

Ministry of Civil Aviation

Vision

“To Develop Sri Lanka with the most competitive and user friendly Civil Aviation Hub in the South Asian Region”

Mission

“Formulation of a more appropriate policy framework and efficient mechanism which lead to offer Competitive & Qualitative Aviation Services in order to fulfill the local and International requirements in the field of Aviation”

Objectives

1. To implement the National Policy in Civil Aviation.
2. To identify the programmes come under the purview of the Ministry and Facilitate, Coordinate, Monitor and Supervise the implementation of such programmes by the respective Institutions.
3. To provide competitive aviation service in compliance with respective safety and security standards of International level.
4. To promote Air Passenger & Cargo Handling facilities.
5. To promote the Domestic Air services.
6. To negotiate on bilateral/ multilateral air service agreements with Aeronautical Authorities of other countries.
7. To continue on inter-relationship with other Ministries when providing services on Aviation Sector.

Performance 2014

- 1) In order to perform all the activities with regard to International standards efficiently towards improving productivity as to recognize internationally, the relevant Rules and regulations have been prepared and to finish contribution to implement them .
- 2) Conducting bi-lateral Air Service Negotiations have to be expanded towards profitable destinations and profitable frequencies of respective countries.

Ex: - Updated Bi-lateral Air Service Negotiations - Serbia, Bulgaria, Brazil, Hungary, Iceland, Iran, Jamaica and Kenya

New Bilateral Air Service Negotiations - Poland
- 3) Coordinating and monitoring the project with Sri Lankan Air force and Road Development Authority for the construction of Domestic Airport in Batticaloa.
- 4) Coordinating the respective institutions with the commencement of construction of project of Phase II Stage II considering limited space increasing the passenger movements and developing Air passenger facilities.
- 5) Providing capital contribution for the year 2014 to the National carrier Sri Lankan Airline and Low cost/Budget carrier Mihin Lanka Ltd under the purview of the Ministry on relevant activities and guiding and monitoring financial management in a proper manner.
- 6) Coordinating the relevant consultative committee with updating same for five years Business Plan to implement profitable agency of Sri Lankan Airlines.
- 7) Coordination with the institutions coming under the purview of the Ministry contributed to the Social Service Programs carried out in “Dayata Kirula” National Development Programme
- 8) To furnish Authority on legal matters intervening towards providing relevant rules in connection with deference matters performed by institutions coming under the purview of the Ministry.
- 9) Contributing and coordinating to prepare integrated plans on other development activities of commercial, Naval, power and Knowledge hub which marked way forward in the journey of Sri Lanka towards becoming a hub for aviation.

Appropriation Account - 2014

Expenditure Head No: 176

Name of Ministry / Department / District Secretariat: Minister of Civil Aviation

Programme Number given in Annual Estimates	Title of the Programme given in Budget Estimates	(1) Provision in Budget estimates Rs.	(2) Supplementary Provision and Supplementary Estimate Allocation Rs.	(3) Transfers in terms of F.R.66 and F.R.69 Rs.	(4) Total Net Provision (1+2+3) Rs.	(5) Total Expenditure Rs.	(6) Net Effect Savings/(Excesses) (4-5) Rs.	Page No. (Reference to Relevant DGSA 2 format)
	Recurrent							
1	Operational Activities	171,000,000	-	(2,100,000)	168,900,000	160,310,752	8,589,248	2
	Sub Total (Recurrent)	171,000,000	-	(2,100,000)	168,900,000	160,310,752	8,589,248	
	Capital							
1	Operational Activities	7,500,000	-	2,100,000	9,600,000	7,856,335	1,743,665	4,5
2	Development Activities	13,500,000,000	13,112,908,000	-	26,612,908,000	26,445,778,052	167,129,948	19
	Sub Total (Capital)	13,507,500,000	13,112,908,000	2,100,000	26,622,508,000	26,453,634,387	168,873,613	
	Grand Total	13,678,500,000	13,112,908,000	-	26,791,408,000	26,613,945,139	177,462,861	

Chief Accounting Officer

Name :
Designation :
Date :

Accounting Officer

Name :
Designation :
Date :

Chief Accountant/Director (Finance)/ Commissioner (Finance)

Name :
Date :

Recurrent Expenditure by Project

Expenditure Head No : 176 Name of Ministry / Department / District Secretariat: Minister of Civil Aviation
 Programme No. & Title : 01 Operational Activities

Project No./Names, personnel emoluments and other expenditure for all projects	(1) Provision in Budget Estimates	(2) Supplementary Provision and Supplementary Estimate Allocation	(3) Transfers in terms of the F.R. 66 and F.R. 69	(4) Total Net Provision (1+2+3)	(5) Total Expenditure	(6) Net Effect Savings/(Excesses) (4-5)
Project No: 01 & Title: Minister's Office						
Personel Emoluments	17,200,000	-	2,153,000	19,353,000	18,982,021	370,979
Other Expenditure	37,680,000	-	(11,585,500)	26,094,500	25,428,259	666,241
Sub Total	54,880,000	-	(9,432,500)	45,447,500	44,410,280	1,037,220
Project No: 02 & Title: Administration & Establishment Services						
Personel Emoluments	28,350,000	-	410,000	28,760,000	25,184,957	3,575,043
Other Expenditure	87,770,000	-	6,922,500	94,692,500	90,715,515	3,976,985
Sub Total	116,120,000	-	7,332,500	123,452,500	115,900,472	7,552,028
Grand Total	171,000,000	-	(2,100,000)	168,900,000	160,310,752	8,589,248

Chief Accountant/Director (Finance)/ Commissioner (Finance)

Date :

Capital Expenditure by Project

Expenditure Head No : 176 Name of Ministry / Department / District Secretariat: Minister of Civil Aviation
 Programme No. & Title : 01 Operational Activities
 Project No. & Title : 02 Administration & Establishment Service

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1) Provision in Annual Estimates Rs.	(2) Transfers in terms F.R. 66 and F.R. 69 and Supplementary Provision and Supplementary Estimate Allocation Rs.	(3) Total Net Provision (1+2) Rs.	(4) Total Expenditure Rs.	(5) Net Effect Savings/(Excesses) (3-4) Rs.
2001		11	Rehabilitation & Improvements of Capital Assets	100,000	250,000	350,000	348,030	1,970
2002		11	Building & Structure	100,000		100,000	93,512	6,488
2003		11	Plant, Machinery & Equipment Vehicles	1,000,000		1,000,000	992,725	7,275
2102		11	Acquisition of capital Assets	500,000		500,000	406,742	93,258
2103		11	Furniture & Office Equipments Plant, Machinery & Equipment	1,000,000		1,000,000	1,000,000	-
2401		11	Capacity Building	600,000		600,000	142,700	457,300
			Training & Capacity Building					
			Total	3,300,000	250,000	3,550,000	2,983,709	566,291

Chief Accountant/Director (Finance)/ Commissioner (Finance)

Date :

Capital Expenditure by Project

Expenditure Head No : 176 Name of Ministry / Department / District Secretariat: Minister of Civil Aviation
 Programme No. & Title : 02 Development Activities

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(4)	(5)
				Provision in Annual Estimates Rs.	Transfers in terms F.R. 66 and F.R. 69 Provision and Supplementary Estimate Allocation Rs.	Total Net Provision (1+2) Rs.	Total Expenditure Rs.	Net Effect Savings/(Excesses) (3-4) Rs.
7	2301	11	<u>Capitalization of Sri Lankan Airlines</u> Capitalization	13,000,000,000	6,584,686,000	19,584,686,000	19,584,685,242	758
8	2301	11	<u>Capitalization of Mihin Lanka (pvt) Ltd</u> Capitalization	-	6,528,222,000	6,528,222,000	6,528,221,130	870
9	2104	11	<u>Domestic Airport Development</u> <u>Project - Batticaloa</u> Building & Structures	500,000,000	-	500,000,000	332,871,680	167,128,320
Total				13,500,000,000	13,112,908,000	26,612,908,000	26,445,778,052	167,129,948

Chief Accountant/Director (Finance)/ Commissioner (Finance)

Date :

Civil Aviation Authority of Sri Lanka

Vision

“To be a prime catalyst to the growth of the National Economy”

Mission

“To facilitate through strategic planning and effective regulation, the operation of a safe, secure and efficient national civil aviation system that conforms to International Standards and Recommended Practices”

Objectives

- ✓ Fulfillment of the State’s international obligations in the field of civil aviation and constant implementation and enforcement of International Standards and Recommended Practices
- ✓ International recognition of the civil aviation system of Sri Lanka which is free from embargoes/restrictions
- ✓ Ensuring safety, efficiency and regularity in civil aviation and personnel security
- ✓ Making optimum use of Sri Lanka airspace for the well-being of the public
- ✓ Economic development of the country
- ✓ Prevention of economic waste caused by unreasonable competition
- ✓ Improving access and mobility of people and goods
- ✓ Provision of dependable services in Civil Aviation
- ✓ Education in the field of Civil Aviation
- ✓ Promotion of development of all aspects of civil aeronautics
- ✓ Protecting and promoting public health and
- ✓ Ensuring environmental sustainability

The Civil Aviation Authority of Sri Lanka (CAASL) which is a body corporate was established under the Civil Aviation Authority Act No. 34 of 2002 on 27th December 2002 abolishing the Department of Civil Aviation which existed since 1946. The provisions of Article 154 of the Constitution of the Democratic Socialist Republic of Sri Lanka relating to the audit of accounts of public corporations shall apply to the audit of the accounts of the Authority. The Authority consists of eight members of which five are appointed by the subject Minister and three by virtue of their official status.

The Civil Aviation Authority (CAASL) of Sri Lanka is vested with the responsibility of regulating the civil aviation operations in Sri Lanka. In addition, the CAA is responsible for taking necessary action for the implementation of the International Standards and Recommended Practices contained in the 19 Annexes to the Convention on International Civil Aviation, which is a binding obligation of the country as a signatory to the Convention. It is empowered also to develop and promulgate or adopt by reference, clear and concise aviation safety requirements, practices and procedures and secure compliance of them and the Standards and Recommended Practices. The CAASL is also entrusted to provide strategic direction for the development of civil aviation and advice on matters relating to civil aviation.

Performance 2014

The main activities performed by the Civil Aviation Authority for the period under review, was basically focused on the implementation of aviation International Standards and Recommended Practices in the country and continued its civil aviation regulatory role, focusing mainly on certification, surveillance and enforcement tasks. At the same time the Authority engaged in its efforts to restructure the Organization and to develop its capacity through staff training. In addition construction of necessary buildings for the CAA was also undertaken.

In respect of the development of domestic airports, the CAA assisted the Ministry of Aviation by conducting preliminary studies at the Palavi Airfield to find the feasibility of re-constructing the runway to facilitate civil light aircraft operations. Based on the findings of the above study, CAA is in the process of communicating with UDA for the possibilities of re-constructing the runway. Extension and re-surfacing of runway at Batticaloa Airport has been started by RDA in order to accommodate MA60 aircraft which can carry approximately 60 passengers. CAA has started the process to approve a new water aerodrome at Dutch-bay Lagoon, Kalpitiya.

The direct beneficiary of airport infrastructure development will be the airlines and finally the travelling public. The increase of airline operations is observed as a positive sign for growth of aviation of the country. By the end of September 2014, there were nine (09) active Air Operator Certificate (AOC) Holders in Sri Lanka. Two of those operators conduct international scheduled passenger transportation and one AOC holder conduct only international cargo operations while other six (06) AOC holders conduct domestic operations only.

Two (02) Foreign Air Operators, Rotana Jet Aviation and Transaero Airlines were issued with the initial certification to conduct operations to Sri Lanka. By the end of September 2014, 24 international airlines were serving Sri Lanka through Katunayake and Mattala International Airports connecting 43 destinations. During 2013/2014 winter season there were six (06) new non-schedule airlines serving Sri Lanka with tourists from Europe. With this increasing trend of tourist arrivals, the likelihood is there for more international non-schedule airlines serving Sri Lanka during 2014/2015 winter season.

A total of 499 Surveillance Activities consisting of Regulatory Audits, Ramp Inspections, En Route Inspections, Main Base Inspections, Station Facility Inspections, AIS Inspections, ATC Inspections and Aerodrome Inspections were conducted during the period with the view to ensure that airline operations are conducted to the same level of regulatory compliance shown by air operators at the time of certification which is the essence of safe air transportation.

Airworthiness of aircraft has an equal importance to maintaining flight safety. Major responsibilities of the CAA in this area are to perform regular safety oversight of all the airworthiness aspects of the civil aviation industry in the country, which includes Air Transport Operators, Approved Maintenance Organizations and oversight of any other person or organization involved in the modification, repair or maintenance of aircraft and its components and training aspects of related personnel.

In regard to regulatory work in Airworthiness, there were 16 new aircraft registered while Certificate of Registration of 54 aircraft has been renewed. There were altogether 192 surveillance inspections carried out and 12 Workshop approvals granted. Certificates of Airworthiness to 14 new aircraft have been issued and 52 renewals done. 127 safety occurrences have been resolved.

Licensing and continued maintenance of competencies of those categories of personnel who engage in flight safety critical areas such as flying, aircraft maintenance and air traffic control is a major regulatory task.

The process of issuance of personnel licenses involves approvals of training organizations and training courses, approval of instructors and examiners where necessary, conduct of examinations both written and practical including skill assessment tests and medical examinations and completion of other administrative formalities. The renewal of such licenses requires completion of some of the above requirements.

During the period under review, a total of 245 initial issuance of pilot licenses and certificates consisting 100 Student Pilot Licenses, 64 Private Pilot Licenses, 62 Commercial Pilot Licenses and 19 Airline Transport Pilot Licenses have been issued. A further total number of 851 pilot licenses in all categories have been renewed. 32 Aircraft Maintenance Licenses, 12 Air Traffic Controller Licenses, 01 Flight Operations Officer License and 77 Cabin Crew Member Certificates have also been issued. Renewal of licenses has amounted to 404 Aircraft Maintenance Licenses, 38 Air Traffic Controller licenses and 57 Cabin Crew Member Certificates.

100% of the annual Surveillance plan of 2014 on Airline Operators, Approved Maintenance Organizations and Flying Training Schools has been completed.

During the period under review, Civil Aviation Security oversight was conducted based on the annual surveillance programme.

Aviation Security Service Provider certification continued with Airport and Aviation Services (Sri Lanka) Limited (AASL). 09 Aviation Security Managers, 03 Aviation Security Instructors, 81 Aviation Security Screeners were certified and 490 Aviation Security Screeners were re-certified. Approval granted to Cinnamon Air for aviation security self-handling with a training programme conducted by SriLankan Airlines based on the guidance material provided by the CAA and final competency evaluation conducted by the CAA. Aviation Security matters related to Mattala Rajapakse International Airport and construction planning of the new passenger terminal at BIA was attended to by the CAA.

For enhancing the international connectivity, Bilateral Air Services Negotiations were conducted with Brazil, Bulgaria, Poland, Oman and Serbia which will contribute to the development of Air Transport industry by creating new destinations and routes for airlines of Sri Lanka as well as foreign airlines.

106 New Travel Agencies were given licenses to conduct business including Travel Agencies in the North and East. 444 Travel Agency licenses were renewed. This generates new business and employment opportunities in the travel trade. In order to produce properly trained human resources in the travel trade, the CAA conducts the Airline Reservations and Fares Calculation Course where 09th batch completed their training during the year 2014. A Consumer protection program was also initiated to protect the travelling public from unauthorized Travel Agents. Steps were taken for Sri Lanka to accept the Montreal Convention of 1999, which establishes the international regime for the rules in relation to the international carriage of passengers, baggage and cargo performed by Airlines for reward. A draft law titled the “Carriage by Air Act” was formulated by the Legal Draftsman’s department based upon input of the CAASL.

At the end of 2014, the Carriage by Air draft was before a cabinet appointed subcommittee. It is expected that it will become legislation in 2015.

In the development of human resources for capacity building of the organization, provision of necessary training programmers takes a significant place. There is a training plan in respect of the technical officers, officers in the executive grade and action officers’ grade. Based on the overall training plan an annual training programme is developed and implemented with the approval of the Authority. During this period under review, 71 foreign training opportunities and 148 local opportunities have been offered to the staff members at a cost of Rs. 13.1 Mn and Rs. 1.3 Mn. respectively. In addition Rs. 11.7 Mn has been spent to attend meetings and conferences abroad which is an integral part of dealing with a global industry.

During the period under review CAASL has had several discussions with the Department of Management Services and the Pay Commission in finalizing the restructuring of the organization in terms of the Government policy of restructuring the semi-governmental organizations. The proposal of the CAASL is amended to suit the government policy in this issue.

Work of the committee appointed by the Cabinet of Ministers to review the staff Rules and Administrative Procedures Manual (SLCAP 5000) of the CAA has completed the task and recommendations of the Committee have been approved by the Cabinet of Ministers. Accordingly, the previously agreed upon amendments incorporated to the Manual and submitted for final approval of the Treasury.

Revised fees and charges approved by Hon. Minister of Aviation and published in Gazette, became effective from 01st August 2014.

The CAA has also embarked on a project to develop future man power needs for aviation. As a move forward, the CAA has established a Civil Aviation and Education Committee (CADEC) to develop awareness of school children in aviation. The quarterly education magazine, ‘Guwansara’ published by the CAA with the view to enhance the knowledge of school children in the field of aviation is being distributed on complimentary basis, to 2808 schools which conduct G.C.E (A.L) classes. In addition, another 486 copies are circulated to identify agencies.

With the opening of Mattala Rajapaksa International Airport (MRIA), CAA has extended its Safety Oversight functions to cover MRJA. The newly constructed CAA office at MRJA to facilitate its work at MRJA was opened in June 2014. The CAASL continued with its work for construction of its head office building at Naikanda. Katunayake and selected a Contractor for the construction of an office building through open bidding process in compliance with the Government procurement procedures. It is planned to complete the construction of Head Office building in year 2016.

In February, CAA commenced construction of Quarters in Weerawila for inspector staff of MRJA and also as a welfare enhancement of CAA employees. The construction was completed in October 2014 and it was ready for staff occupation by the end of 2014.

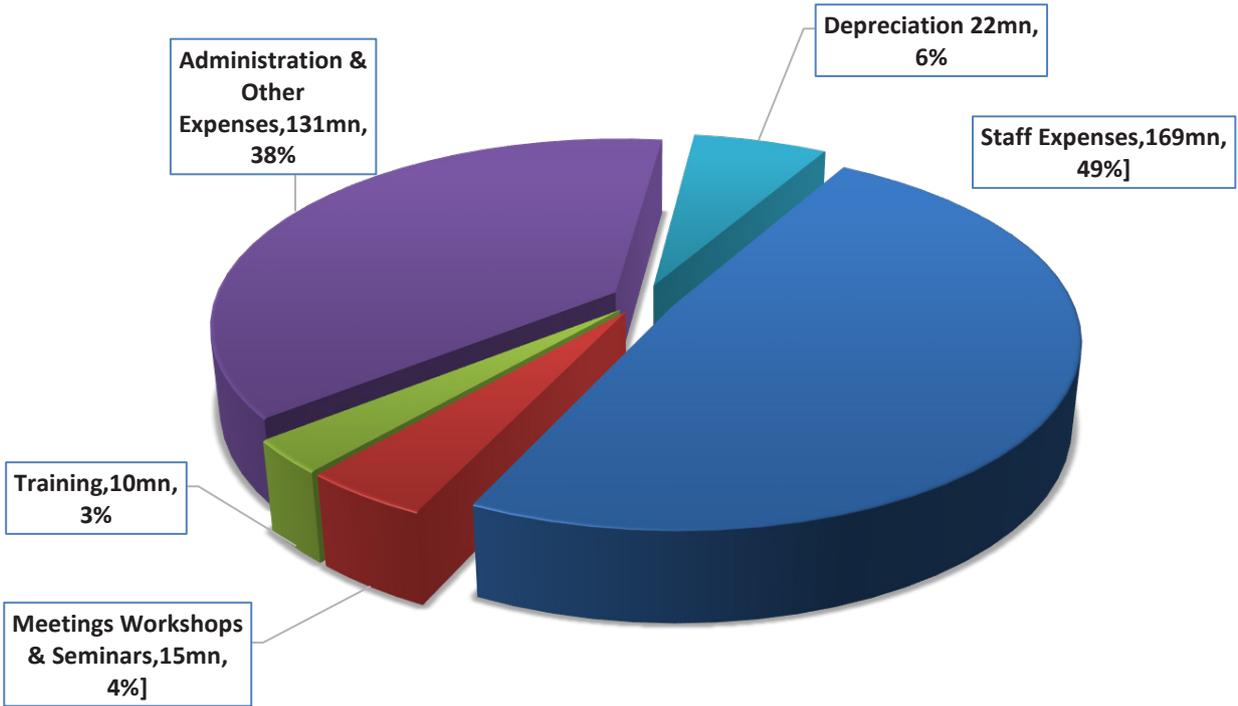
Income/ Expenditure Statement

For the Year 2014

	Rs (Mn)
INCOME	1,474
Surcharge on Airline Tickets Sold Outside Sri Lanka (OSS)	1,160
Service Charge for Embarkation Levy	137
Income from Regulatory Services	60
Interest Income	104
Other Non Operating Income	13
EXPENDITURE	347
Staff Expenses	169
Meetings, Workshops & Seminars	15
Training	10
Administration & Other Expenses	131
Depreciation	22
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION	1,127
Income Tax	314
Net Profit/Loss after Tax	813
NET PROFIT AFTER TAX AND PROVISION	813
Profit – Beginning of the Year (01.01.2014)	390
Grant to the Treasury Consolidated Fund	(250)
Transfers to the General Reserve	(715)
Adjustment to the Revaluation Reserve	5
PROFIT CARRIED FORWARD	243

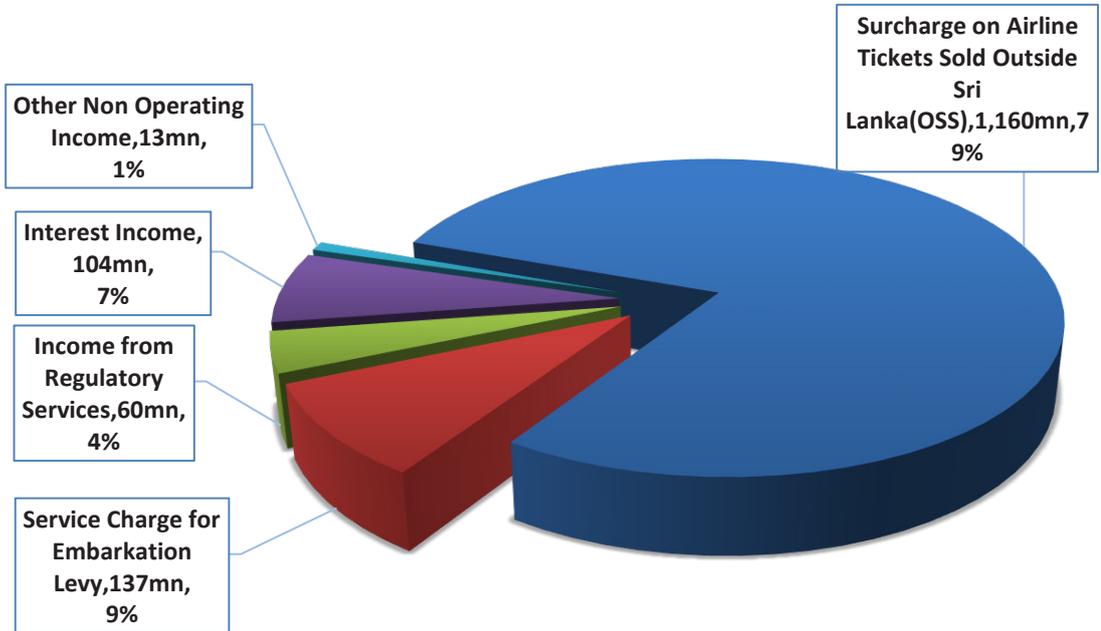
Source – Internal Statistics – Civil Aviation Authority

EXPENDITURE - 2014



Source – Internal Statistics – Civil Aviation Authority

INCOME - 2014



Source – Internal Statistics – Civil Aviation Authority

Airport & Aviation Services (SL) Limited

Vision

“To be the most Efficient and Friendliest Premier Aviation Hub in the Asian Region”

Mission

“We will strive to provide Competitive Aviation Facilities and Services with Best Practices while ensuring Stakeholder Satisfaction”

Corporate Objectives

1. Make Bandaranaike International Airport a passenger transit hub of Asia Region by increasing the transit passengers to total passengers ratio to 1: 4 by 2016 from existing ratio of 1:6
2. To establish infrastructure capacity to cater for 15 million passenger handling by 2017.
3. To reduce the cost of service provision to landing aircraft of BIA by 10% by 2017 from the same of 2012.
4. To increase passenger numbers to 10 million by 2017.
5. To achieve a 40% of Transshipment cargo out of total Aviation cargo (of *Bandaranaike International Airport & Mattala Rajapaksha International Airport*) by 2017.
6. To maintain a 10% growth in the regional participation at the CATC.
7. To maintain an upward trend in airport performance in the regional ranking. (When ranked in terms of relative capacity)
8. To maintain a downward trend in the contribution towards aircraft incidents.
9. To ensure the safety of international civil aviation as specified in ICAO document 8973.
10. Pursue service, value and operational excellence in corporation with all airport partners by maintaining a minimum score of 20% for the customer perspective as well as for financial perspective measures in the Corporate Dashboard

Performance 2014

Bandaranaike International Airport - BIA

AASL passed 2014 with encouraging clear signs of upsurge in operational level and its consequent revenue and earnings which have a strong correlation to the air traffic indicators.

While the movement of air traffic, passenger and cargo movement, statistics is shown below.

Aircraft Movements

During the year 2014, BIA handled 52,620 aircraft movements (50,162 scheduled aircraft, 2,458 non-scheduled aircraft) recording an increase of 4 % compared to year 2013. Domestic movements for 2014 (7 months commencing from July 2014) amounted to 1,052.

Passenger Movements

The Airport was used by 7,766,491 passengers during the year 2014 (3,912,745 departing passengers and 3,853,746 arriving passengers) including 1,283,806 Transit passengers recording an increase of 6 % compared to year 2013.

Cargo Movements

The total cargo handled during the year was 209,417 MT (131,669 MT of export cargo and 77,748 MT of import cargo) indicating an increase of 8% compared to year 2013.

Mattala Rajapaksha International Airport - MRIA

As an airport which is in its growth phase in its industry life cycle, MRIA currently shows a gradual increase in both flight movements and passenger movements. The air traffic statistics are shown below. The national carrier, Mihin Lanka, Fly Dubai and Rotana Jet Aviation operated schedule flights connecting MRIA and many international airports while domestic flights are also in operation.

Aircraft Movements

During the year 2014 MRIA handled 2,734 aircraft movements. Domestic movements for 2014 (For the 7 months commencing from July 2014) amounted to 162.

Passenger Movements

The Airport was used by 40,386 passengers during the year 2014 (22,530 departing passengers and 17,856 arriving passengers) including 7,158 transit passengers.

Cargo Movements

The total cargo handled during the same period was 221.5 MT (6.6 MT of export cargo and 214.9 MT of import cargo).

Income Statement

For the Year ending 31st December 2014

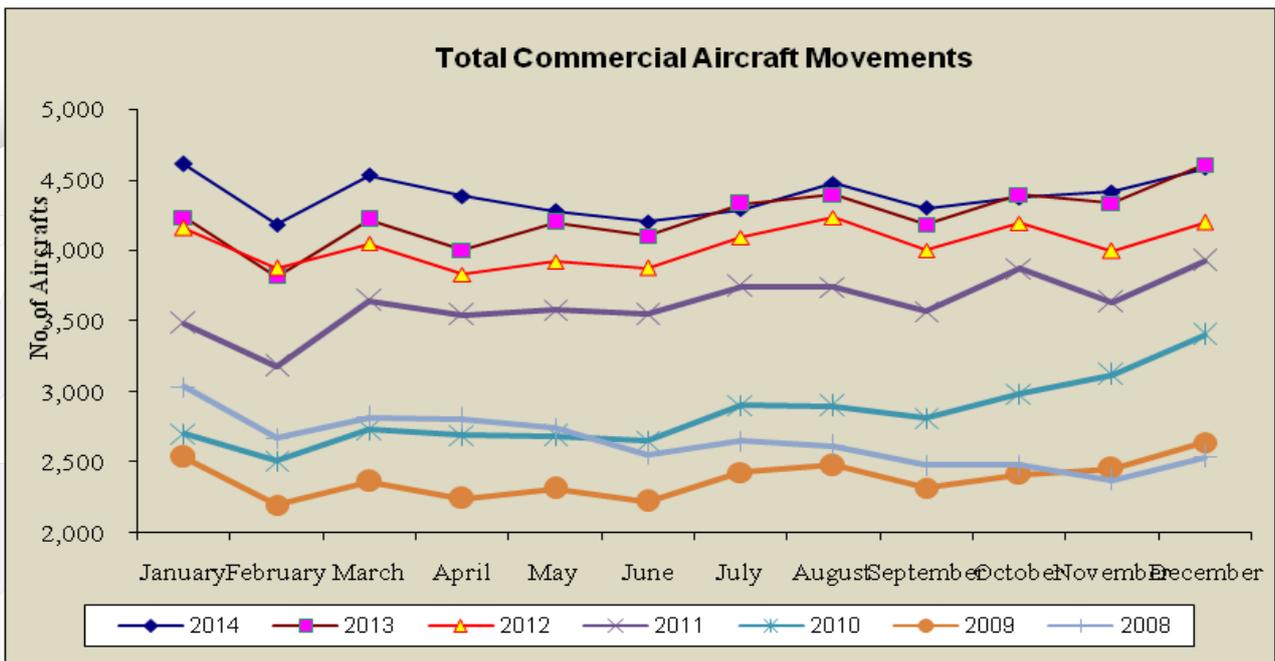
	Rs. Mn.	
	2014 (Unaudited)	2013 (Audited)
Revenue	13,693	12,083
Operating Expenditure	(9,134)	(9,021)
Operating Profit	4,559	3,062
Add - Finance Income	1,876	2,428
	6,435	5,490
Less - Finance Cost	(700)	(574)
Net Profit Before Tax	5,735	4,916
Less - Tax	(2,409)	(1,192)
Profit After Tax	3,326	3,724
Capital Expenditure	1,039	6,378

Source – Internal Statistics - Airport & Aviation Services (SL) Limited

AIRCRAFT MOVEMENTS

	2014	2013	2012	2011	2010	2009	2008
January	4,608	4,230	4,156	3,480	2,704	2,534	3,036
February	4,182	3,816	3,876	3,178	2,510	2,198	2,670
March	4,532	4,218	4,048	3,644	2,730	2,366	2,820
April	4,386	4,002	3,832	3,544	2,692	2,242	2,806
May	4,280	4,196	3,922	3,578	2,686	2,316	2,742
June	4,200	4,104	3,874	3,546	2,650	2,222	2,554
July	4,290	4,326	4,094	3,746	2,904	2,432	2,650
August	4,474	4,394	4,232	3,740	2,896	2,478	2,616
September	4,300	4,182	4,000	3,570	2,812	2,318	2,480
October	4,372	4,396	4,190	3,872	2,984	2,416	2,480
November	4,414	4,334	3,994	3,632	3,118	2,454	2,374
December	4,582	4,604	4,198	3,924	3,402	2,640	2,536
	52,620	50,802	48,416	43,454	34,088	28,616	31,764

Source – Internal Statistics - Airport & Aviation Services (SL) Limited

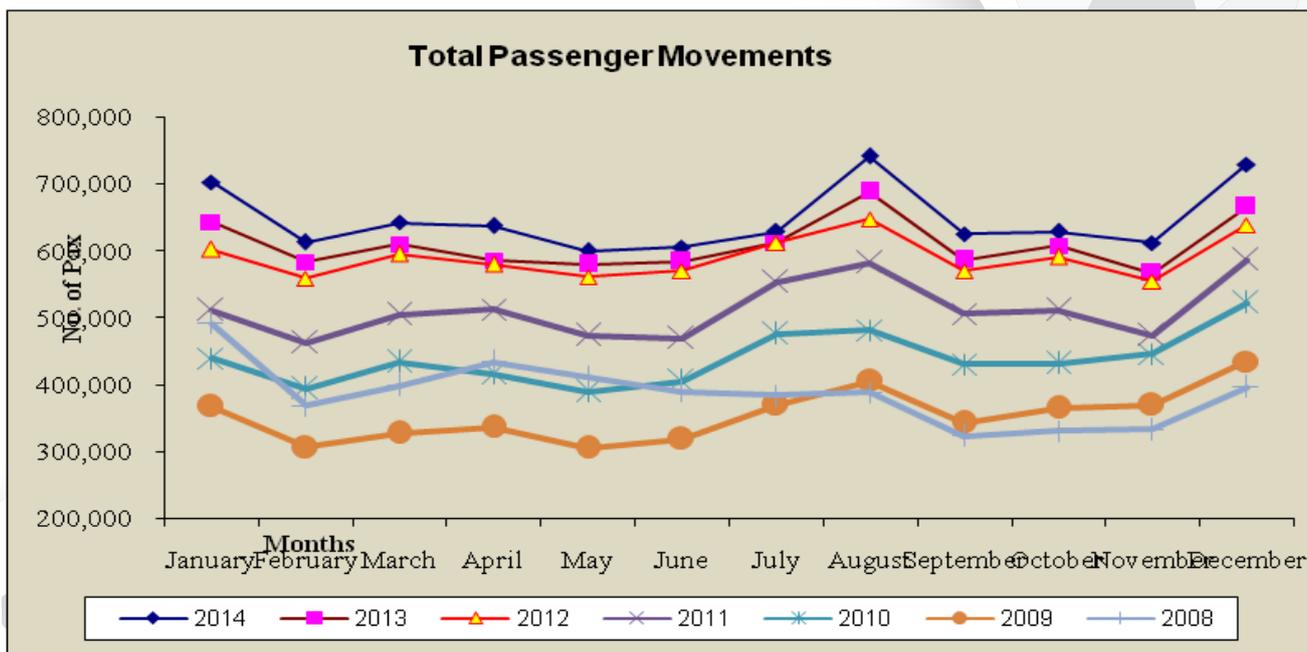


Source – Internal Statistics - Airport & Aviation Services (SL) Limited

PASSENGER MOVEMENTS

	2014	2013	2012	2011	2010	2009	2008
January	703,167	643,234	602,010	511,488	439,386	367,097	491,112
February	612,792	583,249	558,826	462,367	393,325	305,542	368,021
March	642,341	610,150	595,441	504,324	433,030	327,003	398,536
April	637,542	585,104	579,872	512,548	415,208	335,382	432,945
May	599,599	579,448	561,350	473,328	388,654	304,984	409,723
June	605,515	583,731	570,231	468,430	404,140	317,946	389,367
July	628,858	612,323	611,582	553,022	475,509	369,595	383,431
August	741,390	688,600	647,589	582,509	481,089	404,631	388,129
September	625,532	586,628	569,427	506,047	430,166	342,507	323,081
October	628,864	606,953	590,627	511,123	430,893	364,190	330,361
November	612,007	566,284	554,095	473,711	445,911	369,042	332,216
December	728,884	666,165	638,870	586,635	522,337	434,443	395,909
	7,766,491	7,311,869	7,079,920	6,145,532	5,259,648	4,242,362	4,642,831

Source – Internal Statistics - Airport & Aviation Services (SL) Limited

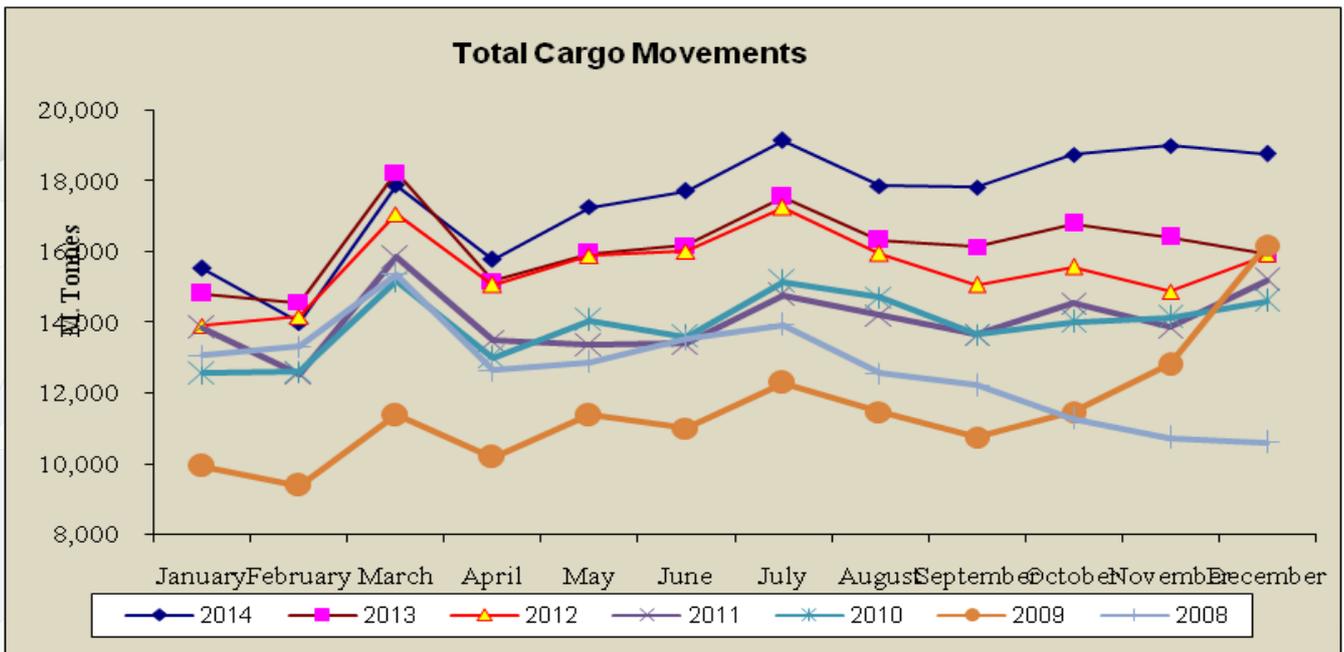


Source – Internal Statistics - Airport & Aviation Services (SL) Limited

CARGO (M. TONNES)

	2014	2013	2012	2011	2010	2009	2008
January	15,518	14,806	13,906	13,838	12,538	9,923	13,061
February	13,987	14,558	14,156	12,534	12,600	9,358	13,312
March	17,882	18,228	17,051	15,827	15,167	11,358	15,341
April	15,766	15,162	15,050	13,479	12,990	10,176	12,635
May	17,254	15,932	15,875	13,340	14,053	11,360	12,860
June	17,700	16,162	16,005	13,392	13,582	10,982	13,517
July	19,145	17,544	17,243	14,752	15,133	12,280	13,921
August	17,848	16,323	15,945	14,190	14,704	11,459	12,548
September	17,822	16,131	15,056	13,651	13,640	10,746	12,201
October	18,732	16,783	15,556	14,535	14,007	11,462	11,264
November	19,003	16,405	14,869	13,864	14,130	12,791	10,709
December	18,761	15,941	15,906	15,175	14,586	16,172	10,583
	209,417	193,975	186,618	168,577	167,130	138,067	151,952

Source – Internal Statistics - Airport & Aviation Services (SL) Limited



Source – Internal Statistics - Airport & Aviation Services (SL) Limited

SriLankan Airlines Limited

Vision

“To be the most preferred airline in Asia.”

Mission

“We are in the air transportation business. We provide our customers with a reliable and pleasant travel experience. We provide our business partners with a variety of innovative, professional and mutually profitable services. We meet Shareholder expectations of profitably marketing Sri Lanka and contributing towards the well-being of Society. We are a competent, proactive and diligent team. Our contribution is recognized and rewarded”

Objectives

1. Facilitating growth of the country’s economy by closely supporting the policies of the Government of Sri Lanka and promote Sri Lanka and SriLankan around the world.
2. Developing Sri Lanka into a Hub for Aviation, Commercial Activities and Knowledge, as per the vision detailed in the Mahinda Chinthana Idiri Dakma programme.
3. Acting as a catalyst for the growth of the country’s tourism industry.
4. Supporting the country’s air cargo industry, including both imports and exports.
5. Supporting the activities of other Government institutions, including the Ministry of Economic Development, Sri Lanka Tourism, and Airport & Aviation (Sri Lanka) Ltd.
6. Providing service standards comparable with the best in the industry.
7. Building a sustainable global route network for operations.
8. Provide ground services and catering services to the International Airlines operating to Bandaranaike International Airport.
9. Increasing employee productivity and Evaluate Service Excellence.
10. Maintaining and continuously enhancing the Airline’s global reputation for caring, warmth and friendly service.

Performance 2014

For the period 1st January 2014 up to 31st December 2014, SriLankan Airlines has operated 12,979 flights across its network and carried 4.24 million passengers. SriLankan has also carried 97,563 tones of cargo during this period.

- The airline has embarked on a fleet renewal programme that will replace older wide bodied aircrafts with more fuel efficient and maintenance cost friendly models from Airbus. In order to replace the Wide-body fleet, in June 2013, the Company entered into purchase agreement with Airbus for the purchase of six A330-300 and four A350-900 aircraft for delivery between 2014-2021 and also entered into lease agreement to take delivery of further four new A350-900 aircraft in 2016/17.
- Sri Lankan Airlines became a fully-fledged member of one of the leading global airline alliances-one world. This enhanced the airlines product through access to a worldwide network and services of the best airlines in the world. It also brought a significant brand exposure, appreciation and value to the company. As member of one world alliance, company offer passengers the opportunity to fly over 1800 one world destinations worldwide, on a single ticket.
- Company increased the capacity to the Middle East, specially focusing on Saudi Arabia. This would help to capitalize on growth in demand between Middle East and South Asia. Whilst European operations were re-aligned specially with the deployment of cost efficient aircraft, effectively matching capacity to demand. This enables us to achieve higher load factors and higher revenue per seat kilometer.
- Implementation of a world class customer-centric reservation system has raised system efficiency as well as scope for service development, of which we expect to reap the full benefits over the coming years.
- SriLankan successfully concluded reciprocal code share agreements with Oman Air and Siberia Airlines which enabled SriLankan to reach several key destinations and at the same time allowing those partner carriers to use SriLankan's services to promote passengers to Colombo. Further the Company expects to enter into code share relationships with four one world member airlines within the next financial year
- In order to improve operating efficiency and reduce operating cost the company is reducing the dependency on global distribution system, optimizing crew costs through introducing new crew management system, reducing overseas station costs by converting SriLankan offices into general sales agents and reducing connection Point Services (CPS) costs through improved network connectivity.
- Company is adopting more robust revenue management practices, variety of revenue and cost improvement initiatives and is also pursuing an optimization of the network including changes introduced to the pricing strategy enabling more focus on market share and competition.
- SriLankan Airline plans to re-commence flights to Melbourne Australia, also aim to enhance utilization by strategically increasing the airlines average fight frequencies on its current and new routes.

- Company expects a rise in the demand for high-end business and leisure travel with the new development initiatives taking place in the country and promotion of Sri Lanka as a destination by Sri Lanka tourism. The potential to attract premier business travelers is an area of focus for the upcoming year which would help to further increase revenue.

- Sri Lankan is further expanding with the establishment of a new Maintenance Repair and Overhaul (MRO) facility at Mattala Rajapaksa International Airport, which will be a state-of-the-art centre capable of handling narrow body aircraft maintenance.

- International Aviation Academy currently rated one of the top ten IATA training facilities in the world for non-technical professional training. The Academy has been responsible for training more than 3000 internal staff and over 600 external students annually. The airlines training portfolio extends even further to encompass image consultancy, grooming and etiquette among other areas.

SriLankan Airlines Limited

INCOME STATEMENT

April 2014 to December 2014

	Apr-Jun 14 Rs. M	Apr-Sep 14 Rs. M	Apr-Dec 14 Rs. M
Revenue	29,371.62	64,514.26	101,175.03
Cost of Sales	(34,020.00)	(69,323.67)	(107,708.77)
Gross Profit / (Loss)	(4,648.38)	(4,809.41)	(6,533.74)
Other Income and Gains	39.69	2,212.90	2,276.71
Sales and Marketing Cost	(3,084.09)	(6,098.53)	(9,265.12)
Administrative Expenses	(472.60)	(1,019.88)	(1,611.37)
Finance Cost	(798.48)	(1,784.96)	(3,052.33)
Finance Income	8.82	26.33	45.95
Gain / (Loss) on Exchange	333.10	494.32	(71.15)
Loss Before Tax	(8,622.04)	(10,979.33)	(18,211.15)
Income Tax Expense	-	-	-
Profit / (Loss) for the Year	(8,622.04)	(10,979.33)	(18,211.15)
Net Income of SriLankan Catering	395.06	936.70	1,498.29
Inter-Company Transactions	-	(2,122.62)	(2,175.21)
Net Profit / (Loss) of the Group	(8,226.98)	(12,165.25)	(18,888.07)

Source – Internal Statistics - Sri Lankan Airlines Limited

Mihin Lanka (Pvt) Ltd

Vision

“To be the most Preferred Affordable Airline in the Region”

Mission

“Growing sustainably and profitably as a market leader offering excellent customer service and highest levels of reliability, with a relentless pursuit for improvement”

Objective

“To safely transport our passengers to their destination, most affordably and comfortably”

Introduction

Mihin Lanka is the government owned low cost airline of Sri Lanka, connecting the international airports of Colombo across seven countries, and with plans to grow further. The airline has continuously grown its passenger carriage and crossed the 500,000 annual passenger carriage mark during the last financial year. Operating a fleet of 03 modern Airbus aircraft, the airline plans to grow its fleet further during the next few years.

- Currently operates to 10 international destinations in the Indian Subcontinent, Far East, and Middle East & Africa.
- A range of SriLankan Airlines’ destinations accessible to passengers on a single ticket Code-share basis.
- Over 35 weekly scheduled flights in upcoming summer season.
- Lahore, Pakistan was its 10th destination added during November 2014.

Performance 2014

Mihin Lanka continued to strengthen its position as one of the most preferred affordable airlines of the region during the period under consideration. The airline significantly improved its financial performance in comparison to the previous year while firmly sustaining its position as the low fare market leader in Sri Lanka.

For the period of January –December 2014, Achievements in Comparison to previous year

- Total revenue increased to Rs. 10,278 million, a 10% increase against the same period of previous year.
- Record an operating Profit of Rs. 652 million for the period, against operating loss of Rs. 1,046 million the same period of previous year.
- The Net Deficit for the period was at Rs. 1,713 million a 36% improvement from the previous year.
- Finance Charges for the period, however, saw a year over year increase of 56% to Rs. 244 million due to the prior encashment of a Treasury bond and the related charges.
- Introduced the new Business Class offering. This product has contributed to an increase of revenue, and Mihin Lanka expects to further enhance the facilities based on customer feedback.
- The new route to Seychelles achieved its break-even point in the sixth month of operation, becoming one of the best new routes launched by the airline. Considering its performance since November 2014, we have introduced its 3rd frequency and have maintained a significant contribution to both MJ and UL network.

Mihin Lanka Strategy

- **Improving network-wide passenger revenue**

We intend to maximize the passenger revenue on our existing network by improving our dynamic revenue management systems to world-class standards, and enhancing our work practices.

- **Introducing new ancillary revenue streams and enhancing product value**

A growing revenue stream for Low Cost Airlines is Ancillary Revenues. We intend to increase our ancillary revenue streams through enhancement of existing ancillary services, and the introduction of innovative new services that will enhance our product value. In addition, we expect to improve the payment options for our existing ancillary services by offering the ability to pre-book online for services such as Extra Baggage and Add-on Meals.

- **Maintaining cost leadership and driving further efficiencies**

We intend to maintain our cost leadership position by further improving staff efficiency levels, improving fuel efficiency through regular fuel consumption monitoring, minimizing distribution costs through increasing the share of internet bookings, improving engineering and more scale, and improving airport operations through efficiency gains and better use of technology.

- **Strengthening the partnership with SriLankan Airlines**

Mihin Lanka will continue to strengthen its partnership with SriLankan Airlines, delivering numerous revenue and cost synergies for both airlines. The two airlines' commercial and operational activities are well coordinated, offering both airlines the ability to leverage each other's advantages in achieving sustainability and developing Sri Lanka into an aviation hub in the region.

Summary of Overall Performance

For the Year ending 31st December 2014

Rs. Mn	JAN -DEC		
	2014	2013	VAR %
Net Revenue	10,278	9,342	10%
Direct Operating Costs	(7,394)	(7,823)	-5%
Aircraft Related Costs	(2,231)	(2,566)	-13%
Operating Surplus/ (Deficit)	652	(1,046)	
Fixed and Overhead Costs	(1,912)	(1,358)	41%
Finance Charges	(453)	(291)	56%
Net Surplus/ (Deficit)	(1,713)	(2,695)	-36%

Network Performance

	JAN -DEC		
	2014	2013	VAR %
Number of Routes	11	12	9%
Number of Frequencies	1,715	1,635	5%
Passengers	481,601	505,259	-5%
Load Factor %	76%	75%	1%
Yield per RPK*(YRPK) -USC	5.50	4.91	12%
Cost per ASK* (CASK) – USC	4.81	4.59	5%
Revenue per ASK (RASK) - USC	4.27	3.87	10%

* RPK – Revenue Passenger Kilo meters

* ASK – Available Seat Kilo meters

Source – Internal Statistics – Mihin Lanka (Pvt) Ltd

- Airlines' Load Factor has increased by 1% and Yield/RPK has increased by 12%
- Above has contributed to 10% increase in Unit Revenue compared to last year , and Unit cost of the same period has only increased by 5% which has contributed bottom line improvement.

Shipping & Aviation Information and Research Pvt (Ltd)

Vision

“To provide a most effective, efficient and productive support to the shipping and aviation sector in Sri Lanka”

Mission

“Collecting data and information relating to shipping & aviation services and providing research and training for the betterment of these sectors”

Objectives

1. To collect and distribute data and information in relation to import and export by sea and air, analyzing and do research on the same and do the business of promoting such activities and functions as are assigned to the company from time to time by the Minister in charge of the subject of Ports & Aviation.
2. To collect and distribute data and information in the relation to traveling by sea and air, analyzing and do research on the same and do the business of promoting such activities and functions as are assigned to the company from time to time by the Minister in charge of the subject of Ports & Aviation.
3. To collect and distribute data and information in relation to traveling, import and export by sea and air on profit basis.
4. To do or undertake the research in relation to ports, Shipping and Aviation trade on profit basis.
5. To do the business of trainer’s education provider and consultants in related to import and export and connected fields.
6. To carry on the business or providing training, lectures, seminars, workshops, and human resources development programmers in connection with the above objects.
7. To collect and distribute data and information in relation to Academic, commercial/ non- commercial industrial or scientific activities of any Governmental or non-Governmental organization.
8. To do or undertake researches/ conduct feasibility studies in relation to any other fields of activities such as agriculture, education, financial services, engineering,

7. To collect and distribute data and information in relation to Academic, commercial/ non- commercial industrial or scientific activities of any Governmental or non-Governmental organization.
8. To do or undertake researches/ conduct feasibility studies in relation to any other fields of activities such as agriculture, education, financial services, engineering, insurance industry or in any other commercial/ non- commercial or welfare activities carried out by any Governmental or non-Governmental Agencies beneficial to the entire citizenry of Sri Lanka.

Performance 2014

Project 1: Preparation of the Cooperate plan for 2014/2017 as requested by the J.R. Jayawardene Cultural Centre.

J.R Jayawardena center is managing under the presidential secretariat Office and the Cooperate plan for 2014/2017 will be prepared by our organization. Collecting information is still under process.

Project 2: Conducted a two day workshop on Handling Hazardous Chemical for BOI Officers.

The Handling Hazardous Chemical workshop conducted by Dr. Rohan Perera that we arranged as requested by Board of Investment

**Income & Expenses statement for the period from
01/01/2014 to 31/12/2014**

Cash Inflow		SLRS Total
Fixed Deposit Interest (BOC)	2,167,064.38	
Profit on Projects	225,225.00	
Total Inflow		2,392,289.38
Cash Outflow		
Chairman's allowance	712,869.57	
Mgt Staff allowances	246,000.00	
Salaries of staff	1,175,398.22	
Board members allowance/Audit Com. Members allowance	509,000.00	
EPF/ETF	255,491.14	
Building Rent	342,000.00	
Vehicle Allowance	260,000.00	
Communication Expenses	72,814.57	
Repair & Maintenance Office and Equipments	86,107.35	
Petty Cash Reimbursement	63,858.16	
Printing/Stationeries / Postage	45,666.40	
Finance Expenses (with OD interest)	263,512.38	
Travelling Expenses	2,500.00	
Audit Fee	15,000.00	
Total Outflow		4,050,217.79
Net Surplus/(Defect)		(1,657,928.41)

Source – Internal Statistics Shipping & Aviation Information and Research (Pvt) Ltd



