

2010

Provisional financial statements
Three months ended 30 June 2010



C A R G I L L S (C E Y L O N) P L C
Member of Ceylon Theatres Group



Cargills posts impressive 1st Quarter Group profit after tax of Rs. 312 million

Cargills Group is pleased to report a strong 1st quarter performance with profit after tax of Rs. 312 million for 3 months ended 30 June 2010. The first quarter profit of Rs. 312 million is a 93% growth over corresponding period last year and is almost half the profit after tax of Rs. 712 million posted in the financial year 2009/10. The Groups' continuous investment towards industry growth, leadership in innovation and brand consolidation has resulted in substantial volume growth leading to an excellent performance.

Our retail expansion thrust is well on track to achieve its target of setting up 100 new Cargills Food City outlets in the near term. The performance of the retail sector during the quarter ended was exceptional. This trend is expected to improve with moves to consolidate this further through a two pronged strategy of same store growth and expansion.

Our manufacturing brands, Cargills Magic, Cargills Supremo, Cargills Finest and Cargills Kist have all recorded volume growth in excess of 30% which is over and above industry growth. The restaurant sector also did commendably well with KFC enjoying transaction growth that augurs well for the future.

The Group is in the process of finalizing plans to relocate the Cargills Corporate Office from its present location in Fort to a purpose-built Head Office complex in Colombo 2.

Sri Lanka's much anticipated post-war economic revival has now set in and the business environment is proving favorable for investment and growth. This further strengthens the Group's optimism of continuing its 1st quarter growth momentum.

V R Page

Deputy Chairman / Chief Executive Officer

13 August 2010



Income statements

For the quarter ended 30 June	Group			Company		
	2010 Rs.' 000	2009 Rs.' 000	Variance	2010 Rs.' 000	2009 Rs.' 000	Variance
Revenue	8,946,238	7,418,327	1,527,911	5,866,423	4,155,850	1,710,573
Cost of sales	(8,083,830)	(6,797,156)	(1,286,674)	(5,603,177)	(4,014,469)	(1,588,708)
Gross profit	862,408	621,171	241,237	263,246	141,381	121,865
Other income	151,759	122,878	28,881	115,764	85,989	29,775
Distribution costs	(166,197)	(136,222)	(29,975)	(36,473)	(20,451)	(16,022)
Administrative expenses	(309,793)	(229,526)	(80,267)	(151,950)	(98,048)	(53,902)
Other Expenses	(38,939)	(32,657)	(6,282)	(13,330)	(10,613)	(2,717)
Operating profit	499,238	345,644	153,594	177,257	98,258	78,999
Net finance costs	(82,086)	(130,095)	48,009	(63,805)	(66,171)	2,366
Share of loss of equity accounted investees	(17,117)	-	(17,117)	-	-	-
Profit before taxation	400,035	215,549	184,486	113,452	32,087	81,365
Income tax expense	(88,093)	(53,264)	(34,829)	(42,143)	(9,487)	(32,656)
Net profit for the period	311,942	162,285	149,657	71,309	22,600	48,709
Attributable to Equity shareholders	311,942	162,285	149,657	71,309	22,600	48,709
Earnings per share (Rs.)	1.39	0.72	0.67	0.32	0.10	0.22
Dividend per share (Rs.)	-	-	-	-	-	-
Dividend paid per share (Rs.)	-	0.20	(0.20)	-	0.20	(0.20)

Explanatory notes are given on page 7



Balance sheets

As at	Group		Company	
	30 June 2010	31 March 2010	30 June 2010	31 March 2010
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
ASSETS				
Non-current assets				
Property, plant and equipment	8,727,886	8,691,716	6,467,523	6,515,762
Intangible assets	290,912	291,923	-	-
Investment in subsidiaries	-	-	1,668,453	1,668,453
Investment in associates	198,958	216,075	216,075	216,075
Prepayment on leasehold land and buildings	29,531	29,750	-	-
Deferred tax assets	21,776	21,777	-	-
	9,269,063	9,251,241	8,352,051	8,400,290
Current assets				
Inventories	2,616,963	3,059,389	1,971,673	1,823,335
Trade and other receivables	1,337,695	1,119,749	687,351	474,571
Amount due from related companies	284,919	252,941	309,473	268,757
Short term investments	3,760	3,759	3,672	3,672
Cash and cash equivalents	239,481	261,763	203,883	160,051
	4,482,818	4,697,601	3,176,052	2,730,386
Total assets	13,751,881	13,948,842	11,528,103	11,130,676
EQUITY				
Capital and reserves				
Stated capital	130,723	130,723	130,723	130,723
Reserves	4,587,687	4,487,687	4,083,518	3,983,518
Retained earnings	1,734,687	1,522,745	378,461	407,152
Total equity	6,453,097	6,141,155	4,592,702	4,521,393
LIABILITIES				
Non-current liabilities				
Borrowings	178,400	198,499	-	-
Deferred tax liability	339,248	360,352	303,089	324,195
Retirement benefit obligations	183,240	163,360	169,140	150,270
	700,888	722,211	472,229	474,465
Current liabilities				
Trade and other payables	3,715,010	4,086,484	3,045,024	3,433,827
Current tax liability	277,536	181,175	121,233	57,983
Amount due to related companies	124	4,166	1,186,544	349,704
Dividend payable	14,044	14,080	14,044	14,080
Borrowings	2,591,182	2,799,571	2,096,327	2,279,224
	6,597,896	7,085,476	6,463,172	6,134,818
Total liabilities	7,298,784	7,807,687	6,935,401	6,609,283
Total equity and liabilities	13,751,881	13,948,842	11,528,103	11,130,676
<i>Net Assets value per share (Rs.)</i>	28.81	27.42	20.50	20.18

Explanatory notes are given on page 7

I certify that these provisional financial statements have been prepared in accordance with the requirements of the Companies Act No. 7 of 2007

Signed. S L W Dissanayake (Group Financial Controller)

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements have been approved by the Board on 13 August 2010.

Signed on behalf of the Board

Signed. M I Abdul Wahid (Managing Director / Deputy CEO)

Signed. P S Mathavan (Executive Director / CFO)

Statements of changes in equity

Group	Stated capital Rs.' 000	Capital reserve Rs.' 000	Revaluation reserve Rs.' 000	General reserve Rs.' 000	Accumulated earnings Rs.' 000	Minority interest Rs.' 000	Total Rs.' 000
Balance as at 1 April 2009	130,723	7,928	619,000	385,500	989,553	-	2,132,704
Net profit for the period	-	-	-	-	162,285	-	162,285
Dividends	-	-	-	-	(44,800)	-	(44,800)
Balance as at 30 June 2009	130,723	7,928	619,000	385,500	1,107,038	-	2,250,189
Balance as at 1 April 2010	130,723	7,928	4,094,259	385,500	1,522,745	-	6,141,155
Net profit for the period	-	-	-	-	311,942	-	311,942
Transferred to general reserve	-	-	-	100,000	(100,000)	-	-
Balance as at 30 June 2010	130,723	7,928	4,094,259	485,500	1,734,687	-	6,453,097

Company	Stated capital Rs.' 000	Revaluation reserve Rs.' 000	General reserve Rs.' 000	Accumulated earnings Rs.' 000	Total Rs.' 000
Balance as at 1 April 2009	130,723	619,000	385,500	270,909	1,406,132
Net profit for the Period	-	-	-	22,600	22,600
Dividends	-	-	-	(44,800)	(44,800)
Balance as at 30 June 2009	130,723	619,000	385,500	248,709	1,383,932
Balance as at 1 April 2010	130,723	3,598,018	385,500	407,152	4,521,393
Net profit for the Period	-	-	-	71,309	71,309
Transferred to general reserve	-	-	100,000	(100,000)	-
Balance as at 30 June 2010	130,723	3,598,018	485,500	378,461	4,592,702

Explanatory notes are given on page 7

Cash flow statements

For the quarter ended 30 June	Group		Company	
	2010 Rs.' 000	2009 Rs.' 000	2010 Rs.' 000	2009 Rs.' 000
Cash flows from operating activities				
Profit before tax	400,035	215,549	113,452	32,087
Adjustments for:				
Depreciation	194,406	180,717	125,060	96,107
Retirement benefit obligations	21,999	6,190	20,904	5,981
Amortisation of intangible assets	1,905	1,898	-	-
Profit on sales of property, plant and equipment	-	(2,484)	-	-
Provision for inventories	(3,235)	(836)	-	-
Provision for doubtful debtors	3,300	3,510	-	-
Net finance costs	82,086	130,095	63,805	66,171
Share of associates results	17,117	-	-	-
Operating profit before working capital changes	717,613	534,639	323,221	200,346
Changes in working capital				
- Decrease / (increase) in inventories	445,661	357,180	(148,338)	362,648
- (Increase) / decrease in trade and other receivables	(194,442)	21,721	(193,682)	(5,185)
- Increase in related company receivables	(31,978)	(27,193)	(40,716)	(31,215)
- Decrease in trade and other payables	(371,474)	(468,582)	(388,803)	(528,292)
- (Decrease) / increase in related company payables	(4,042)	(5,378)	836,840	248,557
Cash generated from operations	561,338	412,387	388,522	246,859
Taxes paid	(39,637)	(33,319)	(19,095)	(14,630)
Interest paid	(82,086)	(130,095)	(63,805)	(85,885)
Gratuity paid	(2,121)	(880)	(2,034)	(880)
Net cash generated from operating activities	437,494	248,093	303,588	145,464
Cash flows from investing activities				
Addition of property, plant and equipment	(230,357)	(77,313)	(76,822)	(35,145)
Addition to intangible assets	(894)	-	-	-
Proceeds from disposal of property, plant and equipment	-	2,992	-	-
Interest income	-	-	-	19,714
Net cash used in investing activities	(231,251)	(74,321)	(76,822)	(15,431)
Cash flows from financing activities				
Net proceeds from short term borrowings	(125,575)	193,068	14,925	225,000
Repayments of long term borrowings	(32,599)	(76,355)	(12,500)	(37,505)
Dividend paid	(36)	(39,716)	(36)	(39,716)
Net cash (used in) / generated from financing activities	(158,210)	76,997	2,389	147,779
Increase in cash and cash equivalents	48,033	250,769	229,155	277,812
Movement in cash and cash equivalents				
At the beginning of the period	(806,429)	(983,702)	(819,194)	(785,451)
Movement during the period	48,033	250,769	229,155	277,812
At end of the period	(758,396)	(732,933)	(590,039)	(507,639)

Explanatory notes are given on page 7



Segment Information

For the quarter ended 30 June	Group		Company	
	2010 Rs.' 000	2009 Rs.' 000	2010 Rs.' 000	2009 Rs.' 000
Revenue				
Gross revenue				
Gross revenue	9,209,945	7,629,470	5,970,359	4,229,247
Turnover tax	(263,707)	(211,143)	(103,936)	(73,397)
Net turnover	8,946,238	7,418,327	5,866,423	4,155,850
Business segment analysis				
Food and beverages	8,939,329	7,333,404	5,862,526	4,151,903
Wholesale distribution	726,265	605,312	3,897	3,947
Leisure	13,568	11,160	-	-
Photo processing	17,833	17,878	-	-
	9,696,995	7,967,754	5,866,423	4,155,850
Inter segment sales	(750,757)	(549,427)	-	-
	8,946,238	7,418,327	5,866,423	4,155,850
Segmental profit				
Segmental profit before unallocated overheads				
Food & beverages	559,819	360,533	262,467	140,592
Wholesale distribution operation	33,340	47,301	779	789
Photo processing	(41)	1,255	-	-
Leisure	3,264	1,150	-	-
	596,382	410,239	263,246	141,381
Unallocated overheads	(124,325)	(66,437)	(92,670)	(48,748)
Rental income	11,969	3,740	6,681	5,625
Amortisation of intangible assets	(1,905)	(1,898)	-	-
Net finance costs	(82,086)	(130,095)	(63,805)	(66,171)
Income tax expense	(88,093)	(53,264)	(42,143)	(9,487)
Profit after taxation	311,942	162,285	71,309	22,600

Explanatory Notes

- The result for the quarter ended 30 June 2010 and the balance sheet as at 30 June 2010 are provisional and subject to audit.
- The same accounting policies are followed as in the annual report for the year ended 31 March 2010.
- Where appropriate, the previous year's presentation has been amended to conform to the current classification.
- A final dividend of 80 Cents per share (Rs. 179,200,000) was proposed for the year ended 31 March 2010 on 17 June 2010, which was approved at Annual General Meeting on 30 July 2010 (Refer Note 11 of Annual Report 2010). Date of payment 10 August 2010.
- There are no material events subsequent to the balance sheet date that require disclosure or adjustments in the financial statements.
- There are no contingent liabilities as at the balance sheet date.
- All known expenditure items have been provided for.



Investor relations supplement

General

Stated capital	Rs. 130,723,000
Issued shares	224,000,000
Class of shares	Ordinary shares
Voting rights	One vote per ordinary share

Stock exchange listing

The issued ordinary shares of Cargills (Ceylon) PLC are listed in the Colombo Stock Exchange.

Share valuation

The market price per share recorded during the quarter ended	30 June 2010	30 June 2009
	Rs	Rs
Highest	149.50	52.00
Lowest	70.00	23.00
Last traded price	128.00	49.00

Top 20 shareholders

The holdings of the top 20 shareholders as at	30 June 2010		30 June 2009	
	Number of Shares	%	Number of Shares	%
Ceylon Theatres PLC	156,749,240	69.98	156,749,240	69.98
Mr. V R Page	14,374,200	6.42	14,220,000	6.35
SLIC Ltd - Life Fund	8,418,600	3.76	9,018,600	4.03
Ceylon Guardian Investment Trust - A/C No.1	6,610,700	2.95	7,154,700	3.19
Mr. Anthony A Page	5,010,000	2.24	4,725,000	2.11
Odeon Holdings (Ceylon) Limited	4,622,920	2.06	4,687,920	2.09
Ms. M M Page	2,586,800	1.15	1,860,000	0.83
Mr. J C Page	1,705,500	0.76	1,705,500	0.76
HINL - JPMCB - Butterfield Trust (Bermuda) Limited	1,597,500	0.71	-	-
Deutsche Bank - Employee Provident Fund	1,595,300	0.71	-	-
Mrs. M M Udeshi	1,536,640	0.69	1,536,640	0.69
The Gilpin Fund Limited	864,000	0.39	-	-
The Associated Newspapers of Ceylon Limited	799,840	0.36	799,840	0.36
Mr. C Gardiner, The Bishop of Jaffna, The Archbishop of Colombo	563,040	0.25	563,040	0.25
PICTET & CIE - C/O Citi Bank	500,000	0.22	500,000	0.22
Mr. P E Muttukumar	366,040	0.16	-	-
Mr. Joseph Anthony Aloysius	354,000	0.16	354,000	0.16
Nikan (Private) Limited	350,000	0.16	-	-
Mrs. F R Markar	346,400	0.15	-	-
Mr. B N Shiner	342,000	0.15	492,000	0.22
Deutsche Bank AG - National Equity Fund	-	-	2,223,700	0.99
Mr. M M Udeshi	-	-	515,000	0.23
Mrs. D Grimshaw	-	-	484,280	0.22
Estate of the late Mr N E Weerasooria	-	-	466,800	0.21
Ceylon Chamber of Commerce - A/C No. 2	-	-	450,000	0.20
Mr. R B de Vos	-	-	442,180	0.20
Total	209,292,720	93.43	208,948,440	93.29

Public holding

The percentage of shares held by the public as at 30 June 2010 is 18.40% (30 June 2009 - 18.54%)

Directors' shareholdings

The Directors' shareholdings in the Company were as follows as at:	30 June 2010	30 June 2009
Mr. L R Page	36,760	36,360
Mr. V R Page	14,374,200	14,220,000
Mr. M I Abdul Wahid (w.e.f. 21 May 2010)	4,000	N/A
Mr. S V Kodikara	124,000	124,000
Mr. P S Mathavan	500	20,000
Mr. Jayantha Dhanapala	-	-
Mr. A T P Edirisinghe	50,000	50,000
Mr. S E C Gardiner	20,000	20,000
Mr. Sunil Mendis	20,000	20,000
Mr. Anthony A Page	5,010,000	4,725,000
Mr. J C Page	1,705,500	1,705,500
Mr. E A D Perera	20,000	20,000



Corporate information

Name of company

Cargills (Ceylon) PLC

Company Registration No.

PQ 130

Legal form

Quoted public company with limited liability,
incorporated in Sri Lanka on 1 March 1946.

Board of Directors

L R Page (Chairman)
V R Page (Deputy Chairman / CEO)
M I Abdul Wahid (Managing Director / Deputy CEO)
- (appointed w.e.f. 21 May 2010)
S V Kodikara (Executive Director / COO)
P S Mathavan (Executive Director / CFO)
Jayantha Dhanapala
A T P Edirisinghe
S E C Gardiner
Sunil Mendis
Anthony A Page
J C Page
E A D Perera
Mrs. S R Thambiayah (resigned w.e.f. 21 May 2010)

Company Secretary

S L W Dissanayake

Corporate Management Committee

V R Page	Dr. J S Punj Rath
M I Abdul Wahid	Dr. J Katyal
S V Kodikara	D G O Dias
P S Mathavan	Mrs. M G Perera
J C M Victoria	
S L W Dissanayake	
Mrs. D Chandrasekara	
N Sri Kandaraj	

Remuneration Committee

Sunil Mendis (Chairman)
A T P Edirisinghe
Jayantha Dhanapala

Audit Committee

A T P Edirisinghe (Chairman)
Sunil Mendis
E A D Perera
Mrs. S R Thambiayah (resigned w.e.f. 21 May 2010)

Stock exchange listing

Colombo Stock Exchange

Registered office

40, York Street, Colombo 1, Sri Lanka
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Telefax : 2338704
E-mail : ccl@cargillsceylon.com

Postal address

P.O. Box 23, Colombo 1

Auditors

KPMG Ford, Rhodes, Thornton & Co.
Chartered Accountants

Legal consultants

John Wilson Partners, Attorneys-at-law

Bankers

Bank of Ceylon
Commercial Bank of Ceylon
Deutsche Bank
DFCC Bank
HSBC
Nations Trust Bank
Sampath Bank
Seylan Bank
Standard Chartered Bank

Subsidiary companies

Cargills Quality Foods (Private) Limited
Cargills Distributors (Private) Limited
Cargills Quality Dairies (Private) Limited
Cargills Food Processors (Private) Limited
Cargills Food Services (Private) Limited
C P C Agrifoods Limited
C P C (Lanka) Limited
Cargills Retail (Private) Limited
Millers Limited

Associate Company

CT Properties Limited



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