

**CEYLON GUARDIAN
INVESTMENT TRUST PLC**

**INTERIM REPORT FOR THE NINE MONTHS
ENDED 31ST DECEMBER 2007**



A CARSON CUMBERBATCH COMPANY

Income Statement - Group

Provisional Financial Statements

(All figures in Sri Lankan Rupees '000)	For the quarter ended 31st December			For the nine months ended 31st December			Year ended
	2007	2006	Change %	2007	2006	Change %	31.03.07 (Audited)
Revenue	96,475	389,987	(75)	206,655	602,093	(66)	1,015,234
Cost of investments disposed & other direct expenses	(85,718)	(226,324)	(62)	(103,097)	(336,929)	(69)	(414,382)
	10,757	163,663	(93)	103,558	265,164	(61)	600,852
Mark to market value adjustment for carrying value of short-term investments	(998)	62,130	(102)	(25,086)	74,132	(134)	86,527
Other Income	-	-	-	-	-	-	2,203
	9,759	225,793	(96)	78,472	339,296	(77)	689,582
Administrative expenses	(7,894)	(7,858)	-	(25,812)	(22,468)	15	(31,308)
Profit from operations	1,865	217,935	(99)	52,660	316,828	(83)	658,274
Finance costs	(9,582)	(2,012)	376	(27,604)	(8,892)	210	(14,628)
Profit/(loss) from ordinary activities	(7,717)	215,923	(104)	25,056	307,936	(92)	643,646
Share of associate companies' profits	49,317	21,595	128	195,083	74,665	161	126,337
Profit before taxation	41,600	237,518	(82)	220,139	382,601	(42)	769,983
Tax expense	(19,652)	(9,306)	111	(75,042)	(31,225)	140	(56,989)
Profit for the period	21,948	228,212	(90)	145,097	351,376	(59)	712,994
Profit Attributable to							
Equity holders of the parent	22,573	181,135	(88)	135,112	281,808	(52)	560,397
Minority shareholders	(625)	47,077	(101)	9,985	69,568	(86)	152,597
	21,948	228,212	(90)	145,097	351,376	(59)	712,994
Earnings per ordinary/ deferred share (Rs.) - (Basic)	1.12	8.95	(88)	6.68	13.93	(51)	27.69
Dividend per ordinary share (Rs.)	-	-	-	-	-	-	1.50

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.

Balance Sheet - Group

Provisional Financial Statements

As at 31st December	2007	2006	As at 31.03.07
(All figures in Sri Lankan Rupees '000)		(Restated)	(Audited)
ASSETS			
Non-Current Assets			
Property, plant & equipment	1,889	2,082	2,033
Investments in associates	1,723,317	1,448,880	1,583,169
Other investments	2,462,938	1,981,498	2,424,007
	<u>4,188,144</u>	<u>3,432,460</u>	<u>4,009,209</u>
Current Assets			
Trade and other receivables	9,613	16,103	6,989
Income tax recoverable	6,535	5,168	6,008
Short-term investment	275,179	337,680	367,139
Short-term deposits	34,564	5,857	9,277
Cash at bank	18,867	4,602	4,865
	<u>344,758</u>	<u>369,410</u>	<u>394,278</u>
Total assets	<u>4,532,902</u>	<u>3,801,870</u>	<u>4,403,487</u>
EQUITY AND LIABILITIES			
Stated Capital & Reserves			
Stated capital	672,811	672,811	672,811
Capital reserves	897,853	757,588	873,458
Revenue reserves	2,152,056	1,768,707	2,047,296
Total equity attributable to equityholders of the parent	<u>3,722,720</u>	<u>3,199,106</u>	<u>3,593,565</u>
Minority shareholders' interest	596,906	520,960	603,989
Total equity	<u>4,319,626</u>	<u>3,720,066</u>	<u>4,197,554</u>
Non-Current Liabilities			
Deferred tax provision	91	-	88
Retirement benefit obligation	78	-	78
	<u>169</u>	<u>-</u>	<u>166</u>
Current Liabilities			
Trade and other creditors	6,484	6,847	7,258
Short-term borrowings	169,065	69,262	166,265
Bank overdraft	37,558	5,695	32,244
	<u>213,107</u>	<u>81,804</u>	<u>205,767</u>
Total equity and liabilities	<u>4,532,902</u>	<u>3,801,870</u>	<u>4,403,487</u>
Net assets per ordinary/deferred share (Rs.)	183.97	158.10	177.59
Net assets per share - Market value (Rs.)	425.04	364.36	492.76

The Balance Sheet of the Group as at 31st December 2007 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.)
D.C.R. Gunawardena
Director

(Sgd.)
I. Paulraj
Chairman

(Sgd.)
P.C.P. Tissera
Director

Carsons Management Services (Private) Limited
12th February 2008

Statement of Changes in Equity - Group

Provisional Financial Statements

	Stated Capital	Capital Reserves	Revenue Reserves	Share- holders' Funds	Minority Share- holders' Interest	Total Equity
<i>(All figures in Sri Lankan Rupees '000)</i>						
Balance as at 31st March 2006 (Audited)	672,811	704,345	1,517,251	2,894,407	475,355	3,369,762
Net profit for the year	–	–	560,397	560,397	152,597	712,994
Dividend paid for 2006	–	–	(30,352)	(30,352)	(23,963)	(54,315)
Appreciation of associate company's reserves	–	169,113	–	169,113	–	169,113
Balance as at 31st March 2007 (Audited)	672,811	873,458	2,047,296	3,593,565	603,989	4,197,554
Net profit for the nine months	–	–	135,112	135,112	9,985	145,097
Appreciation of associate company's reserves	–	24,395	–	24,395	–	24,395
Dividend paid for 2007	–	–	(30,352)	(30,352)	(17,068)	(47,420)
Balance as at 31st December 2007 (Unaudited)	672,811	897,853	2,152,056	3,722,720	596,906	4,319,626
Balance as at 31st March 2006 (Audited)	672,811	704,345	1,517,251	2,894,407	475,355	3,369,762
Net profit for the nine months	–	–	281,808	281,808	69,568	351,376
Appreciation of associate company's reserves	–	53,243	–	53,243	–	53,243
Dividend paid for 2006	–	–	(30,352)	(30,352)	(23,963)	(54,315)
Balance as at 31st December 2006 (Unaudited)	672,811	757,588	1,768,707	3,199,106	520,960	3,720,066

Cash Flow Statement - Group

Provisional Financial Statements

For the nine months ended 31st December

2007

2006

Year ended

31.03.07

(Audited)

(All figures in Sri Lankan Rupees '000)

Net cash generated from/(used in) operating activities	85,490	68,796	(48,554)
Net cash used in financing activities	(54,315)	(54,234)	(56,753)
Net increase/(decrease) in cash & cash equivalents	31,175	14,562	(105,307)
Cash & cash equivalents at the beginning of the period	(184,367)	(79,060)	(79,060)
Cash & cash equivalents at the end of the period	(153,192)	(64,498)	(184,367)
Statement of Cash & Cash Equivalents			
Short-term deposits	34,564	5,857	9,277
Cash at bank	18,867	4,602	4,865
	53,431	10,459	14,142
Short-term borrowings	(169,065)	(69,262)	(166,265)
Bank overdrafts	(37,558)	(5,695)	(32,244)
	(153,192)	(64,498)	(184,367)

Figures in brackets indicate deductions.

Income Statement - Company

Provisional Financial Statements

(All figures in Sri Lankan Rupees '000)	For the quarter ended 31st December			For the nine months ended 31st December			Year ended
	2007	2006	Change %	2007	2006	Change %	31.03.07 (Audited)
Revenue	31,252	193,669	(84)	100,021	338,724	(70)	404,632
Cost of investments disposed	(34,201)	(124,965)	(73)	(46,480)	(184,505)	(75)	(215,293)
	(2,949)	68,704	(104)	53,541	154,219	(65)	189,339
Mark to market value adjustment for carrying value of short-term investments	(1,565)	31,782	(105)	(12,687)	37,440	(134)	43,238
Other income	-	-	-	-	-	-	915
	(4,514)	100,486	(104)	40,854	191,659	(79)	233,492
Administrative expenses	(2,548)	(1,846)	38	(8,674)	(6,493)	34	(8,840)
Profit/(loss) from operations	(7,062)	98,640	(107)	32,180	185,166	(83)	224,652
Finance costs	(4,306)	(1,182)	264	(12,748)	(3,956)	222	(6,750)
Profit/(loss) before taxation	(11,368)	97,458	(112)	19,432	181,210	(89)	217,902
Income tax expense	-	-	-	-	-	-	(2)
Profit/(loss) for the period	(11,368)	97,458	(112)	19,432	181,210	(89)	217,900
Earnings/(loss) per ordinary/deferred share - Basic (Rs.)	(0.56)	4.82	(112)	0.96	8.96	(89)	10.77
Dividend per ordinary share (Rs.)	-	-	-	-	-	-	1.50

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.

Balance Sheet - Company

Provisional Financial Statements

As at 31st December 2007 2006 As at
31.03.07
(Audited)

(All figures in Sri Lankan Rupees '000)

ASSETS

Non-Current Assets

Investments in subsidiaries	346,500	346,500	346,500
Other investments	934,172	796,805	908,825
	<u>1,280,672</u>	<u>1,143,305</u>	<u>1,255,325</u>

Current Assets

Trade and other receivables	72	14,027	970
Income tax recoverable	3,265	2,168	2,682
Short-term investments	133,454	171,319	172,031
Cash at bank	794	3,225	281
	<u>137,585</u>	<u>190,739</u>	<u>175,964</u>

Total assets	<u>1,418,257</u>	<u>1,334,044</u>	<u>1,431,289</u>
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EQUITY AND LIABILITIES

Stated Capital & Reserves

Stated capital	672,811	672,811	672,811
Capital reserves	208,659	208,659	208,659
Revenue reserves	434,792	409,022	445,712
Total equity	<u>1,316,262</u>	<u>1,290,492</u>	<u>1,327,182</u>

Current Liabilities

Trade and other creditors	3,226	3,040	3,098
Short-term borrowings	73,365	40,512	68,765
Bank overdraft	25,404	-	32,244
	<u>101,995</u>	<u>43,552</u>	<u>104,107</u>

Total equity and liabilities	<u>1,418,257</u>	<u>1,334,044</u>	<u>1,431,289</u>
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Net assets per ordinary/deferred share (Rs.)	65.05	63.78	65.59
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Net assets per share - Market value (Rs.)	270.86	291.28	313.09
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The Balance Sheet of the Company as at 31st December 2007 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 Managers

Approved and signed on behalf of the Board

(Sgd.)
D.C.R. Gunawardena
Director

(Sgd.) (Sgd.)
I. Paulraj **P.C.P. Tissera**
Chairman Director

Carsons Management Services (Private) Limited
12th February 2008

Statement of Changes in Equity - Company

Provisional Financial Statements

<i>(All figures in Sri Lankan Rupees '000)</i>	Stated Capital	Capital Reserve	Revenue Reserve	Total Equity
Balance as at 31st March 2006 (Audited)	672,811	208,659	258,164	1,139,634
Net profit for the year	-	-	217,900	217,900
Dividend paid for 2006	-	-	(30,352)	(30,352)
Balance as at 31st March 2007 (Audited)	672,811	208,659	445,712	1,327,182
Net profit for the nine months	-	-	19,432	19,432
Dividend paid for 2007	-	-	(30,352)	(30,352)
Balance as at 31st December 2007 (Unaudited)	672,811	208,659	434,792	1,316,262
Balance as at 31st March 2006 (Audited)	672,811	208,659	258,164	1,139,634
Net profit for the nine months	-	-	181,210	181,210
Dividend paid for 2006	-	-	(30,352)	(30,352)
Balance as at 31st December 2006 (Unaudited)	672,811	208,659	409,022	1,290,492

Cash Flow Statement - Company

Provisional Financial Statements

<i>(All figures in Sri Lankan Rupees '000)</i>	2007	2006	Year ended 31.03.07 (Audited)
<i>For the nine months ended 31st December</i>			
Net cash generated from/(used in) operating activities	33,105	34,552	(28,321)
Net cash used in financing activities	(30,352)	(30,352)	(30,920)
Net increase/(decrease) in cash & cash equivalents	2,753	4,200	(59,241)
Cash & cash equivalents at the beginning of the period	(100,728)	(41,487)	(41,487)
Cash & cash equivalents at the end of the period	(97,975)	(37,287)	(100,728)
Statement of Cash & Cash Equivalents			
Cash at bank	794	3,225	281
	794	3,225	281
Short-term borrowings	(73,365)	(40,512)	(68,765)
Bank overdrafts	(25,404)	-	(32,244)
	(97,975)	(37,287)	(100,728)

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 the Group have been prepared in consistence with the accounting policies and methods applied for the year ended 31st March 2007 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting. Further, provision of the new Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company & Group.

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

4. Valuation of Investment Portfolio

Company	Cost as at 31.12.07	Market Value as at 31.12.07	Cost as at 31.03.07	Market Value as at 31.03.07
(Rs. '000)				

4.1 Summary of Investment Portfolio

Long-term (4.1.1)	1,280,672	5,445,242	1,255,325	6,091,442
Short-term (4.1.2)	-	133,454	-	172,031
	<u>1,280,672</u>	<u>5,578,696</u>	<u>1,255,325</u>	<u>6,263,473</u>

4.1.1 Long-Term Investments

Sector

Bank, Finance & Insurance	190,072	172,934	190,072	208,144
Beverage, Food & Tobacco	353,779	678,003	350,647	744,319
Diversified	211,656	504,669	211,657	613,039
Hotels & Travels	20,821	22,432	20,821	25,516
Investment Trust	346,151	1,148,192	346,151	1,365,601
Stores & Supplies	8,722	77,281	8,722	74,705
Services	2,515	71,819	2,515	63,776
Telecommunications	129,342	140,556	107,327	145,610
Total Equity Securities - Quoted	<u>1,263,058</u>	<u>2,815,885</u>	<u>1,237,912</u>	<u>3,240,710</u>
Unquoted Investments*	<u>17,614</u>	<u>2,629,357</u>	<u>17,413</u>	<u>2,850,732</u>
Total Investment Portfolio	<u>1,280,672</u>	<u>5,445,242</u>	<u>1,255,325</u>	<u>6,091,442</u>

* 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.

Notes to the Interim Financial Statements

Provisional Financial Statements

	Market Value as at 31.12.07	Market Value as at 31.03.07
<i>(Rs. '000)</i>		
4.1.2 Short-Term Investments		
Sector		
Bank, Finance & Insurance	13,475	–
Beverage, Food & Tobacco	63,345	65,985
Chemicals & Pharmaceuticals	–	3,420
Diversified	–	21,656
Hotels & Travels	9,676	11,006
Motors	4,779	7,048
Telecommunications	42,179	61,716
Plantations	–	1,200
	133,454	172,031

Group	Market		Market	
	Cost as at 31.12.07	Value as at 31.12.07	Cost as at 31.03.07	Value as at 31.03.07
<i>(Rs. '000)</i>				

4.2 Summary of Investment Portfolio

Long-term (4.2.1)	4,186,255	8,842,087	4,007,176	9,788,322
Short-term (4.2.2)	–	275,179	–	367,139
	4,186,255	9,117,266	4,007,176	10,155,461

4.2.1 Long-Term Investments

Sector				
Bank, Finance & Insurance	351,597	325,968	351,597	392,336
Beverage, Food & Tobacco	551,519	1,133,370	548,387	1,245,987
Diversified	1,115,026	2,954,066	1,115,026	3,586,169
Hotels & Travels	77,403	67,968	77,403	77,314
Oil Palm	42,919	3,690,824	42,919	3,792,917
Stores & Supplies	8,722	77,281	8,722	74,705
Manufacturing	8,046	49,815	8,045	51,999
Services	10,724	159,505	10,312	141,643
Telecommunications	321,960	365,347	286,774	407,510
Unquoted investments	17,943	17,943	17,742	17,742
Total equity securities	2,505,859	8,842,087	2,466,927	9,788,322

Group share of associate companies

net assets	1,680,396	–	1,540,249	–
Total long-term investments	4,186,255	8,842,087	4,007,176	9,788,322

Notes to the Interim Financial Statements

Provisional Financial Statements

	Market Value as at	Market Value as at
<i>(Rs. '000)</i>	31.12.07	31.03.07

4.2.2 Short-Term Investments

Sector

Bank, Finance & Insurance	19,296	–
Beverage, Food & Tobacco	129,836	135,453
Chemicals & Pharmaceuticals	–	3,420
Diversified	–	60,497
Hotels & Travels	21,960	24,979
Land & Property	4,656	3,510
Motors	4,779	7,048
Telecommunications	94,652	131,032
Plantations	–	1,200
Total short-term investments	275,179	367,139

	As at	As at	Movement
	31.12.07	31.03.07	%

4.3 Price Index Movements

ASPI	2,541	2,790	(8.9)
Milanka	3,292	3,838	(14.2)

5. Investor Information

Market Performance - Ordinary Shares	31.12.07	31.12.06	31.03.07
	Rs.	Rs.	Rs.
Market value per share	148.50	149.50	162.50
Highest price per share	149.50	165.00	194.00
Lowest price per share	122.00	105.00	105.00
Market capitalisation (Rs. mn)	2,812	2,831	3,077

6. Stated Capital

Stated Capital of the Company consists of

	As at	As at
	31.12.07	31.12.06
Fully paid ordinary shares	18,938,112	18,938,112
Fully paid deferred shares	10,199	10,199
Partly paid deferred shares (Rs. 908/- paid)	3,050	3,050

Corporate Information

Name of Company

Ceylon Guardian Investment Trust PLC
(A Carson Cumberbatch Company)

Domicile and Legal Form

Ceylon Guardian Investment Trust PLC is a Public Quoted Company with limited liability domiciled in Sri Lanka.

The Company was incorporated in Sri Lanka in 1951.

Company Registration No.

PQ 52

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 ultimate holding company and controlling entity is Carson Cumberbatch PLC, which is incorporated in Sri Lanka.

Directors

I. Paulraj (*Chairman*)
D.C.R. Gunawardena
Asoka De Z. Gunasekera
P.C.P. Tissera
V. Manilal Fernando

Number of Employees

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

Bankers

Standard Chartered Bank
HSBC
Commercial Bank
Deutsche Bank

Auditors

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

Managers & Secretaries

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha
Colombo 1
Tele: +94-11-4739200
Fax: +94-11-4739300

Fund Manager

Guardian Fund Management Limited
No. 61, Janadhipathi Mawatha
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Telephone No. +94-11-4739200
Fax No. +94-11-4739300

Registered Office and Principal Place of Business

No. 61, Janadhipathi Mawatha
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Corporate Website

www.carsoncumberbatch.com