SriLankan Airlines

ANNUAL REPORT

2000•2001

Three years ago it was just our imagination. We re-launched SriLankan Airlines and believed that we could be a world-class airline. A better equipped, better manned, better serviced airline. What we imagined has been realized. In 2000 we achieved an all-Airbus fleet and began flying to 35 destinations. In 2001: Airline of the Year –Central Asia.

We would never be where we are today without the human truth that has always made SriLankan special: the warm generosity and friendly smile that is synonymous with the people of Sri Lanka and SriLankan Airlines.

Now that we are in a position to apply the latest technology to our culture of care, we have even more faith in our future. We believe we have a unique identity that will help cement our position as a world-class carrier. We believe that we now have the technology, the services, and most importantly, the people.

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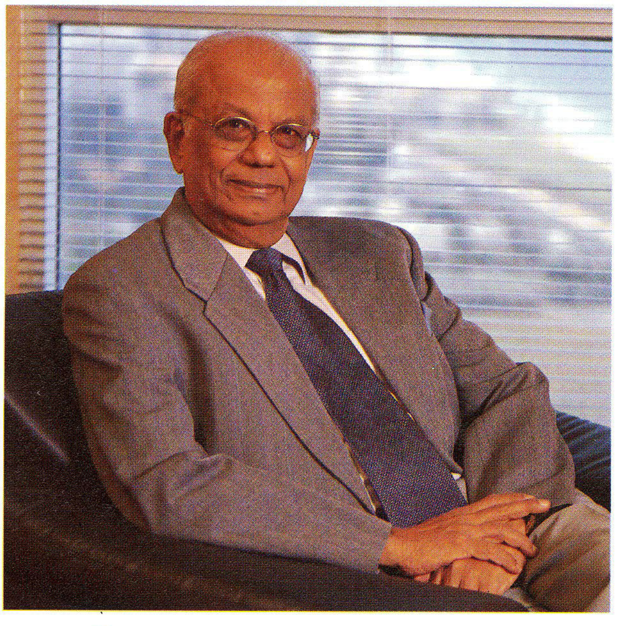


On behalf of the Board of Directors, I have pleasure in presenting the Annual Report and Audited Accounts of the Company for the financial year ended 31 March 2001.

This Annual General Meeting is being held a few weeks after events that have taken place in Sri Lanka and the United States which have affected the airline industry drastically. As you are aware, half of our fleet of modern aircraft was destroyed or damaged in a terrorist attack on the Air Force Base and the Bandaranaike International Airport at Katunayake on 24 July 2001. I am, however, pleased to say that through our quick response and thanks to the full support of our staff, we succeeded in meeting the daunting challenges that faced us after this attack. Thus, we were able to stage a rapid return to normal service, though at a reduced level of operations, in keeping with the smaller fleet of aircraft we were left with. The quality of our service, too, has been maintained at the previous high level.

The serious incident at Katunayake was followed by the hijacking and destruction of four aircraft belonging to American Airlines and United Airlines, which were deliberately crashed into the World Trade Centre in New York, the Pentagon building in Washington and an unspecified field in Pittsburgh. These incidents in Sri Lanka and in the USA have led to massive increases in insurance charges and caused serious disruptions to air traffic. We are, therefore, having to cope with exceptional financial and operational problems due to factors beyond our control.

The year under review was also an extremely difficult one due to the adverse effects of the very steep escalation in fuel prices which led to even some of the major airlines declaring losses. Two other factors which aggravated the situation were:

(i) The downturn in Tourism caused by the spate of violent incidents that took place in Colombo at the end of 1999 and the early part of the year 2000 as well as the deteriorating conflict situation in the north of the country.

(ii) The major devaluation of the Sri Lankan Rupee that took place in the latter part of the year under review.

Chairman's Message

In spite of these adverse factors, our development plan went ahead unabated and in this respect we continued the growth that had begun in 1999 with the establishment of our new corporate identity. Most importantly, we successfully completed the induction of the Airbus A330 fleet, obtaining our sixth new aircraft in June 2000. This was thus the first financial year in which we deployed our entire fleet of new Airbus A330 aircraft. We also finished the refurbishment of the four A340 aircraft on a staggered basis, installing the same product enhancements as in the A330s. We have, therefore, now completed our substantial investment in the planned fleet renewal programme.

The revitalized fleet enabled us to increase capacity on our route network. We launched three new destinations – Dhaka and Milan in July 2000 and Berlin in October 2000 – and increased weekly services to London, Singapore, Dubai, Bangkok, Bombay, Bahrain and Doha. More capacity was also introduced to Delhi by substituting the A330 for the A320 on one weekly service. We have, of course, had to subsequently curtail some of these services after the loss of four of our aircraft in the Katunayake terrorist attack.

The enhancements referred to above, resulted in a larger passenger carriage which grew from 1,475,054 in 1999/2000 to 1,891,224 in 2000/2001. On the cargo front too, we made progress launching a dedicated freighter service twice a week to Gan Island in the Maldives and Bangalore in South India. The quality of our services was maintained at a high level and our operating revenues were increased by Rs. 6,259 million from Rs. 24,751 million to Rs. 31,010 million. Unfortunately, our costs rose even more steeply. Our increase in expenditure on fuel amounted to Rs. 3.4 billion while the devaluation of the Sri Lankan Rupee cost us an additional Rs. 1.3 billion in currency losses. These extra expenditures were over and above an increase in the cost of the operating leases for our new A330 aircraft amounting to about Rs. 4.2 billion. Due to these special factors and the general increases in operational costs resulting from an expanded level of operations, we suffered a net loss of Rs. 5.8 billion for the year.

During the last year we made some noteworthy advances in the improvement of our services. We expanded our code sharing operations by entering into an agreement with Swissair on a twice weekly service to Zurich. This premier European carrier's decision to share a service with us proves beyond doubt that SriLankan Airlines offers a product and service that is on par with the best available, internationally. Another significant achievement was the marked improvement in punctuality which saw 82% of our flights operate on time. This was achieved by the induction of the new Airbus A330s and also through improved operations management.

The airline continued with the enhancement of its IT systems to ensure greater efficiency and lower costs. We have now completed the computerization of almost all the major areas of the Company, with the assistance of our partner, Emirates Airline.

Managing Director's Review

with greater than 80% of our services arriving on-time, making SriLankan one of the most punctual airlines in Asia.

Improvements in on-time performance, expanded route network, enhanced facilities on board and our renowned inflight service have begun to attract international attention, and everyone's efforts were rewarded when we were voted – Airline of the Year 2001 – Central Asia, by the prestigious SKYTRAX Research Institute of the UK, following an independent survey involving two and a half million votes from around the world.

Working with our partner Emirates, has produced a number of system and service improvements. We jointly launched our new Customer Loyalty Programme – Skywards in May 2000, which has quickly established worldwide recognition as being one of the most attractive and beneficial to our customers in the industry.

From the Commercial Division our Revenue Optimization staff were relocated in Dubai, to utilize the benefits of Emirates state-of-the-art yield management system. This is proving to be an outstanding success in our efforts to improve passenger yields, increase seat factors and reduce no-shows – all resulting in improvements to our overall revenue performance.

Cargo too has seen major changes taking place, with a 34% increase in capacity available as a result of the new Airbus aircraft acquired and the introduction of a leased AN-12 freighter aircraft. The dedicated freighter has enabled us to commence regular all cargo flights to Male and Gan in the Maldives and destinations in South India. Much progress has been made in the Human Resources field, with a complete review of all jobs, competencies and grades being undertaken. Strong emphasis has been placed on developing open lines of communication between management and staff and this has resulted in an excellent industrial relations environment within the Company.

Returning to the events of the recent months, it must be admitted that the future for our industry in the short term, presents probably the biggest challenge that the aviation community has ever faced. We have already taken a number of key decisions to reduce our route network, not replace the aircraft destroyed in the 24th July attack, introduce voluntary severance schemes to reduce staff numbers, a complete freeze on all staff recruitment and a major cost reduction programme. All of these steps have been taken to reduce our costs to the minimum acceptable without compromising our product and service delivery to our customers. I am confident that with the action that we have already taken, together with the amazing spirit, dedication and resilience of our staff, SriLankan will come through this most difficult period, leaner but better equipped to take advantage of the opportunities that undoubtedly lie ahead, once this period of uncertainty begins to recede and world markets start to recover.

Timothy Clark

Tim Clark
Managing Director

Chairman's Message

We recruited 23 graduates as management trainees with the intention of grooming them for senior management positions in the future. By sourcing a small number of staff externally, we not only filled an internal need, but also fulfilled a social obligation by giving some young persons the prospect of bright futures in the aviation industry.

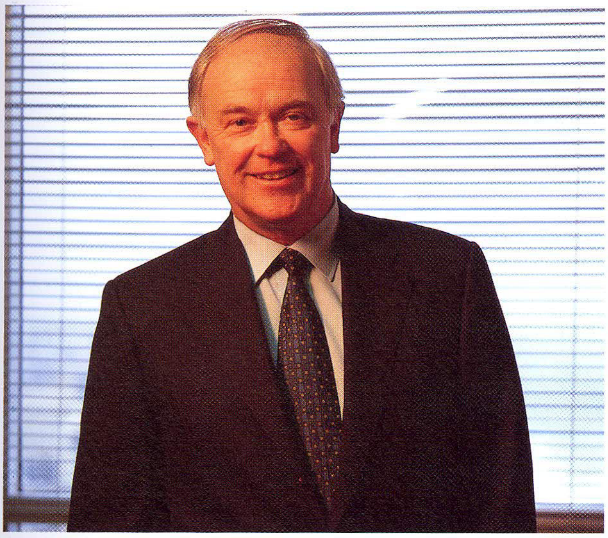
The difficulties of the past year notwithstanding, I am happy to say that our efforts in positioning SriLankan as a truly modern airline were endorsed internationally when we were given two coveted aviation awards. Our inflight entertainment guide 'Onboard' was second runner-up after United Airlines' and Air Canada's guides, at the World Airline Entertainment Association's 12th annual AVION awards presentation in Los Angeles in 2000. In March 2001, UK's SKYTRAX research agency voted us the Airline of the Year 2001 for Central Asia, based on the largest ever global survey of 2.7 million airline passengers from around the world over a period of nine months.

Our advertising and PR agencies also won prized awards at the annual presentation of SLIM awards by the Sri Lanka Institute of Marketing. These included the top 'Campaign of the Year' award to our advertising agency for their effort on behalf of SriLankan Airlines. This advertising campaign portrayed the Airline as a modern international carrier, with a product which blended high technology with the warmth and hospitality that our country is noted for all over the world. It also highlighted the island's attractions ranging from modern beach resorts to ancient archaeological sites.

The terrorist attack on the Air Force Base and the International Airport was a serious setback to our development plan for SriLankan Airlines. The massive increase in the cost of insuring our fleet is likely to be further enhanced due to the terrorist attacks in the United States and the military action following these attacks. All International Airlines have been very adversely affected and many of them have had to discontinue flights and retrench large numbers of employees in order to try to achieve viability in the immediate aftermath of the devastating attacks. These attacks have clouded our own future but we will, with the assistance of our partner – Emirates, strive to achieve the best possible results for our customers and shareholders.

In conclusion, I would like to convey our sincere thanks to all our staff who have worked with commitment and dedication in a very difficult year. I would also like to convey my appreciation to my colleagues on the Board for their valuable contributions and their support at all times.

S.K. Wickremesinghe



The events of the last eighteen months have wreaked havoc in the international aviation industry, with SriLankan Airlines suffering more than most as a result of the devastating terrorist attack on Bandaranaike International Airport, when half of our fleet was either destroyed or seriously damaged. Worse was to follow with the terrorist attacks in the USA, resulting in tragic loss of life and an airline community already reeling from the effects of global recession, now facing a loss of public confidence in air travel and unparalleled rises in costs, resulting from massive increases in insurance and security charges.

The third year of our ten-year Business Plan was focused on consolidation of the remarkable achievements made by the Company over the previous two years. With no increases planned in fleet size, we set about utilizing our aircraft more efficiently, enabling us to introduce new services to Berlin, Dhaka, Milan and Jakarta, increase frequencies on many routes and further develop Colombo as an attractive hub in South Asia.

Our hopes of an improved financial performance for the year began to fade as the crippling effects of world fuel prices soon began to reach unprecedented levels – increasing our annual fuel bill by Rs. 3.4 billion or 71% above the previous year.

At the same time a major devaluation of the Sri Lankan Rupee occurred costing us a further Rs. 1.3 billion in currency losses and a further deterioration of the security situation impacted negatively on visitor arrivals to Sri Lanka. The net effect of all of these factors resulted in a loss of Rs.5.8 billion. On the positive side however, our operating revenue increased by 25% to Rs. 31,010 million and our passengers carried by 28% to 1,891,224, giving us a passenger load factor of 68.38%.

Cargo revenue increased by 39% to Rs. 4,483.53 million, with 58,618 tonnes carried, an increase of 40%.

During May and June we took delivery of our 5th and 6th A330s, completing our six aircraft fleet of this type, which together with our refurbished fleet of four A340s and two A320s gave us an all Airbus fleet, one of the modern and best euipped in Asia. New routes and frequencies were added and the all Airbus fleet provided us with the opportunity for our crews to operate more than one type of aircraft. This in turn provided better utilization of both aircraft and crews, allowing us to produce a much improved operating programme. We worked hard on analysing the reasons for each and every delayed departure, on a daily basis across our network and soon began to see a major improvement with on-time performance. Today, the effectiveness of this can be clearly demonstrated,

Overview

We began the year with a propitious start – as an all Airbus carrier. By mid June 2000 our fleet renewal programme was complete and the re-vitalized fleet comprised four A340-300s, six A330-200s and two A320-200s.

Our expanded fleet enabled us to broaden our route network with four new destinations - Milan, Dhaka, Berlin and Jakarta.

We began a tenth weekly frequency to the popular European hub – London - with plans to offer two daily flights by 2003. A fourth weekly service was added to Bangkok in November 2000. In December 2000, Swissair began to codeshare our two services each week between Colombo and Zurich. The partnership with this prestigious European carrier is testimony that our services are world class. A daily service to Singapore (up from six times a week) was begun in summer 2001.

Our new fleet plus the steadfast commitment of all operational departments concerned enabled us to dramatically increase punctuality levels. Eighty-two per cent of our flights operated on time.

With the launch of our first dedicated freighter (an Antonov AN12F) service - in September 2000, we took another step towards our long-term plan to make Colombo the cargo hub of South Asia. This freighter service operates twice a week each to Bangalore in India and Gan Island in the Maldives carrying an average of 18,000 kilograms of cargo on each flight. We plan to expand our freighter service to Cochin and Hyderabad. India, an expanding economy would be the ideal portal from which to reach the rest of the world.

Airline of the Year - Central Asia

We were proud and happy to have been voted the 'Airline of the Year 2001 – Central Asia' in a survey conducted by SKYTRAX Research in the UK, an independent organization specializing in qualitative research for the airline industry. Over two and a half million votes were submitted over a period of nine months from around the world in this survey. This is our first major award since assuming our 'SriLankan' branding, affirming that the majority of our customers agree that we are world-class.

Skywards

In May 2000, together with our strategic partner Emirates, we launched a unique frequent flyer programme – Skywards – that offers much more benefits than rewards on these two airlines alone. Several other leading airlines and other international service providers participate in Skywards, enabling Skywards members to obtain benefits from them. They include British Airways, United Airlines, Continental Airlines, South African Airways, All Nippon Airlines, Budget-Rent-a-Car, Citibank and much more. In Sri Lanka, partners Colombo Hilton, Taj Samudra and Budget Rent-a-Car contributed to the popularity of the new club.

A counter at the Peacock Lounge at the Bandaranaike International Airport, Katunayake, enables Business Class passengers to check their accounts and hand over travel documents.

New Ticket Offices

We located our ticket offices in Colombo at smart addresses – the World Trade Centre where our head office is located, and the Landmark Building in Colombo 3. We further expanded our ticketing services in the provinces in Sri Lanka, opening branches in Galle and Dambulla. We also have an office in Kandy in the central highlands.

Plans are already underway to set up further north at Anuradhapura, followed by Ratnapura and Badulla – making the service a wide network within easy reach of our passengers.

Airport Service

In an effort to better describe the services we now offer at Ground Handling, we changed our name to Airport Service. Together with this other changes took place to better assist the increasing numbers of passenger arrivals – 11.46% over last year - and departures – 12.95% over last year.

We strove to specially understand and care for a unique group of travellers including passengers using wheelchairs, unaccompanied minors, VIPs and corporate clients and so launched a new programme to address their special needs. Labelled 'Show we Care' the programme assures our customers of individual attention and personal care right from the time they make their reservations and express their special needs and concerns. Staff are specially assigned to help these passengers at the Bandaranaike International Airport.

Productivity and service levels increased with the introduction of a supplementary eight-hour staff roster for peak hours i.e. mainly at night.

A special check-in desk was set up at the Bandaranaike International Airport for families with small children, to help them to check in with ease. We also introduced an early check-in desk for those who arrive early for departure. This has proved very convenient for customers who need to check out from their hotels long before their flights.

We added new ramp equipment during the year including two new six-door passenger buses and new cargo and baggage handling dollies.

The introduction of Boarding Card Readers has greatly improved service at the boarding gates and the introduction of Fleet Watch has enabled staff to see at a glance the movement of the fleet both in Colombo and overseas.

A secondment programme was agreed with DNATA and Emirates in Dubai to employ groups of our staff for two and a half-year terms, giving our staff the benefit of overseas work experience.

Inflight Service

The world-class inflight product (seat-back touch-screen TVs on all seats in Business and Economy and video players in Business Class) we launched in 1999 has not surprisingly proved very popular with our customers. It has also helped to establish SriLankan as a world-class inflight entertainment provider.

A feather in our cap was the award of second runner-up position we received for our 48-page inflight entertainment guide – Onboard - at the prestigious 12th annual Avion awards in the USA in 2000.

Following our successful partnership with Emirates for inflight entertainment, we have embarked on a partnership for duty free services, involving joint procurement and a common approach to the duty free catalogue. A number of sales incentives have seen dramatic sales improvements.

The relocation of the cabin crew pre-flight briefing rooms from our offices in Katunayake, to the airport proper, has shown improvement in efficiency and time management.

In 2000, our catering services, formerly Air Lanka Catering Services Ltd, came under the SriLankan banner, changing its name to SriLankan Catering (Private) Ltd. The last year saw a surge in output with average catering reaching 8,500 meals per day and going up to 10,500 on peak days. Re- negotiation of catering and supply contracts and a review of items carried on board have also led to considerable savings.

Human Resources

Our staff strength on March 31st, 2001 was 5,198 – an increase of 128 or 2.52 percent over the previous year. Of this total, 4,849 are based in Sri Lanka while 349 are overseas.

Re-organizing and re-structuring of the HR division has increased its capability to provide strategic HR advisory services to management and quality HR service delivery to employees.

Under the latter programme, different HR service teams make visits twice a week to each line department to look into their HR needs.

With the help of the IT division, an intranet in-house travel scheme called Charika, was inaugurated. Staff travel procedures have as a result been simplified, virtually taking it to the doorstep of the employee, where he/she is able to complete formalities on his /her PC.

We signed a three-year collective agreement with the union of which our staff in Singapore are members, in order to build good employer/employee relationships.

Keeping open lines of communication has often proved to be the key to success in an organization. Based on this belief, an Employee Communications unit was created to develop and maintain two-way communication between management and staff.

Human Resources

We introduced market driven, competitive salary and benefits practices throughout the network to include the 26 overseas offices. The introduction of a job evaluation system allowed matching of work schedules with appropriate salary grades. We regularly conduct surveys and assess comparable organizations globally to keep up-to-date on current market pay and benefit practices.

An annual merit-based increment system was introduced which is linked to the employee's performance grades, evaluated at the annual performance appraisal.

Recruitment drives focused on finding,developing and retaining the very best employees. Head hunting, career fairs and taking recruitment to target audiences produced sound results. We recruited 120 cabin crew, 55 technical crew, four cadet pilots and twenty-three management trainees during the year.

We held career fairs at universities, giving undergraduates the opportunity to work in the airline during their vacations, giving them training that will stand them in good stead when they seek employment after graduation.

A special 'mentoring' programme was introduced to help the management trainees better integrate into the airline by assigning senior managers to be their mentors during the training period.

We found psychometric testing to be a valuable tool in aiding our search for the right people for the jobs we had to offer.

A major accomplishment for the Engineering and Maintenance department was the re-branding of the exterior and retro-fitting of the interior of four A340s to the interior specifications of the A330s. The aircraft were branded with the colours and logo of our new SriLankan identity and retro-fitted to the standards of the new inflight product that is in place in the A330s.

The payload of the A340 was also increased by structural modification to increase maximum take off weight from 257 tonnes to 260 tonnes. Various other modifications were embodied in consultation with Airbus Industrie as part of a fleet standardization programme.

The initial round of C checks on the A330 aircraft began in early 2001 and were performed by our own engineers and technicians, demonstrating our capability and self-sufficiency.

As a result of our fleet renewal programme, we saw a significant reduction in both the number and duration of technical delays. This, as we mentioned earlier, contributed to a vastly improved punctuality rate for the airline with technical dispatch reliability increasing from 96.4% in 1999 to 98.6% in 2000.

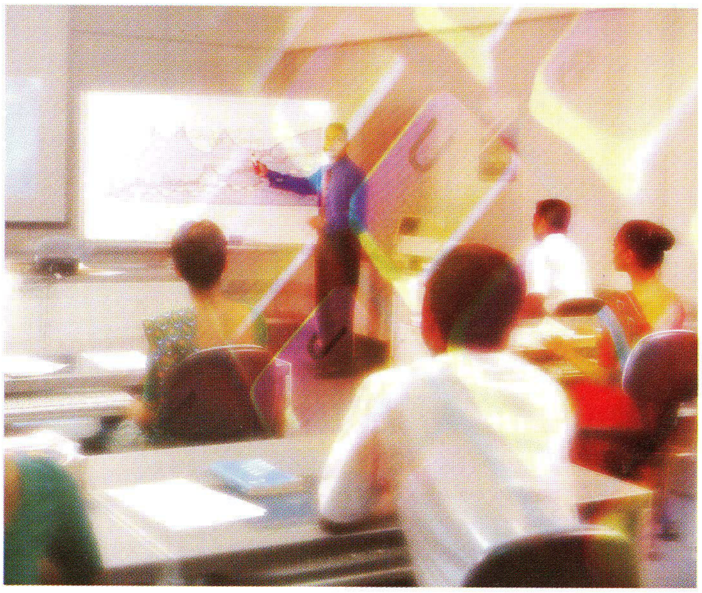
Operations

A significant earning potential for the future would be the handling of third party services. With this in view we have begun streamlining and systemizing engineering processes and the development of systems and procedures to be in line with standards laid down by foreign civil airworthiness authorities such as the FAA and JAA. We have also re-negotiated a number of repair and overhaul contracts resulting in the reduction of maintenance costs which has in turn contributed to substantial savings for the airline.

SriLankan has obtained approval for its A330s and A340s to operate on RVSM (Reduced Vertical Separation Minima) standards established by ICAO. (RVSM is a solution to crowded skies where commercial jets which mostly operate between altitudes of 30,000 to 41,000 feet are permitted to reduce vertical separation minima from 2000 feet to 1000 feet, providing certain other criteria are also maintained). With RVSM operations we will be able to make considerable saving on fuel on long-haul flights.

An important milestone for us was the granting of 120 minutes on ETOPS (Extended Twin Engine Operations) for the A330s after just one year of ETOPS operations. This allows the twin-engined A330 to operate non-stop, say from Colombo to Sydney, a route earlier covered only by the four-engined A340s, offering the airline the flexibility of using different aircraft on long-haul routes.

Information Technology



The Information Technology systems and infrastructure used by the airline have been the subject of a considerable investment over the past three years and it has been a period of great change. This financial year has seen a change in emphasis from delivery of new systems and installation of new infrastructure, to one of consolidation and using the technology more effectively and to introducing more facilities.

There has been a lot of focus on training and many hundreds of our staff have benefited from attending courses and 'on the job' training to help them use technology more effectively.

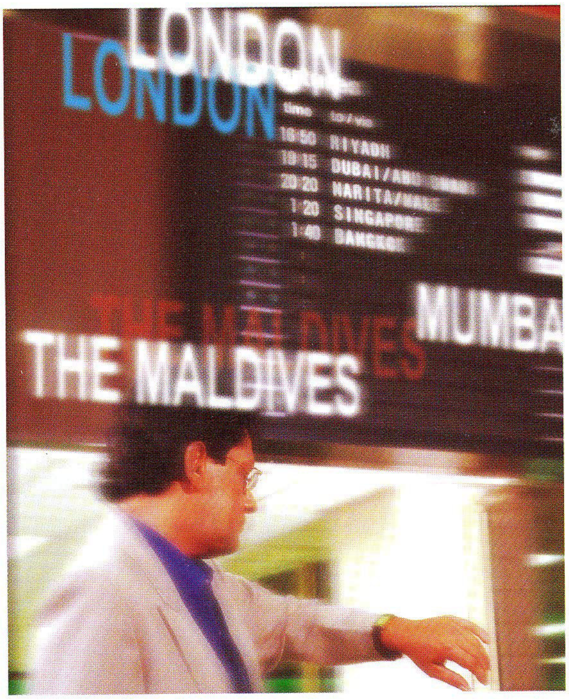
The vital matter of support has become increasingly important and the role of the Information Technology Service Desk has grown. The Service Desk, which provides first line support for all users of our Information Technology facilities, has grown in importance and handles an average of 150 telephone calls and 150 e-mails per day from users seeking help or advice. It has also been busy putting in place Service Level Agreements with our suppliers and for in-house services to ensure that we have appropriate and professional support mechanisms in place.

One big project was the implementation of the CRIS computer system which supports Skywards, at the launch of the Skywards programme in Colombo.

Information Technology

Another large project implemented during the year was for crew management. This system allows us to produce optimal rosters for our flight deck and cabin crew. It is a complex system with many parameters, but one that brings benefit both in terms of rostering and helping us manage important resources.

We significantly upgraded the technology used at the Kandy ticket office using a new method of technical architecture called 'thin client'. This technology has proved to be successful and will form the basis of the architecture we will employ for our overseas stations.



To support the business goal of making Colombo the hub for the airline, there has been a lot of activity with regard to the departure control system – MACS – which we use for check-in at the Bandaranaike International airport in Colombo. MACS was also installed at Hong Kong, Sydney, Jakarta, Chennai and Karachi.

At airports where we are unable to use MACS we have implemented Through Check-In which allows passengers to be given boarding cards for their whole journey even if it involves a change of aircraft in Colombo, thus making their transit at Colombo easier and quicker. We are now able to offer Through Check-In at 20 airports we operate to.

Information Technology

As mentioned elsewhere check–in facilities at the Bandaranaike International Airport were upgraded with the installation of boarding card printers at all check-in desks and boarding pass gate readers at each departure gate to improve customer service in the departure terminal.

Many other small projects were implemented and particular focus was given to implementing electronic data downloads to our systems replacing manual data entry, especially for our finance systems.

The impact of the internet on the airline and travel industries continues to grow.

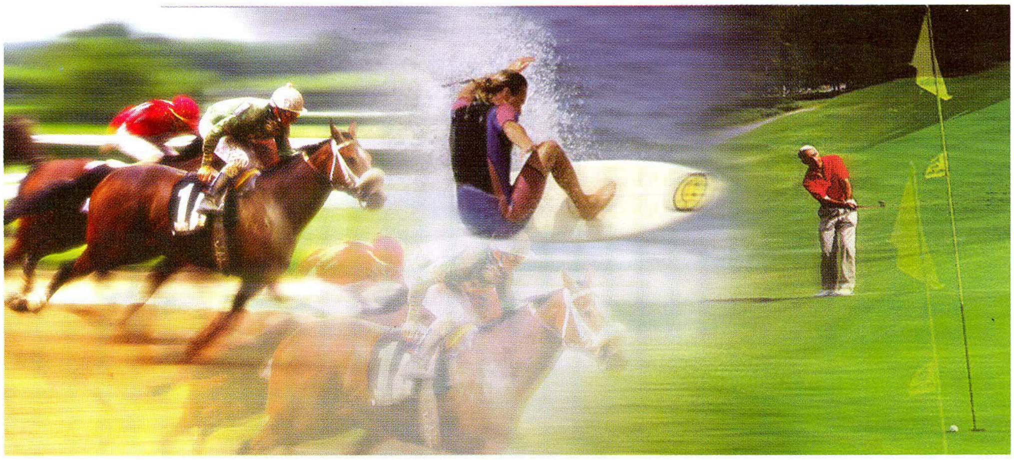
During the year we introduced a facility to make seat reservations via our internet site. The success of this facility has considerably exceeded our expectations with many more reservations made than expected. At the same time we introduced a reconfirmation facility on the internet site.

Another internet facility we introduced in partnership with a mobile phone company in Sri Lanka was the ability to view our flight schedules on a mobile phone.

We worked with a Colombo based company on re-designing our website to offer many new features such as an interactive route map, entertainment and duty-free guides, the latest news on SriLankan, information about tour packages and travel tips.

We started to use internet technology within the company too by introducing a company intranet. We developed many facilities for the benefit of our employees, including a system for staff travel and the publication of a large amount of information relevant to their jobs or terms of employment.

Promoting SriLankan



We undertook events based sponsorships with the objective of giving Sri Lanka wider and more indepth publicity as a safe and exciting destination.

The April holiday season in the hill station of Nuwara Eliya provided us with the ideal opportunity to host the premier horse racing event – the Governor's Cup. We hope to make this an annual event for hosting our business associates, corporate clients and media personnel.

October 2000 saw the SriLankan Golf Classic tee off for the fifth time. The venue was the Victoria International Golf and Country Resort - the island's newest golf facility located in Digana, close to the hill capital, Kandy. The tournament was successfully conducted, resulting in valuable publicity for the airline as well as the destination.

February 2001 saw us host another international first for Sri Lanka in the south coast. Hikkaduwa was the venue of the first Japanese professional surfing contest in the island. Together with SriLankan, the Japanese Professional Surfers Association (JPSA) held a trial contest here to ascertain if the island would be a suitable venue for future circuit meets of the JPSA. The answer was a resounding 'yes'. SriLankan Airlines took the opportunity to host its own international amateur championship, a two day event which saw 33 participants from countries as diverse as France, Germany, Italy, Israel, Denmark, Japan, the Maldives and of course, Sri Lanka, pit their skills against each other. Sri Lanka as a surfing destination has been given a boost.

Promoting SriLankan

We continued, as national carrier, to play a significant role in the travel and hospitality trade and various segments of society such as social service organizations, students, artistes, sportsmen and women, individuals needing medical treatment overseas, by way of donating over one thousand tickets for free and rebated travel. We also transported electronic educational aids for schools, universities and charities and medical equipment for hospitals.

SriLankan

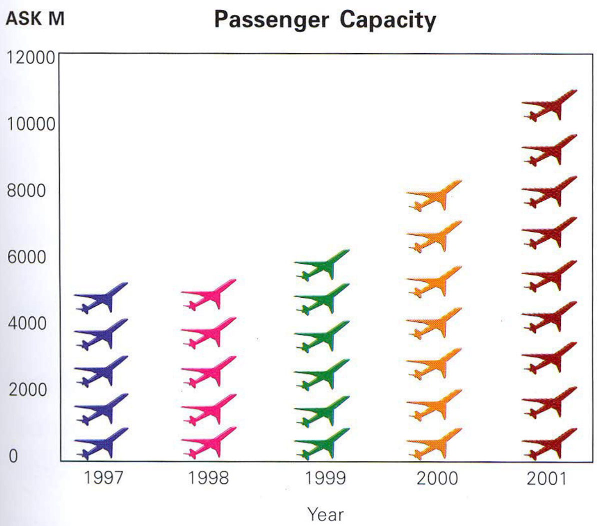
The re-launch of the airline also saw an award winning international advertising campaign carry the message of the re-branding of SriLankan as the vibrant carrier with an exclusive product on board, always served with our traditional warm hospitality.

The strategic campaign 'Joy of the Journey' which encouraged customers to 'change the way you look at travel' won the premier Gold award for Campaign of the Year for Grant McCann Erickson – our advertising agents - at the SLIM (Sri Lanka Institute of Marketing) Awards in 2000. The agency won two more Gold awards for Corporate Image and Entertainment/Leisure and a Bronze for Corporate Print, all for SriLankan advertisements.

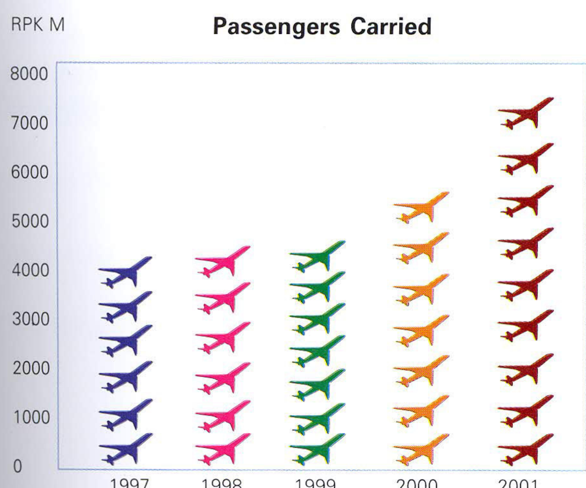
Our PR Agency – Bates Strategic Alliance - took away the Silver award for Entertainment/Leisure television advertisement and for Best Web Design, both for their campaign for SriLankan's Golf Classic.

CAPACITY AND TRAFFIC GROWTH

The year 2000/2001 saw an increase of 33.7% in total capacity production from 1,088.38 million tonne kilometers to 1,454.78 million tonne kilometers. Seat kilometers offered increased 35.5% to 10,891.61.



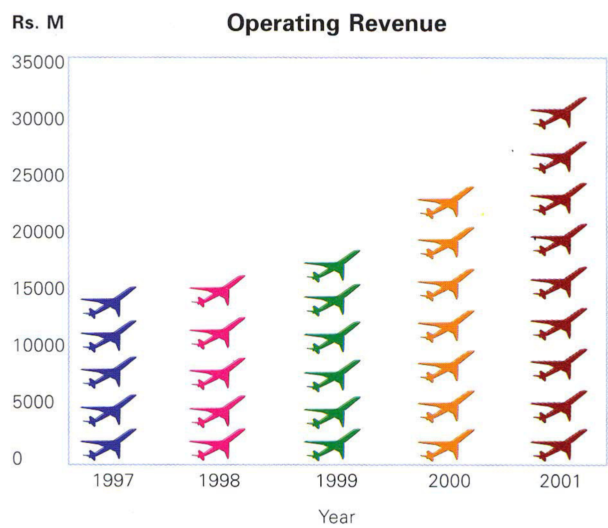
Traffic registered an increase of 32.6% against the 33.7% increase in capacity. The number of passengers carried during the year increased to 1.9 million from 1.5 million carried in the previous year. Cargo carriage increased from 41,670 tonnes to 58,618 tonnes.



Passenger seat factor increased 0.46 percentage points to 68.38% while the overall load factor averaged 64.11 %, 0.51 percentage points below last year.

REVENUE

Total operating revenue amounted to Rs.30,437.09 million, up by Rs.6,082.77 million or 25% from 1999/00.



The revenue of the Group in 2000/2001 was Rs. 31,010.95 million, an increase of Rs. 6,259.16 million or 25.3% from the previous year.

Composition of Revenue	2001	2000
	%	%
Passenger	76	77
Cargo	14	13
Charter	-	-
Ground Handling & Flight Catering	9	9
Duty Free Sales	1	1

Passenger revenue excluding charter revenue totaled Rs. 23,087.39 million, an increase of 24% from 1999/00. Revenue from cargo carriage increased by 39% to Rs. 4,483.53 million.

Revenue from charter operations decreased by Rs. 77.10 million or 92% to Rs. 6.87 million, while ground handling revenue increased by 16% or Rs. 285.80 million to Rs. 2,102.13 million.

Duty Free sales increased by Rs. 21.76 million or 15% to Rs. 167.83 million.

EXPENDITURE

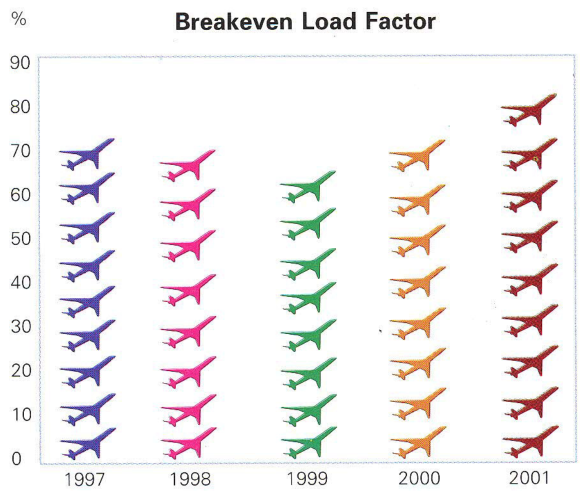
In 2000/2001 the Company's total expenditure totaled Rs. 36,893.36 million, reflecting an increase of 53% from 1999/00. Aviation fuel costs surged 71%, mainly due to the spiraling oil price. Lease rentals of aircraft inducted to the fleet during the year accounted for Rs. 5,745.20 million of the increase in Route costs.

Composition of Expenditure	2001		2000	
	Rs. M	%	Rs.M	%
Staff	5,692.23	15	4,686.98	19
Fuel	8,173.14	22	4,778.03	20
Aircraft maintenance	2,975.62	8	2,937.29	12
Route	14,652.53	40	8,032.44	33
Aircraft related depreciation	1,574.58	4	1,459.51	6
Others	3,825.26	11	2,222.08	10
Total	36,893.36	100	24,116.33	100

YIELD / UNIT COST / BREAK-EVEN LOAD FACTOR

Compared to 1999/00, unit yield decreased by 5% to Rs.30.2 per load tonne kilometer.

Unit cost increased from Rs. 22.9 to Rs. 25.7 per capacity tonne kilometer. Break-even load factor increased from 72.0% to 85.2%.



FINANCIAL POSITION

The Company registered an operating loss of Rs. 2,812.66 million, before charging finance and related costs and income taxes for the year ended 31 March 2001.

The result after charging finance costs and related costs and income taxes was a net loss of Rs. 6,507.95 million for the year.

At the Group level, an operating loss of Rs. 2,104.75 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. 5,826.87 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*
Sugath Rajapakse	-	*Regional Manager Gulf, Europe & America*
Mohammed Fazeel	-	*Regional Manager South Asia, Far East and Pacific Rim*
Priyani Abeysekera	-	*Senior Manager Legal Affairs*
Oenone Gunewardena	-	*Senior Manager Planning*
Capt. Milinda Ratnayake	-	*Senior Manager Flight Operations*
Mildred Peries	-	*Company Secretary*
Major Nihal Perera	-	*Manager Security & Investigations*
Dilip Nijhawan	-	*Chief Executive Officer, SriLankan Catering (Private) 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. Peter Hill, Mr. Sohli Captain, Mr. Gary Chapman, Mr. S.K. Wickremesinghe, Mr. Tim Clark, Mr. W.P.S. Jayawardena, Mr. K. Balapatabendi and Mr. Dermot Mannion.

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*

Wicremasinghe Pathiranage Sirisena Jayawardena - *Director Secretary to the Ministry of Plantation Industries*

Mr. Sohli Edelji Captain - *Director Chairman/MD Paints & General Industries Ltd and Paints & General Industries (Exports) Ltd among several other establishments; a leading businessman*

Investor Nominee Directors

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

Gary William Chapman - *Director*

Chief Director (Support and Development), Emirates

Dermot Edward Mannion - *Director*
Chief Director (Finance, IT & Services), 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 2001. The Accounts are set out on pages 30 to 58.

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.

DIRECTORS IN OFFICE

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

Mr. S K Wickremesinghe	-	Chairman
Mr. K Balapatabendi PC		
Mr. W P S Jayawardena		
Mr. S E Captain		
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

Dr. P B Jayasundera, Director, who was on the Board as at 01 April 2000 tendered his resignation from the Board with effect from 14th May 2001 and Mr. S E Captain was appointed to fill in the vacancy created with immediate effect.

SriLankan Catering (Private) Limited is the wholly owned subsidiary of SriLankan Airlines and the current directorate is as follows:

Mr. S K Wickremesinghe	-	Chairman
Mr. K Balapatabendi PC		
Mr. D E Mannion		
Mr. S E Captain		
Mr. D Nijhawan	-	Alternate Director to Mr. D E Mannion

Directors' Report

Dr. P B Jayasundera, who was on the Board of SriLankan Catering (Private) Limited as at 01 April 2000, resigned from the Directorate on 30th May 2001. In terms of Article 75 of the Articles of Association of SriLankan Catering (Private) Limited, the Board of SriLankan nominated and appointed Mr. S E Captain as a Director with effect from 13 June 2001 to fill in the vacancy created.

Particulars of interests of Directors in contracts and proposed contracts having been declared by the Directors are in note 23 to the accounts.

ACCOUNTS

The Consolidated loss for the year ended 31st March 2001, before interest and other similar charges was Rs. 2,104.75 million. Consolidated net loss for the year, after interest and similar charges, extraordinary items, taxation and minority interests amounted to Rs. 5,826.87 million.

RESERVES

There were no material transfers to or from reserves or provisions during the year ended 31st March 2001, 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 35 to 43.

PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment are shown in Note 9 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 Notes 17 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,
Mildred Peries,
Company Secretary.
17th September 2001
Registered Office:
22-01, East Tower, World Trade Centre,
Echelon Square, Colombo 01.

Directors' Report

Dr. P B Jayasundera, who was on the Board of SriLankan Catering (Private) Limited as at 01 April 2000, resigned from the Directorate on 30th May 2001. In terms of Article 75 of the Articles of Association of SriLankan Catering (Private) Limited, the Board of SriLankan nominated and appointed Mr. S E Captain as a Director with effect from 13 June 2001 to fill in the vacancy created.

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By order of the Board,
Mildred Peries,
Company Secretary.
17th September 2001
Registered Office:
22-01, East Tower, World Trade Centre,
Echelon Square, Colombo 01.

Report of the Auditors

To The Members Of SriLankan Airlines Limited

We have audited the balance sheet of SriLankan Airlines Limited as at 31st March 2001, 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 30 to 58 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 2001 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 2001, 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

Report of the Auditors

view of the state of affairs as at 31st March 2001, 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 on the financial statements of the Company, we draw attention to note 2.1.1 (b), and note 2.1.5 (iii) to the financial statements.

(a) The Company incurred a net loss of Rs 6,507.95 million during the year ended March 31st, 2001 and, as of that date, the current liabilities exceeded its current assets by Rs. 4,411.94 million. And its total liabilities exceeded its total assets by Rs. 3,710.12. million. These factors raise doubt that the Company will be able to continue as a going concern.

However, the remedial measures initiated by the management, more fully described in note 2.1.1 (b) are expected to improve the financial position of the Company.

(b) The Company has departed from Sri Lanka Accounting Standards (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.

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 2.1.5 (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 2001, except as stated in Note 23 to these financial statements.

Ernst & Young
Chartered Accountants
Colombo

17th September 2001.

INCOME STATEMENT

Year Ended 31 March 2001

	Note	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Revenue	3	31,010.95	24,751.79	30,437.09	24,354.32
Cost of Sales		(31,508.94)	(20,341.70)	(31,911.17)	(20,645.35)
Gross Profit		(497.99)	4,410.09	(1,474.08)	3,708.97
Other Income	4	3,472.51	1,185.09	3,462.81	1,165.76
Distribution & Marketing Costs		(3,524.52)	(2,533.46)	(3,524.52)	(2,533.46)
Administrative Expenses		(1,874.46)	(1,310.80)	(1,457.67)	(937.52)
Realised Gain/(Loss) on Exchange		319.71	331.41	180.80	294.66
Profit/(Loss) from Operating Activities	5	(2,104.75)	2,082.33	(2,812.66)	1,698.41
Finance Cost	6	(1,525.81)	(1,527.48)	(1,525.81)	(1,527.07)
Amortization of Currency Losses	16.1	(2,205.47)	(912.67)	(2,205.47)	(912.67)
Profit /(Loss) from Ordinary Activities Before Tax		(5,836.03)	(357.82)	(6,543.94)	(741.33)
Income Tax Expense	7	9.16	(30.39)	35.99	(9.08)
Net Profit/(Loss) for the Year		(5,826.87)	(388.21)	(6,507.95)	(750.41)
Earnings Per Share - Basic	8	(113.22)	(7.54)	(126.46)	(14.58)
Dividends Per Share		-	4.23	-	4.23

The accounting policies and notes on pages 35 to 58 form an integral part of these financial statements.

17th September 2001

BALANCE SHEET

Year Ended 31 March 2001

	Note	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	9	15,120.74	17,630.53	14,952.28	17,525.99
Investments in Subsidiaries	10	-	-	70.40	70.40
		15,120.74	17,630.53	15,022.68	17,596.39
Current Assets					
Inventories	11	2,063.54	1,744.25	1,993.74	1,648.25
Trade and Other Receivables	12.1	7,936.75	10,390.36	7,681.13	10,164.28
Cash and Cash Equivalents	13.1	4,658.66	3,403.48	4,572.43	3,117.70
		14,658.95	15,538.09	14,247.30	14,930.23
Total Assets		29,779.69	33,168.62	29,269.98	32,526.62
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued Capital	14.2	5,146.35	5,146.35	5,146.35	5,146.35
Reserves	15	159.27	159.27	129.04	129.04
Accumulated Profits/(Losses)		(2,559.43)	3,267.44	(3,814.86)	2,693.09
		2,746.19	8,573.06	1,460.53	7,968.48
Exchange Equalisation Account	16.1	(5,170.65)	(4,677.26)	(5,170.65)	(4,677.26)
Total Equity		(2,424.46)	3,895.80	(3,710.12)	3,291.22
Non-Current Liabilities					
Interest Bearing Loans & Borrowings	17	13,672.78	15,221.51	13,672.78	15,221.51
Provisions and Other Liabilities	18	712.71	561.36	648.08	485.20
		14,385.49	15,782.87	14,320.86	15,706.71
Current Liabilities					
Trade and Other Payables	19	9,283.28	6,691.47	10,177.57	6,780.80
Dividends Payable		38.51	39.16	0.44	0.44
Income Tax Payable		376.48	412.41	364.56	400.54
Provisions and Other Liabilities	18	2,553.30	2,789.99	2,553.30	2,789.99
Bank Overdraft	13.2	3,204.95	333.02	3,201.23	333.02
Interest Bearing Loans & Borrowings	17	2,362.14	3,223.90	2,362.14	3,223.90
		17,818.66	13,489.95	18,659.24	13,528.69
Total Equity and Liabilities		29,779.69	33,168.62	29,269.98	32,526.62

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 35 to 58 form an integral part of these financial statements.

17th September 2001

STATEMENT OF CHANGES IN EQUITY

Year Ended 31 March 2001

Group	Share Capital Rs. M	Capital Reserve Rs. M	Revenue Reserve Rs.M	General Reserve Rs.M	Exchange Equalisation Reserve Rs.M	Accumulated Profit Rs.M	Total Rs.M
Balance as at 31 March 1999	5,146.35	105.20	0.63	53.44	(4,411.73)	(756.08)	137.81
Effects of changes in accounting policy	-	-	-	-	-	4,411.73	4,411.73
Restated Balance as at 31 March 1999	5,146.35	105.20	0.63	53.44	(4,411.73)	3,655.65	4,549.54
Net Gains and Losses not recognised in the Income Statement							
Net Profit/(Loss) for the year	-	-	-	-	-	(388.21)	(388.21)
Transferred to/from during the year	-	-	-	-	(265.53)	-	(265.53)
Balance as at 31 March 2000	5,146.35	105.20	0.63	53.44	(4,677.26)	3,267.44	3,895.80
Net Gains and Losses not recognised in the Income Statement							
Net Profit/(Loss) for the year	-	-	-	-	-	(5,826.87)	(5,826.87)
Transferred to/from during the year	-	-	-	-	(493.39)	-	(493.39)
Balance as at 31 March 2001	5,146.35	105.20	0.63	53.44	(5,170.65)	(2,559.43)	(2,424.46)

The accounting policies and notes on pages 35 to 58 form in integral part of these financial statements.

17th September 2001

STATEMENT OF CHANGES IN EQUITY

Year Ended 31 March 2001

COMPANY	Share Capital Rs. M	Capital Reserve Rs.M	General Reserve Rs.M	Exchange Equalisation Reserve Rs.M	Accumulated Profit Rs.M	Total Rs.M
Balance as at 31 March 1999	5,146.35	75.60	53.44	(4,411.73)	(968.23)	(104.57)
Effects of changes in accounting policy	-	-	-	-	4,411.73	4,411.73
Restated Balance as at 31 March 1999	5,146.35	75.60	53.44	(4,411.73)	3,443.50	4,307.16
Net Gains and Losses not recognised in the Income Statement						
Net Profit/(Loss) for the year	-	-	-	-	(750.41)	(750.41)
Transferred to/from during the year	-	-	-	(265.53)	-	(265.53)
Balance as at 31 March 2000	5,146.35	75.60	53.44	(4,677.26)	2,693.09	3,291.22
Net Gains and Losses not recognised in the Income Statement						
Net Profit/(Loss) for the year	-	-	-	-	(6,507.95)	(6,507.95)
Transferred to/from during the year	-	-	-	(493.39)	-	(493.39)
Balance as at 31 March 2001	5,146.35	75.60	53.44	(5,170.65)	(3,814.86)	(3,710.12)

The accounting policies and notes on pages 35 to 58 form an integral part of these financial statements.

17th September 2001

CASH FLOW STATEMENT

Year Ended 31 March 2001

	Note	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Cash Flows from / (Used in) Operating Activities					
Net Profit before Income Tax Expense		(5,836.03)	(357.82)	(6,543.94)	(741.33)
Adjustments for					
Depreciation		2,009.44	1,677.34	1,981.64	1,658.91
Amortization of Currency Losses		2,205.47	912.67	2,205.47	912.67
(Profit)/Loss on sales of Property, Plant & Equipment		(3,304.51)	(693.17)	(3,303.01)	(693.16)
Amounts Payable to Emirates converted to a Long Term Loan		1,297.92	-	1,297.92	-
Finance costs		1,525.81	1,527.48	1,525.81	1,527.07
Provision for Bad and Doubtful Debts		275.04	157.08	274.95	156.87
Provision for Gratuity and Provision for Airframe and Aircraft Engine Overhauls		(13.99)	908.50	(33.67)	896.60
Operating Profit/(Loss) before Working Capital Changes		(1,840.85)	4,132.08	(2,594.83)	3,717.63
(Increase)/Decrease in Inventories		(319.30)	(529.36)	(345.49)	(474.16)
(Increase)/Decrease in Trade and Other Receivables		2,178.57	(4,716.17)	2,208.20	(4,708.59)
Increase/(Decrease) in Trade and Other Payables		2,257.28	436.37	3,062.23	670.17
Cash Generated from Operations		2,275.70	(677.08)	2,330.11	(794.95)
Finance Costs Paid		(1,191.26)	(1,141.93)	(1.191.26)	(1,141.93)
Defined Benefit Plan Costs Paid		(71.34)	(54.84)	(40.14)	(37.72)
Income Tax Paid		(26.80)	(9.22)	-	-
Net Cash from/(used in) Operating Activities		**986.30**	**(1,883.07)**	**1,098.71**	**(1,974.60)**
Cash Flows from / (used in) Investing Activities					
Acquisition of Property, Plant & Equipment		(3,143.72)	(3,108.95)	(3,052.01)	(3,035.47)
Proceeds from sale of Property, Plant & Equipment		6,948.58	954.39	6,947.08	954.39
Net Cash Flows from /(used in) Investing Activities		**3,804.86**	**(2,154.56)**	**3,895.07**	**(2,081.08)**
Cash Flows from/(used in) Financing Activities					
Proceeds from Interest Bearing Loans & Borrowings		-	2,015.82	-	2,015.82
Repayment of Interest Bearing Loans & Borrowings		(1,576.14)	(2,319.63)	(1,576.14)	(2,319.63)
Principal Payments under Finance Lease Liabilities		(4,831.12)	(1,728.84)	(4,831.12)	(1,728.84)
Dividends Paid		(0.65)	(217.36)	-	(217.36)
Net Cash Flows from/(used in) Financing Activities		**(6,407.91)**	**(2,250.01)**	**(6,407.26)**	**(2,250.01)**
Net increase/(decrease) in Cash and Cash Equivalents		**(1,616.75)**	**(6,287.64)**	**(1,413.48)**	**(6,305.69)**
Cash and Cash Equivalents at the beginning of the year		**3,070.46**	**9,358.10**	**2,784.68**	**9,090.37**
Cash and Cash Equivalents at the end of the year	**13.2**	**1,453.71**	**3,070.46**	**1,371.20**	**2,784.68**

The accounting policies and notes on pages 35 to 58 form an integral part of these financial statements.

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 and the principal place of business is situated at 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 service 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 31st March 2001 was 5,196. (31st March 2000 - 5,070)

2.0. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. GENERAL POLICIES

2.1.1 (a) Basis of Preparation

The balance sheet, statement of income, changes in equity and cash flows, together with accounting policies and notes ("Financial Statments") of the Company as at 31st March 2001, and for the year then ended, comply with the Sri Lanka Accounting Standards, expect that these have departed from Sri Lanka Accounting Standard 21 in order to achieve fair presentation. (See note 2.1.5 (iii))

These financial statements presented in Sri Lanka Rupees have been prepared on a historical cost basis, except for the revaluation of certain property, plant and equipment, which is stated at market value.

2.1.1 (b) Going Concern

The Company has recorded a net loss for the year of Rs. 6,507.95 million, cumulative losses of Rs. 3,814.86 million, and has negative shareholders' funds of Rs. 3,710.12 million and a negative net current asset position of Rs. 4,411.94 million in the current financial year.

However, since the balance sheet date, the Company has secured additional credit lines, reduced aircraft lease rentals through the use of interest rate swaps, established a fuel risk management programme and launched a cost reduction initiative. These measures have resulted in an improvement in the financial position of the Company. Further, consequent to the destruction and damage to a number of aircraft operated by the Company on 24 July 2001 (more fully described in note 22), the

Company has embarked on a restructuring programme which includes rationalisation of the route network.

Accordingly, these Financial Statements are prepared on the assumption that the Company is a going concern, i.e., as continuing in operation for the foreseeable future.

2.1.2 Comparative Information

The accounting policies have been consistently applied by the Company except for the change in accounting policy discussed more fully in 2.1.3, and are consistent with those used in the previous year.

2.1.3 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 2.1.5 (iii) & 20 to the financial statements.

2.1.4 Consolidation

The consolidated financial statements include the accounts of the Company and its fully owned subsidiary - SriLankan Catering (Private) 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, SriLankan Catering (Private) Limited.

All assets and liabilities of the Company and of its subsidiary - SriLankan Catering (Private) 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.

2.1.5 Foreign Currency Translation

(i) All foreign exchange transactions are converted into Sri Lanka Rupees, which is the reporting currency at the rates of exchange which approximate bank rates prevailing at dates of transactions.

(ii) All monetary assets and liabilities denominated in foreign currencies as at balance sheet date are translated at the exchange rates ruling as at 31st March 2001.

(iii) Gains and losses arising from the translation of long-term foreign currency borrowings and finance leases which finance specific aircraft are recorded in an exchange equalization account and amortised as currency gains/losses over the period during which the foreign currency liability is outstanding. Unamortised balance of such gains and losses are carried forward in the exchange equalization 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) The foreign exchange earnings of the Company are adequate to meet the foreign currency commitments on long-term foreign currency borrowings and finance leases, which finance specific aircraft, without the need to convert Sri Lanka Rupees into relevant currencies.

b) Aircraft which are financed by long-term foreign currency borrowings and finance leases are saleable only in foreign currency

and

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

In these circumstances, if the entire unrealized exchange difference 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. 493.39 million and the increase in the accumulated losses by Rs. 4,677.26 million.

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

2.1.6 Taxation

(a) Local Taxation

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, SriLankan Catering (Private) 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 therafter for another three years. This exemption was further extended for a period of five years, ended in August 1995. Effective from 20th August 1995, the Company now pays a tax on turnover at 2% flat. This tax is paid instead of income tax applicable until the year 2006.

(b) 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.

(c) Deferred Taxation

No deferred taxation has been provided for, in these financial statements, since majority of assets will be fully depreciated before the expiry of the tax holiday period.

2.1.7 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 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 payment in respect of new aircraft have been capitalised during 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.

2.1.8 Post Balance Sheet Events

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

2.2 VALUATION OF ASSETS AND THEIR MEASUREMENTS BASES

2.2.1 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.

2.2.2 Trade and Other 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.

2.2.3 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.

2.2.4 Property, Plant and Equipment

(a) Cost

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.

1. Fleet

Additions to the fleet 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 credit 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 SriLankan 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 rotable spares, which are treated as tangible fixed assets are recorded in the balance sheet at cost.

4. 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.

(b) 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 rotable spares	-	over 8 years.

2.2.5 Leases

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.

Major modifications to aircraft and re-configuation costs are capitalised as part of aircraft cost.

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 in the income statement in the year they become payable.

Major modifications to aircraft and re-configuation costs are capitalised and depreciated over the lease term period.

Sale and Lease back

Profits and losses which arise from sale and lease back transactions, which result in operating leases are recognized in the income statement immediately.

2.2.6 Investments

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.

2.3 LIABILITIES AND PROVISIONS

2.3.1 Retirement Benefit Obligations

(a) Defined Benefit Plan-Gratuity

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 year's 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 2001 was undertaken in March 2001 by Actuarial & Management Consultants (Pvt) Limited, 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 amount recognised as an expense for the current year in terms of the actuarial valuation is Rs. 194.84 million.

The actuarial present value of the accrued benefits as at 31st March 2001 is Rs. 584.90 million. This liability is not externally funded but is included under Provisions and other Liabilities (see note 18).

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

(b) Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund

Employees based in Sri Lanka are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Company contributes 15% and 3% of gross emoluments to Employees' Provident Fund and Employees' Trust Fund respectively.

2.3.2 Aircraft Maintenance & Overhaul costs

The costs of maintenance and overhaul conducted using the Company's own resources are charged to the income statement as and when the costs are incurred. These include the costs of labour and replacement parts.

Provision for the costs of heavy maintenance and overhaul conducted outside the Company are accrued on the basis of the number of hours flown and estimated costs of maintenance and overhaul.

2.3.3 Frequent Flyer Programme

The Company is a co-sponsor of the 'Skywards' Frequent Flyer programme established by EMIRATES.

The obligation to provide travel rewards to members of the Frequent Flyer programme is accrued by EMIRATES based on the incremental direct cost of ultimately providing the travel rewards. The corresponding cost is included in a cost and revenue pool.

Pooled costs and revenue are shared among co-sponsoring airlines in proportion to the SKYWARDS Frequent Flyer miles issued to members on the flights operated by the Company and EMIRATES.

2.4 INCOME STATEMENT

2.4.1 Revenue Recognition

(a) 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 utilized through carriage by the Company.

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

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

Actual revenue adjustments are dealt with in the income statement.

(b) Dividend and Interest

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

(c) Rental Income

Rental income is recognized on an accrual basis.

(d) Royalties

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

2.4.2 Expenditure Recognition

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning 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 function of expenses method presents the elements of the Company's performance, and hence such a presentation method is adopted.

2.4.3 Fuel Risk Management

The Company participates in a Fuel Risk Management Programme to reduce its exposure to fluctuating fuel prices. Gains and losses from risk management programme are recognized as a component of fuel expenses.

3. REVENUE

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Total Revenue	31,010.95	24,751.79	30,437.09	24,354.32

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

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Sale of goods	-	-	-	-
Rendering of Services				
Scheduled services - Passenger	23,087.39	18,659.37	23,087.39	18,659.37
- Excess baggage	490.22	366.42	490.22	366.42
- Cargo	4,483.53	3,215.07	4,483.53	3,215.07
- Mail	99.12	67.09	99.12	67.09
	28,160.26	22,307.95	28,160.26	22,307.95
Non-scheduled services	6.87	83.97	6.87	83.97
Ground Handling & Flight Catering	2,675.99	2,213.80	2,102.13	1,816.33
Duty Free	167.83	146.07	167.83	146.07
Total	31,010.95	24,751.79	30,437.09	24,354.32

4. OTHER INCOME

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Interest Income	117.48	379.25	109.99	361.50
Rental Income Receivable	0.60	0.55	0.60	0.55
Miscellaneous Revenue	49.92	112.12	49.21	110.55
Profit/(Loss) on Disposal of Property, Plant and Equipment	3,304.51	693.17	3,303.01	693.16
	3,472.51	1,185.09	3,462.81	1,165.76

5. Profit/(Loss) from Operating Activities Includes the following:	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Bad Debts	213.03	22.00	213.03	22.00
Advertising & Marketing Costs	3,311.49	2,511.46	3,311.49	2,511.46
Directors' Emoluments	-	-	-	-
Auditors' Remuneration	1.37	1.37	1.02	1.02
Depreciation	2,009.44	1,677.34	1,981.64	1,658.91
Staff Costs	5,197.84	4,339.93	5,009.72	4,135.52
Defined Benefit Plan Costs - Gratuity	222.67	114.53	203.02	102.84
Defined Contribution Plan Costs - EPF & ETF	381.41	321.50	363.62	304.19
Staff Incentive Payments	115.87	172.43	115.87	144.43
Realised Gain on Exchange	(319.71)	(331.41)	(180.80)	(294.66)

6. FINANCE COST	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Interest Expense on Loans, Borrowings & Overdrafts	178.92	270.37	178.92	269.96
Finance Charges on Lease Liabilities	1,346.89	1,257.11	1,346.89	1,257.11
	1,525.81	1,527.48	1,525.81	1,527.07

7. INCOME TAX EXPENSE	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Current Income Tax				
Current Tax Expense on ordinary activities for the year	(9.16)	30.39	(35.99)	9.08
Deferred Income Tax				
Deferred Taxation Charge/(Reversal)	-	-	-	-
	(9.16)	30.39	(35.99)	9.08

A refund of income taxes paid in respect of years of assessment 1989/90, 1990/91, 1991/92 and 1992/93 amounting to Rs. 47.17 million is reflected in the accounts of the Company for the year ended 31st March 2001.

8 EARNINGS PER SHARE

8.1 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 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.

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

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Amounts used as the Numerators:				
Net Loss	(5,826.87)	(388.21)	(6,507.95)	(750.41)
Net Loss attributable to ordinary shareholders for Basic Earnings per Share	(5,826.87)	(388.21)	(6,507.95)	(750.41)

	Group 2001 Number	Group 2000 Number	Company 2001 Number	Company 2000 Number
Numbers of Ordinary Shares used as Denominators:				
Weighted average number of Ordinary Shares in issue applicable to Basic Earnings per Share	51,463,463	51,463,463	51,463,463	51,463,463
	51,463,463	51,463,463	51,463,463	51,463,463

9 PROPERTY, PLANT & EQUIPMENT - GROUP

9.1. Gross Carrying Amounts

	Balance As at 01.04.2000 Rs. M	Acquisitions and Modifications Rs. M	Adjustments and Transfers Rs. M	Disposals during the year Rs. M	Balance As at 31.03.2001 Rs. M
Cost/Valuation					
Land & Buildings	831.25	27.35	-	-	**858.60**
Equipment	2,755.48	552.48	(10.45)	(35.21)	**3,262.30**
Aircraft Reconfiguration Cost	-	674.45	-	-	**674.45**
Aircraft & Related Equipment	4,781.72	569.08	-	(1,711.14)	**3,639.66**
Projects	420.27	180.14	(600.41)	-	**-**
	8,788.72	2,003.50	(610.86)	(1,746.35)	**8,435.01**
Assets on Finance Leases					
Aircraft & Related Equipment	18,871.39	-	-	(4,050.68)	**14,820.71**
Aircraft Reconfiguration Cost	-	1,668.67	-	-	**1,668.67**
	18,871.39	1,668.67	-	(4,050.68)	**16,489.38**
Total Value of Depreciable Assets	27,660.11	3,672.17	(610.86)	(5,797.03)	**24,924.39**

9.2. In the Course of Construction	Balance As at 01.04.2000 Rs. M	Incurred During the Year Rs. M	Adjustments during the `year Rs. M	Disposals Transfers Rs. M	Balance As at 31-03-2001 Rs. M
Building Work in Progress	28.60	83.45	(1.05)	-	**111.00**
Total Gross Carrying Amount	27,688.71	3,755.62	(611.91)	(5,797.03)	**25,035.39**

9.3. Depreciation	Balance As At 01.04.2000 Rs. M	Charge for the year/ Transfers Rs. M	Disposals Rs. M	Balance As at 31.03.2001 Rs. M
Land & Buildings	587.65	40.17	-	**627.82**
Equipment	1,847.71	394.69	(33.26)	**2,209.14**
Aircraft Reconfiguration Cost	-	15.75	-	**15.75**
Aircraft & Related Equipment	1,558.28	485.13	(337.71)	**1,705.70**
	3,993.64	935.74	(370.97)	**4,558.41**
Assets on Finance Leases				
Aircraft & Related Equipment	6,064.54	974.73	(1,782.00)	**5,257.27**
Aircraft Reconfiguration Cost	-	98.97	-	**98.97**
	6,064.54	1,073.70	(1,782.00)	**5,356.24**
Total Depreciation	10,058.18	2,009.44	(2,152.97)	**9,914.65**

9.4. Net Book Value	Group 2001 Rs. M	Group 2000 Rs. M
At Cost/ Valuation	3,987.60	4,823.68
On Finance Leases	11,133.14	12,806.85
Total Carrying Amount of Property, Plant & Equipment	15,120.74	17,630.53

9 (a) PROPERTY, PLANT & EQUIPMENT - COMPANY

9 (a).1 Gross Carrying Amounts

	Balance As at 01.04.2000 Rs. M	Acquisitions and Modifications Rs. M	Adjustments and Transfers Rs. M	Disposals during the year Rs. M	Balance As at 31-03-2001 Rs. M
Cost Valuation					
Land & Building	733.74	27.35	-	-	**761.09**
Equipment	2,396.78	543.71	(10.45)	(32.47)	**2,897.57**
Aircraft Reconfiguration Cost	-	674.45	-	-	**674.45**
Aircraft & Related Equipment	4,781.72	569.08	-	(1,711.14)	**3,639.66**
Projects	420.27	180.14	(600.41)	-	**-**
	8,332.51	1,994.73	(610.86)	(1,743.61)	**7,972.77**
Assets on Finance Leases					
Aircraft & Related Equipment	18,871.39	-	-	(4,050.68)	**14,820.71**
Aircraft Reconfiguration Cost	-	1,668.67	-	-	**1,668.67**
	18,871.39	1,668.67	-	(4,050.68)	**16,489.38**
Total Value of Depreciable Assets	27,203.90	3,663.40	(610.86)	(5,794.29)	**24,462.15**

9 (a).2. In the Course of Construction

	Balance As at 01.04.2000 Rs. M	Incurred during the year Rs. M	Adjustments during the year Rs. M	Disposals transfers during the year Rs. M	Balance As at 31-03-2001 Rs. M
Building Work in Progress	0.54	0.51	(1.05)	-	-
Total Gross Carrying Amount	27,204.44	3,663.91	(611.91)	(5,794.29)	**24,462.15**

9 (a).3. Depreciation

	Balance As At 01.04.2000 Rs. M	Charge for the year/ Transfers Rs. M	Disposals Rs. M	Balance As at 31.03.2001 Rs. M
Land & Buildings	509.05	36.24	-	**545.29**
Equipment	1,546.58	370.82	(30.51)	**1,886.89**
Amortization on Cost of Reconfiguration of Aircraft on Operating Leases	-	15.75	-	**15.75**
Aircraft & Related Equipment	1,558.28	485.13	(337.71)	**1,705.70**
	3,613.91	907.94	(368.22)	**4,153.63**
Assets on Finance Leases				
Aircraft & Related Equipment	6,064.54	974.73	(1,782.00)	**5,257.27**
Amortization on Cost of Reconfiguration of Aircraft on Finance Leases	-	98.97	-	**98.97**
	6,064.54	1,073.70	(1,782.00)	**5,356.24**
Total Depreciation	9,678.45	1,981.64	(2,150.22)	**9,509.87**

9 (a).4. Net Book Value

	Company 2001 Rs. M	Company 2000 Rs. M
At Cost/ Valuation	3,819.13	4,719.14
On Finance Leases	11,133.15	12,806.85
Total Carrying Amount of Property, Plant & Equipment	14,952.28	17,525.99

10 INVESTMENTS IN SUBSIDIARIES

Name of Subsidiary	Country of Incorporation	Holding %	Cost 2001 Rs. M	Directors' Valuation 2001 Rs. M	Cost 2000 Rs. M	Directors' Valuation 2000 Rs. M
SriLankan Catering (Private) Ltd.	Sri Lanka	100%	70.40	70.40	70.40	70.40
		100%	70.40	70.40	70.40	70.40

11 INVENTORIES

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Consumable Spares	2,063.54	1,744.25	1,993.74	1,648.25
Total Inventories at lower of cost and net realisable value	2,063.54	1,744.25	1,993.74	1,648.25

12 TRADE AND OTHER RECEIVABLES

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
12.1 Current				
Trade Debtors	3,338.25	2,619.18	3,208.39	2,550.34
Less: Provision for doubtful debts	(275.04)	(157.08)	(274.95)	(156.87)
	3,063.21	2,462.10	2,933.44	2,393.47
Other Debtors	731.30	489.25	731.30	510.59
Advances and Pre-payments	4,129.79	7,425.29	4,005.43	7,248.34
	7,924.30	10,376.64	7,670.17	10,152.40
Loans to Company Officers (12.2)	12.45	13.72	10.96	11.88
	7,936.75	10,390.36	7,681.13	10,164.28

12.2 Loans to Company Officers:

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

Summary

	Group 2001	Group 2000	Company 2001	Company 2000
Balance as at the beginning of the year	2.80	2.61	1.98	1.96
Loans granted during the year	0.36	0.90	-	0.26
Less: Re-payments	(2.36)	(0.71)	(1.36)	(0.24)
Balance as at the end of the year	0.80	2.80	0.62	1.98

13 CASH AND CASH EQUIVALENTS

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Components of Cash and Cash Equivalents				
13.1. Favourable Cash & Cash Equivalent Balances				
Cash & Bank Balances	2,604.04	787.17	2,532.89	633.08
Fixed & Call Deposits	2,042.04	2,597.33	2,039.54	2,484.62
Treasury Bills	12.58	18.98	-	-
	4,658.66	3,403.48	4,572.43	3,117.70
13.2. Unfavourable Cash & Cash Equivalent Balances				
Bank Overdrafts	(3,204.95)	(333.02)	(3,201.23)	(333.02)
Total Cash and Cash Equivalents for the purpose of Cash Flow Statements	1,453.71	3,070.46	1,371.20	2,784.68

14 ISSUED CAPITAL

14.1 Authorised

		Par Value Rs.	Company 2001 Number	Company 2000 Number
Number of Shares	Ordinary Shares	100/-	150,000,000	150,000,000
			150,000,000	150,000,000
			Rs. M	Rs. M
Nominal Value	Ordinary Shares	100/-	15,000.00	15,000.00
			15,000.00	15,000.00

14.2. Issued and Fully Paid

		Par Value	2001 Number	2000 Number
Number of Shares	Ordinary Shares	Rs. 100/-	51,463,463	51,463,463
			51,463,463	51,463,463
			Rs. M	Rs. M
Nominal Value	Ordinary Shares	Rs. 100/-	5,146.35	5,146.35
			5,146.35	5,146.35

15 RESERVES

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Summary				
Capital Reserve (15.1)	105.20	105.20	75.60	75.60
Revenue Reserves (15.2)	0.63	0.63	-	-
General Reserves (15.3)	53.44	53.44	53.44	53.44
	159.27	159.27	129.04	129.04

15.1. Capital Reserves

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
At 1st April	105.20	105.20	75.60	75.60
As at 31st March	105.20	105.20	75.60	75.60

Capital Reserve represents;

The Group:

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

15.2. Revenue Reserves

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
At 1st April	0.63	0.63	-	-
As at 31st March	0.63	0.63	-	

-

15.3 General Reserves

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
At 1st April	53.44	53.44	53.44	53.44
As at 31st March	53.44	53.44	53.44	53.44

16 EXCHANGE EQUALISATION ACCOUNT

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
16.1. Summary				
As at beginning of the year	4,677.26	4,411.73	4,677.26	4,411.73
Deferred during the year	2,698.86	1,178.20	2,698.86	1,178.20
Amortized during the year	(2,205.47)	(912.67)	(2,205.47)	(912.67)
As at year end	5,170.65	4,677.26	5,170.65	4,677.26

16.2. 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 equalization account and amortized as currency gains/losses over the period during which the foreign currency liability is outstanding. Unamortized balances of such gains and losses are carried forward in the exchange equalization account.

17 INTEREST BEARING LIABILITIES - GROUP/COMPANY

	2001			2000		
	Amount Repayable Within 1 Year Rs. M	Amount Repayable After 1 Year Rs. M	Total Rs. M	Amount Repayable Within 1 Year Rs. M	Amount Repayable After 1 Year Rs. M	Total Rs. M
Finance Leases (17.1)	**1,930.74**	**12,218.20**	**14,148.94**	1,953.27	14,464.81	16,418.08
Long-term Loans (17.2)	**431.40**	**1,454.58**	**1,885.98**	1,270.63	756.70	2,027.33
	2,362.14	**13,672.78**	**16,034.92**	3,223.90	15,221.51	18,445.41

17.1

	2001 USD M	2001 Rs. M	2000 USD M	2000 Rs. M
Within one year	**22.21**	**1,930.74**	26.48	1,953.27
Between :				
- One and two years	**24.31**	**2,113.40**	28.97	2,137.29
- Two and three years	**26.61**	**2,313.35**	31.70	2,338.78
- Three and four years	**29.12**	**2,532.21**	34.69	2,559.26
- Four and five years	**31.88**	**2,771.77**	37.96	2,800.42
- After five years	**28.61**	**2,487.47**	62.75	4,629.06
	162.74	**14,148.94**	222.55	16,418.08
Amount due within one year included under current liabilities	**22.21**	**1,930.74**	26.48	1,953.27
	140.53	**12,218.20**	196.07	14,464.81

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

	USD M	Rs. M
Within one year	11.85	1,030.63
Between :		
- One and two years	10.13	881.01
- Two and three years	8.25	717.20
- Three and four years	6.20	539.14
- Four and five years	3.96	344.06
- After five years	1.50	130.71
	41.89	3,642.75

Interest rates applicable to the finance leases ranged from 5.5988 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 65.78 million (Rs. 5,719.27 million).

Conversion rate - 1 US Dollar = Rs. 86.95 (Rs. 73.7750 in 1999/00).

17.2	**2001 USD M**	**2001 Rs. M**	**2000 USD M**	**2000 Rs. M**
Bank Loans Payable				
Within one year	-	-	15.12	1,115.48
Between :				
- One and two years	-	-	-	-
- Two and three years	-	-	-	-
- Three and four years	-	-	-	-
- Four and five years	-	-	-	-
- After five years	-	-	-	-
	-	-	15.12	1,115.48

	2001 USD M	2001 Rs. M	2000 USD M	2000 Rs. M
Other Loans Payable				
Within one year	**4.96**	**431.40**	2.10	155.15
Between :				
- One and two years	**12.43**	**1,080.36**	2.10	155.15
- Two and three years	**1.23**	**106.92**	2.10	155.15
- Three and four years	**1.23**	**106.92**	2.10	155.15
- Four and five years	**1.23**	**106.92**	2.10	155.15
- After five years	**0.61**	**53.46**	1.84	136.10
	21.69	**1,885.98**	12.34	911.85
Total Long Term Loans	**21.69**	**1,885.98**	27.46	2,027.33
Amount due within one year included under current liabilities	**(4.96)**	**(431.40)**	(17.22)	(1,270.63)
	16.73	**1,454.58**	10.24	756.70

Loans are repayable on various dates upto the year 2007 at varying interest rates which ranged from 7.4600 percent to 9.1141percent per annum during the year.

The outstanding aircraft spares loan amounting to US Dollars 6.76 million (Rs.588.06 million) is guaranteed by the Government of Sri Lanka.

Conversion rate - 1 US Dollar = Rs. 86.95 (Rs. 73.7750 in 1999/00).

18 PROVISIONS AND OTHER LIABILITIES

18.1 Group

	Non Current		Current		Total	
	2001 Rs. M	2000 Rs. M	2001 Rs. M	2000 Rs. M	2001 Rs. M	2000 Rs. M
Retirement benefit obligations - Gratuity	712.71	561.36	-	-	712.71	561.36
Provision for airframe & aircraft engine overhaul	-	-	2,553.30	2,789.99	2,553.30	2,789.99
	712.71	561.36	2,553.30	2,789.99	3,266.01	3,351.35

	2001 USD M	2001 Rs. M	2000 USD M	2000 Rs. M
Other Loans Payable				
Within one year	**4.96**	**431.40**	2.10	155.15
Between :				
- One and two years	**12.43**	**1,080.36**	2.10	155.15
- Two and three years	**1.23**	**106.92**	2.10	155.15
- Three and four years	**1.23**	**106.92**	2.10	155.15
- Four and five years	**1.23**	**106.92**	2.10	155.15
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18.1 Group

Total	Non Current		Current			
	2001 Rs. M	2000 Rs. M	2001 Rs. M	2000 Rs. M	2001 Rs. M	2000 Rs. M
Retirement benefit obligations - Gratuity	712.71	561.36	-	-	712.71	561.36
Provision for airframe & aircraft engine overhaul	-	-	2,553.30	2,789.99	2,553.30	2,789.99
	712.71	561.36	2,553.30	2,789.99	3,266.01	3,351.35

18.2 Company

	Non-Current		Current		Total	
	2001	**2000**	**2001**	**2000**	**2001**	**2000**
	Rs. M	**Rs. M**	**Rs. M**	**Rs. M**	**Rs. M**	**Rs. M**
Retirement benefit obligations - Gratuity	648.08	485.20	-	-	648.08	485.20
Provision for airframe & aircraft engine overhaul	-	-	2,553.30	2,789.99	2,553.30	2,789.99
	648.08	485.20	2,553.30	2,789.99	3,201.38	3,275.19

19. TRADE AND OTHER PAYABLES

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Trade Payables	6,610.84	4,850.32	6,547.02	5,027.22
SriLankan Catering (Private) Ltd. Current Account	-	-	1,036.41	(45.59)
Sundry Creditors including accrued expenses124.63	71.87	46.33	29.89	
Sales in Advance of Carriage	2,547.81	1,769.28	2,547.81	1,769.28
	9,283.28	6,691.47	10,177.57	6,780.80

20 EFFECTS OF CHANGES IN ACCOUNTING POLICIES

Prior Year Accumulated Profits/ (Losses) after Adjustments	**2001 Rs. M**	**2000 Rs. M**
At the beginning of the year as previously stated	2,693.09	(968.23)
Change in accounting policy - Deferment of Currency Losses	-	4,411.73
Adjusted balance brought forward	2,693.09	3,443.50

This change in accounting policy has been accounted for with retrospective effect. (See note 2.7 (iii)).

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

	2000 Rs. M	**Prior to 2000 Rs. M**
Decrease in the amount charged as Currency Losses	265.53	4,411.73

18.2 Company
Total

	Non-Current				Current	
	2001 Rs. M	**2000 Rs. M**	**2001 Rs. M**	**2000 Rs. M**	**2001 Rs. M**	**2000 Rs. M**
Retirement benefit obligations - Gratuity	648.08	485.20	-	-	648.08	485.20
Provision for airframe & aircraft engine overhaul	-	-	2,553.30	2,789.99	2,553.30	2,789.99
	648.08	485.20	2,553.30	2,789.99	3,201.38	3,275.19

19. TRADE AND OTHER PAYABLES

	Group 2001 Rs. M	Group 2000 Rs. M	Company 2001 Rs. M	Company 2000 Rs. M
Trade Payables	6,610.84	4,850.32	6,547.02	5,027.22
SriLankan Catering (Private) Ltd. Current Account	-	-	1,036.41	(45.59)
Sundry Creditors including accrued expenses	124.63	71.87	46.33	29.89
Sales in Advance of Carriage	2,547.81	1,769.28	2,547.81	1,769.28
	9,283.28	6,691.47	10,177.57	6,780.80

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	2000 Rs. M	**Prior to 2000 Rs. M**
Decrease in the amount charged as Currency Losses	265.53	4,411.73

21 COMMITMENTS AND CONTINGENCIES

21.1 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		Company	
	2001	2000	2001	2000
	Rs. M	Rs. M	Rs. M	Rs. M
Contracted but not provided for	185.33	43,201.92	185.33	43,201.92
Authorised by the Board, but not contracted for	2,025.65	334.32	229.65	334.32
	2,210.98	43,536.24	414.98	43,536.24

21.2 Operational Commitments

	Group		Company	
	2001 Rs. M	2000 Rs. M	2001 Rs. M	2000 Rs. M
Purchase Commitments	5,209.57	-	5,209.57	-
	5,209.57	-	5,209.57	-

Purchase Commitments include forward purchase contracts entered into, in respect of fuel.

21.3 Lease Commitments

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

	Non Cancellable Operating Leases	
	2001 Rs. M	2000 Rs. M
Not later than 1 year	7,048.52	3,632.94
Later than one year and not later than 5 years	27,138.62	14,506.20
Later than 5 years	37,768.81	22,873.21
	71,955.95	41,012.35

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

21.4 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. 529.22 million.

b) 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 2001 was undertaken in March 2001 by Actuarial & Management Consultants (Pvt) Limited. 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 2001 is

Rs. 584.90 million. If the method of making a provision for all employees as required under the Payment of Gratuity Act No. 12 of 1983 were to be adopted, the gratuity liability of the Company as at 31st March 2001 would be Rs. 656.01 million. Hence there is a Contingent liability of Rs. 71.11 million which would crystallise if the Company ceases to be a going concern.

c) 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 as sale on 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 Certificate 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 Comapany'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 2001 was US Dollars 6.71 million (Rs. 583.05 million), at US Dollars 24.10 per share. (Refer Note 22).

Conversion rate 1 US Dollar = Rs. 86.95

22. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 11th April 2001, the Company entered into a Loan Agreement with the Bank of Ceylon to secure a Term Loan Facility up to a maximum aggregate principal amount of USD 15.00 million. The facility was fully drawn by 15th May 2001.

On 20th June 2001, the Company launched a Voluntary Severance Scheme for employees based in Sri Lanka with a view to improving productivity and reducing head count.

On 29th June 2001, the SITA Foundation received 30,886,364 France Telecom shares in exchange for 67,950,000 Equant N.V. shares pursuant to the Share Purchase Agreement entered into between the SITA Foundation and France Telecom S.A. in November 2000. As a result of this transaction the 278,240 Depository Certificates in the SITA Foundation held by the Company as at 31st March 2001, now represents beneficial economic interest in 126,473 France Telecom shares owned by the Foundation.

The market value of 126,473 France Telecom shares on 29th June 2001 was USD 6.30 million (Rs. 568.38 million) at Euro 59.00 per share.

On 24th July 2001, three aircarft operated by the Company were destroyed while parked at the Bandaranaike International Airport, Colombo and three other suffered varying degrees of damage. All six aircraft were leased by the Company. The Company's obligations to financiers/lessors of the subject aircraft and other relevant parties will be met by underwriters, as also the repair costs, in accordance with policy terms. Consequent to this event, the Company has embarked on a restructuring programme, Financial projections reflecting restructuring plans of the Company depict a considerable improvement in the financial posititon of the Company.

Conversion rate 1 Euro =USD 0.8440 and 1 US Dollar = Rs. 90.25.

23 **DIRECTORS' INTERESTS**

Emirates, which holds 43.63% of the issued Share Capital of the Company as at 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 2001 and holding office as at 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 SriLankan Catering (Private) Limited, with whom the Company has a contract for catering.

The current Directors of SriLankan Catering (Private) Limited are:

Mr. S K Wickremesinghe Chairman

Mr. K Balapatabendi PC

Mr. D E Mannion

Mr. S E Captain

Mr. D Nijhawan- Alternate Director to Mr. D E Mannion

24 **RELATED PARTY DISCLOSURES**

24.1. Four directors of the Company are directors of SriLankan Catering (Private) Limited, which is a wholly owned subsidiary of the Company.

SriLankan Catering (Private) Limited provides flight catering services to the Company, and the Company provides passenger and freight services to the subsidiary in the normal course of business.

During the year ended 31st March 2001, the value of flight catering services provided to the Company amounted to Rs. 780.92 million, while freight and air tickets provided by the Company to SriLankan Catering (Private) Limited amounted to Rs. 22.87 million.

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During the year ended 31st March 2001, the value of flight catering services provided to the Company amounted to Rs. 780.92 million, while freight and air tickets provided by the Company to SriLankan Catering (Private) Limited amounted to Rs. 22.87 million.

24.2. Emirates holds 43.63% of the issued Share Capital of the Company. The Company has entered into a number of specific related party agreements in the normal course of business to obtain goods and services from Emirates on commercial terms. Payments made for goods and services obtained from Emirates during the year are as follows.

		USD	Rs.
(a)	Computer systems and services	3,673,867	291,501,436
(b)	Buyer Furnished Equipment for A340/A330 aircraft procured through Emirates	5,392,000	427,825,975
(c)	Purchase of other goods and services	3,985,433	316,222,534
(d)	Transactions relating to international air transport, settled through the IATA Clearing House in the normal course of business (net)	(4,317,870)	(342,599,582)
(e)	Finance charges on funds advanced for the purchase of Buyer Furnished Equipment for A340 aircraft	173,910	13,798,855
(f)	Fuel risk management programme	(654,000)	(56,865,300)

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

		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
INCOME STATEMENT											
Operating revenue	Rs. Million	10,936.03	12,945.44	12,456.05	13,651.28	14,807.92	15,619.30	17,592.00	19,171.43	24,354.32	30,437.09
Operating expenditure	Rs. Million	10,571.89	12,390.28	11,747.81	12,154.46	13,253.64	14,121.08	14,657.40	16,136.47	24,116.33	36,893.36
Net profit/(loss)	Rs. Million	218.36	127.61	188.60	650.05	118.53	449.51	2,361.36	2,518.63	(750.41)	(6,507.95)
BALANCE SHEET											
Share capital	Rs. Million	7,369.47	7,369.47	5,146.35	5,146.35	5,146.35	5,146.35	5,146.35	5,146.35	5,146.35	5,146.35
Fixed assets	Rs. Million	5,723.71	9,019.84	10,742.20	22,318.81	20,836.32	19,217.72	17,882.38	16,359.69	17,525.99	14,952.28
Current assets	Rs. Million	2,554.93	5,323.45	5,054.09	7,175.43	8,154.25	8,769.55	11,196.80	16,090.86	14,930.23	14,247.30
Total assets	Rs. Million	8,309.04	14,373.69	15,826.69	29,524.64	29,020.97	28,017.67	29,109.58	32,520.95	32,526.62	29,269.98
Current liabilities	Rs. Million	4,614.17	7,005.56	7,142.16	8,858.31	8,740.41	8,856.67	9,224.37	11,477.25	13,528.69	18,659.24
YIELD/UNIT COST											
Overall yield	Rs. tkm	22.8	24.9	27.6	27.8	26.5	27.4	29.3	31.3	31.8	30.2
Unit cost	Rs. tkm	15.1	15.5	18.1	17.6	16.7	20.3	20.8	20.4	22.9	25.7
Breakeven load factor	%	66.4	62.1	65.6	63.1	63.1	74.4	70.9	65.2	72.0	85.2
Revenue per RPK	Rs./RPK	2.4	2.5	2.8	2.9	2.9	3.0	3.2	3.3	3.4	3.1
PRODUCTION											
Passenger capacity	ASK Millions	5,307.55	6,137.90	5,145.36	5,405.55	5,602.21	5,525.10	5,672.66	6,209.80	8,038.31	10,891.61
Overall capacity	ATK Millions	698.37	782.71	632.15	672.27	772.27	746.78	757.42	832.69	1,088.38	1,454.78
TRAFFIC											
Passengers carried	Nos. Thousands	958	1,067	994	1,081	1,149	1,196	1,201	1,260	1,475	1,891
Passengers carried	RPK Millions	3,772.02	4,203.25	3,576.75	3,786.56	3,931.26	4,003.19	4,154.46	4,417.55	5,459.65	7,447.87
Passenger load factor	%	71.07	68.48	69.51	70.06	70.17	72.45	73.24	71.14	67.92	68.38
Cargo carried	Tonnes	25,819	26,518	25,957	28,748	35,409	35,039	36,478	35,566	41,670	58,618
Cargo load carried	RTK Millions	105.49	108.63	107.38	119.77	166.23	164.43	173.62	156.61	195.67	266.75
Overall load carried	RTK Millions	453.44	492.20	419.37	454.19	514.81	522.09	547.14	554.90	703.28	932.72
Cargo load factor	%	51.95	48.28	50.81	52.15	61.56	61.94	65.40	57.50	57.53	54.77
Overall load factor	%	64.93	62.88	66.34	67.56	66.66	69.91	72.24	66.64	64.62	64.11
STAFF											
Average strength	Nos.	4,181	4,531	4,442	4,584	4,880	4,965	4,823	4,832	5,070	5,196
Revenue per employee	Rs.	2,615,649	2,857,082	2,804,154	2,978,028	3,034,410	3,145,881	3,647,522	3,967,597	4,803,614	5,857,792
Capacity per employee	Tonne-km	167,034	172,746	142,312	146,656	158,252	150,409	157,043	172,329	214,670	279,981
Load carried per employee	Tonne-km	108,453	108,629	94,410	99,082	105,494	105,153	113,444	114,838	138,713	179,507
FLEET											
L1011-500	Nos.	3	3	2	2	2	2	2	2	-	-
L1011-200	Nos.	2	2	2	-	-	-	-	-	-	-
L1011-100	Nos.	1	1	1	1	1	1	1	1	-	-
L1011-50	Nos.	1	1	1	1	1	1	1	1	-	-
B737-200	Nos.	1	1	-	-	-	-	-	-	-	-
A320-200	Nos.	-	1	2	2	2	2	2	2	2	2
A330-200	Nos.	-	-	-	-	-	-	-	-	4	6
A340-300	Nos.	-	-	-	3	3	3	3	3	4	4
Aircraft in service at year end	Nos.	8	9	8	9	9	9	9	9	10	12

Glossary

Available Seat Kilometres (ASK)

The product of seats offered for sale and 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.

1. AUSTRALIA

Adelaide:
World Aviation Systems
249-251, Pulteney Street
Adelaide SA 5000
Tel: (R/RC) 61 8 83068411
Fax: 61 8 8306 8439
Email : wasadl@worldaviation.com.au

Perth:
World Aviation Systems
250, St Georges Terrace
Perth Western Australia 6000
Tel: (R/RC) 61 8 92299211
Fax: (08) 9229 9399

Brisbane:
World Aviation Systems
217 George Street,
Brisbane QLD 4000
Tel: 617 3407 7188
Fax: 617 3407 7149
Email: wasb@worldaviation.com.au

Melbourne:
World Aviation Systems
310, King Street
Melbourne VIC 3000
Tel: (R/RC) 61 3 99203882
Fax: 61 3 99203880
Email: wasmel@worldaviation.com.au

Sydney:
World Aviation Systems
Level 10, 403 George Street,
Sydney NSW 2000
Tel: 61 2 9244 2234
Fax: 61 2 9299 3829
Email: wassyd@worldaviation.com.au

2. BAHRAIN

Manama:
SriLankan Airlines Limited
Chamber of Commerce Building
Ground Floor, King Faizal Road
P O Box 1142, Manama,
Bahrain.
Tel: (D) 00973 211405
GSA 00973 223315
Fax (D) 00973 225617
GSA 00973 210175
Email: slankan@batelco.com.bh

3. BANGLADESH

Dhaka:
SriLankan Airlines
GSA Bengal Airlift Limited
12-14, Landmark Building
Gulshan – 2
Dhaka 1212, Bangladesh.
Tel: 008 802 8817761-62
008 802 8817653
Fax: 008 802 8811335
Email: baairnet@agni.com

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
5915, Airport Road
Suite 200, Mississauga,
Ontario, L4V 1T1,
Canada.

Tel:	(D) 905 678 7225
Fax :	905 678 7223
Email:	repworld@paxgsa.com

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
BP 2745
2 Rue Des Moulins
75027, Paris, Cedex 1
France.

	(G) 33 1 44 77 82 15
Fax:	33 1 42 86 83 20
Email:	pardzul@srilankan.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

10. GREECE

Athens:
Intermodalair SA
25, Filellinon Street
10557 Athens, Greece

Tel:	(R/RC) 301 3249797/4249098
Fax:	(301) 3249152
Email:	intermod@tag.gr

11. HONG KONG

SriLankan Airlines Limited
Rm 2703, 27 floor
Tower 1, Lippo Centre,
89 Queensway, Hongkong.

Tel:	(R/RC/G) 852 2521 0708
Fax:	852 2801 5600
E mail:	srilanka@netvigator.com

12. INDIA

Ahmedabad:
Stic Travels (Pvt) Limited
2nd floor, Karishma Complex
Stadium Circle, Navrangpura
Ahmedabad 380009
India.
Tel : (R/RC/G) 0796423518/6427638/6561232
6563856
Fax : 079 6426153
Email : sticamd@egujarat.net

Bangalore:
SriLankan Airlines Limited
104-A, Cear's Plaza
136, Residency Road
Bangalore – 560 025
Tel: 2075021/2075020
Fax: 2075022
e mail: blrszul@satyam.net.in

Bombay (Mumbai):
SriLankan Airlines Limited
C/o Jetair Pvt Limited
12D, Rajeha Centre, Ground floor
Free Press Journal Marg
Nariman Point, Mumbai 400 021
Tel: (R/S) 2823288/99, 2823599/2844156
(A/G) 2844148/2027068
Fax: 2833864
E mail: srilankan@jlbomfin.jetair.co.in

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

Chandigarh:
Stic Travels Pvt Limited
SCO 40-41
Sector -17A
Chandigarh 160017
Tel (D): 0172 721828/706562/706567
Fax: 0172 702770
Email: stictrvl@glide.net.in

Cochin:
Ms Anusha Travels Limited
XL/7434, Shenoys Junction
38/1043, M.G. Road
Cochin – 682016
Tel: (G) 380293/370740
Fax: 370740
E mail: cokul@md4.vsnl.net.in
Cochin

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

Hyderabad:
Nagarjuna Travels & Hotels Pvt Ltd
8A, Amurtha Ville
Opp Yashodha Hospital
Raj Bhavan Road,
Somajiguda
Hyderabad 500082
Tel: 3372429/3372430
Fax: 040 3372427
Email: redd_y@satyam.net.in

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

Jaipur: (JAI)
Stic Travels Pvt Limited
404-B, 4th floor, Ganpati Plaza, MI Road
Jaipur – 302001
India.
Tel: 0091 172 721828/706562/706567
Res & Ticketing same as above.
Fax: 0091 172 702770
Email: sticamd@egujarat.net

Madras: (Chennai)
SriLankan Airlines Ltd
76 Cathedral Road
Chennai 600086.
Tel : Mgr 0091 44 8112782
Fax : 0091 44 8111472
Email : maadzul@eth.net
Sita : MAADZUL

GSA:
Trans Lanka Air Travels Pvt Limited
76, Cathedral Road
Nagabramha Towers
Chennai 600 086.
Tel: 8111152-54/8111147/8115348
8111863
R/T 8111535/36/8111537/1538
(C) 8111258 (A) 8111261
Fax : 8111153
E mail: tl_maa@satyam.net.in

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
011 3711 358/59 &3711308
Fax: 011 373 1480/331 9454
Airport : Tel/Fax No: 00 91 11 5652957
E mail: srilankan@mantraonline.com
General: ulsalesdel@sticgroup.com (GSA)

Poona:
Jetair Pvt Limited
243/244 Century Arcade! 1st floor
Narangi Baug Road
Pune 411 001
Maharashtra.
Tel: 09520 6123261/6123267/6127615
Fax: 020 6124897
Email: eruch.irani@jlpnq.jetair.co.in

Tiruchirapalli:
Trans Lanka Air Travels Pvt Ltd
Hotel Femina Complex
14-C, Williams Road,
Cantonment,
Trichirapalli – 620 001
South India.
Tel: (R) 460844/462381
(S) 467953
Fax: 414076/414856
Email: trzsz@eth.net
tl-trz@eth.net

Trivandrum:
SriLankan Airlines Limited, GSA
C/o Anusha Air Travels Ltd
First floor, Spencer Towers, M G Road
Trivandrum 695 001, Kerala, India.
Tel: (R/RC) 0471 471810
(A) 471815/471838
(G/A) 475037/
Fax: 0471 460639/460224
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trvszul@satyam.net.in

13. INDONESIA

Jakarta:
SriLankan Airlines Limited
C/o PT Dharma Buana,
Wisma Bank Dharmala,
16th floor Suite# 16-05
Jl Jend Sudirman Kav.28
Jakarta 12920,
Indonesia.
Tel: (R/RC) 62 21 521 2009
Fax: 62 21 521 2006
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14. IRELAND

Belfast:
Aer Lingus, 46-48 Castle Street
Belfast, BTI 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

Shannon:
Aer Lingus, Limerick, Office
Shannon, Ireland
Tel: (D) 061 45556

15. JAPAN

Narita:
SriLankan Airlines Limited
New Tokyo Int'l Airport Passenger
Terminal 2 M5048
Narita –shi, Chiba Japan 282-0004.
Tel: (G) 0476 348350
Fax: 0476 348351

Osaka:
Hommachi Hua Tong Bldg,
5th floor, 5 – 16
4- Chome Hommachi, Chuo-ku
Osaka 541-0053,
Japan.
Tel: 06 6265 2158
Fax: 06 6265 2135

Tokyo:
SriLankan Airlines Limited
Dowa building
7- 2- 22, Ginza, Chuo-ku
Tokyo, Japan 104-0061.
Tel: (RC/T) 03 3573 4261
(G) 03 3573 4263
(B) 03 3573 4265
Fax: 03 3574 0780
E mail: srilankan@srilankan.co.jp

17. JORDON

Amman:
Grand Travel & Tourism/
GSA SriLankan Airlines
Behind Housing Bank Complex, Shmeisani
P O Box 2152/Amman-Jordon.
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) 02 317 8888
Fax: 02 755 9758
E mail: selpaa@unitel.co.kr

19. KUWAIT

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

20. LEBANON

Beirut:
SriLankan Airlines Limited
P O Box 55606
Aramex Sarl, Aramex Centre
Sin El Fil
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Beirut – Lebanon.
Tel: 01 484166/01 489186/485076
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Email: srilankan@aramex.com.lb

21. MALAYSIA

Kuala Lumpur:
SriLankan Airlines Limited
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50250 Kuala Lumpur
Malaysia
Tel: (R/RC/F) 603 2072 3633
(A) 603 2072 5805/2072 5814
2072 6022 – A/S/ACCTS
Fax: 603 2078 8233 (General)
Email: sales@srilankan.com.my
kul@srilankanairlines.com.my

22. MALDIVES

Male:
SriLankan Airlines
H. MAADHOO, First floor,
Boduthakurufanu Magu,
Male 20-05
Rep of Maldives.
Tel: (R/RC/G/A) 323459/328329/320189
Sales Mgr: 333746
Fax: 313169
Email : salesmngrmle@srilankan.com.mv
admin@srilankan.com.mv
stnmgrmle@srilankan.com.mv
Sita: MLESZUL

SriLankan Airlines Ltd/GSA Office:
SriLankan Airlines Limited
C/o Galaxy Enterprises Maldives Pvt Ltd
H. MAADHOO Boduthakurufaanu
Magu Male, Male
Republic of Maldives.
Tel : 00960 320002/317255/314625
Fax: 00960 317254
Sita: MLEGSUL/MLERRUL
Email: galaxy@dhivehinet.net.mv

23. MALTA
World Aviation Systems Limited
20/2, Republic Street,
Valletta VLT 04,
Malta.
Tel: (A) 00356 242848/248744
(G) 242233/4/5/6
(R/S) 00356 242233/4/5/6
Fax: 00356 223887/00 356 220479
Email : worldaviationsystemsmalta@kemmunet.net.mt

24. NEPAL

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

25. NETHERLANDS

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

26. PAKISTAN

Karachi:
Crown Travels,
GSA for SriLankan Airlines
Services Mess Extension Building
Mereweather Road, Karachi 75530
Tel: R/RC 5214421/5214428/5662679/5671546
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DZ – 00 9221 5678286/
009221 5680382 (tel/fax)
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: 009242 6313718/6303267
Fax: 042 6308352

Islamabad:
Crown Travels
GSA for SriLankan Airlines
1-D Rehmat Plaza
Blue Area Jinnah Avenue,
Islamabad.
Tel: 009251 2876461/2279795
Fax: 00 9251 2278206

NEW ZEALAND

Auckland:
World Aviation Systems (Australia) Pvt Ltd
6th floor, Trustbank Building
229 Queen Street,
Auckland,
New Zealand.

Mailing address:
P O Box 3883, Auckland
New Zealand.
Tel: 64 9 3083353
Fax: 09 3083388
Email: srilankan@was.co.nz

27. QATAR

Doha:
SriLankan Airlines Limited
C/o Ali Bin Ali Travels
Al-Sadd Commercial Centre,
Al-Sadd Street
P.O. Box 2197
Doha
Qatar.
Tel: 4446345/5557530
(R/T) 4441217/4441161
(H)4379261
Fax: 4441241/4441160
Email: uldoha@qatar.net.qa

28. SAUDI ARABIA

Dammam:

SriLankan Airlines Limited
Kanoo Airline Centre
King Abdul Aziz Street
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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

Jeddah:

SriLankan Airlines Limited
Kanoo Tower, Kilo 7
Madina Road,
P.O. Box 812
Jeddah 21421
Kingdom of Saudi Arabia.

Tel: (D) 966 2 6614915/6696933 Ext 185
Fax: 966 2 6609347/6696933 Ext 190
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Riyadh:

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Kanoo Tower
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Riyadh 11421
Kingdom of Saudi Arabia.

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Fax: 4772228 Ext 294
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29. SINGAPORE

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(R) 2236353
(A/G) 2257233
(Accounts) 2236115
(C) 5459243
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Email: sin@srilankan.com.sg

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 – Edificio Espana
Grupo 5 – Planta 21
28013 Madrid
Spain.

Tel: 34 91 542 71 32
Fax: 34 91 542 73 31
email: global.a@teleline.es

32. SRILANKA

Colombo:

H/O: # 22-01, East Tower, Echelon Sq.
World Trade Centre, Colombo 1.

Tel: (G) 073 5555
Fax: 073 5122
Telex: 21401 LANKAIR CE

PTA & Ticket Office:

SriLankan Airlines Limited
10/12, Sir Baron Jayatilleke Mawatha
Colombo 1.

Tel: (D) 073 3686
(G) 073 5555
073 3685
PTA fares 3687
Ext 3677/3686
Fax: 073 5369
Telex: 21401 LANKAIR CE

Reservations/Telephone Sales:

Tel : (R) 01 421161/073 5500
(D) 073 3490/073 3491
(G) 073 3344/073 3721
Ticket office 073 3674/3675
Govt travel 073 3673/3668
Fax : 073 5412

Ticket Office:

SriLankan Airlines Limited
Landmark Building
385, Galle Road, Colombo 3.
Tel: 073 3832
Fax: 073 5340

Ticket Office:

SriLankan Airlines Limited
Bandaranaike International Airport
Tel : 073 2424 (24 hours)
Fax: 073 5222

Ticket Office:

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

25-01, East Tower, World Trade Centre,
Echelon Square, Colombo 1.
Tel: 073 3333
Fax: 073 5333

Cargo Office:

SriLankan Airlines Limited
660, Galle Road
Colombo 3.
Tel: (C/S) imports: 073 3280/81
exports: 073 3276/3286
(R) 073 3282/073 3283
(A) 073 3288

33. SULTANATE OF OMAN

Muscat:

SriLankan Airlines Limited
P.O. Box 629,
Postal Code 113
Muscat
Sultanate of Oman.
Tel: Sales: 00968 785871
R/T 00968 784545
Fax 00978 785872
Apt Office 00968 510818 (Tel/Fax)
E mail : ulmct@omantel.net.om

34. SWEDEN

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SriLankan Airlines
Sveavagen 149
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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
Cargo - 01 810 81 73
Email Admin – srilankan@srilankan.ch
A/P - airport@srilankan.ch

36. TAIWAN

Taipei:
Overseas Travel Services Limited
2 floor, No 129, Chang Chun Road
104, Taipei, Taiwan.
Tel: (G) 886 2 25116188
Fax: 886 2 25230626
Email: otsgsa@ms21.hinet.net

37. THAILAND

Bangkok:
SriLankan Airlines Ltd
G/FL, 942/34-35, Charn Issara Tower
Rama IV Road,
Bangkok 10500
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Tel : (R/RC) 662 2369292/3
662 2364981/2
(Admin) 662 2367618/2360159
Fax : 662 2367617
E mail : Mgr : ranilw@srilankan.co.th
Admin: admin@srilankan.co.th
Sales : sales@srilankan.co.th
Account account@srilankan.co.th
Cargo : cargo@srilankan.co.th
Res/Tktg reservations@srilankan.co.th

38. UNITED ARAB EMIRATES

Abu Dhabi:
SriLankan Airlines Limited
P O Box 2086
Abu Dhabi
U.A.E.
Tel: 009712 6212057
Fax: 00971 6340391
E mail: slankaad@srilankan.lk
Apt off (tel/fax) : 5757362
Tel: 5052597
Apt address - Rm 2237, 1st foor,
Abu Dhabi International Airport
R/T 6337125
GSA – Accounts 6337927
Cargo: 6314700
Fax: 6331313

Ajman:
Ajman National Travel Agency
P O Box 641,
Ajman,
UAE.
Tel: (G/A/F/S) 7422300
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Al Ain:
Atlas Travels
P O Box 16060, Al ain
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Al Daheri Buidling
UAE
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Dubai:
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P O Box 12889
Dubai, UAE
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Fax: 2955245/2691005
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nandap@srilankan.lk

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Dubai
Tel: 3166701
Fax: 3166747
Email: sgmda@emirates.com

Fujeirah:
Fujeirah National Air Travel Agency
P O Box 96,
Fujeirah
UAE.
Tel: (G/R) 2225241
Fax: 222555
Email: fnatafjr@emirates.net.ae

Ras Al Khaimah:
RAK National Travel Agency,
P O Box 5214, Ras Al Khaimah
United Arab Emirates.
Tel: (G/S) 009717 2281536 (2 lines)
Fax: 2281255
Email: rantarak@emirates.net.ae

Sharjah:
Sharjah National Travel & Tourism Agency
P O Box 17,
Al Arouba Street,
Sharjah,
U.A.E.
Tel: (R/RC/G/C) 00971 6 5351411
Fax: 00971 6 5374968
Telex: 68021 SNTTA EM
Website: http://www.sntta.com
Email: sntta@emirates.net.ae
travel@sntta.com

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) 7656615
Fax: 7655549
Email: untaair@emirates.net.ae

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
Fax: (R) 020 8572 0808
(A/PS) 020 8572 0808
email: sales@srilankanairlines.co.uk

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:
SriLankan Airlines Limited
1936, Wilshire Blvd
Los Angeles, CA 90035
U.S.A.
Tel: 213 483 8800/877 91 52652 toll free
Fax: 213 483 8600
Email : sales@Shusa.com

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:
SriLankan Airlines
Metro Top Plaza
111, Wood Avenue South
Iselin, NJ 08830
U.S.A.
Tel: 732 205 0017/877 91 52652 (toll free)
Fax: 732 205 0299
Email: sales@SHusa.com

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

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: airlanka@eunet.yu
Telex : BEGGSUL, BEGTOUL

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

Legal Form

Public Limited Liability Company

Directors

S K Wickremesinghe - Chairman

K Balapatabendi PC

W P S Jayawardena

S E Captain

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 1

Sri Lanka

Auditors

Ernst & Young

Chartered Accountants

PO Box 101

Colombo 10

Sri Lanka

www.srilankan.lk