



SINCE 1844

CARGILLS (CEYLON) PLC

A Member of C.T Holdings Group



**Provisional Financial Statements**  
**Six months ended 30 September 2014**

## Operational Review

### **Cargills continues Restructure and Consolidation process with a long term view to unlock value.**

*Cargills (Ceylon) PLC (CCPLC), a CT Holdings Company, hereby reports its financial performance for the period ended 30th September 2014. These results are provisional and subject to audit.*

The Group continued to see a volume growth in the second quarter of the financial year, resulting in a revenue growth of 10.3% compared to last year, with a Revenue of Rs 31.9 Bn. Revenue growth is largely stemming from the Retail sector, while FMCG growth was marginal on account of the closure of the Brewery business in June 2014 in preparation for disposal

Operating Profit of the Retail business is down (45.1)% year-on-year to Rs 554.4 Mn on account of the impact from deemed VAT, as a result of the mix of VAT liable: VAT exempt turnover. The Management of the segment has focused on increasing efficiency and productivity with a view to reduce operational expenses while reviewing its business strategy to mitigate the VAT impact.

The FMCG sector recorded an operating profit of Rs 222.9 Mn more than doubling profitability from the same period last year. This is attributed to the strong performance of the Dairy segment while the exit from the soft alcohol industry is also bolstering segment profit. Meanwhile the Kist and Meat processing businesses remain on target in terms of both revenue and profitability targets.

The deteriorating performance of the Restaurants segment continues to be a concern. Increased competition in the dining segment is resulting in lower than expected footfall, while rising operational costs are impacting margins. Three Restaurants were closed for refurbishment during the period which impacted revenue growth. The management of the segment is focused on driving turnover as the business operates with high fixed costs.

*The Group recorded a loss of Rs 196.4 Mn for the six months ended compared to the profit of Rs 175.6 Mn recorded in the same period last year.*

### **Group Restructure and Consolidation**

The Group restructure as disclosed in the Annual Report of 2013/14 is in progress with a long term view to unlock value through sector-specific business units led by specialized Management teams.

#### **1. Retail Restructure completed and agreement entered into with IFC for an equity investment into fully-owned subsidiary**

The results of the current period include a charge of Rs 101 Mn being impact of taxation pertaining to the transfer of fixed assets to Cargills Foods Company (Pvt) Limited (CFC) which carries out the Retail operations of the Group.

During the quarter ended CCPLC entered into an Agreement with the International Finance Corporation (IFC) for an equity investment into CFC wherein IFC would subscribe for an 8% stake at a pre-equity valuation of approximately Rs 30 Bn. The transaction is expected to be completed in the 3rd Quarter of the Financial Year.

#### **2. MBL disposal completed**

Subsequent to the period ended, the Group completed the disposal of Millers Brewery Limited (MBL) for a consideration of Rs 5.15 Bn. The proceeds from the above transactions are being utilized to strengthen the Group's balance sheet.

#### **3. Cargills Bank stake acquisition**

During the period ended, CCPLC capitalized on the opportunity to consolidate its investment in Cargills Bank Limited by increasing its stake by a further 5% for a purchase consideration of Rs. 247.5 Mn. Accordingly, CCPLC now holds a 20% stake in Cargills Bank.

#### **4. Dairy sector restructure**

During the period under review a Voluntary Offer was announced to acquire the remaining shares of Kotmale Holdings PLC (KHP) not already owned by the CCPLC Group at price of Rs 62.50 per share.

### **Environment**

The policy environment continues to be challenging for the Retail business. While commending the proposal in the 2015 National Budget to reduce the VAT rate from 12% to 11%, the removal of VAT from Liquor, Arrack and Tobacco potentially has a significant downside impact on the Retail business. We are seeking greater clarity in the application of VAT on Non-VAT liable items.

The Group appreciates efforts taken to grow the dairy industry by further encouraging dairy farmers through a higher minimum price for liquid milk. While incentivizing farmers and ensuring affordability for consumers, the dairy processing industry too should be encouraged to create markets for local dairy products to achieve the target of self-sufficiency as strived for by the Government.

The next two quarters of the financial year is the peak period for Group businesses, and the recovery in consumption, backed by low lending rates, augurs well for the peak holiday season. These prospects are further enhanced by the reduction in utility rates and fuel prices which directly benefits the consumer.

**Statement of Comprehensive Income**

	Group					
	For the quarter ended 30 September			For six months ended 30 September		
	2014 Rs.' 000	2013 Rs.' 000	Variance %	2014 Rs.' 000	2013 Rs.' 000	Variance %
Revenue	16,050,624	14,551,559	10.30	31,957,025	29,278,726	9.15
Cost of sales	(14,647,259)	(13,017,785)	(12.52)	(29,119,985)	(26,210,513)	(11.10)
Gross profit	1,403,365	1,533,774	(8.50)	2,837,040	3,068,213	(7.53)
Other income	290,021	263,101	10.23	626,313	546,140	14.68
Distribution expenses	(487,643)	(546,617)	10.79	(1,032,008)	(1,046,689)	1.40
Administrative expenses	(758,821)	(626,427)	(21.13)	(1,477,977)	(1,241,225)	(19.07)
Other expenses	(84,845)	(77,208)	(9.89)	(177,478)	(154,345)	(14.99)
Operating profit	362,077	546,622	(33.76)	775,890	1,172,094	(33.80)
Net finance costs	(230,595)	(336,929)	31.56	(557,333)	(711,659)	21.69
Share of loss of equity accounted investees	(6,827)	(10,406)	34.39	(9,492)	(18,306)	48.15
Profit before taxation	124,655	199,287	(37.45)	209,065	442,129	(52.71)
Income tax expense	(176,909)	(147,043)	(20.31)	(405,485)	(266,482)	(52.16)
<b>Net profit/ (Loss) for the period</b>	<b>(52,254)</b>	52,244	(200.02)	<b>(196,420)</b>	175,647	(211.83)
<b>Other comprehensive income</b>						
Net gain/loss on available-for-sale investments	3,173	(993)		4,443	(414)	
Other comprehensive income for the period, net of tax	3,173	(993)		4,443	(414)	
<b>Total comprehensive income for the period</b>	<b>(49,081)</b>	51,251		<b>(191,977)</b>	175,233	
<b>Profit/ (Loss) attributable to :</b>						
Equity shareholders of the parent	(53,178)	49,779		(198,511)	171,143	
Non controlling interest	924	2,465		2,091	4,504	
<b>Profit/ (Loss) for the period</b>	<b>(52,254)</b>	52,244		<b>(196,420)</b>	175,647	
<b>Total comprehensive income attributable to:</b>						
Equity shareholders of the parent	(50,005)	48,786		(194,068)	170,729	
Non controlling interest	924	2,465		2,091	4,504	
<b>Total comprehensive income for the period</b>	<b>(49,081)</b>	51,251		<b>(191,977)</b>	175,233	
Earnings/(Loss) per share (Rs.)	(0.24)	0.22		(0.89)	0.76	

Explanatory notes are given on page 8

**Statement of Comprehensive Income**

	Company					
	For the quarter ended 30 September			For six months ended 30 September		
	2014 Rs.' 000	2013 Rs.' 000	Variance %	2014 Rs.' 000	2013 Rs.' 000	Variance %
Revenue	67,182	11,389,826	(99.41)	81,873	23,080,257	(99.65)
Cost of sales	(65,866)	(10,729,061)	99.39	(78,369)	(21,692,113)	99.64
Gross profit	1,316	660,765	(99.80)	3,504	1,388,144	(99.75)
Other income	193,199	258,536	(25.27)	510,536	510,440	0.02
Distribution expenses	(3,932)	(77,595)	94.93	(7,815)	(148,849)	94.75
Administrative expenses	(159,034)	(374,197)	57.50	(285,168)	(723,485)	60.58
Other expenses	(14,059)	(10,826)	(29.86)	(159,054)	(21,652)	(634.59)
Operating profit	17,490	456,683	(96.17)	62,003	1,004,598	(93.83)
Other indirect income	299,738	293,054	2.28	916,086	293,054	212.60
Net finance costs	(155,456)	(296,728)	47.61	(379,269)	(600,608)	36.85
Profit/(Loss) before taxation	161,772	453,009	(64.29)	598,820	697,044	(14.09)
Income tax expense	10,106	(66,126)	115.28	(91,156)	(129,572)	29.65
<b>Profit/(Loss) for the period</b>	<b>171,878</b>	<b>386,883</b>	<b>(55.57)</b>	<b>507,664</b>	<b>567,472</b>	<b>(10.54)</b>
<b>Other comprehensive income</b>						
Net gain/(loss) on available-for-sale investments	3,173	(993)		4,443	(414)	
Tax on other comprehensive Income	-	-		-	-	
<b>Other comprehensive income for the period, net of tax</b>	<b>3,173</b>	<b>(993)</b>		<b>4,443</b>	<b>(414)</b>	
<b>Total comprehensive income for the period</b>	<b>175,051</b>	<b>385,890</b>		<b>512,107</b>	<b>567,058</b>	
Earnings per share (Rs.)	0.77	1.73		2.27	2.53	

**Statement of Financial Position**

As at	Group			Company		
	30 September 2014 Rs.' 000	30 September 2013 Rs.' 000	31 March 2014 Rs.' 000 (Audited)	30 September 2014 Rs.' 000	30 September 2013 Rs.' 000	31 March 2014 Rs.' 000 (Audited)
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	22,217,581	21,258,529	22,120,791	2,951,249	11,823,997	3,314,204
Investment property	3,350,095	2,650,500	3,350,095	4,633,250	2,650,500	4,633,250
Intangible assets	1,704,968	1,667,427	1,707,992	-	-	-
Investment in subsidiaries	-	-	-	3,678,553	3,678,553	3,678,553
Investment in associates	1,265,581	71,462	367,573	1,123,575	216,075	216,075
Other long term investments	-	660,000	660,000	-	660,000	660,000
Prepayment on leasehold land and buildings	25,812	26,688	26,250	-	-	-
Deferred tax assets	334,365	257,291	349,202	-	-	-
	<b>28,898,402</b>	<b>26,591,897</b>	<b>28,581,903</b>	<b>12,386,627</b>	<b>19,029,125</b>	<b>12,502,082</b>
<b>Current assets</b>						
Inventories	5,795,447	4,706,674	6,117,432	43,089	3,198,787	16,143
Trade and other receivables	3,805,566	2,662,966	3,348,618	889,157	1,018,472	629,604
Amount due from related companies	983,259	1,043,877	157,449	11,619,898	6,590,831	5,525,064
Other financial assets	1,213,528	424,769	537,420	510,390	35,681	33,904
Cash and cash equivalents	689,226	505,028	602,057	76,823	395,694	99,398
Assets held for sale	-	-	-	-	-	6,380,352
	<b>12,487,026</b>	<b>9,343,314</b>	<b>10,762,976</b>	<b>13,139,357</b>	<b>11,239,465</b>	<b>12,684,465</b>
<b>Total assets</b>	<b>41,385,428</b>	<b>35,935,211</b>	<b>39,344,879</b>	<b>25,525,984</b>	<b>30,268,590</b>	<b>25,186,547</b>
<b>EQUITY</b>						
Stated capital	130,723	130,723	130,723	130,723	130,723	130,723
Reserves	7,620,243	7,411,998	7,584,345	4,105,779	6,328,399	6,326,623
Retained earnings	4,040,960	4,211,906	4,548,548	5,539,402	3,022,937	3,066,191
<b>Total equity attributable to equity holders of the company</b>	<b>11,791,926</b>	<b>11,754,627</b>	<b>12,263,616</b>	<b>9,775,904</b>	<b>9,482,059</b>	<b>9,523,537</b>
Non controlling interest	33,304	57,949	45,946	-	-	-
<b>Total equity</b>	<b>11,825,230</b>	<b>11,812,576</b>	<b>12,309,562</b>	<b>9,775,904</b>	<b>9,482,059</b>	<b>9,523,537</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Borrowings	1,025,271	1,582,290	1,289,319	-	1,465,600	1,201,400
Deferred tax liability	707,321	914,223	1,129,706	60,006	488,907	553,812
Deferred income	102,086	104,573	106,134	-	-	-
Employee benefits	536,955	349,043	416,222	395,821	304,128	305,732
	<b>2,371,633</b>	<b>2,950,129</b>	<b>2,941,381</b>	<b>455,827</b>	<b>2,258,635</b>	<b>2,060,944</b>
<b>Current liabilities</b>						
Trade and other payables	11,649,086	7,579,666	8,103,540	4,006,816	5,884,233	510,026
Current tax liability	1,142,664	449,150	465,706	553,501	181,864	-
Amount due to related companies	2,256	3,129	20,429	77,844	737,329	979,455
Dividend payable	27,543	310,826	22,956	27,174	310,638	22,587
Borrowings	14,367,016	12,829,735	15,481,305	10,628,918	11,413,832	12,089,998
	<b>27,188,565</b>	<b>21,172,506</b>	<b>24,093,936</b>	<b>15,294,253</b>	<b>18,527,896</b>	<b>13,602,066</b>
<b>Total liabilities</b>	<b>29,560,197</b>	<b>24,122,635</b>	<b>27,035,317</b>	<b>15,750,080</b>	<b>20,786,531</b>	<b>15,663,010</b>
<b>Total equity and liabilities</b>	<b>41,385,428</b>	<b>35,935,211</b>	<b>39,344,879</b>	<b>25,525,984</b>	<b>30,268,590</b>	<b>25,186,547</b>
<i>Net Assets value per share (Rs.)</i>	<b>52.64</b>	52.48	54.75	<b>43.64</b>	<b>42.33</b>	42.52

Explanatory notes are given on page 8

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

Signed. Dilantha Jayawardhana (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 14 November 2014

Signed on behalf of the Board

Signed. V R Page (Deputy Chairman / CEO)

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

**Statements of changes in equity**

<b>Group</b>	<b>Stated capital Rs.' 000</b>	<b>Capital reserve Rs.' 000</b>	<b>Revaluation reserve Rs.' 000</b>	<b>General reserve Rs.' 000</b>	<b>Available for sale reserve Rs.' 000</b>	<b>Retained earnings Rs.' 000</b>	<b>Non controlling interest Rs.' 000</b>	<b>Total Rs.' 000</b>
Balance as at 1 April 2013	130,723	7,928	6,933,525	485,500	(14,541)	4,388,827	107,247	12,039,209
Net profit for the period	-	-	-	-	-	171,143	4,504	175,647
Other comprehensive income	-	-	-	-	(414)	-	-	(414)
<b>Total comprehensive income</b>	-	-	-	-	<b>(414)</b>	<b>171,143</b>	<b>4,504</b>	<b>175,233</b>
<b>Transactions with owners of the company, recognized directly in equity</b>								
Adjustment resulted in increase of subsidiary shareholding	-	-	-	-	-	(56,864)	(53,802)	(110,666)
Dividends	-	-	-	-	-	(291,200)	-	(291,200)
<b>Balance as at 30 September 2013</b>	<b>130,723</b>	<b>7,928</b>	<b>6,933,525</b>	<b>485,500</b>	<b>(14,955)</b>	<b>4,211,906</b>	<b>57,949</b>	<b>11,812,576</b>
Balance as at 1 April 2014	130,723	7,928	7,107,668	485,500	(16,751)	4,548,548	45,946	12,309,562
Net profit for the period	-	-	-	-	-	(198,510)	2,091	(196,419)
Other comprehensive income	-	-	-	-	4,443	-	-	4,443
<b>Total comprehensive income</b>	-	-	-	-	<b>4,443</b>	<b>(198,510)</b>	<b>2,091</b>	<b>(191,976)</b>
<b>Transactions with owners of the company, recognized directly in equity</b>								
Deferred tax on revaluation	-	-	31,455	-	-	-	-	31,455
Adjustment resulted in increase of subsidiary shareholding	-	-	-	-	-	(18,077)	(14,733)	(32,810)
Dividends	-	-	-	-	-	(291,000)	-	(291,000)
<b>Balance as at 30 September 2014</b>	<b>130,723</b>	<b>7,928</b>	<b>7,139,123</b>	<b>485,500</b>	<b>(12,308)</b>	<b>4,040,960</b>	<b>33,304</b>	<b>11,825,230</b>

  

<b>Company</b>	<b>Stated capital Rs.' 000</b>	<b>Revaluation reserve Rs.' 000</b>	<b>General reserve Rs.' 000</b>	<b>Available for sale reserve Rs.' 000</b>	<b>Retained earnings Rs.' 000</b>	<b>Total Rs.' 000</b>
Balance as at 1 April 2013	130,723	5,857,818	485,500	(14,505)	2,746,665	9,206,201
Net profit for the period	-	-	-	-	567,472	567,472
Other comprehensive income	-	-	-	(414)	-	(414)
<b>Total comprehensive income</b>	-	-	-	<b>(414)</b>	<b>567,472</b>	<b>567,058</b>
<b>Transactions with owners of the company, recognized directly in equity</b>						
Dividends	-	-	-	-	(291,200)	(291,200)
<b>Balance as at 30 September 2013</b>	<b>130,723</b>	<b>5,857,818</b>	<b>485,500</b>	<b>(14,919)</b>	<b>3,022,937</b>	<b>9,482,059</b>
Balance as at 1 April 2014	130,723	5,857,818	485,500	(16,695)	3,066,191	9,523,537
Net profit for the period	-	-	-	-	507,664	507,664
Other comprehensive income	-	-	-	4,443	-	4,443
<b>Total comprehensive income</b>	-	-	-	<b>4,443</b>	<b>507,664</b>	<b>512,107</b>
<b>Transactions with owners of the company, recognized directly in equity</b>						
Transfer of Revaluation Surplus of derecognised land and building	-	(2,256,747)	-	-	2,256,747	-
Deferred tax on revaluation	-	31,460	-	-	-	31,460
Dividends	-	-	-	-	(291,200)	(291,200)
<b>Balance as at 30 September 2014</b>	<b>130,723</b>	<b>3,632,531</b>	<b>485,500</b>	<b>(12,252)</b>	<b>5,539,402</b>	<b>9,775,904</b>

Explanatory notes are given on page 8

## Cash flow statements

	Group		Company	
	Six months ended 30 September		Six months ended 30 September	
	2014	2013	2014	2013
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
<b>Cash flows from operating activities</b>				
Profit before taxation	209,065	442,129	598,820	697,044
Adjustments for:				
Depreciation	968,523	851,940	159,055	474,362
Employee benefits	133,926	75,798	102,115	67,434
Amortisation of intangible assets	9,512	6,682	-	-
Amortisation of prepayment on leasehold land and building	438	437	-	-
Amortisation of deferred income	(6,439)	(543)	-	-
Profit on sale of property, plant and equipment	(769)	(25,294)	(625,181)	-
Provision for/(reversal of provision for) inventories	9,000	389	-	(8)
Provision for/(reversal of provision for) doubtful debtors	(7,383)	4,269	-	-
Net finance costs	557,333	711,659	379,269	600,608
Dividend income	(535)	(581)	(291,906)	(293,054)
Share of associate results	9,492	18,306	-	-
<b>Operating profit before working capital changes</b>	<b>1,882,163</b>	<b>2,085,191</b>	<b>322,172</b>	<b>1,546,386</b>
Changes in working capital				
- (Increase) / decrease in inventories	312,985	255,448	(26,947)	302,730
- (Increase) / decrease in trade and other receivables	(449,565)	(126,980)	(259,553)	158,946
- (Increase) / decrease in related company receivables	(825,810)	(206,127)	1,126,521	(825,721)
- Increase / (decrease) in trade and other payables	3,545,547	(271,594)	3,496,788	(266,723)
- Increase / (decrease) in related company payables	(18,173)	(24,856)	(901,611)	37,788
<b>Cash generated from operations</b>	<b>4,447,147</b>	<b>1,711,082</b>	<b>3,757,370</b>	<b>953,405</b>
Taxes paid	(104,620)	(176,243)	-	(17,581)
Interest paid	(557,626)	(853,969)	(502,590)	(788,531)
Gratuity paid	(13,193)	(56,751)	(12,025)	(9,921)
<b>Net cash generated from/(used in) operating activities</b>	<b>3,771,708</b>	<b>624,119</b>	<b>3,242,755</b>	<b>137,372</b>
<b>Cash flows from investing activities</b>				
Addition to property, plant and equipment	(1,138,207)	(1,472,902)	(12,921)	(862,466)
Addition to intangible assets	(6,488)	(3,132)	-	-
Investment in new share issue of subsidiary	-	(6,115)	-	-
Finance income received	293	-	123,321	187,923
Receipt of grant	2,391	-	-	-
Acquisition of non controlling interest in subsidiary	(32,810)	(110,666)	-	-
Addition to Investment in Associate	(247,500)	-	(247,500)	-
Dividend received	535	581	291,906	581
Proceeds from disposal of property, plant and equipment	73,663	25,294	1,000	-
Addition to other financial assets	(221,665)	(62,589)	(22,042)	-
<b>Net cash generated from/(used in) investing activities</b>	<b>(1,569,788)</b>	<b>(1,629,529)</b>	<b>133,764</b>	<b>(673,962)</b>
<b>Cash flows from financing activities</b>				
Net proceeds from/(repayment of) short term borrowings	(659,522)	1,646,435	(520,000)	1,239,408
Net proceeds from/(repayment of) long term borrowings	(264,048)	(100,049)	(198,100)	(35,400)
Transfer of long term borrowings	-	-	(1,502,300)	-
Dividend paid	(286,413)	(371)	(286,613)	(371)
<b>Net cash generated from/(used in) financing activities</b>	<b>(1,209,983)</b>	<b>1,546,015</b>	<b>(2,507,013)</b>	<b>1,203,637</b>
Increase / (decrease) in cash and cash equivalents	<b>991,937</b>	<b>540,605</b>	<b>869,506</b>	<b>667,047</b>
<b>Movement in cash and cash equivalents</b>				
At the beginning of the period	(1,588,129)	(3,756,501)	(1,221,600)	(2,991,587)
Movement during the period	991,937	540,605	869,506	667,047
<b>At the end of the period</b>	<b>(596,192)</b>	<b>(3,215,896)</b>	<b>(352,094)</b>	<b>(2,324,539)</b>

Explanatory notes are given on page 8

**Segment Information**

For the six months ended 30 September

	Retail & Wholesale Distribution		Fast Moving Consumer Goods		Restaurant		Investment		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
<b>Revenue</b>	<b>26,245,763</b>	23,951,998	<b>6,407,244</b>	6,542,958	<b>1,106,070</b>	1,028,443	-	-	<b>33,759,077</b>	31,523,399
Intra segment revenue	(226,691)	(178,945)	(1,451,452)	(1,938,394)	-	-	-	-	(1,678,143)	(2,117,339)
Inter segment revenue	(16,395)	-	(107,514)	(127,334)	-	-	-	-	(123,910)	(127,334)
	<b>26,002,677</b>	23,773,053	<b>4,848,278</b>	4,477,230	<b>1,106,070</b>	1,028,443	-	-	<b>31,957,025</b>	29,278,726
<b>Segment operating profit</b>	<b>554,385</b>	1,010,108	<b>222,925</b>	100,231	<b>(55,987)</b>	61,172	<b>54,567</b>	583	<b>775,890</b>	1,172,094





## Explanatory Notes

The result for the six months ended 30th September 2014 and the Statement of Financial Position as at 30th September 2014 are provisional and subject to audit.

The provisional financial statements of the Group and the Company have been prepared in accordance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These provisional financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2014.

Where appropriate, the previous year's figures have been amended to conform to the current classification.

There have been no significant change in the nature and the value of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31st March 2014.

Land and building associated with the retail operations of the Company have been transferred to the wholly owned subsidiary, Cargills Foods Company (Pvt) Limited during the quarter under review. Gain on disposal of the Property, Plant and Equipment to the value of Rs. 7.8 Mn for the quarter has been recognised as other indirect income in the Company's statement of comprehensive income.

Changes have been made to reporting segments to be in line with new Group structure. Accordingly comparative figures for the last financial year have also been reclassified.

On 30 May 2014, the Company together with its wholly owned subsidiary Millers Brewery Limited (MBL) entered into a sale and purchase agreement (SPA) with Lion Brewery (Ceylon) PLC (LION) and Pearl Springs (Private) Limited (PSPL - a wholly owned subsidiary of LION) to dispose of the shareholding including trademark of Millers Brewery Limited for a consideration of Rs. 5.15 Bn. The transaction was concluded on 30 October 2014. Pending the completion of the sale and purchase, a sum of Rs 3.84 bn received by Cargills (Ceylon) PLC as part settlement has been reflected under current liabilities at the reporting date.

This will properly explain the increase of 'Current liabilities' to Rs 11.85 bn in the SoPF and the increase of 'cash generated from operations' to Rs 5.0 Bn in the Cashflow Statement.

Cargills (Ceylon) PLC acquired 5% stake of shares amounting to Rs. 247.5 mn of Cargills Bank Limited transforming it into an associate.

Cargills (Ceylon) PLC made a voluntary offer to acquire all the remaining ordinary shares of Kotmale Holdings PLC not already owned by Cargills (Ceylon) PLC or any other person acting in concert with Cargills (Ceylon) PLC on 10 September 2014 in terms of rule 24 of the Company take-overs and merger code 1995 as amended in 2003. The shares were purchased through the Colombo Stock Exchange.

Final dividend of Rs. 291 Mn was declared by the company for the financial year 2013/2014 on 29th August 2014 and paid on 9th September 2014.

Company received dividends amounting to Rs. 299 Mn from its wholly owned subsidiaries, Cargills Quality Foods Limited and Cargills Foods Company (Pvt) Limited on 09 September 2014 and has been accounted under other indirect income.

No circumstances have arisen since the Statement of Financial Position date other than stated above which would require adjustments to or disclosure in the financial statements.

**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 September	2014 Rs	2013 Rs
Highest	168.50	174.50
Lowest	147.10	145.10
Last traded price	165.00	155.00

**Top 20 shareholders**

The holdings of the top 20 shareholders as at	30 September 2014		30 September 2013	
	Number of Shares	%	Number of Shares	%
C T Holdings PLC	156,799,240	70.00	156,799,240	70.00
Mr. V R Page	14,403,900	6.43	14,403,900	6.43
Employees' Provident Fund	7,341,966	3.28	7,304,276	3.26
Odeon Holdings (Ceylon) (Private) Limited	4,622,920	2.06	4,622,920	2.06
Ceylon Guardian Investment Trust PLC - A/C No.1	4,525,700	2.02	4,525,700	2.02
HSBC Intl Nom Ltd - SSBT- National Westminster Bank PLC as Depository of First State Indian Subcontinent	3,927,600	1.75	3,398,100	1.52
Ms. M M Page	3,404,603	1.52	3,336,255	1.47
BNY-CF Ruffer Investment Funds : CF Ruffer Pacific Fund	2,912,056	1.30	2,912,056	1.30
HSBC Intl Nom Ltd - SSBT- Wasatch Frontier Emerging Small Countries Fund	1,500,000	0.67	1,500,000	0.67
Mellon Bank N.A. - Florida Retirement System	1,301,800	0.58	908,600	0.41
HINL - JPMCB - Butterfield Trust (Bermuda) Limited	1,297,500	0.58	1,297,500	0.58
Mr. J C Page	1,255,000	0.56	1,705,500	0.76
Bank of Ceylon - A/C No. 1	884,530	0.39	809,600	0.36
GF Capital Global Limited	864,000	0.39	864,000	0.39
The Associated Newspapers of Ceylon Limited	799,840	0.36	799,840	0.36
HSBC Intl Nom Ltd-SSBT-Russell Institutional Funds Public Limited Company	791,300	0.35	-	-
National Saving Bank	597,800	0.27	543,800	0.24
Sir Chittampalam A Gardiner Trust	563,040	0.25	563,040	0.25
HSBC Intl Nom Ltd-State Street Munich C/o SSBT-Universal- Investment	531,200	0.24	478,800	0.21
Mr. P.E. Muttukumar	406,500	0.18	-	-
<b>Total</b>	<b>208,132,695</b>	<b>92.92</b>	<b>206,773,127</b>	<b>92.31</b>

**Public holding**

The percentage of shares held by the public as at 30 September 2014 is 20.68% (30 September 2013 - 20.48%)

**Directors' shareholdings**

The Directors' shareholdings in the Company were as follows as at 30 September:

	2014	2013
Mr. Louis Page	36,760	36,760
Mr. Ranjit Page	14,403,900	14,403,900
Mr. Imtiaz Abdul Wahid	4,000	4,000
Mr. Sidath Kodikara	124,000	124,000
Mr. P S Mathavan	500	500
Mr. Jayantha Dhanapala	-	-
Mr. Priya Edirisinghe	50,000	50,000
Mr. Sanjeev Gardiner	20,000	20,000
Mr. Sunil Mendis	20,000	20,000
Mr. Anthony A Page	276,157	276,157
Mr. Joseph Page	1,705,500	1,705,500
Mr. Errol Perera	10,000	10,000

**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**

**Mr.Louis Page**

**Mr.Ranjit Page**

**Mr.Imtiaz Abdul Wahid**

**Mr.Sidath Kodikara**

**Mr.P S Mathavan**

**Mr.Jayantha Dhanapala**

**Mr.Priya Edirisinghe**

**Mr.Sanjeev Gardiner**

**Mr.Sunil Mendis**

**Mr.Anthony A Page**

**Mr.Joseph Page**

**Mr.Errol Perera**

**Company Secretary**

S.L.W.Dissanayake

**Remuneration Committee**

Sunil Mendis (Chairman)

A.T.P.Edirisinghe

Jayantha Dhanapala

**Audit Committee**

A.T.P.Edirisinghe (Chairman)

Sunil Mendis

E.A.D.Perera

**Stock exchange listing**

Colombo Stock Exchange

**Registered office**

40, York Street, Colombo 1, Sri Lanka

Telephone : 2427777, 2427500

Telefax : 2338704

E-mail : ccl@cargillsceylon.com

**Postal address**

P.O. Box 23, Colombo 1

**Auditors**

KPMG

Chartered Accountants

**Legal consultants**

Dissanayake Amaratunga Associates

**Bankers**

Bank of Ceylon

Commercial Bank of Ceylon PLC

Deutsche Bank

DFCC Bank

HSBC

MCB

Nations Trust Bank

Sampath Bank

Seylan Bank

Standard Chartered Bank

**Peoples Bank**

**Habib Bank Limited**

**State Bank of India**

**Hatton National Bank PLC**

**Pan Asia Banking Corporation PLC**

**Cargills Bank Limited**

**Subsidiary companies**

Cargills Agrifoods Limited

Cargills Distributors (Private) Limited

Cargills Food Processors (Private) Limited

Cargills Food Services (Private) Limited

**Cargills Foods Company (Private) Limited**

**Cargills Frozen Products (Private) Limited**

Cargills Quality Confectionaries (Private) Limited

Cargills Quality Dairies (Private) Limited

Cargills Quality Foods Limited

C.P.C Lanka Limited

Dawson Office Complex (Private) Limited

Millers Brewery Limited

Millers I Limited

Kotmale Dairy Products (Private) Limited

Kotmale Holdings PLC

Kotmale Kiri (Private) Limited

Kotmale Marketing (Private) Limited

Kotmale Milk Foods Limited

Kotmale Milk Products Limited

Kotmale Products I Limited



SINCE 1844

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