

CEYLON INVESTMENT PLC
INTERIM REPORT FOR THE FOURTH
QUARTER ENDED 31ST MARCH 2010

Ceylon Investment PLC

Interim Report for the fourth quarter ended 31st March 2010

Income Statement

	Quarter ended 31st March			Year ended 31st March		
	2010	2009	Change %	2010	2009	Change %
<i>(All figures in Sri Lankan Rupees '000)</i>						
Revenue	311,507	538,898	(42)	1,068,615	958,695	11
Cost of the investments disposed and Mark to Market value adjustments	<u>(191,805)</u>	<u>(385,992)</u>	(50)	<u>(403,375)</u>	<u>(533,728)</u>	(24)
Profit from portfolio activities	119,702	152,906	(22)	665,240	424,967	57
Other Income	-	483	(100)	-	483	(100)
Administrative expenses	(9,306)	(2,086)	346	(19,775)	(7,549)	162
Profit from operations	110,396	151,303	(27)	645,465	417,901	54
Finance cost	<u>(2)</u>	<u>(1,180)</u>	(100)	<u>(103)</u>	<u>(1,506)</u>	(93)
Profit from operations after finance cost	110,394	150,123	(26)	645,362	416,395	55
Share of associate company's profit / (loss)	<u>34,556</u>	<u>(245,336)</u>	114	<u>357,630</u>	<u>(170,548)</u>	310
Profit before taxation	144,950	(95,213)	252	1,002,992	245,847	308
Taxation	<u>(334)</u>	<u>(2,439)</u>	(86)	<u>(14,109)</u>	<u>(5,647)</u>	150
Profit for the period	144,616	<u>(97,652)</u>	248	988,883	240,200	312
Earnings per share (Rs.)	7.49	(4.04)		43.88	9.95	
Dividend per share* (Rs.)	6.70	7.00		6.70	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.

* Dividend per share is calculated based on proposed dividend/interim dividend

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Balance Sheet

(All figures in Sri Lankan Rupees '000)

As at 31st March

	2010	2009
ASSETS		
Non-Current Assets		
Investment in associate	2,273,895	1,558,978
Other long-term investments	2,092,126	775,614
Total non-current assets	4,366,021	2,334,592
Current Assets		
Trade and other receivables	5,162	2,637
Income tax recoverable	-	730
Short-term investments	400,613	45,743
Short-term Deposits	5,941	4,719
Cash at bank	12,485	836,661
Total current assets	424,201	890,490
Total assets	4,790,222	3,225,082
EQUITY AND LIABILITIES		
Stated Capital and Reserves		
Stated capital	506,074	506,074
Capital reserves	1,686,615	899,109
Revenue reserves	2,555,828	1,753,783
Shareholders' funds	4,748,517	3,158,966
Current Liabilities		
Trade and other payables	26,787	2,769
Income tax payable	7,010	-
Unclaimed Dividends	6,902	3,374
Bank overdraft	1,006	59,973
Total current liabilities	41,705	66,116
Total equity and liabilities	4,790,222	3,225,082
Net assets per share - Book Value (Rs.)	245.83	130.83
Net assets per share - Market Value (Rs.)	340.86	132.52

The Balance Sheet as at 31st March 2010 and the related Statements of Income, Changes in Equity and Cash Flow for the fourth quarter ended, as disclosed in pages 1 to 4 have been drawn up from audited 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

2nd June 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	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 for 2008	-	-	(42,255)	(42,255)
Balance as at 31st March 2009	506,074	899,109	1,753,783	3,158,966
Profit for the period	-	-	988,883	988,883
Movement in associate Company's reserves	-	787,506	-	787,506
Re-purchase of shares by the company	-	-	(912,711)	(912,711)
Effect of change in Associate Company Negative Goodwill	-	-	10,686	10,686
Gain on revaluation of long-term investments	-	-	884,207	884,207
Dividend paid for 2009	-	-	(169,020)	(169,020)
Balance as at 31st March 2010	506,074	1,686,615	2,555,828	4,748,517

Figures in brackets indicate deductions.

Ceylon Investment PLC
Interim Report for the fourth quarter ended 31 March 2010

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 2010 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 Events Occurring after the Balance Sheet date

The Directors recommended a first and final dividend of Rs. 6.70 per share as at 31st March 2010 amounting to Rs. 129,421,501/- which would be declared at the forthcoming Annual General Meeting subject to the shareholder approval. In accordance with Sri Lanka Accounting Standard No. 12 (Revised 2005) "Events After the Balance Sheet Date" this proposed first and final dividend has not been recognised as liability as at 31st March 2010. This would result in a total outflow of Rs. 129,421,501/-.

Subsequent to the Balance Sheet date, no circumstances of material nature have arisen which required adjustment to or disclosures in these financial statements other than disclosed above.

3 Contingent Liability

There were no material contingent liabilities and capital commitments as at the Balance Sheet date.

4 Investor Information

Market Performance - Ordinary Shares

	31.03.10
	Rs.
Last traded price per share	271.00
Highest price per share during the period	335.00
Lowest price per share during the period	188.00
Market capitalisation (Rs. mn.)	5,235

5 Stated Capital as at 31st March 2010

The stated capital of the Company as at 31st March 2010 was Rs. 506,074 mn consisting of 19,316,642 ordinary shares.

6 Public Holding

The Percentage of shares held by Public as at 31st March 2010 was 33.10%.

7 Directors Shareholding as at 31st March 2010

	No. of Shares
Mr. I. Paulraj	50
Mr. D. C. R. Gunawardena	50
Mr. A. P. Weeratunge	-
Mrs. M.A.R.C. Cooray (Appointed w.e.f. 11.03.2010)	-
Mr. A. De Z. Cooray (Appointed w.e.f. 18.03.2010)	-
Mr. V.M. Fernando (Appointed w.e.f. 18.03.2010)	-

8 Comparative Figures

Comparative figures have been re-arranged where necessary to conform to the classification and presentation as at 31st March 2010

Ceylon Investment PLC

Interim Report for the fourth quarter ended 31 March 2010

Notes to the Interim Financial Statements

Twenty Major Shareholders as at 31st March 2010

	Name of the shareholder	Shares held as at 31st March 2010	%
1	Ceylon Guardian Investment Trust PLC	10,870,453	56.27
2	Carson Cumberbatch PLC	2,050,834	10.62
3	Thurston Investments Ltd.	398,513	2.06
4	Waldock Mackenzie Ltd/Mr. H.M.S. Abdulhussein	264,515	1.37
5	Mrs. M.L. de Silva	255,957	1.32
6	Miss G.I.A. de Silva	250,475	1.30
7	Mr. G.J.W. de Silva	195,000	1.01
8	J. B. Cocoshell (Pvt) Ltd.	174,218	0.90
9	Mr. K.C. Vignarajah	169,892	0.88
10	Pershing LLC S/A Averbach Grauson & Co.	166,000	0.86
11	Oakley Investments Ltd	156,000	0.80
12	Bank of Ceylon - No.2 A/C	132,600	0.69
13	Miss. R.H. Abdulhussein	118,961	0.62
14	DFCC Bank A/C 1	113,336	0.59
15	Mr. Y.H. Abdhuseein	110,901	0.57
16	Estate of Late Mr. N.K.A. De Silva	110	0.57
17	Waldock Mackenzie Ltd./ Mr. M.A.N. Yoosufali	101,020	0.52
18	Commercial Bank of Ceylon Ltd./Mr. K.C. Vignarajah	97,279	0.50
19	Cocoshell Activated Carbon Company Ltd.	95,317	0.49
20	Aitken Spence PLC - A/c No. 2	86,341	0.45

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. Weeratunga
Mrs. M.A.R.C. Cooray (Appointed w. e. f. 11.03.2010)
Mr. A. De. Z. Gunasekara (Appointed w. e. f. 18.03.2010)
Mr. V.M. Fernando (Appointed w.e.f. 18.03.2010)

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 &

CEYLON INVESTMENT PLC - PQ 68

ADDITIONAL INFORMATION TO SHAREHOLDERS

We are herewith circulating the portfolio of the company's associate company, Rubber Investment Trust Limited. The investment in associate company is accounted in "Equity Method" of accounting in the company's published financial statement as required by the Sri Lanka Accounting Standard SLAS 27 (Revised 2005) "Investments in Associates".

INVESTMENT PORTFOLIO OF RUBBER INVESTMENT TRUST LIMITED

(Amounts expressed in Sri Lankan Rs. '000)

	Note	2010		2009	
		Cost	Directors Valuation/	Cost	Directors Valuation/
		As At	Market Value	As At	Market Value
		31st March	As At	31st March	31st March
Investment in Subsidiary	1	10,450	10,450	10,450	10,450
Investment in Associate	2	1,927	6,011,250	1,927	1,582,962
Other Long-term Investments	3	431,506	1,980,961	449,728	709,784
Short-term Investments	4	-	219,482	-	13,682
		443,883	8,222,143	462,105	2,316,878

1 Investment in Subsidiary	2010			2009		
	No. of shares	Cost	Directors	No. of shares	Cost	Directors
		As At	Valuation		As At	Valuation
		31st March	As At		31st March	As At
Unquoted investments						
Guardian Fund Management Limited	1,045,015	10,450	10,450	1,045,015	10,450	10,450
Total Investment in Subsidiary		10,450	10,450	1,045,015	10,450	10,450

2 Investment in Associate	% Holding	Cost	Market Value	% Holding	Cost	Market Value
		31st March	31st March		31st March	31st March
		2010	2010		2009	2009
Quoted Investments						
Bukit Darah PLC	20.04%	1,927	6,011,250	20.04%	1,927	1,582,962
Total Investment in Associate		1,927	6,011,250		1,927	1,582,962

3 Other Long-term Investments	2010			2009		
	No. of Shares	Cost	Market Value	No. of Shares	Cost	Market Value
		As At	As At		As At	As At
		31st March	31st March		31st March	31st March
(A) Quoted						
Diversified						
John Keells Holdings PLC	10,763,178	430,970	1,980,425	10,763,178	430,970	675,389
		430,970	1,980,425		430,970	675,389
Manufacturing						
Tokyo Cement Ltd.	-	-	-	249,596	8,046	31,199
		-	-		8,046	31,199
Telecommunication						
Dialog Telekom PLC	-	-	-	542,850	10,176	2,660
		-	-		10,176	2,660
Total Long Term Investments - Quoted		430,970	1,980,425	449,192	709,248	
(B) Unquoted						
DFCC Vardhana Bank	42,975	533	533	42,975	533	533
Total Long-term Investment - Unquoted		533	533		533	533
Total Investment in Equity Securities		431,503	1,980,958	449,725	709,781	

	2010			2009		
	No. of Shares	Cost As At 31st March	Market Value As At 31st March	No. of Shares	Cost As At 31st March	Market Value As At 31st March
(C) Investments in Debentures - Redeemable unsecured Debentures						
Riverina Hotels Limited	56	1	1	56	1	1
Ocean View Limited - 6%	120	1	1	120	1	1
Total Investment in Debentures		2	2		2	2
(D) Preference Shares in Associate						
Bukit Darah PLC - 8%	3,125	1	1	125	1	1
Total Investment in Debentures		1	1		1	1
Total Other Long-term Investments		431,506	1,980,961		449,728	709,784

4 Short-term Investments

	2010		2009	
	No. of shares	Market Value As At 31st March 2010	No. of shares	Market Value As At 31st March 2009
<u>Beverage Food and Tobacco</u>				
Distilleries Company of Sri Lanka PLC	-	-	159,600	10,374
<u>Diversified</u>				
John Keells Holdings PLC	164,000	30,176	-	-
<u>Manufacturing</u>				
Royal Ceramic Lanka PLC	100,000	11,300	-	-
<u>Banks</u>				
Development Finance Corporation of Ceylon PLC	412,500	74,456	-	-
<u>Hotels & Travels</u>				
Aitken Spence Hotel Holdings PLC	250,000	96,250	10,500	3,308
Amaya Leisure PLC	100,000	7,300	-	-
Total Short-term Investments		219,482		13,682