



ENTERPRISING

Carson Cumberbatch PLC

Annual Report 2011 - 2012



Carson Cumberbatch PLC is the holding company of a diverse group of businesses. Our main lines of business are oil palm plantations, oils and fats, beverages, investments holding, and real estate and leisure sectors.

In keeping with our vision of being a truly regional holding company, our businesses span across Sri Lanka and the South-East Asian region. Where appropriate, we have entered into strategic alliances with global partners that will add long term value to our investments. Some of our key international alliance partners and project financiers, both past and present, include Carlsberg International of Denmark and its subsidiary, Carlsberg Brewery Malaysia Berhad, Standard Chartered Bank - Singapore, Air France, KLM Royal Dutch Airlines, Northwest Airlines of the USA, Martinair and Unit Trust of India.

ENTERPRISING

With successful operations in seven major industry sectors, Carson Cumberbatch with a history of over one hundred and fifty years, is one of Sri Lanka's most diverse, reliable and valuable conglomerates. Our value-driven focus and enterprising approach continue to serve us well; keeping us abreast of the competition in a fast-growing region.

**Plantations . Oils and Fats . Beverage . Investments & Asset Management
Real Estate . Leisure . Management Services**





A high-angle photograph of four business professionals standing on a light-colored floor with a dark grid pattern. In the top left, a man in a black suit and glasses looks up. In the top center, a woman in a white polo shirt and black pants looks up. In the bottom left, a man in a white shirt and black pants looks up. In the bottom center, a woman in a peach and green saree looks up. The text is positioned on the right side of the image.

Our Future Business Direction

In keeping with our vision of becoming a “...regional holding company...”, and given the opportunities that exist within the rapidly developing economies of the Asian region, we believe that our horizons in all our core business should extend to South and South East Asia. As such, while

Sri Lanka will remain our home base, our strategic plan takes into account the need to mobilize resources and develop core competencies that can make all our businesses regionally competitive over time. The challenges we have to contend with in pursuing such a strategy would be numerous, since the competitive and regulatory environments and market entry barriers we have to face would be enormous. Nevertheless we strongly believe that the opportunities that the developing economies in Asia present are too attractive to be overlooked and that any well managed Sri Lankan company should eventually look at integrating itself with the growth trends that are sweeping across the Asian landscape.

We have also realized that the kind of expansion we have planned for the Group cannot take place only through our own efforts. The importance of strategic alliances, joint ventures and other collaborative arrangements that will bring us both the financial resources and the technical and management competencies required for expansion will be continuously explored.

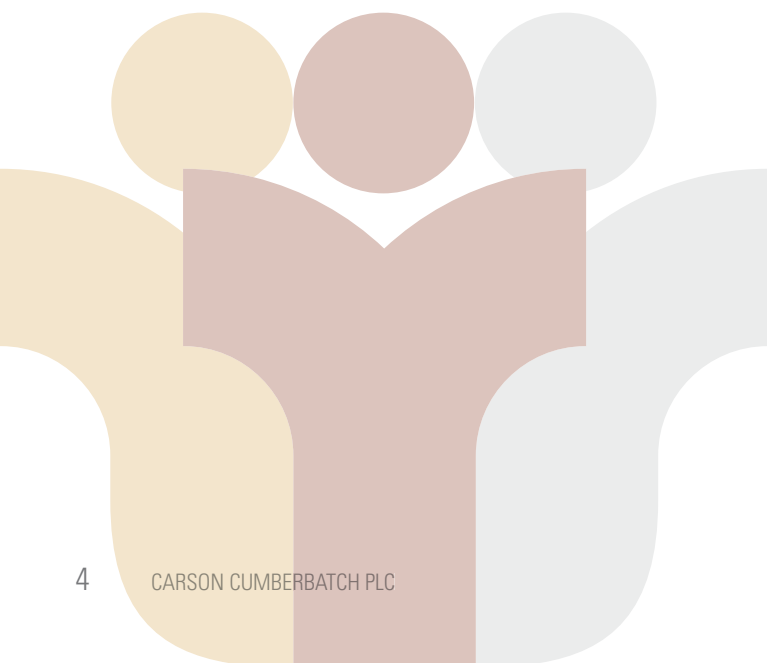
Locally, we find that our existing resource base and expertise needs to be stretched further to expedite the rate of growth of some of our locally focused sectors.

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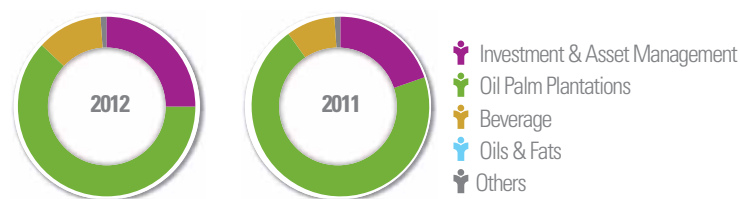
Financial Highlights

(All figures in Sri Lankan Rupees thousands unless otherwise stated)

	2012	2011	% Change
Income Statement			
Group revenue	69,074,588	34,628,986	99
Profit from operations	15,611,141	12,275,043	27
Profit before taxation	13,077,021	12,088,562	8
Profit after taxation	10,006,544	9,542,919	5
EBITDA	18,424,589	13,744,874	34
Profit attributable to ordinary shareholders	5,762,756	4,540,713	27
Cash earning per share (Rs)	97.25	68.74	41
Earnings per share (Rs.)	22.14	23.01	(4)
Dividend per share (Rs)	2.00	2.00	-
Cash flow			
Operating cash flow	9,321,070	4,295,879	117
Capital Expenditure	12,466,434	4,679,184	166
Balance Sheet			
Shareholders' funds*	27,272,286	23,788,379	15
Net assets*	53,296,556	48,490,894	10
Net assets per ordinary share (Rs.)	138.87	121.13	15
Return on ordinary shareholders' funds (%)	21.09	19.00	11
Total assets	105,344,411	79,487,506	33
Net debt	28,896,137	12,450,514	132
Market / Shareholder Information			
Market value per share (Rs.)	465.00	634.80	(27)
Market capitalization (Company)	91,319,915	124,666,413	(27)
Revenue to Government - Sri Lanka	11,276,104	7,728,083	46
Group value addition	32,373,133	23,167,147	40
Group employment (Nos.)	14,453	11,672	24

* Excluding preference share capital

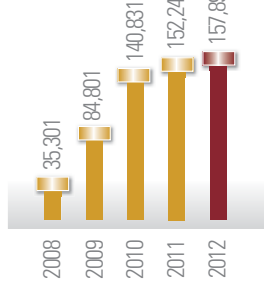
Profit After Tax by Business Segment



Our Performance - Non Financial Graphical Review

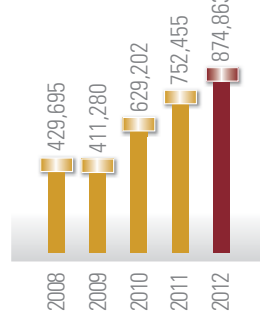
We track performance against key financial and non-financial indicators

Plantation Land Bank (Ha)



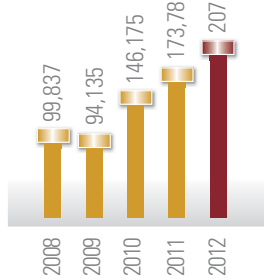
The Sector's growth and expansion over the years is seen here, through the consolidation of existing land bank and strategic acquisitions of land in different areas of Indonesia.

Fresh Fruit Bunch (FFB) Production (MT)



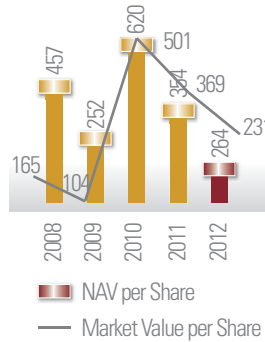
Increase in Fresh Fruit Bunch (FFB) production as a result of new planted areas coming to maturity and adoption of best in class agronomy practices focused towards enhancing site yield potential.

Crude Palm Oil Production (MT)



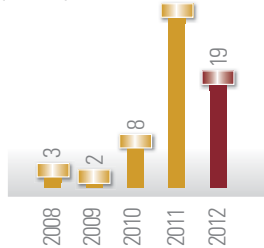
The Graph depicts the increase in CPO production, as a result of the increase in planted land coming into maturity, higher FFB yields through better agronomy practices and maintained extraction rates.

NAV per share - Market Value per Share (Rs.)



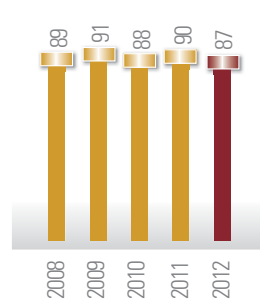
The Guardian group NAV per share has tracked the market movement whereby market price represented on the CSE is closely linked with underlying asset value.

Guardian Group Market Capitalization (Rs.Bn)



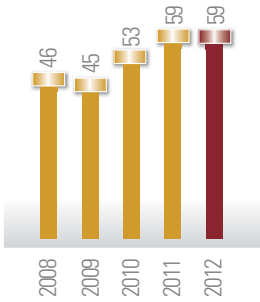
The investment sector market capitalisation reflects the impact of the volatility of the Colombo Stock Exchange on the underlying business.

Occupancy rate - Real Estate (%)



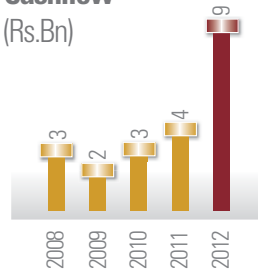
Occupancy rates in the real estate segment is stagnated, given the fixed long term nature of the tenancy agreements. These agreements have been renewed and continued during the year.

Occupancy rate - Hotel Sector (%)



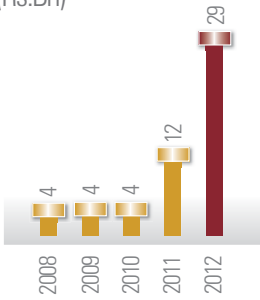
Occupancy rate in the Hotel Sector indicates a steady increase up until FY 2011 and continues at the same level in FY 2012. This was fueled by a record level of Tourist arrivals in the country in 2011 and booming post war economic activities.

Group Operating Cashflow (Rs.Bn)



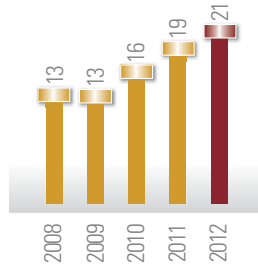
Operating cash flow is net cash flow provided by operating activities, from the group cash flow statement. Operating activities are the principal revenue-generating activities of the group, other than activities that are investing or financing in nature.

Group - Net Debt (Rs.Bn)



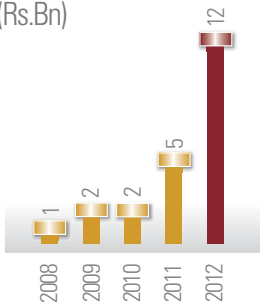
Net debt is equal to gross finance debt, less cash and cash equivalents.

Group Total Shareholder Return (%)



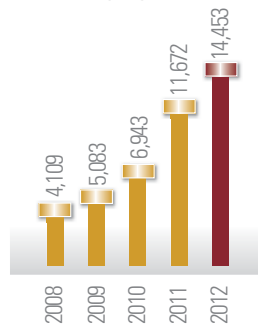
Total Shareholder return generated by the group grew rapidly through 2009 to 2012 as a result of improved performance especially in the plantations and beverage sectors.

Group Capital Expenditure (Rs.Bn)



Capital expenditure incurred on expansions relating to both the Plantation and beverage sectors is highlighted in the graph. In FY 2012, a new segment, namely, Oil and Fats was added which further contributed to the increase.

Group Human Resource (No. of Employees)



Human Resources continued to grow in order to facilitate the expanding business segments. As at 31st March 2012, the total number of employees stood at 14,453, an increase of 26% over the previous year, as a result of expansion and new business acquisitions.



Chairman's Review

The theme of our report this year is "Enterprising", and we will therefore, make this an occasion to pay tribute to the enterprising men and women who are the creative energy and driving force behind our enterprises. Their efforts, in different forms and over varied time horizons, have built the Carson Cumberbatch enterprises into viable and sustainable ventures that will survive even well beyond their own lifetimes.

Dear Shareholders,

It is with great pleasure that I welcome you to the 99th Annual General Meeting of the Company, and present to you, on behalf of the Board of Directors, the Annual Report and Consolidated Audited Accounts for the year ended 31 March, 2012. At the outset, I must state that this year started off on a positive mode in our home base of Sri Lanka, with a low interest rate regime that supported business expansion and investment, amidst low inflation and stable exchange rates. The latter part of the year, however, proved to be a challenging one for all our Sri Lankan business sectors. Many of the core sectors, having taken the initiative to expand their business operations in the last year, found themselves faced with a significantly weaker currency and rising interest rates. However, the Group was able to record a performance that demonstrates its resilience; and the sustainability of the expansion plans undertaken by the sectors.

Profit after tax at Rs. 10 bn recorded a growth of 5%, while the underlying revenue increased by 99% to Rs. 69 bn. Net asset value per share stands at Rs. 139, with the share price at Rs. 465. Overall shareholder value as represented by market capitalization, stood at Rs. 91 bn, a decrease of 27% which is a little more than the drop in the All Share Price Index.

Real GDP grew at a strong 8.3% for 2011, with important subsectors for Sri Lanka, like banking, transportation, construction, domestic trade and tourism recording above average growth. The widespread infrastructure development underway in the country, in highways, ports, power generation and socio economic facilities, should help in increasing productivity, market access and inclusive growth for all the people of the country. We are encouraged by the present emphasis by policy makers at all levels on economic progress, a focus we lacked for over thirty years due to the situation of unrest.

Sri Lankan businesses were challenged by the shifts in macro economic variables that took place within the year under review, after a strong two year growth phase. The significant devaluation of the currency, the rise in interest rates caused by rapid credit growth and a consequent drying up of liquidity in the monetary system, coupled with the overall energy cost increase, proved to have a compounding effect on cost escalations, which if followed by inflation will further lead to cost pressures. Having experienced a two year run of increased profits in 2010 and 2011 driven by the post war boom, the business community will now have to go through a period of adjustment to the

new reality of high cost structures. While changes in macro economic variables are inevitable, we hope that in future they would be allowed to take on a more gradual adjustment process so that businesses can deal with the changes at a slower pace. We do believe that the measures taken to correct the situation, will stabilise interest rate and currency pressures in the months ahead. Although these measures will slow GDP growth initially; in the long run, the tightening of controls will enable us to manage the development phase of the economy better.

The Carson's Sri Lankan businesses were able to manage these impacts well and continue investing in their growth plans, after building in the necessary contingency plans for dealing with the changing economic variables. It must be noted that both the brewery and investment businesses, which recorded encouraging performances within their respective market conditions, will be the key local businesses for the Group into the future. The brewery sector exited from its investment in India to focus more on the local market, which has better prospects for immediate growth.

Both sectors had made considerable investments in the year under review in capacity & technology enhancement and human capital to gear up their businesses for post war opportunities. Adverse interest rates, high energy costs and a devalued currency mean that the payback on these investments will now take longer. For the brewery business the impact would be a direct escalation of costs & provisions on its dollar borrowings; while for the investment sector, it will be an overall subdued stock market that would indirectly affect results. We don't see these impacts as a permanent setback for any of our businesses, but shareholders would appreciate that the return on their investment would be lesser as the rate of growth slows down.

Our brewery business invested Rs1.35 bn during the year under review on capacity enhancement and working capital, in anticipation of booming demand due to tourism and increased market access. The investments sector also likewise invested almost Rs.900mn as seed capital into new growth segments like private equity, our in house country fund and unit trusts floated through a joint venture partnership, to build up these businesses for the future. We assess

both sectors to be in the initial stage of their life cycle and therefore well positioned to benefit from the medium to long term growth of the economy.

The Asian regional economies in which we operate, continued to record strong real GDP growth, with Indonesia recording 6.5% and Malaysia 5.1%. It is pertinent to note that in both economies, agriculture continues to play a dominant role, with Malaysia having real growth in this sector of over 5%. In both economies which are strongly export led, currencies remained stable and lower interest rates were made possible by a low inflationary environment. Having matured, over the years, the South East Asian economies now display stronger more predictable fundamentals and continue to be driven by growth in investments.

Group's plantation sector invested almost 100 mn Dollars into the sector during the year towards organic expansion and acquisitions.

The plantation business, now renamed the plantations, oils and fats business to reflect the broader breadth of activity, has been on a strong footing since the last few years, as some of our initial investments into Indonesia gained maturity and started generating good cashflows. However, as an industry, we yet assess palm oil to be at an initial phase of growth as the developing world consumes more edible commodities due to growing affluence and changes in lifestyles. As such the palm oil business too will increasingly plough back a major part of its returns to new business development, to secure more value addition through integration within the palm oil value chain. The recent entry into downstream processing was one step in this strategy. The entry to downstream will help mitigate exposure to the commodity end of the value chain, and secure closer interaction with the value creating end which serves final consumer needs, since these entities mainly supply high quality processed palm and edible oil based products to industrial consumers.

The journey continues as new people continue to join us to add strength, diversity and creativity to build enterprises that are stronger, more competitive and even more robust so as to be able to handle modern day volatility. As we progress, our vision of our enterprise will always be guided by our will to do what is right by all our stakeholders, and to get outstanding results in the process. We thank all those who make this dream possible.

The real estate and leisure businesses have turned around their performance and should continue to gather momentum and contribute more to consolidated profit. The real estate sector is already benefitting from rental enhancements but appreciation of property prices appear to be slower in coming. The leisure sector is in turn, enjoyed better room rates and occupancies, but sustainability of the industry is vital to ensure that the billions now being invested into this sector in Sri Lanka remain attractive projects. We continue to consider ways and means of enhancing the profitability of these two sectors through exploring strategic alliances and partnerships that can create value.

Our overall guiding strategy as stated on our inner cover will be to explore more growth opportunities in our core business both in Sri Lanka and the region. Asian growth opportunities are now giving way to wider vistas in the African and Middle Eastern regions, which corporates should seriously consider as future opportunities.

The Board of directors propose a dividend of Rs. 2/- per share this year, for approval by the shareholders. This is comparable with last year's payout.

The theme of our report this year is "Enterprising", and we will therefore, make this an occasion to pay tribute to the enterprising men and women who are the creative energy and driving force behind our enterprises. Their efforts, in different forms and over varied time horizons, have built the Carson Cumberbatch enterprises into viable and sustainable ventures that will survive even well beyond their own lifetimes. Just as our predecessors handed over strong, well managed companies to us., the journey continues as new people continue to join us to add strength, diversity and creativity to build enterprises that are stronger, more competitive and even more robust so as to be able to handle modern day volatility. As we progress, our vision of our

enterprise will always be guided by our will to do what is right by all our stakeholders, and to get outstanding results in the process. We thank all those who make this dream possible.

Thank you to our shareholders for their confidence in the management and to the regulators and policy makers for facilitating our business. To our suppliers, business partners and customers we owe some of our greatest inspirations, while our joint venture partners and financiers bring in new perspectives and value to our ventures. In this context, I must make a special mention of Dato Voon Loong Chin D.S.P.N, a long standing director of Lion Brewery, who passed away recently and who was instrumental in nurturing the valuable partnership we have with Carlsberg. We express our heartfelt sympathies to his colleagues and family. Dato Chin, as he was popularly known to us, represented Carlsberg on the Lion Brewery Board from the Company's inception in 1997.

I proceed to say a special thank you to my colleagues on the Board, on the subsidiary company Boards and the members of the Audit and Remuneration Committees, for having done their duty conscientiously to keep us on the right track. Together, we will continue to build an enterprise that would make ourselves, the future generations and our country, proud.

(Sgd.)

Tilak de Zoysa

Chairman

24th May, Colombo.

Group Structure





PLANTATIONS, OILS & FATS

 Goodhope Asia Holdings Ltd. • 2008* • 53.33%	 Premium Fats Sdn Bhd • 1996* • 100%	 Goodhope Investments (Private) Limited • 2012* • 100%	 PT Agrajaya Baktitama • 1994* • 95%
 Agro Asia Pacific Limited • 2010* • 100%	 Shalimar (Malay) PLC • 1909* • 96.48%	 PT Agro Indomas • 1989* • 91.31%	 PT Nabire Baru • 2008* • 95%
 Premium Nutrients Private Limited • 2011* • 100%	 Selinsing PLC • 1907* • 95.67%	 PT Agro Bukit • 2004* • 95%	 PT Agro Wana Lestari • 2006* • 95%
 Agro Harapan Lestari Sdn. Bhd. • 2007* • 100%	 Indo-Malay PLC • 1906* • 89.87%	 PT Agro Asia Pacific • 2008* • 100%	 PT Batu Mas Sejahtera • 2006* • 95%
 Shalimar Developments Sdn. Bhd. • 1980* • 100%	 Good Hope PLC • 1910* • 94.21%	 PT Karya Makmur Sejahtera • 2003* • 95%	 PT Sawit Makmur Sejahtera • 2008* • 95%
 Premium Oils & Fats Sdn Bhd • 2011* • 100%	 Agro Harapan Lestari (Private) Limited • 2008* • 100%	 PT Agro Harapan Lestari • 2007* • 100%	 PT Sumber Hasil Prima • 2006* • 95%
 Premium Vegetable Oils Sdn Bhd • 1978* • 100%	 AHL Business Solutions (Private) Limited • 2010* • 100%	 PT Rim Capital • 2006* • 95%	 Arani Agro Oil Industries Limited • 1986* • 100%




BEVERAGE

 Ceylon Beverage Holdings PLC • 1910* • 74.93%
 Lion Brewery (Ceylon) PLC • 1996* • 58.61%
 CBL Retailers (Private) Limited • 2007* • 100%
 Retail Spaces (Private) Limited • 2012* • 100%

REAL ESTATE

 Equity One PLC • 1981* • 96.27%
 Equity Two PLC • 1990* • 88.81%
 Equity Three (Private) Limited • 1990* • 100%
 Equity Seven Limited (Under Voluntary Liquidation) • 1994* • 100%









LEISURE

 Pegasus Hotels of Ceylon PLC • 1966* • 92.75%
 Equity Hotels Limited • 1970* • 100%
 Carsons Airline Services (Private) Limited • 1993* • 100%

MANAGEMENT SERVICES

 Carsons Management Services (Private) Limited • 1993* • 100%

INVESTMENT & ASSET MANAGEMENT

 Ceylon Guardian Investment Trust PLC • 1951* • 67.15%	 Guardian Capital Partners PLC • 1920* • 86.22%	 Weniwella Investments Limited (Under Voluntary Liquidation) • 1906* • 77.54%	 Leechman & Company (Pvt) Ltd. • 1953* • 100%
 Ceylon Investment PLC • 1919* • 64.36%	 Rubber Investment Trust Limited • 1906* • 100%	 Mylands Investments Limited (Under Voluntary Liquidation) • 1920* • 92.45%	 Guardian Fund Management Limited • 2000* • 100%

DIVERSIFIED HOLDING COMPANY

 Bukit Darah PLC + • 1916* • 26.19%

% refers to group interest
+ refers to Associated Companies
* refers to year of incorporation

Country of Incorporation/Operation

 Sri Lanka	 Malaysia	 India
 Indonesia	 Singapore	

Corporate Information

Name of the Company

Carson Cumberbatch PLC

Company Registration No.

PQ 41

Legal Form

A Public Quoted Company with limited liability.
Incorporated in Sri Lanka in 1913.

Board of Directors

T. de Zoysa (Chairman)
H. Selvanathan (Deputy Chairman)
M. Selvanathan
I. Paulraj
D. C. R. Gunawardena
S.K. Shah
P.C.P. Tissera
V.P. Malalasekera
M. Moonesinghe
F. Mohideen

Alternate Director

K. Selvanathan (for M. Selvanathan)

Audit Committee

V.P. Malalasekera (Chairman)
Non Executive/Independent Director
D. C.R. Gunawardena
Non Executive Director
F. Mohideen
Non Executive/Independent Director

Remuneration Committee

I. Paulraj (Chairman)
Non Executive/Independent Director
M. Moonesinghe
Non Executive/Independent Director
D. C.R. Gunawardena
Non Executive Director

Nomination Committee

T. de Zoysa (Chairman)
Non Executive/Independent Director
D. C.R. Gunawardena
Non Executive Director
M. Moonesinghe
Non Executive / Independent Director

Bankers

Standard Chartered Bank
Bank of Ceylon
Citibank NA
Commercial Bank
HSBC
Sampath Bank
Hatton National Bank
Nations Trust Bank
Deutsche Bank
Public Bank
Pan Asia Bank

Auditors

Messrs KPMG
Chartered Accountants
No. 32A,
Sir Mohamed Macan Markar
Mawatha,
Colombo 3
Sri Lanka
Tel: 94-11-5426426
Fax: 94-11-2445872

Secretaries

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

Registered Office

No. 61,
Janadhipathi Mawatha,
Colombo 1
Sri Lanka
Tel: 94-11-4739200
Fax: 94-11-4739300

Email

carsons@carcumb.com

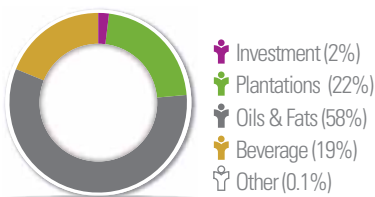
Corporate Website

www.carsoncumberbatch.com

Financial Review

Carson Group, went through a year of upheaval, facing both economic and business challenges head-on. Acquisition of a new business segment having hitherto unfamiliar vagaries, charting through both international and domestic economic pressures manifesting as steep borrowing rates, fluctuating currency rates and rising inflation being some of the adverse variables Group had to face. The increased demand in the domestic market for certain products and services offered by the Group somewhat helped to steady the performances of the Group.

2012FY Contribution to Revenue Growth

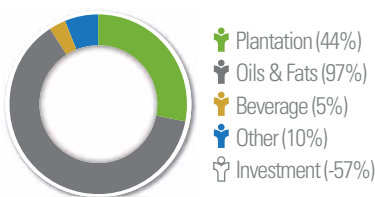


Revenue

The Group posted a Revenue of Rs. 69 Bn for FY2012 which is a 99% growth over the previous year. The new downstream acquisition in India and Malaysia in the Oils & Fats industry was the largest contributor to the revenue growth contributing 58% of the total growth. The Beverage sector which recorded the highest growth of 56% contributed to 19% of the Groups' revenue growth. This was followed by Plantation sector which recorded a growth rate of 36% contributing 22% to the revenue growth. The Investment sector revenue was flat due to the adverse market conditions.

The Group 5 year revenue CAGR reached 47%. In terms of individual sectors, the Investment sector recorded the highest 5 year CAGR of 62% followed by Beverage & Plantation sectors which grew at a CAGR of 37% & 32% respectively.

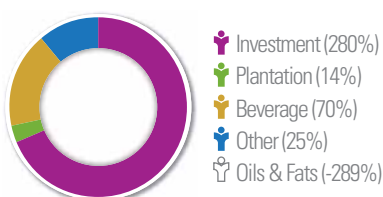
2012FY Contribution to Net Asset Growth



Net Assets

As at the end of the financial year, Group Net Assets reached Rs. 53 Bn recording a growth of 8% for the year. The 5 year CAGR reached 28%. The Plantation sector represents the largest net asset base claiming 57% of the Group Net Assets. This is followed by Investment & Beverage sectors accounting for 18% & 10% of the Net Assets of the Group.

2012FY Contribution to Profit Growth

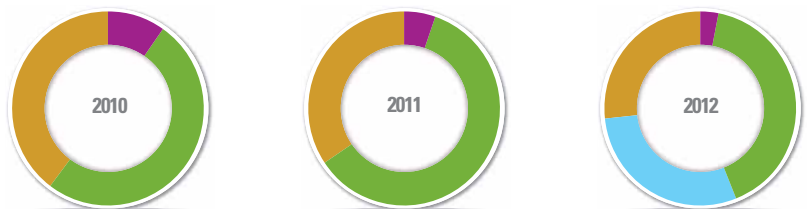


PAT

For the year under review, the Group recorded a 5% growth in net profit to reach Rs. 10 Bn. The slowdown in profit growth was due to the Rs. 938 Mn loss recorded on the Oils & Fats sector as well as the Plantation sector profits being flat. The Investment sector recorded the highest contribution to growth in Group PAT contributing 280% & grew by 47%. This was followed by Beverage sector contributing 70% to Group PAT with a sector profit growth of 21%. The Leisure sector recorded the highest PAT growth of 94% albeit from a low base. After a negative profit growth experienced last year, real estate sector bounced back with a profit growth 66% this year.

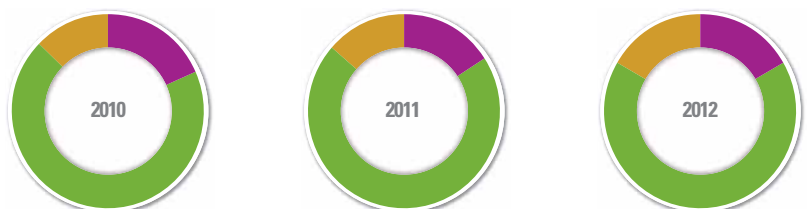
The Group 5 year PAT CAGR reached 34.5% while Beverage sector recorded the highest individual sector CAGR of 58.4% followed by the Investment sector which grew at 31.7%.

Group Revenue



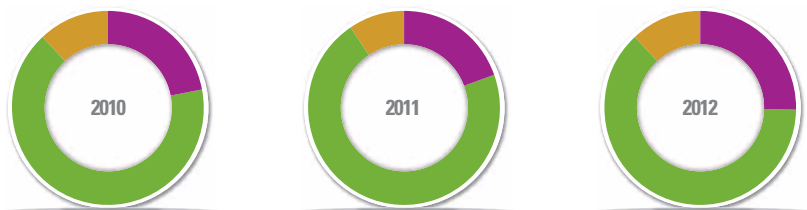
The group revenue almost doubled in FY2012. This was partly driven by the newly introduced Oil and Fats segment, which contributed 29% to the group's revenue, while the Plantation segment dominated the revenue mix, contributing 39%.

Group Profit from Operation



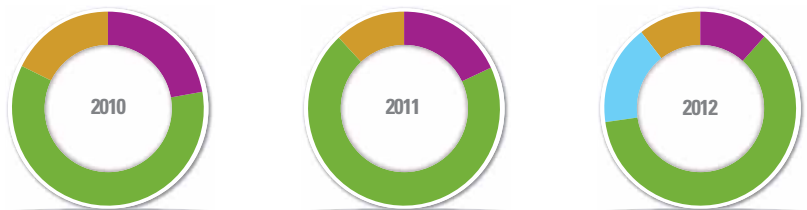
Total Profits from operating activities improved by 27% year-on-year, where the plantation sector was the highest contributor with a contribution of 67%.

Group Net Profit



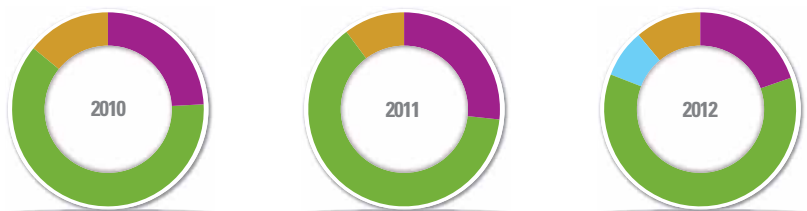
The Group's net profit reached the milestone of Rs. 10 billion during the FY 2012. Plantations and Investments were the top contributors with 68% and 27% contributions respectively.

Group Assets



The total asset base of the Group grew by 33% as a result of the expansions in the Plantation and Beverage sectors. Inclusion of the new segment, Oils and Fats, further improved the asset base.

Group Net Assets



The top contributor to the Group's net assets was the Plantation sector which contributed 57% while 18% was accounted for by the Investments sector being the second highest contributor.

- Investment & Asset Management
- Plantation
- Oils & Fats
- Beverage

Gain on Disposal of Non Current Investments

During the period under review, Carson Cumberbatch PLC (CCPLC) and Bukit Darah PLC (BDPLC), made a joint offer to the minority shareholders of the Carsons Group Malaysian oil palm companies, namely Shalimar (Malay) PLC, Indo-Malay PLC, Good Hope PLC and Selinsing PLC to buy their respective shares by offering shares of their respective cross-holding portfolios.

Based on the acceptance of the offer, CCPLC transferred 1,175,474 BDPLC shares and BDPLC transferred 1,424,079 CCPLC shares to the aforesaid Malaysian plantation company shareholders through the trading floor of the CSE, as consideration for the said companies' shares surrendered by them.

This Group restructuring exercise resulted in both CCPLC and BDPLC realizing book gains of Rs. 1,403Mn and Rs.936.9Mn respectively. The gain arising in CCPLC books is shown under "gain on disposal of non-current investments" in both Company and Consolidated Income Statements and the associate stake of BDPLC's gain is shown under "share of net result of associates".

These gains arose solely from the disposal of strategic shareholdings of the respective companies as a result of a group restructuring exercise which is a one-off transaction hence should be considered as outside the normal course of business.

Capital Structure

Carson Group maintains an efficient capital structure to support their business operations and maximise returns to shareholders while preserving the balance sheet strength.

In FY 2012, working capital requirements were quite stable, contributing to the Group's positive cash flows from operating activities. Together with proceeds from loans and other borrowings, Group continued to invest in Property, plant & equipment, subsidiaries, associates and in deposits placed with financial institutions. Group's balance sheet remained strong throughout the period.

Shareholders' funds of the Group increased by Rs. 3,484 mn to Rs. 27,272 mn while total loans and borrowings were up Rs.13,953 mn to Rs.37,292 mn as at 31st March 2012. Loans and borrowings net of Cash and other bank deposits was Rs.28,896 mn (2011- Rs.12,450 mn)

Liquidity

	2012 Rs. '000	2011 Rs. '000
Net cash generated from operating activities	9,321,070	4,295,879
Net cash used in investing activities	(19,524,648)	(4,784,405)
Net cash used in financing activities	1,265,238	9,803,861
	(8,938,340)	9,315,335

The positive operating cash flows indicate the profitability of the Group's business activities coupled with the efficient management of the working capital of the Group. Large net cash usage in investing activities signifies the Group's growth mode where substantial amounts of funds were employed in investment in assets and other investments including strategic acquisitions. Net cash from financing activities though positive shows a substantial reduction from previous year indicating that the Group is balancing its dependability from external borrowings well whilst servicing and paying out an adequate dividend to its shareholders.

SECTOR REVIEW

BEVERAGE

Over the years, the Lion brand has won many international awards and this year too, Lion Lager & Lion Strong were awarded gold at the Monde Selections of 2011 whilst Lion Stout was awarded the Grande Gold. In addition, Lion Stout received the International High Quality Award for winning gold or better for 3 consecutive years.



The brewery business as mentioned last year, exited from its venture in India and opted to focus on growth opportunities in the local market. It has committed itself to expanding capacity, extending distribution reach and strengthening its presence at the retail level. The brands continued to earn well deserved recognition across the world and export market penetration was improved.

Business growth amidst unexpected cost escalations

The brewery business which benefitted from the opening up of new markets and the growth of tourism, was able to maintain steady volume growth. Plans to expand capacity further are under consideration, following the increase upto 800,000hl during the last year. The overall "feel good" factor contributed to more events, outdoor and entertainment activities taking place, which had a positive impact on sales. However, the business did experience a setback due to cost increases across the board resulting from higher energy, raw material and finance costs; coupled with a regular increase in the tax bill, through two successive excise duty increases. Although considered a sector that can complement tourism growth in the country, we have experienced several adverse impacts in running this business, including the 40% corporate tax rate which penalized the industry at a time when other industries secured a tax reduction to 28%.

Profits after tax grew 46% from the previous year to Rs. 1.27 bn, contributing 13% to consolidated results. The sector continues to focus on cost management and improve procurement processes in the face of a devaluing currency and anticipated inflationary tendencies. The currency exposure on dollar borrowings cost the company a considerable amount of Rs.206mn, as the currency adjustment had to be provided for against profits. Transport costs and energy costs also escalated, reducing operating margins from 33% to 29%.



Policy measures need to address the real problem

National policies to curb the availability and affordability of licensed alcohol through distribution and pricing strategies, have not led to a decline in alcohol related social negatives. This is because the economically under-privileged classes continue to resort to the cheaper and more widely available illicit liquor as a preferred option. Therefore, we continue to uphold our view that consumers can only be weaned away from harmful illicit alcohol by giving them an alternative that is less harmful, more affordable and more socially acceptable. Beer in our view, satisfies the criteria on all counts to become an accepted alternative that complements a more temperate lifestyle. Despite the setbacks, we will continue to pursue our growth plans and expect that the sector will continue to follow a trajectory that reflects the growing consumerism in the country.



Brand portfolio strengthens both here and abroad

The value of the sector's brand portfolio was amply demonstrated when Lion was ranked 9th amongst all Sri Lankan brands by Brand Finance in its 8th Annual Sri Lankan Review. This is a remarkable achievement for a brand that operates under very restrictive conditions, which permit no advertising or promotion. Whilst local consumers readily acknowledge the superiority of our brands, they have been consistently recognized on the global stage as well. Over the years, the Lion brand has won many international awards and this year too, Lion Lager & Lion Strong were awarded gold at the Monde Selections of 2011 whilst Lion Stout was awarded the Grande Gold. In addition, Lion Stout received the International High Quality Award for winning gold or better for 3 consecutive years.



Exports grew at 55% during the year, and amounted to an average of over one container per working day. The Maldives, where we are market leader, remains the key market while the US and Europe also continued to perform well. We are encouraged by the acceptance gained by our own brand over the years in international markets.

Thus our brewing business will continue to pursue its growth plans in the local market through its combined efforts at greater penetration and a more direct presence at the retail end. The latter is being worked on through the operation of our own licensed sales outlets and franchised pubs under the "Machang", "8.8" and "O!" labels. Cost management and macro economic impacts will be closely monitored and will influence the rate at which the sector re-invests for the future.

SECTOR REVIEW

PLANTATIONS, OILS AND FATS

Expansions and new developments drive the growth of the sector



The Sector continued with its expansion drive primarily on higher commodity prices and increased demand from developing countries. The Group's Plantations, Oils and Fats Sector expanded its scope and reach considerably last year by acquiring refineries and specialty fats processing facilities in Malaysia and India in order to diversify its exposure from the commodity end of the market and in time, extract value from the different areas of the business system.

The oil palm plantation business of the sector continues to grow its land bank to further strengthen its competitiveness and obtain greater economies of scale. All plantation operations follow the concept and value of sustainability which are well entrenched within the business model of the Sector, taking into account the close proximity of the operation to vast communities, socio economic networks and consumer groups.

In addition, the regional support services centre located in Colombo, serves all the plantation units through an integrated IT platform which links up all vital information and communications. Similar support will also be given to the newly acquired subsidiaries in the medium to long term.

Going forward, we envisage the plantations, oils and fats business to continue to explore expansion opportunities which strengthen its business model further.

The global oils and fats industry performed well with increasing production and demand for palm and vegetable oil-based products. Foregoing short-term market volatility, we remain positive on the long term prospects for the global edible oils and fats sector, particularly for palm oil based industries, enabled due to population growth, urbanization and improving income levels in developing countries and changing food consumption habits. However, we recognize that it is important to build businesses that are integrated to help compete in an industry where players are consolidating and converging across the industry value chain.

The Plantations, Oils and Fats Sector under Goodhope Asia Holdings Ltd (GHL), will undertake investment across the industry value chain in order to reach threshold volumes and secure access to key inputs and services.

SECTOR REVIEW

PLANTATIONS, OILS AND FATS

Strong operating performance, revenues and profits.

GHL Group recorded consolidated operating profits of Rs. 10.18 bn during the year and a profit after tax of Rs. 5.865 bn. This included the consolidation of results of the newly acquired midstream and



downstream subsidiaries that form the edible oils & fats business segment of the sector. The GHL Group produced a total of 207,397 MT CPO during the year, and produced and marketed 167,624 MT of refined oils and specialty fats for the 9 months ended 31st March 2012. The GHL Group currently has a total plantation land bank of 157,896 Ha in Indonesia and Malaysia, out of which 64,221 Ha is developed and 52,351 Ha is land under development and undeveloped as at 31st March 2012. The balance 41,324 Ha consists of conservation areas.

Building downstream business and extending across the industry value chain

The sector has evolved from being a pure plantations player, to own and operate midstream refining and downstream specialty fats businesses. During the year under review, the acquisition of three operating subsidiaries of Premium Nutrients Group (PNB Group) of Malaysia extended the GHL Group's operations across the industry value chain. GHL Group was able to realize the opportunity to acquire an operation which had both midstream refining and downstream specialty fats manufacturing and distribution capabilities. The acquisition brought in 25 years of product and marketing experiences of the PNB Group that would have taken the plantation, oils and fats sector about 10 years to build organically. It was essential that the sector positively respond to such an opportunity made available in the market, as all other plantation players have extended across the industry value chain and increased their bargaining power and competitiveness accordingly.

This acquisition has provided the Sector with access over origination and the supply of value added products. Furthermore, the newly acquired downstream subsidiaries export its specialty fats to over 50 countries and its customers include well known multinational companies in the confectionery and chocolate industries.

The sector has put in place a structured capital and operational turnaround plan to overcome the operational and capacity bottlenecks faced within the newly acquired subsidiaries at the time of acquisition. These initiatives are aimed at enhancing operational



efficiencies, optimizing capacity utilization and improving its operating margins. Further, this turnaround will be complemented through expansion and strengthening of the Sector's marketing and distribution channels.

We are confident that with the planned expansions and investments in the edible oil & fats business segment, the sector will be able to expand its profitability and stakeholder value over the medium to longer term.



SECTOR REVIEW

PLANTATIONS, OILS AND FATS



Expansion in upstream plantations to complement the integration with the downstream operations

Expansion of oil palm plantations in Indonesia has over the last few years become difficult due to a combination of factors such as the scarcity of suitable new land, regulatory obstacles delaying approvals for plantation development and social and local community-related issues. Hence, the oil palm plantations business will continue with sourcing and expanding its land bank in new locations within Indonesia as well in other suitable overseas locations for plantation development over the long term.

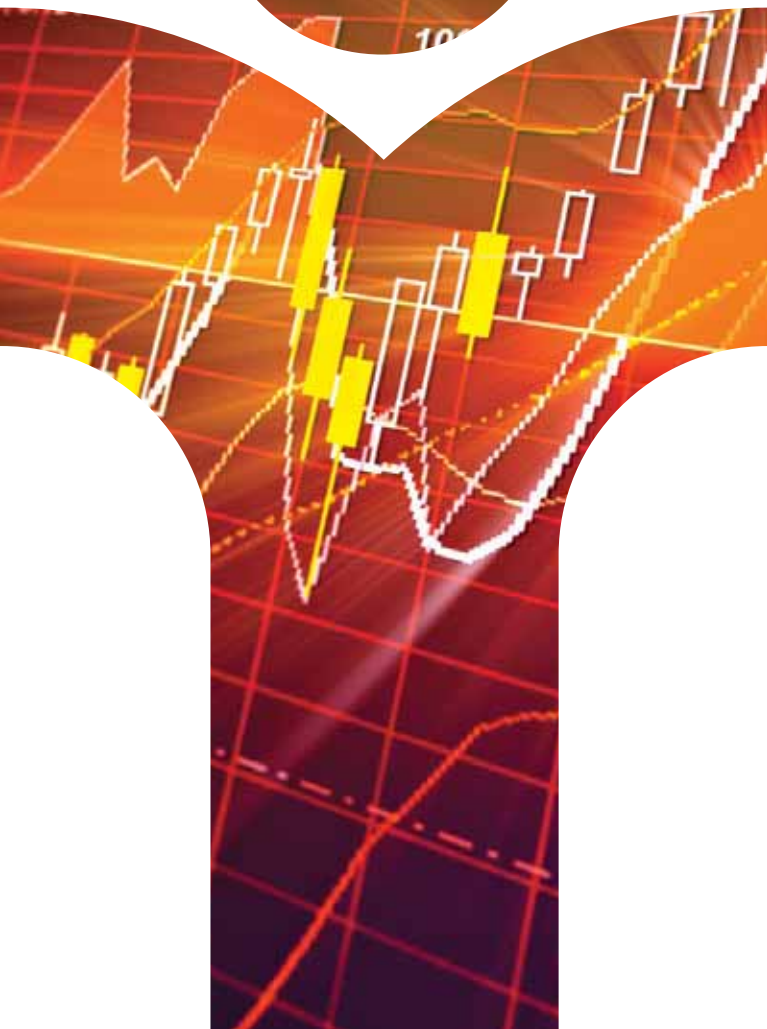
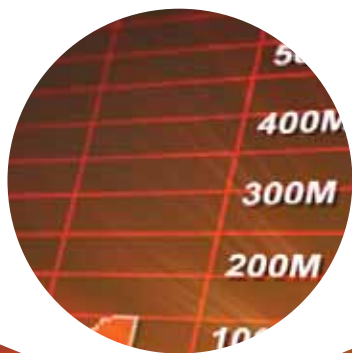


The sector is mindful of its social and environmental impact and is guided by the principles of the Roundtable on Sustainable Palm Oil (RSPO). In fact, the sector has already commenced the RSPO certification process for some of its mature plantations with first certification expected to be received within the second half of 2012. The sector has also obtained ISO standards in Environment, Health and Safety and acquired relevant Food, Hygiene and Quality accreditations for the processing plants of the edible oils & fats business.

SECTOR REVIEW

INVESTMENTS AND ASSET MANAGEMENT

The sector went ahead with its growth plans, investing in expanding its private equity business, client management business and the entry into the mutual funds space through its joint venture with Acuity Partners. Going forward, new opportunities to work collaboratively with local and international players in all facets of the business will continue to be explored.



The investment business which recorded a profit of Rs. 1.269 bn, despite a negative stock market performance contributed 12% to consolidated results. However, it recorded a drop in net worth due to poor capital market performance. The latter is expected to be a temporary correction prompted by the process of economic re-adjustment locally and global impacts which kept foreign investors away for the greater part of the year. The sector went ahead with its growth plans, investing in expanding its private equity business, client management business and the entry into the mutual funds space through its joint venture with Acuity Partners. Going forward, new opportunities to work collaboratively with local and international players in all facets of the business will continue to be explored.



Consolidates performance in a difficult year

The Investment business of the Group, consolidated its entire operations under the Ceylon Guardian Investment Trust PLC, thus transforming the latter into the holding company of the portfolio and asset management business. The business focus of the sector continues to be dominated by the management of assets belonging to the Guardian Group under the listed and private equity portfolios, while the fund management company continued to expand its scope into managing outsourced client portfolios as well as product management in the form of a country fund and mutual funds.

SECTOR REVIEW

INVESTMENTS AND ASSET MANAGEMENT BUSINESS

During the year under review the portfolio performance of the Guardian Group recorded a negative 23% while the All Share Price Index declined 25% and the Milanka Index declined 28.8%. This includes the strategic holding of the Guardian Group in Bukit Darah PLC. However, if the performance of the fund managers were to be isolated to measure the enhancement in the discretionary portfolio, the decline is 15.39%. The consolidated profit after tax of the Guardian Group arising from portfolio operations is Rs. 1.269 bn a decline of 52% from the previous year, which is accounted for after a provisioning of Rs. 692 mn on the short term and long term portfolios due to decline in markets. These provisions would be reversed once market conditions ease.

The asset management company continued to invest in people, processes, systems and alliances that will bring value to the business over time. Several new recruitments were made over the last two years, to step up the skill diversity within the business to capitalise on future opportunities. Being a skill intensive business, greater emphasis on staff training and development will be vital, whilst appropriate reward structures that are both motivating and sustainable have been formulated.



Private equity as a new business

The private equity (PE) segment saw an enhanced deal flow during the early part of the year, which dried up considerably as markets continued to drop. We are challenged in this business to source high quality deal flow and would like to enhance the project pipeline through appropriate channels. During the year, we made new investments in this category amounting to Rs.500 mn approximately in projects through Guardian Capital Partners PLC. We also exited one project while several projects became listed during the year. We also see some structural weaknesses in this business, in the form of pricing mechanisms for PE, the lock in regulations that have lengthened exits, and the reluctance of entrepreneurs to seek risk capital in the form of equity.

The private equity market in Sri Lanka is yet in its infancy and we do foresee that it will grow with the increase in entrepreneurial opportunities in a developing economy. Therefore, our competencies in this business are being continually enhanced to develop a set of benchmark international best practices in deal structuring, evaluation, monitoring and exits. Our philosophy on exits is based on our view of the value of the investment at any point in time. While all PE

investments are long term, we would not hesitate to exit listed projects once their pricing exceeds what we perceive to be the true value of the stock. Furthermore, PE investing unlike listed equity investing requires greater engagement with the management and better understanding of the business.



Unit trusts as a new business

The unit trust business which was our most recent venture into the retail market, was slow to start since most small investors opted to stay in bank deposits that gave better and less volatile returns. However, as per capita incomes and savings rates grow, we expect that investors will desire a wider variety of savings instruments with differing risk profiles. The unit trust industry in Sri Lanka has had a long gestation period and this is understandable given the volatility in markets during the conflict period. Now in the new economy we expect savers to seek more investment options through varied points of access and therefore investor education and developing multiple distribution channels is of utmost importance. Our partnership with the HNB network of 65 designated branches to distribute the unit trust products will give us greater market access to a broad range of investors of different income categories. This joint venture benefits from the local and international client networks of Acuity Partners PLC, and its parent companies the HNB and DFCC banks.

SECTOR REVIEW

LEISURE

We will seek to consolidate our position through alliances and partnerships that can add value. Broadening the product range we offer under this sector is the most viable strategy for expansion; and locations complementary to the existing hotels would enhance the value of what is on offer.



The year saw Giritale Hotel being brought under the Pegasus hotels umbrella, thus placing both properties under a single hotel company. The ability to consolidate these two hotels thereafter, into any other joint venture or strategic alliance is facilitated through this structure. The Group's investment into the hotel sector by way of borrowings was capitalized through the recent rights issue, which was primarily floated to clear the debt obligations to the parent. Opportunities to scale up the business without infusing much new capital into the sector are being explored, since the Group owns a very large majority stake in the hotels that can be diluted should the need arise. The two hotels generated a profit of Rs. 113 mn, contributing 1% to consolidated profits.

As in the real estate business, we will seek to consolidate our position through alliances and partnerships that can add value. Broadening the



SECTOR REVIEW

LEISURE

product range we have to offer under this sector is the most viable strategy for expansion; and complementary locations to the existing hotels would enhance the value of what is on offer.

The tourism sector contribution to the economy is growing in stature and at impressive rates. It is essential that tourism development takes place in a viable and sustainable manner so that it continues to be a growth sector for Sri Lanka. This requires having better infrastructure and linkages with the local economy. At the same time, it is important that when the properties under construction are launched that we do not out price ourselves to be uncompetitive in the international market.



The airlines sector performed well under globally competitive and challenging conditions, and it was encouraging to note that our GSA was able to secure the agency for Kenyan Airways, thus opening up a new product offering to an important emerging economy in the African continent. We hope that apart from our access to Europe through KLM Royal Dutch Airlines, Martinair and Air France, that new GSAs of this nature would enable us to widen our services.

SECTOR REVIEW

REAL ESTATE

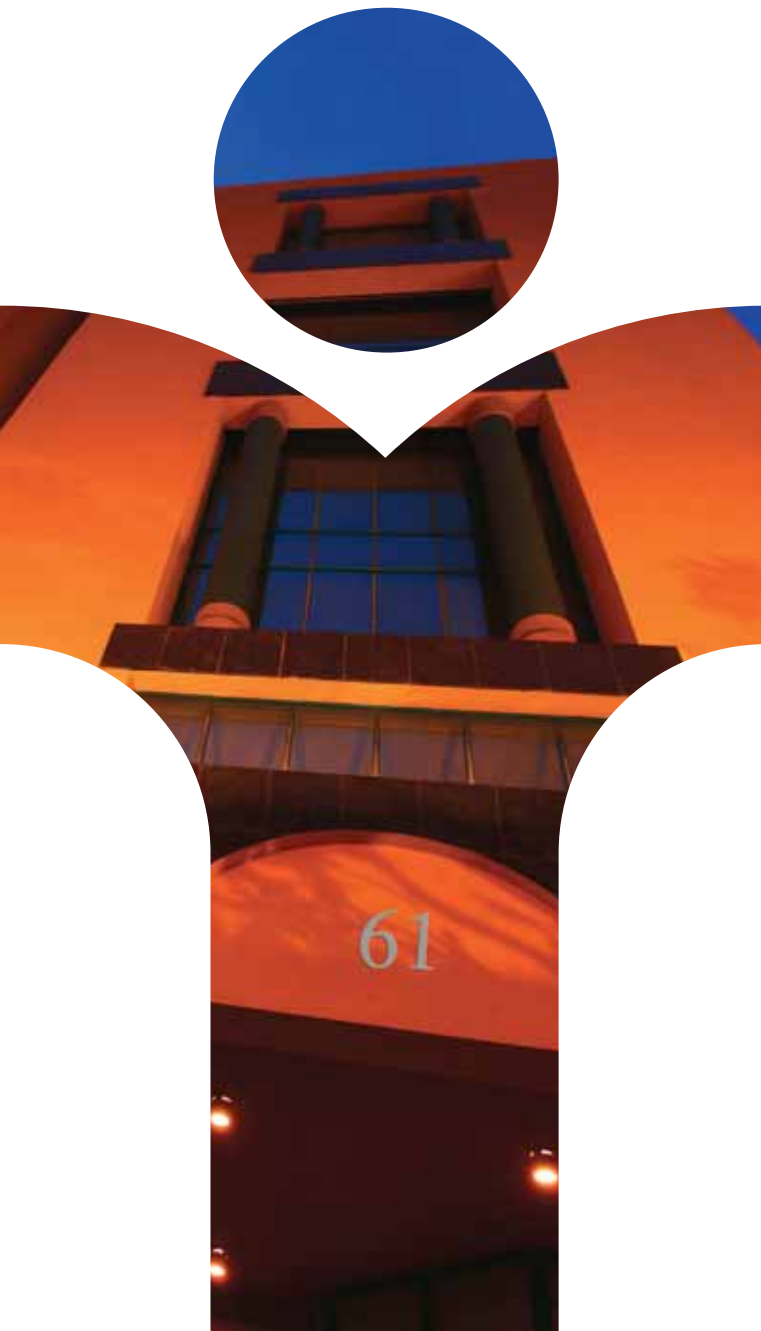
The planned entry of several renowned brands in the hotel and property industry to Colombo, will place it on a more international platform to attract potential visitors and buyers.

The real estate business was able to record a growing positive contribution to the Group's results with a profit after tax of Rs. 44 bn, a growth of 66%. Much of the increase came from a revaluation of the Equity Two property at Janadhipathi Mawatha, which appreciated in value given the greater access to the area and the rapid development of the properties in the vicinity. Rentals too appreciated with the growing demand for office space in the city.

The Group's property bank is centred in and around Colombo and the development of the City into a greener and better planned place will certainly help it realize its full potential in the years ahead. We commend the authorities concerned for undertaking the restoration of the grand colonial buildings in the Colombo Fort, which was a long felt need. The restoration, which captures their history & heritage, has brought these iconic properties back into productive use whilst also lending an air of grandeur to the City which is conducive for both tourism and commerce. A good case in point is the Dutch Hospital Precinct which has now been transformed into an upmarket development with shops, restaurants and entertainment venues; and which stands adjoining one of our own properties. We are greatly encouraged by the aesthetic changes happening elsewhere in all parts of the City which promise to make Colombo a more contemporary, lively and cultured business city.

Research indicates that all segments of the commercial property development market are beginning to experience a revival, particularly in the City and immediate suburbs. The stock of office space, shopping malls, mid and high end condominium projects are being added on to, and this supply should get absorbed provided sufficient demand is created once the City development plans are completed. The planned entry of some renowned brands in the hotel and property industry to Colombo, will place it on a more international platform to attract potential visitors and buyers.

Our suburban land bank in Mount Lavinia should serve us well, as the demand for housing and condominium space improves. Although housing is a greatly felt need, the current environment of high interest rates and escalating import and construction costs does not augur well for the sector to take off immediately. Instead, the waiting period for the property market to recover will take longer. In the meantime, the Group's interest in the property business will ensure it has a good asset base to back its balance sheet in the years ahead, while ensuring a regular cashflow from ever increasing rentals. Nevertheless, it must be observed that maintenance costs will continue to pile up as material, energy costs and labour charges escalate. We are fortunate to have a mixed profile of good quality tenants who have been with us over the years. Occupancies dropped this year due to vacation of some of the Carsons offices to more spacious premises, as the Group properties could not accommodate their growing needs. As such, the spare capacity now available will have to be rented out early this year to maintain rental growth.





The people oriented and friendly approach enables long term relations to be fostered between the Group and our Employees

People Philosophy and People Management Approach

Employees make the difference in a company's performance and therefore they are the driving force of our competitiveness in the market place.

Management ensures that human resources policies and practices are implemented with adequate participative management practices. The Group acknowledges and respects international labour conventions and best practices ensuring no violation of fundamental human values. The Group embraces diversity and respect for individuals on the broader premise of Equal Employment Opportunity Employer.

Given our increasing business presence globally in diversified work cultures, the Group Human Resources architecture embraces HR practices to create sustainable human capital.

Recruitment and Retention

As an equal opportunity employer all sector business units follow non discriminatory recruitment practices using transparent recruitment and selection policies and procedures. All selected employees have a sense of pride and satisfaction that they have been hired for their demonstrated capabilities and proven track record that is a fundamental value in 'respecting individuals'. The Group uses reputed professional head hunters and scout on their own for best talents in the market to partner expansion and success of business. Diverse employees are true human capital and the recruitment & selection process has helped the Group to enrich and enhance it.

The Group retains its talented staff and labour turnover has never been an issue. The Group felicitates its long standing employees each year. Retention is based on work itself by offering challenging and rewarding experience and at the same time creating an environment of openness in taking decisions in their domain of work.

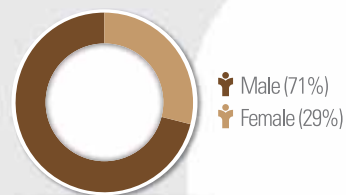
Employee numbers for 2012 in different sectors is given below:

Sector	Managers	Executives	Non Executives	Total
Plantations, Oils & Fats	320	698	12,904	13,922
Investment	7	7	0	14
Beverage	51	80	84	215
Real Estate	1	6	9	16
Leisure	3	32	219	254
Management	6	20	6	32
Total	388	843	13,222	14,453

Employees by Sectors for 2012



Total Gender Diversity for 2012



Abiding by Universal Labour Practices

The plantations, oils and fats sector which operates in different countries in the South Asian and South East Asian Regions has in place a comprehensive human resource structure covering recruitment, manpower planning, retention and grievance handling. The sector follows a policy of routine and continuous dialog with employees to understand any issues and to foster better relationships between management and employees.

The Sector subscribes to the principles of the United Nations Global Compact (UNGC) incorporating these into relevant operating procedures. The Sector ensures that equal opportunities exist for both genders as permitted by the nature of the sector's operations and no child labor is employed at any of our operating locations.

One of the main challenges faced, is ensuring that skilled labour is available and all contractors adhere to the Sector's policies and practices. For this purpose HR personnel are trained and educated on best practices that are followed by the Sector.

Abiding by Other Labour Practices

Group companies ensure all employee practices are beyond minimum legally recommended practices and also ensure that even the contracted labour suppliers do the same. As a result, both the permanent and contracted employees have a sense of a preferred place to work for. Open door policy, room for open dialogue and communication have built a community culture, a blend of solidarity and sociability.

In the hotel sector, employees have moved away from third party union intervention to direct employee and employer relations due to the open communication approach by the management. The group companies have harmonious labour relations with no third party intervention.

Work Life Balance

The management is mindful that employees spend good part of their lives at work and group ensures all hygiene factors at work are in support of congruent of work and life. Work related stress is minimized due to open door practices and socializing events. Extending staff events to the immediate families makes us a wider but closely knit community.

Ensuring that employees avail of their earned leave helps them spend time with their families and also give them a chance to relax and reflect.

Maternity leave, nursing time and compassionate leave accommodate employees to manage events that are stressful. Human resources extend counseling to employees on a need to have basis.

The Human Resources calendar has many events for frequent family 'get togethers' that inculcate our values and promote socialization. Carsons family day, art competition and exhibition for children of staff, staff gatherings, staff outing with their families and the annual Christmas party have brought a sense of belonging and encourage a work life balance.

Occupational Health and Safety

We position ourselves as the Industry Leader for its Health Safety and Environment Policies and for the exemplary management of these policies.

Each business unit places importance on employee safety and health by setting up systems, policies and practices that have benchmark centers of excellence. Employee training, monitoring and learning for continuous improvement have set our standards far above minimum legal standards in all factories and field operations. In our diverse business sectors field workers, factory workers, hotel and office

Health & Safety plays an important role in all our business sectors and we follow internationally recognized standards to ensure high levels of compliance is maintained.



Employees receiving long service year award



Christmas Party held for all Group employees in Sri Lanka



Employees enjoying a game of golf at one of our plantations

People Philosophy and People Management Approach

employees are on continuous training on safety measures. Our systems are subject to continuous improvements. The Plantations, Oils and Fats and, the Beverage sectors pursue international standards of OHSAS 180001 and continuous audit for improvement and compliance.

We ensure employees have access to basic medical assistance by employing company doctors and running polyclinics for the resident workforces in the plantations. Medical cover both indoor and outdoor for employee and his/her immediate family lessens the burden of cost of medication. Preventive health care programs have helped employees of the plantations to maintain good health, and recreation and outdoor sports facilities raise their awareness and level of well being.

The Company's medical assistance on critical sicknesses is a relief to employees since it extends to their immediate family as well.

Employees are covered under personal accident insurance during 24 hours and that offers an extended sense of security at work.

Training and Development

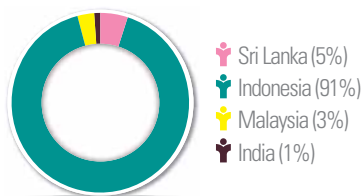
Group policies and practices are to create learning organization and also harness organizational learning process. To this end, employees are encouraged in seeking out new knowledge and sharpening their skills to create an environment to learn from internal benchmarks; learning from one another. Learning systems are based on inventory of skills and competencies that are reviewed and revisited as per the changing landscape of business and its macro environment. Regular performance discussions and feedback sessions help employees in self initiation of learning and pursuing their career development.

Employees are exposed to a complete cycle of learning from orientation, job intervention, regular performance feedback, career development through individual development programs backed by coaching and counseling.

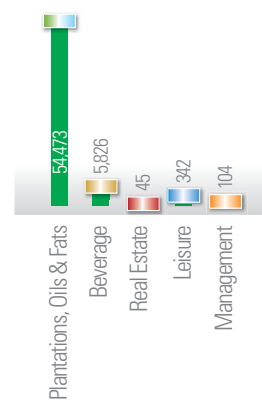
Educational assistance programs in pursuit of chosen careers and professional membership of employees epitomizes the company's intent of developing the latent talents of employees.

Pre and post evaluation of training ensures objectivity of training programs that ensures results driven training and development activities for employee progress.

Total Work Force by Country



Total Training Hours



Art Exhibition of employees' children



Health & Safety Practices- it is mandatory to use safety equipment in all aspects of our plantation operations



Company Doctor available daily at Corporate Office, Colombo

Training and development is undertaken in all business segments to develop the requisite skills of employees, and empower them to forge ahead with their career aspirations.

An empowered working environment to facilitate innovation and continuous improvement of key processes has given the desired inspiration to go over and beyond their normal call of duty and add value.

Employees are encouraged and empowered to take charge of their career development and the Human Resources Department facilitated their effort in pursuing both long and short term career pursuits.

Performance Culture

The Philosophy behind employee performance is to harness true potential and feeling of partnering the progress of business. To this end the performance management system is built on four fundamental principles; Agreement, Alignment, Adjustments and Accountabilities. Company wide dialogue and thereby integration of all employees' performance to company's key performance indices takes place at the beginning of each year. The agreed upon accountabilities are arrived

at, in these dialogues. Each employee gets a sense of ownership of his/her accountabilities that are aligned to the business outcome and as when business landscape changes the required adjustments are made due to formal and informal discussion during the year. The regular feedback helps employees to reenergize and also to ensure issues are addressed timely.

The professional growth and career development is being facilitated as the PEAP. The company's performance management system not only evaluates past performance and also assesses the potentials of employees in future growth at regular performance discussions and feedbacks. Company' rewards employees on their performance and contributions that promote a culture of ownership and commitment.

Forums such as town hall meetings and cross functional briefings help disseminate tacit knowledge and institutionalize know-how.



In-house training undertaken in the Management Sector



Town Hall Meeting

Corporate Social Responsibility

Social responsibility is interpreted as an ethical obligation undertaken by the Company towards the socio economic development of the country. The Company has no expectations in return for its investments and encourages its people to engage in the numerous activities undertaken.

It institutionalizes CSR in two fronts; supports institutions through donations on basis of needs & merits and review, monitor and guides selected projects by direct engagements.

Donations to institutions are mainly to schools and other institutions of public interests that have direct impact to socio economic life.

Through its CSR activities, the Company aims to upgrade the quality of life of the communities In some segments that are connected to operations of business and more in general. Besides, company also encourages employees to devote time to underprivileged sections through Company projects and non-governmental organizations to share skills and expertise and assist the needy. This is in line with the Company's broader goal of practicing and promoting self-sustaining processes and welfare activities for social and economic development and environmental protection.

Hatton Norwood School has a population of estate sector children who get benefited by an on going project in developing English skills. Two dedicated teachers conduct regular classes on a program of teaching that has been accredited by the school authorities.



English lessons at Norwood School in Hatton, Sri Lanka



Scholarship Distribution for children, Sri Lanka



Book distribution to needy children in Biyagama area, Sri Lanka

Children from rural south and Colombo suburb receive monthly cash donation in support of their education and this project would ensure monitoring their progress with the view of support structure on basis of need and merit.

Distribution of school books to children of 100 or more grama sevaka divisions of Biyagama electorate has been carried on for 10 successive years.

Having established computer training centers, children of rural villages have the facility of continuous learning of much needed skills and also internet facility to reach to global knowledge hubs.

Company partners "Tharunyata Hetak" a non governmental organization in developing youth for emerging Sri Lanka. Enhancing employability, training programs in Killinochchi and Hambanthota are run with direct engagement. The youth of these two districts receive facilities of learning computer skills, English and personality development, each program runs for 4 months of continuous learning.

Number of youth developed in 2011	
Hambanthota District	Killinochchi District
380	80

The company envisages social harmony and mutual understanding of youth of the country by facilitating their interaction on a common platform of facilitating development of their personalities that would enable them to participate effectively in the social and economic development of the country. A blog is created for networking for required resources for their further development and interactions.

Facilitating Events of National Significance and Importance

The Group is unhesitant in extending its support for undertaking by the authorities in positioning country's image in the international forum that would in return have direct socio-economic benefits to the people of Sri Lanka. The Group has supported the Sri Lanka Army in conducting a seminar that had participants from 41 countries in sharing the Sri Lankan Experience in defeating terrorism.

The Company's CSR activities aim towards the economic development of communities closely linked to business operations.

The Group's plantations, oils and fats sector has several social responsibility initiatives which revolve around the remote locations of the plantation operations. The key focus of these initiatives is the advancement of education and economic empowerment. These two areas are supported by the provision of community services such as healthcare and sanitation, infrastructure maintenance and the preservation of socio-cultural values.

From the outset, the plantations work closely with local communities, mindful of its duty to ensure that practices are community friendly and that local cultural and religious values are respected. The objective is to form strong bonds of trust, respect and friendship between those who work for the plantations and those who live within the vicinity of our operations. The Sectors CSR programs implemented in our plantation operating locations have benefited more than 40 villages and cater to over 110,000 people. The details of the beneficiaries are as follows:

	2008-09	2009-10	2010-11	2011-12
Number of villages	6	12	34	46
Number people	8,307	27,449	86,782	117,582
Number of households	2,077	6,862	21,695	29,395

The Sector's corporate office undertook an initiative under Goodhope Asia Holdings Ltd (the Sector's holding entity) whereby SLR 60 mn was donated towards the construction of a transit home (CCC House) for cancer patients at the cancer hospital in Maharagama. The second phase of construction for which this donation is being used, is progressing well and is expected to be completed later this year. The completed transit home will accommodate up to 179 cancer outpatients, their caregivers and support medical staff.

The details of the different programs undertaken by the Sector in the plantation operating locations are as follows.

Economic Empowerment

The livelihood enhancement programs were continued in the plantations during the year, which enabled community members to

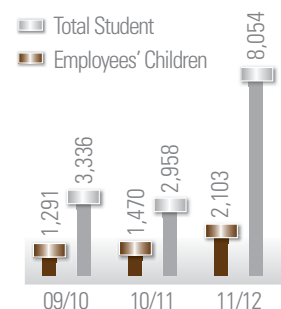
further improve and build on their income generating activities. The activities focused on during year include poultry farming, agriculture, inland fishing and, arts and crafts. Programs implemented last year were well received by the communities and thus encouraged us to implement new programs in other villages around our plantation operations during the year under review. Thus far we have successfully assisted many villages surrounding our plantation operations to become self reliant and improve their living standards. Plans are in place to introduce economic empowerment programs to more villages in the coming years.

A unique project launched in the year was aimed at facilitating small business owners to further enhance their business potential. Under this Community Entrepreneurship Program (CEP), these business owners were trained on management practices and other value adding practices to help enhance their business potential.

Education Advancement

The Agro Harapan Foundation continues to guide and facilitate the setting-up and operation of education and school facilities in all plantation locations. In the year under review we continued the support of schools in the towns close to our plantation operations and offered support towards the higher education of teachers. Our cooperation with two education-concerned institutions, the Indonesian Teachers Association (ITA) and the Cita Bunda Foundation to improve teacher capacity and professionalism in compliance with Government standards and national curriculum in Indonesia is making progress as per objectives. We also provided scholarships to students to continue their secondary and tertiary education endeavors. In some of our more remote plantation operating locations, we implemented initiatives to set up early childhood education facilities and also set up model classrooms in village schools.

Our flagship program in education advancement is the school, SMP Tunas in PT Agro Indomas. This



Book distribution to needy children in Biyagama area, Sri Lanka



Tharunyata Hetak Program held at Hambantota, Sri Lanka



Tharunyata Hetak Program held at Hambantota

Corporate Social Responsibility

school continues to be successful with students passing out with good grades and some continuing on to higher studies. At any given time the school is able to support more than 250 students and is equipped with modern up-to-date facilities.

The Agro Harapan Foundation has in total benefited 8,054 students, including 2,103 employees' children by end March 2012 through various education related programs conducted in schools in the surrounding villages.

The Sector's efforts with regards to advancement of education has been well recognized for its impact by stakeholders in May 2011. The Foundation was awarded "The Most Committed Company on Education Award" from the ITA – Central Kalimantan Chapter (IGI Kalteng) in recognition of the Sector's endeavors in the enhancement of teacher's quality and education advancement.

Community Services/Programs

Health & Sanitation

A series of health campaigns were conducted in our plantation locations during the year. The Dental and Oral Health campaign resulted in 4,159 treatments in our plantations located in the Kalimantan region in Indonesia. This campaign was supported by Pepsodent, Unilever where they provided tooth brushes, tooth paste and appropriate educational material for children.

We also conducted a campaign on the prevention of Malaria and undertook activities such as improvement in sanitization facilities, better waste management and other pest control measures in five of our plantation locations. We also continued the awareness campaigns aimed at educating students, villagers and employees on the prevention of HIV-AIDS and conducted an Anti-Drugs related campaign in collaboration with the National Narcotic Agency (NNA) under the National Police in two of our mature plantation operating locations based in the Kalimantan region and in Papua in Indonesia.

In our new plantation development projects, we provided mobile clinics and other basic medical facilities to the communities surrounding our operations.

Further progress was made in the 'provision of clean water project' undertaken in the Agro Wana Lestari plantation. The main challenge faced was to advocate a shift of the community's water source and sanitation habit from river base to land base. To prevent the community's dependency on the plantation and encourage the feeling of ownership, this activity was jointly funded by the plantation and members of the community who are the primary beneficiaries. We also signed an MOU with the FIELD Foundation, where FIELD will act as the expert on the development of clean water installations. These initiatives have also received local government support in the region of Central Kalimantan. The pilot project to provide clean water to villagers using pipelines is now complete and will be replicated in the coming year to other villages around our other plantation operating locations where obtaining clean water is a priority.

Stakeholder Relations

Relationships with stakeholders continue to be vital to all sustainability activities and programs. In our new plantation development projects steps have been taken to set up stakeholder facilitation programs in order to inform relevant stakeholders of the activities that the Sector will undertake with regards to sustainability initiatives. We continue to maintain previously established relationships with stakeholders in media relations and community leaders in our mature plantation operating locations. The stakeholder facilitation programs continue to be a vital forum whereby community members are able to bring forth their grievances and other issues to light in a structured manner.

Smallholder Schemes

The smallholder scheme involves land being set aside for village growers in line with the Indonesian Government's Plasma initiative, which involves a tri-partite arrangement among Cooperatives, Company and Bank.



Overview of SMP Tunas Agro in PT Agro Indomas and a State-of-the-Art Computer Lab.

Our Dedication Towards Environmental Sustainability

Carson Cumberbatch PLC believes in and practices environmental sustainability to some extent in all of its segments. However, as a result of the nature of its business operations, the Brewery and Oils & Fats sectors have dedicated initiatives in place to ensure the conservation of the natural environment surrounding their operations.

Beverage Sector

As a policy, Lion Brewery is committed to achieve excellence in its approach to Health, Safety & Environmental (HSE) management system across all its operations. We believe that the success and sustainability of Lion rests in adherence to the high benchmark standards set by us on our HSE Management.

Beer by definition uses natural raw materials and a natural fermentation process, to convert the raw materials into a value added product. On this same concept brewery aspires to maintain its operations with the minimum impact on the environment. Waste raw material in the form of spent grain, which is rich in nutrient is channelled to dairy farms and piggeries as part of the feed. Work is currently being done on the possibility of converting the waste yeast, which is rich in vitamin B into a commercially viable yeast extract, which in other countries is used as a base for a number of food items.

Brewery, unlike CSD industries generates its own CO₂, through the natural process of fermentation, thereby contributing to the prevention of the proliferation of use of fossil fuel for the same. Following a sizable investment the CO₂ collection plant was augmented in 2011 so that the unit is now able to not only meet its own needs but also supply CO₂ for commercial purposes to other local industries.

Brewery continues to use a returnable glass bottles in its container management system along with returnable crates and pallets, all of which are recyclable. The glass cullet, which results in the handling process is recycled through the local glass manufacturer, thereby having a close cycle of operation. With the growth in the aluminium can segment, initiatives have been carried out through the labelling to foster the habit of responsible disposal of spent containers and the feasibility of a recycling facility is currently under consideration, through negotiations with can manufacturers. All other secondary

and tertiary packaging material such as cartons and polythene are segregated and channelled in to recycling facilities, through approved third party contractors.

Water, which is a major ingredient for the brewery is also one of its main effluents. Lion Brewery, while having an aerobic waste water treatment plant, commissioned an anaerobic waste water treatment plant in 2011, capable of meeting European standards, in its drive to minimise the impact of its manufacturing processes on the environment. The technology uses anaerobic fermentation for the degradation of organic matter, thereby greatly reducing the consumption of electricity, which is needed in conventional plants for the purposes of aeration of the waste water. In the second phase, which is to be completed in 2012/13, the methane generated in this process, will be used in power generation or as a substitute fuel for the boiler, thereby reducing the demand on furnace fuel. As the third phase, a bio mass boiler will be commissioned to further enhance the use of sustainable energy with CPH under a CRM scheme.

With the ongoing expansion program several energy saving technologies have also been invested upon. The new brew house is equipped with a STROMBOLI wort kettle, which is said to give significant reductions in energy use. In addition, the redesign of the brew house, focussing on the use of natural light through prismatic lighting and energy efficient design of central air conditioning operating systems, will further reduce the consumption of electricity.

Towards emission control, Lion Brewery Logistics Department moved from internal combustion engine fork lifts to battery operated forklifts in 2011, thereby not only reducing emissions but also cutting down on noise levels generated in the process resulting in better working conditions for personnel.

The brewery is governed by ISO 9001:2008 and ISO 22000:2005 quality and food safety systems, to which it is in the process of adding on OHSAS 18001 in 2012, with the intention of being ISO 14001 compliant on completion of the ongoing expansion program, towards the latter stages of 2013. Currently, all aspects of environment are under the governance of the HSE committee where, responsibility, authority and accountability is defined both at HSE committee level as well as departmental and where possible personnel level. This ensures that an efficient and effective operational system is maintained, which complies with all statutory and good manufacturing procedures. One of the main focus areas and CSR initiatives over the past two years has been the maintenance of a comprehensive mosquito breeding prevention program in and around the brewery, given the prevalence of the Dengue menace in Sri Lanka.

Plantations, Oils and Fats Sector

The Sector continues its efforts to reduce the impact of its operations to the environment. Hence, the approach undertaken is inclusive and holistic, whereby the Sector adequately addresses the concerns of a multitude of stakeholders and takes into account the different

Our Dedication Towards Environmental Sustainability

ecosystems that the Sector operates in. This approach has helped the Sector to integrate our values and principles into our operations successfully, on a daily basis.

The Sector's plantation operations subscribe to the Principles and Criteria (P&C) set out by the Roundtable on Sustainable Palm Oil (RSPO) as a baseline for implementation and management of sustainable practices across our plantations. Some of the plantation companies are members of the RSPO and others are in the process of obtaining membership. Furthermore, PT Agro Indomas, the Sector's most mature plantation, has successfully conducted its RSPO assessment and has been cleared by the external auditors for RSPO Certification.

Since 2007, some of the individual plantation companies have obtained ISO 14001, the international standard for Environmental Management Systems (EMS), and OHSAS 18001 on Occupational Health and Safety Standard. The sector aims to include the other plantation companies under the same certification in time. The scope of the EMS covers all activities, products and services that interact with the environment (including bio-physical and socio cultural systems) that may have either beneficial or harmful consequences.

Environmental Policy

The Sector has in place a comprehensive Environmental Policy integrated into the plantation operations that ensures an environmentally sustainable business model. The details are discussed below.

Environment Sustainability

We continue our environmentally friendly practices and are currently conducting a pilot project to combine OHSAS 18001 and ISO 14001 into an Integrated Management System (IMS) in one of our plantations. The aim of this initiative is to integrate all relevant environmental and health related policies and procedures into one system that enables a more streamlined and efficient approach in achieving our goals. If we find this approach to be successful, we will implement this system in all other plantations.

Our efforts and commitment towards environmentally friendly practices were recognised with the two mills in PT Agro Indomas, located in Central Kalimantan, Indonesia being awarded the Green Rating in the 2011 PROPER program. This program is conducted by the Indonesian Government, and the Green Rating is given to those achieving compliance well above expectation of all applicable Indonesian regulations. The rating considers compliance with regards to sustainability standards, such as environment policy, pollution control, waste management, conservation measures, CSR policy and programs, and social performance.

We continue to support the Orangutan Foundation International (OFI) and signed a Memorandum of Understanding (MOU) with the Borneo Orangutan Survival Foundation (BOSF). This MOU supports the rehabilitation and relocation of Orangutans in the Central Kalimantan region in Indonesia. This MOU is the second such cooperation with regards to the safeguarding and survival of Orangutans in Indonesia. We continue with our MOU with the OFI signed in the previous year.

Construction of the Orangutan Herbarium at the OFI/Orangutan Care Center & Quarantine Facility (OCCQ) is underway. The herbarium follows the commitment made to support the OFI for a five year period. It is solely dedicated towards the preservation and research of all vegetation related to the growth and survival of the Orangutans in Indonesia and is the first of its kind in the country. This Herbarium which has a capacity to store a collection of 10,000 specimen plants, aims at identifying, tracking and storing data of all plant species in the natural habitats of Orangutans.

We will also ensure that employees and contractors we hire are competent and proficient to perform their work within our principals and standards by undertaking appropriate education, training and awareness programs. A dedicated Environmental Management department is entrusted with the task of monitoring and reporting on the Sector's environmental performance and its adherence and compliance to environmental management policies. This team is also supported by reputed independent external consultants who evaluate the effectiveness of currently used environmental management processes and also set new environmental objectives, parameters and policies to raise standards.

Safeguarding the Biodiversity in Our Plantations

Environmental protection and conservation of biodiversity is well ingrained into all oil palm plantation operations by managing the High Conservation Value (HCV) areas. Prior to land development of oil palm plantations, an assessment of HCV is carried out to identify and assess any sites where HCV exists. The HCV areas will be preserved



Green Rating Certificates received for the 2011 PROPER program

Protection and conservation of the natural environment is intergrated into our business operations.



and left intact, ensuring no developments of any kind are undertaken in these HCV designated areas. The Sector periodically conducts inspection of the conservation areas to ensure no illegal activities threaten its value.

Environmentally Friendly Practices in the Plantations

The following environmentally friendly practices are adopted as part of the plantations' operational commitment towards protecting the natural environment.

- Managing effluents and reduction of green house gas emissions from our oil mills and continuous assessments of innovative means to utilize and optimize on effluents produced.
- Ensuring optimal balance of water management between plantation growth and the environment is maintained. Critical parameters are monitored closely and every effort taken to protect rivers, waterways and riparian areas. The amount of water used in mill processes is minimized through efficient water management practices.
- Application of best practices in cover crop management and in soil engineering to conserve and maintain fertility of land, and to minimize water wastage and soil erosion.
- Adoption of a natural approach to pest management wherever and whenever possible, including biological controls and introducing animals such as the barn owl to control rats, and insects to feed on other pests such as bagworms, nettle caterpillars and rhinoceros beetles, as well planting beneficial plants that attract predators and ensure crops are protected.
- Implementation of a strict zero burning policy, which is enforced without exception. An annual community fire awareness training (CFAT) for both local community and employees is organized in cooperation with local government and NGOs to build early warning and response to fire threats.



Natural Pest Control measures using Barn Owls



Fire Drill training at one of the plantations



Maintaining high conservation value areas within our plantations

Economic Review

Sri Lankan Economy

Setting the standard in growth.....

Sri Lanka recorded an economic growth of 8.3% in 2011, which brought GDP to the US\$ 59.2Bn mark. Setting the standard, 2011 recorded the highest economic growth in the post independence history of Sri Lanka and was the first time that the economy achieved above 8% growth for two successive years.

The Services sector recorded a growth of 8.6% spearheading the growth drive of the economy. Among the subsectors, Wholesale & Retail Trade, Transport & Communication and Banking, Insurance & Real Estate were the front runners. Although the contribution of Hotels & Restaurants was minute in the overall computation of Gross Domestic Product (GDP), the commendable 26.4% real growth is a reliable proxy for the leisure industry growth in 2011. With a growth of 10.3% the Industry sector recorded its highest growth in 33 years. Subsectors such as Manufacturing and Construction underpinned the Industry sector growth reflecting the favorable environment that prevailed during the year. Despite the adverse weather conditions at the start of the year, the Agriculture, Forestry and Fishing sector showed signs of resilience recording a growth of 1.5% for the year, with a high contribution to growth coming from the Fishing subsector.

GDP Snapshot for 2011			
Sector	US\$Mn (Current)	Growth (Real)	Share* of GDP
Agriculture, Forestry and Fishing	7,155	1.5%	11.2%
Tea	616	-0.9%	1.0%
Rubber	556	1.8%	0.2%
Paddy	866	-8.4%	1.5%
Fishing	988	15.5%	1.3%
Industry	17,696	10.3%	29.3%
Mining and Quarrying	1,016	18.5%	2.5%
Manufacturing	10,777	7.9%	17.3%
<i>Food Beverages and Tobacco</i>	4,863	7.1%	7.4%
<i>Textile, Wearing Appral & Leather</i>	1,877	10.8%	3.6%
Electricity, Gas and Water	1,280	9.2%	2.4%
Construction	4,624	14.2%	7.1%

GDP Snapshot for 2011			
Sector	US\$Mn (Current)	Growth (Real)	Share* of GDP
Services	34,321	8.6%	59.5%
Wholesale and Retail Trade	12,279	10.3%	23.6%
Hotels and Restaurants	400	26.4%	0.6%
Transport and Communication	7,402	11.3%	14.3%
<i>Transport (Cargo, Passenger & Ports)</i>	7,073	11.0%	12.5%
<i>Post and Telecommunication</i>	328	13.4%	1.9%
Banking, Insurance and Real Estate etc.	6,415	7.9%	8.8%
Gross Domestic Product	59,172	8.3%	

* Calculated based on constant prices

Source: Central Bank of Sri Lanka

Fiscal Consolidation

During 2011 fiscal discipline was upheld as the overall fiscal deficit US\$ 4.1Bn (6.9% of GDP) was marginally above the original target of 6.8% of GDP. Total fiscal revenue US\$ 8.6Bn (14.5% of GDP) for the year came below the expected 15.6% of GDP while the total fiscal expenditure and net lending came at US\$ 12.7Bn (21.4% of GDP) was also below the expectation of 22.4% of GDP. With the government's continuous commitment to infrastructure development, Public Investment saw an increase by 14.3% to US\$ 3.7Bn (6.2% of GDP), although as a % of GDP it declined from 6.4% in 2010. Another milestone in the fiscal front was the reduction in the debt to GDP ratio which reported at 78.5%, the best figure so far for the last 30 years.

Monetary Policy and Financial Sector

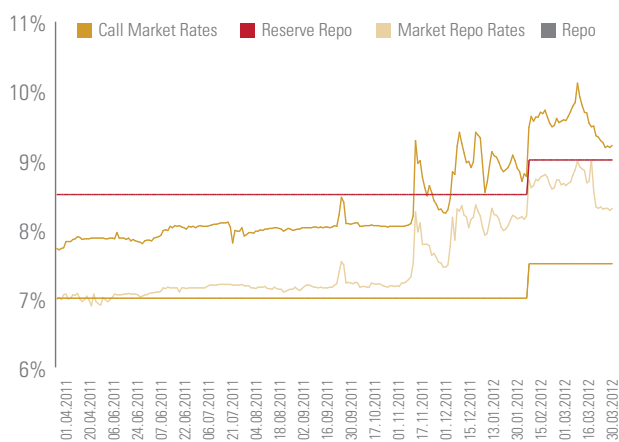
The monetary program set by the Central Bank for 2011 entailed a 14.5% growth in broad money (M2b) as the intermediate target of monetary policy. This was set to complement the expected nominal growth of GDP, which comprised a real GDP growth of 8.5% and an implicit GDP deflator of 6.0%. To facilitate the above target, the Central Bank eased its monetary policy stance in January 2011 by reducing the Repurchase Rate and the Reverse Repurchase Rate by 25 basis points and 50 basis points respectively so as to enhance private sector investments.

With the liquidity levels rising above the anticipated level, in April 2011, the Central Bank increased the Statutory Reserve Ratio applicable on all rupee deposit liabilities by 100 basis points to 8.0%, through which about Rs. 18Bn (US\$ 163Mn) was withdrawn on a permanent basis from the market. However during the latter part of the year, higher credit growth in the domestic market, coupled with the supply of foreign exchange to the domestic market by the Central Bank till November 2011 to maintain the stability in the foreign exchange market caused a reduction in excess liquidity.

In the interbank market, Average Weighted Call Money Rate (AWCMR) was within the interest rate corridor during the first three quarters of the year, but with the excess liquidity drying up, AWCMMR displayed some volatility in early October causing the Central Bank to manage market liquidity by engaging in Open Market Operations. In December, AWCMMR breached the interest rate corridor, which led the Central Bank to increase this corridor in February 2012. During the first three quarters of 2011, the yields on Government securities in the primary market and the secondary market were broadly stable but with the decline of excess liquidity, an upward movement was observed in the same. The one year Treasury Bill yield increased by 405 basis points over the FY 2012.

The Reserve money grew by over 20% year-on-year which is above the initial target. Credit to the private sector grew by 34.5% in 2011 vis-à-vis 24.9% in 2010 due to increased economic activity. Commercial bank lending to Agriculture, Industry, Services and Personal loans and advances grew by 21.9%, 25.7%, 47.4% and 42.5% respectively. Within the sub category of Personal loans and advances, loans obtained for Consumer durables and Pawning recorded growths of 91.5% and 69.5% respectively. Higher capital investment by Industry and Services sectors and purchase of Consumer durables including Motor vehicles by households created a higher domestic demand paving the way for a rise in imports.

The M2b growth in 2011 exceeded the nominal GDP of the country in 2011. Hence, Central Bank tightened the monetary policy to avoid future inflationary pressures by directing Commercial banks to moderate their credit disbursements in such a way that the overall credit growth in 2012 will not exceed 18% of their respective loan book outstanding at the end of 2011 and allowed a credit growth of up to 23% for those banks, which finance the excess up to 5% of the credit growth, from funds mobilized from overseas.



Source : Central Bank of Sri Lanka

Modest Inflation

Annual average inflation for the financial year was 5.9% (6.2% - 2011FY) while the year on year inflation was 5.5% in March 2012 as

measured by the Colombo Consumer Price Index (CCPI 2006/07). This marked the third successive year of single digit level inflation mainly achieved through improved domestic supply conditions. Core inflation, continued the same downward momentum and stood at 6.5% for the year (6.6% - 2011FY) while the year on year core inflation was 4.9% in March 2012. However, the GDP deflator which measures the overall price change in the economy, increased by 7.8% in 2011 compared to 7.3% reported in 2010.

Declining Unemployment

The unemployment rate of the country continued to decline in 2011, which was reported at 4.2% (4.9% - 2010) due to encouraging macroeconomic environment. A noteworthy accomplishment was the broad base decline across all education levels, especially among the highly educated. The decline in unemployment was achieved despite the marginal slowdown observed in migration for employment, which generally contributes to reducing the pressure on unemployment in Sri Lanka.

External Sector Pressures

The Trade Balance reported a deficit of US\$ 9.71Bn in 2011 (US\$ 4.83Bn - 2010) due to growth in imports (50.7%) outpacing the growth in exports (22.4%) for the year. The continuous expansion in economic activity led to the unprecedented growth in imports for the year 2011, and this was evident as 81.7% of imports were in the form of Intermediate and Investment goods. Although the growth in Intermediate goods was mainly fueled by higher imports in Petroleum products, the growth in Investment goods was due to Machinery and Equipment imports. Export growth was mainly driven by Industrial and Agricultural exports. Industrial exports remained strong with the subsector Textile & Garments recording a growth of 24.9% and accounting for 39.7% of total exports.

The highest ever tourist arrivals of 855,975 was reported in 2011 (654,476 – 2010). India followed by United Kingdom reported the highest amount of arrivals for 2011. In line with increasing arrivals, earnings from tourism also increased to US\$ 830Mn. Tourism together with the Transportation subsector reduced the pressure on the Trade Balance by US\$ 1.10Bn in 2011 (US\$ 0.71Bn – 2010).

Current transfers also contributed in easing the pressure from the Trade Balance by US\$ 4.64Bn (US\$3.66Bn – 2010). During 2011, Worker Remittances which account for a significant portion of Current transfers grew by 25% to report at US\$ 5.15Bn (US\$ 4.12Bn – 2010). This increase was mainly driven by the growth in average wage of migrant workers and increased labour migration in the professional category for 2011 compared to 2010.

Despite increasing contributions from Services and Current transfers, the Current Account deficit increased substantially to US\$ 4.62Bn for 2011 (US\$ 1.08Bn – 2010). In terms of GDP, the Current Account deficit increased to 7.8% of GDP in 2011 from 2.2% of GDP in 2010.

Foreign Direct Investment (FDI) increased to US\$ 956Mn in 2011 (US\$ 478Mn – 2010). This was the highest ever gross inflow of FDI reported, which reflected the investor confidence in the Sri Lankan economy. Hotels & Restaurant sector attracted the most FDI inflows amounting to US\$ 191Mn followed by the Telecommunication sector which attracted US\$ 172Mn for the year. Positive investor sentiments were further strengthened by improvements in the country's ranking in global competitiveness and ease of doing business indices.

The successful completion of Sri Lanka's fourth international Sovereign bond issuance saw an inflow of US\$ 1Bn into the Financial Account of the Balance of Payments. The Sovereign issue was oversubscribed by 7.5 times reflecting the keen interest among the global investment community. Further the government raised a net amount of US\$ 233Mn in the form of Treasury Bills and Bonds in 2011.

Net foreign outflows from the Colombo Stock Exchange (CSE) during 2011 decreased to US\$ 171Mn (US\$ 230Mn – 2010). This was the third consecutive year of net foreign outflows for CSE. The benchmark index of the CSE declined 8.76% during 2011.

During 2011, under the International Monetary Fund's Stand By Arrangement (IMF-SBA) facility a total of US\$ 436Mn was received following the fifth and the sixth reviews of the SBA program.

Despite the significant growth in the Capital and Financial Accounts for 2011, the Current Account deficit surpassed these surpluses resulting in a Balance of Payment deficit of US\$ 1.06Bn in 2011. The Gross Official Reserves amounted to US\$ 5.96Bn by end 2011 (US\$ 6.61Bn – end 2010) which was equivalent to 3.5 months of imports (5.9 months – 2010). However, during August 2011 due to the receipts of the Sovereign bond issue together with the receipts of the IMF SBA Gross Official Reserves reached a record high of US\$ 8.2Bn.

The Rupee depreciated against the US\$ by 2.3% during 2011 following the 2012 Fiscal Budget proposal to depreciate the rupee by 3% in November 2011. As of March 2012, the Rupee further depreciated 7.9% against the US\$ compared to 2011, mainly owing to the Central Bank's decision to limit its intervention in the domestic foreign exchange market in February 2012.

On the background of a depreciating rupee during the first three months of 2012 Trade Balance reported a deficit of US\$ 2.56Bn (US\$ 1.77Bn - Comparative 2011) due to growth in imports (17.0%) outpacing the growth in exports (-1.4%) for the period. A similar trend to 2011 prevailed as 83.0% of imports were in the form of Intermediate and Investment goods. The negative growth reported in the export sector was on account of the negative growth in Agricultural & Industrial export segments. However, tourist arrivals for the first three months of 2012 reported a growth of 21.1% which partly attributed to the 28.6% growth in earnings from tourism to US\$ 268.3Mn for the first three months of 2012. Worker remittances for

the first three months of 2012 accounted for US\$ 1.49Bn reporting a growth of 17.2%. Due to the Trade Balance deficit reported, Gross Official Reserves further deteriorated to US\$ 5.73Bn end of March 2012 which was equivalent to 3.3 months of imports.

Setting the Standards

Components *	2007	2008	2009	2010	2011
Highest Economic Growth					
GDP Growth %	6.8%	6.0%	3.5%	8.0%	8.3%
Per Capita GDP (US\$)	1,617	2,014	2,057	2,400	2,836
Fiscal Consolidation					
Fiscal Deficit % of GDP	-6.9%	-7.0%	-9.9%	-8.0%	-6.9%
Government Debt % of GDP	85.0%	81.4%	86.2%	81.9%	78.5%
Interest Rates					
Repurchase Rate (overnight)	10.5%	10.5%	7.5%	7.3%	7.0%
Reverse Repurchase Rate (overnight)	12.0%	12.0%	9.8%	9.0%	8.5%
Treasury Bill Yields (365 Days)	20.0%	19.1%	9.3%	7.6%	9.3%
Modest Inflation and Declining Unemployment					
Annual Avg. Inflation (CCPI 2006/07)	15.8%	22.6%	3.5%	6.2%	6.7%
GDP Deflator	14.0%	16.3%	5.9%	7.3%	7.8%
Unemployment	6.0%	5.4%	5.8%	4.9%	4.2%
External Pressures					
Trade Balance (US\$ Mn)	(3,657)	(5,981)	(3,122)	(4,825)	(9,710)
Current Account Balance (US\$ Mn)	1,402	(3,886)	(214)	(1,075)	(4,615)
Current Account Balance % of GDP	-4.3%	-9.5%	-0.5%	-2.2%	-7.8%
Overall Balance (US\$ Mn)	531	(1,385)	2,725	921	(1,061)
Avg. Exchange Rate Rs:US\$	110.62	108.33	114.94	113.06	110.57

*Presented for the year ending 31st December
Source: Central Bank of Sri Lanka

The Indonesian Economy

The Indonesian economy expanded by 6.5% during the year 2011 and is expected to grow at the same pace during 2012 as per Bank Indonesia's latest forecast. The strong development of the Indonesian economy recorded last year was mainly a result of the double-digit growth recorded in exports and imports as well as investments.

Economic Growth - Demand Side			
Component	2011	2012F	2013F
Private Consumption	4.7	4.7 - 5.1	4.6 - 5.0
Government Consumption	3.2	5.7 - 6.1	4.2 - 4.6
Gross Fixed Capital Formation	10.6	9.6 - 10.1	11.5 - 11.9
Exports of Goods & Services	13.6	10.6 - 11.1	12.3 - 12.7
Imports of Goods & Services	13.3	11.6 - 12.0	14.3 - 14.7
GDP	6.5	6.3 - 6.7	6.4 - 6.8

Source : Bank Indonesia

Exports and imports recorded a growth of 13.6% and 13.3% respectively, while investments recorded a growth of 10.6%. These components are expected to again lead the economy in 2012 according to Bank Indonesia's current forecast.

On the supply side, economic growth in 2011 was driven by growth in the manufacturing, trade, hotels and restaurant, and transportation sectors, of which strong performance is expected to be repeated in 2012. These three sectors play a dominant role, accounting for over 60% of the economic growth.

Inflation rate (CPI) during 2011 averaged at 5.38%, and was within the government target rate. The country's inflation rate at end April 2012 was 4.5% (m-o-m), well within the Governments' target of 3.5% - 5.5% for the year 2012.

Investment Realization and Investment Plan



Source : Business Activity Survey, DSM

The Bank Indonesia benchmark rate is currently at 5.75%, lower than 6.75% maintained during the early part of 2011. Lower rates are maintained in order to promote investment, and have been possible due to the low inflation rate in the country.

The Indonesian Rupiah (IDR) remained stable during 2011 ranging from IDR 8500 – 9100 per USD. The currency started the year strongly and weakened slightly towards the end, but remained much above average, compared to the last five years.

Economic Growth - Supply Side			
Sector	2011	2012F	2013F
Agriculture	3.0	3.0 - 3.5	3.0 - 3.4
Mining & Quarrying	1.4	0.7 - 1.1	0.8 - 1.2
Manufacturing	6.2	6.0 - 6.4	6.1 - 6.5
Electricity, Gas, & Water Supply	4.8	5.5 - 6.0	5.4 - 5.8
Construction	6.7	7.5 - 8.0	8.6 - 9.0
Trade, Hotel & Restaurant	9.2	8.7 - 9.2	9.1 - 9.5
Transportation & Communication	10.7	9.9 - 10.4	9.1 - 9.5
Financial, Rental & Business Services	6.8	6.4 - 6.8	6.5 - 6.9
Services	6.7	6.4 - 6.8	6.2 - 6.6
GDP	6.5	6.3 - 6.7	6.4 - 6.8

Source : Bank Indonesia

The Malaysian Economy

The Malaysian economy recorded a steady pace of growth expanding 5.1% in 2011 (table below), despite the challenging external environment that prevailed during the year. The strong growth in domestic demand, which grew at 8.2%, was a key factor in driving the overall growth. Both household and business spending as well as higher public sector consumption resulted in this strong growth in domestic demand. Private investment expanded robustly by 14.4% in 2011, as a result of positive sentiment and favorable interest rates. Public investment contracted by 2.4% in 2011 following the lapse of the second stimulus package and slower implementation of new projects, but is forecasted to speed up with a growth of 16.2% in 2012.

Economic Growth - Supply Side		
Sectors	2011P	2012F
Agriculture, Forestry and Fishery	5.6	3.8
Mining and Quarrying	-5.7	0.6
Manufacturing	4.5	3.9
Construction	3.5	6.6
Services	6.8	5.1
GDP	5.1	4.0 - 5.0

Source: Bank Negara Annual Report 2011

In the supply side, overall growth in 2011 was sustained by firm activity in the domestic oriented sectors, and the service sector remained the key contributor with 6.8% growth recorded during the year. The agriculture, forestry and fishing (agriculture) sector expanded at a stronger pace of 5.6% in 2011, supported by a recovery in the production of crude palm oil.

Headline inflation averaged at 3.2% in 2011. The increase in inflation from an average of only 1.7% in 2010 was due mainly to supply factors arising from higher food prices and upward adjustments to administered prices. Headline inflation is expected to moderate in 2012, to average between 2.5% – 3.0%. Lower interest rates should result in boosting investment and consumption in the country in 2012.

Overnight Policy Rate, the country's benchmark interest rate, was at 3% at the end of 2011 and remained constant for most part of the year. Bank Negara was able to maintain interest rates at the same levels through out the year, due to the lower inflation rate sustained during the second half of the year.

Malaysian Ringgit movement in 2011 followed two distinctive trends. The currency appreciated during the first half of the year due to significant portfolio inflows amid strengthening fundamentals but lost some of this strength, in line with other regional currencies, due to heightened risk aversion amid uncertainties in the global economy. The currency is expected remain stable during 2012.

Economic Growth - Demand Side		
Component	2011	2012F
Private Expenditure	8.2	6.6
- Consumption	6.9	6.2
- Investment	14.4	8.3
Public Expenditure	8.2	6.7
- Consumption	16.8	0.2
- Investment	-2.4	16.2
Exports	8.8	3.1
Imports	8.2	2.8
GDP	5.1	4.0 - 5.0

Source: Bank Negara Annual Report 2011

The Indian Economy

India's economy expanded 8.5% during fiscal year 2010-11 (March to February), compared to 7.4% in 2009-10. Even though the country's economy has yet to come to the pre-crisis levels, economic growth during 2010-11 was one of the fastest in the world. After two successive years of strong growth, GDP is expected to decelerate sharply to 6.9% in 2011-12. However, current indications are that growth may have bottomed out in Q3 of 2011-12.

Demand-Side Factors Growth (%)	2010-11	2011-12
Total Consumption Expenditure	8.1	6.0
(i) Private	8.1	6.5
(ii) Government	7.8	3.9
Gross Fixed Capital Formation	7.5	5.6
Net Exports	5.5	-30.1
GDP	8.4	6.9
Relative Shares (%)		
Total Consumption Expenditure	70.1	69.1
Private	58.7	58.1
Government	11.4	11.0
Gross Fixed Capital Formation	32.5	31.9
Net Exports	-6.0	-7.3

Source: Reserve Bank of India

Supply-Side Sector Growth (%)	2010-11	2011-12
1. Agriculture & Allied Activities	7.0	2.5
2. Industry	6.8	3.6
Mining & Quarrying	5.0	-2.2
Manufacturing	7.6	3.9
Electricity, Gas & Water Supply	3.0	8.3
3. Services	9.2	8.8
Construction	8.0	4.8
Trade, Hotels, Transport, Storage and Communication, etc	11.1	11.2
Financing, Insurance, Real Estate and Business Services	10.4	9.1
Community, Social & Personal Services	4.5	5.9
GDP at Factor Cost	8.4	6.9

Source: Reserve Bank of India

On the demand side, capital formation in the economy dipped during the first three quarters as a result of the lagged impact of the anti-inflationary monetary policy stance. Further, net exports declined amid a higher outgo on imports due to the depreciation of the Indian Rupee. However, demand is expected to improve as consumption expected to benefit from low inflation, election-related spending expected in a few states, as well as investment which is expected to improve.

On the supply side, a marked slowdown was seen in agriculture, mining and quarrying, manufacturing and construction sectors during the last year. However, given the general slack in capacity utilization in most industries, production can be scaled up substantially during the year. Further, there has been strong credit off-take in February and March 2012, accounting for about 40% of the total non-food credit during the year, supporting the premise that growth bottomed out in quarter three.

After almost two years of sustained high inflation, inflation started declining from November 2011. By end of March 2012, inflation had come down to 6.89% from over 10% in mid 2011, as a result of inflation-management measures deployed by Reserve Bank of India (RBI) throughout the last two years. RBI's benchmark interest rate was increased continuously during the last few years, in an attempt to curb the country's inflation. The benchmark rate stood at 8% at the end of April 2012, after the RBI lowered it by 0.5% in April, to overcome the possible slowdown in the Indian economy.

Value Added Statement

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	2012	2011	2010	2009	2008					
Revenue	69,074,588	34,628,986	21,327,821	16,795,047	15,243,172					
Other income	824,279	5,094	27,633	134,105	98,751					
	69,898,867	34,634,080	21,355,454	16,929,152	15,341,923					
Cost of materials and services purchased from outside	(37,525,734)	(11,466,933)	(8,439,767)	(7,661,542)	(5,977,235)					
Value Added	32,373,133	23,167,147	12,915,687	9,267,610	9,364,688					
	%	%	%	%	%					
Distributed as follows:										
To Employees as remuneration and other benefits	5,692,942	18	3,729,948	16	1,290,267	10	1,085,129	12	1,351,970	14
To Governments as taxation/excise	9,071,688	28	5,739,730	25	3,078,678	24	2,503,658	27	2,135,927	23
- Sri Lanka										
- Overseas	2,391,195	7	1,647,571	7	1,376,698	11	817,462	9	1,134,832	12
To Providers of capital as interest on loans	2,004,542	6	689,373	3	530,376	4	993,586	11	835,747	9
as non controlling Interest	4,243,788	13	5,002,206	22	2,158,444	17	1,176,141	13	1,348,181	14
as dividend to shareholders	392,774	1	392,774	2	192,536	1	58,450	1	46,781	0
Retained in the business as depreciation	2,813,448	9	1,424,832	6	1,001,777	8	850,838	9	789,582	8
as retained profits	5,762,756	18	4,540,713	20	3,286,911	25	1,782,346	19	1,721,668	18
	32,373,133	100	23,167,147	100	12,915,687	100	9,267,610	100	9,364,688	100

Note

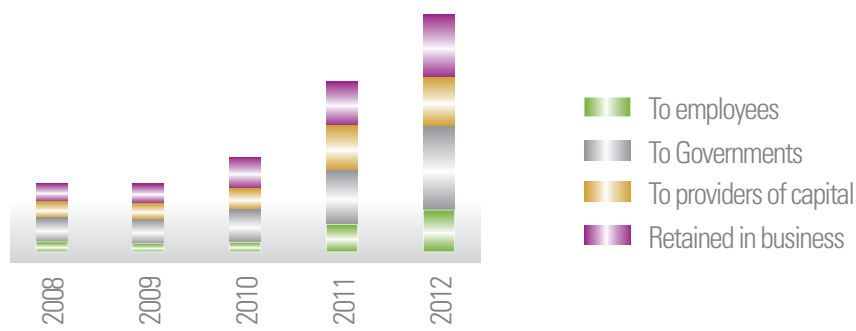
- The Statement of Value Added shows the quantum of wealth generated by the activities of the companies within the Group, excluding its Associate Companies, and its application.
- Value Added Tax, Economic Services Charge and Social Responsibility Levy are excluded in arriving at the above revenue. Therefore, total tax liability to the Sri Lankan Government during the year included the following:

	2012	2011	2010	2009	2008
Economic Services Charges	125,467	106,760	39,665	22,361	22,851
Value Added Tax /Good Services Tax	2,204,416	1,988,353	1,624,842	1,263,922	1,110,694
Social Responsibility Levy/ Nation Building Levy	337,641	346,950	45,025	39,628	981
Excise Duty included under net sales above	7,758,627	4,646,616	2,918,917	2,383,898	2,078,929
	10,426,151	7,088,679	4,628,449	3,709,809	3,213,455
Income Tax	849,953	639,404	75,071	57,771	33,166
Total Taxes paid to the Government of Sri Lanka	11,276,104	7,728,083	4,703,520	3,767,580	3,246,621

Value added is the wealth created by providing products and services in both domestic and international markets, less the cost of providing such products / services. The value added is allocated among the employees, Governments, providers of capital and the balance is retained in the business for expansion and growth.

Distribution of Value Addition

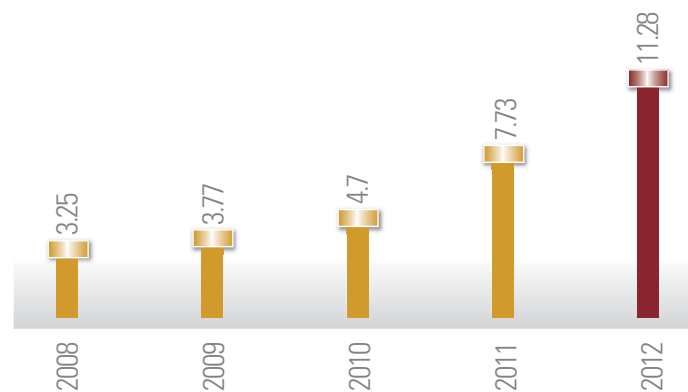
(Rs.Bn)



Being an exemplary corporate citizen, Carsons Group take pride in full compliance with statutory and regulatory requirements including accruing and paying all due fees and taxes on time. The graph below depicts all taxes, charges, levies and duties paid by the group to the Sri lankan Government institutions over the last 5 years.

Taxation paid to Sri Lankan Government

(Rs.Bn)



Profiles of the Directors

Tilak de Zoysa FCMI (UK), FPRI (SL)

Tilak de Zoysa was conferred the title “Deshabandu” by His Excellency The President of Sri Lanka in recognition of his services to the country and was the recipient of “The Order of the Rising Sun, Gold Rays with Neck Ribbon” conferred by His Majesty The Emperor of Japan.

He is Chairman of Carson Cumberbatch PLC and the President of Associated Motorways Group of Companies, Amaya Hotels and Resorts, USA and Helpage Sri Lanka. He was appointed Chairperson of HelpAge International U.K. effective March 2011. He also serves as a Board Member of other listed companies such as John Keells PLC., Taj Lanka Hotels PLC., Lanka Walltiles PLC., and Nawaloka Hospitals PLC. Mr. de Zoysa is the Honorary Consul for Croatia and a Past Chairman of the Ceylon Chamber of Commerce, National Chamber of Commerce of Sri Lanka and the Plastics & Rubber Institute, Sri Lanka.

Hari Selvanathan

Hari Selvanathan is Deputy Chairman of Carson Cumberbatch PLC and President Commissioner of the palm oil related companies in Indonesia. He holds Directorships in several subsidiary companies within the Carsons Group and is also a Director of Sri Krishna Corporation (Private) Limited. He is also the Chairman of Express Newspapers (Ceylon) Ltd and Carsons Management Services (Private) Limited, the Groups Management company. Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

Counts over 20 years experience in commodity trading in International Markets. He holds a Bachelor of Commerce Degree.

Mano Selvanathan

Mano Selvanathan is the Chairman of Sri Krishna Corporation (Private) Limited, Ceylon Finance & Securities (Private) Ltd. and Selinsing PLC and is a Group Director of most Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia, Singapore & India and is an active Member of its Executive Management Forums. He is also the Deputy Chairman of Ceybank Asset Management Limited.

He is a Director of Holcim (Lanka) Ltd. Past Chairman of the Indo Lanka Chamber of Commerce & Industry and has served as the Chairman of the Ceylon Chamber of Commerce and as the President of the Rotary Club of Colombo North.

Mano Selvanathan was conferred the highest National Honours in Sri Lanka the ‘DESAMANYA’ title by H.E. The President of Sri Lanka, in recognition of the services rendered to the Nation.

In January 2011 he was awarded with the prestigious ‘PRAVASI BHARATIYA SAMMAN AWARD’ by the President of India in Delhi.

He holds a Bachelors Degree in Commerce.

He is also the Hon. Consul of the Republic of Chile in Sri Lanka

Israel Paulraj

Chairman of Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC, Guardian Capital Partners PLC and Rubber Investment Trust Limited. He serves as a Director of Carson Cumberbatch PLC and of several of the subsidiary companies within the Carsons Group. He is the Chairman of the Incorporated Trustees of the Church of Ceylon.

He served as Past Chairman of the Federation of Exporters Associations of Sri Lanka and The Coconut Products Traders Association. He was a member of the Executive Committee of the Ceylon Chamber of Commerce and National Chamber of Commerce of Sri Lanka Shippers Council. He served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has served as Hony. General Secretary of the Central Council of Social Services, Hony. Treasurer of The Christian Conference in Asia, President of the Church of Ceylon Youth Movement and Hony. Treasurer of the National Christian Council of Sri Lanka.

He also served on the Presidential Task Force on Non-Traditional Export and Import Competitive Agriculture set up by President R.Premadasa. He also served as Chairman of the Ecumenical Loan Fund of Sri Lanka and on its International Board in Geneva. He was a member of the Commercial Law Reform Commission and has served on the Parliamentary Consultative Committee on Internal and International Trade.

He holds a Bachelor of Law Degree and an Executive Diploma in Business Administration.

Chandima Gunawardena

Chandima Gunawardena serves as a Director in most of the Carsons Group Companies in Sri Lanka and overseas. Since assuming Non Executive status in the group he currently serves as an advisor to the group’s strategic planning and management forums and serves on Board Committees including its Audit Committees of the Group.

Mr. Gunawardena has over four decades of experience in varied fields of business and commercial activities and has held senior positions in the Corporate, Mercantile and State Institutions. He was appointed to the Carsons Group Directorate in 1990.

He has served in the Management committee of the Ceylon Chamber of Commerce for over 10 years, and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

Suresh Shah

Director and Chief Executive Officer of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC. He is also a Director of The Sri Lanka Business Development Centre. Currently serves as the Vice Chairman of the Ceylon Chamber of Commerce and is a Vice President of the Confederation of Asia Pacific Chambers of Commerce & Industry (CACCI).

He also serves on the council of The Employers Federation of Ceylon and The Mercantile Services Provident Society. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

Chandana Tissera

Chandana Tissera presently serves as the Chief Executive Officer for the Plantations, Oils and Fats Sector of the Carsons Group. He is also a Director of several other subsidiary companies of the Group. He has served as the Chief Executive Officer of the Investment Sector and as Director Finance of the Carsons Group.

He has previously served on the Board of Union Assurance PLC and counts over 27 years of experience in the fields of manufacturing, financial services, capital market operations, overseas plantations, project development and management services. He is a Fellow of the Institute of Management, UK.

Vijaya Malalasekera

He served as Director - Corporate and Legal Affairs at Ceylon Tobacco Company PLC and as a Non-Executive Director in the same company. Chairman of Ascot Holdings PLC, Bogala Graphite Lanka PLC, Ascot Developments (Pvt) Limited, Axis Financial Services (Pvt) Limited, Fairway Condominium (Pvt) Limited and Boston Capital (Pvt) Limited. He is currently a member of the University Grants Commission. Holds a M.A. (CANTAB), Barrister - at-Law (Inner Temple) and Attorney-at-Law of the Supreme Court of Sri Lanka.

Mangala Moonesinghe

Barrister - at Law, Middle Temple, London and legal practitioner for over 30 years. He was a Member of the Parliament of Sri Lanka (1965 -1977 and 1989 – 1994) and the High Commissioner of Sri Lanka to India (1995-2000 and 2002-2005) and to the United Kingdom (2000-2002). Past Chairman of the Parliamentary Select Committee to arrive at a national solution to the ethnic conflict and restore peace and a member of the Parliamentary Committee on Public Enterprises. Year 2006 - Chairman, Marga Institute (Centre for Development Studies). He is the Executive Director of One Text Initiatives. Has a vast amount of international experience and has served on several committees including the Steering Committee of the Asian Parliamentarians Training Programme for Conflict Resolution and the Commonwealth Parliamentary Association. He was awarded the Eisenhower Fellowship in 1975. Member of the Group of Eminent Persons appointed by the Heads of State of South Asian Nations to identify measures and Mechanisms to enhance the effectiveness of SAARC to achieve its objectives.

Faiz Mohideen

Holds a B.Sc. Degree in Mathematics from the University of London and a M.Sc. Degree in Econometrics from the London School of Economics. Former Deputy Secretary to the Treasury and Director General, External Resources Department, Ministry of Finance & Planning.

Subsidiary Companies

Ajith Weeratunge

Director of the Carson Cumberbatch Group's Management Company, Carsons Management Services (Private) Limited and holds the position of Head of Finance. He is also a Director of the Property Sector Companies of the Group, including Equity One PLC, Equity Two PLC and Equity Seven Limited. He is also a Director of the Groups Investment Holding Sector - Ceylon Investment PLC and Rubber Investment Trust Limited. Accounts for more than 31 years of finance related experience in the mercantile sector and has held positions in Lanka Walltile Ltd., Union Apparels (Pvt) Ltd., John Keells Holdings PLC, Phoenix Industries (Pvt) Ltd and Ceylon Beverage Holdings PLC. He is a Fellow member of the Chartered Institute of Management Accountants of UK.

Asoka De. Z. Gunasekera

Director of Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC. Also serves as Alternate Director to Mr. I.W Senanayake (Chairman) of IWS Holdings (Pvt) Ltd and in most Group

Profiles of the Directors

companies. Past Chairman of the National Chamber of Commerce of Sri Lanka and Past President of the Ceylon National Chamber of Industries. He is a Past International Director and a Board Appointee of Lions Clubs International and was also a Member of the National Police Commission of Sri Lanka. He served as Legal Advisor and Secretary to the Ministry of Posts and Telecommunications; Co-ordinating Secretary to the Ministry of Power and Energy and Ministry of Highways and was the Acting Secretary to the Ministry of Policy Planning.

He is an Attorney – at- Law & Notary Public.

Chandraratne Liyanage

Director of Lion Brewery (Ceylon) PLC. Commenced his career as a trainee brewer with Ceylon Brewery PLC in 1979 and was promoted to Senior Brewer and subsequently to Factory Manager. In 1998 he took up the position as Factory Manager at Lion Brewery (Ceylon) PLC and was promoted to his current position as Head of Technical in 2004. Holds a Special Degree in Botany from the University of Peradeniya (Sri Lanka) and has attended several overseas training programs including Carlsberg Brew Masters Course, training with Allied Breweries (UK) & Carlsberg Tetley Leeds Brewery (UK) and management programs at Cranfield University, UK and National University, Singapore.

Chrisanta F. Fernando

Qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is presently a Fellow of the Institute of Chartered Accountants of Sri Lanka.

As a Senior Accountant at Carson Cumberbatch PLC, he has gained over 18 years of experience in financial and general management of plantation companies and agency management. This was followed by 10 years experience as Director Finance in Projects involving paddy cultivation, shipping agency, non-traditional exports, bottling of soft drinks, earth moving contracts and running a restaurant.

He served as the Managing Director and as Chief Executive Officer of the Distilleries Company of Sri Lanka PLC (DCSL) and rejoined DCSL as an Independent Non-Executive Director in 2008. He was appointed as Chairman of the Audit Committee and also serves on the Remuneration Committee of DCSL. He is also a Director of a DCSL subsidiary, Melstacorp (Pvt) Ltd and some of its subsidiaries including Continental Insurance Lanka Ltd where he is also the Chairman of the Audit Committee.

He is presently a Director of Selinsing PLC and Equity Three (Private) Limited of the Carsons Group. He was Finance Director National Lotteries Board, a Director of the Coconut Cultivation Board and a former Chairman of the Low Country Products Association (LCPA). Presently, he is Senior Trustee of Ceylonese Rugby and Football Club.

Christoforus S. Pakadang

Head of Tax Administration and Compliance in Indonesia and a Director of the Plantation Operating Companies and the Oil Palm Plantations Business Segment Management Services Company in Indonesia of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC. He is responsible for Tax planning & administration in addition to overlooking local external affairs of the Group's plantations in Indonesia.

He joined the Carsons Group plantation sector in January 2006 as Head of External Relations. He holds a degree in Accounting from University of Indonesia and commenced his career as an Accountant in IBM Jakarta prior to joining Ernst & Young, Indonesia, where he was involved in auditing and consulting assignments across variety of industries inclusive of plantations, manufacturing, property management, mining support services and oil & gas. He is a Member of the Indonesian Institute of Accountants and has served on the Education and Development Committee of the Institute. He is a Registered Accountant in Indonesia and has also passed the examinations of Certified Public Accountants in Indonesia.

Cubby Wijetunge

Chairman of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC, Union Residencies Ltd., and Chairman Emeritus, Nestle Lanka Ltd. He is also a Director of Hunter & Co. PLC, Janashakthi Insurance PLC, Swiss Trading Company, East India Retailing Company (Pvt) Ltd., Heath & Co. Ltd. and Lanka Canneries Ltd. Also serves as Trustee of Joseph Fraser Hospital. In addition he is a member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka and President of the Swiss Business Club of Colombo.

Dato' Voon Loong Chin D.S.P.N (Deceased on 16/3/2012)

Dato Chin was a Director of Lion Brewery (Ceylon) PLC and Deputy Managing Director of Carlsberg Brewery Malaysia Berhad. He was also a Director of Carlsberg Singapore Pte Ltd. (Singapore), Gorkha Brewery Pvt. Ltd. (Nepal), South East Asia Brewery Ltd. (Vietnam), International Beverage Distributors Ltd. (Vietnam), Carlsberg Distributors Taiwan Limited (Taiwan), Carlsberg Cottingham Ltd. (Taiwan), Luen Heng F & B Sdn.Bhd. (Malaysia) and also served on the Board of several private companies within the Group. Dato' Chin was

a Member of the Governing Council of the Confederation of Malaysian Brewers Berhad.

He was a Fellow Member of the Institute of Chartered Accountants in England and Wales. He was also a Chartered Accountant with the Malaysian Institute of Accountants, an Associate Member of the Malaysian Institute of Taxation, Affiliate of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), Member of the Institute of Public Relations Malaysia and Member of the Malaysian Alliance of Corporate Directors.

He held the positions of Chief Financial Officer, Commercial Director, Company Secretary and Executive Director, Corporate Affairs in Carlsberg Brewery Malaysia Berhad. He held a Bachelor of Science (Honours) Degree in Systems and Management from The City University, London.

Donald Fernando

Director of Equity One PLC and Equity Two PLC and the Managing Director of Conimex (Private) Limited – Civil Engineers and Director of Fernando Rajapakse Associates (Private) Limited – Consulting Engineers and Project Managers.

Obtained a B.Sc (Eng.) degree in Civil Engineering from the University of Ceylon in 1965. Civil Engineer with The Sri Lanka Ports Authority till 1969. From 1969 to 1982 worked as Civil Engineer in London. Member of the Institution of Civil Engineers, London in 1969. He is also a Member of the Institution of Engineers, Sri Lanka and a Member of the Society of Structural Engineers, Sri Lanka.

Eranjith Wijenaik

Director of Equity One PLC and Equity Two PLC. Managing Director of Central Finance Company PLC. He is a Director of several other listed companies both within and outside the Central Finance Group with over 28 years of management experience. Holds a Bachelor's Degree in Commerce and a Postgraduate Diploma in Finance and Management. Member of the Chartered Institute of Management (UK).

Faizal Mathunni

Director of PT Rim Capital, Mr Faizal Mathunni graduated from Aligarh University, India with B.Sc (Hons) in Chemistry. He served in the plantation industry for 34 years and has gained experience in planting and managing sugar cane, cocoa, banana and oil palm.

He has been working in Indonesia since 1993 and was involved in various plantations development projects in the most remote areas in Indonesia.

He joined the Company in 1998 as the Group Plantation Manager for Sungei Rungau and Sungei Perun Estates. He was promoted as Plantation Advisor covering field agronomy, audits, quality control and health and safety procedures.

In 2005 he was promoted to General Manager to take charge of PT Agro Bukit, Central Kalimantan. In 2008 transferred to PT Agro Bukit, South Kalimantan as General Manager.

Promoted to Regional Controller in 2011 to take charge of development work in South Kalimantan and Papua, Irian Jaya.

Graham James Fewkes

He has over Twenty years of commercial experience in the global drinks industry. He currently serves with the Carlsberg Group as Commercial Vice President for Asia Region, based in Hong Kong.

Upon graduating with a BA (Hons) degree from the University of York in 1990, Mr Fewkes worked for Grand Metropolitan PLC and Foster's Group in the UK. From 1996, he joined Scottish & Newcastle PLC, taking a range of sales and marketing roles within the UK and Western Europe.

Immediately prior to his Asian role, he worked extensively across Eastern Europe with Carlsberg Group's market-leading businesses in Russia, Ukraine, Kazakhstan, Uzbekistan and the Baltic States. Since 2008, he has lived in Malaysia and now Hong Kong with responsibility for commercial development of the Carlsberg Group's wide-ranging Asian operations and their famous premium international brand portfolio.

Mr. Fewkes holds a range of non-executive board positions in Malaysia, Vietnam, India, Nepal and Lao.

Janaka Jayawickrama

Director Legal & Corporate Affairs of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC and is responsible for all legal and corporate matters of this Sector's Companies. She is also a Director of all companies within the Sector.

Profiles of the Directors

She joined Carsons in 1997 and managed all legal affairs of the Carson Cumberbatch Group as Head of Legal. Having practiced in a law firm and working in the corporate sector she counts over 21 years of experience in the fields of litigation, banking, corporate and commercial law. She is an Attorney-at-Law of the Supreme Court of Sri Lanka.

Jayaprakash Mathavan

Chief Operating Officer of the Edible Oils & Fats Business Segment of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC and is responsible for the overall operations of this segment. He is also a Director of Goodhope Asia Holdings Ltd and all Edible Oils & Fats Business Segment Companies of the Sector including the management companies thereof. He was previously the Director-Finance of the Plantations, Oils and Fats Sector and counts nearly 25 years of work experience in the fields of auditing, manufacturing, plantations and commodity trading. He is an Associate Member of the Chartered Institute of Management Accountants – UK (CIMA), a Fellow of the Association of Chartered Certified Accountants- UK (ACCA) and a Member of the Malaysian Institute of Accountants (MIA). He also holds a Bachelors Degree in Commerce.

Kenneth Sellayah

Director of Good Hope PLC, Shalimar (Malay) PLC and Prime Property Management Services (Pvt) Ltd. Former Director of Shaw Wallace & Hedges Ltd., General Manager of Ceylon Trading Co. Ltd., Director of several of its subsidiaries and Managing Director of Scanships Ltd. Served as Chairman of the Coconut & General Products Exporters Association and the Exports Section of the Ceylon Chamber of Commerce.

Former Director of CPC (Lanka) Ltd., CPC Agrifoods Ltd., and Member of several Committees of the Ceylon Chamber of Commerce. Member of The Institute of Exports, UK and the Chartered Management Institute, UK.

Keshini de Silva

Director of Carsons Management Services (Private) Limited, the Group's Management Company. She has over 20 years of experience in the fields of project financing, merchant banking and management services and has been with the Carsons Group since 2001. Prior to joining Carsons, worked as a Senior Project Analyst-Corporate Finance Department of the National Development Bank of Sri Lanka. She holds a BSc in Business Administration (Finance Major) from the University of Wisconsin, Superior, USA and is a Fellow of the Institute of Chartered Secretaries and Administrators, UK.

Kevin de Silva

Chief Operating Officer of the Business Systems and Services Segment of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC and functions as Director Information Technology (IT). He is also a Director of all management companies within the Sector. He leads and champions the cause of aligning ICT as an enabler in realizing the Sector's strategic goals. Previously held the post General Manager - IT for the Carsons Group. Having worked locally and overseas, he has over 21 years of experience in the ICT industry in both technical and management capacities in leading multinational organizations. He is a professional in Software Engineering and is a member of BCS.

Krishna Selvanathan

Director of Carsons Management Services (Private) Limited, Lion Brewery (Ceylon) PLC and the Investment Sector Companies of the Carsons Group. He is also a Director of Carlsberg India (Pvt) Ltd.

He holds a BA Degree in Accounting & Finance and Business Administration from the University of Kent, U.K.

Leslie Ralph De Lanerolle

Joined Bukit Darah PLC as a Non-Executive, Independent Director on 28th February 2012. Mr.de Lanerolle has over 45 years of work experience in both the public and private sectors, where he has held senior management positions. A Chartered Engineer, Mr.De Lanerolle holds a Bachelors Degree in Civil Engineering (First Class Honors) from the University of Ceylon (1965) and a Masters Degree from the University of Waterloo, Ontario, Canada (1968). He is a member of the Association of Professional Bankers of Sri Lanka and a Fellow of the Economic Development Institute of the World Bank, Washington.

Mr.De Lanerolle has worked primarily in the field of Project Finance and Management, undertaking assignments in diverse sectors of the economy, especially in the financial services, real estate and property, tourism, hotel and transportation sectors. He has worked as a team leader/member with several multi-disciplinary groups in carrying out project studies. In an individual capacity, he has served as Consultant to several private companies, providing project related advisory services from pre-investment to implementation.

Mr.De Lanerolle has served, and continues to serve, on the Board of Directors of several other private and public listed companies.

Manilal Fernando

Director of Ceylon Investment PLC and Ceylon Guardian Investment Trust PLC and is currently the Chairman of Holcim (Lanka) Ltd., Shipping Cargo Logistics (Pvt) Ltd., Hyundai Lanka (Pvt) Ltd., Stallion Plantations (Pvt) Ltd., and Dynamic AV Technologies (Pvt) Ltd. Director of Pirarus (Pvt) Ltd., Aitken Spence & Co. PLC. and Sri Lankan Airlines Ltd. He is also a Trustee of Joseph Fraser Memorial Hospital.

He has been the Past President of the Football Federation of Sri Lanka from 1979 to 1999. He is a Member of the FIFA and AFC Executive Committees, Currently he is the Chairman of FIFA Futsal Committee, FIFA Stadium and Security Committee, Deputy Chairman of FIFA Player Status Committee, Chairman of sub Committee on Minors Transfers and a member of FIFA World Cup Organizing Committee for Brazil 2014. He is the Chairman of AFC Financial Assistance Programme Committee, Deputy Chairman of Asian Cup Organizing Committee at the AFC, as well as the Vice President of the National Olympic Committee of Sri Lanka from 1990 to date. He is an Attorney-at-Law & Notary Public.

Mavath Ramachandran Nair

Commissioner of PT Agro Indomas. Director of IJM plantations Bhd; The Incorporated Society of Planters; ISP Management Sdn Bhd and Saraya Hygiene Malaysia Sdn Bhd and The I.S.P. Schools Association. Trustee of The Malaysian Estates Staff Provident Fund.

Former Director and Head of Plantations of Franco-Belgian multinational, Socfin Company Berhad.

Served as the Chief Executive of the Malaysia Palm Oil Association (MPOA), the merged umbrella trade association tasked with the function of balancing the needs and interests of the Malaysian plantation industry. Involved in the establishment of the Roundtable on Sustainable Palm Oil (RSPO) in 2004, a multi-stakeholder certification standard, served as its Vice President and currently the Advisor to RSPO. He has served on the Management Committee and Council of the London based International Association of Seed Crushers (IASC), the ASEAN Vegetable Oils Club (AVOC), as a Member of the Task Force on Sustainability of the Washington based International Policy Council (IPC) on Agriculture, Food & Trade and as a Lead Discussant to the World Bank Group's Study on Engagement in the Palm Oil Sector.

Has 52 years professional experience in the agro- commodities industry with particular focus in the tree crop plantations sector.

Has been honoured with the Fellowship awards of the Incorporated Society of Planters, Malaysian Oil Scientists' & Technologists' Association, the British Institute of Management, the Malaysian Institute of Management and as an Honorary Member of RSPO.

Melia Tjandrawinata

Commissioner of PT Agro Indomas. Presently Financial Director of PT Kawat Mas Prakarsa and Commissioner of PT Liangganggong Cemerlang. Has 11 years of service of ABN AMRO Bank, Jakarta, as Credit Control Manager and Private Banking Manager.

Holds a Bachelor of Arts Degree in Economics from York University, Canada.

Minoli Perera

Director of Carsons Airline Services (Private) Limited and Head of Operations. Has over 20 years experience which include working for a leading travel agency and the General Sales Agency for Air France, KLM Royal Dutch Airlines and Kenya Airways.

Holds IATA fares and Ticketing Certificate of Sri Lankan Airlines and Intermediate and Advance Fares and Ticketing Certificate of KLM Royal Dutch Airlines and formal training in Reservations, Sales and Marketing. Immediate past president of the Sri Lanka Association of Airline Representatives having served two terms since 2009.

Nalake Fernando

Director of the Property Management Companies of the Carson Cumberbatch Group - Equity One PLC, Equity Two PLC, Equity Three (Private) Limited, Equity Seven Limited, Equity Lands (Private) Limited, Carsons Management Services (Private) Limited and in some of the Boards of the Malaysian Plantation Companies of the Carsons Group. Was the Country representative for Sri Lanka with Dalekeller & Associates Ltd., Designers and Skidmore Ownings & Merrill Architects Counts over 38 years of work experience. Was a Director of SKC Management Services Ltd.

Holds a Technician's Certificate of the Institute of Work Study Practitioners of UK.

Niloo Jayatilake

Director of Guardian Fund Management Limited and heads the portfolio management division of the management company. Counts over 15 years experience in the investments field. Prior to joining the Carsons Group worked as Fund Manager at The Unit Trust Management Company Limited, managers of Ceybank Unit Trust Funds in Sri Lanka.

Profiles of the Directors

Is an Associate Member of the Chartered Institute of Management Accountants, UK and Associate Member of the Institute of Chartered Secretaries and Administrators, UK.

Prasanna Amerasinghe

Director of Lion Brewery (Ceylon) PLC and is responsible for the marketing function of the Brewery Sector. He has over 21 years of experience in the field of marketing and has held many senior positions in this area.

Pushpakumara M. Withana

Director of Pegasus Hotels of Ceylon PLC and Equity Hotels Limited.

Former Chairman of the Sri Lanka Tourist Board and former Director, Food & Beverage, Keells Hotels Sri Lanka and Maldives. Formerly was the Director/ General Manger of Keells Hotels. Past Chairman of the Hotel & Catering International Management Association U.K, Sri Lanka Chapter and Past President and Fellow of the Ceylon Hotel School Graduates Association. Also was Past District Governor of the International Association of Lions Clubs Sri Lanka. Graduate of the Ceylon Hotel School.

Ranil Goonetilleke

Appointed to the Board of Lion Brewery (Ceylon) PLC in 2004 and subsequently to the Board of CBL Retailers (Pvt) Ltd. He is a Fellow of the Chartered Institute of Management Accountants, UK and a Member of the Branding Sub Committee of the CIMA Sri Lanka Board. Consequent to his initial training at KPMG. He joined the mercantile sector and has since held various positions in the field of Finance. He counts over twenty years experience in the related field.

Rizan Jiffrey

Director Projects & Business Development of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC. He is responsible for overseeing the successful planning, structuring and commencement of key capacity enhancement, plantation development & business expansion projects within the Sector.

He joined Carsons Group Plantations, Oils and Fats Sector as Financial Controller in 2003, having previously held managerial and senior managerial level positions in the mercantile sector in national and multi national companies. He counts over 20 years of experience in the accounting, finance & treasury management, business planning and project management within the manufacturing, trading and FMCG sectors and in the plantation industry.

He is a Fellow Member of the Chartered Institute of Management Accountants – UK (CIMA), holds a M.Sc in Management, is also a passed finalist of the Institute of Chartered Accountants of Sri Lanka and has professional qualifications in marketing (CIM) & information technology (ACS). He previously served on the council of the Chartered Institute of Management Accountants (CIMA) Sri Lanka division, having chaired its Marketing and Promotions Committee.

Rose Cooray

Director of Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC and Hatton National Bank PLC. Joined the Central Bank of Sri Lanka in 1974 and served the Central Bank in several capacities, covering a wide area of subjects, until retirement as a Deputy Governor in May 2009. During this period, also served the Ministry of Finance in the capacity of the Director General of Fiscal Policy and Economic Affairs Department and represented the Government on the Boards of Ceylon Electricity Board, Sri Lanka Telecom, Sri Lanka Export Development Board, DFCC Bank and DeLaRue Currency & Securities Print (Pvt) Limited.

She also held the position of Vice Chairperson of the Institute of Bankers of Sri Lanka and served as secretary to the Monetary Board.

Has over 37 years experience in the financial sector formulating and implementing economic and fiscal policies.

Holds a B.A (Hons.) in Economics from the University of Peradeniya and Masters Degree from the University of Strathclyde, UK.

Roy Enzo Bagattini

Director of Lion Brewery (Ceylon) PLC, Senior Vice-President, Africa and Asia for Carlsberg A/S and Carlsberg Breweries A/S, based in Hong Kong. Currently part of the Executive Committee of the Carlsberg Group and also sits on the Board of several private companies within the Carlsberg Group.

Holds a Bachelor of Commerce degree from the University of South Africa and has also completed various study programs at Stanford University, USA and Oxford University, UK. Worked formerly for SABMiller where he was the Regional Managing Director for Eastern Europe. Held several senior general management positions in South Africa and the USA as well as being the country Managing Director of SABMiller in India, China and Italy.

Ruvini Fernando

Director and CEO of Guardian Fund Management Limited, the Fund Management Company of the Carsons Group and a Director of The Sri Lanka Fund - a foreign incorporated country fund managed by Guardian Fund Management Limited. Director of Guardian Acuity Asset Management Limited, a joint venture company of the Guardian Group, responsible for operating and managing licensed unit trusts. Represents the Guardian Group on the Board of Durdans Medical and Surgical Hospital (Private) Limited, in which the Group has an equity stake.

Counts over 22 years work experience in the fields of Management Accounting, Finance, Research Analysis, Strategic Planning and Investments, within the Hayleys Group and Carson Cumberbatch Group. Was a former visiting faculty member of the Postgraduate Institute of Management in the MBA programme. Member of the Regaining Sri Lanka Tourism Steering Committee, a key policy making forum of the government from January 2002 to January 2004. Associate Member of the Chartered Institute of Management Accountants, UK and a Fellow of the Association of Chartered Certified Accountants, UK. Has a Masters Degree in Business Administration from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura, Sri Lanka.

Sahad Mukthar

He is the Director Corporate Planning of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC and is responsible for Business Segment level strategy development, organizational alignment and strategic alliances initiatives for the setting and achievement of Sector level goals. He also functions as a Director of all the management services companies of the Sector.

He joined Carson Cumberbatch PLC in June 2006 as a Projects Coordinator for the Plantations, Oils and Fats Sector based in Indonesia. From January 2008 to March 2011 he functioned as the Head of Human Resources of the Sector covering strategic, development and operations HR aspects. He has held senior management positions in Unilever Sri Lanka and MAS Holdings in multiple disciplines and counts over 14 years of experience in the fields of finance, commercial, business development, Human Resources and Corporate Planning.

He is a Fellow of the Association of Chartered Certified Accountants (ACCA) - UK, an Associate Member of the Chartered Institute of Management Accountants (CIMA) - UK and holds a B. Sc. Business Administration (Special) degree from the University of Sri Jayawardenapura - Sri Lanka.

Sanjaya Upasena

Chief Operating Officer of the Oil Palm Plantations Business Segment of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC. He is also the Vice President Director of the Plantation Operating Companies in Indonesia and a Director of the management services companies of the Sector. He is responsible for the plantations in Indonesia inclusive of planning and developing new plantations whilst overlooking the sustainability and CSR functions of the plantations. He commenced his career at PriceWaterHouse Coopers and joined Carsons Group in 1999 as a Sector Accountant. He functioned as the General Manager Plantation Operations and the Regional Financial Controller for the Plantations, Oils and Fats Sector of the Carsons Group having previously held senior finance positions within the Carsons Group in Sri Lanka. He is an Associate member of the Institute of Chartered Accountants of Sri Lanka and of the Chartered Institute of Management Accountants UK and counts over 17 years of experience in the fields of Auditing, Accounting, Finance and Plantations.

Sega Nagendra

Director of Equity One PLC and Pegasus Hotels of Ceylon PLC. Former Senior Director of Carson Cumberbatch PLC and several of its subsidiaries and Associate Companies.

Senior Director & Financial Consultant of CML – MTD Construction Ltd., Executive Chairman Travelserv Ltd., and Travelon Ltd. He is also Chairman & Director of several public listed and private companies.

Past President of Skai International Colombo (International Association of Travel and Tourism Professionals), Past Secretary of the Skai International, Asian Area Region and Past President of the Pacific Asia Travel Association (Sri Lanka Chapter). Immediate Past President of the Sri Lanka Benelux Business Council and also Immediate Past President of the Sri Lanka-Pakistan Business Council. Served as an Executive Committee member of The Ceylon Chamber of Commerce and former Chairman of the Imports Section of the Ceylon Chamber of Commerce.

Former Committee Member on Transport, Highways and Aviation of the Monitoring & Progress Division of the Ministry of Policy Developing and Implementation.

Shalike Karunasena

He is the Chief Financial Officer of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC and is responsible for the overall finance function in all operating locations. He is also a Director of all companies within the Sector.

Profiles of the Directors

He commenced his career at M/s Ernst & Young, Sri Lanka where he was involved in auditing and consulting assignments. He joined Carsons Group as an Accountant and then functioned as the Financial Controller for its Investments, Management Services, Leisure and Property sectors in Sri Lanka. He possesses more than 14 years of experience and is an Associate Member of the Chartered Institute of Management Accountants, UK.

Soren Ravn

Soren Ravn was appointed as the Managing Director of Carlsberg Brewery Malaysia Berhad on 1st March 2010.

Mr. Ravn graduated with a Higher Diploma in Organisation & Management from Copenhagen Business School in 2001. Prior to that he graduated as a Market Economist from Aarhus Business College in 1997.

He has been with the Carlsberg Group since 1998, initially in the Carlsberg Denmark organisation and then in Carlsberg Breweries A/S in the role of Group Strategy Director. In late 2006, he moved to Hong Kong to take up the position of Vice President – Supply Chain, HR & Business Development for Carlsberg Greater China. In August 2008, he was appointed Managing Director of Carlsberg Hong Kong & Macau and held this position before being appointed as Managing Director of Carlsberg Brewery Malaysia Berhad.

Mr. Ravn is presently the Chairman of Carlsberg Distributors Taiwan Limited (Taiwan) and Carlsberg Cottingham Ltd (Taiwan) and he is also the Chairman of the Group's private companies namely Carlsberg Singapore Pte Ltd and Luen Heng F & B Sdn.Bhd. He also sits on the Board of Carlsberg Marketing Sdn.Bhd, a wholly owned subsidiary of Carlsberg Brewery Malaysia Berhad.

Subramaniam Mahendrarajah

Director of Guardian Capital Partners PLC, Equity One PLC, Weniwella Investments Limited, Leechman & Company (Private) Limited and Mylands Investments Limited. Group Finance Director of Sri Krishna Group of Companies. Has wide experience in manufacturing, trading, financial services and management. Past President of the Rotary Club of Colombo Down Town. Recipient of the prestigious "Service above Self" award from Rotary International.

Subash Chelliah

Commissioner of PT Rim Capital. Was the former Vice President of Bumiputera Commerce Bank, Kuala Lumpur, presently known as Commerce International Merchant Bankers Berhad.

He is also a Director of Premium Fats Sdn Bhd, Premium Vegetable Oils Sdn Bhd and Arani Agro Oil Industries Limited.

Susan Evans

Director of Lion Brewery (Ceylon) PLC. Counts over 30 years experience in strategy and marketing, largely with multi-national consumer product companies, Gillette, GlaxoSmithKline and Whirlpool. Whilst based in the UK, held an international strategic marketing position and managed a global nutritional drinks brand portfolio with a turnover of £330 mn worldwide. In the past 10 years has been working as a Senior Consultant in India and Sri Lanka on a wide variety of assignments covering industries as diverse as soft drinks, retail, passenger cars and industrial export products. Currently works with STING Consultants, the leading strategic marketing and brand consultancy in Sri Lanka. Also serves as a Trustee with the Hemas Outreach Foundation, a national charity funding pre-school education. Holds a Bachelor of Arts (Hons) from the University of Wales, UK.

Syarif Bastaman

Director of PT Agro Indomas and PT Agro Bukit. He is the Managing Partner at Bastaman & Co.Law Firm, Jakarta. President Director of Syabas Energy, Operations Cooperation Agreement of PT Pertamina (2007 up to present). Secretary General of Indonesian Lawyers Union (SPI) (2005 to present). Chairman Legal Committee of All Indonesian Football Association (PSSI) (2007 -2011). Holds Professional Memberships in the Association of Legal Consultants to the Capital Markets (HKPM) since 1995 and Association of Receiver and Administrator Association (AKPI) since 2000. Head of Legal Practice Department of Inter Pacific Bar Association (IPBA)-Tokyo (2005 to 2007).

He is currently Chairman of the Indonesian Squash Association (Pengurus Besar Persatuan Squash Indonesia) (from 2004). He specializes in the corporate/commercial law, capital market, investment, intellectual property rights, banking and finance, construction, plantation, mining and infrastructure projects.

Graduated in Law from the Universitas, Padjajaran, Bandung in 1987. Member Indonesian House of Representative (DPR RI Fraksi PDI Perjuangan).

Tan Wei Shyan

Mr. Tan Wei Shyan was appointed as a Director of Premium Nutrients Private Limited on 17 June 2011. Mr Tan has more than 8 years of legal experience, starting his career as a legal assistant at Ang &

Partners in 2003. He joined Shook Lin & Bok LLP in 2005 where he is currently a Partner in the Corporate department, specialising in corporate finance and securities transactions, including initial public offerings, strategic investments, corporate restructuring, fund-raising and securities regulation compliance by public listed companies. Mr Tan graduated from University of Exeter, United Kingdom with a Bachelor of Laws (First Class Honours) degree.

Tennyson Rodrigo

Director of Good Hope PLC and Indo-Malay PLC. Former Managing Director and Chief Executive of Capital Development and Investment Company PLC and Chairman of CDIC Sassoon Cumberbatch Stockbrokers (Pvt) Ltd. Past Chairman of the Audit Committee of Eagle Insurance PLC. He was the Expert Advisor to the Carson Cumberbatch PLC - Audit Committee in respect of the Real Estate, Hotels and Airlines, Investment Holding and Financial Services and Management Services Sector Companies of the Group. Holds a B.Sc. in Chemistry and Mathematics from the University of Ceylon and a B.Sc. (Hons) degree in Chemical Engineering from the University of New South Wales, Australia. Chartered Engineer and a Member of the Institute of Chemical Engineers, UK.

T. Tharumarajah

He is the Director Business Development of the Edible Oils & Fats Business Segment of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC. He is responsible for overseeing business development and expansions in line with the Edible Oils & Fats Business Segment growth plans.

He is a graduate in Mechanical Engineering from the University of Technology Malaysia and he went on to complete the external Council of Engineering Institute (UK). He also attended the Management and Senior Management program conducted by Ashridge Management College (UK) and the Harvard Business School.

He began his career with Sime Darby Plantations in 1971 and thereafter assumed several senior management positions within the company before retiring in 2001 as General Manager of Kempas Edible Oils, a subsidiary of Sime Darby Group, a major manufacturer of specialty edible oils and fats.

Wijaya Unamboowe

Commissioner of PT Agro Indomas. Former Chairman of Carson Cumberbatch PLC and Lion Brewery (Ceylon) PLC. Former Director of Ceylon Brewery PLC and several Plantation Sector Companies within the Carsons Group. Accounts for over 51 years of work experience

in diverse fields. Also served on the Board (Commissioner) of the Securities and Exchange Commission of Sri Lanka.

William Knight

William Knight is an alternative asset investment specialist who has spent almost his entire career involved with financial development of companies and projects in developing economies. He originally specialized in project finance at Lazard Brothers, following which he spent 18 years in various senior positions in the Lloyds bank group based in London, Hong Kong and Portugal. Since 1991 he has served in a wide range of non-executive positions as an independent director or adviser based in London. Amongst his various board positions, he currently is Chairman of Abingworth Bio Ventures II, an early stage biotechnology investment company and the JP Morgan Chinese Investment Trust plc. He is also a director of Fidelity Asian Values Trust, Ceylon Guardian Investment Trust PLC, the LG India Fund and Axis Fiduciary Ltd, a Mauritius based financial services provider oriented to the African Continent and served as a board member of funds investing in Russia, Vietnam, Mauritius and Portugal. He is an advisory Board member of Campbell-Lutyens & Co Ltd and Homestrings LLC.

Wong Gang

Director of Goodhoop Asia Holdings Ltd. Partner in Shook Lin & Bok LLP's Corporate Finance and International Finance practice. Also a member of the firm's China practice and has advised multinational corporations and Singapore Companies on joint ventures and cross border transactions in China as well as on public offerings of securities in Singapore by companies from China.

He has advised on a wide range of corporate finance and securities transactions, including stock market floatations, rights issues, securities regulation for public listed companies, mergers and acquisitions, joint ventures as well as general corporate advisory work.

He has been cited by Chambers Asia as one of the leading corporate lawyers in Singapore for the capital market. He graduated with LLB (Hons) from the National University of Singapore in 1995 and was admitted to the Singapore Bar in 1996.

Management Teams



PLANTATIONS, OILS & FATS

Chandana Tissera

Director / Group CEO

Jayaprakash Mathavan

Director / Chief Operating Officer -
Edible Oils & Fats

Rizan Jiffrey

Director Projects and Business Development

Ms. Janaka Jayawickrama

Director Legal and Corporate Affairs

Kevin de Silva

Director / Chief Operating Officer -
Business Systems & Services

Sanjaya Upasena

Director / Chief Operating Officer -
Oil Palm Plantations

Christoforus Pakadang

Director / Head of Tax Administration and
Compliance

Shalike Karunasena

Director / Chief Financial Officer

Sahad Mukthar

Director Corporate Planning



BEVERAGE

Suresh Shah

Director / CEO

Prasanna Amerasinghe

Director Marketing

Chan Liyanage

Director Supply Chain

Ranil Goonetilleke

Director Finance

Ms. Sharlene Adams

Head of Exports

Wasantha Heenatigala

Manager Marketing

Shiran Jansz

Head of Procurement

Ms. Nausha Raheem

Head of HR

Nishantha Hulangamuwa

Head of Outbound Supply Chain

Eshantha Salgado

Manager Quality Assurance

Janaka Bandara

Manager - Production

Preethi De Silva

Manager - Business Development Manager

Janaka Kiridena

Head of Sales

Hiran Edirisinghe

Chief Engineer

Arjuna Jayasinghe

Head of IT

Roshan Bandara

Head of Operations - Pub Chain

Nalake Kuruwitaarachige

Financial Controller

Madhushanka Ranatunga

Marketing Manager - Premium Category



INVESTMENT & ASSET MANAGEMENT

Ms. Ruvini Fernando

Director - Guardian Fund
Management

Ms. Niloo Jayatilake

Director - Guardian Fund Management

Krishna Selvanathan

Director

Vibath Wijesinghe

Financial Controller

Tharinda Jayawardena

Head of Research

Sumith Perera

Fund Manager

Pasan Abeygunawardana

Head of Portfolio Operations

Gayan Karunarathna

Accountant

Asanka Jayasekara

Assistant Manager - Research

Lakmal Wickramaarachchi

Assistant Accountant



REAL ESTATE

Nalake Fernando

Director Property Management

Krishna Selvanathan

Director

S. Rajaram

Head of Engineering

Vibath Wijesinghe

Financial Controller



LEISURE

Paddy Withana

Director - Hotel Sector

Ms. Minoli Perera

Director -
Carsons Airline Services (Pvt) Ltd.

Ajith Weeratunge

Director - Management Services

Niranjan Naganathan

Resident Manager - Pegasus Reef Hotel

Ganeshan Thiagarajah

Resident Manager - Giritale Hotel

Kapila Gunatillaka

Accountant

Ms. Mala Munasinghe

Executive Housekeeper

Velsamy Gangadaran

F & B Manager

Nimal Perera

Engineer

Mustaq Ahmad

Sales & Marketing Manager

Senarath Ekanayake

Accountant

Mahinda Tennekoon

House-keeper

Hendrik Nandasena

Chef

Roshan Jayawickrama

Executive Chef

Ananda Ratnayake

Restaurant & Bar Manager



MANAGEMENT SERVICES

Ajith Weeratunge

Director

Ms. Keshini De Silva

Director

Krishna Selvanathan

Director

Ms. Shirani Jayasekera

Head of Audit

Ms. Amali Alawwa

Head of Legal

Bennet Patternot

Head of HR

Mr. Sunimal Jayasuriya

Head of IT

Group Directorate



PLANTATIONS, OILS & FATS

GOODHOPE ASIA HOLDINGS LTD.

Directors:
P.C.P. Tissera, Wong Gang,
J. Mathavan

Alternate Directors:
Tan Wei Shyan (for Wong Gang)

SHALIMAR DEVELOPMENTS SDN. BHD.

Directors:
H. Selvanathan (Chairman)
M. Selvanathan,
D.C.R. Gunawardena
P.C.P. Tissera, Ms. T.Y. Chan
Ms. Liew Irene, Ms. J.M.S.
Jayawickrama (appointed w.e.f.
1/5/2012), C.S. Karunasena
(appointed w.e.f. 1/5/2012)

Alternate Directors:
P.C.P. Tissera (for H. Selvanathan)
K. Selvanathan
(for M. Selvanathan)

PT AGRO INDOMAS

Commissioners:
H. Selvanathan (President
Commissioner), M. Selvanathan,
I. Paulraj, Ms. M. Tjandrawinata
W. Unamboowe,
M. Ramachandran Nair,
T. de Zoysa, D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice President
Director) (appointed w.e.f.
1/1/2012), J. Mathavan (resigned
w.e.f. 31/12/2011), S. Bastaman,
C.S. Pakadang, Ms. J.M.S.
Jayawickrama (appointed w.e.f.
1/1/2012), C.S. Karunasena
(appointed w.e.f. 1/1/2012)

SHALIMAR (MALAY) PLC

Directors:
H. Selvanathan (Chairman)
M. Selvanathan, I. Paulraj,
D.C.R. Gunawardena,
A.K. Sellayah, P.C.P. Tissera,
K.C.N. Fernando

SELINSING PLC

Directors:
M. Selvanathan (Chairman)
H. Selvanathan, C.F. Fernando,
I. Paulraj, D.C.R. Gunawardena,
P.C.P. Tissera

INDO-MALAY PLC

Directors:
H. Selvanathan (Chairman)
M. Selvanathan, I. Paulraj,
D.C.R. Gunawardena,
P.C.P. Tissera, K.C.N. Fernando
T. Rodrigo (appointed w.e.f.
21/2/2012)

Alternate Director:
S. Mahendrarajah (for I. Paulraj)

GOOD HOPE PLC

Directors:
H. Selvanathan (Chairman)
M. Selvanathan, I. Paulraj,
T. Rodrigo, A.K. Sellayah,
P.C.P. Tissera,
D.C.R. Gunawardena

Alternate Director:
S. Mahendrarajah (for I. Paulraj)

PT AGRO ASIA PACIFIC

Commissioners:
H. Selvanathan (President
Commissioner), M. Selvanathan,
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director),
C.A.V.S. Upasena (appointed
w.e.f. 1/1/2012), J. Mathavan
(resigned w.e.f. 31/12/2011),
C.S. Pakadang, Ms. J.M.S.
Jayawickrama (appointed w.e.f.
1/1/2012), C.S. Karunasena
(appointed w.e.f. 1/1/2012),
J. Mathavan (appointed w.e.f.
1/4/2012)

PT KARYA MAKMUR SEJAHTERA

Commissioners:
H. Selvanathan (President
Commissioner), M. Selvanathan,
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice
President Director) (appointed
w.e.f. 1/1/2012), J. Mathavan
(resigned w.e.f. 31/12/2011),
C.S. Pakadang, Ms. J.M.S.
Jayawickrama (appointed w.e.f.
1/1/2012), C.S. Karunasena
(appointed w.e.f. 1/1/2012)

PT AGRO HARAPAN LESTARI

Commissioners:
H. Selvanathan (President
Commissioner), M. Selvanathan
(Vice President Commissioner)
I. Paulraj

Directors:
P.C.P. Tissera (President Director),
J. Mathavan, C.S. Pakadang,
Ms. J.M.S. Jayawickrama,
C.A.V.S. Upasena, M.R. Jiffrey,
K.G.G. de Silva, C.S. Karunasena
(appointed w.e.f. 1/1/2012),
M.S. Mukthar (appointed w.e.f.
1/1/2012)

AGRO HARAPAN LESTARI SDN. BHD.

Directors:
H. Selvanathan, (Chairman)
M. Selvanathan,
P.C.P. Tissera, J. Mathavan,
Ms. T.Y. Chan,
Ms. J.M.S. Jayawickrama,
C.A.V.S. Upasena, M.R. Jiffrey,
K.G.G. de Silva, C.S. Karunasena
(appointed w.e.f. 1/1/2012),
M.S. Mukthar (appointed w.e.f.
1/1/2012)

Alternate Directors:
K. Selvanathan
(for M. Selvanathan),
S. Selvanathan
(for H. Selvanathan)

PT AGRO BUKIT

Commissioners:
H. Selvanathan (President
Commissioner), M. Selvanathan,
I. Paulraj, D.C.R. Gunawardena,
T. de Zoysa

Directors:
P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice
President Director) (appointed
w.e.f. 1/1/2012), J. Mathavan
(resigned w.e.f. 31/12/2011)
S. Bastaman, C.S. Pakadang,
Ms. J.M.S. Jayawickrama
(appointed w.e.f. 1/1/2012),
C.S. Karunasena (appointed w.e.f.
1/1/2012)

AGRO HARAPAN LESTARI (PRIVATE) LIMITED

H. Selvanathan (Chairman)
P.C.P. Tissera, J. Mathavan,
Ms. J.M.S. Jayawickrama,
K.G.G. de Silva, M.R. Jiffrey,
C.A.V.S. Upasena,
C.S. Karunasena (appointed
w.e.f. 1/1/2012), M.S. Mukthar
(appointed w.e.f. 1/1/2012)

Alternate Director:
S. Selvanathan (for H.
Selvanathan)

AHL BUSINESS SOLUTIONS (PRIVATE) LIMITED

H. Selvanathan (Chairman),
P.C.P. Tissera, J. Mathavan,
Ms. J.M.S. Jayawickrama,
K.G.G. de Silva, M.R. Jiffrey,
C.A.V.S. Upasena (Appointed
w.e.f. 1/1/2012), C.S. Karunasena
(appointed w.e.f. 1/1/2012),
M.S. Mukthar (appointed w.e.f.
1/1/2012)

AGRO ASIA PACIFIC LIMITED

H. Selvanathan, M. Selvanathan,
P.C.P. Tissera, J. Mathavan, Wong
Gang, Ms. J.M.S. Jayawickrama
C.S. Karunasena (appointed w.e.f.
1/1/2012)

Alternate Director:
Tan Wei Shyan (for Wong Gang)

PT AGRAJAYA BAKTITAMA

Commissioners:
H. Selvanathan (President
Commissioner), M. Selvanathan
D.C.R. Gunawardena,

Directors:
P.C.P. Tissera (President Director),
C.A.V.S. Upasena (Vice
President Director) (appointed
w.e.f. 1/1/2012), J. Mathavan
(resigned w.e.f. 31/12/2011),
C.S. Pakadang, Ms. J.M.S.
Jayawickrama (appointed w.e.f.
1/1/2012), C.S. Karunasena
(appointed w.e.f. 1/1/2012)

PT RIM CAPITAL**Commissioners:**

H. Selvanathan (President Commissioner), M. Selvanathan, D.C.R. Gunawardena, S.C.P. Chelliah

Directors:

P.C.P. Tissera (President Director), C.A.V.S. Upasena (Vice President Director) (appointed w.e.f. 1/1/2012), J. Mathavan (resigned w.e.f. 31/12/2011), Mohamed Faizal Bin Mathunni, C.S. Pakadang, Ms. J.M.S. Jayawickrama (appointed w.e.f. 1/1/2012), C.S. Karunasena (appointed w.e.f. 1/1/2012)

PT AGRO WANA LESTARI**Commissioners:**

H. Selvanathan (President Commissioner), M. Selvanathan, D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director), C.A.V.S. Upasena (Vice President Director) (appointed w.e.f. 1/1/2012), J. Mathavan (resigned w.e.f. 31/12/2011) C.S. Pakadang, Ms. J.M.S. Jayawickrama (appointed w.e.f. 1/1/2012), C.S. Karunasena (appointed w.e.f. 1/1/2012)

PT NABIRE BARU**Commissioners:**

H. Selvanathan (President Commissioner), M. Selvanathan, D.C.R. Gunawardena

Directors:

P.C.P. Tissera (President Director), C.A.V.S. Upasena (Vice President Director) (appointed w.e.f. 1/1/2012), J. Mathavan (resigned w.e.f. 31/12/2011), C.S. Pakadang, Ms. J.M.S. Jayawickrama (appointed w.e.f. 1/1/2012), C.S. Karunasena (appointed w.e.f. 1/1/2012)

PT BATU MAS SEJAHTERA**Commissioners:**

H. Selvanathan (President Commissioner), M. Selvanathan, D.C.R. Gunawardena, Triadi Retnawan (resigned w.e.f. 4/09/2011)

Directors:

P.C.P. Tissera (President Director), C.A.V.S. Upasena (Vice President Director) (appointed w.e.f. 1/1/2012), J. Mathavan (resigned w.e.f. 31/12/2011) C.S. Pakadang, Ms. J.M.S. Jayawickrama (appointed w.e.f. 1/1/2012), C.S. Karunasena (appointed w.e.f. 1/1/2012), Ms. Widiyanthi Astuti (resigned w.e.f. 4/09/2011)

PT SAWIT MAKMUR SEJAHTERA**Commissioners:**

H. Selvanathan (President Commissioner), M. Selvanathan, D.C.R. Gunawardena, Triadi Retnawan (resigned w.e.f. 19/12/2011)

Directors:

P.C.P. Tissera (President Director), J. Mathavan, C.S. Pakadang, Ms. Widiyanthi Astuti (resigned w.e.f. 19/12/2011)

PT SUMBER HASIL PRIMA**Commissioners:**

H. Selvanathan (President Commissioner), M. Selvanathan, D.C.R. Gunawardena, Triadi Retnawan (resigned w.e.f. 31/1/2012)

Directors:

P.C.P. Tissera (President Director), C.A.V.S. Upasena (Vice President Director), C.S. Pakadang, Ms. J.M.S. Jayawickrama, C.S. Karunasena, Ms. Widiyanthi Astuti (resigned w.e.f. 31/1/2012)

ARANI AGRO OIL INDUSTRIES LIMITED**Directors:**

H. Selvanathan, (appointed w.e.f. 7/7/2011), M. Selvanathan (appointed w.e.f. 8/7/2011), P.C.P. Tissera, J. Mathavan, Ms. J.M.S. Jayawickrama (all appointed w.e.f. 7/7/2011), T. Tharumarajah (appointed w.e.f. 8/5/2007), S.C.P. Chelliah (appointed w.e.f. 07/07/2011), C.S. Karunasena (appointed w.e.f. 1/02/2012)

PREMIUM OILS & FATS SDN BHD**Directors:**

H. Selvanathan, M. Selvanathan, P.C.P. Tissera, J. Mathavan, Ms. J.M.S. Jayawickrama, K.G.G. de Silva, M.R. Jiffrey, Ms. T.Y. Chan, (all appointed w.e.f. 27/06/2011), T. Tharumarajah (appointed w.e.f. 28/07/2011), C.S. Karunasena, C.A.V.S. Upasena, M.S. Mukthar (all appointed w.e.f. 1/1/2012)

PREMIUM VEGETABLE OILS SDN BHD**Directors:**

H. Selvanathan (appointed w.e.f. 07/07/2011), M. Selvanathan (appointed w.e.f. 08/07/2011), P.C.P. Tissera, J. Mathavan, Ms. J.M.S. Jayawickrama, (all appointed w.e.f. 07/07/2011) T. Tharumarajah (appointed w.e.f. 02/05/2007), S.C.P. Chelliah, (appointed w.e.f. 7/07/2011) C.S. Karunasena (appointed w.e.f. 1/1/2012)

PREMIUM FATS SDN BHD

H. Selvanathan (appointed w.e.f. 07/07/2011), M. Selvanathan (appointed w.e.f. 08/07/2011), P.C.P. Tissera, J. Mathavan, Ms. J.M.S. Jayawickrama, (all appointed w.e.f. 07/07/2011), T. Tharumarajah (appointed w.e.f. 02/05/2007), S.C.P. Chelliah (appointed w.e.f. 7/07/2011), C.S. Karunasena (appointed w.e.f. 1/1/2012)

PREMIUM NUTRIENTS PRIVATE LIMITED**Directors:**

H. Selvanathan, M. Selvanathan P.C.P. Tissera, J. Mathavan Ms. J.M.S. Jayawickrama, Tan Wei Shyan (all appointed w.e.f. 17/06/2011), C.S. Karunasena, (appointed w.e.f. 1/1/2012)

GOODHOPE INVESTMENTS (PRIVATE) LIMITED**Directors:**

P.C.P. Tissera, Ms. J.M.S. Jayawickrama, K.G.G. de Silva, M.R. Jiffrey, C.S. Karunasena, M.S. Mukthar (all appointed w.e.f. 20/01/2012)

Group Directorate



CEYLON BEVERAGE HOLDINGS PLC

Directors:

L.C.R. de C. Wijetunge (Chairman)
H. Selvanathan (Deputy Chairman),
M. Selvanathan
S. K. Shah (Chief Executive Officer),
D.C.R. Gunawardena
S. Hansen (resigned w.e.f. 1/10/2011), G.J.
Fewkes (appointed w.e.f. 01/10/2011)

Alternate Director:

G. Brockett (for S. Hansen) - (ceased as
alternate on 1/10/2011)

LION BREWERY (CEYLON) PLC

Directors:

L.C.R. de C. Wijetunge (Chairman),
H. Selvanathan (Deputy Chairman),
S. K. Shah (Chief Executive Officer),
D.C.R. Gunawardena,
Dato Voon Loong Chin D.S.P.N. (deceased
16/03/2012),
C. P. Amerasinghe, C.T. Liyanage
D. R. P. Goonetilleke,
K. Selvanathan, R. E. Bagattini,
Ms. S.J.F. Evans, S. Ravn (appointed w.e.f.
6/4/2012)

Alternate Directors:

G. Brockett (for R. E. Bagattini) - (resigned on
29/2/2012),
Y.F. Lew (for Dato V.L Chin D.S.P.N) - (ceased
as alternate on 16/03/2012), Y.F. Lew (for S.
Ravn) (appointed w.e.f. 6/4/2012)

CBL RETAILERS (PRIVATE) LIMITED

Directors:

S.K. Shah, C. P. Amerasinghe,
D.R.P. Goonetilleke, P.P. de Silva (appointed
w.e.f. 16/01/2012)

RETAIL SPACES (PVT) LTD

Directors:

S.K. Shah, C.P. Amerasinghe, D.R.P.
Goonetilleke, P.P. de Silva (all appointed w.e.f.
2/3/2012)



EQUITY ONE PLC

Directors:

D.C.R. Gunawardena (Chairman)
S. Nagendra, K.C.N. Fernando,
E.H. Wijenaikie, A.P. Weeratunge,
S. Mahendrarajah, P.D.D. Fernando

EQUITY TWO PLC

Directors:

D.C.R. Gunawardena (Chairman),
K.C.N. Fernando,
A.P. Weeratunge,
E.H. Wijenaikie, P.D.D. Fernando

EQUITY THREE (PRIVATE) LIMITED

Directors:

I. Paulraj, C. F. Fernando,
K. C. N. Fernando

EQUITY SEVEN LIMITED

(Under Voluntary Liquidation)

Directors:

D.C.R. Gunawardena, K.C.N. Fernando,
A.P. Weeratunge

EQUITY LANDS (PRIVATE) LIMITED

Directors:

D.C.R. Gunawardena (Chairman),
K.C.N. Fernando,
A.P. Weeratunge,



PEGASUS HOTELS OF CEYLON PLC

Directors:

D.C.R. Gunawardena (Chairman),
H. Selvanathan, M. Selvanathan,
S. Nagendra, P.M. Withana,

Alternate Director:

K.C.N.Fernando (for M.Selvanathan)

EQUITY HOTELS LIMITED

Directors:

D.C.R. Gunawardena (Chairman),
P. M. Withana

CARSONS AIRLINE SERVICES (PRIVATE) LIMITED

Directors:

H. Selvanathan (Chairman)
M. Selvanathan, D.C.R. Gunawardena,
Mrs. M.R. Perera



MANAGEMENT SERVICES

CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED

Directors:

H. Selvanathan (Chairman),
M. Selvanathan,
S.K. Shah, P.C.P. Tissera, K.C.N. Fernando
Ms. K.D.de Silva, A.P.Weeratunge,
K.Selvanathan

Alternate Director:

P.C.P. Tissera (for H. Selvanathan)



INVESTMENT & ASSET MANAGEMENT

CEYLON GUARDIAN INVESTMENT TRUST PLC

Directors:

I. Paulraj (Chairman),
D.C.R. Gunawardena,
A. de Z. Gunasekera,
V.M. Fernando,
Mrs. M.A.R.C. Cooray,
K. Selvanathan,
C.W. Knight

CEYLON INVESTMENT PLC

Directors:

I. Paulraj (Chairman),
D.C.R. Gunawardena,
A.P. Weeratunge,
Mrs. M.A.R.C. Cooray,
A.de.Z Gunasekera,
V.M. Fernando,
K. Selvanathan,

RUBBER INVESTMENT TRUST LIMITED

Directors:

I. Paulraj (Chairman),
D.C.R. Gunawardena,
A.P. Weeratunge,

Alternate Director:

A.P. Weeratunge (for I. Paulraj and
D.C.R. Gunawardena)

GUARDIAN CAPITAL PARTNERS PLC

Directors:

I. Paulraj (Chairman),
S. Mahendrarajah, D.C.R. Gunawardena,

Alternate Director:

S. Mahendrarajah (for I. Paulraj)

WENIWELLA INVESTMENTS LIMITED

(Under Voluntary Liquidation)

Directors:

I. Paulraj (Chairman),
S. Mahendrarajah

MYLANDS INVESTMENTS LIMITED

(Under Voluntary Liquidation)

Directors:

I. Paulraj (Chairman),
D.C.R. Gunawardena,
S. Mahendrarajah

LEECHMAN & COMPANY (PRIVATE) LIMITED

Directors:

H. Selvanathan, M. Selvanathan,
S. Mahendrarajah

GUARDIAN FUND MANAGEMENT LIMITED

Directors:

Mrs. W.Y.R. Fernando,
Mrs. B.D.N. Jayatillake,
K. Selvanathan,
A.P. Weeratunge,

BUKIT DARAH PLC

Directors:

H. Selvanathan (Chairman),
M. Selvanathan, I. Paulraj,
D.C.R. Gunawardena,
P.C.P. Tissera,
K.C.N. Fernando,
L.R. de Lanerolle (appointed w.e.f. 28/2/2012)

Alternate Director:

K. Selvanathan
(for M. Selvanathan)

Audit Committee Report

The Audit Committee of the Company comprises of Three Members, as follows :

Audit Committee members	Executive / Non-Executive/ Independent
Mr.V.P. Malalasekera (Chairman)	Non-Executive, Independent
Mr.D.C.R. Gunawardena	Non-Executive
Mr.F. Mohideen	Non-Executive, Independent

Mr.V.P. Malalasekera is a Non-Executive, Independent Director of the Company and a former Director of Ceylon Tobacco Company PLC.

Mr.D.C.R. Gunawardena is a Non-Executive Director of Carson Cumberbatch PLC and in most of its Group Companies.

Mr. F. Mohideen, a Non-Executive, Independent Director of the Company was the former Deputy Secretary to Treasury and a former Director of Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.

As allowed by the Listing Rules of the Colombo Stock Exchange, the Audit Committee of the Company being the Parent/ultimate Parent Company of the undermentioned listed companies, functions as the Audit Committee to these companies :

Investment Sector

Ceylon Guardian Investment Trust PLC
Ceylon Investment PLC
Guardian Capital Partners PLC

Plantation Sector : Malaysia

Selinsing PLC
Indo-Malay PLC
Good Hope PLC
Shalimar (Malay) PLC

Real Estate Sector

Equity One PLC
Equity Two PLC

Beverage Sector

Lion Brewery (Ceylon) PLC
Ceylon Beverage Holdings PLC

Leisure Sector

Pegasus Hotels of Ceylon PLC

Messrs.Tennyson Rodrigo, Subash Chelliah and Ralph de Lanerolle were Members of the Panel of Expert Advisors to the Audit Committee and advised on the following sectors of the Group :

- Mr. Tennyson Rodrigo, Director of Good Hope PLC and Indo-Malay PLC and the former Managing Director and Chief Executive of Capital Development and Investment Company PLC and former Chairman of the Audit Committee of Eagle Insurance Company Limited was the Expert Advisor to the Committee in respect of the

Real Estate, Hotels and Airlines, Investment Holding & Financial Services and Management Services Sector companies of the Group.

- Mr. Subash Chelliah, a Consultant, the former Vice President of Bumiputera Commerce Bank, Kuala Lumpur, presently known as Commerce International Merchant Bankers Berhad advised on the Plantation Sector companies of the Group.
- Mr. Ralph de Lanerolle, Director, Overseas Realty (Ceylon) PLC advised the Audit Committee in respect of the Brewery Sector companies of the Group.

In May 2012, Messrs. Tennyson Rodrigo, Subash Chelliah and Ralph de Lanerolle stepped down from the position of Expert Advisors to the Audit Committee.

The Audit Committee of the Company convened Twelve (12) Meetings during the financial year. Matters pertaining to the Company, as well as of the companies coming within the purview of Carson Cumberbatch PLC-Audit Committee were discussed at these Meetings.

The attendance of the Members was as follows:

Meetings attended (out of Twelve)	
Mr. V. P. Malalasekera (Chairman)	12
Mr. D.C.R. Gunawardena	8
Mr. F. Mohideen	12

The Audit Committee Meetings were attended by the internal auditors and senior management staff members.

The Committee met the external auditors twice during the year, i.e. to discuss the audit scope and to deliberate the draft Financial Report and Accounts. The Audit Committee also met the external auditors, Messrs. KPMG and discussed the draft Financial Report and Accounts, without the management being present.

The Group Internal Audit (GIA) carried out detailed audits in respect of the Company and companies coming within the purview of Carson Cumberbatch PLC-Audit Committee and the audits were based on the audit plans formulated and approved by the Audit Committee for the financial year.

In accordance with the approved audit plans for 2011/12, the GIA carried out audits as follows pertaining to the following Sectors:

Investment Sector	-	06 audits
Property Sector	-	01 audit
Leisure Sector	-	06 audits
Brewery Sector	-	12 audits

The findings and contents of the GIA reports have been discussed with the management and subsequently the audit reports were circulated

to the Audit Committee and to the management, facilitating corrective and preventive measures to be taken in a timely manner.

The objectives of the GIA audits were to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective action where necessary.

The interim financial statements of both, the Company and of the companies coming within the purview of the Audit Committee of Carson Cumberbatch PLC have been reviewed at meetings of the Audit Committee. The draft financial statements for the year ended 31st March 2012 pertaining to the Company and of the companies coming within the purview of the Audit Committee of Carson Cumberbatch PLC were also reviewed at meetings of the Audit Committee, together with the External Auditors, Messrs. KPMG and Ernst & Young (pertaining to Plantation Companies), prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee was provided with confirmations and declarations as required, by the Managers/Chief Executive Officer and Head of Finance/Director-Finance of the respective companies that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

The Audit Committee has determined that Messrs. KPMG, Auditors of the Company are independent on the basis that they do not carry out any management related functions of the Company.

The Audit Committee has concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG as Auditors of the Company for the financial year ending 31st March 2013, subject to the approval of the shareholders at the Annual General Meeting.

Audit Committees Reporting Structure

Equity Seven Limited, Equity Hotels Limited, Rubber Investment Trust Limited, Guardian Fund Management Limited, Carsons Airline Services (Private) Limited, Carsons Management Services (Private) Limited, Equity Three (Private) Limited, Equity Lands (Private) Limited, CBL Retailers (Private) Limited, Leechman & Company (Private) Limited, Riverside Resorts (Private) Limited and The Sri Lanka Fund have not formed their own Audit Committees, but audit aspects were covered under the direct jurisdiction of Carson Cumberbatch PLC- Audit Committee.

As per the Audit Committee Charter, the main purpose of the Audit Committee is as follows :

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the organization by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes.

(Sgd.)

V.P. Malalasekera
Chairman - Audit Committee
Carson Cumberbatch PLC

24th May 2012

Risk Management

Carson Cumberbatch PLC, is a diversified conglomerate. The Group is exposed to a great variety of risks and vulnerabilities as it operates in many industries across several countries in diverse operating environments. As a result management proactively evaluates the likelihood and impact of potential events which could affect the objectives, using qualitative and quantitative criteria to assess the risks. The Group recognizes that failing to capitalise on an opportunity could also become a significant risk when satisfying shareholders and other stakeholders' expectations.

Risk Management in Objective Setting Process

Group-wide risk management practices provide reasonable assurance through the process of identification and management of events, situations, or circumstances which, if it occurred, would adversely impact the achievement of objectives of each business sector. Risks are managed until they are mitigated and re-assessed to be within company's risk appetite.



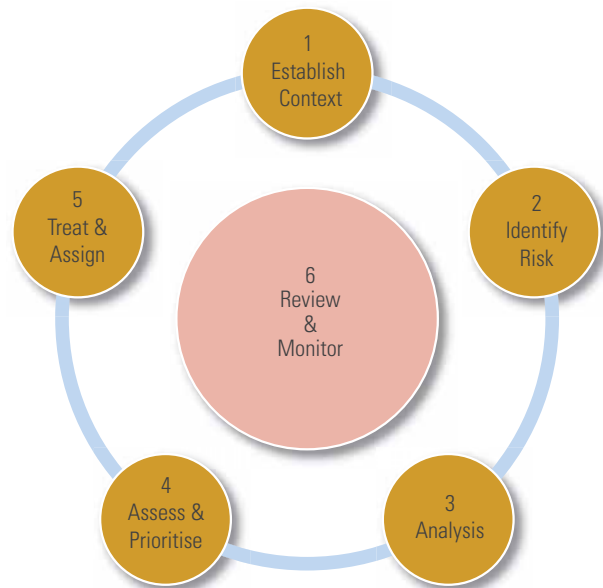
Enterprise Risk Management (ERM) provides a common process and terminology for all risk management activities. Its main goals are fostering of risk awareness throughout the group of companies and promoting a proactive management of threats and opportunities.

In implementing the business plan the Group has embodied enterprise risk management to its business activities. The risk management process supports;

- Corporate Governance
- Quality of business planning
- Audit planning
- Project planning and implementation
- Building confidence of various stakeholder groups

Risk management revalidates that the relevant internal control systems are in place and provides assurance to Management/BOD that processes are robust and working effectively.

ERM Process



Step 1 - As the first step in the risk management process management identifies the relationship of the enterprise with environment (External challenges) and objectives in the business plan (Internal challenges)

External Challenges	Internal Challenges
<ul style="list-style-type: none"> • Political, Economic & Social factors • Identify various stakeholders <ul style="list-style-type: none"> • Shareholders • Employees • Customers • Regulatory bodies • Communication policies with these stakeholders 	<ul style="list-style-type: none"> • Organisation structure • KPIs in the business plan and cascading effect to the business units (Top down approach) • Governance structure • Policies and procedures • IT structure etc.

Step 2 - At the second stage of ERM process, management identifies the risks and categorises in to main three types of risks as shown below. Purpose of the risk modeling is to create a common language for better communication, knowledge sharing and comparison. Risk drivers are the key factors which create risks. Risk indicators are primarily deviation from set Goals or KPI's. Deviations are timely identified through on going review and monitoring activities carried out by the management.



Step 3 - In the third step, by using qualitative and quantitative methods, likelihood of occurring and probability of outcome of the above identified risks are analysed.

Step 4 - Using the Risk Grid, management determines the contribution of each risk to the aggregate risk profile in terms of the impact on achievement of company's objectives and prioritise accordingly.

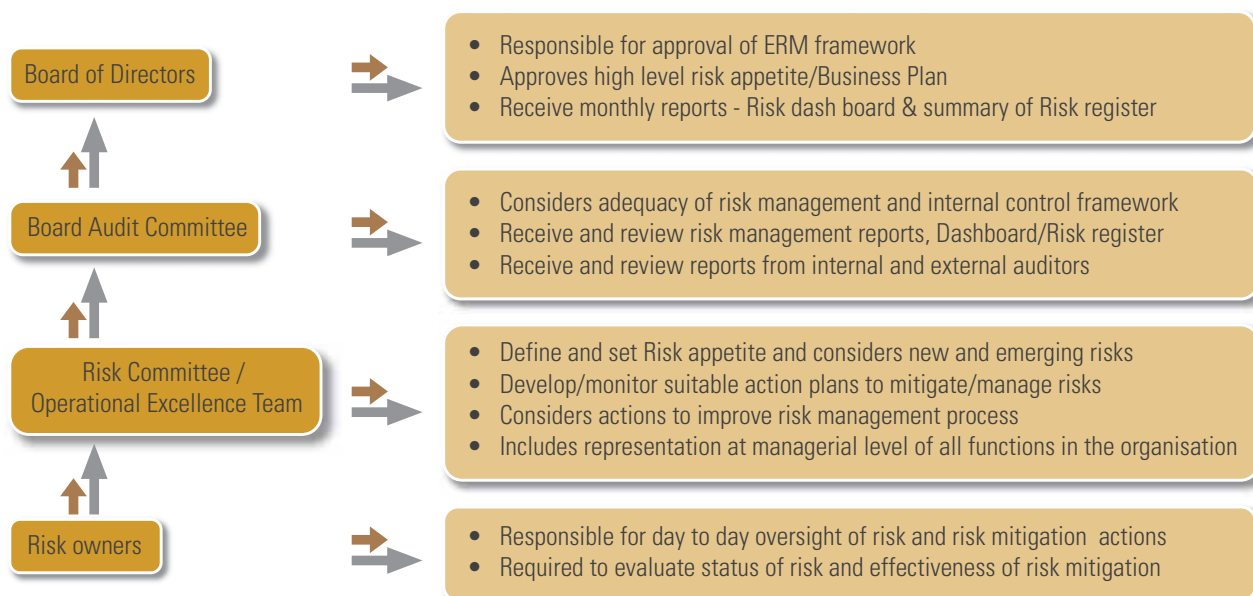
Step 5 - Once risk events are identified risk responses could take the form of;

- Risk Acceptance
- Risk Avoidance
- Risk Transfer/ share
- Risk Minimization

Step 6 - Comprehensive and benchmarked Procedure Manuals and techniques, together with timely supervision and monitoring of risk management practices by the business managers while discharging their responsibilities and accountability provides the first line of defence. Relevant action plans to be reviewed and monitored by the management teams in their respective spheres of operation. Further, during this process relevance and impact of identified risks will be reassessed. Status and outcome of the action plans are presented to CEO, Audit Committee and Board of Directors.

Risk Management Governance Structure

ERM includes a reporting framework within the organisation and to the Board thereby allowing directors to assume their supervisory function for a better Corporate Governance.



Optimizing the Audit Committee and Internal Audit function for better risk management

Group Internal Audit (GIA) division, each year meets with the Sector level hierarchy and determines an internal audit plan for the year based on a risk assessment done on key business processes. This audit plan is approved by the governing Audit Committee. Comprehensive monitoring during implementation of the plan of selected key processes throws out deficiencies in either the process itself or how the activities are actually performed. Such findings with suggested improvements are first discussed with the management and then taken for discussion at structured Audit Committee Meetings which are held at the end of each GIA cycle. Agreed mitigating action plans will get in to the next GIA cycle for follow-up whilst any serious matters of concern are escalated upwards to the respective Board of Directors by the Audit Committee.

We are of the view that Risk Management is one of the driving factors for the sustainability of operations and have identified the following risk profile. These risks are continuously managed and reviewed for mitigations at sector level, while the necessary action plans are carried out at operational level.

Risk	Impact	Risk response & strategies
Business Environment Risks	<p>Unfavourable global and local weather patterns resulting in adverse weather conditions, natural and man-made disasters including fires and haze from fires, droughts, floods, pestilence and crop disease could reduce the amount or quality of Fresh Fruit Bunches (FFB).</p> <p>A variety of diseases can directly affect the potential crop production which would ultimately impact the plantations, oil and fats sector performance.</p>	<ul style="list-style-type: none"> • Plantations, Oils and Fats sector <p>Invest in agronomy and plantation management practices in order to minimise the impact that would be caused by any sudden up-rise of these diseases.</p>
General Securities risk	<p>Any trading in securities carries inherent investment risks associated with the entity issuing those securities. In particular the price or value of any security can and does fluctuate and may even become valueless, resulting in possible loss not only of returns and profits, but even also of all or part of the principal sums invested. These risks arise as a result of the overall risks faced by the issuing entity which affects its ability to provide a return to the investors holding the securities issued by it. Particularly in the case of equities, past performance of any investment is not necessarily indicative of future performance. At Guardian our approach focuses on the fact that there is no substitute for fundamental individual security assessment.</p>	<ul style="list-style-type: none"> • Investment sector <ul style="list-style-type: none"> - Sound internal research processes - Once an investment is made a continuous process of monitoring the performance of that investment is adopted. - Manage the concentration risk arising from over exposure to one security by monitoring sector exposure and single company exposure as mitigation strategies. Further, private equity exposure limits at company and group level are monitored as another measure of managing risk. Loss limits are set to monitor stocks performing below their cost of acquisition to determine whether temporary capital erosion is a concern. This helps us mitigate the downside risk of any security in the portfolio. - Market risks affecting a particular class of security are mitigated by switching to asset classes that are assessed to be less risky in a particular scenario. - In the case of private equity, Board representation in proportion to the investment for stakes over 10% is considered necessary while for smaller stakes, monitoring mechanisms to facilitate constant evaluation of the investment will be built into the shareholder agreement.

Risk	Impact	Risk response & strategies
Commodity Price Risk	The selling prices of CPO and CPKO and purchase price of Malt etc are determined with reference to international trading prices. These prices are volatile, cyclical and market-driven and are largely determined by changes in the supply and demand fundamentals and other external factors. These may include global economic conditions, weather patterns, government policies and developments in international trade.	<ul style="list-style-type: none"> • Plantations, Oils and Fats sector manages the impact of such price volatility on its cash flows, by hedging its sales either by entering into forward sale contract or by hedging its sales through CPO swaps when required. • Beverage sector enters into forward contracts for buying major raw materials with the assistance of international business partner.
Credit Risk	Group is exposed to credit risk primarily from its trade receivables, which arise from its operating activities and its deposits with Banking Institutions. Group objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure.	<p>Individual companies exercise following controls to mitigate this risk.</p> <ul style="list-style-type: none"> - Implementation of credit policies - Continuous and regular evaluation of creditworthiness of customers - Ongoing monitoring of receivable balances.
Liquidity Risk	The risk that a company cannot easily meet its operational and financial obligations can result in unavailability of sufficient funds that may interrupt the smooth functioning of the day to day operations.	<p>We manage such an exposure through effective working capital management and based on procedures and guidelines that require planning liquidity based on one year and medium-term plans. Sufficient credit facilities including the use of revolving credit facilities are maintained for material purchases.</p> <ul style="list-style-type: none"> • Investment sector <ul style="list-style-type: none"> - Investing in companies with a reasonable free float and where securities are heavily traded. Also by limiting the portfolio's buy list to highly traded blue chips, the risk of illiquidity can be mitigated. Good research will enable the fund team to identify changes in fundamentals and be proactive in investment decision making. - In the case of private equity, liquidity risks are difficult to manage due to time bound exit strategies. However, our insistence on one or two fall back exit options being built into the shareholder agreement ensures that eventually private equity projects will end up in an encashable state with at least a minimum return.
Foreign Exchange Risk	Impact due to adverse movements and high volatility in foreign currencies that the group deals with.	Currently Plantations, Oils and Fats & Beverage sectors are mainly exposed to foreign currency exchange rate movements, primarily in US Dollar on its US Dollar denominated bank loans and foreign currency denominated supplies. Assets, liabilities and other operational expenses which arise from daily operations are primarily denominated in the functional currencies.
Interest Rate Risk	Interest rate risk is the risk arising due to the volatility of the interest rates in the markets affecting the future cash flows.	<ul style="list-style-type: none"> • Obtaining lowest possible rates using strength of Carson Group's treasury pool. • Plantations, Oils and Fats sector will pursue derivative mechanisms such as interest swaps, where necessary.

Risk	Impact	Risk response & strategies
Systems and process risks	<p>Operational risk is the direct or indirect loss due to inadequate or failed internal processes, people and systems or from external events.</p>	<ul style="list-style-type: none"> - In order to deal with unexpected contingencies, most of the group companies have developed and implemented a business continuity plan, which looks after aspects such as staff deployment and systems backup in case of an unexpected disruption to the business. This business continuity plan forms a part of the Carsons Group's business continuity plan. - The internal audit function of the Carsons Group ensures the safeguarding of company assets and recommends process improvements in areas where process control failures are noted. - Systems supports for the main software are made available through an annual maintenance agreement with the software vendor.
Human Resource Risk	<p>Attracting, developing and retaining talent employees are essential to deliver each sector objectives. Failure to determine the appropriate mix of skills required to implement company strategies and subsequent failure to recruit or develop the right number of appropriately qualified staff or higher staff turnover could affect the achievement of group objectives.</p>	<p>The following initiatives have been implemented by the Group</p> <ul style="list-style-type: none"> • The staff of Group is all professionally qualified with a track record of experience in the industry. • HR policies are geared to encourage continuous training and development to all levels of employees • Managers are required to identify/provide relevant training and development opportunities to their subordinates • Providing adequate monetary and non-monetary incentives • Implementing a succession planning process for senior level staff • Identifying opportunities for job rotation • Reviewing remuneration vis-à-vis industry norms on a regular basis
Legal & Regulatory Compliance	<p>Failure to comply with regulatory and legal frameworks applicable for each sector.</p>	<p>The legal function proactively identifies and set up appropriate systems and processes for legal and regulatory compliance in respect of Group's operations.</p> <ul style="list-style-type: none"> - We ensure that our activities are executed in keeping to the Companies Act, SEC regulations, tax regulations, exchange control regulations and other applicable guidelines. - Our systems and processes are structured to satisfy the criteria set by these regulations, and staff is constantly kept aware of the compliance needs imposed by these regulations. - Independent review and monitoring of internal control systems. - We also ensure legal and regulatory compliance in any foreign country that we operate through legal counsel retained in those environments.

Information to Shareholders & Investors

1 STOCK EXCHANGE LISTING

Carson Cumberbatch PLC is a Public Quoted Company, the ordinary shares of which are listed on the main board of the Colombo Stock Exchange of Sri Lanka.(CSE)

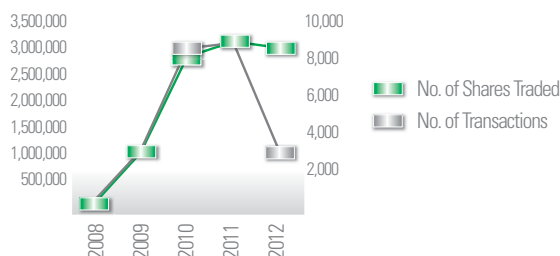
2 MARKET CAPITALISATION AND MARKET PRICE

Market Capitalization of the Company's share, which is the number of ordinary share in issues multiplied by the market value of a share, was Rs. 91,320 Mn as at 31st March 2012. (Rs. 124,665 Mn as at 31st March 2011)

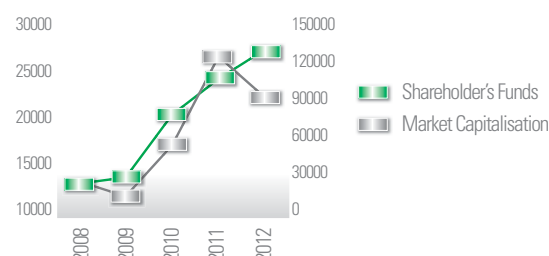
The Information on Market prices are set out below :

	2012	Q4	Q3	Q2	Q1	2011
Share Information						
Highest price (Rs.)	700	549	595	650	700	1,230
Lowest price (Rs.)	400	400	525	562	562	470
As at periods end (Rs.)	465	465	541	580	600	635
Trading Statistics						
No of transactions	2,912	547	549	894	922	8,854
No of shares traded	3,005,319	400,340	507,800	385,200	1,711,979	3,127,600
Value of all shares Traded (Rs. Mn)	1,833	185	292	230	1,126	2,283
Market Capitalization (Rs. Mn)	91,320	91,320	106,285	113,904	117,832	124,665
Enterprise Value (Rs. Mn)	146,130	146,130	143,916	159,177	153,184	161,653

Share Trading



Shareholders fund & Market Capitalization



3 SHAREHOLDER BASE

The total number of shareholders as at 31st March 2012 was 2,582 compared to the 2,740 as at 31st March 2011.

4 DISTRIBUTION AND COMPOSITION OF SHAREHOLDERS

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%
1 - 1,000	1,978	339,658	0.17%	28	8,560	0.00%	2,006	348,218	0.18%
1,001 - 10,000	367	1,155,587	0.59%	23	106,856	0.05%	390	1,262,443	0.64%
10,001 - 100,000	134	3,864,619	1.97%	19	717,464	0.37%	153	4,582,083	2.33%
100,001 - 1,000,000	18	4,175,599	2.13%	5	2,247,816	1.14%	23	6,423,415	3.27%
above - 1,000,000	6	150,140,872	76.45%	4	33,629,883	17.12%	10	183,770,755	93.58%
Grand Total	2,503	159,676,335	81.31%	79	36,710,579	18.69%	2,582	196,386,914	100.00%

5 COMPOSITION OF SHAREHOLDERS

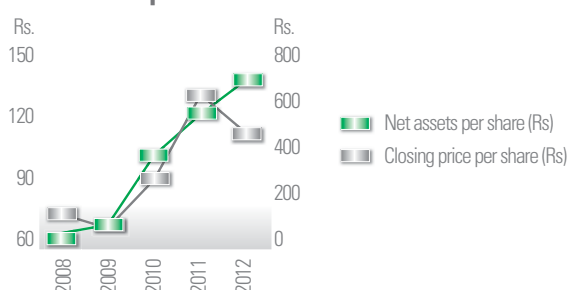
Ordinary Shares	31st March, 2012			31st March, 2011		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	2385	8,610,907	4.38	2,542	8,597,131	4.38
Institutions	197	187,776,007	95.62	198	187,789,783	95.62
Total	2,582	196,386,914	100.00	2,740	196,386,914	100.00
Residents	2,503	159,676,335	81.31	2,667	160,049,711	81.50
Non Residents	79	36,710,579	18.69	73	36,337,203	18.50
Total	2,582	196,386,914	100.00	2,740	196,386,914	100.00

Percentage of ordinary shares held by the public as at 31st March, 2012 was 23.73%. (2011 - 23.28%)

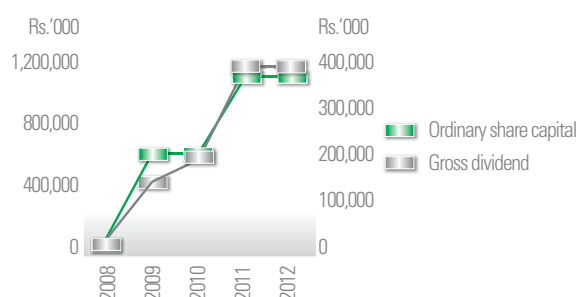
6 KEY RATIOS

	2012	2011
EPS	22.14	23.01
Dividend Payout Ratio (%)	139.41	62.08
Price to Book (times)	3.35	5.24
Price Earnings Ratio	21.00	27.58
Dividend Yield	0.43%	0.32%
Market Value Added (Mn.)	118,748	137,700

Closing Price per Share & Net Assets per Share



Gross Dividend and Ordinary Share Capital



7 INFORMATION ON DIVIDENDS

The details of the dividends paid are as follows:

For the year ended 31st March

Ordinary Shares

	2012		2011	
	Per share	Amount	Per share	Amount
Final dividend - for 2011	2.00	392,774	2.00	192,536
	2.00	392,774	2.00	192,536
Non-Voting Redeemable Preference Shares				
Annual - Class A	-	-	0.60	3,384
- Class B	0.79	8,693	0.99	17,946
	0.79	8,693	1.59	21,330

The details of the proposed dividends are as follows:

Ordinary Shares	2.00	392,774	2.00	392,774
	2.00	392,774	2.00	392,774

8 SHAREHOLDER INFORMATION

The issued ordinary shares of the Company are listed on the Colombo Stock Exchange. Stock Exchange ticker symbol for the Carson Cumberbatch PLC shares : CARS.N0000

9 DIVIDENDS SINCE

Year ended 31st March	DPS (Rs.)	Dividends (Rs.'000)
2008	2.50	18,337
2009	3.00	144,402
2010	1.50	192,536
2011	2.00	392,774
2012	2.00	392,774

10 ORDINARY SHARES IN ISSUE

Year ended 31st March	Number of Shares
2008	6,112,260
2009	96,268,095
2010	96,268,095
2011	196,386,914
2012	196,386,914

11 HISTORY OF SCRIP ISSUES

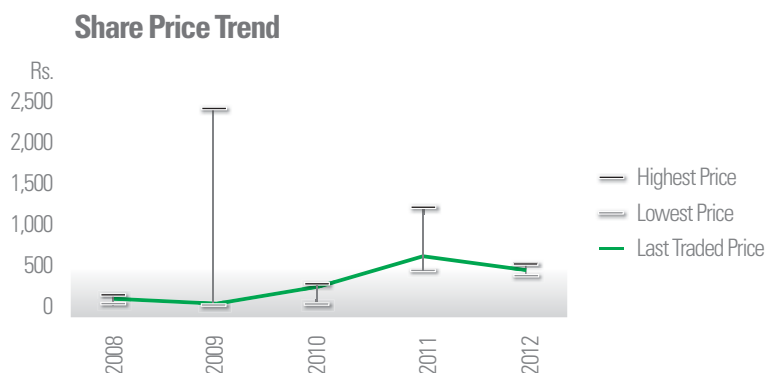
Year ended 31st March	Issue	Basis	Number of Shares	Ex-date
2006	Bonus	5:1	5,093,550	6-Jul-05
2009	Sub-division	15:1	85,571,640	31-Jul-08
	Capitalisation	1:20	4,584,195	31-Jul-08
2011	Sub-division	2:1	96,268,095	21-Dec-10
	Capitalisation	1:50	3,850,724	24-Dec-10

12 INFORMATION ON MOVEMENT IN NUMBER OF SHARE

Financial Year	Issue	Basis	No. of Shares issued / (Redeem)	No of Shares Cumulative Ordinary	Redeemable Preference	
2005/06	Bonus Issue	5 for 1	5,093,550	6,112,260	22,500,000	(Class A)
2008/09	Sub-division	15 for 1	85,571,640	91,683,900	-	-
	Capitalisation	1 for 20	4,584,195	96,268,095	-	-
	Issue of Cumulative Redeemable Preference Share - (Class B)		27,500,000	96,268,095	22,500,000	(Class A)
					27,500,000	(Class B)
	Redemption of Cumulative Redeemable Preference Share - (Class A)		(5,625,000)	96,268,095	16,875,000	(Class A)
	31st March 2009				27,500,000	(Class B)
2009/10	Redemption of Cumulative Redeemable Preference Share - (Class B)		(5,500,000)	96,268,095	16,875,000	(Class A)
	30th June 2009				22,000,000	(Class B)
	Redemption of Cumulative Redeemable Preference Share - (Class A)		(5,625,000)	96,268,095	11,250,000	(Class A)
	30th September 2009				22,000,000	(Class B)
	Redemption of Cumulative Redeemable Preference Share -(Class A)		(5,625,000)	96,268,095	5,625,000	(Class A)
	31st March 2010				22,000,000	(Class B)
2010/11	Redemption of Cumulative Redeemable Preference Share -(Class B)		(5,500,000)	96,268,095	5,625,000	(Class A)
	30th June 2010				16,500,000	(Class B)
	Redemption of Cumulative Redeemable Preference Share -(Class A)		(5,625,000)	96,268,095	16,500,000	(Class B)
	30th September 2010					
	Sub-division	2 for 1	96,268,095	192,536,190	-	-
	Capitalisation	1 for 50	3,850,724	196,386,914	-	-
2011/12	Redemption of Cumulative Redeemable Preference Share -(Class B)		(5,500,000)	196,386,914	11,000,000	(Class B)
	30th June 2011					

13 Share Price Trend Over Last Five Years

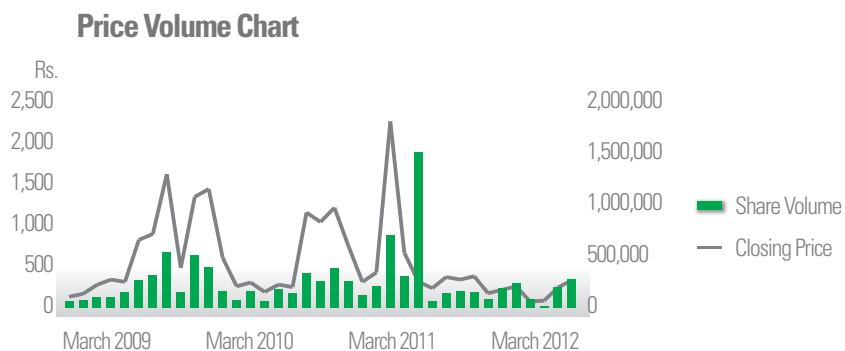
Year	2008	2009	2010	2011	2012
Hights Price (Rs.)	153	2,463	292	1,230	549
Lowest Prise (Rs.)	58	49	57	470	400
Last Traded Price (Rs.)	118	57	268	635	465



14 Information on Shareholders Funds and market capitalization

As at 31st March	2008	2009	2010	2011	2012
Shareholders' Funds (Rs. Mn.)	12,871	13,534	20,322	24,203	27,382
Market Capitalization (Rs. Mn.)	23,227	11,167	52,611	124,666	91,320
Market Capitalization as % of CSE Mkt. Captl. (%)	2.81%	2.10%	4.34%	5.14%	4.54%

15 Price Volume Chart

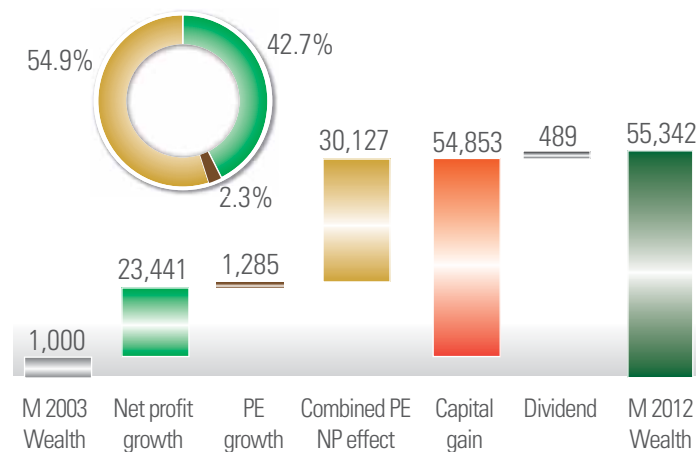


Information to Shareholders & Investors (Contd.)
Shareholder Return Statement

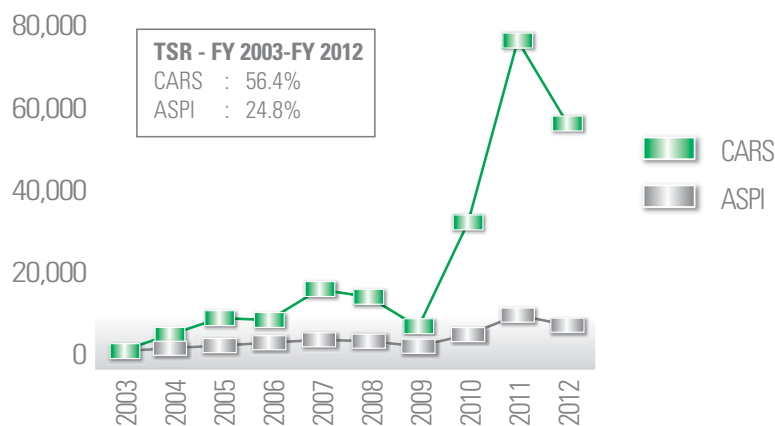
During the last financial year Carsons generated a negative return to shareholders of approximately 26%, roughly in line with the decline recorded by the CSE of 25%. However over a 10 year time horizon the share has rewarded share holders with an annual average return of 56.4%, 2.3 times the return generated by the CSE, which recorded an average annual growth of 24.8%.

Looking at it from the perspective of a shareholder who invested Rs. 1,000 in 2003, this would be equivalent to that sum growing to Rs. 55,342 by 2012. The capital gain would account for 99% of that return, with the balance coming from dividends. Capital gains in the stock was primarily driven by net profit growth (accounting for 43% of the capital gain), which recorded an average growth of 43% over the 10 years and the combined impact of net profit and PE growth (54.9%). The PE ratio recorded an annual growth of 10% over the same period.

Contribution to wealth growth



CARS vs ASPI Return



Ten Year Summary - Group

(Amounts expressed in Sri Lankan Rs. '000 unless otherwise stated)

For the year ended 31st March	2012	2011	2010
OPERATING RESULTS			
Revenue	69,074,588	34,628,986	21,327,821
Profit from operations	15,611,141	12,275,043	7,237,000
Finance expenses	2,004,542	689,373	530,376
Profit before taxation	13,077,021	12,088,562	6,879,407
Income tax expenses	3,070,477	2,545,643	1,434,052
Profit for the year	10,006,544	9,542,919	5,445,355
Profit attributable to the Non controlling interest'	4,243,788	5,002,206	2,158,444
Profit attributable to the Owners of the company	5,762,756	4,540,713	3,286,911
CAPITAL EMPLOYED			
Stated capital	1,614,652	1,614,652	1,118,255
Reserves	25,767,634	22,338,727	19,204,116
	27,382,286	23,953,379	20,322,371
Non -controlling interest	26,024,270	24,702,515	9,429,378
Short - term and long - term borrowings	37,292,932	23,340,260	4,989,581
	90,699,488	71,996,154	34,741,330
ASSETS EMPLOYED			
Non - current assets	80,427,164	59,290,601	30,441,199
Current assets	24,917,247	20,196,905	9,567,352
	105,344,411	79,487,505	40,008,550
Current liabilities - excluding borrowings	(10,343,253)	(4,740,251)	(3,321,967)
Non - current liabilities	(889,507)	(773,052)	(651,168)
Deferred liabilities	(3,412,163)	(1,978,049)	(1,294,085)
	90,699,488	71,996,154	34,741,330
CASH FLOW STATEMENTS			
Net cash inflows from operating activities	9,321,070	4,295,879	2,604,948
Net cash used in investing activities	(19,524,648)	(4,784,405)	(2,299,836)
Net cash generated from/(used in) financing activities	1,265,238	9,803,861	(1,268,542)
Net (decrease)/increase in cash & cash equivalents	(8,938,340)	9,315,335	(963,430)
OPERATIONAL RATIOS			
Return on ordinary shareholders' funds (%)	21.09	19.00	16.12
Equity to total assets (%)	50.59	61.00	73.67
Revenue growth (%)	99.47	62.37	26.99
Asset growth (%)	32.53	98.68	31.17
Revenue to capital employed (times)	0.76	0.48	0.61
No. of employees	14,453	11,672	6,943
Revenue per employee (Rs. '000)	4,779	2,967	3,072
Value added per employee (Rs. '000)	2,240	1,985	1,697
DEBT & GEARING RATIOS			
Interest cover (times)	7.79	17.81	13.65
Total debts	37,402,932	23,505,260	5,265,831
Net debts	28,896,137	12,450,514	4,114,949
Debt equity ratio (%)	70.18	48.47	17.87
Gearing ratio (%)	41.24	32.65	15.16
Debt/total assets (%)	36	30	13
Current ratio (times)	1.15	2.18	1.61
INVESTOR RATIOS			
Dividend cover (times)	11.07	11.51	8.23
Dividends per share (Rs.)	2.00	2.00	2.00
Market value per share (Rs.)	465.00	634.80	547
Market capitalization (Rs.' mn)	91,320	124,666	52,611
Earnings per share (Rs.)	22.14	23.01	16.45
Price earnings ratio (times)	21.00	27.58	33.22
Net assets per ordinary share (Rs.)	138.87	121.13	102.07

2009	2008	2007	2006	2005	2004	2003
16,795,047	15,243,172	9,321,234	7,995,793	6,148,827	5,957,216	4,022,342
5,013,934	5,052,989	2,421,154	1,842,054	2,043,699	1,636,855	967,464
993,586	835,747	539,058	357,906	703,260	398,740	373,077
3,767,804	4,273,921	1,705,940	1,662,247	1,346,298	1,241,320	743,700
809,317	1,204,072	477,768	437,607	36,660	60,624	121,211
2,958,487	3,069,849	1,228,172	1,224,640	1,309,638	1,180,696	622,489
1,176,141	1,348,181	525,352	598,552	485,905	454,909	385,409
1,782,346	1,721,668	702,820	626,089	823,733	725,787	237,080
1,118,255	286,123	286,123	286,123	235,187	235,187	235,187
12,415,858	12,584,693	9,646,490	8,190,159	6,000,929	4,905,339	4,008,134
13,534,113	12,870,816	9,932,613	8,476,282	6,236,116	5,140,526	4,243,321
5,781,881	7,055,721	5,054,539	4,543,248	3,366,037	2,995,671	2,860,781
6,741,913	6,179,030	6,170,039	3,662,970	3,178,648	3,569,094	4,442,399
26,057,907	26,105,567	21,157,191	16,682,499	12,780,801	11,705,291	11,546,501
21,524,200	24,043,466	21,791,487	18,188,041	14,231,108	11,983,825	12,019,074
8,976,347	6,752,769	4,190,620	2,783,066	1,654,837	1,763,783	1,323,493
30,500,547	30,796,235	25,982,107	20,971,107	15,885,945	13,747,608	13,342,567
(2,731,081)	(3,085,224)	(1,869,907)	(1,688,399)	(1,339,315)	(831,775)	(658,735)
(628,255)	(460,503)	(1,300,176)	(1,315,153)	(853,439)	(816,570)	(796,824)
(1,083,304)	(1,144,941)	(1,654,833)	(1,285,056)	(912,390)	(393,972)	(340,507)
26,057,907	26,105,567	21,157,191	16,682,499	12,780,801	11,705,291	11,546,501
1,723,854	3,195,910	515,377	952,122	2,023,709	1,182,382	568,898
(908,660)	(1,100,761)	(2,185,966)	(1,461,901)	(872,509)	(349,399)	(699,213)
535,727	(1,719,207)	904,709	(246,590)	(796,995)	(722,260)	362,190
1,350,921	375,942	(765,880)	(756,369)	354,205	110,723	231,875
13.16	13.37	6.96	7.26	13.25	14.15	4.98
62.59	63.97	56.82	61.01	59.03	57.55	51.56
10.18	63.53	16.58	30.04	3.22	48.10	22.78
(0.96)	18.53	23.89	32.01	15.55	3.04	5.85
0.64	0.58	0.44	0.48	0.48	0.51	0.35
5,083	4,109	4,014	3,468	3,489	3,130	3,077
3,304	3,710	2,322	2,306	1,762	1,903	1,307
2,048	2,270	1,501	1,520	1,331	1,179	753
5.05	6.05	4.49	5.15	2.91	4.11	2.59
6,966,913	6,404,030	6,395,039	3,887,970	3,403,648	3,794,094	4,667,399
4,014,765	4,423,959	5,519,758	3,323,494	3,059,677	3,585,448	4,503,027
36.49	32.51	43.32	30.39	36.30	47.96	67.85
27.58	24.53	30.23	23.31	26.63	32.41	40.42
23	21	25	19	21	28	35
1.34	0.93	0.85	0.73	0.64	0.89	0.76
5.91	3.44	1.38	1.22	0.41	0.71	0.20
1.50	2.50	2.50	2.50	10.00	5.00	5.00
116	3,800	4,270	2,300	14,500	8,000	1,605
11,167	23,227	26,100	14,058	14,771	8,150	1,635
8.87	8.61	3.44	3.05	4.06	3.54	1.02
13.08	441.54	1,240.82	753.96	3,574.11	2,258.28	1,575.29
67.77	64.39	49.43	42.02	30.61	25.03	20.46



Financial Calendar

Financial Year End	- 31st March 2012
Announcement of Results	
1st Quarter	- 12th August 2011
2nd Quarter	- 14th November 2011
3rd Quarter	- 14th February 2012
Notice of Annual General Meeting	- 24th May 2012
99th Annual General Meeting	- 6th July 2012

Annual Report of the Board of Directors on the Affairs of the Company



The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange and recommended best accounting practices. The Annual Report was approved by the Directors on 24th May 2012.

GENERAL

The Directors have pleasure in presenting to the shareholders their report together with the audited financial statements for the year ended 31st March 2012 of Carson Cumberbatch PLC, a public quoted limited liability company incorporated in Sri Lanka in 1913.

THE PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the Company consist of investing in Oil Palm Plantations, Beverage, Investment Holdings, Real Estate, Leisure, Management Services and Oils & Fats sectors.

The principal activities of the subsidiaries and associates are set out in the Business Review sections of this Annual Report.

There have been no significant changes in the nature of the activities of the Group and the Company during the financial year under review, other than the inclusion of new business sector - Oils & Fats.

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairman's Statement on pages 8 to 10 and Business Sector Reviews on pages 16 to 25 provide an overall assessment of the business performance of the Group and its future developments. These reports together with audited financial statements reflect the state of affairs of the Company and the Group.

The segment-wise contribution to Group Results, Assets and Liabilities are provided in Note 12.iii to the financial statements on pages 108 to 110.

FINANCIAL STATEMENTS

The financial statements of the Group are prepared in conformity with Sri Lanka Accounting Standards (SLAS) and provide information required by the Companies Act No. 7 of 2007 and the Colombo Stock Exchange Listing Requirements. The Company and its subsidiaries are also guided by other recommended best accounting practices.

Revenue

Revenue generated by the Company amounted to Rs 510 mn (2011 - Rs. 746 mn), whilst group revenue amounted to Rs. 69,074 mn (2011 - Rs. 34,628 mn). Contribution to group revenue from the different business segments is provided in Note 12 to the financial statements.

Financial Results

The audited results of the Group and of the Company for the financial year ended 31st March 2012 are as follows:

For the year ended 31st March	Group		Company	
	2012	2011	2012	2011
	Rs.'000	Rs.'000	Rs.000	Rs.'000
Profit available for appropriation From which the following appropriations/ distributions have been made:	16,073,075	12,168,162	7,917,518	6,489,553
Dividend				
Preference dividend paid				
Class "A"	-	(3,384)	-	(3,384)
Class "B"	(11,298)	(17,946)	(11,298)	(17,946)
Ordinary dividend paid				
Final	(392,774)	(192,536)	(392,774)	(192,536)
Total dividend paid	(404,072)	(213,866)	(404,072)	(213,866)
Leaving a balance to be carried forward	15,669,003	11,954,296	7,513,446	6,275,687

INDEPENDENT AUDITOR'S REPORT

The independent Auditor's Report on the Financial Statements is given on page 85 of this Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements are given in Note 6. There have been no changes in the accounting policies adopted by the Group during the year under review except disclosed here to the financial statements.

Capital Expenditure

Details of the Group capital expenditure undertaken during the year by each sector are:

For the year ended 31st March	2012 Rs.'000	2011 Rs.'000
Investment and Asset Management		
Property, plant & equipment	1,239	602
Overseas Plantations		
Property, plant & equipment	9,109,710	3,258,544
Intangible assets	569,770	431,376
Beverage		
Property, plant & equipment	1,357,064	923,055
Intangible assets	21,360	4,288
Real Estate		
Property, plant & equipment	25,534	27,602
Leisure		
Property, plant & equipment	79,432	22,813
Oils & Fats		
Property, plant & equipment	1,283,443	-
Intangible assets	14,340	-
Management Services		
Property, plant & equipment	4,381	10,904
Intangible assets	161	-
	12,466,434	4,679,184

Value of the Investment Portfolio

The market value/valuation of the Group's investment portfolio as at 31st March, 2012, was Rs. 32,100 mn (2011 - Rs. 47,467 mn).

Value of the Investments Properties

The fair value of the group's investment properties as at 31st March 2012 was Rs 1,862 mn (2011 - Rs. 1,357 mn).

Market Value of Freehold Properties

Freehold properties (land and buildings) of the Group have been revalued based on independent professional valuations and written-up in the books of account to conform to market value of such properties. Further, details of such revaluations are given in Note 23 (c) to the financial statements.

Dividend

Subject to the approval of the shareholders at the Annual General Meeting, a First & Final dividend of Rs. 2.00 per share is recommended by the Directors for the year ended 31st March, 2012 (2011 - Rs. 2 per share). The dividend payable has not been accounted for until it is approved at the forthcoming Annual General Meeting.

The details of the dividends paid during the year are set out in Note 22 to the financial statements.

Solvency Test

Taking into account the said distribution, the Directors are satisfied that the Company would meet the solvency test requirement under Section 56 (2) of the Companies Act No. 7 of 2007 immediately after the distribution.

Stated Capital

The Stated Capital of the Company as at 31st March 2012 was Rs 1,614,651,929/- consisting of 196,386,914 Ordinary shares, and 11,000,000 Class "B" non voting redeemable cumulative preference shares.

Reserves

A summary of the Group's reserves is given below

The movements are shown in the Statements of Changes in Equity given on page 88 to 89 the Annual Report.

For the year ended 31st March	Group		Company	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
Capital Reserve	5,041,071	3,722,540	-	-
Revenue Reserve	20,726,563	18,616,187	7,513,446	6,275,687
Total	25,767,634	22,338,727	7,513,446	6,275,687



GOING CONCERN

Having taken into account the financial position and future prospects, the Directors have a reasonable expectation that the Company and its subsidiaries have adequate resources to continue to be in operational existence for the foreseeable future. For this reason the Company and its subsidiaries continue to adopt the going concern basis in preparing the financial statements.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the Balance Sheet date, no circumstances have arisen which required adjustments to or disclosure in the financial statements, other than those disclosed in Note 44 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Change of Name

The Name of Ceylon Brewery PLC was changed to Ceylon Beverage Holdings PLC on the 4th of July 2011 in accordance with Section 8 of the Companies Act. No. 07 of 2007.

Redemption of Preference shares

Carson Cumberbatch PLC redeemed 5,500,000 (Unlisted) Non-voting Cumulative Redeemable Preference shares (Class B) issued to DFCC Bank on 30th of June 2011 in accordance with the Articles of Association of the Company.

Lion Brewery (Ceylon) PLC redeemed the entirety of the 35Mn (unlisted) Non Voting Redeemable Cumulative Preference shares issued to Ceylon Beverage Holdings PLC on the 31st of March 2012 in accordance with Article 4(4)(iv) of the Articles of Association of the Company and Section 67 of the Companies Act No.7 of 2007.

Rights issue

Pegasus Hotels of Ceylon PLC (PEG) made a Rights Issue of 3,039,153 fully paid new Ordinary shares at a ratio of 1:9 Ordinary shares held as at 20th March 2012 at an issue price of Rs.36.50 per share.

The primary purpose of the Rights issue was to raise capital to settle the borrowings of PEG. The issue was fully subscribed and Rs. 110,929,084.50 was raised from the existing shareholders. Accordingly the stated Capital of PEG increased to Rs. 509,818,020.50/- comprising of 30,391,538 ordinary shares.

New Business Segment - Oils and Fats

This segment is engaged in manufacturing, marketing and selling of refined oils and specialty fats to the Bakery, Chocolate and Confectionery, Ice Cream and Creamer Industries and cooking oils products to end consumers.

Acquisition of PNB Operating Subsidiaries

Premium Nutrient Private Limited (PNPL) a 100% owned subsidiary of Company's subsidiary Goodhope Asia Holdings Ltd (GAHL) has successfully concluded the take-over of 3 of the operating entities of Premium Nutrients Bhd. (PNB), a specialty fats manufacturer with operations in Malaysia and India on 7th July 2011. Hence, GAHL Group has now acquired a 100% stake in the three operating Companies viz Premium Vegetable Oils Sdn. Bhd. (PVO), and Premium Fats Sdn. Bhd. (PF) each having manufacturing facilities in Malaysia and Arani Agro Oil Industries Ltd. (AAO) which has a manufacturing plant in Andhra Pradesh, India.

The total consideration paid by GAHL group for a 100% stake in the said three entities amounted to US\$ 39.4 mn (approx. Rs. 4.3 Billion).

Material change in the use of funds raised through the Rights Issue in 2009 of Lion Brewery (Ceylon) PLC

Shareholders' concurrence was obtained on the 28th of March 2012 to utilise the funds amounting to Rs.1.2 bn, which was raised through a Rights issue of Lion Brewery (Ceylon) PLC (LION) in 2009 to be utilised towards the on-going expansion programme of LION.

Voluntary winding up of subsidiary Companies

The shareholders of Weniwella Investment Limited and Mylands Investments Limited resolved at a General Meeting held on the 5th of December 2011 to Voluntarily windup the Companies as per Section 319(1)(b) of the Companies Act No.07 of 2007.

Equity Seven Limited resolved through a Shareholders' Circular Resolution to Voluntarily windup the Company as per Section 319(1)(b) of the Companies Act No.07 of 2007.

Disposal of Investments in South Asian Breweries Pte Limited,

On the 18th of August 2011, the Company's subsidiary Lion Brewery (Ceylon) PLC disposed its investment in South Asian Breweries Pte Limited, Singapore, to Carlsberg South Asia Pte Limited at its book value as at that date of Rs. 2,187mn. The sales proceeds of this disposal has been set off against the investment in the books of Lion Brewery (Ceylon) PLC.

CORPORATE GOVERNANCE

Systems and Procedures are in place to ensure that Corporate Governance is adequately and practically enforced. The Board of Directors has provided that necessary resources and installed an appropriate process, to ensure that the group is compliant with the rules of the Colombo Stock Exchange, The Securities and Exchange Commission of Sri Lanka and the relevant Codes of Best Practices on Corporate Governance issued by regulatory and professional bodies.

THE BOARD OF DIRECTORS

The following Directors held office as at the balance sheet date and their brief profiles are given on pages 44 to 53 of the Annual Report.

Name of the Director	Executive	Non-executive	Independent
Mr. T. de Zoysa (Chairman) *	-	√	√
Mr. H. Selvanathan (Deputy Chairman)	√	-	-
Mr. M. Selvanathan	√	-	-
Mr. I. Paulraj **	-	√	√
Mr. D.C.R. Gunawardena	-	√	-
Mr. S.K. Shah	√	-	-
Mr. P.C.P. Tissera	√	-	-
Mr. V.P. Malalasekera	-	√	√
Mr. M. Moonesinghe	-	√	√
Mr. F. Mohideen	-	√	√
Alternate Director			
K.Selvanathan (Alternate to M.Selvanathan)			-

* The Board has determined that Mr. T. de Zoysa is an independent non executive Director inspite of being on the Board for more than 9 years, since he is not directly involved in the management of the Company.

** The Board has determined that Mr. I. Paulraj is an independent non executive Director inspite of being a Director of Bukit Darah PLC that has a significant shareholding in the Company and being on the Board for more than 9 years, since he is not directly involved in the management of the Company.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Group and the company which reflect a true and fair view of the state of its affairs. The Directors are of the view that the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statements, Significant Accounting Policies and Notes there to appearing on pages 86 to 159 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and amendments thereto and Listing Rules of the Colombo Stock Exchange. The "Statement of Directors' Responsibility" for Financial Reporting given on page 84 forms an integral part of this Report.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the company have received or become entitled to receive any benefit (other than the benefit as disclosed in Note 19 (d) to the financial statements) by reason of a contract made by the company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in note 45 to the financial statement.

During and at the end of the financial year, no arrangement subsisted to which the company is a party, with the object or object of enabling directors of the company to acquire benefit by means of the acquisition of shares of the company.

DIRECTORS' MEETING ATTENDANCE

08 Board Meetings were convened during the financial year and the attendance of the Directors were as follows:

Director	Meetings attended (out of 08)
T. de Soysa (Chairman)	07
H. Selvanathan (Deputy Chairman)	08
M. Selvanathan	08
I. Paulraj	07
D.C.R. Gunawardena	07
S.K. Shah	08
P.C.P. Tissera	06
V.P. Malalasekera	08
M. Moonesinghe	07
F. Mohideen	08
K. Selvanathan (Alternate to M. Selvanathan)	06



INTERESTS REGISTER

The Company maintains an Interests Register conforming to the provisions of the Companies Act No. 7 of 2007

All Directors have made declarations as provided for in Section 192 (2) of the Companies Act aforesaid. The relevant details as required by the Companies Act No. 7 of 2007 have been entered in the Interest Register during the year under review.

The Interests Register is available for inspection as required under the Companies Act.

DIRECTORS' INTEREST IN CONTRACTS AND SHARES

Directors' interests in contracts of the Company are disclosed in Note 45 to these financial statements and have been declared at meetings of the Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in Ordinary shares of the Company.

	No of Ordinary Shares	
	31.03.2012	31.03.2011
T. de Zoysa (Chairman)	-	-
H. Selvanathan (Deputy Chairman)	42,318	39,712
M. Selvanathan	32,962	28,197
I. Paulraj	129	-
D.C.R. Gunawardena	-	-
S. K. Shah	-	-
P.C.P. Tissera	12	3,213
V.P. Malalasekera	-	-
M. Moonasinghe	-	-
F. Mohideen	-	-
H. Selvanathan & M. Selvanathan	449,820	449,820
Alternate Directors		
K. Selvanathan (for M. Selvanathan)	-	-

(i) Directors shareholdings in group quoted companies.

SUBSIDIARIES

Ceylon Guardian Investment Trust PLC		
I. Paulraj	255	255
D.C.R. Gunawardena	255	255
Ceylon Investment PLC		
I. Paulraj	255	255
D.C.R. Gunawardena	255	255

	No of Ordinary Shares	
	31.03.2012	31.03.2011
Ceylon Beverage Holdings PLC		
H. Selvanathan	690	690
M. Selvanathan	690	690
D.C.R. Gunawardena	15	15
S.K. Shah	2,632	2,632
I. Paulraj	33	33
Lion Brewery (Ceylon) PLC		
H. Selvanathan	1,579	1,579
M. Selvanathan	1,579	1,579
D.C.R. Gunawardena	34	34
S.K. Shah	6,016	6,017
I. Paulraj	1,675	1,675
Shalimar (Malay) PLC		
H. Selvanathan	-	150
M. Selvanathan	-	150
I. Paulraj	-	150
D.C.R. Gunawardena	-	1
Selinsing PLC		
H. Selvanathan	-	648
M. Selvanathan	-	648
I. Paulraj	-	75
Good Hope PLC		
H. Selvanathan	-	300
M. Selvanathan	-	300
Indo-Malay PLC		
H. Selvanathan	-	2,192
M. Selvanathan	-	3,868
Guardian Capital Partners PLC		
I. Paulraj	200	200
D.C.R. Gunawardena	25	25
Bukit Darah PLC - Associate		
H. Selvanathan	153,111	150,960
M. Selvanathan	44,179	40,840
I. Paulraj	1,127	1,020

RELATED PARTY TRANSACTIONS

The Directors have also disclosed the transactions if any, that could be classified as related party transactions in terms of Sri Lanka Accounting Standard 30 (Revised 2005) "Related Party Disclosures" which is adopted in the preparation of the Financial Statements. Those transactions disclosed by the Directors are given in Note 45 to the Financial Statements forming part of the Annual Report of the Board.

REMUNERATION OF DIRECTORS

Directors' remuneration in respect of the Company for the financial year ended 31st March 2012 is given in Note 19(d) to the Financial Statements on page 114.

DIRECTORS

The names of the Directors who served during the year are given under Corporate Information provided in the Inner back cover of the Annual Report.

DIRECTORS TO RETIRE BY ROTATION

In terms of Articles 72, 73 and 74 of the Articles of Association of the Company, Messrs. T. de Zoysa and F. Mohideen retire by rotation and being eligible offers themselves for re-election.

Appointment of Directors who are over 70 years of age

Upon the recommendation of the Nomination Committee of the Company and the Board, it is recommended that Messrs. I. Paulraj and M. Moonesinghe who are over 70 years of age be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act No.7 of 2007 shall not be applicable.

BOARD COMMITTEES

The Board while assuming the overall responsibility and accountability for the management oversight of the company has also appointed Board Committees to ensure oversight and control over certain affairs of the Company.

REMUNERATION COMMITTEE

As per Rule 7.10.5 of the Listing Rules of the Colombo Stock Exchange the Company formed a Remuneration Committee which also functions as the Remuneration Committee for some of its subsidiaries listed on the Colombo Stock Exchange as permitted by the said Rule.

Remuneration Committee members	Executive	Non-executive	Independent
Mr. I. Paulraj -Chairman	-	√	√
Mr. M. Moonesinghe	-	√	√
Mr. D.C.R. Gunawardena	-	√	-

The Committee has formulated a remuneration policy based on market and industry factors and individual performance for all group Companies.

Aggregated remuneration paid to the Non-Executive Directors of the company is disclosed under Note 19 on page 113 of this Report.

Executive Directors are not compensated for their role on the Board.

AUDIT COMMITTEE

As per the Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange the Audit Committee of the Company comprises the following members.

Audit Committee members	Executive	Non-executive	Independent
Mr. V.P. Malalasekera (Chairman)	-	√	√
Mr. D.C.R. Gunawardena	-	√	-
Mr. F.Mohideen	-	√	√

Additionally the undermentioned Expert Advisory members advise on the following sectors.

Mr. T. Rodrigo - Investment/Real Estate/Leisure Sector

Mr. S. Chelliah - Plantation Sector

Mr. L. R. de Lanerolle - Brewery Sector

Mr T. Rodrigo, Mr. S. Chelliah and Mr. L. R. de Lanerolle stepped down from their position as Expert Advisory members in May 2012.

The Audit Committee Report is given on page 60 of this Annual Report.

NOMINATION COMMITTEE

The company formulated a Nomination Committee on the 1st of January 2012.

	Executive	Non-executive	Independent
Mr. T. de Zoysa (Chairman)	-	√	√
Mr. D.C.R. Gunawardena	-	√	-
Mr. M. Moonesinghe	-	√	√

The primary objective of the Nomination Committee is to recommend the appointment of new Directors to the Board and the Nomination of members to represent the Company in Group companies / Investee companies.

AUDITORS

Company

Company's Auditors during the year under review were Messrs KPMG, Chartered Accountants.

A sum of Rs. 550,000/- was paid to them by the Company as audit fees for the year ended 31st March 2012 (2011- Rs 460,000/-) In addition , they were paid Rs. 191,000/-by the Company as fees for non-audit related services.



The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Auditors and authorizing the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditor, its effectiveness and its relationship with the group, including the scope of audit and non-audit fees paid to the Auditor.

Group

The group works with many firms of Chartered Accountants in Sri Lanka and abroad, namely, KPMG and Ernst & Young. Details of audit fees are set out in Note 19 (b) of the financial statements.

Further details on the work of the Auditor and the Audit Committee are set out in the Audit Committee Report.

Auditors' relationship or any Interest with the company

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the auditors did not have any relationship or any interest with the Company and its subsidiaries that would impair their independence.

INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a group wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each component of the internal control system would be based on the weight of the element of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the crystallization of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon.

The delegation of the effective maintenance of internal controls and risk identification and mitigation is handed down to the respective CFO's within the guidelines of benchmark policies, procedures and authority limits clearly laid down. This team is supported by the risk officers appointed per sector. The risk officers would confer with the respective management teams and will update the risk registers and the relevant action plans to be followed by the management teams in their respective spheres of operation. Group Internal Audit, whose scope of scrutiny is entirely driven by the grading of the risk involved will be monitoring and providing the feedback to the management and the respective Audit Committees.

Regular submission of compliance and internal solvency certificates vouched by the heads of the respective divisions as a mandatory agenda item keeps the directors abreast of the health of the company resource base and governance requirements. This allows the Board

to have total control of the fulfillment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo.

More detailed description of the Risk management strategies of the Company is given on page 62.

OUTSTANDING LITIGATION

In the opinion of the Directors and in consultation with the company lawyers, litigations currently pending against the company will not have material impact on the reported financial results of future operations of the company. Details of litigations pending against the company are given in Note 43 on page 153 of the Annual Report.

STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments have been paid up to date or have been provided for in these financial statements.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has at all times ensured that it complied with the applicable laws and regulations including the listing rules of the Colombo Stock Exchange as a listed company. The management officers responsible for compliance, tables a report on the compliance at the quarterly meetings of the Audit Committee/Respective Board.

HUMAN RESOURCE

The Group continued to invest in Human Capital Development and implement effective Human Resource practices and policies to develop and build an efficient and effective workforce aligned around new business priorities and to ensure that its employees are developing the skills and knowledge required for the future success of the Group.

The number of persons employed by the Group as at 31st March 2012 was 14,453 (31st March 2011 – 11,672). The Company had no employees as at 31st March 2012 (2011 - Nil).

DONATIONS

The Group made donations amounting to Rs. 36 mn. during the year under review (2011 - Rs. 28 mn.). Company - Rs. 3.5 mn. (2011- Rs. 1.05 mn.)

MAJOR SHAREHOLDERS**Twenty Major Shareholders - Ordinary Shares (Voting)**

As at 31st March	2012		2011	
	No. of Share	%	No. of Share	%
Bukit Darah PLC A/C NO 2	89,706,431	45.68	91,130,510	46.40
Tower Investments (Pvt) Ltd	20,927,425	10.66	20,927,425	10.66
Fulcrum (Private) Limited	19,220,447	9.79	19,216,310	9.78
Lake View Investments (Private) Limited	17,267,137	8.79	17,266,725	8.79
Portelet Limited	14,747,670	7.51	14,747,670	7.51
Newgreens Limited	14,747,670	7.51	14,747,670	7.51
Thurston Investments Limited	2,702,188	1.38	2,641,587	1.35
Ceylon Finance and Securities (Private) Limited	1,606,239	0.82	1,605,809	0.82
GF Capital Global Limited	1,432,355	0.73	1,432,355	0.73
Employees Provident Fund	1,413,193	0.72	576,300	0.29
Mrs. M.N.C. Pellizzari	939,801	0.48	939,801	0.48
Pershing LLC S/A Averbach Grauson & Co.	656,740	0.33	424,116	0.22
Acme Trusts Limited	481,950	0.25	481,950	0.25
Mr. M. Selvanathan & Mr. H. Selvanathan	449,820	0.23	449,820	0.23
Mr. K.C. Vignarajah	420,773	0.21	410,102	0.21
Mr. A.W.D. Senanayake (Deceased)	311,338	0.16	311,338	0.16
Mrs. M.L. De Silva	298,809	0.15	298,809	0.15
Sisira Investors Limited	298,809	0.15	298,809	0.15
Mrs. K.J.M. De Silva	250,650	0.13	249,192	0.13
Mr. M. Radhakrishnan	241,548	0.12	231,336	0.12
	188,120,993	95.79	188,387,634	95.91

Preference Shares

Class "B" Redeemable Cumulative Preference Share (Non voting)

As at 31st March	2012		2011	
	No of Share	%	No of Share	%
DFCC	11,000,000	100	16,500,000	100



SHARE INFORMATION

Information relating to earnings, dividends, net assets and market price per share is given on page 67 and 70 of the Annual Report. Information on share trading is given on page 67 of the Annual Report.

EQUITABLE TREATMENT OF SHAREHOLDERS

All shareholders in each category have been treated equitably in accordance with the original Terms of Issue.

ANNUAL REPORT

The Board of Directors approved the Company Financial Statements and the consolidated financial statements together with the reviews which forms a part of the Annual Report on 24th May 2012.

The appropriate number of copies of the Report would be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standard Monitoring Board and the Registrar of Companies within the given time frames.

ANNUAL GENERAL MEETING

The 99th Annual General Meeting of the Company will be held on Friday, 6th day of July 2012 at 2.30 p.m. at the Taj Samudra Hotel, 'Crystal Room', Upper Floor, No. 25, Galle Face Centre Road, Colombo 3, Sri Lanka.

The Notice of the Annual General Meeting is on page 166 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)
H. Selvanathan
Director

(Sgd.)
M. Selvanathan
Director

Colombo
24th, May 2012

Statement of Directors' Responsibility

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with the companies Act No.7 of 2007 and Sri Lanka Accounting and Auditing standards Act No. 15 of 1995, and required to prepare financial statements for each financial year that present fairly the financial position of the group and the financial performance and cash flows of the group for that period.

In preparing those financial statements, the directors are required to:

- Select suitable Accounting Policies and applied consistently.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosure when compliance with the specific requirements of Sri Lanka Accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance.
- State that the company has complied with Sri Lanka Accounting standards, subject to any material departures disclosed and explained in the consolidated financial statements.
- Make Reasonable and prudent judgments and estimates.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the consolidated financial statements comply with the Companies Act No. 7 of 2007 and Sri Lanka Accounting standards. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The group's business activities, performance, position and risks are set out in the report. The financial position of the group, its cash flows, liquidity position and borrowing facilities are detailed in the notes to the financial statements. The report also includes details of the group's risk mitigation and management. The group has considerable financial resources, and the directors believe that the group is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

By order of the Board

(Sgd.)
K.D. de Silva (Mrs)
Director

(Sgd.)
Carsons Management Services (Pvt) Ltd
Secretaries

24th May 2012



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300,
Sri Lanka.

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TO THE SHAREHOLDERS OF CARSON CUMBERBATCH PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Carson Cumberbatch PLC ("Company"), the consolidated financial statements of the Company and its subsidiaries as at 31st March 2012, which comprise the balance sheet as at that date, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 86 to 159 of this Annual Report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31st March 2012 and the financial statements give a true and fair view of the Company's state of affairs as at 31st March 2012 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs as at 31st March 2012 and the profit and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its subsidiaries dealt with thereby, so far as concerns the shareholders of the Company.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Sections 153(2) to 153(7) as appropriate of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS

Colombo

24 May 2012

KPMG, a Sri Lankan Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

M.R. Mihular FCA
C.P. Jayatilake FCA
Ms. S. Joseph FCA
S.T.D.L. Perera FCA
Ms. M. P. Perera FCA
T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasekara ACA
G.A.U. Karunaratne ACA
P.Y.S. Perera FCA
W.W.J.C. Perera FCA
W.K.D.C. Abeyrathne ACA
R.M.D.B. Rajapakse ACA
Principals - S.R.I. Perera ACMA, LLB, Attorney-at-Law, H.S. Goonewardene ACA

Income Statement

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	2012	Group 2011 (Restated)	Change %	2012	Company 2011	Change %
Revenue	12	69,074,588	34,628,986	99	510,371	746,090	(32)
Direct operating expenses		(44,149,326)	(15,236,428)	190	-	-	-
		24,925,262	19,392,558	29	510,371	746,090	(32)
Gain on disposal of non current investments	13	1,403,788	22,343	6,183	1,403,788	1,180,034	19
Change in fair value of investment properties	25	24,907	30,248	(18)	-	-	-
Mark to market value adjustments - Unrealized		(699,397)	217,363	(422)	(7,316)	17,685	(141)
Other income	14	944,780	218,804	332	(37,926)	3,923	(1,067)
Distribution expenses		(4,348,595)	(3,350,611)	30	-	-	-
Administrative expenses		(6,441,753)	(4,100,957)	57	(63,529)	(33,394)	90
Other operating expenses	15	(197,851)	(154,706)	28	-	-	-
Finance expenses	16	(2,004,542)	(689,373)	191	(100,523)	(80,308)	25
Foreign exchange gain/(loss)	17	(741,308)	516,162	(244)	-	-	-
Share of net result of associates / Joint Venture (net of tax)	18	211,730	(13,270)	(1,696)	-	-	-
Profit before Income tax	19	13,077,021	12,088,562	8	1,704,865	1,834,030	(7)
Income tax expenses							
Current taxation	20	(3,241,148)	(2,286,975)	42	(8,034)	-	-
Deferred taxation	20	170,671	(258,668)	(166)	-	-	-
		(3,070,477)	(2,545,643)	21	(8,034)	-	-
Profit for the year		10,006,544	9,542,919	5	1,696,831	1,834,030	(7)
Profit Attributable to:							
Owners of the Company		5,762,756	4,540,713	27	1,696,831	1,834,030	(7)
Non controlling interest		4,243,788	5,002,206	(15)	-	-	-
		10,006,544	9,542,919	5	1,696,831	1,834,030	(7)
Earnings per ordinary share (Rs.)	21	22.14	23.01	(4)	1.43	3.22	(55)
Dividend per ordinary share* (Rs.)	22	2.00	2.00	-	2.00	2.00	-

The Notes from pages 92 to 159 form an integral part of these financial statements.

Figures in brackets indicate deductions.

*Based on proposed dividend.



Balance Sheet

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Note	Group		Company	
		2012	2011 (Restated)	2012	2011
ASSETS					
Non - Current Assets					
Property, Plant & Equipment	23	61,362,524	39,963,891	-	-
Prepaid lease payment for Land	24	3,426,181	1,631,213	-	-
Investment properties	25	1,862,478	1,356,979	-	-
Intangible assets	26	3,836,994	1,773,746	-	-
Investments in subsidiaries	27	-	-	9,598,428	7,970,031
Investments in associates / Joint ventures	27	580,372	436,174	8,761	10,406
Long - term investments	27	8,356,277	13,542,272	-	-
Land compensation receivable	28	189,463	189,463	-	-
Deferred tax assets	20	812,875	396,863	-	-
Amounts due from related companies	31	-	-	867,436	839,385
Total non - current assets		80,427,164	59,290,601	10,474,625	8,819,822
Current Assets					
Inventories	29	8,174,645	3,983,882	-	-
Trade and other receivables	30	7,343,210	3,802,152	16,223	870
Current tax recoverable		79,250	103,851	9,350	16,596
Amounts due from related companies	31	-	50,050	109,637	50,050
Short - term investments	32	813,347	1,202,224	30,926	38,235
Cash and cash equivalents	33	8,506,795	11,054,746	781,170	90,900
Total current assets		24,917,247	20,196,905	947,306	196,651
Total assets		105,344,411	79,487,506	11,421,931	9,016,473
EQUITY AND LIABILITIES					
EQUITY					
Stated capital	34	1,614,652	1,614,652	1,614,652	1,614,652
Capital reserves	35	5,041,071	3,722,540	-	-
Revenue reserves	36	20,726,563	18,616,187	7,513,446	6,275,687
Equity attributable to owners of the company		27,382,286	23,953,379	9,128,098	7,890,339
Non -controlling interest		26,024,270	24,702,515	-	-
Total equity		53,406,556	48,655,894	9,128,098	7,890,339
LIABILITIES					
Non - Current Liabilities					
Long - term borrowings	37	25,885,503	18,814,549	138,775	129,600
Trade and other payables	38	889,507	773,052	-	-
Employee benefits	39	545,631	334,093	-	-
Deferred tax liabilities	20	2,866,532	1,643,956	-	-
Total non - current liabilities		30,187,173	21,565,650	138,775	129,600
Current Liabilities					
Trade and other payables	38	8,803,089	3,761,574	75,455	69,493
Current tax liabilities		1,540,164	978,677	-	-
Amounts due to related companies	31	-	-	80,042	86,948
Long - term borrowings falling due within one year	37	2,660,313	2,168,984	138,775	128,000
Short - term borrowings	33	7,534,409	552,000	834,414	-
Bank overdrafts	33	1,212,707	1,804,727	1,026,372	712,093
Total current liabilities		21,750,682	9,265,962	2,155,058	996,534
Total liabilities		51,937,855	30,831,612	2,293,833	1,126,134
Total equity and liabilities		105,344,411	79,487,506	11,421,931	9,016,473
Net assets per ordinary share (Rs)	40	138.87	121.13	45.92	39.34

The Notes from pages 92 to 159 form an integral part of these financial statements.

I certify that these financial statements are in compliance with the requirements of Companies Act No. 7 of 2007.

(Sgd.)

A.P. Weeratunge
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board on 24th May 2012.

(Sgd.)

H. Selvanathan
Director

(Sgd.)

M. Selvanathan
Director

Colombo.

Statement of Changes in Equity

(Amounts expressed in Sri Lankan Rs. '000)

	Stated Capital			Capital Reserves		Other Capital Reserve
	Ordinary Share	Preference Share	Capital Redemption Reserve	Capital Accretion Reserve	Revaluation Reserve	
Group						
Balance as at 1st April 2010	618,255	500,000	251,636	1,602,445	2,042,592	1,206,613
Retrospective adjustment (Note A)						
Balance as at 1st April 2010 (Restated)	618,255	500,000	251,636	1,602,445	2,042,592	1,206,613
Capitalization of reserves	496,397					
Redemption of Preference shares	-	-	(25,314)	(38,488)	-	-
Revaluation of property plant & equipment	-	-	-	-	501,895	-
Appreciation of Long - term investments	-	-	-	-	-	-
Goodwill on change in shareholdings (Note B)	-	-	-	-	-	-
Negative goodwill on change in shareholdings (Note B)	-	-	-	-	-	-
Changes in equity	-	-	-	(1,500,909)	-	(437,216)
Transfer	-	-	-	-	-	-
Exchange translation differences	-	-	-	119,286	-	-
Net income recognized directly in equity	496,397	-	(25,314)	(1,420,111)	501,895	(437,216)
Profit for the Year	-	-	-	-	-	-
Total recognized Income and expenses	496,397	-	(25,314)	(1,420,111)	501,895	(437,216)
Dividend paid (Note 36)	-	-	-	-	-	-
Balance as at 31st March 2011	1,114,652	500,000	226,322	182,334	2,544,487	769,397
Redemption of Preference shares	-	-	-	-	-	-
Revaluation of property plant & equipment	-	-	-	-	105,800	-
Depreciation of Long - term investments	-	-	-	-	-	-
Goodwil on change in shareholdings (Note B)	-	-	-	-	-	-
Change in equity	-	-	-	-	-	254,268
Non-controlling interest arising on the acquisition of Subsidiaries	-	-	-	-	-	-
Exchange translation differences	-	-	-	-	-	958,463
Net income / (expenses) recognized directly in equity	-	-	-	-	105,800	1,212,731
Profit for the Year	-	-	-	-	-	-
Total recognized Income and expenses	-	-	-	-	105,800	1,212,731
Dividend paid (Note 36)	-	-	-	-	-	-
Balance as at 31st March 2012	1,114,652	500,000	226,322	182,334	2,650,287	1,982,128
Company						
Balance as at 1st April 2010	618,255	500,000	25,314	38,488	-	-
Capitalization of reserves	496,397	-	-	-	-	-
Redemption of Preference shares	-	-	(25,314)	(38,488)	-	-
Net income recognized directly in equity	496,397	-	(25,314)	(38,488)	-	-
Profit for the period	-	-	-	-	-	-
Dividend paid (Note 36)	-	-	-	-	-	-
Balance as at 31st March 2011	1,114,652	500,000	-	-	-	-
Capitalization of reserves	-	-	-	-	-	-
Redemption of Preference shares	-	-	-	-	-	-
Net income recognized directly in equity	-	-	-	-	-	-
Profit for the Year	-	-	-	-	-	-
Dividend paid (Note 36)	-	-	-	-	-	-
Balance as at 31st March 2012	1,114,652	500,000	-	-	-	-

Note A - Retrospective adjustment

During the current year Lion Brewery (Ceylon) PLC, a group entity, modified the classification of Returnable Containers comprising of bottles, crates, pallets and kegs from Inventories to Property, Plant and Equipment to reflect more appropriately the nature and the way in which the said assets are used in business operations.

The Notes from pages 92 to 159 form an integral part of these financial statements.



General Reserve	Currency Translation Reserve	Revenue reserves Investment Property Fair Value Adjustment Reserve	Long-term Investments revaluation Reserve	Retained Earnings	Attributable to owners of the company	Non - controlling interest	Total Equity
474,359	789,550	932,312	2,114,250	9,790,359 (169,960)	20,322,371 (169,960)	9,429,376 (261,848)	29,751,747 (431,808)
474,359	789,550	932,312	2,114,250	9,620,399 (496,397)	20,152,411 -	9,167,528 -	29,319,939 -
-	-	-	-	(47,448)	(111,250)	-	(111,250)
-	-	-	-	-	501,895	394,353	896,248
-	-	-	2,317,079	-	2,317,079	1,592,693	3,909,772
-	-	-	-	(218,218)	(218,218)	-	(218,218)
-	-	-	-	1,100,593	1,100,593	-	1,100,593
-	(124,741)	-	(64,288)	(2,511,888)	(4,639,042)	7,830,769	3,191,727
-	-	(180,408)	-	180,408	-	-	-
-	403,774	-	-	-	523,060	1,248,589	1,771,649
-	279,033	(180,408)	2,252,791	(1,992,950)	(525,883)	11,066,404	10,540,521
-	-	-	-	4,540,713	4,540,713	5,002,206	9,542,919
-	279,033	(180,408)	2,252,791	2,547,763	4,014,830	16,068,610	20,083,440
-	-	-	-	(213,866)	(213,866)	(533,626)	(747,492)
474,359	1,068,583	751,908	4,367,041	11,954,296	23,953,379	24,702,515	48,655,894
-	-	-	-	(55,000)	(55,000)	-	(55,000)
-	-	-	-	-	105,800	8,268	114,068
-	-	-	(1,793,197)	-	(1,793,197)	(1,284,668)	(3,077,865)
-	-	-	-	(1,802,941)	(1,802,941)	-	(1,802,941)
-	33,897	-	(222,153)	378,634	444,646	(1,822,576)	(1,377,930)
-	-	-	-	-	-	1,021,875	1,021,875
-	377,122	-	-	(164,670)	1,170,915	510,061	1,680,976
-	411,019	-	(2,015,350)	(1,643,977)	(1,929,777)	(1,567,040)	(3,496,817)
-	-	-	-	5,762,756	5,762,756	4,243,788	10,006,544
-	411,019	-	(2,015,350)	4,118,779	3,832,979	2,676,748	6,509,727
-	-	-	-	(404,072)	(404,072)	(1,354,993)	(1,759,065)
474,359	1,479,602	751,908	2,351,691	15,669,003	27,382,286	26,024,270	53,406,556
-	-	-	-	5,199,368	6,381,425	-	6,381,425
-	-	-	-	(496,397)	-	-	-
-	-	-	-	(47,448)	(111,250)	-	(111,250)
-	-	-	-	(543,845)	(111,250)	-	(111,250)
-	-	-	-	1,834,030	1,834,030	-	1,834,030
-	-	-	-	(213,866)	(213,866)	-	(213,866)
-	-	-	-	6,275,687	7,890,339	-	7,890,339
-	-	-	-	-	-	-	-
-	-	-	-	(55,000)	(55,000)	-	(55,000)
-	-	-	-	(55,000)	(55,000)	-	(55,000)
-	-	-	-	1,696,831	1,696,831	-	1,696,831
-	-	-	-	(404,072)	(404,072)	-	(404,072)
-	-	-	-	7,513,446	9,128,098	-	9,128,098

Note B

Changes in parent's ownership interest in Subsidiary that do not result in a loss of control are accounted for as equity transactions. These are recognised directly in equity and attributed to the owners of the parent.

Cash Flow Statement

(Amounts expressed in Sri Lankan Rs. '000)

	Group		Company	
	2012	2011 (Restated)	2012	2011
Cash Flows from Operating Activities				
Profit for the year	10,006,544	9,542,919	1,696,831	1,834,030
Adjustments for:				
Foreign exchange (gain) / loss	741,308	(516,162)	42,189	(10,750)
Gain from changes in fair value of investment properties	(24,907)	(30,248)	-	-
Gain on disposal of shares	(1,403,788)	-	(1,403,788)	(1,180,034)
Bargain purchase on acquisition of subsidiaries	(120,501)	(213,710)	-	-
Impairment of business assets	-	2,888	-	-
Adjustments on property, plant & equipments	-	131,341	-	-
Mark to market value adjustments - Unrealized	699,397	(217,363)	7,316	(17,685)
Share of net result of associates	(211,730)	13,270	-	-
Depreciation on property, plant & equipment	2,657,604	1,331,118	-	-
Amortization of intangible assets/prepaid lease payment	155,844	93,714	-	-
Provision for retiring gratuity	175,378	110,423	-	-
Finance expenses	2,004,542	689,373	100,523	80,308
Profit / (loss) on disposal of property, plant & equipment	(31,474)	4,185	-	-
Write off of property plant & equipments	4,576	432,526	-	-
Dividend received from Associate Companies	45,590	17,127	-	-
Income tax expenses	3,070,477	2,545,643	8,034	-
	7,762,316	4,394,125	(1,245,726)	(1,128,161)
Operating profit before working capital changes	17,768,860	13,937,044	451,105	705,869
(Increase)/decrease in inventories	(2,316,551)	(652,892)	-	-
(Increase)/decrease in trade and other receivables	628,434	426,655	(15,353)	1,665
(Increase)/decrease in amounts due from related companies	50,050	(3,709,443)	(87,638)	(280,118)
Increase/(decrease) in amounts due to related companies	-	-	(6,906)	(1,840)
Increase/(decrease) in trade and other payables	(1,843,213)	(46,688)	(4,517)	(353)
	14,287,580	9,954,676	336,691	425,223
Net cash movement in investment	(215,701)	(2,771,968)	-	-
Cash generated from operations	14,071,879	7,182,708	336,691	425,223
Interest paid	(2,079,815)	(816,953)	(93,001)	(80,308)
Income tax paid	(2,655,060)	(2,063,092)	(788)	(3,544)
Gratuity paid	(15,934)	(6,784)	-	-
Net cash generated from operating activities	9,321,070	4,295,879	242,902	341,371



(Amounts expressed in Sri Lankan Rs. '000)

	Group		Company	
	2012	2011 (Restated)	2012	2011
Cash Flows from Investing Activities				
Purchase and construction of property, plant & equipment	(11,790,739)	(4,070,941)	-	-
Purchase of Intangible assets/prepaid lease payment	(605,631)	(435,664)	-	-
Acquisition of Non -controlling interest	(2,927,016)	(265,427)	(1,628,397)	(1,023,334)
Acquisition of Subsidiaries net of cash (Note 27)	(4,414,720)	(308,774)	-	-
Investment in joint venture company	(20,000)	-	-	-
Proceeds from disposal of long - term investments in associates	-	-	1,405,428	1,354,250
Proceeds from disposal of property, plant & equipment	117,003	12,650	-	-
Proceeds from disposal of Assets held for sale	-	161,867	-	-
Deposits received	133,004	126,122	-	-
Deposits refunded	(16,549)	(4,238)	-	-
Net cash generated from/(used in) investing activities	(19,524,648)	(4,784,405)	(222,969)	330,916
Cash Flows from Financing Activities				
Proceeds from long - term loans	6,499,267	13,466,990	165,210	-
Repayment of borrowings	(4,024,918)	(2,774,848)	(187,451)	(130,649)
Repayment of finance lease creditors	(69,301)	(31,916)	-	-
Redemption of preference shares	(55,000)	(111,250)	(55,000)	(111,250)
Net decrease in non controlling interest	(683,695)	(533,624)	-	-
Dividend paid (including preference dividend)	(401,115)	(211,490)	(401,115)	(211,490)
Net cash generated from/(used in) financing activities	1,265,238	9,803,861	(478,356)	(453,389)
Net increase/(decrease) in cash & cash equivalents	(8,938,340)	9,315,335	(458,423)	218,898
Cash & cash equivalents at the beginning of the year	8,698,019	(617,316)	(621,193)	(840,091)
Cash & cash equivalents at the end of the year (Note 33b)	(240,321)	8,698,019	(1,079,616)	(621,193)

Notes from pages 92 to 159 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. REPORTING ENTITY

Carson Cumberbatch PLC is a limited liability company which is incorporated in Sri Lanka. The shares of the company have a primary listing on the Colombo Stock Exchange.

The registered office and principal place of business of the company is located at No. 61, Janadhipathi Mawatha, Colombo 1.

The consolidated Financial Statements for the year ended 31st March, 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually Group entities) and the Group's interest in its associates.

The Group is a diversified conglomerate and one of the foremost business establishments in Sri Lanka backed by a heritage of well over 100 years. Today it is positioned as a company whose outlook is regional, focused on a future which is technology-oriented, results driven and world class.

The businesses range from oil palm plantations and related oils & fats industry in Malaysia, India and Indonesia, to breweries, investment holdings, portfolio management, real estate and leisure in Sri Lanka. The Group has offices in Malaysia, Singapore, India and Indonesia.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review, other than the acquisition of new sector, oils & fats.

Of the 46 Subsidiaries and Associate and Joint Venture Companies set out in Note 27 (A) on pages 128 and 131 to the Financial Statements, 13 are listed on the Colombo Stock Exchange.

Group had 14,453 (2011 - 11,672) employees at the end of the financial year. The Company had no employees as at the Balance Sheet date.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company and the Group comprise the Balance Sheet, Statements of Income, Statement of Changes in Equity and Cash Flows together with the Notes to the Financial Statements. These statements are prepared in accordance with the Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Companies Act No. 7 of 2007.

The consolidated financial statements for the year ended March 31, 2012 were authorized for issue by the Board of Directors on 24th May 2012.

2.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements, except for the following;

- i. Freehold properties classified under Property Plant & Equipment (PPE) are measured at cost at the time of acquisition and subsequently at revalued amount, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.
- ii. Investment property is measured at fair value.
- iii. Short-term and Long-term quoted investments are measured at market value.

3. FUNCTIONAL AND PRESENTATION CURRENCY

All values presented in the Financial Statements are in Sri Lankan Rupees Thousand (Rs. '000) unless otherwise indicated.

The individual Financial Statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated Financial Statements are presented in Sri Lankan Rupees, which is also the Company's functional currency.

4. USES OF ESTIMATES AND JUDGMENTS

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation and uncertainty that have the most significant effect on the amounts recognized in the Financial Statements are described below.

4.1 Assessment of Impairment

The Group assesses at each Balance Sheet date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an asset or Cash Generating Unit (CGU) is the greater of its value in use and its fair value less costs to sell.



In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflects the current market assessments of the time value of money and risks specific to the asset.

The carrying value of goodwill is reviewed at each Balance Sheet date and is written down to the extent that it is no longer supported by probable future benefits. Goodwill is allocated to CGU for the purpose of impairment testing.

4.2 Current Taxation

Current tax liabilities arise to the Group in various Jurisdictions. These liabilities are provided for in the Financial Statements applying the relevant tax statutes and regulations which the management believes reflect actual liability. There can be instances where the stand taken by the Group on transactions is contested by Revenue Authorities. Any additional costs on account of these issues are accounted for as a tax expense at the point liability is confirmed on any Group entity.

4.3 Value of Unquoted Investments

The unquoted equity investments have been valued based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Company to make estimates about expected future cash flows and discount rates, and hence they are subject to uncertainty.

4.4 Defined Benefit Plan - Gratuity

The cost of defined benefit plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to uncertainty.

4.5 Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the level of future taxable profits together with future tax planning strategies.

JUDGMENTS

4.6 Owner Occupied Properties and Investment Property

In determining if a property qualifies as Investment Property the Company makes a judgment whether the property generates independent cash flows rather than cash flows that are attributable not only to the property but also other assets.

Judgment is also applied in determining if ancillary services provided are significant, so that a property does not qualify as investment property.

5. MATERIALITY AND AGGREGATION

Each material class of similar items is presented aggregated in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

6. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied by the Group consistent with the previous years except in the instance of returnable containers where previous classification has been modified as described in Note 6.8, 23 m, 29 and 30. The said change has been applied retrospectively.

6.1 Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities that are controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of Subsidiaries are included in the Consolidated Financial Statements from the date that control effectively commences until the date that control effectively ceases.

The Non-controlling Interest is presented in the Consolidated Balance Sheet within equity, separately from the Equity attributable to the Equity Holders of the Company. Minority Interest in the profit or loss of the Group is disclosed separately in the Consolidated Income Statement.

The Consolidated Financial Statements are prepared to common financial year end of 31st March. The accounting policies of Subsidiaries have been changed where ever necessary to align them with the policies adopted by the Group.

In the Company's financial statements, investments in subsidiaries are carried at cost less impairment if any, in net Recoverable value.

The carrying amount of the investment at the date that such entity ceases to be a Subsidiary would be regarded as the cost on initial measurement of a financial asset in accordance with Sri Lanka Accounting Standard 22 "Accounting for Investments".

A list of Subsidiaries within the Group is provided in Note 27 (a).

(ii) Transactions Eliminated on Consolidation

Intra-group transactions, balances and unrealized gains on transactions arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealized gains arising from transactions from transactions with quite accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are also eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

(iii) Transaction with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Transactions with Non-controlling interests are accounted for using the parent entity extension approach, whereby on acquisition of Non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognized directly in goodwill. Gain or loss on disposal to Non-controlling interests is recognized in the income statement.

(iv) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associates is accounted for using the equity method. Under the equity method, the investment in associate is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortized nor tested individually for impairment. Any excess of the Group's share of net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is recognized as income as part of the Group's share of profit or loss of the associate in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. The Group's profit or loss reflects share of the associates' profit or loss after tax and non-controlling interests in the subsidiaries of associates. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the income statement. The financial statements of associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognized in the income statement.

(v) Jointly controlled operations

A jointly controlled operation is a joint venture carried on by each venture using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

(vi) Financial year end

All companies in the Group have a common financial year which ends on 31st March.

6.2 Foreign Currencies

(i) Foreign Currency Transactions

In preparing the Financial Statements of individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in functional currencies using exchange rates prevailing at the dates of the transactions. At each Balance Sheet date, monetary items denominated in foreign currencies are translated at rates prevailing on the Balance Sheet date.

Exchange differences arising on settlement of monetary items, and on translation of monetary items, are included in profit or loss for the period except for exchange differences arising in relation to the development of palm oil plantation and on monetary items that form part of the Group's net investment in foreign operations. Exchange differences incurred in relation to the development of palm oil plantation are capitalized to the related qualifying asset.



Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operations, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognized in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operations, are recognized in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations, regardless of the currency of the monetary item, are recognized in profit or loss in the Company's Financial Statements or the individual Financial Statements of the foreign operations, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognized directly in equity. Exchange differences arising from such non-monetary items are also recognized directly in equity.

(ii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (LKR) of the consolidated Financial Statements are translated into LKR as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the Balance Sheet date.
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- On disposal of foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the income statement.
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

- The exchange rates applicable during the period were as follows:

	Balance Sheet Closing rate		Income Statement Average Rate	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
Malaysian Ringgit	41.84	36.46	36.39	35.43
US Dollar	128.10	110.40	112.18	112.13
Indonesian Rupiah (Rp)	0.01295	0.01268	0.0127	0.01252
Singapore Dollar	101.89	87.56	89.32	83.77
Indian Rupee (INR)	2.50	-	2.34	-

ASSETS AND BASES OF THEIR VALUATION

Assets classified as current assets in the Balance Sheet are cash and those which are expected to realize in cash, during the normal operating cycle of the Company's business, or within one year from the Balance Sheet date, whichever is shorter. Assets other than current assets are those which the Company intends to hold beyond a period of one year from the Balance Sheet date.

6.3 Property, Plant & Equipment and Depreciation

(a) Basis of Recognition

All items of property, plant & equipment are initially recorded at cost. Where items of property, plant & equipment are subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the balance sheet date. Subsequent to the initial recognition of the asset at cost the revalued property, plant & equipment are carried at revalued amounts less accumulated depreciation thereon and accumulated impairment losses. The Group applies revaluation model to freehold properties and cost model to the remaining assets under property, plant & equipment which are stated at historical cost less accumulated depreciation less accumulated impairment losses, if any.

(b) Revaluation of Freehold Properties

The freehold properties of the Group are carried at revalued amounts. Revaluation of these assets are carried out at least once in five (5) years in order to ensure the book value reflect the realizable value of such assets, and are depreciated over the remaining useful lives of such assets, wherever applicable.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognized as an expense. In these circumstances the increase is recognized as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to accumulated profits on retirement or disposal of the asset.

(c) Restoration Costs

Expenditure incurred on repairs or maintenance of Property, plant & equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

(d) Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost or valuation of all Property, plant & equipment other than freehold land, in order to write off such amounts over the following estimated useful lives:

Number of years

Land improvements	30
Buildings - Leased	20
- Freehold	20
Plant & machinery	5 - 27
Motor vehicles	4 - 5
Furniture, fittings & office	5 - 16
Computers	3 - 5
Mature plantations	30
Returnable Containers	5
Cutlery, Crockery and glassware	5

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Land improvement costs are depreciated in the year the area planted becomes mature and ready for harvest.

(e) Disposal

The gains or losses arising on disposal or retirement of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment are recognized net within Other

Income in the Income Statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(f) Subsequent Costs

Repairs and maintenance costs are taken to the income statement during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and is depreciated over the remaining useful life of the asset.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

6.4 Capital Work-in-Progress

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital in progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

6.5 Project Expenditure

Project Expenditure in respect of preoperational activities is capitalized with the respective assets.

6.6 Plantations

(i) Permanent Land Development Costs

Land development costs incurred in respect of developing the land for cultivation which are permanent in nature, are capitalized.

(ii) Limited Life Land Development Cost

Limited life land development costs incurred in respect of new planting, replanting, inter-planting and crop diversifying including infilling cost of the oil palm plantation are capitalized in accordance with the Sri Lanka Accounting Standard 32 - 'Plantation'. The limited life land development costs are amortized over the estimated productive lives, at the commencement of commercial harvest, which has the characteristics explained on the next page



Time lag between Planting and Commercial Harvest	3-4 years
Duration of Commercial Harvest	26 years

6.7 Land rights

Land rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. Land use rights are depreciated over 30 years.

6.8 Returnable Containers

Returnable containers of Subsidiary Lion Brewery (Ceylon) PLC are classified under Property, Plant and Equipment. All purchases of Returnable Containers will be recognised at cost and depreciated over a period of 5 years. In the event a returnable container breaks within the premises of the company, the written down value, on a First in First out (FIFO) basis, will be charged to Income Statement as breakages.

Deposits are collected from the Agents for the Returnable Containers in their possession and is classified under non current liabilities as explained in Note 38(b). The said deposit will be refunded to the Agent only upon them returning these returnable containers due to cessation of their operation or due to an contraction in sales.

6.9 Investment Property

Investment property is property held either to earn rental income or capital appreciation or for both. But not for sale on the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the balance sheet date. Formal valuations are carried out every 3 years by qualified valuers. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the Investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the Income Statement in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by commencement/

end of owner occupation, commencement of development with a view to sale, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant & equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the income statement. When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the Income Statement.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

6.10 Intangible Assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units identified according to its business unit., that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in the income

statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that cash-generating unit (or group of cash-generating units) is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash generating unit

(ii) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets.

The estimated useful lives of other intangible assets are as follows:

	Years
Customer relationship	10
Land rights	30
Software licences	3 to 10
Excise Licence	10

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

Gains or losses arising from the derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Software

All computer software costs incurred, licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the Balance Sheet under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses. These costs are amortised to the income statement using the straight line method over 3 to 10 years.

Excise Licenses

Licenses and others are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight line method over 10 years.

6.11 Investments

(i) Classification

Investments in subsidiaries and associates of the Company are treated as long-term investments and stated at cost. Other investments which are held for yield or capital appreciation are also classified as long-term investments. Investments that are intended to be held for trading purposes are classified as short-term investments.

(ii) Cost

Cost of investments is the cost of acquisition including brokerage, commission and other fees.

(iii) Valuation - Quoted Investments

The quoted investments that are acquired principally for the purpose of selling or held as part of a portfolio that is managed for short term profit are classified as short term investments. Those investments are initially recognized at cost and subsequently measured at market value. Gains and losses on market valuation are dealt with through the income statement. The quoted investments that are acquired and held for capital growth in the medium/long term are classified as long term investments. These are initially recognized as cost and subsequently measured at revalued amounts on quarterly basis.

(iv) Valuation - Unquoted Investments

All unquoted investments are carried at lower of cost and Directors' valuation, if any. Provision is made for any permanent diminution in value.



(v) **Market Value of the Investment Portfolio**

The market value of the investment portfolio is based on the following:

- (a) Marketable equity securities are stated at the values published in the Official Valuation List of the Colombo Stock Exchange. Where the Official Valuation is not available, the market value is stated at the last transacted price.
- (b) Units purchased from Unit Trusts are valued at the manager's buying price as at the Balance Sheet date.

6.12 Inventories

Inventories are recognized at cost and net realizable value whichever is lower after making due allowance for obsolete and slow moving items, except for fresh fruit bunches which are valued at since realized values.

The cost of inventories is determined on a weighted average basis for food items which are ascertained on a first-in-first-out basis. The costs are derived on the following bases:

Raw Material and Containers - cost of purchase together with any incidental expenses.

Work-in-Progress - raw material cost and a proportion of manufacturing expenses.

Finished Goods - raw material cost and manufacturing expenses in full.

Land held for Development and Sales - Cost and development costs including borrowings costs up to Point of completion for revenue recognition. However limited to the realizable value on valuation.

Linen Stock - in the year of purchase at cost of purchase and in the second year in use at 25% of the Cost of purchase.

6.13 Trade and Other Receivables

Trade and other receivables are carried at original invoice amount less provision for impairment of trade receivables when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement under 'selling and marketing costs' When a trade receivable is uncollectible, it is written off against the provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

6.14 Cash & Cash Equivalents

Cash & cash equivalents are defined as cash in hand and bank, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of the Cash Flow Statement, cash & cash equivalents comprise of cash in hand and bank deposits held in banks and investments in money market instruments, net of short term loans and bank overdraft.

6.15 Impairment of Assets

The Group assesses assets or groups of assets for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying value of assets may not be recoverable. If any such indication of impairment exists, the Group makes an estimate of its recoverable amount. Individual assets are grouped for impairment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined; net of depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Assets with an indefinite useful life, including goodwill, are not subject to amortization and are tested on an annual basis for impairment and additionally whenever an indication of impairment exists. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of an asset is the higher of its fair value less costs to sell or its value in use. Any decrease in the carrying value is recognized as an expense in the Income Statement in the reporting period in which the impairment loss occurs.

For assets that do not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs. Management

judgment is applied to establish cash generating units. Each of these cash generating units is represented by an individual primary reporting segment, or a subdivision of a primary segment.

An impairment loss in respect of goodwill is not reversed. In respect of other assets impairment losses recognized in prior periods, are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

LIABILITIES AND PROVISIONS

6.16 Liabilities

Liabilities classified as current liabilities in the Balance Sheet are those obligations payable on demand or within one (1) year from the Balance Sheet date. Items classified as non-current liabilities are those obligations which expire beyond a period of one (1) year from the Balance Sheet date.

6.17 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

6.18 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The group does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

6.19 Employee Benefit

(i) Defined Benefit Plan – Gratuity

(a) Sri Lankan Subsidiaries

All local companies are liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983.

Gratuity provision for employees are made using the assumption of an actuarial valuation as at 31st March 2009, carried out by a firm of independent professional Actuaries. As recommended by the Sri Lanka Accounting Standard No. 16 "Employee Benefit", the "Projected Unit Credit" (PUC) method has been used in this valuation.

Such actuarial valuations will be carried out once in every year.

The liability is not externally funded.

(b) Indonesian Subsidiaries

These subsidiaries recognize an unfunded retirement benefits liability, relating to the settlement of termination, gratuity, compensation and other benefits set forth in Labor Law No. 13 year 2003 (Law No. 13/2003) based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Method". Actuarial gains or losses are recognized as income or expense when the cumulative actuarial gains or losses exceed 10% of the defined benefit obligation. These gains or losses are recognized over the expected remaining working lives of employees.

(c) Malaysian Subsidiaries

Appropriate provisions for defined benefit plan for the Company's operations in Malaysia are made in the financial statements where employees have served in the Company's operations in Malaysia for more than five years and fulfilling the conditions in the Malaysian Agricultural Producers Association/national Union Plantation Workers' Agreement. The provisions are charged to the Income statement in the year in which services are rendered by the employees.



(d) Singaporean Subsidiary

The Singapore Company in the Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognized as an expense in the period in which the related service is performed.

(ii) **Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund**

All employees who are eligible for Provident Fund contributions and Trust Fund contributions are covered by relevant contribution funds in line with the respective statutes. Employer's contributions to the defined contribution plans are recognized as an expense in the Income Statement when incurred.

6.20 Interest-Bearing Loans and Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the end of the reporting period.

(a) Borrowing cost

Borrowing costs are recognised in the income statement as incurred except to the extent that they are capitalised. Borrowing costs are capitalised as part of cost of a qualifying assets if they are directly attributable to the acquisition, construction or production of the qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(b) Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the term of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in the income statement over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the income statement.

(c) Leases

(i) Finance Lease

Leases of property, plant & equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Assets held under finance lease are capitalized at the cash price as part of property, plant & equipment and depreciated over the shorter of the estimated useful lives of the assets or the lease term.

Upon initial recognitions assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the estimated present value of the minimum lease payments at the date of inception less accumulated depreciation and impairment losses. In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the group's incremental borrowing rate is used.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations and net of finance charges are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

Property, plant and equipment acquired under finance lease contracts are depreciated over the useful life of the asset. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

(ii) Operating Lease

Lease of assets under which all the risks and benefits of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

6.21 Stated Capital

Ordinary shares and preference shares are classified as equity and incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

INCOME STATEMENT

6.22 Revenue Recognition

The Group revenue represents sales to customers outside the Group and sales within the Group which are intended for internal consumption.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes, and after eliminating sales within the Group. The following specific criteria are used for the purpose of recognition of revenue:

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- Revenue from time and material contracts is recognized at the contractual rates as labor hours are delivered and direct expenses are incurred.

Royalties

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend Income

When the shareholders' right to receive dividend is established.

Sale of Fresh Fruit Bunches

Upon delivery and acceptance by customers.

Rental Income

On a time proportion basis.

Proceeds on Sales of Shares

On accrual basis.

Other Income - on accrual basis.

Net gains and losses of a revenue nature resulting from the disposal of property, plant & equipment have been accounted for in the Income Statement.

Profits or losses on disposal of investments are accounted for in the Income Statement on the basis of realized net profit.

6.23 Expenditure Recognition

(i) Operating Expenses

All expenses incurred in day-to-day operations of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit or loss for the year. Provision has also been made for bad and doubtful debts, all known liabilities and depreciation on property, plant & equipment.

(ii) Finance Expenses

Interest expenses are recognized on an accrual basis.

(iii) Borrowing Costs

All borrowing costs are recognized as an expense in the period in which they are incurred except those that are directly attributable to the construction or development of property, plant & equipment/biological assets which are capitalized as a part of the cost of that asset during the period of construction or development.

6.24 Income Tax Expense

Income tax expenses comprise current and deferred tax. Income tax expenses are recognized in the Income Statement except to the extent that it relates to the items recognized directly in equity, in which case it is recognized in Statement of Changes in Equity.

(i) Current Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered



from or paid to Revenue Authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

The provision for current tax on Sri Lankan operations is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act.

Current tax has been provided on overseas operations in accordance with the relevant statutes in force in the countries in which operations are carried out.

The relevant details are disclosed in respective notes to the Financial Statements.

(ii) Deferred Taxation

Deferred income tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that

taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or recognised in the income statement.

(iii) Economic Service Charge (ESC)

As per the provisions of Economic Service Charge Act No. 13 of 2006 and amendments thereto, is payable on "Liable Turnover" and is deductible from the income tax payments. Any unclaimed ESC can be carried forward and settle against the income tax payable in the four subsequent years.

(iv) Social Responsibility Levy (SRL)

As per the provisions of Finance Act No. 5 of 2005, and amendments thereto, the SRL was introduced with effect from January 1, 2005. SRL is payable at the rate of 1.5% on all taxes and levies chargeable as specified in the First Schedule of the Act.

(v) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

6.25 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

6.26 Segmental Information

Segmental information is presented for identifiable operative units of the Group classified according to two segment formats, namely, business and geographical segments.

(i) Business Segment

The activities of the Group have been broadly classified into seven segments according to the nature of product or service rendered.

(ii) Geographical Segment

The activities of the Group have been broadly classified into five segments, namely, operations within Sri Lanka, Malaysia, Indonesia, Singapore and India based on geographical spread of operations.

Segmental expenses are expenses that are directly attributed to a segment or a relevant portion of expenses that can be allocated on a reasonable basis as determined by the Management.

6.27 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is charged.

6.28 Events after the Balance Sheet Date

All material and important events which occur after the Balance Sheet date have been considered and disclosed in Note 44.

7 DIVIDENDS ON ORDINARY AND PREFERENCE SHARES

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company.

Dividends on preference shares are accrued in the Financial Statements.

8 CASH FLOW

Interest paid, interest received and dividend received are classified as operating cash flows, while dividend paid is classified as financing cash flows for the purpose of presentation of Cash Flow Statement which has been prepared using the "Indirect Method".

9 PRESENTATION

Assets and liabilities are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern. Where appropriate, the significant accounting policies are disclosed in the succeeding Notes.

Offsetting Income and Expenses

Income and expenses are not offset unless required or permitted by accounting standards.



Offsetting Assets and Liabilities

Assets and liabilities are offset and the net amount reported in the Balance Sheet only where there is:

- A current enforceable legal right to offset the asset and liability; and
- An intention to settle on a net basis, or to realize the asset and settle the liability simultaneously

10 DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and presentation of the Financial Statements. This is more fully described under the relevant clause in the Directors' Report.

11 CHANGES TO THE ACCOUNTING POLICIES AND EFFECT OF ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

(i) Changes to the Accounting Policies

There were no changes to the Accounting Policies adopted by the Group during the year under review except for the accounting policy adopted on returnable containers.

(ii) New accounting standards issues but not effective as at balance sheet date

The institute of Chartered Accountants of Sri Lanka has issued a new volume of Sri Lanka Accounting Standards which will become applicable for financial periods beginning on or after 1 January 2012. Accordingly, these standards have not been applied in preparing these financial statements as they were not effective for the period ended 31 March 2012.

These Sri Lanka Accounting Standards comprise accounting standards prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS). Application of Sri Lanka Accounting Standards prefixed SLFRS and LKAS for the first time shall be deemed to be an adoption of SLFRSs.

The Company and the Group is currently in the process of evaluating the potential effects of these standards on its financial statements, with the assistance of an independent consultant.

(Amounts expressed in Sri Lankan Rs. '000)

12 REVENUE

Revenue Analysis

	Group		Company	
	2012	2011	2012	2011
(i) Gross Revenue	71,279,004	36,637,278	510,371	746,090
Taxes to the Government of Sri Lanka	(2,204,416)	(2,008,292)	-	-
Net Revenue	69,074,588	34,628,986	510,371	746,090
Goods and Services analysis				
Sale of Goods	66,387,109	31,664,153	-	-
Services				
Investment income	4,410,798	6,414,437	510,371	746,090
Real Estate income	126,729	175,566	-	-
Commission, management services & royalty fees	2,425,800	1,789,923	-	-
Hospitality services	427,544	336,758	-	-
	7,390,871	8,716,684	510,371	746,090
Net revenue before intra - group transactions	73,777,980	40,380,837	510,371	746,090
Less: Intra - group transactions	(4,703,392)	(5,751,850)	-	-
Net Revenue	69,074,588	34,628,986	510,371	746,090

A detailed analysis of Group Revenue highlighting the contribution from different segments is given under 'Segmental Information' in Note 12 (iii) & (iv) (page 108 to 110) to the financial statements.

(ii) Segmental Information

For management purposes the Group's primary format for segment reporting is Industry segments and the secondary format is geographical segments. The risks and returns of the Group's operations are primarily determined by the nature of the different activities that the Group engages in, reflected by the said industry segment.

This is reflected by the Group's organizational structure. Industry segment activities of the Group have been broadly classified into seven segments: Investment Holdings, Oil Palm Plantations, Beverage, Real-Estate, Leisure, Oils & fats and Management Services according to the nature of products or services rendered. The principal products and services of each segment are as follows.

Investment Holding	-	Investments in listed, private equities and fixed income instruments
Oil Palm Plantations	-	Production and sale of palm oil and palm kernel and fresh fruit bunches to the domestic and international markets
Beverage	-	Production and sale of Beer
Real Estate	-	Office and warehouse premises on rent for commercial purpose.
Leisure	-	Hoteliering & Airline Ticketing
Management Services	-	Providing Management Services
Oils & Fats	-	Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate & confectionery, ice cream and creamer industries and cooking oil products to the end consumers.



(Amounts expressed in Sri Lankan Rs. '000)

12 REVENUE (Contd.)

(ii) Segmental Information

Sales between segments are made at market prices or prices that approximate market prices. Segment revenue, segment expense and segment result include transactions between industry segments. These transactions and any unrealized profits and losses are eliminated on consolidation. Segmental expenses are expenses that are directly attributed to a relevant segment or a portion of expenses that can be allocated on a reasonable basis as determined by the Management.

The Group's geographical segments are based on the location of the Group's assets and spread of operations. The activities of the Group have been broadly classified into four geographical segments, namely, operations within Sri Lanka, Malaysia, Indonesia, Singapore and India. Sales to external customers are segmented based on the location of the seller. The principal products and services of each geographical segments are as follows:

Sri Lanka	-	Investment holding, production & sale of Beer, renting of office and warehouse premises on rent for commercial purpose, Hoteliering, Airline Ticketing and providing Management Service.
Malaysia	-	Production and sale of fresh fruites business, Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate & confectionery, ice cream and creamer industries and cooking oil products to end consumers.
Indonesia	-	Production and sale of palm oil palm kernel to the domestic and international markets and providing management services.
Singapore	-	Investments.
India	-	Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate & confectionery, ice cream and creamer industries and cooking oil products to the end consumers.

Principal categories of customers

The principal categories of customers for these goods and services are corporate customers, wholesale and retail customers. The group's reportable segments are therefore as follows:

Investment Holdings	-	Corporate & retail customers
Oil Palm Plantations	-	Corporate customers
Beverage	-	Wholesale & retail customers
Real Estate	-	Corporate customers
Leisure	-	Corporate & retail customers
Oils & Fats	-	Corporate & retail customers
Management Services	-	Corporate customers

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

12 REVENUE (Contd.)

(iii) SEGMENTAL INFORMATION - The Primary segments (business segments)

(a) Segment results are as follows:

For the year ended 31st March	Investment Holdings		Oil Palm Plantations		Oil & Fats
	2012	2011	2012	2011	2012
Total revenue	4,824,583	5,001,273	31,451,672	22,791,074	20,167,643
Intra segment revenue	(340,377)	(2,606,700)	(3,348,134)	(2,156,667)	(68,378)
Segment revenue	2,484,206	2,394,573	28,103,538	20,634,407	20,099,265
Inter segment revenue	(363,075)	(558,601)	-	-	-
Revenue	2,121,130	1,835,972	28,103,538	20,634,407	20,099,265
Segment results	2,659,977	1,951,190	10,544,682	8,589,892	(362,385)
Finance expenses	(104,977)	(101,229)	(770,304)	(352,497)	(687,570)
Foreign exchange gain	-	-	(741,308)	516,162	-
Share of net result of associates	211,730	18,526	-	(31,796)	-
Profit/ (loss) before income taxation	2,766,730	1,868,487	9,033,070	8,721,761	(1,049,955)
Income tax expenses					
Current taxation	(25,624)	(5,937)	(2,327,912)	(1,735,220)	(63,503)
Deferred taxation	1,103	-	98,756	(226,651)	175,082
Profit/ (loss) for the year	2,742,209	1,862,550	6,803,914	6,759,890	(938,376)
Attributable to:					
Owners of the Company	2,248,709	1,108,255	3,317,880	3,008,568	(515,197)
Non controlling interest	493,500	754,295	3,486,034	3,751,322	(423,179)
	2,742,209	1,862,550	6,803,914	6,759,890	(938,376)

(b) Segment Assets / Liabilities are as follows:

ASSETS					
Non - Current Assets					
Property, plant & equipment/Investment properties	4,666	6,446	49,798,973	35,940,854	8,227,057
Intangible assets	190,017	188,021	1,526,037	1,271,565	1,801,747
Long - term investments / Associates	8,936,649	11,791,360	-	-	-
Deferred tax assets	-	-	812,875	395,641	-
Land compensation receivable	-	-	-	-	-
Total non - current asset	9,131,332	11,985,827	52,137,885	37,608,060	10,028,804
Current Assets					
Inventories	-	-	3,392,235	2,796,240	3,416,324
Trade and other receivables	81,818	159,862	2,853,403	3,200,297	3,249,103
Short - term investments	813,347	1,202,224	-	-	-
Cash and cash equivalents	2,084,313	490,703	3,396,680	9,385,508	309,835
Total current assets	2,979,478	1,852,789	9,642,318	15,382,045	6,975,262
Total segmental assets	12,110,810	13,838,616	61,780,203	52,990,105	17,004,066
SEGMENT LIABILITIES					
Non - Current Liabilities					
Long - term borrowings	138,775	129,600	20,675,336	17,399,038	3,897,576
Long - term creditors	-	-	-	-	-
Deferred tax liabilities	791	1,896	1,497,319	1,122,366	662,959
Employee benefits	3,564	1,721	434,782	251,541	6,105
Total non - current liabilities	143,130	133,217	22,607,437	18,772,945	4,566,640
Current Liabilities					
Trade and other payables	138,111	125,787	5,332,395	3,214,367	2,894,469
Long - term borrowings falling due within one year	138,775	128,000	2,075,220	1,804,194	79,280
Short - term borrowings / Bank overdrafts	1,852,014	1,241,562	1,281,000	552,000	5,428,410
Total current liabilities	2,128,900	1,495,349	8,688,615	5,570,561	8,402,159
Total segmental liabilities	2,272,030	1,628,566	31,296,052	24,343,506	12,968,799

(c) Other Information

Total cost incurred during the period to acquire					
Property Plant & Equipment	1,239	602	9,109,710	3,258,544	1,283,443
Intangible assets (including land right)	-	-	569,770	431,376	14,340
Depreciation and amortization	5,491	3,990	1,928,747	1,072,506	371,044
Salaries and wages	50,794	27,563	4,264,397	2,937,553	417,868
Provision for Retirement benefit Obligations	1,844	1,157	132,841	76,671	5,803



Beverage		Real Estate		Leisure		Management Services		Group	
2012	2011 (Restated)	2012	2011	2012	2011	2012	2011	2012	2011
18,519,825	11,867,534	142,619	179,744	433,140	340,931	238,498	200,281	73,777,980	40,380,837
(319,791)	(213,988)	(15,891)	(4,023)	-	-	-	-	(4,092,571)	(4,981,378)
18,200,034	11,653,546	126,728	175,721	433,140	340,931	238,498	200,281	69,685,409	35,399,459
-	-	(13,553)	(14,964)	-	-	(234,193)	(196,907)	(610,821)	(770,472)
18,200,034	11,653,546	113,175	160,757	433,140	340,931	4,305	3,374	69,074,588	34,628,986
2,610,283	1,650,604	53,874	39,517	134,794	75,245	(30,083)	(31,406)	15,611,141	12,275,043
(429,591)	(204,218)	(6,920)	(26,334)	(5,110)	(5,005)	(70)	(90)	(2,004,542)	(689,373)
-	-	-	-	-	-	-	-	(741,308)	516,162
-	-	-	-	-	-	-	-	211,730	(13,270)
2,180,692	1,446,386	46,954	13,183	129,684	70,240	(30,153)	(31,496)	13,077,021	12,088,562
(811,673)	(521,712)	(659)	(11,102)	(10,594)	(8,573)	(1,183)	(4,431)	(3,241,148)	(2,286,975)
(97,211)	(53,623)	(1,771)	24,679	(5,288)	(3,073)	-	-	170,671	(258,668)
1,271,808	871,051	44,524	26,760	113,802	58,594	(31,336)	(35,927)	10,006,544	9,542,919
594,611	379,975	42,398	25,323	105,692	54,518	(31,336)	(35,927)	5,762,756	4,540,713
677,197	491,076	2,126	1,437	8,110	4,076	-	-	4,243,788	5,002,206
1,271,808	871,051	44,524	26,760	113,802	58,594	(31,336)	(35,927)	10,006,544	9,542,919
5,102,811	4,197,373	2,425,955	1,872,277	1,079,659	907,287	12,062	27,846	66,651,183	42,952,083
291,368	286,236	27,584	27,584	-	-	241	340	3,836,994	1,773,746
-	2,187,086	-	-	-	-	-	-	8,936,649	13,978,446
-	-	-	-	-	1,222	-	-	812,875	396,863
-	-	-	-	189,463	189,463	-	-	189,463	189,463
5,394,179	6,670,695	2,453,539	1,899,861	1,269,122	1,097,972	12,303	28,186	80,427,164	59,290,601
1,341,576	670,284	10,913	503,155	13,529	14,114	68	89	8,174,645	3,983,882
1,146,563	511,334	8,140	7,320	63,851	45,124	19,582	32,116	7,422,460	3,956,053
-	-	-	-	-	-	-	-	813,347	1,202,224
2,590,838	1,099,606	16,446	24,021	74,833	51,120	33,850	3,788	8,506,795	11,054,746
5,078,977	2,281,224	35,499	534,496	152,213	110,358	53,500	35,993	24,917,247	20,196,905
10,473,156	8,951,919	2,489,038	2,434,357	1,421,335	1,208,330	65,803	64,179	105,344,411	79,487,506
1,148,803	1,251,728	-	-	25,013	34,183	-	-	25,885,503	18,814,549
858,737	744,062	30,770	28,990	-	-	-	-	889,507	773,052
575,475	408,928	112,538	110,766	17,450	-	-	-	2,866,532	1,643,956
66,261	51,628	4,739	4,605	9,510	7,230	20,670	17,368	545,631	334,093
2,649,276	2,456,346	148,047	144,361	51,973	41,413	20,670	17,368	30,187,173	21,565,650
1,872,500	1,281,448	11,622	26,436	57,661	45,365	36,495	46,848	10,343,253	4,740,251
358,470	85,322	-	142,000	8,568	9,468	-	-	2,660,313	2,168,984
185,692	558,946	-	-	-	4,219	-	-	8,747,116	2,356,727
2,416,662	1,925,716	11,622	168,436	66,229	59,052	36,495	46,848	21,750,682	9,265,962
5,065,938	4,382,062	159,669	312,797	118,202	100,465	57,165	64,216	51,937,855	30,831,612
1,357,064	923,055	25,534	27,602	79,432	22,813	4,381	10,904	11,860,803	4,243,520
21,360	4,288	-	-	-	-	161	-	605,631	435,664
461,184	354,547	9,854	9,490	16,705	16,101	20,423	13,197	2,813,448	1,469,831
564,455	447,214	26,115	31,000	77,320	61,826	116,615	114,369	5,517,564	3,619,525
15,134	17,710	736	2,036	2,554	2,869	16,466	9,980	175,378	110,423

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

12 REVENUE (Contd.)

(iv) SEGMENTAL INFORMATION - The Secondary segments (geographical segments)

(a) Segment results are as follows:

For the year ended 31st March	Sri Lanka		Malaysia		Indonesia		Singapore		India		Group	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2012	2011	
Revenue	21,112,224	14,105,176	15,780,424	1,113,820	25,877,981	19,185,409	1,001,028	224,581	5,302,931	69,074,588	34,628,986	
Segment results	5,741,278	4,013,288	823,320	778,501	9,592,769	7,267,411	(25,983)	215,842	(520,242)	15,611,141	12,275,043	
Finance expenses	(529,171)	(336,930)	(378,014)	-	(573,088)	(348,629)	(214,714)	(3,814)	(309,555)	(2,004,542)	(689,373)	
Foreign exchange gain	-	-	-	-	(741,308)	516,162	-	-	-	(741,308)	516,162	
Share of net result of associates	211,730	18,526	-	-	-	(31,796)	-	-	-	211,730	(13,270)	
Profit/(loss) before taxation	5,423,837	3,694,884	445,306	778,501	8,278,373	7,403,148	(240,697)	212,028	(829,797)	13,077,021	12,088,562	
Income tax expenses												
Current taxation	(849,953)	(639,404)	(179,362)	(174,847)	(2,137,192)	(1,472,658)	(20,316)	(66)	(54,325)	(3,241,148)	(2,286,975)	
Deferred taxation	(103,166)	(32,016)	187,642	65	98,055	(226,717)	-	-	(11,860)	170,671	(258,668)	
Profit/(loss) for the year	4,470,718	3,023,464	453,586	603,719	6,239,236	5,703,773	(261,013)	211,962	(895,982)	10,006,544	9,542,919	
Attributable to:												
Owners of the Company	3,123,390	1,689,609	228,415	212,882	3,023,847	2,644,907	(135,066)	(6,686)	(477,829)	5,762,756	4,540,713	
Non controlling interest	1,347,328	1,333,855	225,171	390,837	3,215,389	3,058,866	(125,947)	218,648	(418,153)	4,243,788	5,002,206	
	4,470,718	3,023,464	453,586	603,719	6,239,236	5,703,773	(261,013)	211,962	(895,982)	10,006,544	9,542,919	

(b) Segment Assets / Liabilities are as follows:

Segment Assets											
Non - Current Assets											
Property, plant & equipment/ Investment properties	8,791,676	7,083,541	12,039,907	5,075,439	43,764,580	30,793,103	-	-	2,055,020	66,651,183	42,952,083
Intangible assets	602,015	575,393	1,506,286	1,318	1,431,229	1,197,035	-	-	297,464	3,836,994	1,773,746
Long - term investments	8,936,649	11,791,360	-	-	-	-	-	2,187,086	-	8,936,649	13,978,446
Deferred tax assets	-	1,223	2,329	2,577	810,546	393,063	-	-	-	812,875	396,863
Land compensation receivable	189,463	189,463	-	-	-	-	-	-	-	189,463	189,463
Total non - current asset	18,519,803	19,640,980	13,548,522	5,079,334	46,006,355	32,383,201	-	2,187,086	2,352,484	80,427,164	59,290,601
Current Assets											
Inventories	1,366,661	1,188,265	2,301,879	2,762	3,388,458	2,792,855	-	-	1,117,647	8,174,645	3,983,882
Trade and other receivables	1,568,726	863,988	2,856,903	75,866	2,423,571	2,251,367	122,213	764,832	451,047	7,422,460	3,956,053
Short - term investments	813,347	1,202,224	-	-	-	-	-	-	-	813,347	1,202,224
Cash and cash equivalents	5,150,760	1,817,713	858,013	669,992	1,539,426	7,384,124	690,570	1,182,917	268,026	8,506,795	11,054,746
Total current assets	8,899,494	5,072,190	6,016,795	748,620	7,351,455	12,428,346	812,783	1,947,749	1,836,720	24,917,247	20,196,905
Total segmental assets	27,419,297	24,713,170	19,565,317	5,827,954	53,357,810	44,811,547	812,783	4,134,835	4,189,204	105,344,411	79,487,506
Segment Liabilities											
Non - Current Liabilities											
Long - term borrowings	1,312,587	1,415,511	3,897,575	-	13,629,840	12,983,038	7,045,500	4,416,000	-	25,885,503	18,814,549
Long - term creditors	889,507	773,052	-	-	-	-	-	-	-	889,507	773,052
Deferred tax liabilities	706,255	521,590	730,950	68,772	1,429,327	1,053,594	-	-	-	2,866,532	1,643,956
Employee benefits	108,869	86,191	9,631	7,105	421,028	240,797	-	-	6,103	545,631	334,093
Total non - current liabilities	3,017,218	2,796,344	4,638,156	75,877	15,480,195	14,277,429	7,045,500	4,416,000	6,103	30,187,173	21,565,650
Current Liabilities											
Trade and other payables	2,161,471	1,577,130	863,352	48,267	5,210,764	3,107,109	62,897	7,743	2,044,769	10,343,253	4,740,251
Long - term borrowings falling due within one year	505,813	364,790	79,280	-	2,075,220	1,804,194	-	-	-	2,660,313	2,168,984
Short - term borrowings	2,037,716	1,804,727	4,202,400	-	640,500	552,000	640,500	-	1,226,000	8,747,116	2,356,727
Total current liabilities	4,705,000	3,746,647	5,145,032	48,267	7,926,484	5,463,303	703,397	7,743	3,270,769	21,750,682	9,265,962
Total segmental liabilities	7,722,218	6,542,991	9,783,188	124,144	23,406,679	19,740,732	7,748,897	4,423,743	3,276,872	51,937,855	30,831,612

(c) Other Information

Total cost incurred during the period to acquire:											
Property Plant & Equipments	1,612,520	1,034,561	1,284,382	42,187	8,917,906	3,166,772	-	-	45,995	11,860,803	4,243,520
Intangible assets	108,458	55,748	11,141	1,026	486,032	378,890	-	-	-	605,631	435,664
Depreciation and amortization	559,063	431,258	261,461	15,373	1,862,292	1,023,200	-	-	130,632	2,813,448	1,469,831
Salaries and wages	952,412	447,892	480,193	84,874	4,039,779	2,786,759	-	-	45,180	5,517,564	3,619,525
Provision for retirement benefit obligations	37,833	35,229	1,765	(215)	129,977	75,409	-	-	5,803	175,378	110,423



(Amounts expressed in Sri Lankan Rs. '000)

13 GAIN ON DISPOSAL OF NON CURRENT INVESTMENTS

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
Gain on disposal of non current investments	1,403,788	-	1,403,788	935,177
Gain on disposal of rights entitlement	-	22,343	-	244,857
	1,403,788	22,343	1,403,788	1,180,034

Gain on disposal of non current investments

Carson Cumberbatch PLC (CCPLC) and Bukit Darah PLC (BDPLC), made a joint offer to the non-controlling shareholders of the Carsons Group's Malaysian oil palm companies, namely Shalimar (Malay) PLC, Indo-Malay PLC, Good Hope PLC and Selinsing PLC to buy respective non-controlling shares by offering CCPLC and BDPLC shares of offerors' respective cross-holding portfolios.

Accordingly, CCPLC transferred 1,175,474 BDPLC shares and BDPLC transferred 1,424,079 CCPLC shares to the aforesaid Malaysian plantation company shareholders who accepted the offer through the trading floor of the CSE, as consideration for the said Malaysian oil palm companies' shares surrendered by them.

These gains arose solely from the disposal of strategic shareholdings of the respective companies as a result of a group restructuring exercise which is a one-off transaction hence should be considered as outside the normal course of business.

Financial Year 2010/11

Gain on disposal of non current investments

To consolidate the group's leisure sector under one holding company, the Company transferred its fully owned subsidiary, Equity Hotels Limited to Company's subsidiary Pegasus Hotels of Ceylon PLC.

Company disposed of its 10.62% holding in Ceylon Investment PLC to Ceylon Guardian Investment Trust PLC. The total gain on the above two transactions amounted to Rs. 935.2mn for the Company.

Gain on disposal of rights entitlement

During the financial year 2010/11 Carsons Group restructured its investment business portfolio by identifying Guardian Capital Partners PLC (GCP), formerly known as Watapota Investments PLC to specialise in private equity investments. To execute this strategy Company sold its rights entitlement in GCP's rights issue to Ceylon Guardian Investment Trust PLC (CGITPLC), thereby transferring the direct controlling interest of GCP to CGITPLC, which resulted in a gain of Rs. 244.9mn and Rs. 22.3mn for the Company and the Group respectively.

14 OTHER INCOME

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
Interest Income	284,193	14,174	-	-
Profit/(loss) on disposal of fixed assets:				
Plantation sector	14,814	(7,432)	-	-
Oils & Fats sector	16,660	-	-	-
Real estate sector	-	971	-	-
Management services sector	-	2,276	-	-
	31,474	(4,185)	-	-
Foreign exchange gain/(loss) - from operations	178,743	(276,399)	(37,926)	3,923
Bargain purchase on acquisition of subsidiaries	120,501	213,710	-	-
Sale of sludge oil	141,202	194,809	-	-
Sundry income	188,667	76,695	-	-
	944,780	218,804	(37,926)	3,923

(Amounts expressed in Sri Lankan Rs. '000)

15 OTHER OPERATING EXPENSES

Other operating expenses mainly consist of power and energy costs and maintenance expenditure of the Beverage sector. Further this also includes amortisation on intangible asset, customer relationship.

16 FINANCE EXPENSES

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
Interest expenses on				
Long - term borrowings	1,107,068	679,475	9,595	15,045
Finance Lease	6,169	4,260	-	-
Short - term borrowings	966,578	133,218	90,928	65,263
	2,079,815	816,953	100,523	80,308
Less: Amount capitalized as				
Property, plant and equipment	(75,273)	(127,580)	-	-
	2,004,542	689,373	100,523	80,308

17 FOREIGN EXCHANGE GAIN/(LOSS)

As at 31st March 2012, the Company's foreign subsidiaries, PT Agro Indomas, PT Agro Bukit, & PT Karaya Makmur recorded foreign exchange losse of Rs 741.3 mn [2011 - Rs. 516.2 mn gain], arising mainly from revaluation of US Dollar denominated long - term borrowings.

18 SHARE OF NET RESULTS OF ASSOCIATE / JOINT VENTURE (NET OF TAX)

For the year ended	Associate Companies' / Joint Ventures				Group's Share of	
	Revenue		Profit/(Loss) After Tax		Profit/(Loss) After Tax	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011	31st March 2012	31st March 2011
Associate Companies'						
Bukit Darah PLC *	1,282,451	130,965	1,215,182	98,656	213,385	18,526
PT Agro Bukit	-	-	-	-	-	(31,796)
Joint Venture						
Guardian Acuity Assets Management Limited	-	-	(4,778)	-	(1,655)	-
	1,282,451	130,965	1,210,404	98,656	211,730	(13,270)

* Represents company financial results.



(Amounts expressed in Sri Lankan Rs. '000)

19 PROFIT BEFORE INCOME TAX

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
Profit before income tax has been arrived at after charging/crediting				
Depreciation and amortization (Note 19 a)	2,813,448	1,469,831	-	-
Auditors' remuneration and expenses on other professional services (Note 19 b)	53,653	39,917	741	1,163
Professional services (Note 19 c)	235,219	147,929	3,627	990
Personnel costs (Note 19 d)	5,692,942	3,729,948	10,319	7,365
Audit Committee fees	950	950	750	550
Remuneration Committee Fees	100	25	100	25
Nomination Committee Fees	150	-	150	-
Donations	35,945	28,152	3,510	1,055
Royalty paid to Carlsberg A/S	57,749	64,063	-	-
Research & development costs	41,348	34,040	-	-
(a) Depreciation and Amortization				
Depreciation of property, plant and equipment	2,657,604	1,376,117	-	-
Amortization of Prepaid lease payments for lands	70,136	49,951	-	-
Amortization of intangible assets	85,708	43,763	-	-
Total depreciation and amortization expense	2,813,448	1,469,831	-	-
Depreciation and amortization included in the income statement under the following heading:				
Direct operating expenses	1,982,087	768,103	-	-
Administrative expenses	538,993	425,837	-	-
Distribution expenses	292,368	222,359	-	-
Other operating expenses	-	8,533	-	-
Capitalized to Property plant & equipment	-	44,999	-	-
	2,813,448	1,469,831	-	-
(b) Auditors' Remuneration and other professional services				
Fees payable to KPMG for the audit of annual accounts of Carson Cumberbatch PLC	550	460	550	460
Fees payable to KPMG for the audit of subsidiaries of Carson Cumberbatch PLC	3,349	4,354	-	-
Fees payable to other auditors for the audit of subsidiaries of Carson Cumberbatch PLC	48,166	32,861	-	-
Total audit fees	52,065	37,675	550	460
Tax Services				
Advisory/compliance services - (Other Auditors)	-	996	-	-
Advisory services - (KPMG)	-	-	191	-
	-	996	191	-
Other Services				
Audit related / Non audit services	1,588	1,246	-	703
	1,588	1,246	-	703
	53,653	39,917	741	1,163

(Amounts expressed in Sri Lankan Rs. '000)

19 PROFIT BEFORE INCOME TAX (Contd.)

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
(c) Professional Services				
Legal services	10,695	30,302	3,627	500
Valuation services	4,396	1,305	-	-
Consultation fees	175,750	105,272	-	490
Other services	44,378	11,050	-	-
	235,219	147,929	3,627	990
(d) Personnel Expenses				
Salaries, fees, wages and other related expenses	5,450,521	3,568,309	10,319	7,365
Defined contribution plan expenses - EPF & ETF	67,043	51,216	-	-
Defined benefit plan expenses - Gratuity	175,378	110,423	-	-
	5,692,942	3,729,948	10,319	7,365
<i>The above include:</i>				
Directors fees	19,528	13,596	10,319	7,365
Directors' emoluments	176,288	127,999	-	-
	195,816	141,595	10,319	7,365

Group	2012		2011	
	Year end	Average	Year end	Average
(e) The details of employees during the year:				
Employees by Industry - (Nos.)				
Investment holdings	14	12	9	7
Oil palm plantations / oils & fats	13,922	12,515	11,109	8,763
Beverage	215	223	230	219
Real estate	16	17	18	19
Leisure	254	260	266	260
Management services	32	36	40	40
	14,453	13,063	11,672	9,308
Employees by geographical location - (Nos.)				
Sri Lanka	736	704	671	636
Malaysia	436	286	136	146
Indonesia	13,138	12,001	10,865	8,526
India	143	72	-	-
	14,453	13,063	11,672	9,308

There were no employees in Carson Cumberbatch PLC during the year.



(Amounts expressed in Sri Lankan Rs. '000)

20 INCOME TAX EXPENSES

For the year ended	Group		Company	
	31st March 2012	31st March 2011 (Restated)	31st March 2012	31st March 2011
(a) Income Statement				
(i) Current taxation				
Charge for the year	3,185,998	2,383,407	-	-
Adjustment in respect of prior year	47,116	(96,432)	-	-
Economic service charge write - off	8,034	-	8,034	-
	3,241,148	2,286,975	8,034	-
(ii) Deferred taxation				
Origination/(Reversal) of temporary differences in the current year (Note 20 d)	(170,671)	258,668	-	-
	(170,671)	258,668	-	-
Total Income Tax Expense	3,070,477	2,545,643	8,034	-
Analysis of income tax expenses:				
Current taxation				
Sri Lanka	849,953	639,404	8,034	-
Overseas	2,391,195	1,647,571	-	-
	3,241,148	2,286,975	8,034	-
Deferred taxation				
Sri Lanka	103,166	32,016	-	-
Overseas	(273,837)	226,652	-	-
	(170,671)	258,668	-	-
Total				
Sri Lanka	953,119	671,420	8,034	-
Overseas	2,117,358	1,874,223	-	-
	3,070,477	2,545,643	8,034	-
(b) Income tax recognised directly in equity				
Impact on revaluation of property	(69,329)	5,840	-	-
	(69,329)	5,840	-	-
(c) Deferred Tax Assets - Charge / (reversal) for the year				
Capital allowances in excess of depreciation	(9,058)	864	12,936	274
Provision for ex-gratia	1,276	(450)	-	1,850
Provision for retirement benefit obligation	(73,628)	(18,239)	152,443	61,800
Unabsorbed tax losses carried forward	(238,604)	344,863	641,681	332,939
Unrealised loss from forward sales contract	-	-	5,815	-
	(320,014)	327,038	812,875	396,863
(d) Deferred Tax Liabilities - Charge / (reversal) for the year				
Property plant & equipment	(8,757)	83,863	1,727,220	771,182
Investment property	(510)	(26,135)	107,879	108,307
Mature/Immature plantations	178,146	(140,947)	955,962	677,962
Intangible assets	2,678	9,096	17,340	11,546
Finance leases	(22,214)	5,753	58,131	74,959
	149,343	(68,370)	2,866,532	1,643,956
Net deferred tax charge / (reversal) for the year	(170,671)	258,668	(2,053,657)	(1,247,093)

(Amounts expressed in Sri Lankan Rs. '000)

INCOME TAX EXPENSES (Contd.)

(e) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to off - set current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The off - set amounts are as follows:

	Sri Lanka		Malaysia		Indonesia		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Deferred tax assets:	-	1,223	2,329	2,577	810,546	393,063	812,875	396,863
Deferred tax liabilities	(706,255)	(521,590)	(730,950)	(68,772)	(1,429,327)	(1,053,594)	(2,866,532)	(1,643,956)
Deferred liabilities (net)	(706,255)	(520,367)	(728,621)	(66,195)	(618,781)	(660,531)	(2,053,657)	(1,247,093)

(f) **The Gross Movement on the Deferred Tax Account is as follows - Group**

Balance at the beginning of the year	(1,247,093)	(977,352)
Reclassification	-	37,804
On consolidation	(827,743)	(60,768)
(Provision) / reversal for the year	170,671	(258,668)
Impact of exchange rate changes on conversion	(149,492)	11,891
Balance at the end of the year	(2,053,657)	(1,247,093)

Deferred taxation has been computed using current effective tax rates.

Impact due to change in corporate tax rate in Sri Lanka

As provided for in SLAS 14 - Income Taxes, deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Accordingly following new income tax rates have been used;

Hotels Sector	12% (Previously 15%)
Beverage Sector (liquor)	40% (Previously 35%)
Other Sectors	28% (Previously 35%)

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
(g) Reconciliation of the Accounting Profit with the Taxable Profit/(Loss)				
Profit before taxation	13,077,021	12,088,562	1,704,865	1,834,030
Aggregate tax disallowed expenses	2,953,646	1,413,324	101,108	29,471
Aggregate tax allowable claims	(4,113,632)	(2,215,002)	-	-
Dividend Income	(1,085,307)	(115,540)	(496,534)	(717,208)
Exempt profits	(3,491,562)	(105,968)	(1,403,788)	(1,208,331)
Revaluation gains	(30,329)	(1,702,410)	-	-
Impairment of Business assets	699,397	(2,888)	7,316	(17,685)
Operating losses incurred during the year	2,071,948	450,391	-	-
Tax adjusted profits/(loss)	10,081,182	9,810,469	(87,033)	(79,723)
Adjustments				
Inter - company transactions	2,225,436	443,257	-	-
Share of net result of associates / Joint Ventures (net of tax)	(211,730)	13,270	-	-
Tax losses utilized during the year	(253,696)	(1,380,442)	-	-
Taxable income of the Group/Company	11,841,192	8,886,554	-	-
Taxation on Profits (Including adjustment in respect of prior years)				
Taxation at 10% (Note 20 m (v))	5,631	-	-	-
Taxation at 12% (Note 20 m (iv))	10,982	-	-	-
Taxation at 15%	-	8,487	-	-
Taxation at 28% (Note 20 I (ii))	92,597	-	-	-
Taxation at 35% (Note 20 I (i))	-	620,678	-	-
Taxation at 40% (Note 20 m (vi))	732,709	-	-	-
Social Responsibility Levy (Note 20 I (iii))	-	9,924	-	-
Overseas Taxation (Note 20 I (ii))	2,391,195	1,647,571	-	-
Deemed Dividend tax	-	315	-	-
Economic Service Charge - write off (Note 20 o)	8,034	-	8,034	-
	3,241,148	2,286,975	8,034	-

Group tax expenses is based on the taxable profit of individual companies within the group. At present the tax laws of Sri Lanka does not provide for group taxation.



(Amounts expressed in Sri Lankan Rs. '000)

INCOME TAX EXPENSES (Contd.)

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
(h) Analysis of Tax Losses				
Tax losses brought forward	1,108,665	2,038,716	1,366,647	1,286,924
Adjustment for tax losses brought forward	2,121,509	-	(3,966)	-
Tax losses incurred during the year	2,086,504	450,391	87,033	79,723
Utilization of tax losses during the year	(253,696)	(1,380,442)	-	-
Tax losses carried forward	5,062,982	1,108,665	1,449,714	1,366,647

Utilization of tax losses in the current year has resulted in a tax saving of Rs. 57 mn (2011 - Rs. 346 mn) for the Group.

In Sri Lanka the utilization of current year and brought forward tax losses is restricted to 35% of Statutory Income. Unabsorbed tax losses can be carried forward indefinitely. Tax legislation that governs overseas operations does not restrict the utilization of tax losses.

(i) Unrecognized deferred Tax assets - Company

The Company has accumulated tax losses of Rs. 1,449 mn (2011: Rs. 1,366 mn) as at the Balance Sheet date. The deferred tax asset of Rs. 405 mn arising from the said tax losses has not been recognized due to uncertainty of future taxable profits against which the deferred tax assets could be utilized, given that the Company's only source of income being dividend income which is tax exempt.

Recognized deferred tax assets

The recognition of deferred tax assets by the Group are dependent upon future taxable income in excess of income arising from the reversal of existing taxable temporary differences. Deferred tax assets relating to accumulated tax losses have been re-assessed and the management believes that sufficient taxable profit will be available to allow the benefit to be utilized. Accordingly, the Group recognized the following deferred tax assets relating to the accumulated tax losses.

- (i) PT Agro Indomas - Rs.88.04 mn (2011 - 32 mn)
- (ii) PT Agro Bukit - Rs.18.63 mn (2011 - 55 mn)
- (iii) PT Karya Makmur Sejahtera - Rs. 250.81 mn (2011 - 109.78 mn)
- (iv) PT Rim Capital - Rs146.85. mn (2011 - 97.23mn)
- (v) PT Nabire Baru - Rs.28.69 mn (2011 - 2.2 mn)
- (vi) PT Agrajaya Baktiama - Rs 43.96 mn (2011 - 8.6 mn)
- (vii) PT Agro Wana Lestari - Rs 159.16. mn (2011 - 74 mn)

(j) Subsidiaries falling within the Sri Lankan tax exemption have not accounted for deferred tax as temporary differences do not exist during the tax exemption period. Therefore deferred tax has not been provided for Agro Harapan Lestari (Private) Limited and AHL Business Solutions (Private) Limited.

(k) Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends proposed by the Company as dividends are declared using exempt profits for the financial year ended 31 March 2012. Dividend proposed has not been recognized as a liability as at the date of the Balance Sheet as disclosed in note 44 to the Financial Statements.

(l) Taxation of Profits

(i) Income Tax in Sri Lanka

In accordance with provisions of the Inland Revenue Act No. 10 of 2006 and amendment thereto, the Company and all other companies of the Group other than those entities disclosed in Note (m) operating in Sri Lanka, are chargeable to income tax at the standard rate of 28% (2011 - 35%).

(ii) Income Tax on Overseas Operations

Provision for taxation on the overseas companies are made in accordance with the provisions of the relevant statutes in those countries, as given below.

Profits of subsidiary companies operating in Malaysia are liable to income tax at 25% (2011 - 25%).

Profits of subsidiary companies operating in Indonesia are liable to income tax at 25% (2011 - 25%).

Profits of subsidiary companies operating in Singapore are liable to income tax at 17% (2011 - 17%).

Profits of subsidiary companies operating in India are liable to income tax at 30% (2011 - 30%).

(iii) Social Responsibility Levy

Social Responsibility Levy (SRL) was abolished with effect from 1st April 2011. (2011 - 1.5% of income tax expense)

(m) Tax Exemptions and Concessions

- (i) In terms of section 13ddd of the Inland Revenue Act, profits & income earned in foreign currency, from services rendered in the course of management of plantation companies situated outside Sri Lanka is exempt from income tax.
- (ii) In terms of Section 13 (t) of the Inland Revenue Act, profits derived on the sale of shares on which Share Transaction Levy has been paid is exempt from income tax.
- (iii) Profits from the agriculture undertaking carried out in Malaysia is liable to tax at 12% in Sri Lanka in terms of Section 46 of the Inland Revenue Act.
- (iv) In terms of Section 46 of the Inland Revenue Act, operational profits of a hotel are subject to income tax at 12%.
- (v) In terms of section 59B of the Inland Revenue Act, the profits of entities engaged in the manufacture or in the provision of services where the turnover is less than Rs. 300 mn is chargeable at the rate of 10%. However the amendment to the Inland Revenue Act in 2012 removes the applicability of this provision for Group Companies.
- (vi) Profits or income from the manufacture and sale or import and sale of any liquor or tobacco products are chargeable to income tax at the rate of 40%.
- (vii) Premium Oils and Fats Sdn. Bhd. ("POF") incorporated in Malaysia has received "Operational Headquarters" ("OHQ") status from the Malaysian Industrial Development Authority. Accordingly, POF's income from qualifying services is exempt from corporate income tax until 2020.
- (viii) Exemption on interest income earned from foreign currency denominated accounts. Income / profits from offshore dividends and interest are exempt from income tax. Gains from sale of shares held for more than two years are excluded from chargeability to income tax.

(n) Double Tax Relief

In terms of the double tax treaty agreement entered into between Governments of Sri Lanka and Malaysia, the companies incorporated in Sri Lanka and which are operating in Malaysia are entitled to claim credits for tax paid in Malaysia, when calculating the tax liability of such companies in Sri Lanka on profits generated from plantation in Malaysia.

(o) Economic Service Charge

Economic Service Charge paid by companies is available as income tax credit. In instances where recoverability is not possible due to the tax status, sums paid are written-off to the income statement.



(Amounts expressed in Sri Lankan Rs. '000)

21 EARNINGS PER ORDINARY SHARE (EPS)

The Group's earnings per ordinary share of Rs. 22.14 (2011 - Rs. 23.01) and Company's earnings per ordinary share of Rs.1.43 (2011 - Rs. 3.22), are calculated by dividing the profit attributable to the ordinary shareholders of Carson Cumberbatch PLC net of non-recurrent gains/ losses and after deducting the preference dividend by the weighted average number of ordinary shares in issue during the year. The amounts used in calculating the earnings per share are as follows:

The impact of non-recurrent transactions of the Company/Group on the calculation of EPS is eliminated on the basis that inclusion of same may misinform the shareholders. However, the amounts so eliminated are disclosed separately for the information of the shareholders.

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
Amount used as the Numerator				
Profit for the year	10,006,544	9,542,919	1,696,831	1,834,030
Dividend on Redeemable Preference Shares	(11,298)	(21,330)	(11,298)	(21,330)
Gain on disposal of non current investments	(1,403,788)	-	(1,403,788)	(1,180,034)
Non controlling interest	(4,243,788)	(5,002,206)	-	-
Net Profit attributable to Ordinary Shareholders	4,347,670	4,519,383	281,745	632,666
Number of Ordinary Shares used as the Denominator				
Ordinary shares in issue - in Thousands	196,386	196,386	196,386	196,386
Earnings per Ordinary Share Rs.	22.14	23.01	1.43	3.22

22 DIVIDEND PER SHARE

	Total dividend		Dividend per share	
	2012	2011	2012	2011
On ordinary shares				
Dividend paid	392,774	192,536	2.00	1.50
	392,774	192,536	2.00	1.50
On Preference shares				
Class A	-	3,384	-	-
Class B	11,298	17,946	-	-
	11,298	21,330	-	-
Total dividend paid	404,072	213,866	-	-
(a) Proposed Ordinary Dividend				
Proposed	392,774	392,774	2.00	2.00
	392,774	392,774	2.00	2.00

Board of Directors have recommended the payment of a first & final dividend of Rs 2.00 per ordinary share for the year ended 31st March 2012 (2011 - Rs 2.00 per share) which is to be approved at the Annual General Meeting to be held on 6th July 2012. In accordance with Sri Lanka Accounting Standard No. 12 - (Revised 2005) "Events After the Balance Sheet Date", this proposed final dividend has not been recognized as a liability as at 31st March 2012.

(b) Compliance with Sections 56 and 57 of the Companies Act No. 7 of 2007

As required by Section 56 of the Companies Act No. 7 of 2007, the Board of Directors of the Company have determined that the Company satisfies the Solvency Test in accordance with the Section 57 of the Companies Act No. 7 of 2007 prior to recommending the first and final dividend. A statement of solvency completed and duly signed by the Directors on 24th May, 2012 has been audited by Messrs KPMG.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

23 PROPERTY, PLANT & EQUIPMENT - GROUP

	Freehold Land & Buildings	Leasehold Land & Buildings	Mature & Immature Plantations	Plant & Machinery	Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Returnable Containers (Restated)	Capital Work - In Progress	Total
(a) Year ended 31st March 2012										
Cost/Valuation										
As at 1st April 2011	7,881,973	9,908,578	16,241,484	7,528,330	1,424,005	711,119	384,292	1,137,433	2,050,624	47,267,838
On Consolidation	949,185	655,234	970,875	5,201,182	294,151	140,197	89,981	-	7,652	8,308,457
Revaluation	116,461	-	-	-	-	-	-	-	-	116,461
Additions	184,736	1,899,526	3,459,286	1,399,363	322,463	249,770	167,034	519,559	3,659,066	11,860,803
Adjustment	141,364	413,603	-	1,301,709	(165)	9,574	10,203	-	(1,914,753)	(38,465)
Disposals/written - off	-	(1,346)	-	(72,311)	(56,008)	(40,236)	(26,872)	-	(2,996)	(199,769)
Exchange translation difference	863,332	1,278,704	811,944	1,246,436	162,860	80,244	39,091	-	336,051	4,818,662
As at 31st March 2012	10,137,051	14,154,299	21,483,589	16,604,709	2,147,306	1,150,668	663,729	1,656,992	4,135,644	72,133,987
Depreciation/Amortization										
As at 1st April 2011	72,028	875,102	1,431,056	2,880,061	870,411	300,772	274,921	599,596	-	7,303,947
On Consolidation	-	34	-	959	48,508	85,074	71,010	-	-	205,585
Charge for the year	53,653	383,591	423,416	1,026,794	315,438	112,010	87,075	255,627	-	2,657,604
Revaluation	(27,300)	-	-	-	-	-	-	-	-	(27,300)
Transfers /Adjustments	2,935	-	-	(5,422)	(22,788)	(8,614)	-	-	-	(33,889)
On disposals/written - off	5,617	(5,617)	-	(45,423)	(47,242)	(4,330)	(17,245)	-	-	(114,240)
Exchange translation difference	6,800	124,549	223,047	252,344	101,159	42,336	29,521	-	-	779,756
As at 31st March 2012	113,733	1,377,659	2,077,519	4,109,313	1,265,486	527,248	445,282	855,223	-	10,771,463
Net Book Value As at 31st March 2012	10,023,318	12,776,640	19,406,070	12,495,396	881,820	623,420	218,447	801,769	4,135,644	61,362,524
(b) Year ended 31st March 2011										
Cost/Valuation										
As at 1st April 2010	6,736,301	3,197,002	5,655,525	5,150,737	1,011,364	450,380	252,305	900,368	1,472,176	24,826,158
On Consolidation	-	4,660,901	9,466,087	369,057	375,366	79,385	49,559	-	2,274,416	17,274,771
Revaluation	808,224	-	-	-	-	-	-	-	-	808,224
Additions	28,658	433,419	942,963	126,724	146,598	111,034	61,530	237,065	2,155,529	4,243,520
Adjustment	47,215	1,714,855	-	1,974,537	8,303	74,275	24,556	-	(3,853,820)	(10,079)
Disposals/written - off	(863)	(218,668)	(9,141)	(142,468)	(135,870)	(11,548)	(6,504)	-	(19,298)	(544,360)
Exchange translation difference	262,438	121,069	186,050	49,743	18,244	7,593	2,846	-	21,621	669,604
As at 31st March 2011	7,881,973	9,908,578	16,241,484	7,528,330	1,424,005	711,119	384,292	1,137,433	2,050,624	47,267,838
Depreciation/Amortization										
As at 1st April 2010	111,735	455,400	1,226,264	2,301,610	567,526	201,843	193,063	394,877	-	5,452,318
On Consolidation	-	168,234	202,711	82,084	131,997	27,789	24,756	-	-	637,571
Charge for the year	24,886	243,364	6,723	526,558	229,254	80,786	59,827	204,719	-	1,376,117
Revaluation	(66,377)	-	-	-	-	-	-	-	-	(66,377)
Transfers /Adjustments	-	-	-	(2,532)	2,768	(2,288)	1,289	-	-	(763)
On disposals/written - off	(97)	(3,288)	-	(51,485)	(71,926)	(10,614)	(5,992)	-	-	(143,402)
Exchange translation difference	1,881	11,392	(4,642)	23,826	10,792	3,256	1,978	-	-	48,483
As at 31st March 2011	72,028	875,102	1,431,056	2,880,061	870,411	300,772	274,921	599,596	-	7,303,947
Net Book Value As At 31st March 2011	7,809,945	9,033,476	14,810,428	4,648,269	553,594	410,347	109,371	537,837	2,050,624	39,963,891



(Amounts expressed in Sri Lankan Rs. '000)

23 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(c) Details of Group Freehold Land stated at Valuation are given below:

Property	Method of Valuation	Effective Date of Valuation	Valuer	Land Extent (in Acres)	Carrying Value of Revalued Assets as at 31st March 2012 If carried at Historical Cost	Carrying Value of Revalued Assets as at 31st March 2012
Pegasus Hotels of Ceylon PLC Wattala, Sri Lanka	Market Approach	31.03.2012	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	5.46	5,250	504,332
Ceylon Beverage Holdings PLC Nuwara Eliya, Sri Lanka	Market/income Approach	31.03.2011	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	3.51	141	112,464
Lion Brewery (Ceylon) PLC Biyagama, Sri Lanka	Market/income Approach	31.03.2011	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	17.63	338,259	907,865
Equity Two PLC Colombo 1, Sri Lanka	Market Approach	31.03.2012	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	0.53	422,000	349,897
Selinsing PLC District of krian Malaysia	Existing use basis	31.03.2012	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	1,217.84	52,000	1,674,061
Indo-Malay PLC District of Kuala Selangor Malaysia	Existing use basis	31.03.2012	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	725.30	600	1,216,512
Good Hope PLC District of Kuala Langat Malaysia	Existing use basis	31.03.2012	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	780.68	58,000	1,099,576
Shalimar (Malay) PLC District of Kuala Selangor Malaysia	Existing use basis	31.03.2012	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	757.28	222	1,551,784
				3,508.23	876,472	7,416,491

(d) Carrying Value of Property, Plant & Equipment

As at 31st March	2012	2011
At cost	51,339,206	32,068,970
At valuation	10,023,318	7,809,945
On finance lease	-	84,976
	61,362,524	39,963,891

(e) Land and buildings

At cost	12,776,640	9,033,476
At valuation	10,023,318	7,809,945
	22,799,958	16,843,421

(f) Capital work - in - progress consists of

Land Improvements	275,988	-
Buildings	622,230	305,770
Plant & Machinery	3,161,595	1,427,468
Others	75,831	317,386
	4,135,644	2,050,624

(Amounts expressed in Sri Lankan Rs. '000)

23 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(g) Assets held under finance lease

There were no property, plant and equipment held under finance lease at the balance sheet date (2011: Rs. 84.9mn).

Leased assets are pledged as security for the related finance lease liabilities.

(h) Revaluation of Freehold Land in Malaysia

The freehold land of the Malaysian subsidiaries, Shalimar (Malay) PLC, Good Hope PLC, Selinsing PLC and Indo-Malay PLC have been revalued on 31st March 2009 based on an existing use basis by an independent valuer, Encik W.M. Malik, a member of the institute of Surveyors, Malaysia and a partner with W.M. Malik & Kamararuzaman.

The company has obtained a confirmation of the value of freehold land as at 31st March 2012 from the same valuer, and the carrying value approximates its fair value.

The total surplus over the book value has been credited to the Capital Accretion Reserve. The combined surplus transferred amounts to Rs.5,403 mn or equivalent to US \$ 42,182,131/-

The carrying value of the freehold land of the Malaysian companies, if the assets were carried at historical cost would be Rs. 110.82 mn.

(i) Indonesian Property Valuation

Property, plant & equipment excluding mature and immature plantation

Based on the reports issued by KJPP Rengganis, Hamid & Partners an Indonesian independent valuer (formerly PT Heburinas Nusantara, an Indonesian independent professional valuer associated with CB Richard Ellis), the combined appraised values of property, plant and equipment of PT Agro Indomas, PT Agro Bukit, PT Karya Makmur Sejahtera, PT Rim Capital, PT Agro Wana Lestari, PT Agra Jaya Baktitama, PT Batu Mas Sejahtera, PT Nabire Baru and PT Saawit Makmur Sejahtera as of 31 March 2012 was Rs. 27,153 mn equivalent to US\$211,972,000. (2011 Rs. 18,165 mn equivalent to US\$164,539,000). These values have not been incorporated in the carrying value of property plant and equipment.

Mature & Immature Plantation

The fair value of Mature & Immature Plantation of Indonesian Palm Oil Plantation amounting to Rs 33,678 mn (US \$ 262.90 mn) 2011- Rs 22,911 mn (US \$ 207.52 mn) was determined by KJPP Rengganis, Hamid & Partners a local independent valuer (formerly PT Heburinas Nusantara a local independent professional valuer associated with CB Richard Ellis) in its reports dated 20th April, 2012 and 14th April 2011. The valuations of the Mature & Immature Plantation assets were performed in accordance with Indonesian Valuation Standards ("Standards Penilaian Indonesia/SPI") which are based on the International Valuation Standards. The valuations were based on the following significant assumptions:

- (a) Projected economic production life of palm oil plants is 22 years after maturity.
- (b) Discount rate per annum of 12.41% in 2012 (2011: 13.53%).
- (c) FFB Selling price for the first year is Rs.19,086/- (US\$ 149) per Ton (2011: FFB selling price for the first year is Rs .17,744/ - US\$ 161 per Ton).

(j) Biological Valuation of Indonesian Plantations.

The Indonesian Palm Oil plantation companies of the group account for the biological assets owned by them at fair value less estimated point of sale cost in accordance with IAS 41 "Agriculture" being the applicable accounting treatment in Indonesia based on valuations conducted by independent professional valuers.

However, since Sri Lanka is yet to adopt IAS 41 the applicable Sri Lanka Accounting Standard would be SLAS 32 - "Plantations" which does not recognize adoption of fair value concept for Oil Palm plantations. Consequently, the Company has reversed fair value gain on the oil palm plantation assets and report under property, plant and equipment and capitalized at cost in accordance with SLAS 32 – Plantations.



(Amounts expressed in Sri Lankan Rs. '000)

23 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(j) Biological Valuation of Indonesian Plantations. (Contd.)

Had the Company continued to apply the previous accounting policy, by measuring the Indonesian plantation at fair value less estimated point of sale cost in accordance with IAS 41, "Agriculture", the value of the said Plantation and the gain on fair value of the same would have been as follows:

	2012		2011	
	As per SLAS Rs. '000	As per IAS Rs. '000	As per SLAS Rs. '000	As per IAS Rs. '000
(i) Value of Indonesian Plantation as at 31st March	20,894,783	33,678,024	15,305,748	22,911,201
(ii) Gain in fair value included in the Income Statement during the year	-	3,807,613	-	1,762,122
(iii) Cumulative gain in fair value included in Retained earnings	-	11,614,263	-	7,806,650

(k) Capitalization of borrowing costs

The Group's property, plant and equipment includes borrowing costs arising from bank term loans borrowed specifically for development of such assets. During the financial year, the borrowing costs capitalized as cost of property, plant & equipment amounted to approximately Rs 75.27 mn (2011: Rs 127.58 mn).

(l) Assets pledged as security

Indonesian Assets

Property, plant and equipment of PT Agro Indomas, PT Agro Bukit and PT Karya Makmur Sejahtera with net book values of Rs. 4,420.35 mn. (US\$34,507,000), [2011: Rs. 3,581.04mn. (US\$32,437,000)] have been pledged as security for the bank borrowings with Standard Chartered Bank.

Malaysian Properties

Malaysian properties of Indo-Malay PLC and Selinsing PLC with net book values of Rs. 2,886.09 mn. (US\$22,530,000) [2011: Rs. 2,494.15 (US\$22,592,000)] have been pledged as security for the bank borrowings with Standard Chartered Bank.

- (m) During the year Lion Brewery (Ceylon) PLC (a Subsidiary) changed the classification of returnable containers comprising of bottles, crates, pallets and kegs from Inventories to Property, Plant and Equipment to reflect more appropriately the nature and the way in which the said assets are used in business operations.

Up to 31st March 2011, Returnable Containers were classified under inventories at its cost/net realisable value and was written off to the Income Statement only in the event they were damaged within the premises of the company. All Returnable Containers in the custody of the Agents were supported by deposits which represents its cost / net realisable value in full. These deposits are returned to an Agent upon them ceasing operations or in the event of a contraction in sales.

During the year the subsidiary reclassified Returnable Containers under Property, Plant and Equipment as explained above. Accordingly, the accounting treatment adopted for Returnable Containers has been changed. The policy now applicable to Returnable Containers is explained in Note 6.8.

(n) Land acquisition of Company's subsidiary Pegasus Hotels of Ceylon (PEG)

During the financial year 2008/09, the government acquired approximately 1,605 perches of the land owned by PEG, out of which 353.89 perches of land was subject Supreme Court order as explained below. The market value of the said net land extent (1,251 perches) as at the date of acquisition amounting to Rs. 187,800,000/- has been removed from the value of the freehold land classified under the property, plant, and equipment in the balance sheet of the PEG. The removal of the said land has been accounted for as a disposal of an asset in the financial statements in that year.

PEG filed a fundamental rights application in the Supreme Court regarding the acquisition of approximately 353.89 perches of land (described as mangrove) owned by the Company. As per the Supreme Court ruling dated 20th November 2008, the said land is to be returned to the Company on the completion of the construction work of the fisheries harbour project.

Accordingly the market value of the said land amounting to Rs. Rs 52,950,000/-(2011 - Rs. 52,950,000/-) as at the balance sheet date has not been removed from the Property, Plant and Equipment.

On 15th March 2011, the Sri Lanka Navy has approached the Fisheries Harbour Corporation through which they have requested for a portion of 80 perches from and out of the said 353.89 perches in order to establish a coast guard unit. PEG is expected to regain title to the balance 273.89 perches and make an additional claim for compensation for the said 80 perches, after referring the said request to the Supreme Court. Until determination of the aforesaid legal steps, the entire land extent in question will continue to be accounted in the Balance Sheet of PEG under property, plant & equipment at the market value.

(Amounts expressed in Sri Lankan Rs. '000)

23 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(o) Land compensation received

During the financial year 2002/03, a portion of freehold land of a subsidiary, Good Hope PLC was compulsorily acquired by the Government of Malaysia pursuant to the Land Acquisition Act of 1960.

In 2010, the amount accrued as compensation receivable from the Government of US\$827,000 in respect of a compulsory acquisition of a portion of the Malaysian operations freehold land was received by the Company. An additional income of US\$132,000 was received and included in sundry income.

The Company, however, has objected to this offer and submitted a claim US\$1,975,000. This claim has been decided in favour of the Company and the Company has been awarded a sum of Rs. US\$77,000 with interest at 8% per annum from the date of possession.

The company has filed a further claim in Shah Alam High Court to recover outstanding late Payment Charges amounting to sum of US\$422,000 and it is now in legal proceedings.

24 PREPAID LEASE PAYMENT FOR LAND

As at 31st March	Group	
	2012	2011
Cost/Valuation		
Balance as at the beginning of the year	1,742,309	395,356
On Consolidation	1,342,388	1,061,712
Additions	281,655	306,872
Transfers	-	(50,366)
Exchange translation difference	303,556	28,735
Balance as at the end of the year	3,669,908	1,742,309
Accumulated amortization		
Balance as at the beginning of the year	111,096	39,753
On Consolidation	40,102	23,248
Amortization	70,136	49,951
Transfers	-	(3,358)
Exchange translation difference	22,393	1,502
Balance as at the end of the year	243,727	111,096
Net Balance as at the end of the year	3,426,181	1,631,213

(a) Details of leasehold property

The Company's subsidiary PT Agro Indomas's land rights in the form of "Hak Guna Usaha" (HGU) will expire in the following years.

Property	Land Extent (in Ha)	Value		Year of Expiration	Location
		2012	2011		
*PT Agro Indomas	12,104 } 3,760 }	464,219	355,081	2028 2033	Kotawaringin Timur Kotawaringin Timur
	15,864	464,219	355,081		

Land rights represent amounts paid on obtaining land rights certificate under Hak Guna Usaha (HGU) or right to cultivate and expenses incurred for obtaining operating licences. The land rights have an average remaining amortisation period of 30 years.

Management believes that the existing land rights will be renewed by the Government of Indonesia upon expiration because under the laws of Indonesia the land rights can be renewed upon the request of the HGU holder (subject to the Government of Indonesia approval).

Company subsidiaries PT Agro Bukit, PT Nabire Baru, PT Agro Wana lastari and PT Rim Capital are still in the process of obtaining land right certificates (HGU).

Amortization of prepaid lease payment on land capitalized to Property plant equipment amounted to Rs. 42.48 mn. (2011: Rs 10.59mn).



(Amounts expressed in Sri Lankan Rs. '000)

25 INVESTMENT PROPERTIES

	Freehold Land	Freehold Building	Group	
			As at 31st March 2012	As at 31st March 2011
(a) Investment property holding Companies of the Group				
Equity One PLC.	1,421,805	190,173	1,611,978	1,118,979
Equity Three (Private) Limited	185,000	65,500	250,500	238,000
	1,606,805	255,673	1,862,478	1,356,979

	Freehold Land		Freehold Building		Total As at 31st March 2012	Total As at 31st March 2011
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011		
(b) Movements of Investment Properties						
Balance as at the beginning of the year	1,105,478	1,048,360	251,501	278,371	1,356,979	1,326,731
Additions during the year	-	-	5,209	-	5,209	-
Gain on fair value adjustment (note c)	31,327	57,118	(6,420)	(26,870)	24,907	30,248
Transfer from Inventories	470,000	-	5,383	-	475,383	-
Balance as at end of the year	1,606,805	1,105,478	255,673	251,501	1,862,478	1,356,979
(c) Change in fair value of Investment Properties						
Equity One PLC	18,800	48,905	(6,393)	(26,126)	12,407	22,779
Equity Three (Private) Limited	12,527	8,213	(27)	(744)	12,500	7,469
	31,327	57,118	(6,420)	(26,870)	24,907	30,248

(d) Valuation of investment property

Investment properties were stated based on a valuation performed by Mr K. Arthur perera, A.M.I.V (Sri Lanka), an independent professional valuer as at 31st March 2012.

(e) Properties pledged as security

There were no restrictions on title of investment properties as at the balance sheet date.

(f) Details of Investment Properties - Group

Name of building/location	Tenure of land	Description	Extent (in Acres)	Net rentable area sq.ft	Fair Value 31st March 2012	Historical Cost 2012	Effective Date of Valuation
Equity One PLC.							
Dharmapala Mw., Colombo 7	Freehold	Office complex	0.60	44,163	680,000	55,852	31 March 2012
Equity One PLC.							
Vauxhall Lane, Colombo 2	Freehold	Warehouse complex	1.36	32,353	461,978	270,000	31 March 2012
Equity One PLC.							
Mt. Lavinia	Freehold	Land	6.00	-	470,000	624,000	31 March 2012
Equity Three (Private) Limited							
George R. De Silva Mw., Colombo 13	Freehold	Office complex	0.51	33,400	250,500	76,126	31 March 2012
			8.47	109,916	1,862,478	1,025,978	

The method of valuation is market approach method.

(Amounts expressed in Sri Lankan Rs. '000)

25 INVESTMENT PROPERTIES (Contd.)

(g) The land located at No.7, De Soysa Mawatha, Mount Lavinia, being property acquired for development activities of the Group, which was previously classified as inventory, was recognized as an investment property, held for capital appreciation, during the year upon discontinuation of property development activities.

Accordingly, an amount of Rs. 470mn was recognised in to investment property, which reflects the fair value of the property at the date of the transfer, based on a professional valuation performed by Mr K. Arthur Perera, A.M.I.V (Sri Lanka), an independent professional valuer as at 31st March 2012.

(h) The company recognised land and building owned by the subsidiary company Equity Two PLC though held earn rental income and capital appreciation as property plant and equipment as opposed to investment property since company's subsidiary Carson Management Services (Private) Limited occupies a substantial portion at the said property for administrative purposes.

26 INTANGIBLE ASSETS - GROUP

	Goodwill		Computer Software		Excise License		Patent/ Trademark	Customer Relationship	Total as at 31st March 2012	Total as at 31st March 2011
	2012	2011	2012	2011	2012	2011				
Cost										
Balance as at the beginning of the year	1,444,188	502,027	435,423	375,946	25,961	22,099	-	-	1,905,572	900,072
On Consolidation	1,232,885	989,037	297	24,321	-	-	38,665	565,882	1,837,729	1,013,358
Additions	-	-	303,857	124,930	20,119	3,862	-	-	323,976	128,792
Written-off-Software Development Cost	-	-	-	(78,241)	-	-	-	-	-	(78,241)
Transfers / Adjustments	-	(46,876)	(58,951)	(14,797)	-	-	-	-	(58,951)	(61,673)
Exchange translation difference	-	-	44,724	3,264	-	-	5,888	-	50,612	3,264
	2,677,073	1,444,188	725,350	435,423	46,080	25,961	44,553	565,882	4,058,938	1,905,572
Accumulated Amortization										
Balance as at the beginning of the year	-	-	126,094	110,481	5,732	3,125	-	-	131,826	113,606
On Consolidation	-	-	9	16,480	-	-	-	-	9	16,480
Amortization	-	-	38,187	41,156	4,101	2,607	-	43,420	85,708	43,763
Transfers / Adjustments	-	-	(653)	(42,488)	-	-	-	-	(653)	(42,488)
Exchange translation difference	-	-	5,054	465	-	-	-	-	5,054	465
	-	-	168,691	126,094	9,833	5,732	-	43,420	221,944	131,826
Balance as at the end of the year	2,677,073	1,444,188	556,659	309,329	36,247	20,229	44,553	522,462	3,836,994	1,773,746



(Amounts expressed in Sri Lankan Rs. '000)

26 INTANGIBLE ASSETS - GROUP (Contd.)

(a) Goodwill

Goodwill is allocated to cash generating units (CGU) identified according to its business segment. When testing for impairment for goodwill, the recoverable amount of a cash generating unit is determined on the basis of value-in-use calculations. These calculations use cash flow projections based on financial budgets, which are approved by management, typically covering a five-year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates. The cash flows were discounted at an appropriate pre-tax discount rate.

As from 1st April 2006, goodwill is no longer amortized but tested for impairment annually. Goodwill acquired through business combinations have been allocated to five cash generating units (CGU's) for impairment testing as follows:

	2012	2011
Investment holdings sector	182,740	182,740
Beverage sector	244,827	244,827
Real estate sector	27,584	27,584
Plantation sector	997,370	989,037
Oils & fats sector	1,224,552	-
	2,677,073	1,444,188

(b) Computer software

Software with a finite life is amortized over the period of expected economic benefit.

Details of software are as follows:

	2012	2011
Purchased software	381,332	86,084
Software licenses	175,327	223,245
	556,659	309,329

Computer Software costs represent software licences and Enterprise Resource Planning (ERP) systems that are used to generate financial and management information.

(c) Customer relationships

Customer relationships On acquisition of Premium Vegetable Oils Sdn Bhd and Arani Agro Oil Industries Limited as part of business combination was initially recognised at their fair value at the date of acquisition and are subsequently carried at cost less accumulated amortisation. Customer relationships are amortised over 10 years and tested for impairment annually.

27 INVESTMENTS

Summary - GROUP

	Note	Group				Company	
		As at	As at	As at	As at	As at	As at
		31st March	31st March	31st March	31st March	31st March	31st March
		Market Value /	Cost /	Market Value /	Cost /	Cost	Cost
		Valuation	Carrying Value	Valuation	Carrying Value		
A. Investments in Subsidiary Companies							
Quoted	A (i)	-	-	-	-	3,842,192	3,644,137
Unquoted	A (ii)	-	-	-	-	5,756,236	4,325,894
Total - Investments in Subsidiary Companies		-	-	-	-	9,598,428	7,970,031
B. Investments in Associate / Joint Venture Companies							
Quoted	B (ii a)	22,911,007	562,027	32,722,467	436,174	8,761	10,406
Unquoted	B (ii b)	20,000	18,345	-	-	-	-
Total - Investments in Associate Companies		22,931,007	580,372	32,722,467	436,174	8,761	10,406
C. Long - Term investments							
Quoted	C (ii a)	7,689,888	3,906,462	10,250,380	2,911,986	-	-
Unquoted	C (ii b)	666,389	666,389	3,291,892	3,291,892	-	-
Total Long - Term Investments		8,356,277	4,572,851	13,542,272	6,203,878	-	-
Total		31,287,284	5,153,223	46,264,738	6,640,052	9,607,189	7,980,437

Market value of these subsidiary companies investments were Rs. 66,745 mn (2011 - Rs. 71,795 mn) and Rs. 21,289 mn (2011 - Rs. 16,930 mn) for the Group and Company respectively.

Directors' valuation of unquoted investments amounted to Rs. 25,133 mn (2011 - Rs.17,129 mn) and Rs. 5,756 mn (2011 - Rs. 4,326 mn) for the Group and Company respectively.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

27 INVESTMENTS (Contd.)

(A) Investment in Subsidiary Companies

	No. of	Group	Cost	No. of	Company	Cost
	Shares	Cost	as at	Shares	Cost	as at
	31st March	31st March	31st March	31st March	31st March	31st March
	2012	2012	2011	2012	2012	2011
(i) Quoted Investments						
Investments in ordinary shares						
Equity One PLC	38,818,252	1,026,274	1,026,274	38,818,252	1,026,274	1,026,274
Equity Two PLC	27,532,935	448,839	448,839	435	6	6
Pegasus Hotels of Ceylon PLC	25,369,210	322,140	322,140	25,369,210	322,140	322,140
Selinsing PLC	6,639,623	687,143	49,687	75	-	-
Good Hope PLC	6,473,738	466,742	79,649	600	-	-
Indo - Malay PLC	6,289,722	1,321,657	76,831	-	-	-
Shalimar (Malay) PLC	6,696,936	298,663	40,468	450	-	-
Ceylon Guardian Investment Trust PLC	55,131,341	591,113	591,113	55,131,341	591,113	591,113
Ceylon Investment PLC	63,407,519	444,538	444,538	-	-	-
Guardian Capital Partners PLC	22,275,025	10,121	10,121	582,225	10,121	10,121
Ceylon Beverage Holdings PLC	15,726,922	713,414	713,414	15,726,922	1,097,344	1,097,344
Lion Brewery (Ceylon) PLC	46,890,428	1,825,802	1,426,356	5,091,700	795,194	597,139
Total investment in subsidiaries - quoted		8,156,446	5,229,430		3,842,192	3,644,137
(ii) Unquoted Investment						
Leechman and Company (Private) Limited	5,160,000	849	849	5,159,999	849	849
Rubber Investment Trust Limited	9,298,888	593	593	820	-	-
Mylands Investments Limited	115,268	5,340	5,340	115,268	5,340	5,340
Weniwella Investments Limited	93,352	4,501	4,501	93,352	4,501	4,501
Guardian Fund Management Limited	1,045,015	10,450	10,450	-	-	-
Good Hope Asia Holdings Limited	60,065,269	5,587,014	4,156,672	60,065,269	5,587,014	4,156,672
Shalimar Developments Sdn. Bhd.	3,942,169	2,652,588	2,652,588	-	-	-
PT Agro Indomas	41,087	1,713,106	1,713,106	-	-	-
PT Agro Bukit	23,591,472	4,785,831	4,785,831	-	-	-
PT Karya Makmur Sejahtera	19,000	1,127,370	1,127,370	-	-	-
PT Agro Wana Lestari	23,750	226,522	226,522	-	-	-
PT Rim Capital	8,792,470	1,293,075	1,293,075	-	-	-
PT Nabire baru	11,875	148,983	148,983	-	-	-
PT Agrajaya Baktitama	23,750	292,135	292,135	-	-	-
PT Agro Asia Pacific	1,500	15,313	15,313	-	-	-
Agro Asia Pacific Limited	249,999	20,296	20,296	-	-	-
PT Agro Harapan Lestari	250,000	117,664	117,664	-	-	-
PT Batu Mas Sejahtera	47,500	284,638	-	-	-	-
PT Sawit Makmur Sejahtera	47,500	293,587	-	-	-	-
PT Sumber Hasil Prima	23,750	331,124	-	-	-	-
Agro Harapan Lestari Sdn. Bhd.	280,000	75,857	75,857	-	-	-
Agro Harapan Lestari (Private) Limited	2,689,901	26,865	26,865	-	-	-
AHL Business Solution (Private) Limited	750,000	7,488	7,488	-	-	-
Premium Nutrients Pte Ltd.	250,000	22,469	-	-	-	-
Premium Oils & Fats Sdn Bhd	1,000,000	36,504	-	-	-	-
Premium Vegetable Oils Sdn Bhd	54,862,500	3,568,789	-	-	-	-
Premium Fats Sdn Bhd	2,500,002	91,648	-	-	-	-
Arani Agro Oil Industries Ltd	30,000,000	1,944,464	-	-	-	-
Carsons Management Services (Private) Limited	16,334,138	163,341	163,341	16,334,138	-	-
Carsons Airline Services (Private) Limited	399,999	4,000	4,000	399,999	-	-
CBL Retailers (Private) Ltd	1,200,000	12,000	12,000	-	-	-
Equity Hotels Limited	685,368	6,710	6,710	-	-	-
Equity Three (Private) Limited	5,400,000	103,214	103,214	2	-	-
Equity Seven Limited	3,271,882	43,148	43,148	3,271,882	43,148	43,148
		25,017,476	17,013,911		5,640,852	4,210,510
(iii) Investments in Unquoted Deferred Shares						
Ceylon Guardian Investment Trust PLC	5,739,770	115,384	115,384	5,739,770	115,384	115,384
Total Investment in Subsidiaries - Unquoted		25,132,860	17,129,295		5,756,236	4,325,894
Total Investment in Subsidiaries		33,289,306	22,358,725		9,598,428	7,970,031



(Amounts expressed in Sri Lankan Rs. '000)

27 INVESTMENTS (Contd.)

(a) Acquisition and formation of subsidiaries

Formation of Premium Nutrients Pte Ltd and Premium Oils and Fats Sdn. Bhd.

In FY2012, Goodhope Asia Holdings formed Premium Nutrients Pte Ltd ("PNL") in Singapore as the investment holding company for the Oils and Fats business and Premium Oils and Fats Sdn. Bhd. ("POF") in Malaysia as the operational headquarters of the downstream business. The Company holds 100% equity interest in PNPL which in turn holds 100% equity interest in POF.

Acquisition of Premium Vegetable Oil Sdn. Bhd., Premium Fats Sdn. Bhd. and Arani Agro Oil Industries Ltd.

On 7 July 2011, the Group acquired 100% equity interest in Premium Vegetable Oil Sdn. Bhd. ("PVO") and Premium Fats Sdn. Bhd. ("PFSB") in Malaysia and Arani Agro Oil Industries Ltd. ("AAO") in India at a total purchase consideration of Rs. 4,324 mn. (US\$ 39.4 mn). The Group has acquired these companies to expand the scope of operations into the edible oils and fats business segment. These acquisitions have been accounted for using the acquisition method. The financial statements include the results of PVO, PFSB and AAO for the nine-month period from the acquisition date.

Acquisition of PT Batu Mas Sejahtera

On 16 September 2011, the Group acquired 95% equity interest in PT Batu Mas Sejahtera ("PTBMS") in Indonesia, at a purchase consideration of Rs. 284 mn. (US\$ 2.6 mn). The Group has acquired PTBMS as part of its plantation business expansion plan. The acquisition has been accounted for using the acquisition method. The Group's consolidated financial statements include the results of PT BMS for the six-month period from the acquisition date.

Acquisition of PT Sawit Makmur Sejahtera

On 12 January 2012, the Group acquired 95% equity interest in PT Sawit Makmur Sejahtera ("PTSMS"), a company incorporated in Indonesia, for a purchase consideration of Rs. 293.6 mn. (US\$ 2.58 mn.). The Group has acquired PTSMS as part of its plantation business expansion plan. The acquisition has been accounted for using the acquisition method. The Group's financial statements include the results of PTSMS for the two-month period from the acquisition date.

Acquisition of PT Sumber Hasil Prima

On 29 March 2012, the Group acquired 95% equity interest in PT Sumber Hasil Prima ("PTSHP"), a company incorporated in Indonesia, at a purchase consideration of Rs. 331 mn. (US\$2.56 mn). The Group has acquired PTSHP as part of its plantation business expansion plan.

The following represents the fair values of the identifiable assets and liabilities of subsidiaries acquired as at the date of acquisition:

	2012
ASSETS	
Property, Plant & Equipment	8,102,872
Prepaid Lease Assets	1,302,286
Intangible Assets	38,307
Deferred Tax Assets	43,743
Inventories	2,344,212
Trade and other receivables	4,169,492
Cash and cash equivalents	898,580
Total assets	16,899,492
LIABILITIES	
Long - term borrowings	157,482
Deferred tax liabilities	871,486
Retirement benefit obligation	13,804
Finance Lease	141,741
Short term borrowings	6,641,219
Trade and other payables	6,884,728
	14,710,460
Net identifiable assets	2,189,032
Less: Non-controlling interest	(1,021,875)
Identifiable net assets acquired	1,167,157
Add: goodwill arising from acquisition	1,232,885
Customer relationship	565,882
Less: Bargain purchase (negative goodwill)	(120,501)
Consideration for acquisition Non - Controlling interest	2,467,877
Total consideration for acquisition	5,313,300

*(Amounts expressed in Sri Lankan Rs. '000)***27 INVESTMENTS (Contd.)****(b) The effect of acquisition on cash flow statement is as follows:**

	2012
Consideration settled in cash	5,313,300
Less: Cash and cash equivalents of subsidiaries acquired	(898,580)
Acquisition of Subsidiaries net of cash	4,414,720

(c) Impact of acquisition on income statement

From the date of acquisition, the acquirees have contributed an additional revenue and Losses of approximately Rs 20,099 mn and Rs 892 mn respectively for the financial year ended 2012.

(d) Acquisition of non-controlling interests

During the year, the Group acquired further stakes in the following subsidiaries from the existing non-controlling shareholders:

Acquirer	Acquiree	Stake acquired %	Total ownership after acquired stake %	Consideration
Carson Cumberbatch PLC & Ceylon Beverage Holdings PLC	Lion Brewery (Ceylon) PLC	3.47	58.61	399,446
Good Hope Asia Holdings Limited	Selinsing PLC	8.40	95.67	637,456
Good Hope Asia Holdings Limited	Good Hope PLC	4.81	94.21	387,093
Good Hope Asia Holdings Limited	Indo - Malay PLC	12.62	89.87	1,244,826
Good Hope Asia Holdings Limited	Shalimar (Malay) PLC	4.21	96.50	258,195

(B) Investment in Associate Companies**(i) Movements of Investments in Associate / Joint venture Companies**

	Group		Company	
	2012	2011	2012	2011
Balance as at the beginning of the year	436,174	657,209	10,406	10,406
Investments in Joint venture	20,000	-	-	-
Transfers/Disposals during the year	(1,645)	(183,397)	(1,645)	-
Depreciation of Associate companies reserves	(40,297)	(7,241)	-	-
Share of net results of Associates	211,730	(13,270)	-	-
Dividend received during the year	(45,590)	(17,127)	-	-
Balance as at the end of the year	580,372	436,174	8,761	10,406



(Amounts expressed in Sri Lankan Rs. '000)

27 INVESTMENTS (Contd.)
Investment in Associate Companies

(ii) Measurement of Associate / Joint venture Companies

	No. of Shares	Carrying Value As at 31st March 2012	Market Value/ Valuation As at 31st March 2012	No. of Shares	Carrying Value As at 31st March 2011	Market Value/ Valuation As at 31st March 2011
(a) Associate Company						
On Quoted Shares						
Bukit Darah PLC	26,709,031	10,689	22,911,007	27,884,505	12,334	32,722,467
		10,689	22,911,007		12,334	32,722,467
Group Share of Associate Company's Retained Assets						
Bukit Darah PLC		551,338	-		423,840	-
		551,338	-		423,840	-
Investments in Associate Companies (Equity Basis)		562,027	22,911,007		436,174	32,722,467
(b) Joint venture Companies						
On Unquoted Shares						
Guardian Acquity Asset Management Limited	2,000,000	20,000	20,000	-	-	-
		20,000	20,000		-	-
Group Share of Joint venture Companies' retained assets						
Guardian Acquity Asset Management Limited		(1,655)	-		-	-
Investments in Joint Venture Companies	-	18,345	20,000	-	-	-
Total		580,372	22,931,007		436,174	32,722,467

(iii) The summarized financial information of the associate, adjusted for the proportion of ownership interest held by the Group is as follows:

	As at 31st March 2012	As at 31st March 2011
Revenue	60,667	24,739
Profit from operations	211,554	18,581
Profit before taxation	211,554	18,581
Taxation	176	(56)
Profit of the year	211,730	18,526
Non - Current assets	1,312,294	1,170,177
Current assets	9,220	15,111
Total assets	1,321,514	1,185,288
Non-current liabilities	-	-
Current liabilities	6,861	14,833
Total liabilities	6,861	14,833
Net assets	1,314,653	1,170,455
Unrealized profit on transaction with associates	(734,281)	(734,281)
	580,372	436,174
Group investment in associates		
Group share of net assets (as above)	580,372	436,174
Loans made by group companies to associates	-	50,050
	580,372	486,224

(iv) Investments in Associate Company - Company

	No. of Shares	Cost As at 31st March 2012	Market Value/ Valuation As at 31st March 2012	No. of Shares	Cost As at 31st March 2011	Market Value/ Valuation As at 31st March 2011
On Ordinary Shares						
Bukit Darah PLC	6,271,801	8,761	5,379,951	7,447,275	10,406	8,738,632
Total Investments in Associate Company		8,761	5,379,951		10,406	8,738,632

(Amounts expressed in Sri Lankan Rs. '000)

27 INVESTMENTS (Contd.)

(C) Long-Term Investments

(i) Movements in Long - Term Investments

	Group	
	As at 31st March 2012	As at 31st March 2011
Balance as at the beginning of the year	13,542,272	7,973,037
Additions during the year	1,831,887	2,238,491
Disposals/Redemptions	(3,153,917)	(579,028)
Transfer to short term investments - (Note 32)	(252,194)	-
Gain / (Loss) on mark to market value adjustments	(3,611,771)	3,909,772
Balance as at the end of the year	8,356,277	13,542,272

(ii) Measurement of Long - Term Investments - Group

	No of Shares 2012	Market Value as at 31st March 2012	Cost as at 31st March 2012	No. of Shares 2011	Market Value as at 31st March 2011	Cost as at 31st March 2011
(ii.a) Quoted Investments						
Bank & Finance						
Hatton National Bank PLC	-	-	-	2,000,000	760,000	341,368
HNB Assurance PLC	2,000,000	91,600	106,360	1,500,000	120,000	90,735
Commercial Bank of Ceylon PLC	11,415,548	1,141,555	748,440	4,484,335	1,191,936	463,946
People's Leasing Company PLC	22,907,300	265,725	412,332	-	-	-
Sampath Bank PLC	1,679,593	301,991	495,704	1,604,500	462,577	479,421
		1,800,871	1,762,836		2,534,514	1,375,470
Beverage, Food & Tobacco						
Nestle Lanka PLC	274,500	250,015	185,386	100,000	64,080	32,590
Cargills (Ceylon) PLC	6,650,300	1,157,152	197,372	6,650,300	1,518,263	197,372
		1,407,167	382,758		1,582,343	229,962
Construction & Engineering						
Access Engineering PLC	8,000,000	213,600	200,280	-	-	-
	-	213,600	200,280	-	-	-
Diversified						
Aitken Spence PLC	-	-	-	10,245,000	1,662,764	299,555
Expolanka Holdings PLC	50,600,000	313,720	380,493	-	-	-
John Keells Holdings PLC	16,629,878	3,425,755	531,727	12,491,159	3,567,475	532,790
		3,739,475	912,220		5,230,239	832,345
Health care						
Asiri Hospital PLC	8,677,800	65,951	84,779	-	-	-
Ceylon Hospitals PLC (Durdans)	756,915	54,876	39,942	756,915	75,692	39,942
	-	120,827	124,721		75,692	39,942
Hotels & Travels						
Aitken Spence Hotels Holdings PLC	3,000,000	210,000	197,730	6,447,050	631,811	252,935
		210,000	197,730		631,811	252,935
Manufacturing						
Textured Jersey Lanka PLC	2,343,300	16,872	35,325	-	-	-
Tokyo Cement Company (Lanka) PLC	6,706,500	181,076	290,592	4,449,600	195,782	181,332
		197,948	325,917		195,782	181,332
Total net carrying value of other long - term Investments - quoted		7,689,888	3,906,462		10,250,380	2,911,986



(Amounts expressed in Sri Lankan Rs. '000)

27 INVESTMENTS (Contd.)

(c) Long-Term Investments

	Market Value /		Cost	Market Value /		Cost
	No of Shares 2012	Valuation as at 31st March 2012	as at 31st March 2012	No. of Shares 2011	Valuation as at 31st March 2011	as at 31st March 2011
(ii.b) Unquoted Investments						
Durdans Medical & Surgical Hospital (Private) Ltd.	22,285,715	280,797	280,797	21,000,000	262,797	262,797
Hsenid Business Solutions (Pvt) Ltd.	163,419	40,005	40,005	-	-	-
Softlogic Holdings (Private) Ltd.	-	-	-	2,777,000	199,944	199,944
South Asian Breweries (Private) Limited - Singapore	-	-	-	-	2,187,086	2,187,086
Lanka Communication Services Limited	1,428,496	15,713	15,713	1,428,496	15,713	15,713
Vallibel One Limited	-	-	-	2,090,000	52,250	52,250
The Sri Lanka Fund	2,531,646	227,374	224,560	2,531,646	285,051	224,564
Guardian Acquity Equity Fund	2,500,000	25,126	25,000	-	-	-
Guardian Acquity Fixed Income Fund	7,500,000	75,750	75,000	-	-	-
Expo Lanka Holdings Limited	-	-	-	41,600,000	252,102	252,102
Textured Jersey Lanka (Private) Limited	-	-	-	2,343,300	35,325	35,325
DFCC Vardhana Bank	128,925	1,600	1,600	128,925	1,600	1,600
Kandy Private Hospitals Limited	1,200	20	20	1,200	20	20
Dormant Companies						
International Grocers Alliance (Private) Ltd.	5,100,000	-	-	5,100,000	-	-
Capital Reach Holdings Limited	200,000	-	-	200,000	-	-
Equity Investments Lanka Limited	22,500	-	-	22,500	-	-
Colombo Brick Co. Limited	1,000	-	-	1,000	-	-
Fantasia Stock & Stockings Limited	1,000	-	-	1,000	-	-
Glow Weave Rubber Co. Limited	1,000	-	-	1,000	-	-
Lady Havelock Gardens Limited	6,000	-	-	6,000	-	-
Mahaweli Construction Consortium Limited	1,500	-	-	1,500	-	-
Rowlands Limited	35,330	-	-	35,330	-	-
Rubberite Limited	10,000	-	-	10,000	-	-
Total long - term investments - unquoted		666,385	662,695		3,291,888	3,231,401
Debentures						
Riverina Hotels Limited - Zero Coupon	56	-	-	56	-	-
Ocean View Limited - 6%	360	4	4	360	4	4
Total investments in debentures		4	4		4	4
Preference Shares						
Ceylon Cold Stores PLC - 7%	1,362	-	-	1,362	-	-
Richard Pieris & Company PLC - 8% - Cumulative	1,375	-	-	1,375	-	-
Rowlands Limited - 8% - Cumulative	1,125	-	-	1,125	-	-
Total Investment in Preference Shares		-	-		-	-
Total Unquoted Investments		666,389	662,699		3,291,892	3,231,405
Total Long - term Investments		8,356,277	4,569,161		13,542,272	6,143,391

(Amounts expressed in Sri Lankan Rs. '000)

(28) LAND COMPENSATION RECEIVABLE

Pegasus Hotels of Ceylon PLC (PEG)

The government of Sri Lanka acquired approximately 1,251 perches of land owned by the Company under Section 38 proviso (a) of the Land Acquisition Act, No.28 of 1964 by gazette notification dated 14th May 2008 for the public purpose of a fisheries harbour project. The Divisional Secretary called for claim of compensation in response to which Company submitted a claim of compensation for the compulsory acquisition of the said land on 16th July 2008. The final claim stands at Rs.563 mn taking into account the market value of the property, potential economic value lost for hotel expansion and the nuisance value that will be created for hotel operation by the said project. However, as a matter of prudence the Company has accounted for the compensation receivable of Rs. 189.5mn in the financial statements based only on the market value and related costs supported by a professional valuation dated 4th April 2009 conducted Mr. K Arthur Perera, A.M.I.V.(Sri Lanka), Valuer & Consultant.

A valuation was carried out by Mr. K. Arthur Perera as at 31st March 2012 and according to the said valuation, the said acquired property is valued at Rs.250.4mn (2011 - Rs. 250.4mn).

No adjustment has been made to the compensation receivable on prudent basis, however this will further justify the Company's claim on the property. As at balance sheet date, Company has not received any confirmation from the Divisional Secretary on the value determination of the said claim.

(29) INVENTORIES

	Group		Company	
	As at 31st March 2012	As at 31st March 2011 (Restated)	As at 31st March 2012	As at 31st March 2011
Raw materials	5,048,840	1,524,930	-	-
Work-in-progress	100,407	59,534	-	-
Lands held for development and sale [Note 29 (a)]	10,913	502,925	-	-
Finished goods	1,448,543	1,314,255	-	-
Nursery	1,565,942	582,238	-	-
	8,174,645	3,983,882	-	-

(a) Details of Land held for Development and Sale

Company	Location	Extent (in Acres)	Fair Value	Fair Value
			31st March 2012 Rs.	31st March 2011 Rs.
Equity One PLC	Mirihana Estate, Mirihana	0.11	10,913	32,925
Equity One PLC	No. 7, De Soysa Mawatha, Mount-Lavinia	6.00	-	470,000
		6.11	10,913	502,925

Land located at No. 7, De Soysa Mawatha, Mount Lavinia was transferred to Investment Property during the year, in view of discontinuation of development activities.

Assets pledge as security

The plantation sector companies has pledged inventories amounting to approximately Rs. 3,378 mn (2011:nil) as security for bank borrowings



(Amounts expressed in Sri Lankan Rs. '000)

(30) TRADE AND OTHER RECEIVABLES

	Group		Company	
	As at 31st March 2012	As at 31st March 2011 (Restated)	As at 31st March 2012	As at 31st March 2011
Trade and other receivables (net of provisions) (Note b)	4,075,656	781,486	15,346	-
Plasma receivables (Note d)	741,827	330,317	-	-
Other receivables	2,492,320	2,667,044	877	870
Loans given to employees	33,407	23,305	-	-
	7,343,210	3,802,152	16,223	870

	Group	
	As at 31st March 2012	As at 31st March 2011
Currency		
Sri Lankan Rupees	1,500,461	506,811
US Dollar	74,939	-
Malaysian Ringgit	1,949,426	69,773
Indonesian Rupiah	234,807	204,902
Indian Rupee	316,023	-
	4,075,656	781,486

(a) Trade receivables are generally non-interest bearing and generally have 15 to 90 days term. Other credit terms are assessed and approved on a case-by-case basis. They are recognized at their original invoice amounts which represents fair value at initial recognition and subsequently test for Impairment.

(b) The carrying amount of the group's trade receivables are denominated in the following currencies:

(c) Provision for Impairment of Trade Receivable - Movement during the year

	Group	
	As at 31st March 2012	As at 31st March 2011
Balance as at beginning of the year	19,777	15,710
Provision for the year	1,748	5,568
Write - offs against provisions during the year	(675)	(1,501)
Balance as at end of the year	20,850	19,777

The above trade receivables that are individually determined to be impaired at the Balance Sheet date relate to debtors that are in significant financial difficulties and have defaulted on settlements. These receivables are not secured by any collateral.

(d) Plasma receivables

In accordance with the Indonesian government's policy, oil palm plantation companies are required to develop new plantations for the local communities within and around the company. A cooperative establishment is formed to take care of the landholder's rights and obligations and this form of assistance to local communities is generally known as the "Plasma Programme".

Plasma receivables represent costs incurred for plasma plantation development and advances to Plasma farmers for working capital purposes during the early maturity stage. These include biological assets and their infrastructures, covering costs incurred for land clearing, planting, upkeep, fertilisation, mature plantation management, harvesting and other indirect expenses. The advances will be subsequently recovered through revenue generated from the Plasma plantations.

Land rights of the Plasma plantation are mortgaged and kept as security for obtaining bank loans from commercial banks in Indonesia. These land rights will be handed over to the Group upon the completion of the loan period. As per management agreement signed with the Plasma Corporative, which represents the Plasma members and the Group's subsidiary companies, these land titles can be retained by the group as security until advances provided are paid in full through Plasma revenue.

*(Amounts expressed in Sri Lankan Rs. '000)***(31) AMOUNTS DUE FROM/DUE TO RELATED COMPANIES**

	Group		Company	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
(a) Non Current				
Amounts due from Subsidiaries				
Carsons Management Services (Private) Limited	-	-	154,227	141,390
Provision for Impairment	-	-	(49,284)	(49,284)
Equity One PLC	-	-	762,493	637,642
Pegasus Hotels of Ceylon PLC	-	-	-	109,637
	-	-	867,436	839,385

The non - current non-trade balances receivable from subsidiaries are unsecured, non interests bearing and have no fixed terms of repayment. These balances are not expected to be repaid within the next twelve months and are expected to be settled in cash.

	Group		Company	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
(b) Current				
Amount due from Subsidiaries				
Pegasus Hotels of Ceylon PLC	-	-	109,637	-
Carsons Management Services (Private) Limited	-	-	76,315	76,315
Provision for Impairment	-	-	(76,315)	(76,315)
	-	-	109,637	-
(c) Amounts due from Associate Companies				
Bukit Darah PLC	-	50,050	-	50,050
	-	50,050	-	50,050
	-	50,050	109,637	50,050

The current non-trade balances receivable from subsidiaries, associates are unsecured, non interest bearing and repayable on demand.

(c) Amounts due to Subsidiaries

	Group		Company	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Leechman & Company (Private) Limited	-	-	38,943	45,270
Equity Seven Ltd	-	-	41,099	41,678
Total amount due to related companies	-	-	80,042	86,948

Amount due to subsidiaries are non interest bearing and repayable on demand.



(Amounts expressed in Sri Lankan Rs. '000)

(32) SHORT-TERM INVESTMENTS

(a) Movement in Short Term Investments

	Group					
	As at 31st March 2012			As at 31st March 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Balance at the beginning	1,194,252	7,972	1,202,224	664,406	6,103	670,509
Additions	506,413	-	506,413	1,408,333	1,869	1,410,202
Transfer from Long term Investments - (Note 27)	252,194	-	252,194	-	-	-
Disposals	(889,299)	-	(889,299)	(1,477,058)	-	(1,477,058)
Mark to market value adjustment	(258,185)	-	(258,185)	598,571	-	598,571
Balance at the year end	805,375	7,972	813,347	1,194,252	7,972	1,202,224

	As at 31st March 2012		As at 31st March 2011	
	No of Shares	Market Value / Valuation as at 31st March 2012	No of Shares	Market Value / Valuation as at 31st March 2011
(i) Quoted Investments				
Banks, Finance & Insurance				
National Development Bank PLC	387,200	47,548	312,200	65,901
Sampath Bank PLC	-	-	480,884	138,639
Housing Development Finance Corporation Bank of Sri Lanka	110,000	7,524	11,000	12,385
Commercial Bank of Ceylon PLC	2,371,099	237,110	153,881	40,902
Central Finance Company PLC	-	-	40,000	50,948
Hatton National Bank PLC	-	-	100,000	38,000
Lanka Orix Leasing Company PLC	-	-	100,000	11,960
L B Finance PLC	-	-	53,800	9,420
Merchant Bank of Sri Lanka PLC	-	-	664,200	63,630
		292,182		431,785
Beverage, Food & Tobacco				
Distilleries Company of Sri Lanka PLC	902,000	130,790	852,000	153,360
Ceylon Cold Stores PLC	880	79	200	150
		130,869		153,510
Chemicals & Pharmaceuticals				
Union Chemicals Lanka PLC	200	139	200	132
		139		132
Diversified				
Hemas Holdings PLC	98,125	2,581	98,125	4,514
John Keells Holdings PLC	1,061,129	218,593	1,181,172	337,343
Expolanka Holdings PLC	4,198,600	26,032	-	-
C T Holdings	521,512	78,279	298,000	59,600
Richard Pieris And Company PLC	-	-	2,000,000	27,200
		325,485		428,656

*(Amounts expressed in Sri Lankan Rs. '000)***(32) SHORT-TERM INVESTMENTS (Contd.)****(i) Quoted Investments (Contd.)**

	No of Shares	Market Value / Valuation as at 31st March 2012	No of Shares	Market Value / Valuation as at 31st March 2011
Land & Property				
Colombo Land & Development Company PLC	87,500	3,413	-	-
		3,413	-	-
Hotels				
Trans Asia Hotels PLC	-	-	187,600	36,732
	-	-	-	36,732
Manufacturing				
Royal Ceramic Lanka PLC	460,000	52,900	200,000	31,400
Piramal Glass Ceylon PLC	-	-	1,400,000	15,540
Lanka Floortile PLC	-	-	431,900	56,622
		52,900		103,562
Plantations				
Kegalle Plantations PLC	-	-	107,900	22,389
Namunukula Plantations PLC	-	-	149,500	17,133
				39,522
Power & Energy				
Lanka IOC Limited	20,000	388	20,000	352
		388		352
Total short - term investments - Quoted		805,375		1,194,252
(ii) Short - Term Investments - Unquoted				
Asia Pacific Golf Course Limited	10	2,500	10	2,500
Produce Transport Limited	1	-	1	-
Serendib Agro Products Limited	2,500	3	2,500	3
The Unit Trust Management Co.(Private) Limited	360,001	3,600	360,001	3,600
ACW Insurance (Private) Limited	449,999	1,869	449,999	1,869
Total short - term investments - unquoted		7,972		7,972
Total short - term investments		813,347		1,202,224



(Amounts expressed in Sri Lankan Rs. '000)

(32) SHORT-TERM INVESTMENTS (CONTD.)

(b) Company

Movement in Short - Term Investments

	As at 31st March 2012			As at 31st March 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Balance as at the beginning of the year	30,263	7,972	38,235	12,576	6,103	18,679
Additions/ Transfer/ Adjustments	6	-	6	-	1,869	1,869
Mark to market value adjustment	(7,315)	-	(7,315)	17,687	-	17,687
Balance as at the end of the year	22,954	7,972	30,926	30,263	7,972	38,235

(i) Quoted Investment

	No of Shares	Market Value / Valuation as at 31st March 2012	No of Shares	Market Value / Valuation as at 31st March 2011
Bank & Finance				
Housing Development Finance Corporation Bank of Sri Lanka	110,000	7,524	11,000	12,385
Beverage, Food & Tobacco				
Ceylon Cold Stores PLC	880	79	200	150
Power & Energy				
Lanka IOC PLC	20,000	388	20,000	352
Chemicals & Pharmaceuticals				
Union Chemicals Lanka PLC	200	139	200	132
Diversified				
Hemas Holdings PLC	98,125	2,581	98,125	4,514
John Keells Holdings PLC	59,429	12,242	44,572	12,730
Total short - term investments - quoted		22,954		30,263

(i) Unquoted Investment

Asia Pacific Golf Course Limited	10	2,500	10	2,500
The Unit Trust Management Co.(Private) Limited	360,001	3,600	360,001	3,600
ACW Insurance (Private) Limited	449,999	1,869	449,999	1,869
Produce Transport Limited	1	-	1	-
Serendib Agro Products Limited	2,500	3	2,500	3
Total short - term investments - unquoted		7,972		7,972
Total short - term investments		30,926		38,235

*(Amounts expressed in Sri Lankan Rs. '000)***(33) CASH AND CASH EQUIVALENTS**

	Group		Company	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Deposits				
F.C.B.U. deposits	15,266	11,134	-	-
Call deposits	1,768,991	778,234	-	-
Treasury bills	18,767	15,646	-	-
Fixed deposits	1,259,156	434,196	775,300	150
Short - term deposits	3,062,180	1,239,210	775,300	150
Cash in hand and at bank	5,444,615	9,815,536	5,870	90,750
	8,506,795	11,054,746	781,170	90,900
(a) Cash and cash equivalents are denominated in the following currencies:				
Sri Lankan Rupee	5,367,445	1,815,732	781,170	3,533
US Dollar	572,607	7,604,683	-	87,367
Sterling Pound	2,178	1,766	-	-
Indonesian Rupiah	1,281,512	579,490	-	-
Malaysian Ringgit	940,766	1,006,186	-	-
Singapore Dollar	29,463	21,528	-	-
Euro	52,269	25,361	-	-
Indian Rupee	260,555	-	-	-
	8,506,795	11,054,746	781,170	90,900

Short-term deposits earn interest at floating rates based on daily bank deposits rates and are made for varying periods between one day and three months, depending on the timing of the cash requirement of the Group. In 2012, interest earned ranged from 7.5% to 11% per annum (2011 - 6.5% - 7.5%) for Sri Lankan Rupees short-term deposits and ranged 0.1% to 0.5% (2011 : 0.05% to 0.23%) per annum for US Dollar short term deposits, 2.% to 2.3% per annum (2011: 1.15% to 1.25%) per annum for Malaysian Ringgit short-term deposits and 3.5.% to 4.25.% (2011: 4.5% to 7%) per annum for Indonesian Rupiah short-term deposits.

Certain Indonesian Bank accounts of PT Agro Indomas, PT Agro Bukit PT Karya Makmur Sejantera and PT Agro Asia Pacific have been pledged as security for bank loans with Standard Chartered Bank, Singapore. As at 31 March 2012, these accounts have a total deposits amounting to Rs. 303.60 mn. (2011: 6,155 mn)

(b) For the purpose of the consolidated cash flow statement, cash equivalent comprise of the following:

	Group		Company	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Short - term deposits	3,062,180	1,239,210	775,300	150
Cash-in-hand and at bank	5,444,615	9,815,536	5,870	90,750
	8,506,795	11,054,746	781,170	90,900
Short - term borrowings	(7,534,409)	(552,000)	(834,414)	-
Bank overdrafts	(1,212,707)	(1,804,727)	(1,026,372)	(712,093)
	(240,321)	8,698,019	(1,079,616)	(621,193)



(Amounts expressed in Sri Lankan Rs. '000)

(34) STATED CAPITAL

	As at the beginning of the year 01.04.2011	Capitalization / (redemption) during the year	As at the end of the year 31.03.2012	As at the beginning of the year 01.04.2010	Shares issued / subdivision during the year	Capitalization / (redemption) during the year	As at the end of the year 31.03.2011
Ordinary Shares	1,114,652	-	1,114,652	618,255	-	496,397	1,114,652
Preference Shares							
Class 'A'	225,000	-	225,000	225,000	-	-	225,000
Class 'B'	275,000	-	275,000	275,000	-	-	275,000
	1,614,652	-	1,614,652	1,118,255	-	496,397	1,614,652
Movement of No of shares							
Ordinary Shares	196,386,914	-	196,386,914	96,268,095	96,268,095	3,850,724	196,386,914
Preference Shares							
Class 'A'	-	-	-	5,625,000	-	(5,625,000)	-
Class 'B'	16,500,000	(5,500,000)	11,000,000	22,000,000	-	(5,500,000)	16,500,000

(a) Preference shares - Class B (originally issued at 16% during the first year)

As per approval obtained from the shareholders of the Company vide Extraordinary General Meeting held on 08th January 2009, Company issued 27,500,000 Redeemable, Cumulative, non-voting Class B preference shares carrying a dividend rate of 16% per annum on 31st March 2009. These Class B preference shares are redeemable in 5 equal annual installments starting from 30th June 2009.

As per an amendment to the preference share agreement entered into with preference share holder (DFCC), wherein after the expiry of the first year (effective 27th January 2010) the relevant preference share dividend rate will be at the higher of the Average Weighted Prime Lending Rate rounded upwards to the nearest 0.5% or the average Treasury Bill Rate net of Withholding Tax rounded upwards to the nearest 0.5% less a discount of 0.5% per annum. Redemption plan to remain unchanged.

Rights, Preference and Restrictions of Classes of Capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Holders of non-voting redeemable cumulative preference shares receive a preferential cumulative dividend based on their shareholding agreement. Preference shareholders are not entitled to vote at meetings of the ordinary shareholders.

All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares adjusted for any dividends in arrears.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

(35) CAPITAL RESERVES

	Group		Company	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Balance as at the beginning of the year	3,722,540	5,103,286	-	63,802
Redemption of Preference shares	-	(63,802)	-	(63,802)
Revaluation - Property, plant & equipment	105,800	501,895	-	-
Exchange translation differences	958,463	119,286	-	-
Changes in equity/transfers/adjustments	254,268	(1,938,125)	-	-
Balance as at the end of the year	5,041,071	3,722,540	-	-
Represented by				
Capital accretion reserve	182,334	182,334	-	-
Capital redemption reserve	226,322	226,322	-	-
Revaluation reserve	2,650,287	2,544,487	-	-
Other capital reserves	1,982,128	769,397	-	-
	5,041,071	3,722,540	-	-

Capital Accretion reserve, Revaluation reserve - Created to set aside revaluation surplus on immovable assets. Not utilised for distribution on prudence.

Capital redemption reserve - created to be used against redeeming of redeemable preference shares. Not utilised for distribution.

Other capital reserves - represents the amounts set aside by the Directors for future expansion and to meet any contingencies.

(36) REVENUE RESERVES

	Group		Company	
	As at 31st March 2012	As at 31st March 2011 (Restated)	As at 31st March 2012	As at 31st March 2011
Balance as at the beginning of the year	18,616,187	14,100,830	6,275,687	5,199,368
Capitalization of reserves	-	(496,397)	-	(496,397)
Redemption of Preference shares	(55,000)	(47,448)	(55,000)	(47,448)
Exchange translation differences	212,452	403,774	-	-
Bargain purchase (negative goodwill) from acquisition	(1,802,941)	1,100,593	-	-
Goodwill on change in shareholdings	-	(218,218)	-	-
Appreciation / (depreciation) of long-term investments	(1,793,197)	2,317,079	-	-
Profit for the period	5,762,756	4,540,713	1,696,831	1,834,030
Changes in equity/transfers/adjustments	190,378	(2,870,877)	-	-
Dividend paid	(404,072)	(213,866)	(404,072)	(213,866)
Balance as at the end of the year	20,726,563	18,616,187	7,513,446	6,275,687
Represented by				
General reserve	474,359	474,359	-	-
Currency translation reserve	1,479,602	1,068,583	-	-
Investment property fair value adjustment reserve	751,908	751,908	-	-
Long - term investment revaluation reserve	2,351,691	4,367,041	-	-
Retained earning	15,669,003	11,954,296	7,513,446	6,275,687
	20,726,563	18,616,187	7,513,446	6,275,687



(Amounts expressed in Sri Lankan Rs. '000)

(36) REVENUE RESERVES (Contd.)

- (a) General Reserve represents the amounts set aside by the Directors for future expansion, and to meet any contingencies.
- (b) Currency translation reserve comprises the net exchange movement arising on the translation of net equity investments of overseas subsidiaries into Sri Lankan rupees.
- (c) Investment property fair value adjustment reserve comprise of gains arising from fair value adjustment of investment properties will be transferred from retained earnings / accumulated loss to fair value adjustment reserve and any losses arising will be transferred to fair value adjustment reserve to the extent that loss does not exceed the balance held in the said reserve.
- (d) Long - term investments revaluation reserve consists of unrealised surplus on revaluation of long term investments.

(37) LONG-TERM BORROWINGS

	Group		Company	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Current				
Long -term borrowings falling due within one year				
Bank borrowings (Note 37 (a))	2,581,033	2,153,270	138,775	128,000
Finance lease payables (Note 37 (f))	79,280	15,714	-	-
	2,660,313	2,168,984	138,775	128,000
Non - Current				
Long-term borrowings falling after one year				
Bank borrowings (Note 37 (a))	25,879,049	18,814,549	138,775	129,600
Finance lease payables (Note 37 (f))	6,454	-	-	-
	25,885,503	18,814,549	138,775	129,600
Total	28,545,816	20,983,533	277,550	257,600
(a) Bank Borrowings				
Movements in long - term borrowings				
Balance as at the beginning of the year	20,967,819	3,198,538	257,600	399,000
On Consolidation	157,481	7,029,054	-	-
Obtained during the year	6,499,267	13,466,990	165,210	-
	27,624,567	23,694,582	422,810	399,000
Impact of exchange rate changes on conversion	3,454,404	(535,465)	42,191	(10,751)
Re - payments during the year	(2,618,889)	(2,191,298)	(187,451)	(130,649)
	28,460,082	20,967,819	277,550	257,600
Amounts falling due within one year	(2,581,033)	(2,153,270)	(138,775)	(128,000)
Amounts falling due after one year	25,879,049	18,814,549	138,775	129,600

*(Amounts expressed in Sri Lankan Rs. '000)***(37) LONG-TERM BORROWINGS (Contd.)****(b) Details of long - term borrowings**

Company	Lender/Rate of Interest (p.a.)	Balance as at 31st March 2012	Balance as at 31st March 2011	Repayment Terms	Security
Carson Cumberbatch PLC	HSBC LIBOR plus 3.87% p.a.	277,550	257,600	The term loan USD 5 mn to be repaid in 6 equal semi - annual installment of USD 1.08 mn (Rs.138.7 mn) (excluding interest)	Unsecured.
Equity One PLC	Hatton National Bank AWPLR + 2.25% (to be reviewed quarterly)	-	142,000	To be repaid in 60 months with an initial grace period of 24 months in 11 equal quarterly installments of Rs. 36 mn and a final installment of Rs. 34 mn plus interest. Interest to be serviced monthly. The loan is to be repaid in full by January 2012.	Registered primary floating mortgage bond (RPFMB) executed over the project property at Mount Lavinia and Primary mortgage executed over the immovable property owned by the Equity One PLC situated in Dharmapala Mawatha.
PT Agro Indomas (PTAI)	Standard Chartered Bank, Term loan (refer the note c)	1,537,200	1,766,400	The term loan matured on April, 2015 with an option to extend the maturity for a further five years.	Secured by plantation, property, certain plant and equipment other than leased assets and corporate guarantee. (Refer note 37 c for details)
PT Agro Bukit (PTAB)	Standard Chartered Bank, Term loan (Refer the note c)	8,787,660	8,920,320	The term loan facility will mature in April, 2015 with an option to extend the maturity for further five years	Secured by plantation, property, certain plant and equipment other than leased assets and corporate guarantee. (Refer note 37 c for details)
P T Karya Makmur Sejahtera (KMS)	Standard Chartered Bank, Term loan (Refer the note c)	5,380,200	4,084,800	The term loan facility will mature in April, 2015, with an option to extend the maturity for a further period of 5 years	Secured by plantation, property, certain plant and equipment other than leased assets and corporate guarantee. (Refer note 37 c for details)
GoodHope Asia Holdings Ltd	Standard Chartered Bank, Term loan (Refer the note c)	7,045,500	4,416,000	The term loan facility will mature in April, 2015, with an option to extend the maturity for a further period of 5 years	Secured by plantation, property, certain plant and equipment other than leased assets and corporate guarantee. (Refer note 37 c for details)



(Amounts expressed in Sri Lankan Rs. '000)

(37) LONG-TERM BORROWINGS (Contd.)

(b) Details of Long - Term Borrowings (Contd.)

Company	Lender/Rate of Interest (p.a.)	Balance as at 31st March 2012	Balance as at 31st March 2011	Repayment Terms	Security
Premium Vegetable Oils Sdn. Bhd.	Standard Chartered Bank & Hong Leong Bank Malaysia COF + 1.50% per annum (refer note c)	3,891,120	-	First ranking legal mortgage over the property, plant and equipment, first ranking fixed and floating charge over the existing and future assets excluding intangible assets, charge over Revenue Collection Accounts (RCA), charge over the borrower's Debt Service Reserve Accounts (DSRA) and Goodhope Asia Holdings Ltd corporate guarantee.	Company Property plant & equipment and future assets excluding the intangible assets
Lion Brewery (Ceylon) PLC	DFCC Bank - 6.5% p. a.	11,577	22,265	To be settled in 57 equal monthly installments commencing from June 2008.	Unsecured.
	HSBC 1month LIBRO+3.87%	60,466	96,484	To be repaid in equal monthly installments of USD 33,333/33 commencing from July '2010	Unsecured. (Installments)
	HSBC 1month LIBRO+3.17%	1,360,229	1,113,300	Payable in 20 equal quarterly installments commencing from March 2012	Unsecured.
Ceylon Beverage Holdings PLC	Hatton National Bank AWPLR + 1.25% p.a.	75,000	105,000	To be settled in 24 equal monthly installments commencing from October 2009.	Unsecured.
Pegasus Hotels of Ceylon PLC	Commercial Bank 9% p.a.	33,580	42,150	To be repaid in 58 equal installments of Rs. 714,000 and final installment amounting to Rs.738,000.	Corporate guarantee given by Carson Cumberbatch PLC
Equity Hotels Limited	Commercial Bank AWPLR + 1%	-	1,500	To be repaid within three years after a grace period of one year commencing from December 2009.	Corporate guarantees given by Carson Cumberbatch PLC
		28,460,082	20,967,819		

(Amounts expressed in Sri Lankan Rs. '000)

(37) LONG-TERM BORROWINGS (Contd.)

(c) US\$ 200 mn Credit Facility with Standard Chartered Bank, Singapore

On October 1, 2009, the company's subsidiary Goodhope Asia Holdings Ltd. ("GAHL"), Group's plantation sector holding company, together with other plantation sector companies within the Group, namely PT agro Indomas, PT Agro Bukit, PT Karya Makmur Sejahtera and PT Agro Asia Pacific (the "Borrowers"), entered into a Credit Facility Agreement with Standard Chartered Bank, (SCB) Singapore Branch for a total facility amount of US\$ 200,000,000. This credit facility is used to finance the expansion program of the plantation asset and to refinance some of the previous bank borrowings to SCB.

On February 23, 2012 GAHL, together with other plantation sector companies within the Group - PT Agro Indomas, PT Agro Bukit, PT Karya Makmur Sejahtera and PT Agro Asia Pacific (the "Borrowers") - executed a term loan facility agreement that amended the initial CFA by reinstating US\$32,400,000 to the existing facility with SCB Singapore, categorised as Facility A2.

The loans are subject to interest at SCB's Cost of Fund (COF) plus a margin as noted below for each facility:

- Facility A Loan - COF + 3.00% per annum
- Facility B1 and B2 Loans - COF + 3.25% per annum
- Facility A2 - COF + 3.25% per annum
- Revolving Credit Facility - COF + 2.75% per annum

The term loan facility will mature in April 2015, with an option to extend the maturity for a further period of 5 (five) years. The revolving credit facility carries a maximum maturity period of 6 months for each drawdown.

Security Provided

Indonesian Assets of the Group

The plantation properties, certain plant and equipment other than leased assets, certain bank accounts of PT Agro Indomas, PT Agro Bukit, PT Karya Makmur Sejahtera have been pledged as security for the above loan facilities.

Malaysian Assets of the Group

The Malaysian plantation properties of Indo Malay PLC and Selinsing PLC have also been pledged as security for the above loan facility. However, the lender has agreed to release these mortgages at their discretion in the event of fresh equity capital (of a minimum of US\$100,000,000) to the Group.

Corporate Guarantees

All the borrowers under the facility together with the Company's subsidiaries namely Shalimar Developments Sdn Bhd, Agro Harapan Lestari Sdn Bhd and PT Agro Harapan Lestari have also provided corporate guarantees, for the value of / and all obligations of the facilities, by each borrower.



(Amounts expressed in Sri Lankan Rs. '000)

(37) LONG-TERM BORROWINGS (Contd.)

(c) Financing Facilities with Standard Chartered Bank, Malaysia and Hong Leong Bank, Malaysia

On March 2012, Premium Vegetable Oils Sdn Bhd jointly with Premium Fats Sdn Bhd (subsidiaries of Goodhope Asia Holdings Ltd.) executed a Club Loan Credit Facility Agreement of RM 162,000,000 (US\$ 52,863,000) with Standard Chartered Bank, Malaysia ("SCB Malaysia") and Hong Leong Bank, Malaysia ("HLB Malaysia").

Furthermore, on March 2012, Premium Vegetable Oils Sdn Bhd jointly with Premium Fats Sdn Bhd executed Banking Facility Letters (BFL) for bi-lateral trade facilities of RM 120,000,000 (US\$ 39,158,000) each from Standard Chartered Bank, Malaysia ("SCB Malaysia") and Hong Leong Bank, Malaysia ("HLB Malaysia").

The loans (funded facilities) are subject to the following interest rates:

Term Loan Facility

- Facility A – COF + 1.50% per annum
- Facility B – COF + 1.50% per annum

Trade Facility

- Funded facilities – COF + 1.50% per annum
- Non – Funded facilities – 0.10% per month
- Overdraft – Base Lending Rate + 2.00% per annum

The Club Term Loan facility will mature on April 2015, with an extension option being available for a further period of 2 (two) years. The trade finance instruments carry a tenure of 3-6 months.

Security provided

Assets of the Borrowers

The Club Term Loan facility share the following Securities on pari passu basis with the bi-lateral trade facilities provided by SCB Malaysia and HLB Malaysia:

- First ranking legal mortgage over the property, plant and equipment of the Borrowers;
- First ranking fixed and floating charge over all the Borrowers' existing and future assets, excluding intangible assets;
- Charge over Revenue Collection Accounts ("RCA") of the Borrowers.

In addition, the Club Loan Facility is secured with a charge over the Borrowers' Debt Service Reserve Accounts ("DSRA"), which is not shared with the trade facilities provided by SCB and HLB.

Corporate Guarantees

GAHL has provided corporate guarantees for the a forementioned credit facilities (Club seven loan and bi-leteral trade facilities) as security.

(Amounts expressed in Sri Lankan Rs. '000)

(d) The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Secured		Unsecured		Balance as at	Balance as at
	2012	2011	2012	2011	31st March 2012	31st March 2011
US dollar	26,641,680	19,187,520	1,698,245	1,467,384	28,339,925	20,654,904
Sri Lankan Rupee	33,580	185,650	86,577	127,265	120,157	312,915
	26,675,260	19,373,170	1,784,822	1,594,649	28,460,082	20,967,819

(e) Maturity Profile of Long - Term Borrowings

The profile of the maturity of the long-term borrowings included in the Group's Balance Sheet as at 31st March is shown in the table below:

	Bank	Group	Total
	Borrowings	Finance Lease	31.03.2012
Due within			
1 year	2,581,033	79,280	2,660,313
1 to 2 years	2,970,145	6,454	2,976,599
2 to 5 years	22,908,904	-	22,908,904
	28,460,082	85,734	28,545,816

(f) Obligations under Finance Leases

	Group	
	As at 31st March 2012	As at 31st March 2011
Movements in Finance Leases		
Balance as at the beginning of the year	-	22,845
On Consolidation	141,739	20,171
Obtained during the year	(4,835)	-
	136,904	43,016
Impact of exchange rate changes		
on conversion	18,131	(4,074)
Re - payments during the year	(69,301)	(31,916)
Balance as at the end of the year	85,734	15,714

In 2012, Premium Vegetable Oil Sdn. Bhd., subsidiaries of the Group, had entered into hire purchase agreements for certain plant equipment and motor vehicles with hire purchase terms of 3 to 5 years. The hire purchase obligations are subject to an effective interest rates of 3.5% per annum.

In 2011, PT Agro Indomas and PT Agro Bukit, subsidiaries of the Group, entered into lease agreements for certain heavy equipment and motor vehicles, which were subject to an effective interest rate of 11.67% per annum. These had been fully settled during the year.

	Group	
	As at 31st March 2012	As at 31st March 2011
Analysis of finance lease obligation by year of re-payment		
Minimum lease payments:		
Due within one year	79,293	16,802
Due within two years	9,259	-
Future lease payments	88,552	16,802
Less: Future finance charges	(2,818)	(1,088)
Present value of minimum lease payable	85,734	15,714
Less: Current portion of obligations due under finance lease	(79,280)	(15,714)
	6,454	-



(Amounts expressed in Sri Lankan Rs. '000)

(g) The following table shows the interest rate profiles and currency analysis of the Group's Bank Borrowings as at 31st March 2012.

	Currency	Weighted Average Interest Rate	Fixed Rate Weighted Average time for which rate is fixed years	Amount	Weighted Average Interest Rate	Amount	Total
				as at 31st March 2012		31.03.2012	
Long - Terms Borrowings	US dollars	-	-	-	LIBOR+2.4% p.a	22,750,560	22,750,560
	US dollars	-	-	-	PLR+1% p.a	277,550	277,550
	US dollars	-	-	-	LIBOR+3.87% p.a	60,466	60,466
	US dollars	-	-	-	LIBOR+3.17% p.a	1,360,229	1,360,229
	US dollars	-	-	-	COF + 1.50%	3,891,120	3,891,120
	Sri Lankan Rupees	-	-	-	AWPLR + 2.25%	-	-
	Sri Lankan Rupees	-	-	-	PLR+1% - PLR+2%	33,580	33,580
	Sri Lankan Rupees	-	-	-	AWPLR + 1.25% p.a	75,000	75,000
	Sri Lankan Rupees	10.5% p.a	3 years	11,577	-	-	11,577
Lease Creditors	Indonesian Rupiah	-	2 years	-	8.85% to 11.67% per annum	85,734	85,734
				11,577		28,534,239	28,545,816
Short-term borrowings	US dollars	-	-	-	-	1,281,000	1,281,000
	Indian Rupee	-	-	-	-	1,226,000	1,226,000
	MYR	-	-	-	-	4,202,409	4,202,409
	Sri Lankan Rupees	-	-	-	-	825,000	825,000
Bank Overdrafts	Sri Lankan Rupees	-	-	-	PLR+1% p.a	1,212,707	1,212,707
				11,577		37,281,355	37,292,932

The following table shows the interest rate profiles and currency analysis of the Group's Bank Borrowings as at 31st March 2011.

	Currency	Weighted Average Interest Rate	Fixed Rate Weighted Average time for which rate is fixed years	Amount	Weighted Average Interest Rate	Amount	Total
				31.03.2011		31.03.2011	
Long - Terms Borrowings	US dollars	-	-	-	LIBOR+2.4% p.a	19,187,520	19,187,520
	US dollars	-	-	-	PLR+1% p.a	257,600	257,600
	US dollars	-	-	-	LIBOR+3.87% p.a	96,485	96,484
	US dollars	-	-	-	LIBOR+3.17% p.a	1,113,300	1,113,300
	Sri Lankan Rupees	-	-	-	AWPLR + 2.25%	142,000	142,000
	Sri Lankan Rupees	-	-	-	PLR+1% - PLR+2%	42,150	42,150
	Sri Lankan Rupees	-	-	-	AWPLR + 1.25% p.a	105,000	105,000
	Sri Lankan Rupees	10.5% p.a	3 years	22,265	-	-	22,265
	Sri Lankan Rupees	13.5% p.a	5 years	1,500	-	-	1,500
Lease Creditors	Indonesian Rupiah	2 years	-	-	7.75% to 10.25% per annum	15,714	15,714
				23,765	-	20,959,769	20,983,534
Short - Terms Borrowings	Sri Lankan Rupees	-	-	-	-	552,000	552,000
Bank Overdrafts	Sri Lankan Rupees	-	-	-	PLR+1% p.a	1,804,727	1,804,727
				23,765		23,316,496	23,340,260

(Amounts expressed in Sri Lankan Rs. '000)

(38) TRADE AND OTHER PAYABLES

	Group		Company	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Current				
Trade payables	3,348,277	609,931	-	-
Other creditors including accrued expenses	5,358,036	3,101,612	68,109	65,104
Unclaimed dividend	96,776	50,031	7,346	4,389
	8,803,089	3,761,574	75,455	69,493
Non - Current				
Rental deposits [Note 38 (a)]	30,770	28,726	-	-
Customer deposits [Note 38 (b)]	858,737	744,326	-	-
	889,507	773,052	-	-
	9,692,596	4,534,626	75,455	69,493

Term and condition of the above current Financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60 to 90 day terms.
- Other payables are non-interest bearing and have an average term of six months.
- Interest payables are normally settled monthly throughout the financial year.

	Group	
	As at 31st March 2012	As at 31st March 2011
(a) Rental Deposits		
Balance as at the beginning of the year	28,726	23,330
Receipts during the year	6,444	8,565
Refunds during the year	(4,400)	(3,169)
Balance as at the end of the year	30,770	28,726

The above rental and telephone deposits are re-payable on termination of the tenancy agreements in the property sector.

	Group	
	As at 31st March 2012	As at 31st March 2011
(b) Customer Deposits		
Balance as at the beginning of the year	744,326	627,838
Receipts during the year	126,560	117,557
Refunds made during the year	(12,149)	(1,069)
Balance as at the end of the year	858,737	744,326

Customer deposits are taken as security against the containers with the distributors in the beverage sector.



(Amounts expressed in Sri Lankan Rs. '000)

(39) EMPLOYEE BENEFITS

	As at 31st March 2012	Group As at 31st March 2011
The amounts recognized in the income statement are as follows;		
Current service cost	133,230	96,973
Interest cost	39,436	22,602
Amortization of past service costs - non-vested	19	25
Amortization of actuarial loss	4,290	1,415
Immediate recognition of new entrants	104,105	39,495
Curtailment gain/loss	(105,788)	(50,851)
Settlement loss	86	764
Total employee benefit expense	175,378	110,423
The details of employee benefit liability at 31st March 2012 and 2011 are as follows:		
Present value of unfunded obligations	634,353	425,751
Unrecognized past service costs - non-vested	(775)	(35)
Unrecognized actuarial loss	(87,947)	(91,623)
	545,631	334,093
The movement in the liabilities recognized in the balance sheet is as follows:		
Balance as at the beginning of the year	334,093	200,392
On Consolidation	13,804	32,075
Provision for the year	175,378	110,423
Payments made during the year	(15,934)	(6,784)
Impact of exchange rate changes on conversions	38,290	(2,013)
Balance as at the end of the year	545,631	334,093

A separate fund has not been established to accommodate the liability arising in respect of gratuity. The above gratuity provision of Rs. 175.37 mn (2011 -Rs 110.42mn) is based on assumptions of an actuarial valuation carried out by Mr. M. Poopalanathan, (AIA), of Messrs Actuarial & Management Consultants (Private) Limited, as at 31st March 2012, for the Sri Lankan Subsidiaries and the provision for Malaysian operations in accordance with the formula method as described (E) of revised SLAS 16 (Revised) "Employee Benefit" for the year ended 31st March 2012. The Indonesian Subsidiaries, engaged an independent actuary, PT Dayamandiri Dharmakonsilindo to conduct actuarial valuation of employee benefits liability as of March 31st 2012 using the projected unit credit actuarial valuation method.

The actuarial valuation was made using the following assumption:

	Sri Lanka	Indonesia	Malaysia
Discount rate	10% per annum	6.75% per annum	4% per annum
Future salary increment rate	10% per annum	8% per annum	3% per annum
Mortality rate	A 67/70 Mortality Table issued by the Institute of Actuaries, London	CSO 1980	
Disability rate	-	10% of mortality rate	-
Resignation rate	5% per annum for age up to 49 and thereafter zero	3% per annum from age 20 and reducing linearly to 1% per annum at age 45 and thereafter 100% at normal retirement	9% per annum
Retirement age	55 years	55 years	-

*(Amounts expressed in Sri Lankan Rs. '000)***(40) NET ASSETS PER ORDINARY SHARE**

Company and Group net asset per share calculation as follows.

As at 31st March	Group		Company	
	2012	2011	2012	2011
Total Equity	53,406,556	48,655,894	9,128,098	7,890,339
Less				
Non -controlling interest	(26,024,270)	(24,702,515)	-	-
Outstanding preference share capital	(110,000)	(165,000)	(110,000)	(165,000)
Total	27,272,286	23,788,379	9,018,098	7,725,339
Number of ordinary shares used as the denomination				
Ordinary share issue	196,386,914	196,386,914	196,386,914	196,386,914
Net Asset per share	138.87	121.13	45.92	39.34

(41) COMPANIES WITHIN THE GROUP WHICH ARE NOT AUDITED BY MESSRS KPMG

Good Hope Asia Holdings Limited	Ernst & Young - Singapore
Agro Asia Pacific Limited	"
Indo - Malay PLC	Ernst & Young - Sri Lanka
Selinsing PLC	"
Good Hope PLC	"
Shalimar (Malay) PLC	"
Agro Harapan Lestari (Private) Limited	"
AHL Business Solutions (Private) Limited	"
Shalimar Developments Sdn. Bhd.	Ernst & Young - Malaysia
Agro Harapan Lestari Sdn. Bhd.	"
Agro Harapan Lestari Sdn. Bhd.	"
PT Agro Indomas	Ernst & Young - Indonesia
PT Agro Bukit	"
PT Agro Harapan Lestari	"
PT Agro Asia Pacific	"
PT Karya Makmur Sejahtera	"
PT Nabire Baru	"
PT Agrajaya Baktitama	"
PT Rim Capital	"
PT Agro Wana Lestari	"
PT Batu Mas Sejahtera	"
PT Sawit Makmur Sejahtera	"
PT Sumber Hasil Prima	"
Premium Nutrients Pvt Ltd	Ernst & Young - Singapore
Premium Oils & Fats Sdn Bhd	Ernst & Young - Malaysia
Premium Vegetable Oils Sdn Bhd	"
Premium Fats Sdn Bhd	"
Arani Agro Oil Industries Ltd	Ernst & Young - India



(Amounts expressed in Sri Lankan Rs. '000)

(42) CAPITAL COMMITMENTS

	As at 31st March 2012	Group As at 31st March 2011
Oil Palm Plantations		
Approved and contracted for	5,741,570	191,986
	5,741,570	191,986
Beverage		
Approved and contracted for	723,354	-
	723,354	-
Real Estate		
Approved and contracted for	10,300	-
	10,300	-
Total capital commitments	6,475,224	191,986

There were no material contracts for capital expenditure as at the Balance Sheet date other than the above.

(43) CONTINGENCIES

- (a) Malaysian plantation properties of Indo-Malay PLC and Selinsing PLC were charged as security to Standard Chartered Bank Singapore to secure a financing facility under Goodhope Asia Holdings Ltd., in order to facilitate the Group expansion programme of the plantation asset base and to refinance the Group's existing debt obligations.

An internal arrangement was established to ensure equitability amongst the four Malaysian plantation companies (Indo-Malay PLC, Selinsing PLC, Good Hope PLC, and Shalimar Malay PLC), with each of the four Malaysian plantation companies counter guaranteeing the combined liability that would crystallize in the event of a successful claim on properties mortgaged by Indo-Malay PLC and Selinsing PLC. As such total loss incurred by Good Hope PLC in the event of a successful claim is limited to 25% of the combined loss.

- (b) In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Company's subsidiary Ceylon Beverage Holdings PLC and its Directors for the recovery of Rs. 48,121,634/29 comprising of Rs. 23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998/IVq to 2001/IIIq and Rs. 25,059,553/86 as its penalty. The Subsidiary and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty and obtained a Stay Order in respect of the proceedings of the Fort MC Case. Pending the conclusion of the CA case the CA ordered the payment of Rs. 23,062,080/43 to Sri Lanka Customs which is the duty amount in dispute which has been paid by the Subsidiary. However, no provision has been made for the penalty of Rs. 25,059,553/86 since the CA case is still on going.
- (c) Contingent liabilities of Lion Brewery (Ceylon) PLC as at 31st March 2012 amounting to Rs. 717,204,525/- (2011 - Rs. 184,186,442/-), being bank guarantees given to government bodies for operational & shipping guarantees given for clearing imports pending original shipping documents.
- (d) The Customs Department instituted a prosecution in the Magistrate's Court of Kaduwela in Case No. 11303/Customs against the Company's subsidiary Lion Brewery (Ceylon) PLC and its Directors to recover Excise Duty amounting to Rs. 58,753,582/94 comprising of the disputed Excise Duty of Rs. 29,376,791/47 and its penalty of Rs. 29,376,791/47. The Subsidiary and the Directors have filed an application for Writ in the Court of Appeal to quash the Certificate Excise Duty in Default issued by the DG of Customs and Excise Duty to recover the said sum and obtained a Stay Order in respect of the proceedings of the MC Kaduwela Case. The Court of Appeal matter is currently pending.

(Amounts expressed in Sri Lankan Rs. '000)

(43) CONTINGENCIES (Contd.)

- (e) An employee of Company's Subsidiary, Pegasus Hotels of Ceylon PLC had filed action in the Labour Tribunal against the termination of his services on disciplinary grounds and was awarded damages of Rs. 392,000/- against the company. The Subsidiary had appealed against the decision to the High Court of the Western Province (Gampaha) and the court held in favour of the Subsidiary, against which order the employee has proffered an appeal to the Supreme Court. This is to be taken up in the Supreme Court on 11th June 2012.
- (f) A case has been filed against the Company's subsidiary Pegasus Hotels of Ceylon PLC by an individual in the District Court of Negombo seeking a declaratory title from court stating that he is a co-owner of 127.5 perches of the Land belonging to Pegasus Hotels of Ceylon PLC. This matter is still pending. However, the company is confident that it can establish title to the said land. In any case the claimed land extent falls within the 1251 purchase of land acquired by the government for the fisheries harbour project.
- (g) An ex-parte judgement (in default of appearance) has been made against the Company by an overseas Court for a sum of Sterling pound 271,323.38, in an action filed by a former consultant of the Company. The Company has challenged the enforceability of the said overseas judgement in an action filed by the Company in the District Court of Colombo.
- (h) The contingent liabilities as at 31st March 2012 on corporate guarantees given to third parties by companies forming part of the Group in respect of facilities granted are as follows:

	2012	2011
Carson Cumberbatch PLC	75,000	75,000
Good Hope Asia Holdings Ltd - (Group)	33,362,108	17,382,701
	33,437,108	17,457,701

(44) EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) After satisfying the solvency test in accordance with Section 57 of Companies Act No. 7 of 2007, the Directors recommend a final dividend of Rs. 2.00 per share (2011 - Rs. 2.00) on the ordinary shares for the year ended 31st March 2012 amounting to Rs. 392.77 mn (2011 - Rs. 392.77 mn), which is to be approved at the forthcoming Annual General Meeting. In accordance with Sri Lanka Accounting Standard No. 12 (Revised 2005) "Events After the Balance Sheet date" the proposed dividend has not been recognized as a liability as at 31st March 2012.
- (b) Rights issue of shares - Pegasus Hotels of Ceylon PLC (PEG)
 - (i) The Board of Directors of PEG, on 10th February 2012, recommended a rights issue of shares at a ratio of one (1) share for each nine (9) shares held at a price of Rs. 36/50 per share, with a view to raise a sum of Rs. 110.9mn. The funds raised through this rights issue were to be utilized to settle the amounts borrowed for the acquisition of Equity Hotels Limited in full and use the remaining balance to part settle the amount due to related company, Carsons Management Services (Private) Limited.

The shareholders of the Company, at its extraordinary general meeting held on 20th March 2012 resolved in favour of the above rights issue of shares.

Subsequent to the balance sheet date, the rights issue was fully subscribed and accordingly 3,039,153 ordinary shares were allotted.

Other than those disclosed above, no circumstances have arisen subsequent to the Balance Sheet date which require adjustments to or disclosures in the financial statements.



(Amounts expressed in Sri Lankan Rs. '000)

(45) RELATED PARTY DISCLOSURES

The Carson Cumberbatch PLC carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 30 (Revised 2005) "Related Party Disclosures", the details of which are given below.

(i) Non Recurring Transactions

(a) Transactions with Subsidiaries

There were no material non recurring transactions during the year.

Financial year 2010/11

1 Transfer of Equity Hotels Limited.

During the period, to consolidate the group's leisure sector under one holding company, Company transferred its fully owned subsidiary Equity Hotels Limited (EHL) to Company's subsidiary Pegasus Hotels of Ceylon PLC for a consideration of Rs. 109.6mn. This transaction was based on a business valuation of EHL carried out by M/s. KPMG Ford, Rhodes, Thornton & Co.

2 Transfer of Guardian Capital Partners PLC (formerly known as Watapota Investments PLC)

During the year Carsons Group restructured its investment business portfolio by identifying Guardian Capital Partners PLC (GCP), formerly known as Watapota Investments PLC to specialise in private equity investments. To execute this strategy Company sold its rights entitlement in GCP rights issue to Ceylon Guardian Investment Trust PLC (CGITPLC), thereby transferring the direct controlling interest of GCP to CGITPLC. The rights were transferred at Rs.10.30 per share for a total consideration of Rs.224.8mn.

3 Company purchased a further 8.3% stake in Ceylon Beverage Holdings PLC and a 4.07% stake in Lion Brewery (Ceylon) PLC from both Ceylon Guardian Investment Trust PLC (CGITPLC) & Ceylon Investment PLC (CIPLC) at values of Rs.453.2mn and Rs.504.1mn respectively on the trading floor.

4 Company disposed of its 10.62% holding in Ceylon Investment PLC (CIPLC) in its entirety to Ceylon Guardian Investment Trust PLC (CGITPLC) for Rs.999.7mn on the trading floor as part of the restructuring of Group's investment business.

(ii) Recurring Transactions

(a) Inter Company Lending

Lender	Borrower	Relationship	Outstanding as at 31.03.12	Outstanding as at 31.03.11
Carson Cumberbatch PLC	Carsons Management Services (Private) Limited	Subsidiary	230,542	217,705
	Equity One PLC	"	762,493	637,643
	Pegasus Hotels of Ceylon PLC	"	109,638	109,638
Leachman & Company (Pvt) Ltd	Carson Cumberbatch PLC	Parent	38,943	45,270
Carsons Management Services (Pvt) Ltd	Pegasus Hotels of Ceylon PLC	Affiliate	67,455	78,871
	Equity Hotels Limited	"	29,764	28,082
Equity Two PLC	Equity One PLC	Parent	26,833	31,379
Equity Three Limited	Equity One PLC	Parent	8,114	12,549
Ceylon Beverage Holdings PLC	CBL Retailers (Private) Limited	Subsidiary	234,006	91,982
Equity Seven Limited	Carson Cumberbatch PLC	Parent	41,099	41,678

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

Lender	Borrower	Relationship	Outstanding as at 31.03.12	Outstanding as at 31.03.11
Good Hope Asia Holdings Ltd.	Premium Nutrients (Pte) Ltd	Subsidiary	6,386,034	-
	Premium Vegetable Oil Sdn. Bhd.	"	78,488	-
	PT Agro Wana Lestari	"	141,109	121,611
	PT Karya Makmur Sejahtera	"	108,894	93,848
	PT Sawit Makmur Sejahtera	"	92,649	79,847
	PT Batu Mass Sejahtera	"	104,492	90,054
Shalima Developments Sdn. Bhd.	Good Hope Asia Holdings Ltd	Parent	1,113,342	1,562,766
Agro Harapan Lestari Sdn Bhd	Premium Oils & Fats Sdn. Bhd.	Affiliate	173,520	-
PT Agro Harapan Lestari	PT Agro Indomas	Affiliate	70,010	120,974
	PT Agro Bukit	"	256,216	17,969
	PT Karya Makmar Sejahtera	"	56,863	20,678
	PT Agro Wana Lestari	"	104,577	54,335
	PT Sumber Hasil Prima	"	26,505	-
PT Agro Indomas	PT Agro Bukit	Affiliate	301,923	-
	Good Hope Asia Holdings Ltd	Parent	4,041,160	-
	PT Agrajaya Baktitama	Affiliate	3,063,616	816,739
	PT Agro Wana Lestari	"	1,901,485	-
	PT Karya Makmar Sejahtera	"	1,144,612	-
	PT Rim capital	"	589,929	349,743
	PT Batu Mass Sejahtera	"	485,018	-
	PT Sawit Makmur Sejahtera	"	233,137	-
	PT Sumber Hasil Prima	"	214,451	-
	PT Nabirburu	"	1,355,876	-
	Agro Harapan Lestari (Private) Limited	"	93,224	120,974
PT Agro Bukit	Good Hope Asia Holdings Ltd	Parent	467,099	-
	PT Agro Indomas	Affiliate	978,035	-
	PT Karya Makmar Sejahtera	"	43,426	-
PT Karya Makmar Sejahtera	PT Agro Bukit	Affiliate	88,634	-
	PT Agro Wana Lestari	"	4,286,121	2,925,622
	PT Sumber Hasil Prima	"	43,956	-
PT Agrajaya Baktitma	PT Sumber Hasil Prima	Affiliate	1,184,676	-
	PT Batu Mass Sejahtera	"	289,656	-
	PT Sawit Makmur Sejahtera	"	297,272	-
Premium Vegetable Oil Sdn Bhd	Arani Agro Oil Industries Ltd.	Affiliate	320,563	-
	Premium Fats Sdn. Bhd.	"	124,011	-
	Premium Oils & Fats Sdn. Bhd.	"	150,590	-
Arani Agro Oil Industries Ltd.	Premium Vegetable Oils Sdn. Bhd.	Affiliate	162,081	-



(Amounts expressed in Sri Lankan Rs. '000)

(b) Inter Company Transactions

Service Provider	Beneficiary	Relationship	Nature of Transaction	Value 2012	Value 2011
Carson Cumberbatch PLC	PT Karya Makmar Sejahtera	Subsidiary	Professional Fees	-	28,244
Ceylon Beverage Holdings PLC	Lion Brewery (Ceylon) PLC	"	Royalty	117,221	79,582
Carsons Management Services (Private) Limited	Carson Cumberbatch PLC	Parent	Management, Secretarial, administration fees & Commissions	900	600
	Ceylon Guardian Investment Trust PLC	Affiliate	"	6,400	9,128
	Ceylon Investment PLC	"	"	6,792	9,453
	Rubber Investment Trust Limited	"	"	6,401	7,644
	Guardian Fund Management Limited	"	"	180	66
	Leechman & Company (Pvt) Ltd	"	"	86	68
	Weniwella Investments Limited	"	"	68	164
	Guardian Capital Partners PLC	"	"	2,663	343
	Mylands Investments Limited	"	"	68	164
	Indo - Malay PLC	"	"	300	60
	Selinsing PLC	"	"	300	60
	Shalimar (Malay) PLC	"	"	300	60
	Good Hope PLC	"	"	300	60
	Agro Harapan Lestari (Private) Limited	"	"	43	-
	Ceylon Beverage Holdings PLC	"	"	300	-
	Lion Brewery (Ceylon) PLC	"	"	194,076	149,893
	Equity One PLC	"	"	1,800	1,572
	Equity Two PLC	"	"	1,080	852
	Equity Three Limited	"	"	432	414
	Pegasus Hotels of Ceylon PLC	"	"	5,450	10,222
	Equity Hotels Ltd.	"	"	1,209	42
	Carsons Airline Services (Private) Limited	"	"	342	330

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

Service Provider	Beneficiary	Relationship	Nature of Transaction	Value 2012	Value 2011
P T Agro Harapan Lestari	PT Agro Bukit	Affiliate	Management, Secretarial, administration fees & Commissions	444,024	243,769
	PT Agro Indomas	"	"	703,077	602,208
	PT Agro Asia Pacific	"	"	2,693	2,705
	Agro Asia Pacific Limited	"	"	2,693	2,704
	PT Karya Makmar	"	"	62,577	99,871
	Sejahtera				
	PT Rim Capital	"	"	5,235	-
	PT Agro Wana Lestari	"	"	132,918	100,401
	PT Agrajaya Baktitama	"	"	4,318	-
Agro Harapan Lestari Sdn Bhd	Indo - Malay PLC	"	"	12,694	10,739
	Selinsing PLC	"	"	21,903	19,074
	Shalimar (Malay) PLC	"	"	15,723	12,745
	Good Hope PLC	"	"	11,674	12,608
Agro Harapan Lestari (Pvt) Ltd	PT Agro Bukit	"	"	114,960	110,518
	PT Agro Indomas	"	"	159,039	151,363
	PT Karya Makmar	"	"	15,691	-
	Sejahtera				
	PT Agro Wana Lestari	"	"	13,896	-
PT Agro Asia Pacific	PT Agro Bukit	"	"	37,050	25,310
	PT Agro Indomas	"	"	38,794	40,267
Premium Oils & Fats Sdn. Bhd.	PT Agro Bukit	"	"	28,521	-
	PT Agro Indomas	"	"	30,341	-
	Agro Asia Pacific Limited	"	"	8,693	-
	PT Rim Capital	"	"	823	-
Equity Two PLC	Guardian Fund Management Limited	"	Tenancy	741	582
	Agro Harapan Lestari (Private) Limited	"	"	7,183	8,533
	Carsons Management Services (Private) Limited	"	"	5,628	5,787
Guardian Fund Management Limited	Ceylon Guardian Investment Trust PLC	"	Portfolio Management Services	6,829	7,397
	Ceylon Investment PLC	"	"	12,813	12,023
	Rubber Investment Trust Limited	"	"	10,294	8,576
	Guardian Capital Partners PLC	"	"	7,000	-
	Carsons Management Services (Private) Limited	"	"	-	4,350
AHL Business Solution (Private) Limited	Shalimar Developments Sdn. Bhd.	"	IT related services	152	95
	Indo - Malay PLC	"	"	813	863
	Selinsing PLC	"	"	876	917
	Shalimar (Malay) PLC	"	"	825	893
	Good Hope PLC	"	"	796	880
	PT Agro Harapan Lestari	"	"	146,950	15,114
	Agro Harapan Lestari Sdn Bhd	"	"	874	959



(Amounts expressed in Sri Lankan Rs. '000)

(c) Dividend and Interest

Receiver	Payer	Relationship	Nature of Transaction	Value 2012	Value 2011
Carson Cumberbatch PLC	From Subsidiaries	Subsidiary	Dividend Income	475,569	709,634
Ceylon Beverage Holdings PLC	"	"	"	202,570	164,736
Ceylon Guardian Investment Trust PLC	"	"	"	104,105	107,881
Ceylon Investment PLC	"	"	"	41,251	30,389
Good Hope Asia Holdings Ltd	"	"	"	973,289	475,438
Good Hope PLC	From related companies	Affiliate	"	39,206	38,855
Indo-Malay PLC	"	"	"	37,951	38,855
Shalimar (Malay) PLC	"	"	"	34,821	36,919
Selinsing PLC	"	"	"	50,006	43,624
Shalimar Developments Sdn. Bhd	"	"	"	267,616	286,217
Equity One PLC	"	"	"	15,890	4,178
Equity Two PLC	From related companies	Affiliate	Interest Income	2,110	2,377
PT Agro Indomas	"	"	"	76,859	-
PT Karya Makmar	"	"	"	143,372	-
PT Agrajaya Baktitama	"	"	"	13,989	-

(iii) Carson Cumberbatch PLC has provided letters of comfort to the following subsidiaries confirming its intention to continue to provide financial and other support and meet liabilities to enable the subsidiaries to continue as a going concern for audit purposes.

- a Carson Airline Services (Private) Limited - Wholly owned
- b Carson Management Services (Private) Limited - Wholly owned

(iv) Transaction with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard 30 (Revised 2006) "Related Party Disclosures", key management personnel are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company and its parent company (including executive and Non Executive Director) and their immediate family members have been classified as KMP of the Company.

The compensation paid to key management Personnel and other short term employment benefits are disclosed in aggregate in Note 20 to the Financial Statements. No other payments such as post employment benefits, termination benefits and share based payments have been paid to key management personnel during the year.

(46) COMPARATIVE INFORMATION

During the financial year Lion Brewery (Ceylon) PLC, a group entity modified the classification of Refundable containers comprising of bottles, crates, pallets and kegs from inventories to property, plant and equipment to reflect more appropriately the nature and the way in which the said assets are used in business operations. Accordingly the presentation and classification of the following items in the financial statements are amended to ensure the comparability with current year.

	Current Presentation 2012	As Reported Previously 2011	Net Change
Property, Plant & Equipment	39,082,956	38,545,119	537,837
Inventories	3,983,882	4,331,179	(347,297)
Trade & Other Receivable	3,803,022	4,667,967	(864,945)
Deferred Tax Liabilities	1,643,956	1,705,346	(61,390)

Group Real Estate Portfolio

The values of land & buildings owned and leased by companies within the Group and which have been revalued by qualified valuers are indicated below together with the last date of valuation:

As at 31st March 2012

Company	Location	Extent (in acres)	Land & Building		Date of last Valuation
			Market Value Rs.'000	Book Value Rs.'000	
Equity One PLC.	Colombo 7	0.60	680,000	680,000	31-Mar-12
Equity One PLC	Colombo 2	1.36	461,978	461,978	31-Mar-12
Equity One PLC	Mount - Lavinia	6.00	470,000	470,000	31-Mar-12
Equity Three (Private) Limited	Colombo 13	0.51	250,500	250,500	31-Mar-12
		8.47	1,862,478	1,862,478	
PT Agro Indomas * * * * *	Indonesia	68,596	19,521,509	9,004,579	31-Mar-12
PT Agro bukit * * * * *	Indonesia	61,606	16,336,596	13,242,228	31-Mar-12
PT Karya Makmur Sejahtera* * * * *	Indonesia	25,351	3,524,052	3,061,972	31-Mar-12
PT Agro wana lastari* * * * *	Indonesia	36,693	5,113,340	3,716,831	31-Mar-12
PT Agro jaya Baktitama* * * * *	Indonesia	21,683	1,059,611	887,475	31-Mar-12
PT Rim* * * * *	Indonesia	9,719	1,876,971	1,327,307	31-Mar-12
PT Nabire baru* * * * *	Indonesia	33,606	548,302	342,114	31-Mar-12
PT Batu Mas Sejahtera* * * * *	Indonesia	25,538	880,452	603,040	31-Mar-12
PT Sawith Makmur Sejahtera* * * * *	Indonesia	27,337	747,549	428,856	31-Mar-12
PT Sumber Hasil Prima* * * * * [Note 1]	Indonesia	34,595	1,002,866	1,002,866	31-Mar-12
		344,724	50,611,248	33,617,268	
Good Hope PLC	Malaysia	771	1,324,915	1,099,576	31-Mar-12
Selinsing PLC	Malaysia	1218	1,989,990	1,674,061	31-Mar-12
Shalimar (Malay) PLC	Malaysia	756	2,122,710	1,551,784	31-Mar-12
Indo-Malay PLC	Malaysia	724	1,481,684	1,216,512	31-Mar-12
		3,469	6,919,298	5,541,933	
Premium Vegetable Oils Sdn.Bhd.	Malaysia	11.95	1,032,443	1,011,048	31-Aug-11
Premium Fats Oils Sdn.Bhd.	Malaysia	0.059	34,356	33,695	31-Aug-11
Arani Agro Oil Industries Limited	India	2.30	389,696	384,394	24-Sep-11
		14.31	1,456,495	1,429,138	
Ceylon Beverage Holdings PLC	Nuwara-Eliya	3.51	123,522	123,522	31-Mar-12
Lion Brewery (Ceylon) PLC	Biyagama	17.63	1,708,320	1,708,320	31-Mar-12
		21.14	1,831,842	1,831,842	
Pegasus Hotels of Ceylon PLC.	Wattala	12.37	950,138	950,138	31-Mar-12
Equity Hotels Ltd. **	Giritale	14.91	18,217	18,217	31-Mar-12
		27.27	968,355	968,355	
Total value		348,250	63,649,716	45,251,014	

There has been no permanent reduction in the value of land & buildings which may require provision.

* These valuations have not been incorporated in the books of account.

** Leasehold property.

*** These values Includes the Valuation of Land & Buildings and Biological Assets.

Note 1: No value is obtained as the plantation is at initial stage of operation

Note 2: Following land information were not incorporated as those are in project status yet and stated at cost

	Ha
PTSSA	9,827
PTSAP	7,160
	16,987



US \$ Financials

Preparation of US Dollar Financials
The Financial Statements of the Group
are reported in Sri Lankan Rupees.
The translation of the Sri Lankan Rupees
amounts into US Dollars is included
solely for the convenience of
Shareholders, Investors, Bankers
and other users of Financial Statements.
US Dollar Financials do not form part of the
Audited Financial Statements of the Company.

US \$ FINANCIAL STATEMENTS

Income Statement - US\$

For the year ended 31st March	Group	
	2012	2011
Revenue	615,747,798	308,828,914
Direct operating expenses	(393,557,906)	(135,881,812)
	222,189,891	172,947,103
Gain on disposal of non current investments	12,513,710	199,260
Change in fair value of investment properties	222,027	269,758
Other income	8,422,000	1,951,342
Distribution expenses	(38,764,441)	(29,881,486)
Administrative expenses	(57,423,364)	(36,573,236)
Other operating expenses	(1,763,692)	(1,379,702)
Mark to market value adjustments - Unrealized	(6,234,596)	1,938,491
Finance expenses	(17,868,978)	(6,147,980)
Foreign exchange loss	(6,608,201)	4,603,246
Net results of share of associates	1,887,413	(118,345)
Profit before taxation	116,571,769	107,808,451
Taxation		
Current taxation	(28,892,387)	(20,395,746)
Deferred taxation	1,521,403	(2,306,858)
	(27,370,984)	(22,702,604)
Profit for the year	89,200,785	85,105,847
Profit attributable to:		
Equity holders of the parent	51,370,619	40,495,074
Non controlling interest	37,830,166	44,610,773
Profit for the year	89,200,785	85,105,847
Exchange Rate	112.18	112.13

This information does not constitute a full set of financial statements in compliance with SLAS

Figures in brackets indicate deductions.

Balance Sheet - US\$

As at 31st March	Group 2012	2011
ASSETS		
Non - Current Assets		
Property, Plant & Equipments	479,020,484	361,991,776
Prepaid lease payment for Land	26,746,144	14,775,480
Investment properties	14,539,251	12,291,476
Intangible assets	29,953,115	16,066,540
Investments in associates	4,530,617	3,950,851
Long - term investments	65,232,451	122,665,511
Land compensation receivable	1,479,024	1,716,150
Deferred tax assets	6,345,628	3,594,774
Total non - current assets	627,846,714	537,052,549
Current Assets		
Inventories	63,814,559	36,085,888
Trade and other receivables	57,324,044	34,439,783
Current tax recoverable	618,657	940,679
Amounts due from related companies	-	453,351
Short - term investments	6,349,313	10,889,709
Cash and cash equivalents	66,407,455	100,133,569
Total current assets	194,514,028	182,942,979
Total assets	822,360,742	719,995,528
EQUITY AND LIABILITIES		
EQUITY		
Stated capital	15,532,620	15,532,620
Capital reserves	39,352,623	33,718,659
Revenue reserves	158,871,860	167,717,736
Equity attributable to owners of the company	213,757,112	216,969,015
Non -controlling interest	203,155,894	223,910,643
Total equity	416,913,005	440,723,680
LIABILITIES		
Non - Current Liabilities		
Long - term borrowings	202,072,623	170,421,639
Trade and other payables	6,943,849	7,002,283
Retirement benefit obligations	4,259,415	3,026,205
Deferred tax liabilities	22,377,299	14,890,906
Total non - current liabilities	235,653,185	195,341,033
Current Liabilities		
Trade and other payables	68,720,445	34,072,228
Current tax liabilities	12,023,138	8,864,828
Long - term borrowings falling due within one year	20,767,471	19,646,594
Short - term borrowings	58,816,620	5,000,000
Bank overdrafts	9,466,877	16,347,165
Total current liabilities	169,794,551	83,930,815
Total liabilities	405,447,736	279,271,848
Total equity and liabilities	822,360,742	719,995,528
Exchange Rates	128.10	110.40

This information does not constitute a full set of Financial Statements in compliance with SLAS.

Glossary of Financial Terms

A

ACCOUNTING POLICIES

The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting Financial Statements.

ACCRUAL BASIS

Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

ASSOCIATE

An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

C

CAPITAL RESERVES

Reserves identified for specific purposes and considered not available for distribution.

CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

CONTINGENT LIABILITIES

Conditions or situations at the balance sheet date, the financial effect of which are to be determined by the future events which may or may not occur.

CURRENT RATIO

Current Assets over Current Liabilities

CAPITAL EMPLOYED

Shareholders' Funds plus Debt

CURRENT SERVICE COST

Is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

D

DEFERRED TAXATION

The tax effect of timing differences deferred to/from other periods, which would only qualify for inclusion on a tax return at a future date.

DEPRECIATION

The systematic allocation of the depreciable amount of an asset over its useful life.

DIVIDENDS

Distribution of profits to holders of equity investments.

DIVIDEND COVER

Profit after tax divided by gross dividends. This ratio measures the number of times dividend is covered by the current year's distributable profits.

DIVIDEND YIELD

Dividend earned per share as a percentage of its market value.

DEBT/EQUITY RATIO

Debt as a percentage of Shareholders Funds

DIVIDEND PAYOUT RATIO

Total Dividend interest and Tax as percentage of Capital Employed (Note 01)

E

EARNINGS PER SHARE (EPS)

Profit attributable to ordinary shareholders, divided by the number of ordinary shares in issue.

F

FAIR VALUE

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

FINANCE LEASE

A contract whereby a lessor conveys to the lessee the right to use an asset for rent over an agreed period of time which is sufficient to amortise the capital outlay of the lessor. The lessor retains ownership of the asset but transfers substantially all the risks and rewards of ownership to the lessee.

G

GROSS DIVIDENDS

The portion of profit inclusive of tax withheld distributed to shareholders.

GROUP

A group is a parent and all its subsidiaries.

I

IMPAIRMENT

This occurs when recoverable amount of an asset is less than its carrying amount.

INTANGIBLE ASSET

An identifiable able non-monetary asset without physical substance held for use in the production / supply of goods / services or for rental to others or for administrative purposes.

K

KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

L

LIQUID ASSETS

Assets that are held in cash or in a form that can be converted to cash readily, such as deposits with other banks, bills of exchange and treasury bills.

M

MARKET CAPITALISATION

Number of Shares in issue at the end of the period multiplied by the Market price at end of period

N

NET ASSETS

Total assets minus Current Liabilities minus Long Term Liabilities minus Minority Interest

NET ASSET VALUE PER SHARE

Shareholders' funds divided by the number of ordinary shares in issue.

NET DEBT

Debt minus Cash plus Short Term Deposits

P

PARENT

A parent is an entity that has one or more subsidiaries.

PRICE EARNINGS RATIO (P/E RATIO)

Market price of an ordinary share divided by earnings per share (EPS).

R

RETURN ON AVERAGE ASSETS (ROA)

Net income expressed as a percentage of average total assets, used along with ROE, as a measure of profit and as a basis of intra-industry performance comparison.

RETIREMENT BENEFITS

- Present value of a defined benefit obligation Is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

REVENUE RESERVE

Reserves set aside for future distribution and investment.

RETURN ON EQUITY

Profit after Tax as a percentage of Average Shareholder's Funds

RETURN ON CAPITAL EMPLOYED

Earning before interest and tax as percentage of Capital Employed

RELATED PARTIES

Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

S

SHAREHOLDERS' FUNDS

Shareholders' funds consist of stated capital plus capital and revenue reserves.

SUBSIDIARY

A subsidiary is an entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent).

SEGMENTS

Constituent business units grouped in terms of similarity of operations and location.

T

TOTAL VALUE ADDED

The difference between revenue (including other income) and expenses, cost of materials and services purchased from external sources

TOTAL ASSETS

Fixed Assets plus Investments plus Non Current Assets plus Current Assets

V

VALUE ADDED

Value added is the wealth created by providing products and services less the cost of providing such services. The value added is allocated among the employees, the providers of capital, to government by way of taxes and retained for expansion and growth.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Ninety Ninth Annual General Meeting of Carson Cumberbatch PLC will be held on Friday the 6th day of July 2012 at 2.30 p.m. at the Taj Samudra Hotel, 'Crystal Room', Upper Floor, No. 25, Galle Face Centre Road, Colombo 3, Sri Lanka, for the following purposes :

1. To receive and adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2012 together with the report of the Independent Auditors thereon.
2. To declare a dividend as recommended by the Directors.
3. To re-elect Mr. T. de Zoysa who retires by rotation in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.
4. To re-elect Mr. F. Mohideen who retires by rotation in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.
5. To re-appoint Mr. I. Paulraj as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution :

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. I. Paulraj who is 75 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."

6. To re-appoint Mr. M. Moonesinghe as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution :

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. M. Moonesinghe who is 80 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."

7. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act No. 07 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board

CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED

Secretaries

Colombo, 24th May 2012

Notes :

1. A member is entitled to appoint a proxy to attend and vote instead of him/herself. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.
2. The completed Form of Proxy must be deposited at the Registered Office, No.61, Janadhipathi Mawatha, Colombo 1, Sri Lanka not later than 2.30p.m. on 4th July 2012.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorizing him/her to act as the representative of the Corporation. A representative need not be a member.
4. The transfer books of the Company will remain open.
5. Security Check -
We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby.

Form of Proxy



*I/ We.....
of.....
being *a Shareholder/Shareholders of CARSON CUMBERBATCH PLC hereby appoint.....
.....
of.....bearing NIC No./ Passport No or failing him/her

Tilak de Zoysa	or failing him,
Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Suresh Kumar Shah	or failing him,
Palehenalage Chandana Priyankara Tissera	or failing him,
Vijaya Prasanna Malalasekera	or failing him,
Mangala Moonesinghe	or failing him,
Faiz Mohideen	

as *my/our proxy to attend at the 99th Annual General Meeting of the Company to be held on Friday the 6th of July 2012 at 2.30 p.m., at the Taj Samudra Hotel, 'Crystal Room', Upper Floor, No. 25, Galle Face Centre Road, Colombo 3, Sri Lanka and any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2012, together with the Report of the Independent Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare Rs.2/- per share as a First & Final dividend for the financial year ended 31st March 2012 as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. T. de Zoysa who retires in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr. F. Mohideen who retires in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Mr. I. Paulraj who is over Seventy years of age as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Mr. M. Moonesinghe who is over Seventy years of age as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act. No. 07 of 2007 and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Twelve.

.....
Signature /s

Note:

- (a) *Please delete the inappropriate words.
- (b) A shareholder entitled to attend and vote at a General Meeting of the company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.
- (c) A shareholder is not entitled to appoint more than one proxy to attend on the same occasion.
- (d) Instructions are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
3. In terms of Article 54 of the Articles of Association of the Company:
 - 1) Any Shareholder entitled to attend and vote at a meeting shall be entitled to appoint another person (whether a shareholder or not) as his proxy to attend and vote instead of him. A proxy so appointed shall have the same right as the Shareholder to vote on a show of hands or on a poll and to speak at the meeting.
 - 2) An instrument appointing a proxy shall be in writing and:
 - (a) in the case of an individual shall be signed by the appointor or by his attorney; and
 - (b) in the case of a corporation shall be either under the common seal, or signed by its attorney, or by an authorized officer on behalf of the corporation.
3. An instrument appointing a proxy or the power of attorney or other authority, if any, must be left or received at the Office or such other place (if any) as is specified for the purpose in the notice convening the meeting not less than forty eight (48) hours before the time appointed for the holding of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used and in default shall not be treated as valid unless the Directors otherwise determine.
4. Where there are joint registered holders of any Share, any one (01) of such persons may vote and be reckoned in a quorum at any meeting either personally or by proxy as if he were solely entitled thereto and if more than one (01) of such joint holders be so present at any meeting, one (01) of such persons so present whose name stands first in the Register in respect of such Share, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Shareholder in whose name any Share stands shall for the purpose of this Article be deemed joint holders thereof.
5. To be valid the completed form of proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1, Sri Lanka not later than 2.30 p.m. on 4th July 2012.

Please fill in the following details

Name :

Address :

.....

Jointly with :

Share Folio No. :

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