

INCOME STATEMENTSFor the 6 months ended 30th September
Rs.'000s

	CONSOLIDATED			COMPANY		
	2007	2006	Variance %	2007	2006	Variance %
Gross Turnover	27,458,074	22,109,885	24.2	14,766,010	13,275,861	11.2
Net Turnover	16,479,855	13,106,674	25.7	4,549,986	4,272,650	6.5
Cost of Sales, Benefits & Losses	(11,245,130)	(8,829,506)	27.4	(3,100,597)	(2,784,305)	11.4
Gross Profit/Underwriting Revenue	5,234,725	4,277,168	22.4	1,449,389	1,488,345	(2.6)
Income from Investments	2,468,828	2,014,777	22.5	69,066	71,479	(3.4)
Gain on Disposal of Investments in Shares		131,124	(100.0)			
Other Operating Income	290,659	327,086	(11.1)	57,458	39,928	43.9
Distribution Cost	(982,192)	(471,167)	108.5	(91,046)	(91,857)	(0.9)
Administrative Expenses	(2,182,214)	(1,549,954)	40.8	(157,102)	(158,713)	(1.0)
Increase in Life Fund	(1,706,326)	(1,879,549)	(9.2)			
Other Operating Expenses	(357,974)	(2,494)	14253.4			
Profit from Operations	2,765,506	2,846,991	(2.9)	1,327,765	1,349,182	(1.6)
Financing Income/(Cost)	84,367	(105,727)	(179.8)	88,098	(19,080)	(561.7)
Income from Associate Company	328,506	192,831	70.4	-	-	
Profit Before Taxation	3,178,379	2,934,095	8.3	1,415,863	1,330,102	6.4
Income Tax Expenses	(874,619)	(822,716)	6.3	(471,799)	(429,444)	9.9
Profit After Taxation	2,303,760	2,111,379	9.1	944,064	900,658	4.8
Minority Interest	(104,291)	(166,669)	(37.4)	-	-	
Net Profit for the Period	2,199,469	1,944,710	13.1	944,064	900,658	4.8
Earnings Per Share of Re.1/- (Annualised)	14.66	12.96		6.29	6.00	

The above figures are Provisional and subject to audit

BALANCE SHEETS AS AT	CONSOLIDATED			COMPANY		
	30-09-2007	30-09-2006	31-03-2007	30-09-2007	30-09-2006	31-03-2007
Rs. '000s						
ASSETS						
Non Current Assets						
Property Plant and Equipment	13,734,896	8,861,337	13,167,897	501,747	578,272	540,219
Investment in Subsidiaries	-	-	-	8,342,388	8,342,639	8,372,840
Investment in Jointly Controlled Entity	-	-	-	20,000	20,000	20,000
Investment in Equity Accounted Investee	2,614,865	2,409,921	2,614,865	548,904	548,902	548,904
Other Long Term Investments	24,540,321	19,310,137	23,116,859	1,307,641	905,928	901,579
Goodwill on Acquisition	2,311,559	924,289	2,371,100	-	-	-
Policyholder Loans & Other Loans	2,481,924	2,446,569	2,412,442	-	-	-
Development Expenditure	136,698	153,112	144,905	-	-	-
Advance Lease Premium	64,538	-	64,538	-	-	-
Deferred Tax Assets	24,209	-	17,784	-	-	-
	45,909,010	34,105,365	43,910,390	10,720,680	10,395,741	10,383,542
Current Assets						
Short Term Investments	18,376,558	21,988,382	17,807,584	-	-	-
Inventories	3,733,518	3,043,735	3,033,933	1,042,027	1,193,271	1,043,731
Trade and Other Receivables	6,279,718	4,787,531	5,791,971	1,265,096	1,368,018	1,399,847
Amounts Due from Subsidiaries and Join	-	-	-	747,319	115,258	878,569
Amounts Due from Related Cos	505,935	1,942	654,557	502,500	-	652,500
Short Term Deposits	960,578	330,990	565,737	790,564	185,907	361,750
Cash and Cash Equivalents	2,999,373	1,963,618	1,907,208	556,433	144,019	398,049
	32,855,680	32,116,198	29,760,990	4,903,939	3,006,473	4,734,446
Total Assets	78,764,690	66,221,563	73,671,380	15,624,619	13,402,214	15,117,988
EQUITY AND LIABILITIES						
Capital and Reserve						
Share Capital	300,000	300,000	300,000	300,000	300,000	300,000
Capital Reserve	1,964,950	1,492,003	1,964,950	107,882	107,882	107,882
Revenue Reserve	14,556,469	11,039,222	12,357,000	9,652,217	7,925,873	8,708,152
	16,821,419	12,831,225	14,621,950	10,060,099	8,333,755	9,116,034
Minority Interest	2,711,655	2,417,191	2,607,364	-	-	-
Non Current Liabilities						
Insurance Provision - Life	33,638,952	30,397,540	31,905,027	-	-	-
Insurance Provision - Non Life	8,964,825	6,069,378	8,342,175	-	-	-
Interest Bearing Loans & Borrowings	958,172	700,813	1,522,271	-	-	-
Deferred Taxation	602,295	62,981	626,633	13,342	26,072	13,341
Retirement Benefit Obligations	921,996	794,770	928,069	69,964	70,544	74,685
Deferred Income	276,311	290,951	279,671	-	-	-
	45,362,551	38,316,433	43,603,846	83,306	96,616	88,026
Current Liabilities						
Trade and Other Payables	7,581,423	7,185,061	7,718,127	3,265,475	2,751,416	3,305,340
Amount Due to Related Companies	380,522	128,832	155,104	192,277	-	168,821
Income Tax Payable	1,081,547	2,055,799	1,315,951	556,536	530,742	805,725
Interest Bearing Loans & Borrowings	4,825,573	3,287,022	3,649,038	1,466,926	1,689,685	1,634,042
	13,869,065	12,656,714	12,838,220	5,481,214	4,971,843	5,913,928
Total Equity and Liabilities	78,764,690	66,221,563	73,671,380	15,624,619	13,402,214	15,117,988

The above figures are Provisional and subject to audit

Sgd/-
D.H.S. Jayawardene
Chairman/Managing Director

Sgd/-
L.U.D. Fernando
Director

28th November 2007

INCOME STATEMENTSQuarter Ended 30th September
Rs.'000s

	CONSOLIDATED			COMPANY		
	2007	2006	Variance %	2007	2006	Variance %
Gross Turnover	12,749,333	10,614,193	20.1	7,449,998	6,518,127	14.3
Net Turnover	8,242,220	6,306,697	30.7	2,299,231	2,125,531	8.2
Cost of Sales, Benefits & Losses	(5,913,910)	(4,104,002)	44.1	(1,685,006)	(1,404,946)	19.9
Gross Profit/Underwriting Revenue	2,328,310	2,202,695	5.7	614,225	720,585	(14.8)
Income from Investments	1,469,685	1,006,462	46.0	36,886	4,454	728.2
Gain on Disposal of Investments in Shares	0	131,124	(100.0)	0	0	
Other Operating Income	96,055	38,230	151.3	27,339	35,692	(23.4)
Distribution Cost	(540,862)	(249,604)	116.7	(46,496)	(43,953)	5.8
Administrative Expenses	(1,425,908)	(917,013)	55.5	(79,955)	(84,690)	(5.6)
Increase in Life Fund	(843,858)	(887,939)	(5.0)	0	0	
Other Operating Expenses	(131,242)	(102)	128568.6	0	0	
Profit from Operations	952,180	1,323,853	(28.1)	551,999	632,088	(12.7)
Financing Income/(Cost)	97,253	(77,405)	(225.6)	93,553	9,140	923.6
Income from Associate Company	173,401	95,614	81.4	0	0	
Profit Before Taxation	1,222,834	1,342,062	(8.9)	645,552	641,228	0.7
Income Tax Expenses	(388,476)	(290,763)	33.6	(224,096)	(234,199)	(4.3)
Profit After Taxation	834,358	1,051,299	(20.6)	421,456	407,029	3.5
Minority Interest	(13,585)	1,106	(1328.3)	0	-	
Net Profit for the Period	820,773	1,052,405	(22.0)	421,456	407,029	3.5
Earnings Per Share of Re.1/- (Annualised)	10.94	14.03		5.62	5.43	

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CASH FLOW STATEMENTS	Consolidated	Consolidated	Company	Company
For the Period Ended 30th November	2007	2006	2007	2006
Rs.'000s				
Cash Generated from Operations				
Profit from operations	3,178,379	2,934,095	1,415,863	1,330,102
Adjustments for				
Depreciation.	519,072	333,475	53,023	50,812
Provision for Retiring Gratuity	35,874	62,500		
(Gain)/ Loss on Disposal of P.P.E	(2,523)	(7,088)	(2,523)	(463)
Increase in LTAF during the year	1,930,073	1,876,728		
Gain on Disposal of Investments	(83,502)	(131,124)		
Provision for Bad Debts	156,158	91,927		
Interest Expenses	216,561	58,025	12,733	37,139
Movement In Technical Reserve	(622,650)	(185,679)		
Movement In LTAF	(1,733,925)	(66,625)		
Amortization of Capital Grants	(1,135)	(3,042)		
Written off the Development Expenditure	8,207	8,207		
Provision for Fall in value of Investments	63,980	34,626		
Dividend Income	(367,850)	(49,520)	(69,066)	(61,479)
Interest Income	(1,820,790)	(46,580)	(100,306)	(17,367)
Share of Associate Co. Profit	(328,506)	(192,831)		
Foreign Currency (Gain)/Loss	213,630	134,806		
Operating Profit before Working Capital Char	1,361,053	4,851,900	1,309,724	1,338,744
(Increase)/Decrease in Inventories	266,671	(358,402)	1,704	(24,930)
(Increase)/Decrease in Receivables	(933,257)	353,172	511,018	(225,268)
Increase/(Decrease) in Payables	653,961	844,461	(111,240)	124,832
Cash flows from Operating Activities	1,348,428	5,691,131	1,711,206	1,213,378
Interest paid	(193,297)	(37,140)	(12,733)	(37,139)
Income Tax paid	(640,215)	(542,097)	(720,987)	(651,690)
Retiring Gratuity paid	(29,801)	(39,027)	(4,721)	(2,655)
Net Cash flows from Operating Activities	485,115	5,072,867	972,765	521,894
Cash flows from Investing Activities				
Acquisition of Property Plant and Equipment	(1,171,462)	(800,904)	(14,529)	8,102
Purchase of Shares	(3,036,864)	(5,142,053)		
Dividends Received	367,850	50,258	69,066	61,479
Proceeds on sale of P.P.E	2,523	12,649	2,523	463
Proceeds on sale of Investments	1,212,955	2,442,130	(375,610)	(15,094)
Grant Received	499	16,027		
Interest Received	1,820,761	46,584	100,306	17,367
Cash flows from Financing Activities	(803,738)	(3,375,309)	(218,244)	72,317
Receipts/(Repayment) of Loans				
Term Loan Received	391,604	229,722		
Dividend paid	(6,956)	(228,348)	(207)	(228)
Repayment of Loans	(77,609)	(60,979)		
Lease Rentals paid	(49)	(9,857)		
	306,990	(69,462)	(207)	(228)
Cash and Cash Equivalents				
At the Beginning of the year	(853,989)	(2,455,354)	(874,243)	(1,953,742)
Net Movement during the year	(11,633)	1,628,096	754,314	593,983
	(865,622)	(827,258)	(119,929)	(1,359,759)
At the End of the year				
Short Term Deposits	960,578	330,990	790,564	185,907
Cash in Transit	166,507	29,022	166,507	29,022
Cash in Hand and Bank	2,832,866	1,934,596	389,926	114,997
Bank & Other Borrowings	(4,825,573)	(3,121,866)	(1,466,926)	(1,689,685)
	(865,622)	(827,258)	(119,929)	(1,359,759)

STATEMENT OF CHANGES IN EQUITY

Company

	Share Capital	Capital Reserve	General Reserve	Retained Earnings
Rs.'000s				
Balance as at 1st April 2005	300,000	107,882	5,210,000	151,647
Net Profit for the Period				1,807,568
Transfers			1,600,000	(1,600,000)
Dividend Paid				(150,000)
Balance as at 31st March 2006	300,000	107,882	6,810,000	209,215
Balance as at 1st April 2006	300,000	107,882	6,810,000	209,215
Net Profit for the Period				1,868,937
Transfers			1,400,000	(1,400,000)
Dividend Paid				(180,000)
Balance as at 31st March 2007	300,000	107,882	8,210,000	498,152
Balance as at 1st April 2007	300,000	107,882	8,210,000	498,152
Dividend Paid				
Net Profit for the Period				944,065
Balance as at 30th September 2007	300,000	107,882	8,210,000	1,442,217

Total

5,769,529

1,807,568

-

(150,000)

7,427,097

7,427,097

1,868,937

0

(180,000)

9,116,034

9,116,034

0

944,065

10,060,099

STATEMENT OF CHANGES IN EQUITY

Consolidated	Share Capital	Capital Reserve	Capital Reserve on Script Issue	General Reserve	Exchange Fluctuation Reserve	Retained Earnings	Total
Rs.'000s							
Balance as at 1st April 2005	300,000	872,866		5,211,191	29,865	1,490,205	7,904,127
Exchange Fluctuation Reserve-Associate		-		-	(3,882)	-	(3,882)
Effect of Changes in Accounting Policies						(189,197)	(189,197)
Adjustments Due to Holding Changes in Associate		19,472		5,305		22,455	47,232
Adjustments Due to Holding Changes in Subsidiaries		-		-		(20,392)	(20,392)
Surplus on Revaluation - Associate		209		-		-	209
Dividend Paid		-		-		(150,000)	(150,000)
Net Profit for the Period		-		-		2,933,918	2,933,918
Transfer from Life Fund - SLICL		-		-		196,278	196,278
Transfers		(496,082)	1,095,539	524,661		(1,109,665)	14,453
Balance as at 31March 2006	300,000	396,465	1,095,539	5,741,157	25,983	3,173,602	10,732,746
Balance as at 1st April 2006	300,000	396,465	1,095,539	5,741,157	25,983	3,173,602	10,732,746
Exchange Fluctuation Reserve-Associate		-		-	(3,635)	-	(3,635)
Effect of Changes in Accounting Policies						(6,319)	(6,319)
Adjustments Due to Holding Changes in Associate		-		-		-	-
Adjustments Due to Holding Changes in Subsidiaries						-	-
Surplus on Revaluation- Associate		25,264		-		-	25,264
Net Profit for the Period		-		-		3,606,213	3,606,213
Transfer from Life Fund - SLICL		-		-		-	-
Surplus on Revaluation of P.P.E.		583,711					583,711
Deferred tax Effect on the Surplus of Revaluation		(136,030)					(136,030)
Transfers		-		1,658,184		(1,658,184)	-
Dividend Paid		-		-		(180,000)	(180,000)
Balance as at 31st March 2007	300,000	869,410	1,095,539	7,399,341	22,348	4,935,312	14,621,950
Balance as at 1st April 2007	300,000	869,410	1,095,539	7,399,341	22,348	4,935,312	14,621,950
Exchange Fluctuation Reserve - Associate							0
Impact of adoption of revised Accounting - - Standards by Associates							0
Adjustments Due to Holding Changes in Associate							0
Net Profit for the Period						2,199,469	2,199,469
Balance as at 30th September 2007	300,000	869,410	1,095,539	7,399,341	22,348	7,134,781	16,821,419

CORPORATE INFORMATION

NAME OF COMPANY

Distilleries Company of Sri Lanka Limited

REGISTERED OFFICE

No.110, Norris Canal Road,

Colombo 10, Sri Lanka.

Tel: 011-2695295-7

Fax: 011-2696360

COMPANY REGISTRATION NUMBER

N(PBS/CGB)13

BOARD OF DIRECTORS

Mr.D.H.S.Jayawardene - Chairman / Managing Director

Mr.R.K.Obeyesekere

Mr.C.R.Jansz

Mr.Niranjan Deva Aditya

Mr.L.U.D.Fernando

Mr K. Jagath Kahanda

COMPANY SECRETARY

Ms. V.J.Senaratne

AUDITORS

KPMG Ford, Rhodes , Thornton & Co.

Chartered Accountants

No.32A, Sir Mohomed Macan Marker Mawatha,

Colombo 03, Sri Lanka.

REGISTRARS

Secretaries & Registrars Limited

No.32, 2nd Floor,Galle Face Court 2,

Colombo 03, Sri Lanka.

LAWYERS

Prasanna Goonawardena & Company

No.26/1, Colonel T.G.Jayawardena Mawatha,

Colombo 03, Sri Lanka.

BANKERS

Bank of Ceylon

Hatton National Bank Limited

People's Bank

Sampath Bank Limited

Standard Chartered

Hongkong & Shanghai Banking Corporation

NOTES TO THE FINANCIAL STATEMENTS

1. The Financial Statements of the company and those consolidated with such for the interim period have

been prepared on the same basis as the most recent audited Financial Statements. Interim Financial Statements prepared in compliance with Sri Lanka Accounting Standards.

2. There has been no other events subsequent to the interim report period which require disclosure in the

provisional Financial Statements.

3. Non Financial Information

	30/09/2007	30/09/2006
Net Assets Value per Share -Group(Rs)	56.07	42.77
- Company(Rs)	33.53	27.78
- Market Price per Share - Last traded (Rs)	106.00	52.00
Market Price per Share - Highest (Rs)	113.25	52.00
Market Price per Share - Lowest (Rs)	80.00	43.00