

CIC Holdings PLC

Interim Report

For the Period Ended 30th June 2014

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

S H Amarasekera- *Chairman*

S P S Ranatunga - *Managing Director / CEO*

E F G Amerasinghe

R N Asirwatham

R S Captain

S M Enderby

M P Jayawardena

Prof. P W M B B Marambe

SECRETARY

P D S Ruwanpura

AUDITORS

KPMG

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

Statements of Comprehensive Income

30th June	Company			Group		
	2014	2013	Variance %	2014	2013	Variance %
(In Rs.Mns)						
Continuing operations						
Revenue	1,735.10	1,428.53	21.46	5,633.77	5,327.18	5.76
Cost of sales	(1,257.51)	(1,029.63)	22.13	(4,196.53)	(3,963.99)	5.87
Gross profit	477.59	398.90	19.73	1,437.24	1,363.19	5.43
Other income	32.39	171.87	(81.15)	37.19	35.70	4.17
Distribution expenses	(159.42)	(169.84)	(6.14)	(529.26)	(474.88)	11.45
Administrative expenses	(159.16)	(141.54)	12.45	(419.78)	(506.75)	(17.16)
Other expenses	(2.10)	-	100.00	(12.90)	(3.91)	229.92
Financing costs	(38.36)	(88.83)	(56.82)	(217.75)	(479.64)	(54.60)
Share of profit of equity accounted investees	-	-	-	37.90	52.40	(27.67)
Profit before tax	150.94	170.56	(11.50)	332.64	(13.89)	(2,494.82)
Tax expense	(49.31)	(21.34)	131.07	(108.72)	(69.86)	55.63
Profit/(loss) from continuing operations	101.63	149.22	(31.89)	223.92	(83.75)	(367.37)
Discontinued operations						
Loss from discontinued operations (net of tax)	(14.51)	(30.54)	(52.49)	(19.55)	(74.35)	(73.71)
Profit/(loss) for the period	87.12	118.68	(26.59)	204.37	(158.10)	(229.27)
Other comprehensive income						
Net gain/(losses) on available for sale financial assets	1.09	(1.05)	(203.81)	6.49	(1.05)	(718.10)
Exchange difference on translating of foreign entities	-	-	-	1.04	2.03	(48.77)
Other comprehensive income for the period (net of tax)	1.09	(1.05)	(203.81)	7.53	0.98	668.37
Total comprehensive income for the period (net of tax)	88.21	117.63	(25.01)	211.90	(157.12)	(234.87)
Profit attributable to :						
Equity holders of the company	87.12	118.68	(26.59)	155.86	(75.27)	(307.07)
Non - controlling interests	-	-	-	48.51	(82.83)	(158.57)
	87.12	118.68	(26.59)	204.37	(158.10)	(229.27)
The other comprehensive income attributable to :						
Equity holders of the company	1.09	(1.05)	(203.81)	5.00	0.16	3,025.00
Non - controlling interests	-	-	-	2.53	0.82	208.54
	1.09	(1.05)	(203.81)	7.53	0.98	668.37
Earnings/(deficit) per share						
Basic/diluted earnings per share (Rs.)	0.92	1.25	(26.59)	1.64	(0.79)	(307.07)
Earnings/(deficit) per share-continuing operation						
Basic/diluted earnings per share (Rs.)	1.07	1.56	(31.36)	1.82	(0.23)	(878.95)

The above figures are provisional and unaudited.

Figures in brackets indicate deductions

Statements of Financial Position

30th June (In Rs.Mns)	Company			Group		
	2014	2013	31.03.2014	2014	2013	31.03.2014
Assets						
Non-current assets						
Property, plant & equipment	2,273.32	1,992.59	2,287.25	9,470.17	8,620.25	9,427.33
Investment property	-	-	-	51.40	14.59	51.40
Capital work-in-progress	38.16	156.36	50.92	980.31	1,190.57	763.41
Deposit on leasehold property	-	-	-	-	16.06	-
Biological assets	-	-	-	64.14	80.28	67.37
Intangible assets	-	-	-	27.68	147.91	27.68
Deferred tax assets	47.87	-	69.27	70.12	18.36	133.72
Investment in subsidiaries	793.99	812.63	734.98	-	-	-
Investment in equity accounted investees	36.00	36.00	36.00	1,478.39	668.66	1,440.49
Other non-current financial assets	120.00	125.10	120.00	10.15	6.11	9.42
	3,309.34	3,122.68	3,298.42	12,152.36	10,762.79	11,920.82
Current assets						
Inventories	1,863.23	2,120.52	2,193.78	5,833.76	6,452.29	5,100.34
Trade receivables	1,365.62	2,208.61	1,383.23	3,202.43	4,570.64	3,293.28
Other receivables	306.42	728.20	327.35	4,483.86	6,522.27	4,125.33
Other current financial assets	25.70	26.30	24.61	71.94	70.22	66.46
Cash in hand and at bank	95.00	90.11	186.92	1,190.50	726.58	965.65
	3,655.97	5,173.74	4,115.89	14,782.49	18,342.00	13,551.06
Assets classified as held for sale	125.73	78.84	213.27	323.63	118.38	489.49
	3,781.70	5,252.58	4,329.16	15,106.12	18,460.38	14,040.55
Total assets	7,091.04	8,375.26	7,627.58	27,258.48	29,223.17	25,961.37
Equity and liabilities						
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	1,016.02	1,016.02	1,016.02	1,719.56	1,697.24	1,718.94
Revenue reserves	1,160.10	2,138.27	1,071.89	4,161.07	4,979.05	4,001.33
	3,184.57	4,162.74	3,096.36	6,889.08	7,684.74	6,728.72
Non-controlling interests	-	-	-	1,446.07	1,563.21	1,410.54
Total equity	3,184.57	4,162.74	3,096.36	8,335.15	9,247.95	8,139.26
Non-current liabilities						
Interest bearing borrowings	249.70	163.87	276.11	1,495.10	1,067.83	942.83
Retirement benefit obligations	196.42	179.25	201.59	528.28	485.78	522.76
Grants	-	-	-	22.10	29.90	23.41
Deferred tax liabilities	-	82.05	-	244.72	283.84	280.88
	446.12	425.17	477.70	2,290.20	1,867.35	1,769.88
Current liabilities						
Trade payables	1,105.28	1,339.65	1,296.01	5,165.03	5,952.53	4,604.82
Income tax payable	-	-	-	61.71	38.29	40.23
Accruals and other payables	288.37	269.56	331.79	865.90	755.47	1,118.18
Interest-bearing borrowings	2,055.45	2,178.14	2,411.34	10,174.53	11,361.58	9,843.83
	3,449.10	3,787.35	4,039.14	16,267.17	18,107.87	15,607.06
Liabilities classified as held for sale	11.25	-	14.38	365.96	-	445.17
	3,460.35	3,787.35	4,053.52	16,633.13	18,107.87	16,052.23
Total liabilities	3,906.47	4,212.52	4,531.22	18,923.33	19,975.22	17,822.11
Total equity and liabilities	7,091.04	8,375.26	7,627.58	27,258.48	29,223.17	25,961.37
Net assets per share	33.60	43.92	32.67	72.69	81.09	71.00

The above figures are provisional and unaudited.

I certify 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

Chief Financial Officer / Secretary

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

(Sgd.) S H Amarasekera

Chairman

07th August 2014

(Sgd.) S P S Ranatunga

Managing Director/CEO

Statement of Changes In Equity

For the period ended 30th June 2014

Company									
	Stated Capital	Revaluation Reserve	General Reserves	Available for sale Reserve	Retained Earnings	Total			
<i>(In Rs. Mns)</i>									
As at 1 April 2014	1,008.45	1,016.02	782.60	(8.87)	298.16	3,096.36			
Profit for the period	-	-	-	-	87.12	87.12			
Other comprehensive income	-	-	-	1.09	-	1.09			
As at 30 June 2014	1,008.45	1,016.02	782.60	(7.78)	385.28	3,184.57			
As at 1 April 2013	1,008.45	1,016.02	782.60	(6.12)	1,244.16	4,045.11			
Profit for the period	-	-	-	-	118.68	118.68			
Other comprehensive income	-	-	-	(1.05)	-	(1.05)			
As at 30 June 2013	1,008.45	1,016.02	782.60	(7.17)	1,362.84	4,162.74			
Group									
Attributable to the equity holders of the company									
	Stated Capital	Capital Reserve	General Reserve	Available for sale Reserve	Foreign currency equalisation reserve	Retained Earnings	Total	Non- controlling interest	Total Equity
<i>(In Rs. Mns)</i>									
As at 1 April 2014	1,008.45	1,718.33	861.60	(5.58)	0.61	3,145.31	6,728.72	1,410.54	8,139.26
Profit for the period	-	-	-	-	-	155.86	155.86	48.51	204.37
Other comprehensive income	-	-	-	4.38	0.62	-	5.00	2.53	7.53
Change in effective holdings of the subsidiary	-	-	0.15	-	-	-	0.15	10.45	10.60
Stamp duty on right issue	-	-	-	-	-	(0.65)	(0.65)	-	(0.65)
Subsidiary dividends to non- controlling interests	-	-	-	-	-	-	-	(25.96)	(25.96)
As at 30 June 2014	1,008.45	1,718.33	861.75	(1.20)	1.23	3,300.52	6,889.08	1,446.07	8,335.15
As at 1 April 2013	1,008.45	1,696.06	861.60	(6.12)	(0.03)	4,199.89	7,759.85	1,649.01	9,408.86
Loss for the period	-	-	-	-	-	(75.27)	(75.27)	(82.83)	(158.10)
Other comprehensive income	-	-	-	(1.05)	1.21	-	0.16	0.82	0.98
Subsidiary dividends to non- controlling interests	-	-	-	-	-	-	-	(3.79)	(3.79)
As at 30 June 2013	1,008.45	1,696.06	861.60	(7.17)	1.18	4,124.62	7,684.74	1,563.21	9,247.95

The above figures are provisional and unaudited.

Figures in brackets indicate deductions

CIC Holdings PLC

Cash Flow Statements

<i>For the period ended 30th June</i>	Company		Group	
	2014	2013	2014	2013
<i>(In Rs. Mns)</i>				
Cash flow from operating activities				
Cash generated from operations (Note A)	393.03	207.07	168.29	255.98
Net interest paid	(56.34)	(112.32)	(242.35)	(531.14)
Retirement benefit costs paid	(9.92)	(1.81)	(15.92)	(12.98)
Income tax paid	(0.02)	-	(89.63)	(28.66)
Net cash inflow/(outflow) from operating activities	326.75	92.94	(179.61)	(316.80)
Cash flow from investing activities				
Addition to property, plant & equipment	(12.55)	(55.81)	(445.24)	(272.97)
Addition to biological assets	-	-	-	(41.19)
Proceeds from disposal of property, plant & equipment	4.12	3.62	19.36	14.02
Proceeds from disposal of assets held for sale	7.55	-	11.65	-
Proceeds from disposal of investments	-	-	10.33	-
Proceeds from sale of biological assets	-	-	-	41.04
Dividend received	23.52	4.99	2.08	2.90
Investment in subsidiaries and equity accounted investees	(59.01)	-	-	-
Stamp duty paid on right issue of a subsidiary	-	-	(0.65)	-
Other investments	-	-	(0.11)	-
Subsidiary dividends to non-controlling interests	-	-	(25.96)	(3.79)
Net cash inflow/(outflow) from investing activities	(36.37)	(47.20)	(428.54)	(259.99)
Net Cash inflow/(outflow) before financing activities	290.38	45.74	(608.15)	(576.79)
Cash flow from financing activities				
Capital payment on finance leases	(11.01)	(9.37)	(35.73)	(35.05)
Net long-term loan received/(settled)	(23.67)	91.38	803.19	42.53
Net cash inflow/(outflow) from financing activities	(34.68)	82.01	767.46	7.48
Net increase / (decrease) in cash & cash equivalents during the period	255.70	127.75	159.31	(569.31)
Cash & cash equivalents at the beginning of the period	(2,110.78)	(2,087.87)	(7,497.35)	(8,712.70)
Cash & cash equivalents at the end of the period (Note B)	(1,855.08)	(1,960.12)	(7,338.04)	(9,282.01)
Note A - Cash generated from / (used for) operations				
Profit before interest and tax from continuing operations	189.30	259.39	512.49	413.35
Profit/(loss) before interest and tax from discontinued operations	3.55	(17.36)	5.14	(33.16)
Adjustments for:				
Depreciation on property, plant & equipment	33.32	33.31	164.53	177.03
Depreciation on investment property	-	-	-	0.02
(Gain) /loss on disposal of property, plant & equipment	1.80	(1.27)	2.30	(6.56)
(Gain) /loss on disposal of assets held for sale	0.30	-	(0.46)	-
(Gain) /loss on disposal of long term investments	-	-	(9.94)	-
Provision for retirement benefit	4.77	9.63	19.56	25.55
Impairment of goodwill	-	-	10.60	-
Amortisation of deposit paid for leasehold property	-	-	-	0.09
Provision for fall in value of investments	-	-	-	0.32
(Gain)/Loss from changes in fair value & utilization of biological assets	-	-	3.23	6.13
Grants amortised	-	-	(1.31)	(1.61)
Dividend income	(23.52)	(160.99)	(2.08)	(2.90)
Net (gain) /loss on translation of foreign entities	-	-	1.04	2.03
Operating profit before working capital changes	209.52	122.71	705.10	580.29
(Increase)/decrease in trade and other receivables	90.26	39.35	(151.33)	525.56
(Increase)/decrease in inventories	330.55	(348.68)	(668.40)	(1,001.86)
Increase/(decrease) in trade and other payables	(237.30)	393.69	282.92	151.99
Cash generated from / (used for) operations	393.03	207.07	168.29	255.98
Note B - Analysis of cash & cash equivalents at the end of the period				
Cash in hand and at bank	95.00	90.11	1,196.54	726.58
Interest bearing short-term borrowings	(1,950.08)	(2,050.23)	(8,534.58)	(10,008.59)
	(1,855.08)	(1,960.12)	(7,338.04)	(9,282.01)

The above figures are provisional and unaudited.
Figures in brackets indicate deductions

CIC Holdings PLC

Segmental Information

For the period ended 30th June 2014 2013
(In Rs. Mns)

Operating Segments

The Following table presents revenue, profit information regarding the Group's operating segments.

(a) Segmental Revenue

Construction Industry	67.34	160.64
Agricultural & Livestock Industry	3,604.38	3,583.88
Industrial Raw Material	423.90	402.84
Packaging Industry	286.29	229.61
Consumer & Pharmaceutical	1,329.67	1,034.47
Others	0.26	0.22
Total Revenue	5,711.84	5,411.66
Intra-group sales	(78.07)	(84.48)
Net Revenue	5,633.77	5,327.18

(b) Segmental Results

Construction Industry	8.38	13.59
Agricultural & Livestock Industry	305.58	269.93
Industrial Raw Material	32.46	27.13
Packaging Industry	49.50	39.71
Consumer & Pharmaceutical	101.38	39.39
Others	0.02	(0.13)
Net Segmental Results	497.32	389.62
Unallocated expenses	(22.02)	(11.97)
Other income	37.19	35.70
Financing costs	(217.75)	(479.64)
Share of profit from equity accounted investees	37.90	52.40
Tax expense	(108.72)	(69.86)
Profit from continuing operations	223.92	(83.75)
Loss from discontinued operations (net of tax)	(19.55)	(74.35)
Profit/(Loss) for the period	204.37	(158.10)
Attributable to:		
Equity holders of the Company	155.86	(75.27)
Non- controlling interest	48.51	(82.83)
Profit/(Loss) for the period	204.37	(158.10)

Note :

The above figures are provisional and unaudited.

Figures in brackets indicate deductions.

Notes to the Financial Statements

For the period ended 30 th June (In Rs. Mns)	Company		Group	
	2014	2013	2014	2013
1 Other Income				
Rent income	7.59	7.97	6.39	7.67
Divided income	23.52	160.99	2.08	2.90
Gain on disposal of property, plant and equipment	-	1.27	-	6.56
Gain on disposal of assets classified as held for sale	-	-	0.46	-
Gain on disposal of investment	-	-	9.94	-
Grants amortised	-	-	1.31	1.61
Sundry income	1.28	1.64	17.01	16.96
	32.39	171.87	37.19	35.70

2 Financing Cost (Net)

Finance cost

Interest on loans	35.54	70.72	227.24	384.67
Interest on finance leases	8.54	2.74	10.68	9.57
Exchange loss	-	16.62	-	102.67
	44.08	90.08	237.92	496.91

Finance income

Exchange gain	5.38	-	10.57	-
Interest income	0.34	1.25	9.60	17.27
	5.72	1.25	20.17	17.27

Net financing cost	38.36	88.83	217.75	479.64
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3 Market Value of Shares

For the three months ended 30th June

	2014		2013	
	Voting Rs.	Non-Voting Rs.	Voting Rs.	Non-Voting Rs.
Highest	58.00	43.90	77.70	54.20
Lowest	45.10	37.20	59.00	40.80
Period end	52.80	41.50	68.00	47.50

4 Number of Shares

As at end of 30th June

	2014	2013
Ordinary Shares	72,900,000	72,900,000
Non-Voting (Class X)	21,870,000	21,870,000
Total	94,770,000	94,770,000

5 Dividend Paid

	2013/2014		2012/2013	
	Voting Rs.	Non-Voting Rs.	Voting Rs.	Non-Voting Rs.
Interim	-	-	0.63	0.63
Final	-	-	1.00	1.00
Total	-	-	1.63	1.63

6 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 7th August 2014.

7 There have 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 2014.

8 There were no events subsequent to the reporting date, which require disclosure in the interim Financial Statements.

SHAREHOLDER & INVESTOR INFORMATION

As At 30th June 2014

Twenty Largest Shareholders**1 VOTING (ORDINARY) SHARES**

Name	No. of Shares	Percentage %
1 Paints & General Industries Limited	38,860,349	53.31
2 Employees Provident Fund	4,763,704	6.53
3 Sri Lanka Insurance Corporation Ltd - Life Fund	3,409,594	4.68
4 Associated Electrical Corporation Limited	2,813,581	3.86
5 Employees Trust Fund Board	2,763,891	3.79
6 Mr. S.K. Wickremesinghe	1,498,022	2.05
7 Bank of Ceylon No. 1 Account	650,100	0.89
8 Sri Lanka Insurance Corporation Ltd - General Fund	439,300	0.60
9 Mrs. L.K. Goonewardena	408,259	0.56
10 Mrs. K.J.M. De Silva	377,850	0.52
11 Bank of Ceylon A/C Ceybank Century Growth Fund	365,776	0.50
12 HSBC International Nom Ltd-SSBT-Russell Institutional	352,900	0.48
13 Waldock Mackenzie Ltd / Hi-Line Trading (Pvt) Limited	346,869	0.48
14 Trading Partners (Pvt) Ltd.	321,516	0.44
15 Colombo Fort Investments PLC	315,000	0.43
16 HSBC International Nom Ltd-SSBT-Russell Trust Company	311,400	0.43
17 Dr. H.R. & Mr. V.K.Wickremasinghe Custodian Trustees Martin Wickremasinghe Trust Fund	310,491	0.43
18 Estate of M.Radhakrishnan (Deceased)	303,750	0.42
19 People's Bank	300,000	0.41
20 Mr. G.N. Wikramanayake	265,625	0.36
	59,177,977	81.17

Number of Shares Issued - 72,900,000 Ordinary Shares**2 NON-VOTING (CLASS 'X') SHARES**

Name	No. of Shares	Percentage %
1 Employees Provident Fund	2,437,089	11.14
2 Paints & General Industries Limited	726,301	3.32
3 Deutsche Bank AG as trustee for JB Vantage value E	684,301	3.13
4 E.W. Balasuriya & Co. (Pvt) Ltd	632,600	2.89
5 Employees Trust Fund Board	479,477	2.19
6 Mrs. M.S.E.V.E.A.U. Von Stumm	399,219	1.83
7 DFCC Bank A/C No.01	389,400	1.78
8 Nuwara Eliya Property Developers (Pvt) Ltd	299,093	1.37
9 Mrs. C. Jayawardene	261,713	1.20
10 Ceylinco Insurance PLC A/C No.1 (Life Fund)	240,000	1.10
11 Mrs. K.J.M. De Silva	238,710	1.09
12 Mr. K.C. Vignarajah	218,225	1.00
13 Standard Capital PLC	210,198	0.96
14 Genesis Software (Pvt) Ltd	194,799	0.89
15 Aruna Equity Care (Pvt) Ltd	188,942	0.86
16 National Savings Bank	183,700	0.84
17 Mr. M.J. Fernando	163,500	0.75
18 Commercial Bank of Ceylon PLC A/C No. 04	161,400	0.74
19 Mrs. N.H. Abdul Husein	155,000	0.71
20 Miss. N.K.R.H. De Silva	151,233	0.69
	8,414,900	38.48

Number of Shares issued - 21,870,000 Non-Voting (Class-'X') Shares

SHAREHOLDER & INVESTOR INFORMATION Cont...

As At 30th June 2014

3 Shares held by public

Type	No.of Shares	%
Ordinary Shares	33,991,775	46.62
Non Voting (Class - X) Shares	21,043,064	96.21

* Employee Provident Fund held 11.14% of Non- Voting shares

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

Type	No.of Shares	%
Ordinary Shares	80	0.00
Non Voting (Class - X) Shares	40,912	0.19

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)	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
S H Amarasekera - Chairman	-	-	-	-
S P S Ranatunga - Managing Director / CEO	-	-	22,950	22,950
E F G Amerasinghe	-	-	-	-
R N Asirwatham	-	-	-	-
R S Captain	80	80	1,762	1,762
M P Jayawardena	-	-	16,200	16,200
Prof. PWM B B Marambe	-	-	-	-
S.M. Enderby	-	-	-	-
B R L Fernando - (retired w.e.f 31.12.2013)	N/A	237,942	N/A	39,765
	80	238,022	40,912	80,677

7 Share Trading

For the quarter ended	30th June 2014		30th June 2013	
	Ordinary shares	Non-Voting (Class X)	Ordinary shares	Non-Voting (Class X)
No of shares traded	996,545	811,333	453,453	675,628
No. of transactions	703	466	708	1,070
Value of shares traded (Rs.)	51,472,310	33,188,667	30,286,089	33,285,629