

CEYLON INVESTMENT PLC
INTERIM REPORT FOR THE FIRST
QUARTER ENDED 30TH JUNE 2010

Ceylon Investment PLC
Income Statement
Interim Financial Statements

For the first quarter ended 30th June (All figures in Sri Lankan Rupees '000)	Note	2010 (Unaudited)	2009 (Unaudited)	Change %	Year ended 31.03.10 (Audited)
Revenue		329,699	205,787	60	1,068,615
Carrying value of investments disposed		(307,513)	(141,664)	117	(912,461)
Mark to market value adjustment	2	121,055	89,800	35	509,086
Profit on portfolio activities		143,241	153,923	(7)	665,240
Administrative expenses		(4,733)	(2,678)	77	(19,775)
Profit from operations		138,508	151,245	(8)	645,465
Finance cost		(140)	-	100	(103)
Profit from operations after finance cost		138,368	151,245	(9)	645,362
Share of associate company's profit		179,634	135,927	32	357,630
Profit before taxation		318,002	287,172	11	1,002,992
Taxation		(178)	(6,044)	(97)	(14,109)
Profit for the period		317,824	281,128	13	988,883
Earnings per share (Rs.)		16.45	11.64		51.19
Dividend per share (Rs.)		-	-		6.70

Change % column represents the percentage changes in the current period's results compared to comparative period of previous year.

Figures in brackets indicate deductions/negative changes.

Ceylon Investment PLC
Balance Sheet
Interim Financial Statements

(All figures in Sri Lankan Rupees '000)
As at 30th June

	Note	2010 (Unaudited)	2009 (Unaudited)	As at 31.03.10 (Audited)
ASSETS				
Non-Current Assets				
Investment in associate	3.1	2,508,592	1,979,060	2,273,895
Other investments	3.2	2,457,306	1,308,174	2,092,126
Total non current assets		4,965,898	3,287,234	4,366,021
Current Assets				
Trade and other receivables		25,488	2,491	5,162
Short-term investments	3.3	492,154	92,401	400,613
Short term Deposits		-	872,098	5,941
Cash at bank		54,583	-	12,485
Total current assets		572,225	966,990	424,201
Total assets		5,538,123	4,254,224	4,790,222
EQUITY AND LIABILITIES				
Stated Capital and Reserves				
Stated capital		506,074	506,074	506,074
Capital reserves		1,766,924	1,182,569	1,686,615
Revenue reserves		3,126,828	2,538,920	2,555,828
Shareholders' funds		5,399,826	4,227,563	4,748,517
Current Liabilities				
Creditors and accruals		418	959	26,787
Income tax payable		6,349	3,653	7,010
Dividend Payable		103,021	3,359	6,902
Bank overdraft		28,509	18,690	1,006
Total current liabilities		138,297	26,661	41,705
Total equity and liabilities		5,538,123	4,254,224	4,790,222
Net assets per share - Book Value (Rs.)		279.54	175.08	245.83
Net assets per share - Market Value (Rs.)		433.42	189.61	340.86

The Balance Sheet as at 30th June 2010 and the related Statements of Income, Changes in Equity and Cash Flow for the period then ended have been drawn up from unaudited accounts.

I certify that these Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

V. R. Wijesinghe

Financial Controller

Carsons Management Services (Private) Limited

Approved and signed on behalf of the Investment Managers,

Approved and signed on behalf of the Board,

(Sgd.)

W. Y. R. Fernando

Director

Guardian Fund Management Limited

(Sgd.)

A. P. Weeratunge

Director

(Sgd.)

D.C.R. Gunawardena

Director

Colombo

27th July 2010

Ceylon Investment PLC
Statement of Changes in Equity
Interim Financial Statements

(All figures in Sri Lankan Rupees '000)	Stated Capital	Capital Reserve	Revenue Reserve	Total Equity
Balance as at 1st April 2009 (Audited)	506,074	899,109	1,753,783	3,158,966
Profit for the year	-	-	988,883	988,883
Movement in associate company's reserves	-	787,506	-	787,506
Re-purchase of shares	-	-	(912,711)	(912,711)
Effect of change in associate company's negative goodwill	-	-	10,686	10,686
Gain on Revaluation of long-term investments	-	-	884,207	884,207
Dividend paid	-	-	(169,020)	(169,020)
Balance as at 31st March 2010 (Audited)	506,074	1,686,615	2,555,828	4,748,517
Profit for the period	-	-	317,824	317,824
Movement in associate company's reserves	-	80,309	-	80,309
Gain on Revaluation of long-term investments	-	-	382,598	382,598
Dividend paid	-	-	(129,422)	(129,422)
Balance as at 30th June 2010 (Unaudited)	506,074	1,766,924	3,126,828	5,399,826
Balance as at 1st April 2009 (Audited)	506,074	899,109	1,753,783	3,158,966
Profit for the period	-	-	281,128	281,128
Movement in associate company's reserves	-	283,460	-	283,460
Gain on Revaluation of long-term investments	-	-	504,009	504,009
Balance as at 30th June 2009 (Unaudited)	506,074	1,182,569	2,538,920	4,227,563

Figures in brackets indicate deductions.

Ceylon Investment PLC
Cash Flow Statement
Interim Financial Statements

	2010	2009	Year ended
	(Unaudited)	(Unaudited)	31.03.10 (Audited)
For the first quarter ended 30 June (All figures in Sri Lankan Rupees '000)			
Net cash generated from operating activities	41,956	72,016	314,216
Net cash used in financing activities	(33,303)	(15)	(1,078,203)
Net increase/(decrease) in cash & cash equivalents	8,654	72,001	(763,987)
Cash & cash equivalents at the beginning of the period	17,420	781,407	781,407
Cash & cash equivalents at the end of the period	26,074	853,408	17,420
Statement of Cash & Cash Equivalents			
Short term Deposits	-	872,098	5,941
Cash at bank*	54,583	-	12,485
Bank overdraft	54,583 (28,509)	872,098 (18,690)	18,426 (1,006)
	26,074	853,408	17,420

* includes interest bearing savings accounts.

Figures in brackets indicate deductions.

Ceylon Investment PLC

Notes to the Interim Financial Statements

1 Basis of Preparation of Interim Financial Statements

The Interim Financial Statements of the Company and its associate have been prepared in consistence with the accounting policies and methods applied for the year ended 31st March 2010 and are in compliance with Sri Lanka Accounting Standard 35 - 'Interim Financial Reporting'.

Further, provisions in the Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company and its associate.

2 Mark to market value adjustment

Rs. '000	Quarter ended 30.06.10	Quarter ended 30.06.09
Reversal of mark to market adjustment loss for long-term investments in the previous year	-	44,453
Mark to market value adjustment for short-term investments	81,859	45,347
Realization of revaluation gains on disposal of shares	39,196	-
	121,055	89,800

3 Sector Investment Portfolio

3.1 Investment in Associate

Rs. '000	Carrying Value as at 30.06.10	Directors' Valuation as at 30.06.10	Carrying Value as at 30.06.09	Directors' Valuation as at 30.06.09
Rubber Investment Trust Limited*	296	5,480,984	349	2,329,821
Company's share of associate company's net assets	2,508,296	-	1,978,711	-
	2,508,592	5,480,984	1,979,060	2,329,821

*The Directors' valuation of Rubber Investment Trust Limited (RITL) is based on the net asset value of the RITL which is arrived at based on the market value of the investment portfolio of RITL.

3.2 Long-Term Investments

Rs. '000	Market Value as at 30.06.10	Market Value as at 30.06.09
Sector		
Bank, Finance & Insurance	808,157	67,670
Beverage, Food & Tobacco	347,050	251,013
Diversified	799,048	794,541
Healthcare	68,910	32,627
Hotels & Travels	207,500	36,426
Telecommunications	-	2
Total Investment - quoted	2,230,665	1,182,279
Unquoted Investments	226,641	125,895
Total net carrying value of long-term investments	2,457,306	1,308,174

Ceylon Investment PLC
Notes to the Interim Financial Statements

3.3 Short-Term Investments

Rs. '000	Market Value as at 30.06.10	Market Value as at 30.06.09
Sector		
Bank, Finance and Insurance	170,050	61,118
Beverage, Food & Tobacco	-	4,920
Diversified	148,543	15,163
Hotels & Travels	75,330	-
Manufacturing	83,427	-
Telecommunication	14,804	-
Chemicals & Pharmaceuticals	-	5,900
Construction & Engineering	-	5,300
Total equity securities	492,154	92,401

4 Events Occurring after the Balance Sheet date

There were no significant events which require disclosure or adjustment in these Financial Statements.

5 Contingent Liability

There were no changes of a material nature in the contingent liabilities since the last Annual Report Balance Sheet date.

6 Stated Capital

Stated Capital of the Company consists of 19,316,642 ordinary shares.

7 Liabilities for Expenditure

There were no liabilities for management fees or any similar expenditure not provided for in the interim financial statements.

8 Price Index Movements

	As at 30.06.10	As at 30.06.09
ASPI	4,612	2,432
Milanka	5,278	2,722

9 Investor Information

Market Performance - Ordinary Shares

	30.06.10 Rs.
Last traded price per share	300.50
Highest price per share during the period	340.00
Lowest price per share during the period	280.00
Market capitalization (Rs. mn.)	5,805

10 Public Holding

The Percentage of shares held by Public as at 30th June 2010 was 33.10%.

11 Directors Shareholding as at 30th June 2010

	No. of Shares
Mr. I Paulraj	50
Mr. D. C. R. Gunawardena	50
Mr. A. P. Weeratunge	-
Mrs. M.A.R.C. Cooray	-
Mr.A. De. Z. Gunasekara	-
Mr.V. M. Fernando	-

12 Comparative Figures

Comparative figures have been restated where necessary to conform to the classification and presentation as at 30th June 2010.

Ceylon Investment PLC
Interim Financial Statements

13 Twenty Major Shareholders as at 30th June 2010

Name of the shareholder	No. of shares	%
1 Ceylon Guardian Investment Trust PLC	10,870,453	56.27
2 Carson Cumberbatch PLC	2,050,834	10.62
3 Thurston Investments Ltd.	398,513	2.06
4 Waldock Mackenzie Ltd/Mr. H.M.S. Abdulhussein	267,815	1.39
5 Mrs. M.L. de Silva	255,957	1.32
6 Miss G.I.A. de Silva	250,475	1.30
7 Mr. G.J.W. de Silva	195,000	1.01
8 J. B. Cocoshell (Pvt) Ltd.	174,218	0.90
9 Mr. K.C. Vignarajah	171,592	0.89
10 Pershing LLC S/A Averbach Grauson & Co.	166,000	0.86
11 Oakley Investments Ltd	156,000	0.80
12 Bank of Ceylon - No.2 A/C	134,600	0.70
13 Miss. R.H. Abdulhussein	118,961	0.62
14 DFCC Bank A/C 1	113,336	0.59
15 Mr. Y.H. Abdulhuseein	110,901	0.57
16 Estate of Late N.K.A. De Silva	110,233	0.57
17 Waldock Mackenzie Ltd./ Mr. M.A.N. Yoosufali	103,020	0.52
18 Commercial Bank of Ceylon Ltd./Mr. K.C. Vignarajah	97,279	0.50
19 Cocoshell Activated Carbon Company Ltd.	95,317	0.49
20 Aitken Spence PLC - A/c No. 2	86,341	0.45

Corporate Information

Name of Company

Ceylon Investment PLC
(A Carson Cumberbatch Company)

Company Registration No.

PQ 68

Domicile and Legal Form

Ceylon Investment PLC is a Public Quoted Company with limited liability domiciled in Sri Lanka.

The Company was incorporated in Sri Lanka in 1919.

Principal Activity and Nature of Operations

During the period the principal activity of the Company was holding and managing of an investment portfolio.

Parent Enterprise and Ultimate Parent Enterprise

The Company's parent enterprise is Ceylon Guardian Investment Trust PLC, which is incorporated in Sri Lanka.

The Company's Ultimate Holding Company and controlling entity is Carson Cumberbatch PLC, which is incorporated in Sri Lanka.

Number of Employees

The Company did not have any employees of its own during the period.

Directors

Mr.I. Paulraj (Chairman)
Mr.D.C.R. Gunawardena
Mr.A.P. Weeratunge
Mrs.M.A.R.C. Cooray
Mr.A. De. Z. Gunasekara
Mr.V. M. Fernando

Bankers

Standard Chartered Bank
HSBC
Commercial Bank of Ceylon PLC
Deutsche Bank AG Colombo

Auditors

Messrs. KPMG Ford, Rhodes, Thornton & Company
Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha, Colombo 3
Sri Lanka

Managers & Secretaries

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha,
Colombo 1, Sri Lanka
Telephone No. +94-11-4739200
Fax No. +94-11-4739300

Investment Manager

Guardian Fund Management Limited
No. 61, Janadhipathi Mawatha
Colombo 1, Sri Lanka
Telephone No. +94-11-4739200
Fax No. +94-11-4739385

Registered Office and Principal Place of Business

No. 61, Janadhipathi Mawatha,
Colombo 1, Sri Lanka.
Telephone No. +94-11-4739200 &
+94-11-2337665
Fax No. +94-11-4739300

Corporate Website

www.carsoncumberbatch.com