

# THE AGRI COLOSSUS

CIC Holdings PLC – Quarter Ended 30<sup>th</sup> June 2011

# CIC HOLDINGS PLC

## CORPORATE INFORMATION

### NAME OF THE COMPANY

CIC HOLDINGS PLC

### COMPANY REGISTRATION NO.

PQ 88

### LEGAL FORM

A Public Quoted Company with limited liability incorporated in Sri Lanka in 1964.

### DIRECTORS

B R L Fernando - *Chairman*

S P S Ranatunga - *Managing Director / CEO*

S H Amarasekera

E F G Amerasinghe

R N Asirwatham

R S Captain

M P Jayawardena

Prof. P W M B B Marambe

### SECRETARY

P D S Ruwanpura

### AUDITORS

KPMG Ford, Rhodes, Thornton & Company

Chartered Accountants

32A, Sir Mohamed Macan Markar Mawatha

Colombo 03.

### LEGAL ADVISERS

Julius & Creasy

Attorneys - at - Law

41, Janadhipathi Mawatha, Colombo 01.

Nithya Partners

Attorneys - at - Law

97A, Galle Road, Colombo 03

### REGISTERED OFFICE

CIC House

199, Kew Road

Colombo 02.

# CIC Holdings PLC

## Income Statements

	Company			Group		
	Three months to	Three months to	Variance %	Three months to	Three months to	Variance %
<b>30th June</b>	2011	2010		2011	2010	
<b>(Rs.Mns)</b>						
Revenue	1,305.36	991.78	31.62	5,327.61	4,250.17	25.35
Cost of sales	(972.96)	(752.67)	29.27	(4,130.92)	(3,311.42)	24.75
Gross profit	332.40	239.11	39.02	1,196.69	938.75	27.48
Other income	34.33	149.76	(77.08)	40.64	48.78	(16.69)
Distribution expenses	(130.04)	(90.67)	43.42	(408.03)	(291.89)	39.79
Administrative expenses	(150.65)	(126.59)	19.01	(424.66)	(345.25)	23.00
Financing costs	(12.38)	(2.48)	399.19	(128.14)	(118.28)	8.34
Share of profit of equity accounted investees	-	-	-	41.42	44.49	(6.90)
Profit before tax	73.66	169.13	(56.45)	317.92	276.60	14.94
Income tax expense	(25.95)	(27.84)	(6.79)	(80.30)	(92.65)	(13.33)
Profit for the period	47.71	141.29	(66.23)	237.62	183.95	29.18
Attributable to :						
Equity holders of the company	47.71	141.29	(66.23)	203.80	157.70	29.23
Non-controlling interest	-	-	-	33.82	26.25	28.84
Profit for the period	47.71	141.29	(66.23)	237.62	183.95	29.18
Earnings per share						
Basic/diluted earnings per share (Rs.)	0.50	1.49		2.15	1.66	

*The above figures are provisional and unaudited.*

*Figures in brackets indicate deductions*

# CIC Holdings PLC

## Balance Sheets

As at end of (In Rs.Mns)	Company			Group		
	June 2011	June 2010	March 2011	June 2011	June 2010	March 2011
<b>ASSETS</b>						
Non- current assets						
Property, plant & equipment	1,651.94	876.38	1,631.25	6,435.90	4,499.68	6,346.35
Investment property	-	-	-	97.14	-	97.14
Capital work-in-progress	8.74	2.58	8.74	272.62	98.38	199.88
Deposit on leasehold property	-	-	-	13.89	15.11	13.96
Biological assets	-	-	-	76.25	60.40	74.52
Intangible assets	-	-	-	95.26	82.52	95.26
Deferred tax assets	-	-	-	24.80	29.41	24.80
Investment in equity accounted investees	36.00	36.00	36.00	667.67	428.23	627.11
Investment in subsidiaries	606.99	569.29	605.33	-	-	-
Other long-term investments	91.03	67.07	67.07	21.18	85.20	3.82
	<u>2,394.70</u>	<u>1,551.32</u>	<u>2,348.39</u>	<u>7,704.71</u>	<u>5,298.93</u>	<u>7,482.84</u>
Current assets						
Inventories	1,057.80	630.68	1,084.88	5,093.90	3,979.05	4,031.33
Trade receivables	1,603.30	1,181.33	1,625.07	3,842.23	3,660.90	4,352.95
Other receivables	300.63	196.28	210.21	4,197.42	2,233.80	3,320.36
Short-term investments	-	-	-	76.43	33.90	68.44
Assets classified as held for sale	78.84	93.96	78.84	78.84	93.96	78.84
Cash in hand and at bank	43.84	146.85	104.85	748.21	839.35	666.69
	<u>3,084.41</u>	<u>2,249.10</u>	<u>3,103.85</u>	<u>14,037.03</u>	<u>10,840.96</u>	<u>12,518.61</u>
<b>Total assets</b>	<b>5,479.11</b>	<b>3,800.42</b>	<b>5,452.24</b>	<b>21,741.74</b>	<b>16,139.89</b>	<b>20,001.45</b>
<b>EQUITY AND LIABILITIES</b>						
Equity attributable to equity holders of the company						
Stated capital	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45	1,008.45
Capital reserves	975.57	422.05	975.57	1,560.88	678.70	1,559.47
Revenue reserves	1,808.13	1,683.50	1,760.42	4,372.87	3,579.48	4,149.31
	<u>3,792.15</u>	<u>3,114.00</u>	<u>3,744.44</u>	<u>6,942.20</u>	<u>5,266.63</u>	<u>6,717.23</u>
Minority Interest	-	-	-	1,616.22	1,351.61	1,628.57
<b>Total Equity</b>	<b>3,792.15</b>	<b>3,114.00</b>	<b>3,744.44</b>	<b>8,558.42</b>	<b>6,618.24</b>	<b>8,345.80</b>
Non-current liabilities						
Long-term interest bearing borrowings	27.72	1.07	26.73	782.21	667.92	606.86
Retirement benefit obligations	131.28	115.41	126.08	320.64	268.40	309.79
Government grants	-	-	-	5.72	3.75	6.13
Deferred tax liabilities	89.86	22.02	89.86	312.84	180.34	310.34
	<u>248.86</u>	<u>138.50</u>	<u>242.67</u>	<u>1,421.41</u>	<u>1,120.41</u>	<u>1,233.12</u>
Current Liabilities						
Trade payables	592.80	350.32	704.96	5,895.95	4,158.33	4,758.87
Income tax payable	80.40	50.10	82.99	177.12	131.93	157.86
Accruals and other payables	160.91	133.22	222.54	545.51	373.96	627.47
Short-term & current portion of long-term interest-bearing borrowings	603.99	14.28	454.64	5,143.33	3,737.02	4,878.33
	<u>1,438.10</u>	<u>547.92</u>	<u>1,465.13</u>	<u>11,761.91</u>	<u>8,401.24</u>	<u>10,422.53</u>
<b>Total equity and liabilities</b>	<b>5,479.11</b>	<b>3,800.42</b>	<b>5,452.24</b>	<b>21,741.74</b>	<b>16,139.89</b>	<b>20,001.45</b>
Net assets per share	40.01	32.86	39.51	73.25	55.57	70.87

The above figures are provisional & unaudited

It is certified that the financial statements have been prepared in accordance with the requirements of the Companies Act No.07 of 2007.

**(Sgd)** P D S Ruwanpura  
Group Chief Financial Officer/ Company Secretary

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

**(Sgd)** B R L Fernando  
Chairman  
2nd August 2011

**(Sgd)** S P S Ranatunga  
Managing Director/ CEO

CIC Holdings PLC

**Statement of Changes In Equity**

**For the period ended 30th June 2011**

Company

	Stated Capital	Capital Reserves	General Reserves	Retained Earnings	Total
<b>(In Rs. Mns)</b>					
Balance as at 01.04.2011	1,008.45	975.57	782.60	977.82	3,744.44
Profit for the period	-	-	-	47.71	47.71
<b>Balance as at 30.06.2011</b>	<b>1,008.45</b>	<b>975.57</b>	<b>782.60</b>	<b>1,025.53</b>	<b>3,792.15</b>
Balance as at 01.04.2010	1,008.45	422.05	782.60	759.61	2,972.71
Profit for the period	-	-	-	141.29	141.29
<b>Balance as at 30.06.2010</b>	<b>1,008.45</b>	<b>422.05</b>	<b>782.60</b>	<b>900.90</b>	<b>3,114.00</b>

Group

	Attributable to the equity holders of the company				Total	Non-controlling interest	Total Equity
	Stated Capital	Capital Reserves	General Reserves	Retained Earnings			
<b>(In Rs. Mns)</b>							
Balance as at 01.04.2011	1,008.45	1,559.47	863.42	3,285.89	6,717.23	1,628.57	8,345.80
Profit for the period	-	-	-	203.80	203.80	33.82	237.62
Adjustment due to change in effective holding	-	1.41	19.76	-	21.17	(21.17)	-
Subsidiary dividends to non-controlling interest	-	-	-	-	-	(25.00)	(25.00)
<b>Balance as at 30.06.2011</b>	<b>1,008.45</b>	<b>1,560.88</b>	<b>883.18</b>	<b>3,489.69</b>	<b>6,942.20</b>	<b>1,616.22</b>	<b>8,558.42</b>
Balance as at 01.04.2010	1,008.45	627.40	878.57	2,543.21	5,057.63	1,330.38	6,388.01
Profit for the period	-	-	-	157.70	157.70	26.25	183.95
Adjustment due to change in effective holding	-	-	-	-	-	2.64	2.64
Surplus on revaluation	-	51.30	-	-	51.30	3.71	55.01
Subsidiary dividends to non-controlling interest	-	-	-	-	-	(11.37)	(11.37)
<b>Balance as at 30.06.2010</b>	<b>1,008.45</b>	<b>678.70</b>	<b>878.57</b>	<b>2,700.91</b>	<b>5,266.63</b>	<b>1,351.61</b>	<b>6,618.24</b>

Note:

Figures in brackets indicate deductions.

The above figures are provisional and unaudited.

# CIC Holdings PLC

## Cash flow statements

<b>For the period ended 30th June</b>	Company		Group	
	2011	2010	2011	2010
<b>(In Rs.Mns)</b>				
Cash flow from operating activities				
Cash generated from operations (Note A)	(126.21)	9.92	171.39	(276.47)
Interest paid	(12.38)	(2.48)	(128.14)	(118.28)
Retirement benefit costs paid	(0.96)	(0.25)	(5.95)	(1.87)
Income tax paid	(28.54)	(27.94)	(58.54)	(59.74)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(168.09)</b>	<b>(20.75)</b>	<b>(21.24)</b>	<b>(456.36)</b>
Cash flow from investing activities				
Purchase and construction of property, plant & equipment	(42.95)	(33.11)	(264.18)	(82.82)
Addition to biological assets	-	-	(2.13)	(0.20)
Proceeds from disposal of property, plant & equipment	9.25	39.00	16.66	39.00
Proceeds from disposal of long-term investments	-	-	3.41	15.70
Proceeds from sale of biological assets	-	-	0.40	0.65
Dividend received from subsidiaries	22.50	26.12	-	-
Dividend received from equity accounted investees	-	90.72	0.86	91.58
Dividend received from other companies	0.01	0.01	0.45	1.95
Investment in subsidiaries and equity accounted investees	(1.66)	-	-	-
Other long term investments	(23.96)	-	(26.43)	(47.31)
Subsidiary dividends to non-controlling interest	-	-	(25.00)	(11.37)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(36.81)</b>	<b>122.74</b>	<b>(295.96)</b>	<b>7.18</b>
<b>Net Cash inflow/(outflow) before financing activities</b>	<b>(204.90)</b>	<b>101.99</b>	<b>(317.20)</b>	<b>(449.18)</b>
Cash flow from financing activities				
Capital payment on finance lease	(5.33)	(0.24)	(21.21)	(11.55)
Long-term interest-bearing borrowings received /(repaid)	-	-	(240.02)	255.63
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(5.33)</b>	<b>(0.24)</b>	<b>(261.23)</b>	<b>244.08</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents during the period</b>	<b>(210.23)</b>	<b>101.75</b>	<b>(578.43)</b>	<b>(205.10)</b>
Cash & cash equivalents at the beginning of the period	(338.04)	30.82	(3,732.69)	(2,692.57)
<b>Cash &amp; cash equivalents at the end of the period (Note B)</b>	<b>(548.27)</b>	<b>132.57</b>	<b>(4,311.12)</b>	<b>(2,897.67)</b>

### Note A - Cash generated from / (used for) operations

Profit before interest and tax	86.04	171.61	404.64	350.39
Adjustments for:				
Depreciation on property, plant & equipment	24.46	13.91	135.63	84.06
(Gain) /loss on disposal of property, plant & equipment	(5.00)	(23.89)	(8.77)	(23.89)
(Gain) /loss on disposal of biological assets	-	-	-	(0.02)
(Gain) /loss on disposal of long term investments	-	-	(2.33)	(2.69)
Provision for retirement benefit	6.16	5.19	16.80	12.67
Amortisation of deposit paid for leasehold property	-	-	0.07	-
Gain from changes in fair value - biological assets	-	-	-	(0.06)
Grants amortised	-	-	(0.41)	-
Dividend income	(22.51)	(116.85)	(0.45)	(1.95)
Net (gain) /loss on translation of foreign currency	(0.50)	(2.27)	(12.41)	(2.17)
<b>Operating profit before working capital changes</b>	<b>88.65</b>	<b>47.70</b>	<b>532.77</b>	<b>416.34</b>
(Increase)/decrease in trade and other receivables	(68.65)	4.66	(366.34)	98.73
(Increase)/decrease in inventories	27.08	47.77	(1,062.57)	(114.67)
Increase/(decrease) in trade and other payables	(173.29)	(90.21)	1,067.53	(676.87)
<b>Cash generated from / (used for) operations</b>	<b>(126.21)</b>	<b>9.92</b>	<b>171.39</b>	<b>(276.47)</b>

### Note B - Analysis of cash & cash equivalents

Cash in hand and at bank	43.84	146.85	748.21	839.35
Interest-bearing short-term borrowings	(592.11)	(14.28)	(5,059.33)	(3,737.02)
<b>(548.27)</b>	<b>132.57</b>	<b>(4,311.12)</b>	<b>(2,897.67)</b>	

# CIC Holdings PLC

## Segmental Information

	Group	
<b>For the three months ended 30th June</b>	2011	2010
<i>(In Rs. Mns)</i>		
(a) Segmental Revenue		
Construction Industry	197.65	151.64
Agricultural & Livestock Industry	3,716.06	2,987.44
Industrial Raw Material	191.73	234.01
Packaging Industry	167.30	144.50
Consumer & Pharmaceutical	1,051.49	746.69
Others	31.76	17.89
<b>Total Revenue</b>	<b>5,355.99</b>	<b>4,282.17</b>
Intra-group sales	(28.38)	(32.00)
<b>Net Revenue</b>	<b>5,327.61</b>	<b>4,250.17</b>
(b) Segmental Results		
Construction Industry	7.37	6.59
Agricultural & Livestock Industry	290.95	284.78
Industrial Raw Material	5.44	10.04
Packaging Industry	31.11	10.45
Consumer & Pharmaceutical	37.18	2.24
Others	(0.30)	(0.23)
<b>Net Segmental Results</b>	<b>371.75</b>	<b>313.87</b>
Unallocated expenses	(7.75)	(12.26)
Other income	40.64	48.78
Financing costs	(128.14)	(118.28)
Share of profit of equity accounted investees	41.42	44.49
Income tax expense	(80.30)	(92.65)
<b>Profit for the period</b>	<b>237.62</b>	<b>183.95</b>
Attributable to:		
Equity holders of the company	203.80	157.70
Non controlling interest	33.82	26.25
<b>Profit for the period</b>	<b>237.62</b>	<b>183.95</b>

*Note :*

*Figures in brackets indicate deductions.*

*The above figures are provisional and unaudited.*

<b>For the 3 months ended 30th June</b>	Company		Group	
	2011	2010	2011	2010
<b>(In Rs. Mns)</b>				
1 Other Income				
Rent income	6.63	6.25	6.52	6.18
Exchange gain	0.05	2.27	12.41	2.17
Interest income	0.04	0.22	1.29	10.88
Dividend income	22.51	116.85	0.45	1.95
Gain on disposal of investments	-	-	2.33	2.69
Gain on disposal of property, plant and equipment	5.00	23.89	8.77	23.89
Sundry Income	0.10	0.28	8.87	1.02
<b>Total</b>	<b>34.33</b>	<b>149.76</b>	<b>40.64</b>	<b>48.78</b>

2 Financing Cost				
Interest on loans	10.78	2.38	125.59	118.12
Interest on lease liabilities	1.60	0.10	2.56	0.16
<b>Total</b>	<b>12.38</b>	<b>2.48</b>	<b>128.14</b>	<b>118.28</b>

## 3 Market value of a share

<b>For the three months ended 30th June</b>	2011		2010	
	Voting Rs.	Non-Voting Rs.	Voting Rs.	Non-Voting Rs.
Highest	167.90	115.00	80.00	53.75
Lowest	135.00	97.00	67.50	43.00
Period end	136.30	99.00	74.00	50.50

## 4 Number of Shares

<b>As at end of 30th June</b>	2011	2010
Ordinary Shares	72,900,000	72,900,000
Non-Voting (Class X)	21,870,000	21,870,000
<b>Total</b>	<b>94,770,000</b>	<b>94,770,000</b>

## 5 Dividend paid

	2010/2011		2009/2010	
	Voting Rs.	Non-Voting Rs.	Voting Rs.	Non-Voting Rs.
Interim	0.75	0.75	0.50	0.50
Final	2.00	2.00	1.35	1.35
<b>Total</b>	<b>2.75</b>	<b>2.75</b>	<b>1.85</b>	<b>1.85</b>

6 The Accounting Policies and methods followed in the preparation of the Income Statement for the 3 months ended 30th June 2011 and the Balance Sheet as at 30th June 2011 are consistent with those used in the preparation of Financial Statements for the year ended 31st March 2011 and are also in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.

7 The presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant to be comparable with those for the current year.

8 The company has acquired 46% equity stake of Crop Management Services (Private) Limited from Chemanex PLC.

9 There has been no other events subsequent to the balance sheet date, which require disclosure in the interim financial statements.

10 There has not been any significant changes in the nature of the Contingent Liabilities which were disclosed in the Annual report for the year ended 31st March 2011.

11 Shareholders of the Company resolved on 29th December 2010 the issue of Three Hundred and Seventy Nine Thousand and Eighty (379,080) Voting and One Million, Five Hundred and Sixteen Thousand, Three Hundred and Twenty (1,516,320) Non-Voting (Class X), Ordinary Shares (constituting approximately 2% of the issued shares as at 18th November 2010) to the eligible employees of the company under an Employee Share Option Scheme (ESOS). The shares under ESOS was priced at the average of volume weighted average market price of the company's shares for the ten (10) market days immediately prior to the date of offer. The shares were priced as follows.

Ordinary Shares - Rs. 136.12  
Non-Voting (Class X) Shares -Rs. 95.19

There will be no financial assistance granted to employees with regard to the ESOS. No options were exercised as at the 2nd August 2011.

12 A final dividend of Rs. 2.00 per share has been recommended by the Board of Directors and approved by shareholders for the year ended 31st March 2011. The date of payment is 11th July 2011.

# CIC HOLDINGS PLC

## Shareholder and Investor Information

As at 30th June 2011

1. Twenty largest shareholders - Ordinary Shares		2011	
Name	No. of Shares		
1 Paints & General Industries Limited	38,860,349	53.31%	
2 Sri Lanka Insurance Corporation Ltd - Life Fund	4,769,800	6.54%	
3 Employees Provident Fund	2,545,700	3.49%	
4 Associated Electrical Corporation Limited	2,440,500	3.35%	
5 Mr. S.K. Wickremesinghe	1,553,022	2.13%	
6 Employees Trust Fund Board	1,454,540	2.00%	
7 Aviva NDB Insurance PLC A/C No. 07	670,200	0.92%	
8 Bank of Ceylon No 01 Account	600,100	0.82%	
9 HSBC International Nom Ltd-SSBT-Russell Trust Company	493,500	0.68%	
10 HSBC International Nom Ltd-SSBT-Russell Institutional	385,000	0.53%	
11 Mrs. K.J.M. De Silva	377,850	0.52%	
12 Waldock Mackenzie Ltd / Hi-Line Trading (Pvt) Limited	327,000	0.45%	
13 Colombo Fort Investments PLC	315,000	0.43%	
14 Dr. H.R. & Mr. V.K. Wickremasinghe Custodian Trustees Martin Wickremasinghe Trust Fund	315,000	0.43%	
15 Mr. M. Radhakrishnan	310,491	0.43%	
16 Bank of Ceylon A/C Ceybank Century Growth Fund	303,750	0.42%	
17 Dr. G.N. Wickramanayake	266,400	0.37%	
18 Mrs. D. Wickremesinghe	265,625	0.36%	
19 Sri Lanka Insurance Corporation Ltd - General Fund	263,277	0.36%	
20 Miss. N K R H De Silva	249,150	0.34%	
<b>Total</b>	<b>56,766,254</b>	<b>77.88%</b>	

2. Twenty largest shareholders - Non-Voting (Class X) Shares		2011	
Name	No. of Shares		
1 Employees Provident Fund	2,299,100	10.51%	
2 Paints & General Industries Limited	726,301	3.32%	
3 E.W. Balasuriya & Co. (Pvt) Ltd	632,600	2.89%	
4 DFCC Bank A/c No. 01	389,400	1.78%	
5 Mrs. M. S. E. V. E. A. U. Von Stumm	300,000	1.37%	
6 Aruna Equity Care (Pvt) Limited	300,000	1.37%	
7 Nuwara Eliya Property Developers (Pvt) Limited	300,000	1.37%	
8 Ceylinco Insurance PLC A/c No.01 (Life Fund)	239,900	1.10%	
9 Mrs. K.J.M. De Silva	238,710	1.09%	
10 Mr. K.C. Vignarajah	217,225	0.99%	
11 Commercial Bank of Ceylon PLC A/C No.04	201,400	0.92%	
12 Mas Capital (Pvt) Limited	200,000	0.91%	
13 National Savings Bank	183,700	0.84%	
14 Mr. W R H Perera	172,284	0.79%	
15 Genesis Software (Pvt) Limited	171,200	0.78%	
16 Mr. M.J. Fernando	163,500	0.75%	
17 Mr. A.W. Edwards	158,000	0.72%	
18 Mr. L. De Mel	154,681	0.71%	
19 Miss. N.K.R.H. De Silva	151,233	0.69%	
20 J.B. Cocoshell (Pvt) Ltd.	150,900	0.69%	
<b>Total</b>	<b>7,350,134</b>	<b>33.59%</b>	

# CIC HOLDINGS PLC

## Shareholder and Investor Information

### 3. Shares held by Public

Type	No. of Shares	%
Ordinary Shares	33,801,629	46.37
Non Voting (Class - X) Shares	18,765,545	85.81

### 4. Shares held by Director's together with the members of their families.

Type	No. of Shares	%
Ordinary Shares	238,022	0.33
Non-Voting (Class X) Shares	79,054	0.36

### 5. Shares held by the Parent Company

Type	No. of Shares	%
Ordinary Shares	38,860,349	53.31
Non-Voting (Class X) Shares	726,301	3.32

### 6. Directors' shareholding together with the members of their families.

As at	Ordinary shares		Non-Voting (Class X)	
	30.06.2011	31.03.2011	30.06.2011	31.03.2011
B R L Fernando - <i>Chairman</i>	237,942	237,942	39,765	39,765
S P S Ranatunga - <i>Managing Director / CEO</i>	-	-	22,950	22,950
S H Amarasekera	-	-	-	-
E F G Amerasinghe	-	-	-	-
R N Asirwatham	-	-	-	-
R S Captain	80	80	139	139
M P Jayawardena	-	-	16,200	16,200
Prof. P W M B B Marambe	-	-	-	-
<b>Total</b>	<b>238,022</b>	<b>238,022</b>	<b>79,054</b>	<b>79,054</b>

### 7. Share Trading

	Ordinary shares	Non-Voting (Class X)
No of shares traded	2,277,300	2,516,300
No. of transactions	1,201	1,753
Value of shares traded (Rs.)	349,961,230	273,121,720