

Ceylon Investment PLC

Interim Report for the nine months ended 31 December 2009

Income Statement

	Note	Quarter ended 31st December			Nine months ended 31st December			Year ended 31.03.09 (Audited)
		2009	2008	Change %	2009	2008	Change %	
(All figures in Sri Lankan Rupees '000)								
Revenue		489,669	25,037	1,856	757,108	419,797	80	958,695
Cost of investments disposed		(194,385)	(11,847)	1,541	(378,847)	(109,084)	247	(711,760)
		295,284	13,190	2,139	378,261	310,713	22	246,935
Other income / (expenses)	2	37,996	(20,052)	289	167,277	(38,652)	533	178,515
Administrative expenses		(3,264)	(1,327)	146	(10,469)	(5,463)	92	(7,549)
Profit from operations		330,016	(8,189)	4,130	535,069	266,598	101	417,901
Finance cost		(101)	(198)	(49)	(101)	(326)	(69)	(1,506)
Profit from operations after finance cost		329,915	(8,387)	4,034	534,968	266,272	101	416,395
Share of associate company's profit / (loss)		88,665	(21,777)	507	323,074	74,788	332	(170,548)
Profit before taxation		418,580	(30,164)	1,488	858,042	341,060	152	245,847
Taxation		(3,426)	(486)	605	(13,775)	(3,208)	329	(5,647)
Profit for the period		415,154	(30,650)	1,454	844,267	337,852	150	240,200
Earnings per share (Rs.)		21.49	(1.27)		43.71	13.99		9.95
Dividend per share (Rs.)		7.00	1.75		7.00	1.75		7.00

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.

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Balance Sheet

(All figures in Sri Lankan Rupees '000)
As at 31st December

	2009	2008 (Restated)	As at 31.03.09 (Audited)
ASSETS			
Non-Current Assets			
Investment in associate	2,142,515	1,528,691	1,558,978
Other investments	1,858,750	932,226	775,614
Total non current assets	4,001,265	2,460,917	2,334,592
Current Assets			
Trade and other receivables	4,302	63	2,637
Income tax recoverable	-	801	730
Short-term investments	345,456	50,042	45,743
Amounts due from related companies	-	328,221	-
Short term Deposits	-	68,591	4,719
Cash at bank	11,246	995	836,661
Total current assets	361,004	448,713	890,490
Total assets	4,362,269	2,909,630	3,225,082
EQUITY AND LIABILITIES			
Stated Capital and Reserves			
Stated capital	506,074	506,074	506,074
Capital reserves	1,251,389	1,058,550	899,109
Revenue reserves	2,584,816	1,340,676	1,753,783
Shareholders' funds	4,342,279	2,905,300	3,158,966
Current Liabilities			
Creditors and accruals	644	473	2,769
Income tax payable	12,377	-	-
Unclaimed Dividends	6,969	3,857	3,374
Bank overdraft	-	-	59,973
Total current liabilities	19,990	4,330	66,116
Total equity and liabilities	4,362,269	2,909,630	3,225,082
Net assets per share - Book Value (Rs.)	224.80	120.32	130.83
Net assets per share - Market Value (Rs.)	323.30	118.11	132.52

The Balance Sheet as at 31st December 2009 and the related Statements of Income, Changes in Equity and Cash Flow for the period then ended, as disclosed in pages 3 to 6 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

8th February 2010

(Sgd.)

I. Paulraj

Chairman

(Sgd.)

D.C.R. Gunawardena

Director

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Statement of Changes in Equity

(All figures in Sri Lankan Rupees '000)	Stated Capital	Capital Reserve	Revenue Reserve	Total Equity
Balance as at 1st April 2008 (Audited)	506,074	1,195,438	2,331,786	4,033,298
Profit for the year	-	-	240,200	240,200
Movement in associate company's reserves	-	(296,329)	-	(296,329)
Loss on Revaluation of long-term investments	-	-	(775,948)	(775,948)
Dividend paid	-	-	(42,255)	(42,255)
Balance as at 31st March 2009 (Audited)	506,074	899,109	1,753,783	3,158,966
Profit for the period	-	-	844,267	844,267
Movement in associate company's reserves	-	352,280	-	352,280
Profit on share buy back made by associate	-	-	348,392	348,392
Repurchase of shares	-	-	(912,711)	(912,711)
Surplus on Revaluation of long-term investments	-	-	720,106	720,106
Dividend paid	-	-	(169,021)	(169,021)
Balance as at 31st December 2009 (Unaudited)	506,074	1,251,389	2,584,816	4,342,279
Balance as at 1st April 2008 (Audited)	506,074	1,195,438	2,331,786	4,033,298
Movement in associate company's reserves	-	(136,888)	-	(136,888)
Loss on Revaluation of long-term investments	-	-	(1,286,707)	(1,286,707)
Profit for the period	-	-	337,852	337,852
Dividend paid	-	-	(42,255)	(42,255)
Balance as at 31st December 2008 (Unaudited)	506,074	1,058,550	1,340,676	2,905,300

Figures in brackets indicate deductions.

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Cash Flow Statement

For the nine months ended 31st December	2009	2008	Year ended 31.03.09 (Audited)
(All figures in Sri Lankan Rupees '000)			
Net cash generated from operating activities	(40,416)	75,035	787,338
Net cash used in financing activities	(729,745)	(41,191)	(41,673)
Net increase/(decrease) in cash & cash equivalents	(770,161)	33,844	745,665
Cash & cash equivalents at the beginning of the period	781,407	35,742	35,742
Cash & cash equivalents at the end of the period	11,246	69,586	781,407

Statement of Cash & Cash Equivalents

Short term Deposits	-	68,591	4,719
Cash at bank*	11,246	995	836,661
	11,246	69,586	841,380
Bank overdraft	-	-	(59,973)
	11,246	69,586	781,407

* Includes interest bearing savings accounts.

Figures in brackets indicate deductions.

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Interim Report for the nine months ended 31 December 2009

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 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 and its associate.

2 Other Income	Rs'000	Rs'000
	31st Dec 2009	31st Dec 2008
Reversal of Mark to market value loss for long-term investments in prior year	44,453	-
Mark to market value adjustment for short-term investments	120,374	(38,652)
Realization of revaluation gains on disposal of shares	2,450	
	167,277	(38,652)

3 Events Occurring after the Balance Sheet date

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

4 Contingent Liability

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

5 Sector Investment Portfolio

5.1 Investment in Associate

	Cost	Director's		Director's
	as at	Valuation	Cost	Valuation
Rs. '000	31.12.09	31.12.09	31.03.09	31.03.09
Rubber Investment Trust Limited*	296	4,044,639	349	1,599,826
Company's share of associate				
companys' net assets	2,142,219	-	1,558,629	-
	2,142,515	4,044,639	1,558,978	1,599,826

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

5.2 Long-Term Investments

Sector	Market Value	Market Value
	as at	as at
Rs. '000	31.12.09	31.03.09
Bank, Finance & Insurance	529,032	24,171
Beverage, Food & Tobacco	331,178	155,925
Diversified	714,380	385,653
Healthcare	50,619	24,703
Hotels & Travels	107,700	28,175
Telecommunications	-	31,147
Unquoted Investments	125,841	125,840
Total net carrying value of other investments	1,858,750	775,614

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Notes to the Interim Financial Statements

5.3 Short-Term Investments

Sector	Market Value as at 31.12.09	Market Value as at 31.03.09
Rs. '000		
Bank, Finance and Insurance	241,986	523
Beverage, Food & Tobacco	6,551	35,224
Chemicals & Pharmaceutacals	20,038	-
Construction & Engineering	6,853	-
Diversified	50,880	7,371
Hotels & Travels	16,973	-
Land & Property	2,175	-
Power & Energy	-	2,625
Total equity securities	345,456	45,743

5.4 Price Index Movements

	As at 31.12.09	As at 31.03.09
ASPI	3,385	1,638
Milanka	3,849	1,736

6 Investor Information

Market Performance - Ordinary Shares

	31.12.09	31.12.08	31.03.09
	Rs.	Rs.	Rs.
Last traded price per share	247.50	45.00	58.00
Highest price per share during the period	252.50	95.00	65.50
Lowest price per share during the period	57.50	40.00	47.00
Market capitalisation (Rs. mn.)	5,976	1,087	1,400

7 Stated Capital as at 31st December 2009

Stated Capital of Rs.506,073mn consisting of 24,145,803 ordinary shares. The Company repurchased 4,829,161 Ordinary shares from its shareholders and these have been cancelled on 11th January 2010. Hence, as at 11th January 2010 the Stated Capital of the Company would consist of 19,316,642 Ordinary shares.

8 Public Holding

The Percentage of shares held by Public as at 30th December 2009 was 46.48%.

The above public holding amounted to 11,222,710 shares of which 4,829,161 shares were repurchased by the Company and were subsequently cancelled on 11th January 2010. As a result the public holding as at 11th January 2010 was 33.10%.

9 Directors Shareholding as at 31st March 2009

	No. of Shares
Mr. I Paulraj	50
Mr. D C R Gunawardena	50
Mr. A. P. Weeratunge	-

10 Comparative Figures

Comparative figures have been re-arranged where necessary to conform to the classification and presentation as at 31st December 2009.

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Notes to the Interim Financial Statements

11 Twenty Major Shareholders as at 30th December 2009

		Shares held as at 30th December 2009 *	%	Shares held as at 11th January 2010	%
1	CEYLON GUARDIAN INVESTMENT TRUST PLC	10,870,453	45.02	10,870,453	56.28
2	CARSON CUMBERBATCH PLC A/C NO. 01	2,050,784	8.49	2,050,784	10.62
3	THURSTON INVESTMENTS LIMITED	393,113	1.63	400,313	2.07
4	WALDOCK MACKENZIE LTD/MR. H.M.S. ABDULHUSSEIN	300,015	1.24	295,715	1.53
5	MRS. M.L. DE SILVA	255,957	1.06	255,957	1.33
6	MISS G.I.A. DE SILVA	250,475	1.04	250,475	1.30
7	J.B. COCOSHELL (PVT) LTD	202,218	0.84	189,218	1.01
8	MR. G.J.W. DE SILVA	195,000	0.81	195,000	0.98
9	PERSHING LLC S/A AVERBACH GRAUSON & CO.	188,000	0.78	188,000	0.97
10	MR. K.C. VIGNARAJAH	164,992	0.68	164,992	0.85
11	OAKLEY INVESTMENTS LIMITED	156,000	0.65	156,000	0.81
12	MISS R.H. ABDULHUSSEIN	123,961	0.51	118,961	0.62
13	DFCC BANK A/C 1	113,336	0.47	113,336	0.59
14	MR. Y.H. ABDULHUSEEIN	110,901	0.46	110,901	0.57
15	ESTATE OF LATE MR. N.K.A. DE SILVA (DECD)	110,233	0.46	110,233	0.57
16	WALDOCK MACKENZIE LTD/MR. M.A.N. YOOSUFALI	102,320	0.42	102,320	0.53
17	COCOSHELL ACTIVATED CARBON COMPANY LIMITED	98,517	0.41	95,817	0.50
18	COMMERCIAL BANK OF CEYLON LTD/K.C.VIGNARAJAH	97,279	0.40	97,279	0.50
19	AITKEN SPENCE PLC-A/C NO. 2	86,341	0.36	86,341	0.45
20	MERCANTILE BANK (AGENCY) PRIVATE LIMITED	80,205	0.33	80,205	0.42

* The total number of ordinary shares in issue as at 30th December 2009 amounts to 24,145,803 and includes 4,829,161 Shares Repurchased by the Company (amounting to 20%) which were held under the Repurchase Account, pending cancellation. Subsequently, on 11th January 2010, the 4,829,161 shares were cancelled after completing all Statutory and Regulatory requirements.

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.

Directors

I. Paulraj (Chairman)
D.C.R. Gunawardena
A. P. Weeratunge

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 &
Fax No. +94-11-4739300