

2010

Provisional financial statements
Nine months ended 31 December 2010

C A R G I L L S (C E Y L O N) P L C

Member of C T Holdings Group

Operational Review

Financial Performance

Cargills (Ceylon) PLC is pleased to announce a strong performance for the 9 months ended 31st December 2010 with profit after tax of Rs. 852 million. This records a 73% growth in profit after tax over the corresponding period last year. The turnover for the period under review is Rs. 27.5 billion which is a 21% growth over last year. The substantial growth in profit and volume is a result of a continued investment in industry growth, brand consolidation and leadership in innovation.

All our existing businesses have performed exceedingly well and the expansion programme in Cargills Retail is on track. The period under review saw the Group looking to further expand its businesses in line with its core business interests in retail and FMCG. Cargills is of the view that the anticipated high economic growth in the medium term and the consequent growth in per capita income provides vast opportunities for the FMCG business.

Venture into new businesses

In November 2010 Cargills acquired a 73% stake of Kotmale Holdings PLC. A mandatory offer, as per regulations for the balance shares closed on 30 December 2010 and Cargills has increased its stake to 82%. The total cost of the Kotmale acquisition was Rs. 1 billion. With the change in ownership, the Kotmale Holdings PLC Board of Directors was reconstituted 5 January 2011 and Mr. Stuart Young was appointed as Chairman.

The acquisition consolidates Cargills's interest in the dairy industry enabling the Group to enhance its dairy product range which is currently spearheaded by Cargills Magic, Sri Lanka's No 1 dairy ice cream. This would also provide the Group the opportunity to expand its dairy outgrower base and thereby further empower the local dairy industry. Kotmale at present collects over 12 million liters of fresh milk per annum.

Cargills entered the biscuit category in November with Cargills Quality Foods (Pvt) Ltd with the acquisition of Diana Biscuits Manufactures (Pvt) Ltd. The investment to acquire the production facility located in Nalanda, Matale totaled Rs. 352 million. Diana Biscuits Manufactures (Pvt) Ltd is engaged in the manufacturing, marketing and distribution of a range of biscuits which fits in well with the current portfolio of products manufactured and marketed by the Cargills Group of Companies. The biscuits range hitherto marketed under the 'Helan' brand is to be rebranded and repositioned.

Sri Lanka is amongst the highest per capita consumers of biscuits in the South Asian region. Cargills therefore sees great potential for expansion and innovation in the biscuit category and is keen to become a key player in this industry.

Subsequent to 31 December 2010, the newly incorporated subsidiary, Millers Brewery Limited entered into an Agreement for the Sale and Purchase of the business and business assets, including the brands, of McCallum Breweries (Ceylon) (Private) Limited, McCallum Brewing Company (Private) Limited and Three Coins Company (Private) Limited at a purchase consideration of Rs. 1,425 million. In relation to this transaction, Millers Brewery Limited has obtained the relevant licenses dated 7 February 2011 from the Excise Commissioner (Revenue) of the Excise Department of Sri Lanka. The acquisition included renowned brands such as '3 Coins' 'Sando Stout' '3 Coins Riva' 'Irish Dark and 'Grand Blonde'. Mr. Stuart Young was also appointed Chairman of Millers Brewery Limited.

We envisage a consumer shift from hard liquor to soft alcohol and a rapidly growing demand from the tourism sector would see growth in this category of business. Millers Brewery Limited would be catering to both mass and niche clientele by developing high quality beverages with local roots but with an international outlook. The ready these brands would have to distribution channels including linkages with institutional customers provides a strong platform from which Millers Brewery should certainly develop into a strong player in the medium term.

The Group identifies branded consumer goods to be a thrust in its future expansion and diversification. The competitive advantage of being the leader in the modern trade industry through its Cargills Food City supermarket chain and its islandwide marketing and distribution subsidiary Millers Limited provides Cargills the opportunity to achieve the full potential of these newly acquired businesses.

Signed.
V R Page
Chief Executive Officer

Income statements

| | Group | | | | | |
|---|-----------------------------------|------------------|-------------|----------------------------------|------------------|-------------|
| | For the quarter ended 31 December | | | For the period ended 31 December | | |
| | 2010 Rs.' 000 | 2009 Rs.' 000 | Variance | 2010 Rs.' 000 | 2009 Rs.' 000 | Variance |
| Revenue | 9,866,370 | 8,062,202 | 1,804,168 | 27,457,954 | 22,649,126 | 4,808,828 |
| Cost of sales | (8,866,062) | (7,343,339) | (1,522,723) | (24,823,898) | (20,698,187) | (4,125,711) |
| Gross profit | 1,000,308 | 718,863 | 281,445 | 2,634,056 | 1,950,939 | 683,117 |
| Other income | 126,076 | 129,775 | (3,699) | 412,617 | 361,281 | 51,336 |
| Distribution costs | (184,176) | (133,915) | (50,261) | (499,175) | (380,818) | (118,357) |
| Administrative expenses | (425,216) | (290,906) | (134,310) | (1,009,726) | (788,823) | (220,903) |
| Other Expenses | (42,637) | (35,955) | (6,682) | (122,408) | (106,131) | (16,277) |
| Operating profit | 474,355 | 387,862 | 86,493 | 1,415,364 | 1,036,448 | 378,916 |
| Net finance costs | (79,297) | (97,466) | 18,169 | (230,860) | (332,288) | 101,428 |
| Share of loss of equity accounted investees | 2,933 | - | 2,933 | (35,547) | - | (35,547) |
| Profit before taxation | 397,991 | 290,396 | 107,595 | 1,148,957 | 704,160 | 444,797 |
| Income tax expense | (107,253) | (100,539) | (6,714) | (293,949) | (212,373) | (81,576) |
| Net profit for the period | 290,738 | 189,857 | 100,881 | 855,008 | 491,787 | 363,221 |
| Attributable to : | | | | | | |
| Equity shareholders of the parent | 287,950 | 189,857 | 98,093 | 852,220 | 491,787 | 360,433 |
| Minority interest | 2,788 | - | 2,788 | 2,788 | - | 2,788 |
| | 290,738 | 189,857 | 100,881 | 855,008 | 491,787 | 363,221 |
| Earnings per share (Rs.) | 1.29 | 0.85 | 0.44 | 3.80 | 2.20 | 1.61 |
| Dividend paid per share (Rs.) | - | 0.30 | (0.30) | 0.80 | 0.80 | - |

Explanatory notes are given on page 9

Income statements

| | Company | | | | | |
|----------------------------------|-----------------------------------|------------------|-------------|----------------------------------|------------------|-------------|
| | For the quarter ended 31 December | | | For the period ended 31 December | | |
| | 2010 Rs.' 000 | 2009 Rs.' 000 | Variance | 2010 Rs.' 000 | 2009 Rs.' 000 | Variance |
| Revenue | 8,366,070 | 4,648,173 | 3,717,897 | 21,581,384 | 12,784,029 | 8,797,355 |
| Cost of sales | (7,861,803) | (4,435,591) | (3,426,212) | (20,505,932) | (12,302,180) | (8,203,752) |
| Gross profit | 504,267 | 212,582 | 291,685 | 1,075,452 | 481,849 | 593,603 |
| Other income | 152,657 | 93,085 | 59,572 | 410,529 | 396,588 | 13,941 |
| Distribution costs | (45,912) | (27,502) | (18,410) | (116,765) | (67,025) | (49,740) |
| Administrative expenses | (258,959) | (119,951) | (139,008) | (593,766) | (325,385) | (268,381) |
| Other Expenses | (14,074) | (9,247) | (4,827) | (41,531) | (29,202) | (12,329) |
| Operating profit | 337,979 | 148,967 | 189,012 | 733,919 | 456,825 | 277,094 |
| Net finance costs | (67,545) | (69,217) | 1,672 | (187,531) | (227,410) | 39,879 |
| Profit before taxation | 270,434 | 79,750 | 190,684 | 546,388 | 229,415 | 316,973 |
| Income tax expense | (86,027) | (32,174) | (53,853) | (209,393) | (42,883) | (166,510) |
| Net profit for the period | 184,407 | 47,576 | 136,831 | 336,995 | 186,532 | 150,463 |
| Earnings per share (Rs.) | 0.82 | 0.21 | 0.61 | 1.50 | 0.83 | 0.67 |
| Dividend paid per share (Rs.) | - | 0.30 | (0.30) | 0.80 | 0.50 | 0.30 |

Explanatory notes are given on page 9

Balance sheets

| As at | Group | | |
|--|---------------------------------|---------------------------------|------------------------------|
| | 31 December 2010 Rs.' 000 | 31 December 2009 Rs.' 000 | 31 March 2010 Rs.' 000 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 10,411,776 | 5,011,398 | 8,691,716 |
| Intangible assets | 994,721 | 293,794 | 291,923 |
| Investment in associates | 180,528 | - | 216,075 |
| Prepayment on leasehold land and buildings | 29,094 | - | 29,750 |
| Deferred tax assets | 21,776 | 21,480 | 21,777 |
| | 11,637,895 | 5,326,672 | 9,251,241 |
| Current assets | | | |
| Inventories | 3,929,901 | 2,938,412 | 3,059,389 |
| Trade and other receivables | 1,590,641 | 1,156,773 | 1,119,749 |
| Amount due from related companies | 279,264 | 474,851 | 252,941 |
| Short term investments | 148,660 | 3,254 | 3,759 |
| Cash and cash equivalents | 447,882 | 463,521 | 261,763 |
| | 6,396,348 | 5,036,811 | 4,697,601 |
| Total assets | 18,034,243 | 10,363,483 | 13,948,842 |
| EQUITY | | | |
| Capital and reserves | | | |
| Stated capital | 130,723 | 130,723 | 130,723 |
| Reserves | 4,587,687 | 1,012,428 | 4,487,687 |
| Retained earnings | 2,095,765 | 1,302,140 | 1,522,745 |
| Shareholders' fund | 6,814,175 | 2,445,291 | 6,141,155 |
| Minority interest | 122,214 | - | - |
| Total equity | 6,936,389 | 2,445,291 | 6,141,155 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 434,337 | 236,099 | 198,499 |
| Deferred tax liability | 298,157 | 276,870 | 360,352 |
| Deferred liability | 2,866 | - | - |
| Retirement benefit obligations | 216,410 | 132,065 | 163,360 |
| | 951,770 | 645,034 | 722,211 |
| Current liabilities | | | |
| Trade and other payables | 4,868,796 | 4,402,932 | 4,086,484 |
| Current tax liability | 329,564 | 223,417 | 181,175 |
| Amount due to related companies | 937 | 23,100 | 4,166 |
| Dividend payable | 15,965 | 14,852 | 14,080 |
| Borrowings | 4,930,822 | 2,608,857 | 2,799,571 |
| | 10,146,084 | 7,273,158 | 7,085,476 |
| Total liabilities | 11,097,854 | 7,918,192 | 7,807,687 |
| Total equity and liabilities | 18,034,243 | 10,363,483 | 13,948,842 |
| <i>Net Assets value per share (Rs.)</i> | 30.97 | 10.92 | 27.42 |

Explanatory notes are given on page 9

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 14 February 2011.

Signed on behalf of the Board

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

Signed. P S Mathavan (Executive Director / CFO)

Balance sheets

| As at | Company | | |
|-------------------------------------|---------------------------------|---------------------------------|------------------------------|
| | 31 December 2010 Rs.' 000 | 31 December 2009 Rs.' 000 | 31 March 2010 Rs.' 000 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7,091,370 | 3,359,198 | 6,515,762 |
| Investment in subsidiaries | 2,593,033 | 1,668,453 | 1,668,453 |
| Investment in associates | 216,075 | - | 216,075 |
| | 9,900,478 | 5,027,651 | 8,400,290 |
| Current assets | | | |
| Inventories | 2,996,594 | 1,627,923 | 1,823,335 |
| Trade and other receivables | 572,992 | 482,321 | 474,571 |
| Amount due from related companies | 475,797 | 472,918 | 268,757 |
| Short term investments | 147,204 | 3,211 | 3,672 |
| Cash and cash equivalents | 377,728 | 288,919 | 160,051 |
| | 4,570,315 | 2,875,292 | 2,730,386 |
| Total assets | 14,470,793 | 7,902,943 | 11,130,676 |
| EQUITY | | | |
| Capital and reserves | | | |
| Stated capital | 130,723 | 130,723 | 130,723 |
| Reserves | 4,083,518 | 1,004,500 | 3,983,518 |
| Retained earnings | 464,947 | 278,241 | 407,152 |
| Total equity | 4,679,188 | 1,413,464 | 4,521,393 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | - | 62,500 | - |
| Deferred tax liability | 257,110 | 235,435 | 324,195 |
| Retirement benefit obligations | 189,836 | 120,341 | 150,270 |
| | 446,946 | 418,276 | 474,465 |
| Current liabilities | | | |
| Trade and other payables | 3,819,312 | 3,824,886 | 3,433,827 |
| Current tax liability | 276,479 | 79,694 | 57,983 |
| Amount due to related companies | 1,056,805 | 181,845 | 349,704 |
| Dividend payable | 15,964 | 14,852 | 14,080 |
| Borrowings | 4,176,099 | 1,969,926 | 2,279,224 |
| | 9,344,659 | 6,071,203 | 6,134,818 |
| Total liabilities | 9,791,605 | 6,489,479 | 6,609,283 |
| Total equity and liabilities | 14,470,793 | 7,902,943 | 11,130,676 |

Net Assets value per share (Rs.)

20.89

6.31

20.18

Explanatory notes are given on page 9

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Signed on behalf of the Board

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

Signed. P S Mathavan (Executive Director / CFO)

Cash flow statements

| | Group | | | |
|---|---------------------------|------------------|--------------------------|------------------|
| | Quarter ended 31 December | | Period ended 31 December | |
| | 2010 | 2009 | 2010 | 2009 |
| | Rs.' 000 | Rs.' 000 | Rs.' 000 | Rs.' 000 |
| Cash flows from operating activities | | | | |
| Profit before tax | 397,991 | 290,396 | 1,148,957 | 704,160 |
| Adjustments for: | | | | |
| Depreciation | 213,143 | 172,845 | 606,162 | 527,488 |
| Retirement benefit obligations | 14,427 | 18,707 | 51,655 | 46,423 |
| Amortisation of intangible assets | 1,924 | 1,870 | 5,755 | 5,608 |
| Amortisation of prepayment on leasehold land and building | 218 | - | 656 | - |
| Amortisation of deferred liability | (318) | - | (318) | - |
| Profit on sales of property, plant and equipment | - | (3,285) | (303) | (5,769) |
| Provision for inventories | 2,458 | 1,500 | 3,323 | 1,943 |
| Provision for doubtful debtors | 5,299 | 3,510 | 12,901 | 9,781 |
| Net finance costs | 79,297 | 97,466 | 230,860 | 332,288 |
| Dividend income | - | - | (8) | - |
| Share of associate results | (2,933) | - | 35,547 | - |
| Operating profit before working capital changes | 711,506 | 583,009 | 2,095,187 | 1,621,922 |
| Changes in working capital | | | | |
| - Increase in inventories | (770,427) | (478,885) | (778,080) | (290,569) |
| - Decrease / (increase) in trade and other receivables | 46,357 | (63,293) | (214,851) | (19,043) |
| - Decrease / (increase) in related company receivables | 36,245 | (10,833) | (26,323) | (200,934) |
| - Increase in trade and other payables | 419,595 | 838,081 | 538,884 | 485,410 |
| - (Decrease) / increase in related company payables | (11,815) | 18,235 | (15,130) | 14,424 |
| Cash generated from operations | 431,461 | 886,314 | 1,599,687 | 1,611,210 |
| Taxes paid | (91,352) | (66,114) | (179,634) | (143,060) |
| Interest paid | (79,297) | (97,466) | (230,860) | (332,288) |
| Gratuity paid | (3,712) | (3,221) | (10,425) | (5,916) |
| Net cash generated from operating activities | 257,100 | 719,513 | 1,178,768 | 1,129,946 |
| Cash flows from investing activities | | | | |
| Addition of property, plant and equipment | (697,455) | (204,574) | (1,237,036) | (448,023) |
| Addition to intangible assets | - | - | (894) | - |
| Acquisition of subsidiaries | (1,459,569) | - | (1,459,569) | - |
| Investments in short term investments | (143,557) | - | (143,557) | - |
| Proceeds from disposal of property, plant and equipment | - | 3,284 | 648 | 6,401 |
| Dividend received | - | - | 8 | - |
| Net cash used in investing activities | (2,300,581) | (201,290) | (2,840,400) | (441,622) |
| Cash flows from financing activities | | | | |
| Net proceeds from short term borrowings | 728,957 | (148,105) | 665,347 | 1,104,201 |
| Repayments of long term borrowings | (37,847) | (32,600) | (103,046) | (668,736) |
| Dividend paid | (769) | (66,021) | (177,316) | (171,904) |
| Net cash generated from / (used in) financing activities | 690,341 | (246,726) | 384,985 | 263,561 |
| (Decrease) / increase in cash and cash equivalents | (1,353,140) | 271,497 | (1,276,647) | 951,885 |
| Movement in cash and cash equivalents | | | | |
| At the beginning of the period | (729,936) | (303,314) | (806,429) | (983,702) |
| Movement during the period | (1,353,140) | 271,497 | (1,276,647) | 951,885 |
| At end of the period | (2,083,076) | (31,817) | (2,083,076) | (31,817) |

Explanatory notes are given on page 9

Cash flow statements

| | Company | | | |
|---|---------------------------|------------------|--------------------------|------------------|
| | Quarter ended 31 December | | Period ended 31 December | |
| | 2010 Rs.' 000 | 2009 Rs.' 000 | 2010 Rs.' 000 | 2009 Rs.' 000 |
| Cash flows from operating activities | | | | |
| Profit before tax | 270,434 | 79,750 | 546,388 | 229,415 |
| Adjustments for: | | | | |
| Depreciation | 140,571 | 93,790 | 398,702 | 285,966 |
| Retirement benefit obligations | 13,751 | 17,849 | 49,646 | 44,163 |
| Profit on sales of property, plant and equipment | - | (718) | - | (718) |
| Net finance costs | 67,545 | 69,217 | 187,531 | 227,410 |
| Dividend income | - | - | - | (131,228) |
| Operating profit before working capital changes | 492,301 | 259,888 | 1,182,267 | 655,008 |
| Changes in working capital | | | | |
| - Increase in inventories | (667,171) | (328,992) | (1,173,259) | (41,522) |
| - Decrease / (increase) in trade and other receivables | 148,205 | 1,056 | (81,274) | 35,669 |
| - Increase in related company receivables | (113,979) | (9,945) | (207,040) | (200,319) |
| - Increase in trade and other payables | 281,530 | 793,530 | 385,485 | 448,208 |
| - (Decrease) / increase in related company payables | (202,640) | (119,497) | 707,101 | (35,159) |
| Cash generated from operations | (61,754) | 596,040 | 813,280 | 861,885 |
| Taxes paid | (30,651) | (15,870) | (75,129) | (48,301) |
| Interest paid | (67,545) | (69,217) | (187,531) | (227,410) |
| Gratuity paid | (3,542) | (3,007) | (10,080) | (5,585) |
| Net cash (used in) / generated from operating activities | (163,492) | 507,946 | 540,540 | 580,589 |
| Cash flows from investing activities | | | | |
| Addition of property, plant and equipment | (610,261) | (101,666) | (974,310) | (283,688) |
| Acquisition of subsidiary | (924,579) | - | (924,579) | - |
| Purchases of short term investments | (143,532) | - | (143,532) | - |
| Proceeds from disposal of property, plant and equipment | - | 718 | - | 718 |
| Dividend received | - | - | - | 131,228 |
| Net cash used in investing activities | (1,678,372) | (100,948) | (2,042,421) | (151,742) |
| Cash flows from financing activities | | | | |
| Net proceeds from short term borrowings | 824,995 | (250,105) | 1,014,985 | 967,385 |
| Repayments of long term borrowings | (12,500) | (12,500) | (37,500) | (537,500) |
| Dividend paid | (769) | (66,021) | (177,316) | (171,904) |
| Net cash generated from / (used in) financing activities | 811,726 | (328,626) | 800,169 | 257,981 |
| (Decrease) / increase in cash and cash equivalents | (1,030,138) | 78,372 | (701,712) | 686,828 |
| Movement in cash and cash equivalents | | | | |
| At the beginning of the period | (490,768) | (176,995) | (819,194) | (785,451) |
| Movement during the period | (1,030,138) | 78,372 | (701,712) | 686,828 |
| At end of the period | (1,520,906) | (98,623) | (1,520,906) | (98,623) |

Explanatory notes are given on page 9

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 | - | - | - | - | 491,787 | - | 491,787 |
| Dividends | - | - | - | - | (179,200) | - | (179,200) |
| Balance as at 31 December 2009 | 130,723 | 7,928 | 619,000 | 385,500 | 1,302,140 | - | 2,445,291 |
| Balance as at 1 April 2010 | 130,723 | 7,928 | 4,094,259 | 385,500 | 1,522,745 | - | 6,141,155 |
| Acquisition of subsidiary | - | - | - | - | - | 119,426 | 119,426 |
| Net profit for the period | - | - | - | - | 852,220 | 2,788 | 855,008 |
| Transferred to General reserve | - | - | - | 100,000 | (100,000) | - | - |
| Dividends | - | - | - | - | (179,200) | - | (179,200) |
| Balance as at 31 December 2010 | 130,723 | 7,928 | 4,094,259 | 485,500 | 2,095,765 | 122,214 | 6,936,389 |

| 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 | - | - | - | 186,532 | 186,532 |
| Dividends | - | - | - | (179,200) | (179,200) |
| Balance as at 31 December 2009 | 130,723 | 619,000 | 385,500 | 278,241 | 1,413,464 |
| Balance as at 1 April 2010 | 130,723 | 3,598,018 | 385,500 | 407,152 | 4,521,393 |
| Net profit for the Period | - | - | - | 336,995 | 336,995 |
| Transferred to General reserve | - | - | 100,000 | (100,000) | - |
| Dividends | - | - | - | (179,200) | (179,200) |
| Balance as at 31 December 2010 | 130,723 | 3,598,018 | 485,500 | 464,947 | 4,679,188 |

Explanatory Notes

- The result for the quarter ended 31 December 2010 and the balance sheet as at 31 December 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.
- An interim dividend of 50 Cents per share (Rs. 112,000,000) was proposed for the year ended 31 March 2011 on 17 January 2011, which was paid on 7 February 2011.
- There are no contingent liabilities as at the balance sheet date.
- All known expenditure items have been provided for.
- Cargills (Ceylon) PLC purchased 23,046,538 shares of Kotmale Holdings PLC on 3 November 2010. The purchase was made at prices ranging from Rs. 37 to Rs. 40 per share, with the largest parcel purchased being at Rs. 40 resulting in an average price of Rs. 39.91. Consequent to this acquisition, the Company held 73.4% of the total issued ordinary (voting) shares of Kotmale Holdings PLC.

In compliance with the provisions of the Company Takeovers and Mergers Code 1995 (as amended in 2003) - Rule 31, the Company made a Mandatory Offer (closing date was 30 December 2010) to the holders of all the remaining Ordinary Shares of Kotmale Holdings PLC and purchased further 2,612,934 shares of Kotmale Holdings PLC. Consequent to this acquisition, the Company now holds 81.72% of the total issued ordinary (voting) shares of Kotmale Holdings PLC.
- Cargills Quality Foods (Pvt) Limited, a subsidiary of Cargills (Ceylon) PLC acquired 100% of the issued share capital of Diana Biscuits Manufactures (Pvt) Ltd on 24th November 2010. Since there have not been any significant transactions from the date of acquisition up to 31 December 2010, the Company has consolidated only the balance sheet of Diana Biscuits Manufactures (Pvt) Ltd as at 31 December 2010 without considering P & L for post acquisition period and Goodwill on acquisition has been computed accordingly.
- Millers Brewery Limited, a wholly owned subsidiary of the Company entered in to an agreement for the sale and purchase of the business and business assets, including the brands, of McCallum Breweries (Ceylon) (Private) Limited, McCallum Brewing Company (Private) Limited and Three Coins Company (Private) Limited at a purchase consideration of Rs. 1,425 Mn. In relation to this transaction, Millers Brewery Limited has obtained the relevant licenses dated 7 February 2011 from the Excise Commissioner (Revenue) of the Excise Department of Sri Lanka.
- No events other than disclosed above, have occurred since the balance sheet date which would require any adjustment 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 31 December | 2010 Rs | 2009 Rs |
|--|------------|------------|
| Highest | 220.00 | 66.00 |
| Lowest | 166.00 | 51.00 |
| Last traded price | 195.40 | 65.25 |

Top 20 shareholders

| The holdings of the top 20 shareholders as at | 31 December 2010 | | 31 December 2009 | |
|--|---------------------|--------------|---------------------|-------|
| | Number of Shares | % | Number of Shares | % |
| Ceylon Theatres Limited | 156,749,240 | 69.98 | 156,749,240 | 69.98 |
| Mr. V R Page | 14,374,200 | 6.42 | 14,285,000 | 6.38 |
| Ceylon Guardian Investment Trust - A/C No.1 | 6,558,700 | 2.93 | 7,154,700 | 3.19 |
| Employees Provident Fund | 6,169,600 | 2.75 | - | - |
| Mr. Anthony A Page | 5,050,000 | 2.25 | 4,825,000 | 2.15 |
| Odeon Holdings (Ceylon) Limited | 4,622,920 | 2.06 | 4,622,920 | 2.06 |
| Ms. M M Page | 2,620,400 | 1.17 | 2,101,700 | 0.94 |
| Mr. J C Page | 1,705,500 | 0.76 | 1,705,500 | 0.76 |
| HINL - JPMCB - Butterfield Trust (Bermuda) Limited | 1,697,500 | 0.76 | - | 0.00 |
| Est. of Mrs. M M Udeshi | 1,536,640 | 0.69 | 1,536,640 | 0.69 |
| BNY - CF Ruffer Investment Funds : CF Ruffer Pacific Fund | 1,500,000 | 0.67 | - | - |
| Northern Trust Co S/A - Northern Trust Fiduciary Services (Ireland) Ltd as Trustee | 1,212,100 | 0.54 | - | - |
| National Savings Bank | 1,000,000 | 0.45 | - | - |
| The Gilpin Fund Limited | 864,000 | 0.39 | 764,000 | 0.34 |
| 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 | 500,000 | 0.22 | 500,000 | 0.22 |
| Bank of Ceylon No.1 Account | 400,000 | 0.18 | - | - |
| Mr. P E Muttukumaru | 391,000 | 0.17 | - | - |
| Sri Lanka Insurance Corporation Ltd - Life Fund | 382,100 | 0.17 | 9,018,600 | 4.03 |
| Deutsche Bank AG - National Equity Fund | - | - | 1,500,000 | 0.67 |
| Nikan (Private) Limited | - | - | 466,800 | 0.21 |
| Mr. B N Shiner | - | - | 492,000 | 0.22 |
| Mr. M M Udeshi | - | - | 496,500 | 0.22 |
| Mrs. D Grimshaw | - | - | 484,280 | 0.22 |
| Mr. K B de Vos | - | - | 402,180 | 0.18 |
| Mr. Joseph Anthony Aloysius | - | - | 354,000 | 0.16 |
| Total | 208,696,780 | 93.17 | 208,821,940 | 93.23 |

Public holding

The percentage of shares held by the public as at 31 December 2010 is 18.39% (31 December 2009 - 18.50%)

Directors' shareholdings

The Directors' shareholdings in the Company were as follows as at 31 December:

| | 2010 | 2009 |
|--|------------|------------|
| Mr. L R Page | 36,760 | 36,760 |
| Mr. V R Page | 14,374,200 | 14,285,000 |
| 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 | 5,050,000 | 4,825,000 |
| Mr. J C Page | 1,705,500 | 1,705,500 |
| Mr. E A D Perera | 10,000 | 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 Dhanapla
A T P Edirisinghe
S E C Gardiner
Sunil Mendis
Anthony A Page
J C Page
E A D Perera
Mrs. S R Thambiyah (resigned w.e.f. 21 May 2010)

Company Secretary

S L W Dissanayake

Corporate Management Committee

| | |
|----------------------|------------------|
| V R Page | Dr. J S Punjrath |
| 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 Dhanapla

Audit Committee

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

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 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 Agrifoods Limited
Cargills Distributors (Private) Limited
Cargills Food Processors (Private) Limited
Cargills Food Services (Private) Limited
Cargills Quality Dairies (Private) Limited
Cargills Quality Foods (Private) Limited
Cargills Retail (Private) Limited
C P C Lanka Limited
Diana Biscuits Manufactures (Pvt) Ltd
Kotmale Holdings PLC
Kotmale Kiri (Pvt) Ltd
Kotmale Marketing (Pvt) Ltd
Kotmale Milk Products Ltd
Kotmale Products Ltd
Milife Foods Ltd
Millers Brewery Limited
Millers Limited
Swiss Cheese Co. (Pvt) Ltd

Associate Company

CT Properties Limited

Cargills (Ceylon) PLC

40, York Street, Colombo - 01

Tel : 2427777 Fax : 2338704

www.cargillsceylon.com