



**CEYLON GRAIN
ELEVATORS
PLC**

Registration No : PQ 161

**INTERIM FINANCIAL STATEMENTS
FOR THE**

NINE MONTHS ENDED 30th SEPTEMBER 2008

Name of Shareholder

If undelivered, please return to

Ceylon Grain Elevators PLC

P O Box 2054
15, Rock House Lane
Colombo 15

Company Name	Ceylon Grain Elevators PLC
Registration Number	PQ 161
Stated Capital	Rs. 1,017,996,000
Number of shares	60,000,000
Date of Incorporation	19 th November 1982
Registered Address	No. 15, Rock House Lane Colombo 15 Sri Lanka
	Tel : ☎ +94-(11) - 2522556
	Fax : +94-(11) - 2524163
	+94-(11) - 5351192
	e-mail : info.cge@prima.com.lk
Bankers	National Development Bank PLC Deutsche AG Bank Sampath Bank PLC Nations Trust Bank PLC Hatton National Bank PLC Bank of Ceylon Union Bank of Colombo Limited Commercial Bank of Ceylon PLC Standard Chartered Bank

I NVESTOR INFORMATION

Market Value of Shares as at	30.09.2008 Rs.	30.09.2007 Rs.
Highest Market Value	12.50	16.25
Lowest Market Value	9.75	12.75
Closing	10.00	14.75

C ORPORATE SUMMARY

Name of Directors

Mr. Cheng Chih Kwong, Primus Chairman & CEO
Mr. Tan Beng Chuan Executive Director & GGM
Mr. Cheng Chih Cheng, Robert Director
Mr. Cheng Chih Hui, Peter Director

Auditors

KPMG Ford, Rhodes, Thornton & Co.

Company Secretary

S S P Corporate Services (Pvt) Limited
No. 101,
Inner Flower Road
Colombo 3

Tel : ☎ 2573485

INCOME STATEMENT

for the nine months ended 30th September 2008

	Group		Group Change	Company	
	2008 Rs. '000	2007 Rs. '000		2008 Rs. '000	2007 Rs. '000
Revenue	6,057,325	4,616,811	31%	5,422,815	3,908,869
Cost of Sales	(5,966,406)	(4,210,084)	42%	(5,203,405)	(3,627,540)
Gross Profit	90,919	406,727	-78%	219,410	281,329
Other Operating Profit / (Loss)	18,603	(15,732)	NM	-	-
Other Operating Income / (Expenses)	27,575	6,527	NM	19,810	8,341
Selling & Distribution Expenses	(39,310)	(25,235)	56%	(37,733)	(24,298)
Administrative Expenses	(105,508)	(87,105)	21%	(90,917)	(78,416)
Operating Profit	(7,721)	285,182	NM	110,570	186,956
Net Finance Expenses	(96,499)	(109,145)	-12%	(97,024)	(109,368)
Share of Result of Associate	11,407	(1,345)	NM	-	-
(Loss) / Profit Before Tax	(92,813)	174,692	NM	13,546	77,588
Tax Expense	18,012	(12,953)	NM	(182)	(1,545)
(Loss) / Profit for the Period	(74,801)	161,739	NM	13,364	76,043
Minority Interest	47,600	(32,356)	NM	-	-
Equity Holders of the Parent	(27,201)	129,383	NM	13,364	76,043
Retained Profits B/F	96,324	26,708		286,540	280,943
Retained Profits C/F	69,123	156,091		299,904	356,986
(Loss)/ Earnings per Share Basic (Rs.)	(0.45)	2.16		0.22	1.27

QUARTERLY REVIEW

THIRD QUARTER ENDED 30TH SEPTEMBER 2008

Group net turnover for the 3rd quarter 2008 was Rs.2,213.01Mn as compared to Rs.1,678.88Mn during the 3rd quarter of 2007, an increase of Rs.534.13Mn or 32%. Group net turnover for the first nine months of 2008 was Rs.6,057.32Mn as compared to Rs.4,616.81Mn during the same period of 2007, an increase of Rs.1,440.51Mn or 31%.

Group has reported a net profit of Rs.91.29Mn during the 3rd quarter of 2008 as compared to net loss of Rs.62.96Mn reported in the 3rd quarter of 2007. For the first nine months of 2008, the Group has reported a net loss of Rs.27.20Mn as compared to net profit of Rs.129.38Mn reported in the first nine months of 2007.

There was a significant improvement in the group profitability during the third quarter of the current year and the group was able to recover part of the heavy losses incurred during the first half of the year. This was mainly due to the increase in maximum retail price of whole chicken by the Consumer Affairs Authority.

The Company and the Group have followed the same accounting policies and methods of computation as disclosed in the Annual Report for financial year ended 31st December 2007.

There have been no other events subsequent to the interim period which require disclosure in the interim Financial Statements.

(Sgd.)
Cheng Chih Kwong, Primus
Chairman & CEO

(Sgd.)
SSP Corporate Services (Private) Ltd
Secretaries

STATEMENT OF CHANGES IN EQUITY

for nine months ended 30th September 2008

Group	Stated	Share	Revaluation	Retained	Minority	Total
	Capital	Premium	Reserve	Earnings	Interest	Equity
	Rs ` 000	Rs ` 000	Rs ` 000	Rs ` 000	Rs ` 000	Rs ` 000
Balance as at 01. 01. 2007	1,017,996	213,133	63,577	26,708	93,497	1,414,911
Net Profit for Nine Months	Nil	Nil	Nil	129,383	32,356	161,739
Balance as at 30.09.2007	1,017,996	213,133	63,577	156,091	125,853	1,576,650
Balance as at 01. 01. 2008	1,017,996	213,133	62,407	96,324	119,798	1,509,658
Net Loss for Nine Months	Nil	Nil	Nil	(27,201)	(47,600)	(74,801)
Balance as at 30.09.2008	1,017,996	213,133	62,407	69,123	72,198	1,434,857

Company	Stated	Revaluation	Retained	Total
	Capital	Reserve	Earnings	Equity
	Rs ` 000	Rs ` 000	Rs ` 000	Rs ` 000
Balance as at 01. 01. 2007	1,017,996	40,979	280,943	1,339,918
Net Profit for Nine Months	Nil	Nil	76,043	76,043
Balance as at 30.09.2007	1,017,996	40,979	356,986	1,415,961
Balance as at 01. 01. 2008	1,017,996	39,809	286,540	1,344,345
Net Loss for Nine Months	Nil	Nil	13,364	13,364
Balance as at 30.09.2008	1,017,996	39,809	299,904	1,357,709

INCOME STATEMENT FOR THIRD QUARTER

Three months results ended 30th September 2008

	Group		Group Change	Company	
	2008 Rs. `000	2007 Rs. `000		2008 Rs. `000	2007 Rs. `000
Revenue	2,213,008	1,678,882	32%	2,022,788	1,328,466
Cost of Sales	(2,085,601)	(1,636,307)	27%	(1,851,372)	(1,327,732)
Gross Profit	127,407	42,575	199%	171,416	734
Other Operating Profit / (Loss)	6,668	(2,202)	NM	-	-
Other Operating Income	11,431	4,663	145%	8,558	3,588
Selling & Distribution Expenses	(17,624)	(9,214)	91%	(17,068)	(8,709)
Administrative Expenses	(37,967)	(31,848)	19%	(32,620)	(28,941)
Operating Profit	89,915	3,974	2162%	130,286	(33,328)
Net Finance Expenses	(22,763)	(44,684)	-49%	(23,120)	(44,907)
Share of Result of Associate	2,391	(38)	NM	-	-
(Loss) / Profit Before Tax	69,543	(40,748)	NM	107,166	(78,235)
Tax Expense	4,581	(11,757)	NM	(12)	(514)
(Loss) / Profit for the Period	74,124	(52,505)	NM	107,154	(78,749)
Minority Interest	17,169	(10,459)	NM	-	-
Equity Holders of the Parent	91,293	(62,964)	NM	107,154	(78,749)
Retained Profits B/F	(22,170)	219,055		192,750	435,735
Retained Profit C/F	69,123	156,091		299,904	356,986
Earnings / (Loss) per Share Basic (Rs.)	1.52	(1.05)		1.79	(1.31)

CONSOLIDATED BALANCE SHEET

as at 30th September 2008

	GROUP		COMPANY	
	30.09.2008 Rs. '000	31.12.2007 Rs. '000	30.09.2008 Rs. '000	31.12.2007 Rs. '000
Assets Employed				
Non – Current Assets				
Property, Plant & Equipment	2,091,749	2,100,248	373,436	368,786
Intangible Assets	3,103	4,455	-	-
Investment in Associate Companies	140,233	128,826	128,484	128,484
Investment in Subsidiary Companies	-	-	361,625	361,625
Livestock	190,742	153,540	-	-
Other Investments	7,322	7,322	7,322	7,322
Amount due from Affiliated Company	-	-	1,723,536	1,438,696
Total Non-Current Assets	2,433,149	2,394,391	2,594,403	2,304,913
Current Assets				
Inventories	2,271,120	1,528,101	2,155,147	1,429,648
Trade and Other Receivables	556,722	532,543	425,293	507,300
Current Tax Receivables	33,195	42,346	1,245	1,409
Cash and Cash Equivalents	106,331	302,198	97,973	292,543
	2,967,368	2,405,188	2,679,658	2,230,900
Total Assets	5,400,517	4,799,579	5,274,061	4,535,813
EQUITY				
Stated Capital	1,017,996	1,017,996	1,017,996	1,017,996
Share Premium of Subsidiaries	213,133	213,133	-	-
Revaluation Reserve	62,407	62,407	39,809	39,809
Retained Earnings	69,123	96,324	299,904	286,540
Total Equity Attributable to Equity holders of the Parent	1,362,659	1,389,860	1,357,709	1,344,345
Minority Interest	72,198	119,798	-	-
LIABILITIES				
Non-Current Liabilities				
Deferred Tax Liabilities	26,525	46,393	17,801	17,801
Defined Benefit Obligations	30,721	33,190	21,875	24,106
Amount due to Affiliated Company	2,372,880	1,498,947	2,372,880	1,700,226
	2,430,126	1,578,530	2,412,556	1,742,133
Current Liabilities				
Trade & Other Payables	331,066	417,401	285,168	152,426
Amount due to Affiliated Company	601,726	327,971	615,886	340,590
Interest Bearing Borrowings	602,742	966,019	602,742	956,319
	1,535,534	1,711,391	1,503,796	1,449,335
TOTAL LIABILITIES	3,965,660	3,289,921	3,916,352	3,191,468
Total Equity and Liabilities	5,400,517	4,799,579	5,274,061	4,535,813
Net Asset per Share	22.71	23.16	22.63	22.41

Note: (1). Comparative figures have been restated to be in line with published Audited Accounts as at 31.12.2007.
(2). The Interim Financial Statements for six months ended 30th September 2008 are unaudited.
(3). The interim financial statements were approved by the Board on 27th November 2008.
(4). NM . change in percentage term is not meaningful.

(Sgd.) Sanjeeva Perera
AGM Finance

(Sgd.) Cheng Chih Kwong, Primus
Chairman & CEO

(Sgd.) Tan Beng Chuan
Executive Director & GGM

CASH FLOW STATEMENT

for the nine months ended 30th September 2008

	GROUP		COMPANY	
	2008 Rs '000	2007 Rs '000	2008 Rs '000	2007 Rs '000
Cash generated from operations				
(Loss) / Profit before tax	(92,813)	174,692	13,546	77,588
Adjustment for:				
Depreciation	81,226	93,091	18,847	17,863
Exchange gain / (loss)	8,487	(65,585)	8,487	(65,585)
Impairment of intangible assets	1,352	1,353	-	-
Amortization of livestock investment	196,451	126,859	-	-
Profit / (loss) on disposal of property, plant and equipment	78	5,360	78	(43)
Finance cost	96,499	109,146	97,024	109,369
Share of result of associate	(11,407)	1,345	-	-
Changes in working capital				
Trade and other receivables	(15,028)	38,932	(202,669)	95,677
Inventories	(743,019)	(521,648)	(725,499)	(525,116)
Trade and other payables	1,061,353	386,556	1,080,692	433,697
Defined benefit obligation	6,278	5,417	4,963	3,902
Cash generated from operations	589,457	355,518	295,469	147,352
Operating activities				
Cash generated from operations	589,457	355,518	295,469	147,352
Interest received	1,551	4,641	1,026	4,418
Interest paid	(106,537)	(48,202)	(106,537)	(48,202)
Terminal benefit paid	(8,747)	(2,885)	(7,194)	(2,072)
Tax paid	(1,856)	(4,532)	(182)	(1,545)
Net cash from operating activities	473,868	304,540	182,582	99,951
Investing activities				
Purchase of property, plant and equipment	(72,865)	(44,544)	(23,635)	(23,661)
Proceeds from disposal of property, plant and equipment	60	5,050	60	50
Purchase of livestock investment	(233,653)	(186,216)	-	-
Net cash used in investing activities	(306,458)	(225,710)	(23,575)	(23,611)
Financing activities				
Proceeds from borrowings	4,273,400	950,951	4,273,400	950,951
Payment on borrowings	(4,636,677)	(1,005,399)	(4,626,977)	(1,005,399)
Net cash used in financing activities	(363,277)	(54,448)	(353,577)	(54,448)
(Decrease)/increase in cash and cash equivalents	(195,867)	24,382	(194,570)	21,892
Movement in cash & cash equivalents				
At start of year	302,198	97,749	292,543	91,594
(Decrease)/increase for nine months period ended	(195,867)	24,382	(194,570)	21,892
Balance at the end of the period	106,331	122,131	97,973	113,486