

26<sup>nd</sup> May 2009

**Recommendation  
Downgrade**

***SELL COMB Voting Shares***

**Recommendation**

**COMB (V)-Sell**

**Last Traded Price**

**Rs.116.00**

**ASPI  
2,120.63**

**MPI  
2,423.76**

\*CSE DATA as at  
25<sup>th</sup> May 2009

- ◆ Given it's very sharp out performance we are downgrading our recommendations on COMB(V) to a Sell recommendation.
- ◆ The Commercial Bank Voting share price has appreciated by 29% since the Trading Buy recommendation we issued in 13<sup>th</sup> October 2008 when the counter was at Rs90.25. During this period Commercial Bank paid a dividend of Rs4.00 per share.
- ◆ Therefore the total holding period return from Commercial Bank Voting share is 33%.
- ◆ During this period ASPI appreciated by 7%, therefore Commercial Bank voting share's performance relative to the ASPI shows a 26% out performance.
- ◆ We feel COMB Non Voting Shares offers better value with a higher yield. We feel investors who wish to hold COMB, should Sell it's voting shares and invest in the Non Voting Shares .
- ◆ This which will most likely give a better return in the two-three year bullrun we anticipated in "Sri Lanka Bulls". However given the strong performance in the Non Voting shares we recently downgraded them to a Buy from the Strong Buy recommendation that we had issued when the Non Voting Share was at Rs65.



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