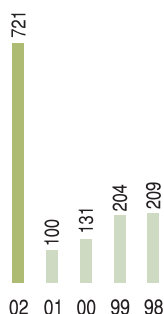


Overseas Plantations

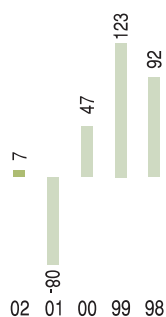
REVENUE

Rs. Mn



PROFIT/(LOSS) BEFORE TAX

Rs. Mn



The year that was.....

Increased yields and the maturing of new plantations in East Malaysia gave rise to increased palm oil production in Malaysia during the year under review. This, coupled with the absence of a strong demand pull from the two major markets, India and China, contributed to low prices for palm oil in world markets. Though prices dropped to an all time low in February 2001, they have now recovered to some extent. Given the importance of the oil palm industry to the country, the Malaysian Government took several steps to stabilize prices, including the granting of varied tax concessions, promoting alternative uses for palm oil and providing incentives for replanting.

Palm oil production in Indonesia continued to grow, although the rate of growth was slower due to the after effects of the economic crisis during which time plantation maintenance and fertilization was curtailed. We see positive indications of Indonesia coming out of the economic crisis, and with it the recovery of the palm oil industry. Recent years, however, have not produced too many new entrants to the industry. The relative stability in exchange rates and cost of inputs have been beneficial to business, although wage increases not tied to productivity is a cause for concern, particularly in times of economic difficulty.

How we fared.....

The plantation in Indonesia is now coming into maturity. Over 5,000 hectares of the total 13,800 hectares developed is now mature and produced a crop of 82,715 tonnes. Also, the entire plantation is expected to reach maturity by the year 2004. The oil processing mill commenced production in April 2001 and was successful in shipping out more than 26,000 tonnes of crude palm oil and 3,000 tonnes of palm kernel during the year. Total sales of the Company was US\$ 7.3 Million, with a tonne of CPO fetching an average of US\$ 275 per tonne during the year. Project is expected to become a self-financing venture in the financial year 2002/03.

During the year under review, PT Agro Indomas also focused on the social responsibility issues related to the community in which we operate. The plantation is now home to over 1,675 employees and their families and it has interactions with several outlying villages located around it.

The effects of exchange rate fluctuations on the performance of PT Agro Indomas and its liquidity position will be cushioned to some extent, since the interest payments and capital repayments of that company will be made out of export earnings designated in US Dollars. The rupiah, which fluctuated fairly severely the previous year, now seems to have stabilized at a reasonable level.

Our plantations in Malaysia produced a crop of 27,666 metric tonnes of fresh fruit bunches and yields averaged 18.16 metric tonnes per hectare. This could be compared with the Malaysian average yield of 19.14 metric tonnes per hectare. Fresh fruit bunches fetched a price of RM 182 per tonne compared with last year's prices of RM 168 per tonne. Costs of production were lower than the previous year due to lower fertilizer costs as well as the effects of cost control measures introduced recently.

Our plantations in Malaysia are now at an advanced mature stage. The replanting programme that commenced two years ago, which was temporarily suspended due to difficult market conditions, has now been revived. This is expected to lead to better yields as well as create younger plantations which would, on average, be aged below twenty years.

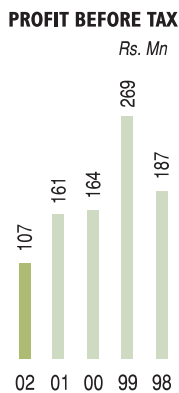
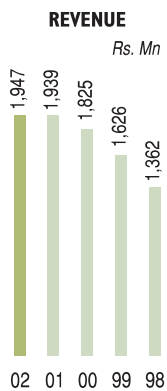
A view of the future

Oil palm still continues to be Malaysia's "golden crop" and plays an important role in its export economy, while Indonesia has positioned itself as the newly emerging force in this industry, given its abundance of land, labour and other inputs at competitive prices. The situation of economic instability in Indonesia, hitherto an area of concern for foreign investors, is now reversing and a better environment for business is likely to be forthcoming in the next few months.

As a commodity, palm oil will always be subject to the vagaries of world market price fluctuations and industry participants must necessarily be geared to face the risks inherent in the business. Over the medium to long term, however, the fundamentals upon which the future demand for palm oil is projected is still sound. China and India, the world's two largest markets are the main consumers of the product and demand would grow as these giant economies develop and the standards of living of their people improve. Trade barriers too are likely to be dismantled with the passage of time. The competitiveness of South East Asia for oil palm production is now hard to match, given the quality and productivity base already established. The potential for value addition to the commodity through extensive research on downstream uses is likely to strengthen demand, while mechanization and new developments in estate productivity will help to keep input costs at manageable levels. All these factors go towards strengthening the future profit potential of the palm oil industry.

Our own estates would feel the beneficial effects of the replanting programme, the continued emphasis on cost management, mechanization in the new plantation in Indonesia and new management information systems which will contribute to improvements in productivity. All these are expected to translate to vastly improved shareholder returns in the medium to long term.

On a different note, the continuing estate labour shortages, rapid urbanization and land alienation for commercial purposes tend to indicate that use of land for agricultural purposes in West Malaysia would not provide the best economic rates of return in the long term. Plantation companies are, therefore, likely to look at converting agricultural land located in the more commercial areas of West Malaysia into alternative uses in time to come.



The year that was.....

Low consumer demand as a result of the economic downturn resulted in a drop in beer sales to unprecedented levels. All sections of society were affected by the recessionary conditions – the suburban and rural economies in particular due to job losses and declining agricultural and industrial production. The drastic drop in tourist arrivals too contributed to lower sales in the hotels segment. Even the usually festive month of December provided no respite since the pre and post election activity kept many outlets closed. The power cuts too had their impact on the industry with many on-premise and off-premise outlets remaining closed after dark.

There was mounting evidence to support the existence of the illicit industry whose activities are now carried out more openly. Sales of illicit liquor continue unabated due to the non-availability of sufficient legal liquor outlets, particularly in the rural areas. The immediate need for effective law enforcement, and as a long term measure, the provision of a level playing field for the soft alcohol industry, have been long felt needs for countering the illicit industry.

The simplification of the excise tax structures applicable to the beer industry and removal of the Excise Special Provisions Tax is certainly a step, although a small one, in the right direction. In response to this change, the prices of our products with lower alcohol contents were reduced by an amount greater than the tax reduction, since we continue to advocate that our society should move away from the consumption of high alcohol products. We acknowledge the policy makers efforts to understand the social and economic impacts of the present regulatory framework governing the alcohol industry in Sri Lanka. The latter has proved to be inadequate either to control the spread of illicit liquor or to raise more funds for government coffers by way of taxes. A more progressive policy framework, encompassing lower taxes and a more liberal distribution network for soft liquor, can address both issues.

How we fared.....

As a result of unattractive market conditions sector performance was at an all time low. The Group has invested close to Rs. 2.1 Billion of internally generated, public funds and bank borrowings in expanding this sector within the last seven years, in anticipation of high growth and market liberalization which never materialized due to inconsistent policy decisions in the past. The statistics below show the inadequacy of the return on those investments and the low rates of return to shareholders:

	2002	2001	2000
Profit after tax	110.64	152.94	131.73
Return on capital employed	2.92	5.32	6.94
Return on shareholders' funds	3.62	10.77	15.43
Dividends declared (%) - by parent - CBL	-	-	20%
Share price (Parent Company - CBL)	47.00	19.50	27.00

Nevertheless we have made every effort to consolidate our position and generate the maximum return to our shareholders through various means. The closure of the Nuwara Eliya brewery in the interests of cost efficiency and the need to consolidate production at one venue, gave rise to a substantial expense in the form of compensation payments to employees and assets write-offs. This amounted to Rs. 211.10 Million, and most of it was incurred in the year under review. We expect to benefit from the operating efficiencies and cost savings which resulted from this over the next few years. Though far below expectations, this sector continues to generate adequate levels of profit purely due to the internal management efforts which have mitigated the negative effects of the policy framework.

Exports of branded Lion Beer has doubled in the main markets of Maldives, US and several European countries. We will continue with our search for new markets and greater penetration in existing markets. Exports will be a prime area of focus during the current financial year although the volume of funds that can be expended on market development and penetration overseas is constrained by the low profitability of the sector.

Efforts are also under way to improve the cost efficiency and productivity of the Lion brewery. This project envisages better management of the cost base, improved work processes and more effective resource utilization for productivity gains. The brewery operation recorded improvements in performance when benchmarked against the operating norms of Carlsberg breweries worldwide.

Several initiatives are also under way to enhance the effectiveness of the distribution network. The Company proposes to engage in an exercise that will assist their distributors to function more effectively by managing their businesses better. It is expected that the resulting efficiencies will be of mutual benefit to our own business as well as the distributors' businesses.

Brand building activities for Lion Lager, Carlsberg and Lion Stout continued, albeit at a slower pace. Sponsorships of selected events, packaging changes and merchandising were the main areas of focus. Nevertheless, given the numerous restrictions imposed on publicity and promotional activity as well as the lack of funds, brand exposure was fairly limited.

A view of the future.....

There is an urgent need to legitimize the alcohol industry in Sri Lanka. Estimates indicate that the illicit industry is almost the double the size of the legitimate industry in this country. Not only does this indicate the potential volume of tax revenue the Government is deprived of, but also the pervasiveness of social problems caused by the indiscriminate sale of illicit liquor.

Whilst law enforcement has a role to play in reversing this trend, a more rational regulatory framework governing taxation, distribution and promotion of soft liquor is also an essential requirement for the long term. In keeping with international norms, beer, particularly the varieties with very low alcohol content, need to be lower in price, available at a greater variety of outlets and promoted to adult markets through appropriate means. This way both the economic and social benefits to the country can be optimized. On a more specific issue, the leisure industry has been experiencing difficulties due to the archaic laws governing the sale of liquor in this country, e.g. banning sales within hotel premises on specific days, which naturally imposes constraints on the hotel industry's ability to promote special events and entertainment.

Our own efforts to improve efficiencies, reduce costs and develop exports will enable us to generate better cash flows in time to come. In, perhaps a limited way, this will lead to enhancement of shareholder returns. The true potential of the soft alcohol industry, however, can only be harnessed through the implementation of a realistic regulatory regime which will benefit the industry, society and the Government in the long term.

REVENUE

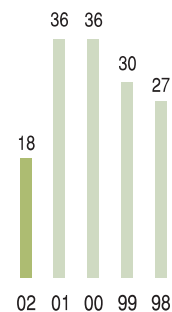
Rs. Mn

**The year that was.....**

The economic downturn continued to exert its toll on the office space market in Colombo and its vicinity. The lack of demand and reluctance of corporates to expand their offices or seek better accommodation was a severe constraint on maintaining occupancies at reasonable rentals. The inability of corporates and commercial establishments to afford quality accommodation gave rise to the creation of a parallel market where converted residential properties were being used as office space. Ironically, the unattractive market conditions did not deter developers from adding to the stock of office space available within the City either. This collective scenario resulted in yet another year where property developers had to contend with situations of oversupply and price competition. It also meant that the long term value appreciation potential of prime real estate properties, a key consideration for shareholder value addition, was adversely affected.

PROFIT BEFORE TAX

Rs. Mn



Although we are encouraged by the decision taken by the authorities to open several main roads within the City which were hitherto closed to traffic, the closure of a key access road to the Fort, Janadhipathi Mawatha, continues to pose a problem to our real estate business. Giving due regard to the security needs of the area, we would urge the authorities to reconsider opening at least a section of this road for normal traffic. Shareholders of Equity Two Ltd., located on Janadhipathi Mawatha, have long suffered from paltry returns and are faced with losses this year, since sourcing tenants for what could be regarded as our best property has been virtually impossible due to the lack of accessibility. Returns to shareholders of this company during the past six years have never really justified having owned a prime property in the heart of the business district.

To add to the despair of an unattractive market, property developers have been faced with rapidly escalating costs, which have squeezed profits to unprecedented levels. Insurance premiums on terrorism cover were once again revised upwards in the aftermath of the global terrorist attacks. Utility costs too have been constantly on the rise due to the infrastructural constraints faced by the country. The market for commercial warehouse space too was adversely affected by the lack of growth in the industrial sector.

How we fared.....

All these factors meant that our real estate business performed below potential. Notwithstanding these adversities, our excellent long term relationships and personalized service to key tenants have enabled us to retain our valued customers and to maintain our position for future revival.

Some key performance indicators compared with the previous year are given below:

	2002	2001	% Change
Occupancy (%)	85%	93.5%	(9.09)
Turnover (Rs.)	69,779,550	86,968,757	(19.76)
Net profit before tax (Rs.)	18,143,520	36,431,195	(50.20)
Average rent per square foot (Rs.)	44.18	51.60	(14.38)
ROCE (%)	1.44	2.99	(51.84)
Return on shareholders' funds (%)	1.05	2.68	(60.82)

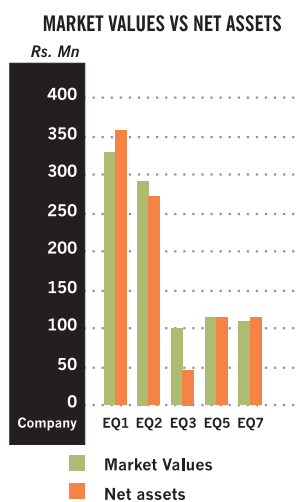
Dividend distribution by Equity One Ltd., during the last fifteen years

	1988-1992	1993-1997	1998-2002	Total
Issued share capital	62,033,430	62,033,430	62,033,430	62,033,430
Net profit after taxation (Rs.)	36,141,165	53,682,081	46,655,098	136,478,344
Profit available for appropriation (Rs.)	38,200,561	60,899,323	50,991,479	150,091,363
Dividend distributed (Rs.)	33,187,884	50,991,479	47,145,408	131,324,771

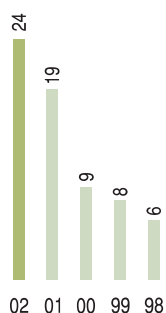
A view of the future.....

Our contention, however, is that once the process of economic recovery begins we expect this sector to benefit from it immediately since property prices, both rentals and market values, are the first to respond to an economic turnaround. We also observe that the Government and the Urban Development Authority have drawn up a master plan for development of the Colombo Metropolitan Region. As property developers, we are greatly encouraged by such efforts and would earnestly hope that these plans are effectively implemented to create an environment conducive for private developers to make further investments.

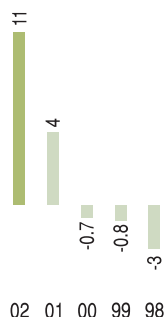
Moreover, if the process of economic development hastens, we see opportunities for this sector to engage in alternative real estate projects such as housing, retail, commercial and leisure developments. Diversification into infrastructure projects that have synergistic effects with property development and management are also potential areas for consideration.



REVENUE
Rs. Mn



PROFIT/(LOSS) BEFORE TAX
Rs. Mn



Airlines

The year that was.....

Globally the airline industry perhaps faced its worst year ever in recent times. The terrorist attacks in the US on September 11th inflicted a near fatal blow on an industry already fraught with severe profitability issues. The immediate cutbacks in travel and the global economic slowdown resulted in job losses and route curtailment by all major airlines. Experts, however, predict that the fortunes of the global air travel industry will reverse within the next year.

The Sri Lankan aviation industry had its own problems to contend with, following the terrorist attack at the Colombo Airport. The national carrier lost a sizeable part of its fleet and international airlines withdrew from Colombo creating a huge vacuum in the air travel market. Right now, the country is experiencing a shortage of seats to key destinations. Martinair, which was serviced by our GSA for one year, too withdrew due to low yields. As the GSA of off-line carriers KLM Royal Dutch Airlines and Northwest Airlines, the lack of flights out of Colombo have imposed a limit on our ability to offer attractive connections to the international route network of our principals.

How we fared.....

Our airline sector nevertheless produced good results drawing on the strengths of our product and the excellent working relationship with Sri Lankan Airlines which enabled us to secure seat access for our passengers on the first sector. As a result we ended the year with a net profit before tax of Rs. 10.49 Million for the year under review.

The Group records an important milestone this year on completion of forty years of representation of KLM Royal Dutch Airlines here in Sri Lanka. The strong working relationship between the two parties has resulted in a mutually beneficial arrangement. Although KLM does not fly to Sri Lanka right now due to low market potential, we are confident that given a reversal in business climate we could convince them to resume flights.

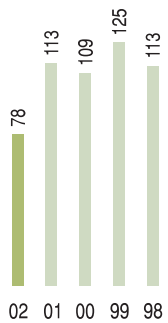
A view of the future

The aviation industry is one which is poised for growth in Sri Lanka. A good business environment has to be necessarily supported by a good aviation policy and airport infrastructure. We understand that the Government's new aviation policy is focused on liberalised air access, which is a pre-requisite for growth of the industry.

The creation of a regional aviation hub in Sri Lanka is still a very viable proposition, given our natural location advantage and the most business friendly environment in the South Asian Region. The critical success factors for creation of an aviation hub in the country, we believe, are being addressed at present. Airport development needs to be fast-tracked and access to foreign carriers should be liberalised, with the aim of improving outbound capacity, as well as bringing in additional tourists.

As such, we look forward to the growth opportunities the future will present in this sector, and will consider enhancing our portfolio of airline representations to fulfil varying customer needs. Expansion into related transportation areas with synergistic effects on the current business too will be explored.

REVENUE
Rs. Mn



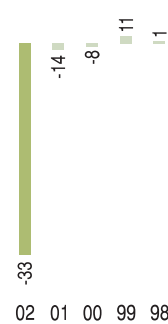
Hotels

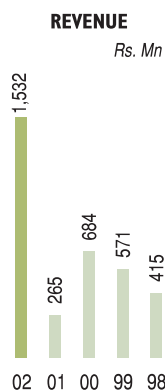
Falling tourist arrivals virtually brought the industry to a halt as it struggled for survival following the double blow it suffered consequent to the terrorist attacks on July 24th and September 11th. Price competition intensified, while many hotels reduced capacity and laid off staff in order to stay afloat another season. Many of the smaller establishments have gone out of business and small time entrepreneurs who depended on this industry have been deprived of their livelihoods. Shareholders of larger corporates have seen their investments dwindle to almost negligible values while hotel companies had to contend with massive debt servicing costs.

But the industry's remarkable resilience once again was apparent with tourists beginning to trickle in following the one-for-one promotion launched by the industry in collaboration with Sri Lankan Airlines. Hoteliers are now hopeful of a recovery during the forthcoming season. The Government too has displayed its commitment to reviving this industry in order to exploit its full potential for the country.

Both Pegasus and Girital hotels felt the strain of over a decade of mediocre performances which has now culminated in a combined carried forward loss of Rs. 63.91 Million in this sector. The apparent lack of synergistic industry benefits - such as a chain of hotels for a round trip and a tour operating arm-makes it unviable for Carsons to be in this business. As such, the Group is considering divestment of its interests in the two hotels.

PROFIT/(LOSS) BEFORE TAX
Rs. Mn



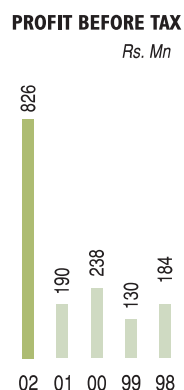


Investment Holdings

The year that was

The Colombo Stock Exchange experienced a temporary rally towards the latter part of the year 2001 with the electoral process gathering momentum and an anticipated change of government. Overall, in the year 2001 the ASPI gained 46% and the MPI 56% and investors were rewarded with attractive capital gains, particularly on blue chip holdings. After the initial euphoria, the first quarter of the year 2002 saw stability in the market and fairly measured responses to external developments.

Interest rates too remained stable during the year under review, with the Central Bank being instrumental in bringing down rates through cuts in lending and borrowing rates on treasury instruments. The overnight repurchase rates too moved in response to these changes. The fact that short term interest rates remained more attractive than long term rates meant that this aspect of the investment market remained unaddressed. The corporate debt market did not record any major developments as corporates were reluctant to resort to public issues to raise funding.



How we fared.....

Our investment holdings sector, collectively coming under the Guardian Group, recorded a favourable performance during the year under review. This strengthens our past record of having maintained consistent returns to shareholders despite volatile and mostly unattractive market conditions. An indication of the dividends and bonus issues by the Guardian Group for the last 5 years are given below:

	2002	2001	2000	1999	1998
The Ceylon Guardian Investment Trust Ltd.					
- Bonus - Rs. (at MV)	72,286,070 *	-	45,273,890	38,349,720	-
- Dividends - Rs.	3,992,633	18,006,483	15,000,785	12,632,590	11,524,864
The Ceylon Investment Company Ltd.					
- Bonus - Rs. (at MV)	42,686,325 *	-	21,358,702	27,915,313	-
- Dividends - Rs.	3,693,882	16,143,199	15,000,756	12,914,558	11,921,130

* Before any dilution resulting from the bonus issue.

Rights issues by the two quoted companies of the Guardian Group were over-subscribed, displaying investor confidence in their management and future potential. The proceeds of the rights issues will be utilized to diversify the investment portfolio of the Guardian Group into infrastructure and other potential sectors.

A major proportion of the Guardian Group fund was invested in the following sectors and key holdings:

Sector and Company	% stake	Market value as at 31st March 2002
Diversified Conglomerates		
<i>(45.33% of portfolio's market value)</i>		
Hayleys	7.74%	Rs. 374.55 Million
JKH	3.69%	Rs. 396.24 Million
Banks, Finance and Insurance		
<i>(5.39% of portfolio's market value)</i>		
Commercial Bank (Voting)	0.29%	Rs. 16.69 Million
NDB	1.99%	Rs. 72.61 Million
Oil Palm		
<i>(27.16% of portfolio's market value)</i>		
The Good Hope Co. Ltd.	30.67%	Rs. 162.60 Million
The Selinsing Co. Ltd.	28.48%	Rs. 120.55 Million
The Indo-Malay Estates Ltd.	23.81%	Rs. 144.64 Million
The Bukit Darah Co. Ltd.	20.04%	Rs. 34.06 Million
Services		
<i>(2.78% of portfolio's market value)</i>		
John Keells Ltd.	10.89%	Rs. 47.19 Million
Beverages		
<i>(17.19% of portfolio's market value)</i>		
Ceylon Cold Stores	12.95%	Rs. 158.09 Million
The Lion Brewery Ceylon Ltd.	3.79%	Rs. 97.58 Million
The Ceylon Brewery Ltd.	2.28%	Rs. 22.50 Million

Our investment strategy focused on increasing exposures to high quality blue chip stocks with attractive PE ratios and strong fundamental values. Whilst being highly liquid, these shares are likely to be the first to benefit once the process of market recovery commences and as such they are likely to generate above average returns to shareholders. The sector also engaged in selective trading to maintain returns to shareholders and exploit short term opportunities. The disposal of non-performing stocks persisted. As at the end of the financial year the market value of the Guardian Group portfolio stood at Rs. 1.70 Billion appreciating 50% in comparison with the growth in the ASPI of 46% during the year under review.

A view of the future

As the economic policies and the peace initiatives of the new Government unfold we expect the stock market to react positively in response to investor sentiments. The current financial year is therefore of vital importance to equity investors, who will stand to gain from business friendly economic policies and progress on securing a long term negotiated settlement to the problems in the North and East of the country. These trends and the process of global economic recovery are also likely to attract foreign portfolio investors who can be a key force in sustaining the local bourse. Guardian Fund Management Ltd. will focus on managing more foreign funds in future, in addition to the Sri Lanka Fund, making use of the in-house capabilities already developed.

We are also encouraged by the Government initiatives to hand over a part of the institutional funds to private sector fund managers as these domestic funds are essential for the sustenance of the market, in the absence of foreign investors. More such captive funds should be released for private sector management. It is also worth considering allocating a part of these funds for investment in targeted high growth sectors under the guidance of private fund management professionals. In addition, the authorities should consider allowing investment companies specialising in equities to invest a limited volume of their portfolios in regional stock markets. The anticipated acceleration of the privatization programme, listing of infrastructure projects and utilities on the stock exchange as well as the general expansion in business activity will give the market a much needed boost in the years ahead and provide investment opportunities for institutional and retail investors. Of particular importance would be the market liquidity that would arise if the Government were to divest partial stakes of key ventures such as Sri Lanka Telecom, Sri Lankan Airlines and Shell Gas Lanka.

The fresh infusion of Rs. 64.96 Million of funds into the Guardian Group will be utilized to gain exposures to these new investment opportunities for enhanced shareholder value addition. Diversification of its portfolio into new sectors such as infrastructure will give the Guardian Group the ability to manage risk exposures better and continue its tradition of providing a consistent return to shareholders in the medium to long term. It is likely that the Guardian Group companies will require periodic enhancements in the fund base in future in order to participate in the new investment opportunities that will arise with the process of economic growth.

KEY STRATEGIC INVESTMENTS**Union Assurance Ltd. - 24% interest**

Union Assurance Ltd. (UAL) was established when the private sector was permitted to enter the insurance industry and commenced business in 1987 as a composite insurer transacting all classes of life and general insurance business. Since then the Company has grown to be one of Sri Lanka's most successful financial service companies. The major shareholders of Union Assurance consist of the Aitken Spence & Co. Ltd., Carson Cumberbatch & Co. Ltd., John Keells Holdings Ltd., International Finance Corporation and the Asian Development Bank.

Net profit of UAL for the year 2001 was Rs. 179.4 Million, a growth of 22% over the previous year. The Company declared a dividend of 35% for the year 2001. This growth is commendable when considering the intense competition in the insurance industry and the state of the economy. UAL has expressed its continuing concern over the industry practices of price competition in the general insurance business which could lead to a weakening of the industry's financial stability and subsequent loss of credibility among customers. UAL, which has over the years focussed on underwriting high quality general insurance business, has been successful in strengthening its profitability through these means.

During the year the Company focussed on improving customer relationships, enhancing service quality to customers, developing human resource skills and capabilities, upgrading technology and re-orienting organisational processes. On the life insurance side, efforts were mainly underway to strengthen the sales force.

The new Regulation of Insurance Industry Act and the formation of the Insurance Board of Sri Lanka were positive developments during the year which fulfilled a long felt need of the industry. Given the changes taking place within the Company and the industry, we are confident that our stake in UAL will continue to serve the Group well in time to come.

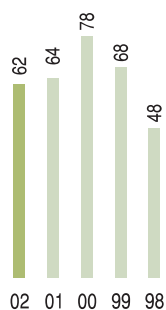
The Unit Trust Management Co. (Pvt) Ltd. (UTMCL) - 22% interest

UTMCL is one of the leading fund management companies in an environment where the unit trust industry is still in its early stages of development. Carson Cumberbatch & Co. Ltd. along with Bank of Ceylon, Sri Lanka Insurance Corporation Ltd., Unit Trust of India and HSBC Asset Management Hongkong Ltd. are the key shareholders of this company. UTMCL is licensed by the Securities and Exchange Commission of Sri Lanka (SEC) to manage the Ceybank Unit Trust (Income and Growth Fund) and Ceybank Century Growth Fund in addition to providing other asset management activities.

The Ceybank Unit Trust reported 56.2% growth and was successful in out performing the market by 10.4% during the year under review. The corresponding figures for the Century Growth Fund were 55.5% and 9.7% respectively. The Company's funds under management at present amounts to Rs. 1,400 Million. Given the anticipated economic recovery and new investment opportunities arising therefrom, the Company would be well positioned to take advantage of these through the fund management capabilities built up over the years. The Company recorded a pre-tax profit of Rs. 9.24 Million during the year, a growth of 197% compared to previous year.

REVENUE

Rs. Mn

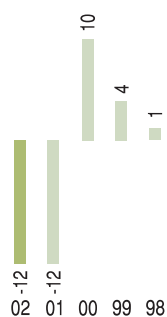
**Management Services**

Carsons Management Services (Pvt) Ltd. (CMSL) is the provider of corporate management services to the Group's subsidiary companies. It is designed to provide specialised services that are related and complementary to group business interests. CMSL supports our subsidiaries in fields such as:

- 1 Finance & Treasury Management
- 1 Legal & Tax Services
- 1 Company Secretarial Practice
- 1 Corporate Planning & Business Development
- 1 Human Resource Management & Development and
- 1 Information Technology

PROFIT/(LOSS) BEFORE TAX

Rs. Mn



It comprises a group of technical specialists who provide inputs on their areas of expertise to the strategic business units of the Group. In addition, CMSL focuses on providing corporate level policy direction to strategic business units to optimise resource allocation within the Group and generate corporate synergies.

In keeping with the demands of a new business environment, functions such as corporate relations, internal audit, compliance and corporate governance are skill specialisations that this sector needs to focus further.

CMSL also assists the SBUs of the Group to enhance their managerial proficiency and improve processes related to service delivery, when required. CMSL also ensures that the SBUs operate on a common platform in the best interest of the Group through key programmes like performance appraisal, employee opinion surveys, training guidelines, business planning and quarterly reviews and deployment of high end information technology networks for corporate communication and information sharing.