

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 Limited

People's Bank

Sampath Bank Limited

Standard Chartered

Hongkong & Shanghai Banking Corporation

INCOME STATEMENTSFor the 3 months ended 30th June
Rs. '000s

	CONSOLIDATED			COMPANY		
	2008	2007	Variance %	2008	2007	Variance %
Gross Turnover	16,077,011	14,686,790	9.5	7,349,208	6,096,677	20.5
Net Turnover	10,174,131	9,161,049	11.1	2,641,973	2,250,755	17.4
Cost of Sales, Benefits & Losses	(7,222,947)	(6,404,760)	12.8	(1,739,746)	(1,415,591)	22.9
Gross Profit/Underwriting Revenue	2,951,184	2,756,289	7.1	902,227	835,164	8.0
Investments Income & Other Income	1,677,527	1,315,928	27.5	134,207	62,299	115.4
Distribution Cost	(625,178)	(461,072)	35.6	(47,703)	(44,550)	7.1
Administrative Expenses	(1,217,237)	(912,022)	33.5	(92,993)	(77,147)	20.5
Increase in Life Fund	(1,090,673)	(862,770)	26.4	-	-	-
Other Operating Gain/Loss	(142,455)	(183,064)	(22.2)	-	-	-
Operating Profit	1,553,168	1,653,289	(6.1)	895,738	775,766	15.5
Financing Income/(Cost)	(135,106)	(112,887)	19.7	(20,713)	(5,455)	279.7
Share of Profit of Equity Accounted Investee	115,252	108,397	6.3	-	-	-
Profit Before Taxation	1,533,314	1,648,799	(7.0)	875,025	770,311	13.6
Income Tax Expenses	(280,211)	(184,276)	52.1	(281,137)	(247,703)	13.5
Profit for the Year	1,253,103	1,464,523	(14.4)	593,888	522,608	13.6
Attributable to Equity Holders of the Company	1,151,354	1,374,406	(16.2)	593,888	522,608	13.6
Minority Interest	101,749	90,117	12.9	-	-	-
Net Profit for the Period	1,253,103	1,464,523	(14.4)	593,888	522,608	13.6
Earnings Per Share (Annualised)	15.35	18.33		7.92	6.97	

The above figures are Provisional and subject to audit

BALANCE SHEETS AS AT	CONSOLIDATED			COMPANY		
	30-06-2008	30-06-2007	31-03-2008	30-06-2008	30-06-2007	31-03-2008
Rs.'000s						
ASSETS						
Non Current Assets						
Property, Plant and Equipment	17,460,407	14,103,160	15,554,599	956,459	513,718	917,930
Investment in Subsidiaries	-	-	-	9,482,001	9,594,382	9,482,001
Investment in Jointly Controlled Entity	-	-	-	-	20,000	-
Investment in Equity Accounted Investee	3,236,914	2,777,968	3,134,234	548,904	548,904	548,904
Other Long Term Investments	24,347,160	22,038,711	25,561,736	-	-	-
Goodwill on Acquisition	2,371,100	924,289	2,371,100	-	-	-
Policyholder Loans & Other Loans	3,883,728	2,385,443	2,544,447	-	-	-
Development Expenditure	124,387	140,801	128,491	-	-	-
Advance Lease Premium	77,230	-	84,746	-	-	-
Deferred Tax Assets	41,118	-	37,608	-	-	-
	51,542,044	42,370,372	49,416,961	10,987,364	10,677,004	10,948,835
Current Assets						
Short Term Investments	21,129,770	20,244,157	21,090,970	2,477,840	-	2,586,534
Inventories	4,559,230	3,700,913	4,676,580	1,446,107	1,221,198	1,417,853
Trade and Other Receivables	6,906,351	6,337,746	7,505,268	1,696,475	852,069	1,753,703
Amounts Due from Subsidiaries	-	-	-	194,321	322,734	290,977
Amounts Due from Related Cos	678,483	-	615,162	606,125	-	606,125
Short Term Deposits	661,335	1,701,814	727,490	430,418	1,575,399	459,293
Cash and Cash Equivalents	6,442,498	2,371,292	2,581,088	345,798	432,986	317,098
	40,377,667	34,355,922	37,196,558	7,197,084	4,404,386	7,431,583
Total Assets	91,919,711	76,726,294	86,613,519	18,184,448	15,081,390	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	1,995,294	1,954,438	107,882	107,882	107,882
Revenue Reserve	17,428,540	13,701,062	16,277,186	10,818,570	9,230,761	10,224,682
	19,682,978	15,996,356	18,531,624	11,226,452	9,638,643	10,632,564
Minority Interest	2,788,213	3,257,444	2,366,171	-	-	-
Non Current Liabilities						
Insurance Provision - Life	36,665,471	31,043,668	35,654,297	-	-	-
Insurance Provision - Non Life	10,353,102	8,161,162	9,887,724	-	-	-
Interest Bearing Loans & Borrowings	3,830,436	1,695,018	1,193,459	-	-	-
Deferred Taxation	616,490	285,742	575,477	-	-	-
Retirement Benefit Obligations	1,092,905	924,355	1,101,569	106,266	73,354	109,600
Deferred Income	285,230	279,424	283,583	-	13,342	-
	52,843,634	42,389,369	48,696,109	106,266	86,696	109,600
Current Liabilities						
Trade and Other Payables	9,575,754	8,446,393	9,192,933	3,696,115	3,153,782	3,113,641
Amount Due to Related Companies	669,804	1,202,742	991,742	745,074	-	1,254,136
Income Tax Payable	1,262,930	1,972,399	1,062,908	675,605	883,336	622,371
Interest Bearing Loans & Borrowings	5,096,398	3,461,591	5,772,032	1,734,936	1,318,933	2,648,106
	16,604,886	15,083,125	17,019,615	6,851,730	5,356,051	7,638,254
Total Equity and Liabilities	91,919,711	76,726,294	86,613,519	18,184,448	15,081,390	18,380,418

The above figures are Provisional and subject to audit

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/-

D.H.S. Jayawardena

Chairman/Managing Director

29th August, 2008

Sgd/-

L.U.D. Fernando

Director

CASH FLOW STATEMENTS For the Period Ended 30th June Rs.'000s	Consolidated 2008	Consolidated 2007	Company 2008	Company 2007
Cash Generated from Operations				
Profit from operations	1,533,314	1,648,799	875,025	770,311
Adjustments for				
Depreciation.	370,559	255,231	24,500	26,500
Provision for Retiring Gratuity	34,529	60,017	-	-
(Gain)/ Loss on Disposal of P.P.E	-	(800)	-	(800)
Increase in LTAF during the year	227,904	862,468	-	-
Gain on Disposal of Investments	-	(79,449)	-	-
Interest Expenses	135,106	112,887	21,297	12,417
Movement In Technical Reserve	(465,378)	(375,120)	-	-
Movement In LTAF	79,499	-	-	-
Dividend Income	(134,799)	(113,839)	(48,399)	(32,180)
Interest Income	(1,677,527)	(985,305)	(79,415)	(6,703)
Share of Associate Co. Profit	(115,252)	(155,105)	-	-
Operating Profit before Working Capital Changes	(12,046)	1,229,784	793,008	769,545
(Increase)/Decrease in Inventories	617,350	(442,416)	(28,254)	111,181
(Increase)/Decrease in Receivables	1,535,597	502,266	856,306	862,504
Increase/(Decrease) in Payables	4,174,412	511,174	(513,205)	(215,210)
Cash flows from Operating Activities	6,315,313	1,800,808	1,107,855	1,528,020
Interest paid	(135,106)	(112,887)	(21,297)	(12,417)
Income Tax paid	(67,618)	(582,406)	(241,172)	(170,090)
Retiring Gratuity paid	(25,866)	(11,281)	(3,334)	498,669
Net Cash flows from Operating Activities	6,086,724	1,094,234	842,052	1,844,182
Cash flows from Investing Activities				
Acquisition of Property Plant and Equipment	(70,987)	-	(63,028)	-
Purchase of Shares	(3,649,806)	(2,139,024)	-	(319,963)
Dividends Received	134,799	113,839	48,399	32,180
Proceeds on sale of P.P.E	-	800	-	-
Proceeds on sale of Investments	851,694	1,653,811	6,196	800
Interest Received	1,677,527	985,305	79,415	6,703
	(1,056,773)	614,731	70,982	(280,280)
Cash flows from Financing Activities				
Dividend paid	-	(207)	(39)	(207)
Repayment of Loans	(13,131)	-	-	-
	(13,131)	(207)	(39)	(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	5,016,820	1,708,758	912,995	1,563,695
	2,864,887	854,769	(958,720)	689,452
At the End of the Period				
Short Term Deposits	661,335	1,701,814	430,418	1,575,399
Cash in Transit	272,837	164,807	271,557	164,807
Cash in Hand and Bank	6,169,661	2,206,485	74,241	268,179
Bank & Other Borrowings	(4,238,946)	(3,218,337)	(1,734,936)	(1,318,933)
	2,864,887	854,769	(958,720)	689,452

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)
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
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	-	-	-	-	-	1,374,406	1,374,406
Balance as at 30th June 2007	300,000	869,412	1,095,538	7,399,341	22,348	6,309,717	15,996,356
Balance as at 1st April 2008	300,000	858,900	1,095,538	7,565,097	76,298	8,635,791	18,531,624
Net Profit for the Period	-	-	-	-	-	1,151,354	1,151,354
Balance as at 30th June 2008	300,000	858,900	1,095,538	7,565,097	76,298	9,787,145	19,682,978

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

		30/06/2008	30/06/2007
Net Assets Value per Share	- Group (Rs)	65.61	53.32
	- Company (Rs)	37.42	32.13
Market Price per Share	- Last Traded (Rs)	98.25	94.00
Market Price per Share	- Highest (Rs)	110.25	113.25
Market Price per Share	- Lowest (Rs)	98.00	90.25