

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

	CONSOLIDATED			COMPANY		
	2008	2007	Variance %	2008	2007	Variance %
Gross Turnover	31,219,730	27,458,074	13.7	14,382,568	12,305,009	16.9
Net Turnover	19,820,506	16,479,855	20.3	5,263,769	4,549,986	15.7
Cost of Sales, Benefits & Losses	(12,984,825)	(11,245,130)	15.5	(3,501,399)	(3,100,597)	12.9
Gross Profit/Underwriting Revenue	6,835,681	5,234,725	30.6	1,762,370	1,449,389	21.6
Investments Income & Other Income	3,695,699	2,759,487	33.9	162,722	126,524	28.6
Distribution Cost	(1,302,718)	(982,192)	32.6	(96,799)	(91,046)	6.3
Administrative Expenses	(2,513,494)	(2,182,214)	15.2	(197,678)	(157,102)	25.8
Increase in Life Fund	(3,079,953)	(1,706,326)	80.5	-	-	-
Other Operating Expenses	(325,032)	(357,974)	(9.2)	-	-	-
Profit from Operations	3,310,183	2,765,506	19.7	1,630,615	1,327,765	22.8
Financing Income/(Cost)	(217,536)	84,367	(357.8)	55,341	88,098	(37.2)
Income from Associate Company	241,159	231,951	4.0	-	-	-
Profit Before Taxation	3,333,806	3,081,824	8.2	1,685,956	1,415,863	19.1
Income Tax Expenses	(821,390)	(778,064)	5.6	(561,412)	(421,798)	33.1
Profit After Taxation	2,512,416	2,303,760	9.1	1,124,544	994,065	13.1
Attributable to Equity Holders of the Company	2,260,467	2,199,469	2.8	1,124,544	994,065	13.1
Minority Interest	251,949	104,291	141.6	-	-	-
Net Profit for the Period	2,512,416	2,303,760	9.1	1,124,544	994,065	13.1
Earnings Per Share (Annualised)	15.07	14.66		7.50	6.63	

INCOME STATEMENTS

Quarter Ended 30th September Rs. '000s	CONSOLIDATED			COMPANY		
	2008	2007	Variance %	2008	2007	Variance %
Gross Turnover	15,142,719	12,749,333	18.8	7,033,360	6,208,333	13.3
Net Turnover	9,646,375	8,242,220	17.0	2,621,796	2,299,231	14.0
Cost of Sales, Benefits & Losses	(5,761,878)	(5,913,910)	(2.6)	(1,761,653)	(1,665,006)	5.8
Gross Profit/Underwriting Revenue	3,884,497	2,328,310	66.8	860,143	634,225	35.6
Investment Income & other Income	2,018,172	1,565,740	28.9	107,930	44,225	144.0
Distribution Cost	(677,540)	(540,862)	25.3	(49,096)	(46,496)	5.6
Administrative Expenses	(1,296,257)	(1,425,908)	(9.1)	(104,685)	(79,955)	30.9
Increase in Life Fund	(1,989,280)	(843,858)	135.7	-	-	-
Other Operating Expenses	(182,577)	(131,242)	39.1	-	-	-
Profit from Operations	1,757,015	952,180	84.5	814,292	551,999	47.5
Financing Income/(Cost)	(82,430)	97,253	(184.8)	(3,361)	93,553	103.6
Income from Associate Company	125,907	123,457	2.0	-	-	-
Profit Before Taxation	1,800,492	1,172,890	53.5	810,931	645,552	25.6
Income Tax Expenses	(541,179)	(352,117)	53.7	(280,275)	(204,096)	37.3
Profit for the Period	1,259,313	820,773	53.4	530,656	441,456	20.2
Attributable to Equity Holders of the Company	1,109,113	807,188	37.4	530,656	441,456	20.2
Minority Interest	150,200	13,585	1005.6	-	-	-
Net Profit for the Period	1,259,313	820,773	53.4	530,656	441,456	20.2
Earnings Per Share (Annualised)	14.79	10.76		7.08	5.89	

The above figures are Provisional and subject to audit

BALANCE SHEETS AS AT Rs.'000s	CONSOLIDATED			COMPANY		
	30-09-2008	30-09-2007	31-03-2008	30-09-2008	30-09-2007	31-03-2008
ASSETS						
Non Current Assets						
Property, Plant and Equipment	17,605,236	13,734,896	15,554,599	939,198	501,747	917,930
Investment in Subsidiaries	-	-	-	9,482,001	8,342,388	9,482,001
Investment in Jointly Controlled Entity	-	-	-	-	20,000	-
Investment in Equity Accounted Investee	3,447,067	2,614,865	3,134,234	548,904	548,904	548,904
Other Long Term Investments	28,390,996	24,540,321	25,561,736	-	-	-
Goodwill on Acquisition	2,371,100	2,311,559	2,371,100	-	-	-
Policyholder Loans & Other Loans	2,664,704	2,481,924	2,544,447	-	-	-
Development Expenditure	120,284	136,698	128,491	-	-	-
Advance Lease Premium	86,724	64,538	84,746	-	-	-
Deferred Tax Assets	44,064	24,209	37,608	-	-	-
	54,730,175	45,909,010	49,416,961	10,970,103	9,413,039	10,948,835
Current Assets						
Short Term Investments	23,159,033	18,376,558	21,090,970	2,732,839	1,307,641	2,586,534
Inventories	5,131,615	3,733,518	4,676,580	1,774,983	1,042,027	1,417,853
Trade and Other Receivables	7,249,119	6,279,718	7,505,268	1,203,257	1,265,096	1,753,703
Amounts Due from Subsidiaries	-	-	-	241,605	747,319	290,977
Amounts Due from Related Cos	544,085	505,935	615,162	253,625	502,500	606,125
Short Term Deposits	487,045	960,578	727,490	63,827	790,564	459,293
Cash and Cash Equivalents	518,836	2,999,373	2,581,088	475,268	556,433	317,098
	37,089,733	32,855,680	37,196,558	6,745,404	6,211,580	7,431,583
Total Assets	91,819,908	78,764,690	86,613,519	17,715,507	15,624,619	18,380,418
EQUITY AND LIABILITIES						
Capital and Reserve						
Stated Capital	300,000	300,000	300,000	300,000	300,000	300,000
Capital Reserve	1,954,438	1,964,950	1,954,438	107,882	107,882	107,882
Revenue Reserve	18,527,653	14,556,469	16,277,186	11,349,226	9,702,218	10,224,682
	20,782,091	16,821,419	18,531,624	11,757,108	10,110,100	10,632,564
Minority Interest	2,937,737	2,711,655	2,366,171	-	-	-
Non Current Liabilities						
Insurance Provision - Life	38,173,117	33,638,952	35,654,297	-	-	-
Insurance Provision - Non Life	9,590,432	8,964,825	9,887,724	-	-	-
Interest Bearing Loans & Borrowings	1,994,346	958,172	1,193,459	-	-	-
Deferred Taxation	622,849	602,295	575,477	-	13,342	-
Retirement Benefit Obligations	1,102,419	921,996	1,101,569	104,225	69,964	109,600
Deferred Income	291,863	276,311	283,583	-	-	-
	51,775,026	45,362,551	48,696,109	104,225	83,306	109,600
Current Liabilities						
Trade and Other Payables	10,193,772	7,681,423	9,701,995	2,749,550	3,265,474	3,622,703
Amount Due to Related Companies	664,359	380,522	482,680	745,074	192,277	745,074
Income Tax Payable	1,016,794	981,547	1,062,908	657,835	506,536	622,371
Interest Bearing Loans & Borrowings	4,450,129	4,825,573	5,772,032	1,701,715	1,466,926	2,648,106
	16,325,054	13,869,065	17,019,615	5,854,174	5,431,213	7,638,254
Total Equity and Liabilities	91,819,908	78,764,690	86,613,519	17,715,507	15,624,619	18,380,418

The above figures are provisional & unaudited.

I certify that the Financial Statements have been prepared in compliance with the requirements of Companies Act No. 07 of 2007.

sgd/-

N.N.Nagahawatte
Head Of Finance

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

Signed for and on behalf of the Board.

sgd/-
C.R.Jansz
Director

sgd/-
L.U.D. Fernando
Director

CASH FLOW STATEMENTS For the Period Ended 30th September Rs. '000s	Consolidated 2008	Consolidated 2007	Company 2008	Company 2007
Cash Generated from Operations				
Profit from operations	3,333,806	3,081,824	1,685,956	1,415,863
Adjustments for				
Depreciation.	593,813	519,072	49,000	53,023
Provision for Retiring Gratuity	64,739	35,874	-	-
(Gain)/ Loss on Disposal of P.P.E	(6,375)	(2,523)	(6,375)	(2,523)
Increase in LTAF during the year	3,079,953	1,930,073	-	-
Gain on Disposal of Investments	287,650	(83,502)	-	-
Provision for Bad Debts	118,114	156,158	-	-
Interest Expenses	229,068	216,561	33,465	12,733
Movement In Technical Reserve	(297,292)	(622,650)	-	-
Movement In LTAF	(2,518,820)	(1,733,925)	-	-
Amortization of Capital Grants	(2,092)	(1,135)	-	-
Written off the Development Expenditure	8,072	8,207	-	-
Provision for Fall in value of Investments	3,422	63,980	-	-
Dividend Income	(187,467)	(367,850)	(149,217)	(69,066)
Interest Income	(87,918)	(1,820,790)	(87,918)	(100,306)
Share of Associate Co. Profit	(241,159)	(231,951)	-	-
Foreign Currency (Gain)/Loss	18,883	213,630	-	-
Operating Profit before Working Capital Change	4,396,397	1,361,053	1,524,911	1,309,724
(Increase)/Decrease in Inventories	(455,035)	266,671	(357,129)	1,704
(Increase)/Decrease in Receivables	527,226	(805,594)	799,820	511,018
Increase/(Decrease) in Payables	581,750	626,298	(711,116)	(111,240)
Cash flows from Operating Activities	5,050,338	1,448,428	1,256,486	1,711,206
Interest paid	(229,068)	(193,297)	(33,465)	(12,733)
Income Tax paid	(836,499)	(740,215)	(525,953)	(720,987)
Retiring Gratuity paid	(63,889)	(29,801)	(5,375)	(4,721)
Net Cash flows from Operating Activities	3,920,882	485,115	691,693	972,765
Cash flows from Investing Activities				
Acquisition of Property Plant and Equipment	(2,678,061)	(1,171,462)	(70,268)	(14,529)
Purchase of Shares	(4,661,953)	(3,036,864)	-	-
Dividends Received	203,334	367,850	149,217	69,066
Proceeds on sale of P.P.E	27,236	2,523	6,375	2,523
Proceeds on sale of Investments	913,847	1,212,955	6,196	(375,610)
Grant Received	15	499	-	-
Interest Received	87,918	1,820,761	87,918	100,306
Cash flows from Financing Activities	(6,107,664)	(803,738)	179,438	(218,244)
Receipts/(Repayment) of Loans				
Term Loan Received	1,213,243	391,604	-	-
Dividend paid	(300,190)	(6,956)	(162,036)	(207)
Repayment of Loans	(18,575)	(77,609)	-	-
Lease Rentals paid	(11)	(49)	-	-
	894,467	306,990	(162,036)	(207)
Cash and Cash Equivalents				
At the Beginning of the year	(2,151,933)	(853,989)	(1,871,715)	(874,243)
Net Movement during the period	(1,292,315)	(11,633)	709,095	754,314
	(3,444,248)	(865,622)	(1,162,620)	(119,929)
At the End of the year				
Short Term Deposits	487,045	960,578	63,827	790,564
Cash in Transit	408,826	166,507	408,825	166,507
Cash in Hand and Bank	110,010	2,832,866	66,443	389,926
Bank & Other Borrowings	(4,450,129)	(4,825,573)	(1,701,715)	(1,466,926)
	(3,444,248)	(865,622)	(1,162,620)	(119,929)

STATEMENT OF CHANGES IN EQUITY

Company

	Stated Capital	Capital Reserve	General Reserve	Retained Earnings	Total
Rs.'000s					
Balance as at 1st April 2006	300,000	107,882	6,810,000	209,216	7,427,098
Net Profit for the Year				1,868,937	1,868,937
Transfers			1,400,000	(1,400,000)	0
Dividend Paid				(180,000)	(180,000)
Balance as at 31st March 2007	300,000	107,882	8,210,000	498,153	9,116,035
Balance as at 1st April 2007	300,000	107,882	8,210,000	498,153	9,116,035
Net Profit for the Period				994,065	994,065
Balance as at 30th September 2007	300,000	107,882	8,210,000	1,492,218	10,110,100
Balance as at 1st April 2008	300,000	107,882	8,210,000	2,014,682	10,632,564
Net Profit for the Period				1,124,544	1,124,544
Balance as at 30th September 2008	300,000	107,882	8,210,000	3,139,226	11,757,108

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 2006	300,000	396,466	1,095,538	5,741,157	25,983	3,173,601	10,732,745
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
Surplus on Revaluation of P.P.E.		583,712					583,712
Deferred tax Effect on the Surplus of Revaluation		(136,030)					(136,030)
Dividend Paid						(180,000)	(180,000)
Net Profit for the Period						3,606,213	3,606,213
Transfer from Life Fund - SLICL							-
Transfers				1,658,184		(1,658,184)	-
Balance as at 31March 2007	300,000	869,412	1,095,538	7,399,341	22,348	4,935,311	14,621,950
Balance as at 1st April 2007	300,000	869,412	1,095,538	7,399,341	22,348	4,935,311	14,621,950
Net Profit for the Period						2,199,469	2,199,469
Balance as at 30th September 2007	300,000	869,412	1,095,538	7,399,341	22,348	7,134,780	16,821,419
Balance as at 1st April 2008	300,000	858,900	1,095,538	7,565,097	76,298	8,635,791	18,531,624
Dividend Paid						(10,000)	(10,000)
Net Profit for the Period						2,260,467	2,260,467
Balance as at 30th September 2008	300,000	858,900	1,095,538	7,565,097	76,298	10,886,258	20,782,091

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 are 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. 300,000,000 shares represent the Stated Capital
4. Non Financial Information

		30/09/2008	30/09/2007
Net Assets Value per Share	- Group (Rs)	69.27	56.07
	- Company (Rs)	39.19	33.70
Market Price per Share	- Last Traded (Rs)	69.75	106.00
Market Price per Share	- Highest (Rs)	110.25	113.25
Market Price per Share	- Lowest (Rs)	69.75	80.00

CORPORATE INFORMATION

NAME OF COMPANY

Distilleries Company of Sri Lanka PLC

REGISTERED OFFICE

No.110, Norris Canal Road,

Colombo 10, Sri Lanka.

Tel: 011-2695295-7, 011-5507000

Fax: 011-2696360

COMPANY REGISTRATION NUMBER

PQ 112

BOARD OF DIRECTORS

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

Mr.R.K.Obeyesekere

Mr.C.R.Jansz

Mr.N. De S. Deva Aditya

Mr.L.U.D.Fernando

Mr K. J. Kahanda

Ms. V.J. Senaratne (Alternate Director to Mr.N. De S. Deva Aditya)

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 PLC

People's Bank

Sampath Bank PLC

Standard Chartered

Hongkong & Shanghai Banking Corporation