

WATAPOTA INVESTMENTS PLC

INTERIM REPORT

SIX MONTHS ENDED 30.09.2009

WATAPOTA INVESTMENTS PLC

Income Statement

| For the Six months ended 30th September | 2009 | 2008 | Change % | Year ended 31.03.09 (Audited) |
|--|-----------------|---------|----------|-------------------------------|
| (All figures are in Sri Lankan Rs ' 000) | | | | |
| Revenue | 63,265 | 6,489 | 875 | 77,113 |
| Cost of investments disposed | (60,592) | (4,717) | 1,185 | (22,068) |
| | 2,673 | 1,772 | 51 | 55,045 |
| Mark to market value adjustment for short term investments | 13,307 | (9,722) | (237) | (6,149) |
| Administrative expenses | (1,140) | (929) | 23 | (1,736) |
| Profit / (Loss) from operations | 14,840 | (8,879) | (267) | 47,160 |
| Finance Cost | - | - | - | (9) |
| Profit / (Loss) before taxation | 14,840 | (8,879) | (267) | 47,151 |
| Income tax expense | (1,246) | (174) | 616 | (582) |
| Profit / (Loss) for the period | 13,594 | (9,053) | (250) | 46,569 |
| Earnings / (Loss) per share (Rs.) | 20.26 | (13.49) | (250) | 69.40 |
| Dividend per share (Rs.) | - | - | - | 17.50 |

Changes % represent the percentage change in current period's results compared to comparative period of previous year.

Figures in brackets indicate deductions/negative changes.

WATAPOTA INVESTMENTS PLC

Balance Sheet

| As at 30th September | 2009 | 2008 | As at 31.03.09 (Audited) |
|---|----------------|---------------|--------------------------|
| (All figures are in Sri Lankan Rs ' 000) | | | |
| ASSETS | | | |
| Non-current Assets | | | |
| Long term Investments | - | 475 | - |
| | - | 475 | - |
| Current Assets | | | |
| Trade and other receivables | 13 | 38 | 732 |
| Income tax recoverable | - | 253 | 140 |
| Short term deposits | 101,995 | 9,443 | 77,953 |
| Short term Investments | - | 32,837 | 20,488 |
| Cash at Bank | 738 | 1,025 | 509 |
| | 102,746 | 43,596 | 99,822 |
| Total Assets | 102,746 | 44,071 | 99,822 |
| EQUITY & LIABILITIES | | | |
| Capital & Reserves | | | |
| Stated capital | 10,400 | 10,400 | 10,400 |
| General reserve | 619 | 12,063 | 5,914 |
| Retained profits | 89,334 | 20,417 | 82,188 |
| Share holders' fund | 100,353 | 42,880 | 98,502 |
| Current Liabilities | | | |
| Trade and other payables | 1,620 | 1,191 | 1,320 |
| Income tax payable | 773 | - | - |
| | 2,393 | 1,191 | 1,320 |
| Total Equity & Liabilities | 102,746 | 44,071 | 99,822 |
| Net assets per share (Rs.) | 149.56 | 63.90 | 146.80 |

The Balance Sheet as at 30th September 2009, and the Statements of Income, Changes in Equity & the Cash Flow for the Six 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 & Signed on behalf of the Investment Managers,

(Sgd)

W. Y. R. Fernando

Director

Guardian Fund Management Limited

9th November 2009

Colombo

Approved & Signed on behalf of the Board,

(Sgd)

S. Mahendrarajah

Director

(Sgd)

D.C.R. Gunawardena

Director

WATAPOTA INVESTMENTS PLC
Statement of Changes in Equity

| For the Six months ended 30th September (All figures in Sri Lankan Rupees '000) | Market value | | | Retained profits | Total Equity |
|--|----------------|--------------------|-----------------|------------------|-----------------|
| | Stated Capital | Adjustment Reserve | General Reserve | | |
| Balance as at 1st April 2008 (Audited) | 10,400 | 11,444 | 619 | 39,535 | 61,998 |
| Net profit for the year | - | - | - | 46,569 | 46,569 |
| Transfers | - | (6,149) | - | 6,149 | - |
| Dividend paid | - | - | - | (10,065) | (10,065) |
| Balance as at 31st March 2009(Audited) | 10,400 | 5,295 | 619 | 82,188 | 98,502 |
| Net profit for the period | - | - | - | 13,594 | 13,594 |
| Transfers | - | (5,295) | - | 5,295 | - |
| Dividend paid | - | - | - | (11,743) | (11,743) |
| Balance as at 30th September 2009(Unaudited) | 10,400 | - | 619 | 89,334 | 100,353 |
| Balance as at 1st April 2008(Audited) | 10,400 | 11,444 | 619 | 39,535 | 61,998 |
| Net loss for the period | - | - | - | (9,053) | (9,053) |
| Dividend paid | - | - | - | (10,065) | (10,065) |
| Balance as at 30th September 2008(Unaudited) | 10,400 | 11,444 | 619 | 20,417 | 42,880 |

Cash Flow Statement

| For the Six months ended 30th September (All figures in Sri Lankan Rupees '000) | 2009 | 2008 | As at 31.03.09 (Audited) |
|--|----------|---------|--------------------------------|
| Net cash generated from operating activities | 35,552 | 2,679 | 70,676 |
| Net Cash used in financing activities | (11,281) | (9,673) | (9,676) |
| Net increase / (decrease) in Cash & Cash equivalents | 24,271 | (6,994) | 61,000 |
| Cash & Cash equivalents at the beginning of the period | 78,462 | 17,462 | 17,462 |
| Cash & Cash equivalents at the end of the period | 102,733 | 10,468 | 78,462 |
| Cash & Cash equivalents | | | |
| Cash at bank | 738 | 1,025 | 509 |
| Short term deposit | 101,995 | 9,443 | 77,953 |
| Bank Overdraft | - | - | - |
| | 102,733 | 10,468 | 78,462 |

Figures in brackets indicate deductions

WATAPOTA INVESTMENTS PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS
1. Basis of preparation of Interim Financial Report.

The Interim Financial Statements of the Company is prepared in consistence with the accounting policies and procedures applied for the year ended 31st March 2009 and 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.

2. Events occurring after the Balance Sheet date

Subsequent to the Balance Sheet date, no circumstances have arisen which would require adjustments to or disclosure in the Interim Financial Statements.

3. Contingent Liabilities

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

4. Investment Portfolio Valuation

| Sector | Market Value as at 30.09.2009 | Market Value as at 31.03.2009 | | |
|------------------------------------|----------------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| Short term Investments | | | | |
| Beverage, Food & Tobacco | - | 20,488 | | |
| Total Equity Securities | - | 20,488 | | |
| Long term Investments | | | | |
| | Cost As At 30.09.2009 | Market Value As At 30.09.2009 | Cost As At 31.03.2009 | Market Value As At 31.03.2009 |
| Oil Palm | - | - | - | - |
| Unquoted Investments | - | - | - | - |
| Total Long term Investments | - | - | - | - |

5. Stated Capital

| | As At 30.09.09 | As At 30.09.08 | As At 31.03.09 |
|----------------------------|-------------------|-------------------|-------------------|
| Fully paid Ordinary Shares | 671,008 | 671,008 | 671,008 |

6. Restatement of Comparative Figures

Comparative figures have been restated where necessary to conform to the classification and presentation as at 30th September 2009.

7. Investor Information

| Market Performance - Ordinary Shares | 30.09.2009 | 30.09.2008 | 31.03.2009 |
|---|------------|------------|------------|
| Last traded price per share (Rs.) | 477.00 | 500.00 | 500.00 |
| Highest price per share during period (Rs.) | 500.00 | 500.00 | 500.00 |
| Lowest price per share during period (Rs.) | 477.00 | 400.00 | 400.00 |

8. Public Holding

The Percentage of shares held by Public as at 30th September 2009 was 13.25%.

9. Directors Shareholding as at 31st March 2009

| | No. of Shares |
|-----------------------|---------------|
| Mr. I Paulraj | 200 |
| Mr. S Mahendrarajah | 25 |
| Mr. D C R Gunawardena | 25 |

10. Twenty Major Shareholders as at 30th September 2009

| Name | Total Shares | % |
|---|--------------|-------|
| 1 CARSON CUMBERBATCH PLC | 581,950 | 86.73 |
| 2 LAKE VIEW INVESTMENTS LTD | 22,948 | 3.42 |
| 3 MINERVA NOMINEES LIMITED | 9,075 | 1.35 |
| 4 TATA INVESTMENT CORPORATION LTD | 2,720 | 0.41 |
| 5 MRS. R.V. JESUDASON | 2,480 | 0.37 |
| 6 MR. S. WEERASEKERA | 2,240 | 0.33 |
| 7 Mr E.A.G. DE SILVA | 2,160 | 0.32 |
| 8 THE INVESTMENT & FINANCE COMPANY LIMITED. | 1,600 | 0.24 |
| 9 MR. C.E.G. ABAYASEKERA | 1,600 | 0.24 |
| 10 MRS G.H.O. ANSCOMBE | 1,480 | 0.22 |
| 11 THE INCORPORATED TRUSTEE OF CHURCH OF ENGLAND IN CHURCH OF ENGLAND | 1,368 | 0.20 |
| 12 J. EXECTRX OF THE ESTATE OF MR. AMIRTHANAYAGAM | 1,360 | 0.20 |
| 13 WALWIN ARNOLD DE SILVA & MANIK WALWIN DE SILVA | 1,280 | 0.19 |
| 14 MR. P. UDALAGAMA | 1,241 | 0.18 |
| 15 MS. C.A. VANDEN DRIESEN | 1,034 | 0.15 |
| 16 MRS A.J. MARTENSTYN | 1,030 | 0.15 |
| 17 HOMI MEHTA & SONS (PRIVATE) LIMITED | 960 | 0.14 |
| 18 MRS E.M.D. DE SILVA | 960 | 0.14 |
| 19 MERCHANT BANK OF SRI LANKA LIMITED/UNION INVESTMEN | 900 | 0.13 |
| 20 MR. N.H. OMAR | 880 | 0.13 |

**WATAPOTA INVESTMENTS PLC
Interim Financial Report
for the Six months ended
30th September 2009**

Corporate Information

| | |
|--|--|
| Name of the Company | Watapota Investments PLC <i>(A Carson Cumberbatch Company)</i> |
| Company No | PQ-49 |
| Legal Form | A Public Quoted Company with Limited Liability. Incorporated in Sri Lanka in 1920 |
| Principal Activity and Nature of Operations | The principal activity of the company is holding and managing of an investment portfolio |
| Parent Enterprise | The Company's holding company and controlling entity is Carson Cumberbatch PLC, which is incorporated in Sri Lanka |
| Directors | I. Paulraj (Chairman) S. Mahendrarajah D.C.R. Gunawardena |
| Alternate Director | S.Mahendrarajah (for I.Paulraj) |
| Bankers | Standard Chartered Bank Commercial Bank of Ceylon PLC Deutsche Bank AG Colombo |
| Auditors | Messrs.KPMG Ford, Rhodes,Thornton & Company Chartered Accountants No 32A, Sir Mohamed Macan Marker Mawatha Colombo 03 Sri Lanka |
| Managers & Secretaries | Carsons Management Services (Private) Limited No. 61, Janadhipathi Mawatha, Colombo 01. Sri Lanka Telephone No: +94-11-4739200 Fax No: +94-11-4739300 |
| Fund Manager | Guardian Fund Management Limited No. 61, Janadhipathi Mawatha, Colombo 01. Sri Lanka Telephone No: +94-11-4739200 Fax No: +94-11-4739385 |
| Registered Office | No. 61, Janadhipathi Mawatha, Colombo 01. Sri Lanka Telephone No: +94-11-4739200 Fax No: +94-11-4739300 |
| Corporate Website | www.carsoncumberbatch.com |