax: 073 5122
Telex: 21401 LANKAIR CE
Website: www.srilankan.lk

PTA Office:

SriLankan Airlines Limited
12, Sir Baron Jayatilleke Mawatha, Colombo 1.
Tel: 073 3685/3687/367
Ext: 3677/3686
Fax: 073 5511
Telex: 21401 LANKAIR CE

Ticket Office:

SriLankan Airlines Limited
Level 2, World Trade Centre
Colombo 1.
Tel: (G) 073 3723
Fax: 073 5312

Ticket Office:

SriLankan Airlines Limited
Landmark Building
385, Galle Road, Colombo 3.
Tel: 073 3832
Fax: 073 5367

Ticket Office:

SriLankan Airlines Limited
Bandaranaike International Airport
Tel: 073 2424
Fax: 073 5222

Ticket Office:

SriLankan Airlines Limited
17, Temple Street, Kandy.
Tel: (R/RC) 08 232494/5
(D) 08 233123
Fax: 08 232494

Ticket Office:

SriLankan Airlines Limited
16, Gamini Mawatha, Galle
Tel: (D) 09 46942
(R/T) 09 46943
Fax: 09 46944

Skywards call centre:

Level 25, East Tower,
World Trade Centre, Colombo 1.
Tel: 073 3333
Fax: 073 5333

Cargo Office:

SriLankan Airlines Limited
660, Galle Road
Colombo 3.
Tel: (C/S) imports:
073 3281/3282/3283
exports: 073 3276/3286

33. SULTANATE OF OMAN

Muscat:

SriLankan Airlines Limited
P.O. Box 629,
Muscat - PC 113
Sultanate of Oman
Tel: Sales: 00968 785871
00968 785872
R/T 00968 784545
Cargo: (G) 796695
Apt Office: 510818
Fax No: 707547
Email: ulmct@omantel.net.om

34. SWEDEN

Stockholm:

SriLankan Airlines
Sveavagen 149, 01 floor
113 46 Stockholm.
Tel: 0046 8 330330
Fax: 0046 8 330350
Email: srilankan@swipnet.se

35. SWITZERLAND

Zurich:

SriLankan Airlines Limited
Reitergasse 6, 8021 Zurich
Switzerland.
Tel: R/RC/G - 01 245 80 90
Admin - 01 245 80 97
A/P - 01 816 35 56
Cargo - 01 816 38 36
Fax R/RC/S - 01 241 33 34
Admin - 01 241 77 38
A/P - 01 816 44 76
Cargo - 01 810 81 73
Email Admin - srilankan@srilankan.ch
A/P - airport@srilankan.ch

36. TAIWAN

Taipei:

Overseas Travel Services Limited
2floor, No 129, Chang Chun Road, 104, Taipei,
Taiwan.
Tel: (G) 886 2 25116188
Ext: (A) 605/606/607
(T) 619
(R/T) 613/622
(C)616/617
Fax: 886 2 25230626
Email: otsgsa@ms21.hinet.net

37. THAILAND

Bangkok:

SriLankan Airlines Ltd
942/34-35, Charn Issara Tower
Rama IV Road, Silom
Bangkok 10500
Thailand.
Tel: (R/RC) 662 2369292/3
662 2364981/2
(Admin) 662 2367618/2360159
Apt No: 5311243/5352330/1/2
Fax: 662 2367617
Email: srilankan.bkkata-net.net.th

SriLankan Directory

38. UNITED ARAB EMIRATES

Abu Dhabi:

SriLankan Airlines Limited
Zayed the 2nd street
P O Box 2086, Abu Dhabi
U.A.E.
Tel: (R/RC) 00971 337125
(G) 6212057
Fax: 00971 6340391
Email: airlanka@emirates.net.ae
Apt off (tel/fax): 5757362
Tel: 5052597
Apt address- Rm 2237, 1st floor,
Abu Dhabi International Airport
R/T 6337125
GSA - Accounts 6337927
Cargo: 6314700
Fax: 6331313

Ajman:

Ajman National Travel Agency
P O Box 641, Ajman
Shk Mohd Mueimi Street, PIA Building, Ground floor
UAE.
Tel: (G/A/F/S) 422399/422300
Fax: 427537

Al Ain:

Atlas Travels
P O Box 16060, Al ain, Al Ain Street, Al Daheri Buidling
UAE
Tel: 643344

Dubai:

SriLankan Airlines Limited
(DNATA) 'C' entrance, 3rd floor, P O Box 12889
Dubai, UAE
Tel: (A) 2038367
(S) 2038364/65/66
(A) 2038360/61
UL Ticketing Des(Apt.): 2066700
Fax: 2955245
Apt Tel No: 2066808
Email: slankadb@emirates.net.ae

Fujeirah:

Fujeirah National Air Travel Agency
P O Box 96, Sanyo Building
Ground floor, Fujeirah UAE
Tel: (G/R) 222524/222316
Fax: 222555

Ras Al Khaimah:

RAK National Travel Agency,
P O Box 5214, Ras Al Khaimah, Al Seer Bldg, Oman Street
Al Nakheel, U A E.
Tel: (G/S) 2281536/2281096
Fax: 2281255
Apt tel no: 448111

Sharjah:

Sharjah National Travel & Tourism Agency,
Sharjah Tower, P O Box 17
Al Arooba Street, Sharjah U A E.
Tel: (R/RC/G/C) 5351411
Fax: 5374968
Telex: 68021 SNTTA EM
Website: <http://www.sntta.com>
Email: sntta@emirates.net.ae

Umm Al Quwain:

Umm Al Quwain
National Travel Agency
P O Box 601, Umm Al Quiwan, King Faizal Street
Umm Al Quwain.
Tel: (G/T/R) 656615
Fax: 655549

39. UNITED KINGDOM

London:

SriLankan Airlines Limited
Central House
3 Lampton Road, Hounslow
Middlesex. TW 3 1HY
Tel: (R) 020 8538 2001
(A/PS/REG) 020 8538 2000
(REG) 020 8538
2023/2030/2029
Fax: (R) 020 8572 0808
(A/PS/REG) 020 8572 0808
Email: sales@srilankanairlines.co.uk

London Airport Office:

Room 2533 - London Heathrow Airport
Terminal 4 - Hounslow
Middlesex TW6 3XY
Tel: 020 8759 4048/4046
Fax: 020 8745 6649

London Cargo Office:

Central House - 3 lampton Road
Hounslow - Middlesex TW3 1HY
Tel: 020 8538 2014/5/6
Fax: 020 8572 2808
Cargo Handling Agent: United Airlines

40. UNITED STATES OF AMERICA

Los Angeles:

Pyramid Travel Inc.
16250 Venture Blvd, Suite 115
Encino, CA 91436.
Tel: (R/RC) - 1 800 247 5265
Fax: 1 818 501 2098

Houston:

Pyramid Travels Inc.
3050 Post OAK Blvd
Suite 1320, Houston TX 77056
Tel: toll free - 1 800 247 5265
Tel: 713 626 8028/29
Fax: 713 626 1905

New York:

Pyramid Travels Inc.
350, 5th Avenue, Suite 1421
New York, NY 10118.
Tel: 1 800 247 5265
Fax: 212 279 6602

Chicago:

Pyramid Travels Inc.
401, North Michigan Avenue
Suite 865, Chicago IL 60611.
Tel: 1 800 247 5265
Fax: 1 312 822 0048

SriLankan Directory

41. RUSSIA

Moscow:

Aeroflot Russian International Airlines
 Leningradsky Prospekt
 37, Moscow 124167.
 Tel: (D) 1556694
 TERRITORIES OF CROATIA, SLOVENIA, BOSNIA,
 HERCEGOVIAN AND FED. REP. OF YUGOSLAVIA.

42. YUGOSLAVIA

Belgrade:

SriLankan GSA for Yugoslavia
 Ceylon House, Zanke Stokic 21
 11000 Belgrade
 Fed Rep. Of Yugoslavia.
 Tel: (D/G) 381 11 3690244
 Fax: 381 11 3690243
 Email: squadra-sneza@leent.org

SriLankan Airlines is GSA for:

Aer Lingus,
 Aeroflot Russian International Airlines
 Varig Brazilian Airlines
 Balkan Bulgarian Airlines,
 Solomon Island Airlines
 Abbreviations used for Telephone Numbers:

(A)	Administration
(C)	Cargo
(D)	Direct
(F)	Flight Information
(G)	General
(R)	Reservations
(S)	Sales Office
(T)	Ticketing
(RC)	Reconfirmation
(P/S)	Passenger Sales
(C/S)	Cargo Sales

Notes

Corporate Information

Name of the Company

SriLankan Airlines Ltd.

Legal Form

Public Limited Liability Company.

Directors

S K Wickremesinghe – Chairman

K Balapatabendi, PC

Dr. P B Jayasundera

W P S Jayawardena

T C Clark – Managing Director

G W Chapman

D E Mannion

P M Hill – alternate to T C Clark

M Flanagan - alternate to G W Chapman

Ghaith Al Ghaith – alternate to D E Mannion

Company Secretary

Mildred Peries

Registered Office

22-01, East Tower,

World Trade Centre,

Echelon Square,

Colombo 01,

Sri Lanka.

Auditors

Ernst & Young

Chartered Accountants

P O Box 101,

Colombo 10,

Sri Lanka.





