

CEYLON GUARDIAN INVESTMENT TRUST PLC

INTERIM REPORT

FOR THE FIRST QUARTER ENDED 30TH JUNE 2010

Ceylon Guardian Investment Trust PLC

Income Statement - Group

Interim Financial Statements

For the first quarter ended 30th June		2010	2009	Change	Year ended
(All figures in Sri Lankan Rupees '000)	Note	(Unaudited)	(Unaudited)	%	31.03.10
					(Audited)
Revenue		891,102	381,869	133	1,960,283
Carrying value of investments disposed		(780,754)	(242,701)	222	(1,544,300)
Mark to market value adjustment	2	403,918	294,715	37	985,271
Profit on portfolio activities		514,266	433,883	19	1,401,254
Administrative expenses		(16,400)	(10,443)	57	(67,887)
Profit from operations		497,866	423,440	18	1,333,367
Finance costs		(4,988)	(6)	83,041	(5,414)
Profit from operations after finance cost		492,878	423,434	16	1,327,953
Share of associate company's profits		186,146	173,919	7	386,732
Profit before taxation		679,024	597,353	14	1,714,685
Tax expense		(316)	(16,644)	(98)	(35,106)
Profit for the period		678,708	580,709	17	1,679,579
Profit Attributable to					
Equity holders of the parent		585,555	509,557	15	1,320,373
Minority shareholders		93,153	71,152	31	359,206
		678,708	580,709	17	1,679,579
Earnings per ordinary/ deferred share (Rs.) - (Basic)		34.04	25.18		76.77
Dividend per ordinary share (Rs.)		-	-		9.00

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

Figures in brackets indicate deductions/negative changes.

Ceylon Guardian Investment Trust PLC

Balance Sheet - Group

Interim Financial Statements

As at 30th June

		2010	2009	As at
		(Unaudited)	(Unaudited)	31.03.10
(All figures in Sri Lankan Rupees '000)	Note			(Audited)
ASSETS				
Non-Current Assets				
Property, plant & equipment		7,453	9,490	8,017
Intangible assets		6,554	8,614	7,099
Investments in associates		1,797,139	1,271,026	1,667,306
Other investments	5	8,248,319	4,451,469	7,121,063
Deferred tax asset		250	250	250
		10,059,715	5,740,849	8,803,735
Current Assets				
Trade and other receivables		4,369	15,397	46,638
Income tax recoverable		-	3,957	-
Short-term investment	5	835,777	180,217	651,826
Short-term deposits		2,445	2,157,652	9,287
Cash at bank		166,881	945	38,895
		1,009,472	2,358,168	746,646
Total assets		11,069,187	8,099,017	9,550,381
EQUITY AND LIABILITIES				
Stated Capital & Reserves				
Stated capital		672,811	672,811	672,811
Capital reserves		1,199,014	1,076,790	1,255,328
Revenue reserves		7,213,334	4,775,393	5,709,110
Shareholders' funds		9,085,159	6,524,994	7,637,249
Minority shareholders' interest		1,799,856	1,521,191	1,566,029
		10,885,015	8,046,185	9,203,278
Non-Current Liabilities				
Retirement benefit obligation		561	363	561
		561	363	561
Current Liabilities				
Income tax payable		9,155	10,682	15,533
Creditors and accruals		2,161	9,959	69,398
Dividend Payable		59,882	-	12,873
Bank overdraft		112,413	31,828	248,738
		183,611	52,469	346,542
Total equity and liabilities		11,069,187	8,099,017	9,550,381
Net assets per ordinary/deferred share - Book value (Rs.)		528.21	322.46	444.03
Net assets per ordinary/deferred share - Market value (Rs.)		815.01	368.57	623.20

The Balance Sheet of the Group as at 30th June 2010 and the related Statements of Income, Changes in Equity and Cash Flow for the three months 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.)

A. P. Weeratunge

Chief Financial Officer

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.)

I. Paulraj

Chairman

(Sgd.)

D.C.R. Gunawardena

Director

Colombo

27th July 2010

Ceylon Guardian Investment Trust PLC
Statement of Changes in Equity - Group
Interim Financial Statements

	Stated Capital	Capital Reserves	Revenue Reserves			Share- holders Funds	Minority Share- holders' Interest	Total Equity
			Market Value Adjustment Reserve	Long-term Investments Revaluation Reserve	Other Revenue Reserves			
<i>(All figures in Sri Lankan Rupees '000)</i>								
Balance as at 31st March 2009 (Audited)	672,811	1,001,762	12,359	290,686	2,574,288	4,551,906	1,053,800	5,605,706
Profit for the year	-	-	-	-	1,320,373	1,320,373	359,206	1,679,579
Dividend paid	-	-	-	-	(232,702)	(232,702)	(114,560)	(347,262)
Re-purchase of shares	-	-	-	-	(1,116,991)	(1,116,991)	(399,083)	(1,516,074)
Effect of change in associate company's negative goodwill	-	-	-	-	16,718	16,718	-	16,718
Gain on revaluation of long-term investments	-	-	-	2,844,379	-	2,844,379	666,666	3,511,045
Transfers	-	-	291,980	-	(291,980)	-	-	-
Movement in associate company's reserves	-	253,566	-	-	-	253,566	-	253,566
Balance as at 31st March 2010 (Audited)	672,811	1,255,328	304,339	3,135,065	2,269,706	7,637,249	1,566,029	9,203,278
Profit for the period	-	-	-	-	585,555	585,555	93,153	678,708
Gain on revaluation of long-term investments	-	-	-	1,073,467	-	1,073,467	208,369	1,281,836
Movement in associate company's reserves	-	(56,314)	-	-	-	(56,314)	-	(56,314)
Dividend paid	-	-	-	-	(154,798)	(154,798)	(67,695)	(222,493)
Balance as at 30th June 2010 (Unaudited)	672,811	1,199,014	304,339	4,208,532	2,700,463	9,085,159	1,799,856	10,885,015
Balance as at 31st March 2009 (Audited)	672,811	1,001,762	12,359	290,686	2,574,288	4,551,906	1,053,800	5,605,706
Profit for the period	-	-	-	-	509,557	509,557	71,152	580,709
Gain on revaluation of Long-term investments	-	-	-	1,388,503	-	1,388,503	396,239	1,784,742
Movement in associate company's reserves	-	75,028	-	-	-	75,028	-	75,028
Balance as at 30th June 2009 (Unaudited)	672,811	1,076,790	12,359	1,679,189	3,083,845	6,524,994	1,521,191	8,046,185

Figures in brackets indicate deductions/negative changes.

Ceylon Guardian Investment Trust PLC
Cash Flow Statement - Group
Interim Financial Statements

For the first quarter ended 30th June 2010	2010	2009	Year ended
(All figures in Sri Lankan Rupees '000)	(Unaudited)	(Unaudited)	31.03.10 (Audited)
Net cash generated from / (used in) operating activities	432,953	149,283	(321,393)
Net cash used in investing activities	-	-	(291)
Net cash used in financing activities	(175,484)	-	(1,856,358)
Net increase / (decrease) in cash & cash equivalents	257,469	149,283	(2,178,042)
Cash & cash equivalents at the beginning of the period	(200,556)	1,977,486	1,977,486
Cash & cash equivalents at the end of the period	56,913	2,126,769	(200,556)
Statement of Cash & Cash Equivalents			
Short-term deposits	2,445	2,157,652	9,287
Cash at bank	166,881	945	38,895
	169,326	2,158,597	48,182
Bank overdrafts	(112,413)	(31,828)	(248,738)
	56,913	2,126,769	(200,556)

Figures in brackets indicate deductions.

Ceylon Guardian Investment Trust PLC
Income Statement - Company
Interim Financial Statements

For the first quarter ended 30th June

		2010	2009	Change	Year ended
(All figures in Sri Lankan Rupees '000)	Note	(Unaudited)	(Unaudited)	%	31.03.10
					(Audited)
Revenue		585,569	117,701	398	1,660,742
Carrying value of investments disposed		(430,921)	(81,620)	428	(573,567)
Mark to market adjustment	2	195,933	195,072	-	362,802
Profit on portfolio activities		350,581	231,153	52	1,449,977
Administrative expenses		(3,628)	(2,297)	58	(18,964)
Profit from operations		346,953	228,856	52	1,431,013
Finance costs		(4,814)	(5)	96,189	(5,309)
Profit before taxation		342,139	228,851	50	1,425,704
Income tax expense		-	(2,367)	(100)	(6,408)
Profit for the period		342,139	226,484	51	1,419,296
Earnings per ordinary/deferred share - Basic (Rs.)		19.89	11.19		82.52
Dividend per ordinary share (Rs.)		-	-		9.00

Change % column represents the percentage change in current period's results compared to comparative period of previous year.
Figures in brackets indicate deductions/negative changes.

Ceylon Guardian Investment Trust PLC

Balance Sheet - Company

Interim Financial Statements

As at 30th June

		2010	2009	As at
	Note	(Unaudited)	(Unaudited)	31.03.10
(All figures in Sri Lankan Rupees '000)				
ASSETS				
Non-Current Assets				
Investments in subsidiaries		277,217	346,500	277,217
Other investments	5	3,631,172	1,631,462	3,047,976
		3,908,389	1,977,962	3,325,193
Current Assets				
Trade and other receivables		98,302	4,198	24,337
Income tax recoverable		5,670	3,779	5,356
Short-term investments	5	70,320	73,559	31,734
Short-term deposits		-	362,238	-
Cash at bank		53,015	-	19,799
		227,308	443,774	81,226
Total assets		4,135,697	2,421,736	3,406,419
EQUITY and LIABILITIES				
Stated Capital & Reserves				
Stated capital		672,811	672,811	672,811
Capital reserves		208,660	208,660	208,660
Revenue reserves		3,141,390	1,530,843	2,242,897
Total equity		4,022,861	2,412,314	3,124,368
Current Liabilities				
Trade and other creditors		517	1,427	28,350
Dividend payable		29,694	2,510	5,969
Bank overdraft		82,625	5,485	247,732
		112,836	9,422	282,051
Total equity and liabilities		4,135,697	2,421,736	3,406,419
Net assets per ordinary/deferred share (Rs.)		223.59	119.21	173.66
Net assets per share - Market value (Rs.)		726.94	281.23	576.18

The Balance Sheet of the Company as at 30th June 2010 and the Statements of Income, Changes in Equity and Cash Flow for the three months 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.)

A. P. Weeratunge

Chief Financial Officer

Carsons Management Services (Private) Limited

Approved and signed on behalf of the Investment Managers,

Approved and signed on behalf of the Board,

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W. Y. R. Fernando

Director

Guardian Fund Management Limited

(Sgd.)

I.Paulraj

Chairman

(Sgd.)

D.C.R. Gunawardena

Director

Colombo

27th July 2010

Ceylon Guardian Investment Trust PLC
Statement of Changes in Equity - Company
Interim Financial Statements

(All figures in Sri Lankan Rupees '000)	Stated Capital	Capital Reserve	Revenue Reserve	Total Equity
Balance as at 31st March 2009 (Audited)	672,811	208,660	828,335	1,709,806
Profit for the year	-	-	1,419,296	1,419,296
Gain on revaluation of long-term investments	-	-	1,344,959	1,344,959
Re-purchase of shares			(1,116,991)	(1,116,991)
Dividend paid	-	-	(232,702)	(232,702)
Balance as at 31st March 2010 (Audited)	672,811	208,660	2,242,897	3,124,368
Profit for the period	-	-	342,139	342,139
Gain on revaluation of long-term investments	-	-	711,152	711,152
Dividend paid	-	-	(154,798)	(154,798)
Balance as at 30th June 2010 (Unaudited)	672,811	208,660	3,141,390	4,022,861
Balance as at 31st March 2009 (Audited)	672,811	208,660	828,335	1,709,806
Profit for the period	-	-	226,484	226,484
Gain on revaluation of long-term investments	-	-	476,024	476,024
Balance as at 30th June 2009 (Unaudited)	672,811	208,660	1,530,843	2,412,314

Figures in brackets indicate deductions/negative changes.

Ceylon Guardian Investment Trust PLC
Cash Flow Statement - Company
Interim Financial Statements

For the first quarter ended 30th June (All figures in Sri Lankan Rupees '000)	2010 (Unaudited)	2009 (Unaudited)	Year ended 31.03.10 (Audited)
Net cash generated from operating activities	329,396	30,093	791,640
Net cash generated used in financing activities	(131,073)	(10)	(1,346,243)
Net increase/(decrease) in cash & cash equivalents	198,323	30,083	(554,603)
Cash & cash equivalents at the beginning of the period	(227,933)	326,670	326,670
Cash & cash equivalents at the end of the period	(29,610)	356,753	(227,933)
Statement of Cash & Cash Equivalents			
Short-term deposits	-	362,238	-
Cash at bank	53,015	-	19,799
	53,015	362,238	19,799
Bank overdrafts	(82,625)	(5,485)	(247,732)
	(29,610)	356,753	(227,933)

Figures in brackets indicate deductions.

Ceylon Guardian Investment Trust PLC
Notes to the Interim Financial Statements
Interim Financial Statements

1 Basis of Preparation of Interim Financial Statements

The Interim Financial Statements of the Company and the Group have been prepared in consistence with the accounting policies and methods applied for the year ended 31st March 2010.

These Interim Financial Statements are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting. Further, provision of the Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company & Group.

2 Mark to market value adjustment

(Rs. '000)

	Group		Company	
	30.06.10	30.06.09	30.06.10	30.06.09
Reversal of the Mark to market loss on long-term investments in previous year	7,485	206,817	7,485	162,364
Mark to market value adjustment for carrying value of short-term investments	146,917	87,898	11,239	32,708
Realization of revaluation surplus on disposed long-term investment	249,516	-	177,209	-
	403,918	294,715	195,933	195,072

3 Events Occurring after the Balance Sheet date

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

4 Contingent Liabilities

There are no changes of a material nature in the contingent liabilities since the last annual report Balance Sheet date.

5 Valuation of Investment Portfolio
Company

(Rs. '000)

5.1 Summary of Investment Portfolio

	Market Value as at 30.06.10	Market Value as at 30.06.09
Long-term (5.1.1)	3,631,172	1,631,462
Short-term (5.1.2)	70,320	73,559
	3,701,492	1,705,021

5.1.1 Long-Term Investments

Sector

Bank, Finance & Insurance	856,997	49,405
Beverage, Food & Tobacco	1,366,405	836,627
Diversified	935,228	586,297
Hotels & Travels	219,638	5,375
Total Equity Securities - Quoted	3,378,268	1,477,704
Unquoted Investments*	252,904	153,758
Total Investment Portfolio	3,631,172	1,631,462

Ceylon Guardian Investment Trust PLC
Notes to the Interim Financial Statements
Interim Financial Statements

(Rs. '000)	Market Value as at	Market Value as at
	30.06.10	30.06.09
5.1.2 Short-Term Investments		
Sector		
Bank, Finance & Insurance	17,962	7,122
Beverage, Food & Tobacco	-	41,375
Chemicals & Pharmaceuticals	-	5,499
Construction & Engineering	-	5,300
Diversified	25,648	14,263
Manufacturing	26,710	-
	70,320	73,559
Group	Market Value as at	Market Value as at
(Rs. '000)	30.06.10	30.06.09
5.2 Summary of Investment Portfolio		
Long-term (5.2.1)	8,248,319	4,451,469
Short-term (5.2.2)	835,777	180,217
	9,084,096	4,631,686
5.2.1 Long-Term Investments		
Bank, Finance & Insurance	1,665,154	117,075
Beverage, Food & Tobacco	1,713,455	937,574
Diversified	3,893,577	3,002,818
Hotels & Travels	427,381	41,801
Manufacturing	-	39,436
Telecommunications	-	2
Healthcare	68,910	32,627
	7,768,477	4,171,333
Unquoted Investments	479,842	280,136
Total equity securities	8,248,319	4,451,469
Total long-term Investments	8,248,319	4,451,469
(Rs. '000)	Market Value as at	Market Value as at
	30.06.10	30.06.09
5.2.2 Short-Term Investments		
Sector		
Bank, Finance & Insurance	298,458	71,621
Diversified	207,811	36,227
Manufacturing	126,902	-
Hotels & Travels	187,805	-
Telecommunication	14,801	-
Beverage, Food & Tobacco	-	46,295
Chemicals & Pharmaceuticals	-	14,411
Construction & Engineering	-	11,663
Total short-term investments	835,777	180,217

Ceylon Guardian Investment Trust PLC
Notes to the Interim Financial Statements
Interim Financial Statements

	As at 30.06.10	As at 30.06.09
6 Price Index Movements		
ASPI	4,612	2,432
Milanka	5,278	2,722
7 Investor Information		
Market Performance - Ordinary Shares		30.06.10
		Rs.
Market value per share		535.00
Highest price per share		596.00
Lowest price per share		506.00
Market capitalisation (Rs. mn)		8,612

8 Stated Capital

Stated Capital of the Company, Rs.672 Mn consisting of 16,097,396 ordinary shares, 8,669 Fully paid Deferred Shares and 2,593 Partly paid Deferred Shares. (Rs.908/- paid)

9 Public Holding

The Percentage of shares held by Public as at 30th June 2010 was 32.85%.

10 Directors Shareholding as at 30.06.2010

	No. of shares as at 30.06.10
Mr. I. Paulraj	50
Mr. D. C. R. Gunawardena	50
Mr. A. De Z. Gunasekera	50
Mr. V. M. Fernando	-
Mrs. M.A.R.C. Cooray	-

11 Comparative Figures

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

12 Liabilities for Expenditure

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

Ceylon Guardian Investment Trust PLC

Interim Financial Statements

12 Twenty Major Shareholders as at 30th June 2010

Name of Shareholder	No. of Shares	%
Carson Cumberbatch A/C No. 01	10,809,967	67.15
Thurston Investments Limited	1,073,799	6.67
Mr. M. Radhakrishnan	398,664	2.48
Pershing LLC S/A Averbach Grauson & Co.	381,600	2.37
The Gilpin Fund Limited	308,424	1.92
Mr. G.J.W. De Silva	186,000	1.16
Miss. G.I.A. De Silva	170,250	1.06
Mrs. M.L. De Silva	168,160	1.04
Mr. K.C. Vignarajah	112,935	0.70
Miss R.H. Abdulhussein	100,585	0.62
The Ceylon Desiccated Coconut & Oil Company Limited	74,988	0.47
Waldock Mackenzie Ltd/Mr. M.A.N. Yoosufali	73,401	0.46
Waldock Mackenzie Ltd/Mr. H.M.S. Abdulhussein	73,167	0.45
Miss. G.N.A. De Silva	70,685	0.44
Mr. O.D. Liyanage	51,492	0.32
DFCC Bank A/C 1	48,318	0.30
Mr. G N Russel	45,568	0.28
J.B. Cocoshell (Pvt) Ltd.	45,279	0.28
Mrs. S. Vignarajah	45,236	0.28
Bartlee Financial Services Limited	37,900	0.24

Corporate Information

Name of Company

Ceylon Guardian Investment Trust PLC
(A Carson Cumberbatch Company)

Domicile and Legal Form

Ceylon Guardian Investment Trust PLC is a Public Quoted Company with limited liability domiciled in Sri Lanka. The Company was incorporated in Sri Lanka in 1951.

Company Registration No.

PQ 52

Principal Activity and Nature of Operations

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

Parent Enterprise and Ultimate Parent Enterprise

The Company's ultimate holding company and controlling entity is Carson Cumberbatch PLC, which is incorporated in Sri Lanka.

Directors

Mr.I. Paulraj (Chairman)
Mr.D. C. R. Gunawardena
Mr.Asoka De Z. Gunasekera
Mr.V. Manilal Fernando
Mrs.M.A.R.C. Cooray

Number of Employees

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

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.

Investment Managers

Guardian Fund Management Limited
No. 61, Janadhipathi Mawatha,
Colombo 1.
Tele: +94-11-4739200
Fax: +94-11-4739385

Managers & Secretaries

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

Registered Office and Principal Place of Business

No. 61, Janadhipathi Mawatha,
Colombo 1.
Tele: +94-11-4739200
Fax: +94-11-4739300

Corporate Website

www.carsoncumberbatch.com