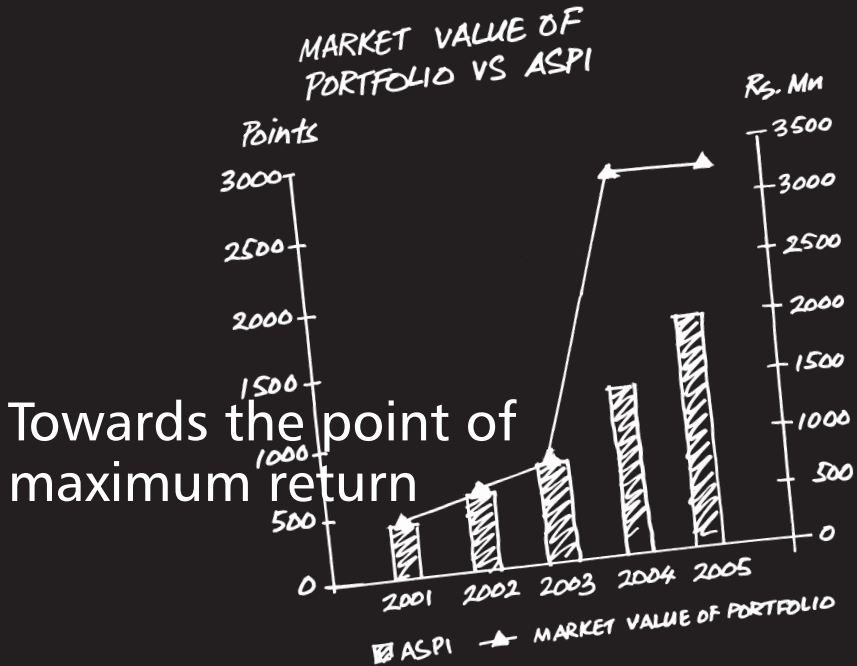


THE CEYLON INVESTMENT COMPANY LIMITED

INTERIM REPORT FOR THE NINE MONTHS ENDED 31ST DECEMBER 2005



Income Statement

Provisional Financial Statements

	For the quarter ended 31st December			For the nine months ended 31st December			Year ended 31.3.05
	2005	2004	Change %	2005	2004	Change %	(Audited)
<i>(All figures in Sri Lankan Rupees '000)</i>							
Revenue	40,346	4,518	793	116,206	22,775	410	27,423
Cost of investments disposed	(26,038)	–	N/A	(67,743)	(168)	40,223	(168)
	14,308	4,518	217	48,463	22,607	114	27,255
Other Income	–	–	–	–	–	–	641
	14,308	4,518	217	48,463	22,607	114	27,896
Administrative expenses	(1,688)	(847)	99	(6,192)	(3,777)	64	(4,784)
Provision for diminution in carrying value of investments	(4,939)	–	N/A	(4,939)	–	N/A	(146)
Profit from operations	7,681	3,671	109	37,332	18,830	98	22,966
Finance cost	(1,580)	–	N/A	(1,612)	(2,691)	(40)	(2,698)
Profit from ordinary activities	6,101	3,671	66	35,720	16,139	121	20,268
Share of associate company's profit							
- on ordinary activities	24,413	12,276	99	80,273	42,257	90	51,149
- on exceptional item	–	–	–	–	266,187	N/A	266,187
Amortisation of negative goodwill	7,886	7,886	–	23,658	23,658	–	31,542
Profit before taxation	38,400	23,833	61	139,651	348,241	(60)	369,146
Income tax expense	(3,368)	(2,216)	52	(8,413)	(23,132)	(64)	(21,175)
Profit for the period	35,032	21,617	62	131,238	325,109	(60)	347,971
Earnings per share (Rs.) - Basic	1.63	1.45	12	6.11	5.14	19	6.68

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

In computing the earnings per share exceptional gain reported by the associate undertaking has been excluded in FY 2004/05.

Figures in brackets indicate deductions/negative changes.

Balance Sheet

Provisional Financial Statements

<i>As at 31st December</i>	2005	2004	As at 31.3.05 (Audited)
<i>(All figures in Sri Lankan Rupees '000)</i>			
ASSETS			
Non-Current Assets			
Investment in associate	949,819	890,336	901,184
Other investments	874,484	531,628	550,419
	<u>1,824,303</u>	<u>1,421,964</u>	<u>1,451,603</u>
Current Assets			
Trade and other receivables	-	-	56
Income tax recoverable	595	235	239
Short term investments	77,115	-	-
Short-term deposits	-	61,738	73,139
Cash at bank	4,659	28,366	2,488
	<u>82,369</u>	<u>90,339</u>	<u>75,922</u>
Total assets	<u>1,906,672</u>	<u>1,512,303</u>	<u>1,527,525</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital	241,458	135,820	135,820
Capital reserves	644,216	523,487	523,487
Revenue reserves	944,405	810,678	833,539
Shareholders' funds	<u>1,830,079</u>	<u>1,469,985</u>	<u>1,492,846</u>
Non-Current Liabilities			
Negative goodwill on consolidation	7,886	39,429	31,544
	<u>7,886</u>	<u>39,429</u>	<u>31,544</u>
Current Liabilities			
Income tax payable	-	-	10
Creditors and accruals	3,566	2,889	3,125
Bank overdraft	65,141	-	-
	<u>68,707</u>	<u>2,889</u>	<u>3,135</u>
Total equity and liabilities	<u>1,906,672</u>	<u>1,512,303</u>	<u>1,527,525</u>
Net assets per share - (Rs.)	75.79	60.88	61.83

The Balance Sheet as at 31st December 2005, and the related Statements of Income, Changes in Equity and Cash Flow for the nine months then ended have been drawn up from unaudited accounts.

Approved and signed on behalf of the Managers,

Approved and signed on behalf of the Board,

(Sgd.)

M. Selvanathan

Director

(Sgd.)

D.C.R. Gunawardena

Director

(Sgd.)

P.C.P. Tissera

Director

Carsons Management Services (Pvt) Limited
Colombo
26th January, 2006

Statement of Changes in Equity

Provisional Financial Statements

	Non-distributable Capital/Reserves		Distributable Reserves		Total Equity
	Share Capital	Capital Reserve	Revenue Reserve	Retained Profits	
<i>(All figures in Sri Lankan Rupees '000)</i>					
Balance as at					
31st March 2004 (Audited)	60,365	506,475	27,218	408,960	1,003,018
Net profit for the year	-	-	-	347,971	347,971
Dividend paid for 2004	-	-	-	(9,055)	(9,055)
Rights issue	30,182	120,730	-	-	150,912
Bonus issue	45,273	(45,273)	-	-	-
Transfer	-	(58,445)	-	58,445	-
Balance as at					
31st March 2005 (Audited)	135,820	523,487	27,218	806,321	1,492,846
Net profit for the nine months	-	-	-	131,238	131,238
Dividend paid for 2005	-	-	-	(20,372)	(20,372)
Rights issue	45,273	181,094	-	-	226,367
Bonus issue	60,365	(60,365)	-	-	-
Balance as at					
31st December 2005					
(Unaudited)	241,458	644,216	27,218	917,187	1,830,079
Balance as at					
31st March 2004 (Audited)	60,365	506,475	27,218	408,960	1,003,018
Net profit for the nine months	-	-	-	325,109	325,109
Dividend paid for 2004	-	-	-	(9,055)	(9,055)
Rights Issue	30,182	120,730	-	-	150,912
Bonus Issue	45,273	(45,273)	-	-	-
Transfer	-	(58,445)	-	58,445	-
Balance as at 31st December 2004					
(Unaudited)	135,820	523,487	27,218	783,460	1,469,985

Figures in brackets indicate deductions.

Cash Flow Statement

Provisional Financial Statements

<i>For the nine months ended 31st December (All figures in Sri Lankan Rupees '000)</i>	2005	2004	Year ended 31.3.05 (Audited)
Net cash generated from operating activities	46,853	53,042	57,141
Net cash used in investing activities	(388,956)	(18,224)	(37,016)
Net cash generated from financing activities	205,994	141,857	142,073
Net increase/(decrease) in cash & cash equivalents	(136,109)	176,675	162,198
Cash & cash equivalents at the beginning of the period	75,627	(86,571)	(86,571)
Cash & cash equivalents at the end of the period	(60,482)	90,104	75,627
Statement of Cash & Cash Equivalents			
Short-term deposits	–	61,738	73,139
Cash at bank	4,659	28,366	2,488
	4,659	90,104	75,627
Bank overdraft	(65,141)	–	–
	(60,482)	90,104	75,627

Figures in brackets indicate deductions.

Notes to the Interim Financial Statement

Provisional Financial Statements

1. Basis of Preparation of Interim Financial Statement

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 2005 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.

2. Net assets per share has been calculated for the period, based on the current number of shares in issue as at 31st December 2005.

3. 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 statement.

4. Contingent Liabilities

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

5. Valuation of the Investment Portfolio

5.1 Summary of Investment Portfolio

<i>Rs. '000</i>	Cost as at 31.12.05	Market Value as at 31.12.05	Cost as at 31.03.05	Market Value as at 31.03.05
Long-term	1,824,303	3,691,241	1,451,603	3,229,066
Short-term	77,115	77,115	–	–
	<u>1,901,418</u>	<u>3,768,356</u>	<u>1,451,603</u>	<u>3,229,066</u>

Notes to the Interim Financial Statement (Contd.)

Provisional Financial Statements

5.2 Sector Summary of Investment Portfolio

Sector	Cost as at Rs. '000	Market Value as at 31.12.05	Cost as at 31.03.05	Market Value as at 31.03.05
Bank, Finance & Insurance	92,094	146,182	89,494	71,980
Beverage, Food & Tobacco	216,384	383,734	146,497	327,641
Diversified	395,975	853,493	285,124	736,799
Hotels & Travels	56,687	47,530	4	4
Land & Property	1,470	3,856	1,470	2,340
Manufacturing	416	255	–	–
Services	7,797	82,206	7,797	66,221
Telecommunications	130,718	127,251	–	–
Trading	1,642	1,920	1,642	1,920
Power & Energy	53,068	35,174	17,970	17,161
*Unquoted investments	635	2,086,755	421	2,005,000
Total equity securities	956,886	3,768,356	550,418	3,229,066
Provision for diminution in carrying value of investments	(4,939)	–	–	–
Company's share of associate company's net assets	949,471	–	901,185	–
Total investment portfolio	1,901,418	3,768,356	1,451,603	3,229,066

* 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.

5.3 Price Index Movements

	As at 31.12.2005	As at 31.03.2005
ASPI	1,922	1,751
Milanka	2,451	2,392

6. Investor Information

Market Performance - Ordinary Shares	31.12.05 Rs.	31.12.04 Rs.	31.03.05 Rs.
Market value per share as at	67.75	96.50	100.75
Highest price per share	125.00	300.00	300.00
Lowest price per share	60.00	60.00	82.00
Market capitalisation (Rs. Mn.)	1,635	1,310	1,368

Name of Company

The Ceylon Investment Company Limited
(A Carson Cumberbatch Company)

Domicile and Legal Form

The Ceylon Investment Company Limited 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 The Ceylon Guardian Investment Trust Limited.

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

Directors

I. Paulraj (**Chairman**)
D.C.R. Gunawardena
P.C.P. Tissera

Number of Employees

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

Bankers

Standard Chartered Bank
HSBC
Commercial Bank

Auditors

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

Managers & Secretaries

Carsons Management Services (Pvt) Limited
No. 61, Janadhipathi Mawatha,
Colombo 1.
Telephone No. +94-11-2337665
Fax No. +94-11-2337685

Registered Office and Principal Place of Business

No. 61, Janadhipathi Mawatha,
Colombo 1.
Telephone No. +94-11-2337665
Fax No. +94-11-2337685

Corporate Website

www.carsoncumberbatch.com