

**CARSON
CUMBERBATCH &
COMPANY
LIMITED**

INTERIM REPORT FOR THE
NINE MONTHS ENDED 31ST DECEMBER 2006

CONSOLIDATED INCOME STATEMENT

Provisional Financial Statements

| | For the quarter ended 31st December | | | For the nine months ended 31st December | | | Year ended 31.03.06 |
|---|--|------------------|-------------|--|------------------|-------------|------------------------|
| | 2006 | 2005 Restated | Change % | 2006 | 2005 Restated | Change % | (Audited) |
| <i>(All figures in Sri Lankan Rupees '000)</i> | | | | | | | |
| Revenue | 2,096,031 | 1,929,949 | 9 | 6,364,570 | 6,012,015 | 6 | 7,995,793 |
| Direct operating costs | (1,132,559) | (1,002,135) | 13 | (3,346,611) | (3,057,814) | 9 | (3,876,552) |
| | 963,472 | 927,814 | 4 | 3,017,959 | 2,954,201 | 2 | 4,119,241 |
| Fair value adjustment - investment properties | - | - | - | - | - | - | 187,163 |
| Mark to market value adjustment for: | | | | | | | |
| Short-term investments | 93,977 | (96,948) | (197) | 110,274 | (23,854) | (562) | 32,940 |
| Other operating income | 19,260 | 9,617 | 100 | 33,048 | 38,169 | (13) | 43,791 |
| | 1,076,709 | 840,483 | 28 | 3,161,281 | 2,968,516 | 6 | 4,383,135 |
| Indirect Operating Expenses | | | | | | | |
| Distribution expenses | (190,107) | (157,937) | 20 | (588,125) | (443,056) | 33 | (679,790) |
| Administrative expenses | (326,406) | (243,082) | 34 | (847,855) | (744,670) | 14 | (1,164,553) |
| Other operating expenses | (29,471) | (34,378) | (14) | (89,036) | (109,538) | (19) | (146,346) |
| Provision for diminution in carrying value of investments/advances | - | - | - | - | (146,357) | N/A | (147,406) |
| Total indirect operating expenses | (545,984) | (435,397) | 25 | (1,525,016) | (1,443,621) | 6 | (2,138,095) |
| Profit from operations | 530,725 | 405,086 | 31 | 1,636,265 | 1,524,895 | 7 | 2,245,040 |
| Finance costs | (104,593) | (98,431) | 6 | (368,450) | (251,565) | 46 | (357,906) |
| Foreign exchange gains/(losses) | 82,167 | 155,759 | (47) | 21,301 | (110,148) | (119) | 138,644 |
| Profit from ordinary activities | 508,299 | 462,414 | 10 | 1,289,116 | 1,163,182 | 11 | 2,025,778 |
| Share of associate companies' profits | 12,238 | (6,651) | (284) | 35,813 | 44,561 | (20) | 118,952 |
| Amortisation of goodwill on consolidation | - | (7,077) | N/A | - | (12,964) | N/A | (37,614) |
| Profit before taxation | 520,537 | 448,686 | 16 | 1,324,929 | 1,194,779 | 11 | 2,107,116 |
| Tax expenses | (73,649) | (53,998) | 36 | (397,771) | (134,408) | 196 | (517,104) |
| Profit for the period | 446,888 | 394,688 | 13 | 927,158 | 1,060,371 | (13) | 1,590,012 |
| Attributable to | | | | | | | |
| Equity holders of the parent | 258,205 | 213,969 | 21 | 491,809 | 494,589 | 1 | 851,555 |
| Minority shareholders | 188,683 | 180,719 | 4 | 435,349 | 565,782 | (23) | 738,457 |
| | 446,888 | 394,688 | 13 | 927,158 | 1,060,371 | (13) | 1,590,012 |
| Earnings per ordinary share (Rs.) | 41.14 | 33.90 | 21 | 77.14 | 77.60 | (1) | 134.90 |
| Dividend per ordinary share (Rs.) | - | - | - | - | - | - | 2.50 |

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.

CONSOLIDATED BALANCE SHEET

Provisional Financial Statements

| <i>As at 31st December</i> | 2006 | 2005 | As at |
|--|-------------------|-------------------|-------------------|
| | | Restated | 31.03.06 |
| <i>(All figures in Sri Lankan Rupees '000)</i> | | | (Audited) |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant & equipment | 9,541,232 | 9,159,622 | 8,161,057 |
| Intangible assets | 25,683 | - | 34,790 |
| Biological assets | 5,110,727 | 4,371,746 | 4,637,342 |
| Investment property | 1,646,228 | - | 1,873,597 |
| Investments in associates | 1,030,729 | 808,807 | 832,533 |
| Other investments | 1,506,406 | 1,549,164 | 1,549,798 |
| Deferred Income tax assets | 16,769 | 77,931 | 15,548 |
| Goodwill on consolidation | 246,526 | 161,653 | 82,731 |
| | <u>19,124,300</u> | <u>16,128,923</u> | <u>17,187,396</u> |
| Current Assets | | | |
| Inventories | 611,729 | 410,662 | 540,453 |
| Trade and other receivables | 1,487,509 | 1,006,024 | 1,118,088 |
| Amounts due from related companies | 205,328 | 194,010 | 190,545 |
| Short-term investments | 503,338 | 281,521 | 369,604 |
| Short-term deposits | 280,872 | 316,741 | 362,095 |
| Cash in hand and at bank | 169,605 | 85,537 | 202,281 |
| | <u>3,258,381</u> | <u>2,294,495</u> | <u>2,783,066</u> |
| Total assets | <u>22,382,681</u> | <u>18,423,418</u> | <u>19,970,462</u> |
| EQUITY | | | |
| Capital and reserves attributable to equityholders of the Company | | | |
| Share capital | 286,123 | 286,123 | 286,123 |
| Capital reserves | 3,384,997 | 3,302,043 | 3,437,565 |
| Revenue reserves | 4,674,314 | 3,536,796 | 3,945,922 |
| | <u>8,345,434</u> | <u>7,124,962</u> | <u>7,669,610</u> |
| Minority shareholders' interest | 4,503,773 | 4,117,314 | 4,349,274 |
| Total equity | <u>12,849,207</u> | <u>11,242,276</u> | <u>12,018,884</u> |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Long-term bank borrowings | 2,160,914 | 1,206,395 | 1,542,656 |
| Trade and other payables | 1,208,616 | 1,304,854 | 1,315,153 |
| Deferred Income tax liabilities | 1,394,235 | 893,986 | 1,225,686 |
| Retirement benefit obligations | 68,459 | 47,304 | 59,370 |
| | <u>4,832,224</u> | <u>3,452,539</u> | <u>4,142,865</u> |
| Current Liabilities | | | |
| Trade and other payables | 2,217,995 | 1,324,155 | 1,668,259 |
| Income tax payables | 34,963 | 16,660 | 20,140 |
| Amounts due to related companies | 53,007 | 74,047 | 74,047 |
| Long-term bank borrowings payable within one year | 617,394 | 992,651 | 867,022 |
| Short-term borrowings | 1,383,524 | 411,821 | 1,035,094 |
| Bank overdrafts | 387,617 | 902,519 | 144,151 |
| Dividend - Preference | 6,750 | 6,750 | - |
| | <u>4,701,250</u> | <u>3,728,603</u> | <u>3,808,713</u> |
| Total liabilities | <u>9,533,474</u> | <u>7,181,142</u> | <u>7,951,578</u> |
| Total equity and liabilities | <u>22,382,681</u> | <u>18,423,418</u> | <u>19,970,462</u> |
| Net assets per ordinary share (Rs.) | 1,328.55 | 1,128.87 | 1,217.98 |

The Balance Sheet of the Group as at 31st December 2006 and the 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 Board

P.C.P. Tissera

Director

12th February 2007

D.C.R. Gunawardena

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Provisional Financial Statements

| | Share Capital | Preference Share Capital | Capital Reserves | Revenue Reserve | Total | Minority Shareholders' Interest | Total Equity |
|---|------------------|--------------------------------|---------------------|--------------------|-----------|---------------------------------------|-----------------|
| <i>(All figures in Sri Lankan Rupees '000)</i> | | | | | | | |
| Balance as at 31st March 2005 (Audited) | 10,187 | 225,000 | 3,436,160 | 2,739,429 | 6,410,776 | 3,476,168 | 9,886,944 |
| Net profit for the year | - | - | - | 851,555 | 851,555 | 738,457 | 1,590,012 |
| Bonus issue | 50,936 | - | (50,936) | - | - | - | - |
| Dividend paid - Ordinary | - | - | - | (10,187) | (10,187) | - | (10,187) |
| - Preference | - | - | - | (27,000) | (27,000) | - | (27,000) |
| Appropriations | - | - | 1,500 | (1,500) | - | - | - |
| | 61,123 | 225,000 | 3,386,724 | 3,552,297 | 7,225,144 | 4,214,625 | 11,439,769 |
| GAIN/(LOSS) NOT RECOGNISED IN THE INCOME STATEMENT | | | | | | | |
| Revaluation of property, plant & equipment | - | - | 75,838 | - | 75,838 | 80,312 | 156,150 |
| Revaluation | - | - | 114,769 | - | 114,769 | 14,215 | 128,984 |
| Realisation of revaluation reserve | - | - | (217,307) | 217,307 | - | - | - |
| Change in equity | - | - | 77,541 | 93 | 77,634 | (61,801) | 15,833 |
| Currency translation | - | - | - | 176,226 | 176,226 | 101,922 | 278,148 |
| Balance as at 31st March 2006 (Audited) | 61,123 | 225,000 | 3,437,565 | 3,945,922 | 7,669,610 | 4,349,274 | 12,018,884 |
| Net profit for the nine months | - | - | - | 491,809 | 491,809 | 435,349 | 927,158 |
| Dividend - Ordinary | - | - | - | (15,280) | (15,280) | - | (15,280) |
| - Preference | - | - | - | (20,286) | (20,286) | - | (20,286) |
| | 61,123 | 225,000 | 3,437,565 | 4,402,165 | 8,125,853 | 4,784,623 | 12,910,476 |
| GAIN/(LOSS) NOT RECOGNISED IN THE INCOME STATEMENT | | | | | | | |
| Change in equity | - | - | 52,461 | 30,961 | 83,422 | (359,646) | (276,224) |
| Realisation of revaluation reserve | - | - | (105,029) | 105,029 | - | - | - |
| Currency translation | - | - | - | 136,159 | 136,159 | 78,796 | 214,955 |
| Balance as at 31st December 2006 (Unaudited) | 61,123 | 225,000 | 3,384,997 | 4,674,314 | 8,345,434 | 4,503,773 | 12,849,207 |
| Balance as at 31st March 2005 (Audited) | 10,187 | 225,000 | 3,436,160 | 2,739,429 | 6,410,776 | 3,476,168 | 9,886,944 |
| Net profit for the nine months | - | - | - | 494,589 | 494,589 | 565,782 | 1,060,371 |
| Bonus issue | 50,936 | - | (50,936) | - | - | - | - |
| Dividend - Ordinary | - | - | - | (10,187) | (10,187) | - | (10,187) |
| - Preference | - | - | - | (20,286) | (20,286) | - | (20,286) |
| | 61,123 | 225,000 | 3,385,224 | 3,203,545 | 6,874,892 | 4,041,950 | 10,916,842 |
| GAIN/(LOSS) NOT RECOGNISED IN THE INCOME STATEMENT | | | | | | | |
| Change in equity | - | - | 134,126 | 90,225 | 224,351 | 59,114 | 283,465 |
| Realisation of revaluation reserve | - | - | (217,307) | 217,307 | - | - | - |
| Currency translation | - | - | - | 25,719 | 25,719 | 16,250 | 41,969 |
| Balance as at 31st December 2005 (unaudited) | 61,123 | 225,000 | 3,302,043 | 3,536,796 | 7,124,962 | 4,117,314 | 11,242,276 |

CONSOLIDATED CASH FLOW STATEMENT

Provisional Financial Statements

| <i>For the nine months ended 31st December</i> | 2006 | 2005 | Year ended 31.03.06 (Audited) |
|--|--------------------|--------------------|-------------------------------------|
| <i>(All figures in Sri Lankan Rupees '000)</i> | | | |
| Net cash generated from operating activities | 1,131,893 | 1,216,907 | 904,507 |
| Net cash used in investing activities | (1,675,188) | (1,730,244) | (1,394,819) |
| Net cash used in financing activities | (162,500) | (540,225) | (266,057) |
| Net decrease in cash & cash equivalents | (705,795) | (1,053,562) | (756,369) |
| Cash & cash equivalents at the beginning of the period | (614,869) | 141,500 | 141,500 |
| Cash & cash equivalents at the end of the period | <u>(1,320,664)</u> | <u>(912,062)</u> | <u>(614,869)</u> |
| Statement of Cash & Cash Equivalents | | | |
| Short-term deposits | 280,872 | 316,741 | 362,095 |
| Cash at bank | 169,605 | 85,537 | 202,281 |
| | <u>450,477</u> | <u>402,278</u> | <u>564,376</u> |
| Short-term borrowings | (1,383,524) | (411,821) | (1,035,094) |
| Bank overdrafts | (387,617) | (902,519) | (144,151) |
| | <u>(1,320,664)</u> | <u>(912,062)</u> | <u>(614,869)</u> |

Figures in brackets indicate deductions.

COMPANY INCOME STATEMENT

Provisional Financial Statements

| | For the quarter ended 31st December | | | For the nine months ended 31st December | | | Year ended 31.03.06 |
|--|--|----------|-------------|--|----------|-------------|------------------------|
| | 2006 | 2005 | Change % | 2006 | 2005 | Change % | (Audited) |
| <i>(All figures in Sri Lankan Rupees '000)</i> | | | | | | | |
| Revenue | 194,518 | 67,580 | 188 | 302,870 | 195,100 | 55 | 227,495 |
| Direct operating costs | (33,578) | (4,023) | 735 | (33,578) | (17,821) | 88 | (18,302) |
| | 160,940 | 63,557 | 153 | 269,292 | 177,279 | 52 | 209,193 |
| Mark to market value adjustment for short-term investments | 1,682 | 1,354 | 24 | 1,880 | 1,552 | 21 | 2,275 |
| Other operating income | - | 922 | N/A | - | 1,028 | N/A | 1,647 |
| | 162,622 | 65,833 | 147 | 271,172 | 179,859 | 51 | 213,115 |
| Administrative expenses | (2,298) | (3,353) | (31) | (10,497) | (8,322) | 26 | (10,342) |
| Provision for diminution in carrying value of investments | - | - | - | - | - | - | (1,050) |
| Profit from operations | 160,324 | 62,480 | 157 | 260,675 | 171,537 | 52 | 201,723 |
| Finance costs | (49,076) | (37,398) | 31 | (139,420) | (79,553) | 75 | (123,310) |
| Profit before taxation | 111,248 | 25,082 | 344 | 121,255 | 91,984 | 32 | 78,413 |
| Tax expenses | - | - | - | - | - | - | - |
| Profit for the period | 111,248 | 25,082 | 344 | 121,255 | 91,984 | 32 | 78,413 |
| Earnings per ordinary share (Rs.) | 17.10 | 3.00 | 470 | 16.52 | 11.73 | 41 | 8.41 |
| Dividend per ordinary share (Rs.) | - | - | - | - | - | - | 2.50 |

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.

COMPANY BALANCE SHEET

Provisional Financial Statements

| <i>As at 31st December</i> | 2006 | 2005 | As at 31.03.06 (Audited) |
|--|------------------|------------------|--------------------------------|
| <i>(All figures in Sri Lankan Rupees '000)</i> | | | |
| ASSETS | | | |
| Non-Current Assets | | | |
| Investments in subsidiaries | 3,010,908 | 2,758,896 | 2,758,896 |
| Investments in associates | 107,605 | 141,183 | 141,183 |
| Other long-term investments | 29 | - | - |
| | <u>3,118,542</u> | <u>2,900,079</u> | <u>2,900,079</u> |
| Current Assets | | | |
| Trade and other receivables | - | 2,358 | 53 |
| Amounts due from related companies | 311,379 | 206,074 | 194,719 |
| Income tax recoverable | 6,029 | 5,365 | 5,595 |
| Short-term investments | 28,212 | 26,658 | 26,332 |
| Cash in hand and at bank | 232 | 698 | 28,007 |
| | <u>345,852</u> | <u>241,153</u> | <u>254,706</u> |
| Total Assets | <u>3,464,394</u> | <u>3,141,232</u> | <u>3,154,785</u> |
| EQUITY | | | |
| Capital & Reserves | | | |
| Share capital | 286,123 | 286,123 | 286,123 |
| Capital reserves | 287,552 | 286,052 | 287,552 |
| Revenue reserves | 1,125,884 | 1,061,980 | 1,040,195 |
| | <u>1,699,559</u> | <u>1,634,155</u> | <u>1,613,870</u> |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Long-term bank borrowings | 437,481 | 263,106 | 508,782 |
| | <u>437,481</u> | <u>263,106</u> | <u>508,782</u> |
| Current Liabilities | | | |
| Trade and other payables | 2,664 | 8,738 | 10,959 |
| Amounts due to related companies | 334,538 | 43,663 | 43,663 |
| Long-term bank borrowings within one year | 92,800 | 160,275 | 61,000 |
| Short-term borrowings | 773,476 | 279,787 | 900,400 |
| Bank overdrafts | 117,126 | 744,758 | 16,111 |
| Dividend - Preference | 6,750 | 6,750 | - |
| | <u>1,327,354</u> | <u>1,243,971</u> | <u>1,032,133</u> |
| Total liabilities | <u>1,764,835</u> | <u>1,507,077</u> | <u>1,540,915</u> |
| Total Equity & Liabilities | <u>3,464,394</u> | <u>3,141,232</u> | <u>3,154,785</u> |
| Net assets per ordinary share (Rs.) | 241.25 | 230.55 | 227.23 |

The Balance Sheet of the Company as at 31st December 2006 and the 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 Board

P.C.P. Tissera
Director

D.C.R. Gunawardena
Director

12th February 2007

COMPANY STATEMENT OF CHANGES IN EQUITY

Provisional Financial Statements

| | Share Capital | Preference Share Capital | Capital Reserve | Revenue Reserve | Total Equity |
|---|------------------|--------------------------------|--------------------|--------------------|------------------|
| <i>(All figures in Sri Lankan Rupees '000)</i> | | | | | |
| Balance as at 31st March 2005 (Audited) | 10,187 | 225,000 | 554,295 | 783,162 | 1,572,644 |
| Realisation of revaluation reserve | - | - | (217,307) | 217,307 | - |
| Net profit for the year | - | - | - | 78,413 | 78,413 |
| Bonus issue | 50,936 | - | (50,936) | - | - |
| Dividend paid - Ordinary | - | - | - | (10,187) | (10,187) |
| - Preference | - | - | - | (27,000) | (27,000) |
| Appropriations | - | - | 1,500 | (1,500) | - |
| Balance as at 31st March 2006 (Audited) | 61,123 | 225,000 | 287,552 | 1,040,195 | 1,613,870 |
| Net profit for the nine months | - | - | - | 121,255 | 121,255 |
| Dividend - Ordinary | - | - | - | (15,280) | (15,280) |
| - Preference | - | - | - | (20,286) | (20,286) |
| Balance as at 31st December 2006 (Unaudited) | 61,123 | 225,000 | 287,552 | 1,125,884 | 1,699,559 |
| Balance as at 31st March 2005 (Audited) | 10,187 | 225,000 | 554,295 | 783,162 | 1,572,644 |
| Realisation of revaluation reserve | - | - | (217,307) | 217,307 | - |
| Net profit for the nine months | - | - | - | 91,984 | 91,984 |
| Bonus issue | 50,936 | - | (50,936) | - | - |
| Dividend - Ordinary | - | - | - | (10,187) | (10,187) |
| - Preference | - | - | - | (20,286) | (20,286) |
| Balance as at 31st December 2005 (Unaudited) | 61,123 | 225,000 | 286,052 | 1,061,980 | 1,634,155 |

COMPANY CASHFLOW STATEMENT

Provisional Financial Statements

| <i>For the nine months ended 31st December</i> | 2006 | 2005 | Year ended 31.03.06 (Audited) |
|--|----------------|------------------|-------------------------------------|
| <i>(All figures in Sri Lankan Rupees '000)</i> | | | |
| Net cash generated from operating activities | 148,156 | 209,036 | 219,466 |
| Net cash used in investing activities | (81,706) | (1,062,799) | (1,070,765) |
| Net cash (used in)/generate from financing activities | (68,316) | (117,680) | 15,199 |
| Net (decrease) in cash & cash equivalents | (1,866) | (971,443) | (836,100) |
| Cash & cash equivalents at the beginning of the period | (888,504) | (52,404) | (52,404) |
| Cash & cash equivalents at the end of the period | (890,370) | (1,023,847) | (888,504) |
| Statement of Cash & Cash Equivalents | | | |
| Cash at bank | 232 | 698 | 28,007 |
| | 232 | 698 | 28,007 |
| Short-term borrowings | (773,476) | (279,787) | (900,400) |
| Bank overdrafts | (117,126) | (744,758) | (16,111) |
| | (890,370) | (1,023,847) | (888,504) |

Figures in brackets indicate deductions.

SEGMENTAL INFORMATION

Provisional Financial Statements

| | Revenue | | Profit from operations | | Tax Expenses | | Profit for the period | |
|--|------------------|------------------|------------------------|----------------|----------------|---------------|-----------------------|----------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | | Change | | Change | | Change | | Change |
| | | % | | % | | % | | % |
| <i>(All figures in Sri Lankan Rupees '000)</i> | | | | | | | | |
| INDUSTRY SEGMENT | | | | | | | | |
| Investment holdings & financial services | 1,023,641 | 496,010 | 106 | 42,381 | 591,345 | 4,993 | 4,993 | 3,900 |
| Oil palm plantations | 602,872 | 736,006 | (18) | 331,727 | 195,255 | 82,015 | 48,024 | 378,510 |
| Beverage | 982,530 | 971,041 | 1 | 120,536 | 20,519 | 1,066 | (1,683) | 111,374 |
| Real estate | 25,588 | 22,606 | 13 | 8,392 | 8,217 | (14,188) | 2,642 | 5,522 |
| Hotels | 27,920 | 8,275 | 237 | (12,908) | (9,503) | - | - | (15,592) |
| Airlines | 2,286 | 1,864 | 23 | (189) | 332 | 29 | - | (326) |
| Management services | 33,454 | 20,696 | 62 | (5,430) | (8,074) | 234 | 22 | (4,198) |
| | 2,698,291 | 2,256,498 | 20 | 484,509 | 798,091 | 73,649 | 53,998 | 479,190 |
| Share of associate companies' revenue | (258,605) | (213,582) | 21 | - | - | - | - | - |
| Intra-group transactions | (343,655) | (112,967) | 204 | (79,423) | (267,366) | - | - | (77,425) |
| Amortisation of goodwill | - | - | - | - | - | - | - | (7,077) |
| | 2,096,031 | 1,929,949 | 9 | 405,086 | 530,725 | 73,649 | 53,998 | 394,688 |
| GEOGRAPHICAL SEGMENT | | | | | | | | |
| Sri Lanka | 1,456,433 | 1,193,390 | 22 | 84,893 | 290,656 | (8,484) | 6,381 | 27,330 |
| Malaysia | 85,676 | 28,546 | 200 | 7,271 | 67,344 | 11,764 | 4,477 | 3,127 |
| Indonesia | 533,665 | 707,956 | (22) | 313,032 | 172,591 | 70,369 | 43,140 | 364,341 |
| United Kingdom | 257 | 57 | 351 | (110) | 134 | - | - | (110) |
| | 2,096,031 | 1,929,949 | 9 | 405,086 | 530,725 | 73,649 | 53,998 | 394,688 |

Figures in brackets indicate deductions.

SEGMENTAL INFORMATION (CONTD.)

Provisional Financial Statements

| | Revenue | | Profit from Operations | | Tax Expenses | | Profit for the period | |
|--|------------------|---------------------|------------------------|---------------------|----------------|---------------------|-----------------------|---------------------|
| | 2006 | 2005 Change % | 2006 | 2005 Change % | 2006 | 2005 Change % | 2006 | 2005 Change % |
| <i>For the Nine months ended 31st December</i> | | | | | | | | |
| <i>(All figures in Sri Lankan Rupees '000)</i> | | | | | | | | |
| INDUSTRY SEGMENT | | | | | | | | |
| Investment holdings & financial services | 2,064,461 | 1,853,573 | 981,355 | 602,209 | 19,709 | 17,967 | 845,718 | 524,498 |
| Oil palm plantations | 2,435,960 | 2,447,964 | 1,044,005 | 1,058,310 | 313,720 | 116,228 | 586,113 | 705,178 |
| Beverage | 3,026,543 | 2,922,043 | 1,077,725 | 378,433 | 60,903 | (6,243) | 6,098 | 360,307 |
| Real estate | 74,785 | 65,641 | 46,155 | 20,605 | 2,945 | 6,289 | 40,406 | 12,547 |
| Hotels | 84,427 | 25,811 | (17,376) | (23,011) | - | - | (25,674) | (28,697) |
| Airlines | 8,982 | 4,505 | 3,307 | (3,174) | 175 | - | 2,905 | (3,587) |
| Management services | 93,996 | 82,158 | (19,714) | 9,753 | 319 | 167 | (33,926) | 1,976 |
| | <u>7,789,154</u> | <u>7,401,695</u> | <u>2,145,457</u> | <u>2,043,125</u> | <u>397,771</u> | <u>134,408</u> | <u>1,421,640</u> | <u>1,572,222</u> |
| Share of associate companies' revenue | (765,275) | (599,889) | - | - | - | - | - | - |
| Intra-group transactions | (659,309) | (789,791) | (509,192) | (518,230) | - | - | (494,482) | (498,887) |
| Amortisation of goodwill | - | - | - | - | - | - | - | (12,964) |
| | <u>6,364,570</u> | <u>6,012,015</u> | <u>1,636,265</u> | <u>1,524,895</u> | <u>397,771</u> | <u>134,408</u> | <u>927,158</u> | <u>1,060,371</u> |
| | | | | 7 | | 196 | | (13) |
| GEOGRAPHICAL SEGMENT | | | | | | | | |
| Sri Lanka | 3,890,657 | 3,561,918 | 548,636 | 466,075 | 83,819 | 18,587 | 285,579 | 350,011 |
| Malaysia | 178,621 | 103,801 | 97,569 | 38,552 | 18,470 | 11,570 | 91,173 | 38,273 |
| Indonesia | 2,294,715 | 2,345,617 | 989,731 | 1,020,224 | 295,482 | 104,251 | 550,077 | 672,043 |
| United Kingdom | 577 | 679 | 329 | 44 | - | - | 329 | 44 |
| | <u>6,364,570</u> | <u>6,012,015</u> | <u>1,636,265</u> | <u>1,524,895</u> | <u>397,771</u> | <u>134,408</u> | <u>927,158</u> | <u>1,060,371</u> |
| | | | | 7 | | 196 | | (13) |

Figures in brackets indicate deductions.

NOTES TO THE INTERIM FINANCIAL STATEMENT

Provisional Financial Statements

1. *Basis of Preparation of Interim Financial Statements*

The Interim Financial Statements of the Company and of the Group have been prepared in consistence with the accounting policies and methods applied for the year ended 31st March 2006 and are in compliance with Sri Lanka Accounting Standard 35 - 'Interim Financial Reporting'. Further, new revised accounting standards applicable for the nine months ended 31st December 2006 have been considered in preparing the Interim Financial Statements of the Company and the Group.

2. *Rights Issue - Subsidiary Shalimar Development Sdn Bhd*

The Company's Subsidiary Shalimar Development Sdn Bhd made a rights issue of 762,864 shares at par to its existing shareholders in November 2006, in proportion to their existing holding in the subsidiary.

3. *Capital Commitments*

Equity One Ltd. a subsidiary of the Company has entered in to a conditional sale & purchase agreement to purchase a 6 acre land for development during the period under review. The proposed purchase price of the land is Rs. 530 mn. The liability has not been created in the books since the commitment is subject to certain conditions to be fulfilled.

4. *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.

5. *Contingent Liabilities*

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

6. *Restatement of Comparative Figures*

Certain comparative figures have been reclassified where applicable to conform to the classifications and presentations as at 31st December 2006.

INVESTOR INFORMATION

Provisional Financial Statements

| | 31.12.06 | 31.12.05 | 31.03.06 |
|---|----------|----------|----------|
| Market Performance - Ordinary Shares | | | |
| Market value per share as at (Rs.) | 2,100 | 2,205 | 2,300 |
| Highest price per share (Rs.) | 3,950 | 22,000* | 22,000* |
| Lowest price per share (Rs.) | 1,950 | 2,205 | 1,950 |
| Market Capitalisation (Rs. Mn) | 12,835 | 13,479 | 14,058 |
| Share Trading | | | |
| Value of shares traded (Rs. '000) | 75,445 | 84,749 | 117,205 |
| Number of shares traded | 30,800 | 17,200 | 32,300 |
| Number of trades | 163 | 159 | 257 |

** Before the bonus issue*

CORPORATE INFORMATION

| | |
|--|---|
| Name of the Company | Carson Cumberbatch & Company Limited |
| Legal Form | A Public Quoted Company with limited liability. Incorporated in Sri Lanka in 1913 |
| Board of Directors | Carson Cumberbatch & Company Limited T. de Zoysa (<i>Chairman</i>) H. Selvanathan (<i>Deputy Chairman</i>) M. Selvanathan I. Paulraj D.C.R. Gunawardena S.K. Shah P.C.P. Tissera V.P. Malalasekera M. Moonesinghe Carsons Management Services (Pvt) Limited H. Selvanathan (<i>Chairman</i>) M. Selvanathan D.C.R. Gunawardena S.K. Shah P.C.P. Tissera K.C.N. Fernando |
| Alternate Director | P.C.P. Tissera (<i>for H. Selvanathan</i>) |
| Audit Committee | T. de Zoysa (Chairman) D.C.R. Gunawardena T. Rodrigo V.P. Malalasekera |
| Bankers | Standard Chartered Bank Bank of Ceylon Citibank NA Commercial Bank of Sri Lanka HSBC Sampath Bank Indian Bank Hatton National Bank |
| Auditors | Messrs KPMG Ford, Rhodes, Thornton & Company Chartered Accountants No. 32A, Sir Mohamed Macan Markar Mawatha, Colombo 3 Sri Lanka |
| Secretaries | Carsons Management Services (Pvt) Limited No. 61, Janadhipathi Mawatha, Colombo 1 Sri Lanka |
| Registered Office and Principal Place of Business | No. 61, Janadhipathi Mawatha, Colombo 1 Sri Lanka Tel: 94-11-4739200/Fax: 94-11-4739300 E-mail: carsons@carcumb.com |
| Corporate Website | www.carsoncumberbatch.com |