

DISTILLERIES COMPANY OF SRI LANKA PLC
INCOME STATEMENTS

Rs.'000s For the 9 months ended 31st December	CONSOLIDATED			COMPANY		
	Unaudited 2009	Unaudited 2008	Variance %	Unaudited 2009	Unaudited 2008	Variance %
Gross Turnover	<u>29,974,758</u>	<u>46,751,769</u>	(35.89)	<u>22,267,273</u>	<u>21,846,168</u>	1.93
Net Turnover	14,780,289	29,771,207	(50.35)	7,865,543	8,011,206	(1.82)
Cost of Sales, Benefits & Losses	<u>(7,881,982)</u>	<u>(19,342,288)</u>	(59.25)	<u>(4,705,693)</u>	<u>(5,100,864)</u>	(7.75)
Gross Profit / Underwriting Revenue	6,898,307	10,428,919	(33.85)	3,159,850	2,910,342	8.57
Investments Income & Other Income	380,698	5,481,765	(93.06)	581,957	616,114	(5.54)
Distribution Cost	<u>(1,795,427)</u>	(1,956,278)	(8.22)	<u>(139,940)</u>	(157,271)	(11.02)
Administrative Expenses	<u>(2,190,076)</u>	(3,920,195)	(44.13)	<u>(362,086)</u>	(347,583)	4.17
Increase in Life Fund	-	(4,360,895)	(100.00)	-	-	
Other Operating Gain / (Loss)	-	(639,271)	(100.00)	-	-	
Profit from Operations	<u>3,293,502</u>	<u>5,034,045</u>	(34.58)	<u>3,239,781</u>	<u>3,021,602</u>	7.22
Financing Cost	<u>(472,345)</u>	(408,702)	15.57	<u>(4,925)</u>	(81,053)	(93.92)
Share of Profit of Equity Accounted Investees	<u>323,657</u>	390,745	(17.17)	<u>-</u>	<u>-</u>	
Profit Before Taxation	3,144,814	5,016,088	(37.31)	3,234,856	2,940,549	10.01
Income Tax Expenses	<u>(1,073,360)</u>	<u>(1,204,270)</u>	(10.87)	<u>(999,720)</u>	<u>(722,655)</u>	38.34
Profit for the Period	<u>2,071,454</u>	<u>3,811,818</u>	(45.66)	<u>2,235,136</u>	<u>2,217,894</u>	0.78
Attributable to Equity Holders of the Company	1,998,136	3,605,178	(44.58)	2,235,136	2,217,894	0.78
Minority Interest	73,318	206,640	(64.52)	-	-	
Net Profit for the Period	<u>2,071,454</u>	<u>3,811,818</u>	(45.66)	<u>2,235,136</u>	<u>2,217,894</u>	0.78
Earnings Per Share	6.66	12.02		7.45	7.39	

The above figures are provisional and subject to audit

DISTILLERIES COMPANY OF SRI LANKA PLC
INCOME STATEMENTS

Rs.'000s For the Quarter ended 31st December	CONSOLIDATED			COMPANY		
	Unaudited 2009	Unaudited 2008	Variance %	Unaudited 2009	Unaudited 2008	Variance %
Gross Turnover	<u>10,379,416</u>	<u>15,532,039</u>	(33.17)	<u>7,775,642</u>	<u>7,463,600</u>	4.18
Net Turnover	5,088,076	9,950,701	(48.87)	2,755,097	2,747,437	0.28
Cost of Sales, Benefits & Losses	<u>(2,528,255)</u>	<u>(6,357,463)</u>	(60.23)	<u>(1,559,723)</u>	<u>(1,599,465)</u>	(2.48)
Gross Profit/Underwriting Revenue	2,559,821	3,593,238	(28.76)	1,195,374	1,147,972	4.13
Investments Income & Other Income	80,098	1,786,066	(95.52)	247,884	365,474	(32.17)
Distribution Cost	(714,789)	(653,560)	9.37	(45,936)	(60,470)	(24.04)
Administrative Expenses	(764,459)	(1,406,701)	(45.66)	(139,830)	(149,905)	(6.72)
Increase in Life Fund	-	(1,280,942)	(100.00)	-	-	
Other Operating Gain / (Loss)	-	(314,239)	(100.00)	-	-	
Profit from Operations	1,160,671	1,723,862	(32.67)	1,257,492	1,303,071	(3.50)
Financing Cost	(147,879)	(191,166)	(22.64)	(1,960)	(48,477)	(95.96)
Share of Profit of Equity Accounted Investee	214,647	149,586	43.49	-	-	
Profit Before Taxation	1,227,439	1,682,282	(27.04)	1,255,532	1,254,594	0.07
Income Tax Expenses	<u>(338,212)</u>	<u>(382,880)</u>	(11.67)	<u>(315,811)</u>	<u>(161,243)</u>	95.86
Profit for the Period	889,227	1,299,402	(31.57)	939,721	1,093,351	(14.05)
Attributable to Equity Holders of the Company	841,351	1,344,711	(37.43)	939,721	1,093,351	(14.05)
Minority Interest	47,876	(45,309)	(205.67)	-	-	
Net Profit for the Period	<u>889,227</u>	<u>1,299,402</u>	(31.57)	<u>939,721</u>	<u>1,093,351</u>	(14.05)
Earnings Per Share	2.80	4.48		3.13	3.64	

The above figures are Provisional and subject to audit

DISTILLERIES COMPANY OF SRI LANKA PLC
BALANCE SHEETS

BALANCE SHEETS AS AT	CONSOLIDATED			COMPANY		
	31-12-2009	31-12-2008	31-03-2009	31-12-2009	31-12-2008	31-03-2009
Rs.'000s						
ASSETS						
Non Current Assets						
Property Plant and Equipment	8,317,104	14,892,447	8,496,467	1,243,576	1,156,824	1,190,868
Investment in Subsidiaries	-	-	-	10,062,660	9,482,000	10,062,660
Investment in Equity Accounted Investees	3,658,647	3,837,813	3,368,294	1,573,417	548,904	1,571,601
Other Long Term Investments	31,072	27,400,819	46,420	15,750	15,750	15,750
Goodwill on Acquisition	255,446	2,371,100	255,446	-	-	-
Policyholder Loans & Other Loans	-	2,687,668	-	-	-	-
Intangible Assets	2,637,732	2,755,122	2,787,008	-	-	-
Advance Lease Premium	-	92,442	3,800	-	-	-
Deferred Tax Assets	13,618	42,485	-	-	-	-
	14,913,619	54,079,896	14,957,435	12,895,403	11,203,478	12,840,879
Current Assets						
Short Term Investments	1,716,625	25,916,878	1,927,338	1,341,259	2,692,589	1,325,803
Inventories	4,071,554	5,159,315	4,271,757	1,900,583	2,024,580	1,851,658
Trade and Other Receivables	4,041,562	7,175,210	4,245,350	1,785,409	952,408	2,177,333
Amounts Due from Subsidiaries	-	-	-	110,542	468,641	106,679
Amount Due from Related Companies & Associates	474,402	363,416	479,007	395,815	250,000	322,188
Short Term Deposits	1,159,095	911,300	335,561	626,780	337,344	41,980
Cash and Cash Equivalents	1,172,894	2,240,886	884,678	446,976	834,264	327,550
	12,636,132	41,767,005	12,143,691	6,607,364	7,559,826	6,153,191
Net Asset in Sri Lanka Insurance Corporation Ltd	10,542,011	-	10,542,011	-	-	-
Total Assets	38,091,762	95,846,901	37,643,137	19,502,767	18,763,304	18,994,070
EQUITY AND LIABILITIES						
Capital and Reserve						
Stated Capital	300,000	300,000	300,000	300,000	300,000	300,000
Capital Reserve	2,499,892	1,954,438	2,499,892	107,882	107,882	107,882
Revenue Reserve	20,956,138	19,357,364	19,633,002	14,269,465	11,917,576	12,709,329
	23,756,030	21,611,802	22,432,894	14,677,347	12,325,458	13,117,211
Minority Interest	2,214,370	2,892,429	2,157,591	-	-	-
Non Current Liabilities						
Insurance Provision - Life	-	39,180,313	-	-	-	-
Insurance Provision - Non Life	-	10,051,561	-	-	-	-
Interest Bearing Loans & Borrowings	1,633,295	2,045,323	1,219,625	-	-	-
Deferred Taxation	97,734	613,288	84,832	73,095	-	73,095
Retirement Benefit Obligations	563,791	1,122,737	570,984	87,406	101,205	98,429
Deferred Income	225,664	292,136	205,097	-	-	-
	2,520,484	53,305,358	2,080,538	160,501	101,205	171,524
Current Liabilities						
Trade and Other Payables	6,257,169	9,416,880	5,994,302	3,864,196	2,760,818	3,695,382
Amounts Due to Subsidiaries	-	-	-	168,914	356,431	202,784
Amount Due to Related Companies & Associates	100,520	168,023	94,648	25,916	-	25,841
Income Tax Payable	593,889	1,164,851	925,586	521,718	736,303	861,174
Interest Bearing Loans & Borrowings	2,649,300	7,287,558	3,957,578	84,175	2,483,089	920,154
	9,600,878	18,037,312	10,972,114	4,664,919	6,336,641	5,705,335
Total Equity and Liabilities	38,091,762	95,846,901	37,643,137	19,502,767	18,763,304	18,994,070
Net assets Value per Share	86.57	81.68	81.97	48.92	41.08	43.72

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

sgd/-
C.F. Fernando
Director

10th February 2010

DISTILLERIES COMPANY OF SRI LANKA PLC
CASH FLOW STATEMENTS

For the Period Ended 31st December Rs.'000s	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
Cash Generated from Operations				
Profit from operations	3,144,814	5,016,088	3,234,856	2,940,549
Adjustments for				
Depreciation	800,849	1,068,585	96,148	73,584
Provision for Retiring Gratuity	42,448	107,605	-	-
(Gain)/ Loss on Disposal of P.P.E	(5,030)	(7,355)	(5,030)	(7,355)
Increase in LTAF during the year	-	4,360,895	-	-
Gain on Disposal of Investments	-	(317,575)	-	-
Provision for Bad Debts	416,275	172,110	-	-
Interest Expenses	454,612	408,702	6,518	81,942
Movement In Technical Reserve	-	163,837	-	-
Movement In LTAF	-	3,526,016	-	-
Amortization of Capital Grants	(8,876)	(12,208)	-	-
Written off the Development Expenditure	153,134	12,311	-	-
Provision for Fall in value of Investments	-	(3,276)	-	-
Dividend Income	(425,503)	(156,678)	(418,824)	(500,472)
Differed Tax	-	32,934	-	-
Interest Income	(205,515)	(3,801,807)	(139,844)	(98,199)
Share of Profit of Equity Accounted Investees	(323,657)	(390,745)	-	-
Operating Profit before Working Capital Changes	4,043,551	10,179,439	2,773,824	2,490,049
(Increase)/Decrease in Inventories	200,203	(482,735)	(48,925)	(306,724)
(Increase)/Decrease in Receivables	208,393	(2,702,246)	275,873	623,633
Increase/(Decrease) in Payables	268,739	740,658	151,032	(692,041)
Cash flows from Operating Activities	4,720,886	7,735,116	3,151,804	2,114,917
Interest paid	(454,898)	(407,990)	(6,517)	(81,942)
Income Tax paid	(1,405,057)	(1,102,324)	(1,339,177)	(908,727)
Retiring Gratuity paid	(49,641)	(96,680)	(11,023)	(8,395)
Net Cash flows from Operating Activities	2,811,290	6,128,122	1,795,087	1,115,853
Cash flows from Investing Activities				
Acquisition of Property Plant and Equipment	(558,418)	(3,241,088)	(148,855)	(312,477)
Purchase of Shares and Other Investments	(101,786)	(13,482,138)	(25,242)	-
Dividends Received	425,503	156,678	418,824	500,471
Proceeds on sale of P.P.E	5,030	7,355	5,030	7,355
Proceeds on Sale of Shares and Other Investments	7,966	8,857,883	7,966	(121,804)
Grant Received	28,534	20,761	-	-
Interest Received	205,515	3,801,807	139,844	98,199
Net Cash flows from Investing Activities	12,344	(3,878,742)	397,567	171,744
Cash flows from Financing Activities				
Term Loan Received	321,109	39,769	-	-
Dividend paid	(652,448)	(477,363)	(652,448)	(477,363)
Repayment of Loans	(54,901)	(420,247)	-	-
Lease Rentals paid	(14,075)	(542,011)	-	-
Net Cash flows from Financing Activities	(400,315)	(1,399,852)	(652,448)	(477,363)
Cash and Cash Equivalents				
At the Beginning of the year	(1,016,196)	(2,151,933)	(550,625)	(1,871,715)
Net Movement during the year	2,423,319	849,528	1,540,206	810,234
	1,407,123	(1,302,405)	989,581	(1,061,481)
At the End of the year				
Short Term Deposits	1,159,095	911,300	626,780	587,344
Cash in Transit	161,131	393,042	161,131	393,042
Cash in Hand and Bank	1,011,763	1,847,844	285,845	441,222
Bank & Other Borrowings	(924,866)	(4,454,591)	(84,175)	(2,483,089)
	1,407,123	(1,302,405)	989,581	(1,061,481)

DISTILLERIES COMPANY LANKA PLC
STATEMENT OF CHANGES IN EQUITY

For the 9 months ended 31st December 2009

Company	Stated Capital	Capital Reserve	General Reserve	Retained Earnings	Total
Rs.'000s					
Balance as at 1st April 2008	300,000	107,882	8,210,000	2,014,682	10,632,564
Dividend Paid				(525,000)	(525,000)
Net Profit for the Period				2,217,894	2,217,894
Balance as at 31st December 2008	300,000	107,882	8,210,000	3,707,576	12,325,458
Balance as at 1st April 2009	300,000	107,882	8,210,000	4,499,329	13,117,211
Dividend Paid				(675,000)	(675,000)
Net Profit for the Period				2,235,136	2,235,136
Balance as at 31st December 2009	300,000	107,882	8,210,000	6,059,465	14,677,347

DISTILLERIES COMPANY LANKA PLC
STATEMENT OF CHANGES IN EQUITY

For the 9 months ended 31st December 2009

Consolidated	Stated Capital	Capital Reserve	Capital Reserve on Script Issue	General Reserve	Exchange Fluctuation Reserve	Retained Earnings	Total
Rs.'000s							
Balance as at 1st April 2008	300,000	858,900	1,095,538	7,565,097	76,297	8,635,792	18,531,624
Dividend Paid						(525,000)	(525,000)
Net Profit for the Period	-	-	-	-	-	3,605,178	3,605,178
Balance as at 31st December 2008	300,000	858,900	1,095,538	7,565,097	76,297	11,715,970	21,611,802
Balance as at 1st April 2009	300,000	1,404,354	1,095,538	7,567,255	89,603	11,976,144	22,432,894
Dividend Paid						(675,000)	(675,000)
Net Profit for the Period	-	-	-	-	-	1,998,136	1,998,136
Balance as at 31st December 2009	300,000	1,404,354	1,095,538	7,567,255	89,603	13,299,280	23,756,030

DISTILLERIES COMPANY OF SRI LANKA PLC
SEGMENTAL INFORMATION FOR THE
FOR THE PERIOD ENDED 31ST DECEMBER 2009

	2009	2008
	Rs.'000	Rs.'000
<u>Segment Turnover</u>		
Beverages	23,515,064	22,077,775
Plantation Management	1,896,504	3,035,742
Financial Services	-	13,512,404
Telecommunication	3,846,213	5,025,103
Healthcare	-	1,804,260
Diversified	716,977	1,296,485
Gross Turnover	29,974,758	46,751,769
Less : Turnover based and Other Taxes	(15,194,469)	(13,965,972)
Less : Insurance Related Adjustment		(3,014,590)
Net Turnover	14,780,289	29,771,207
<u>Segment Profit before Taxation</u>		
Beverages	3,063,120	3,042,329
Plantation Management	186,393	169,504
Financial Services	-	943,170
Telecommunication	(373,041)	179,060
Healthcare	-	58,514
Diversified	(55,315)	232,766
	2,821,157	4,625,343
Share of Associate Company Profit	323,657	390,745
Net Profit Before Tax	3,144,814	5,016,088

Note : The comparative figures have not been restated as explained in the note 3.2 to the financial statements.

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 K. J. Kahanda

Mr.C.F.Fernando

Dr.A.N.Balasuriya

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 Mohamed Macan Marker Mawatha,
Colombo 03, Sri Lanka.

REGISTRARS

Secretaries & Registrars Limited

1st Floor, No. 32A,

Sir Mohamed Macan Marker Mawatha,
Colombo 03, Sri Lanka.

LAWYERS

Prasanna Goonewardene & 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 Bank

Hong Kong & Shanghai Banking Corporation

NOTES TO THE FINANCIAL STATEMENTS

1. The interim Financial Statements have been prepared in accordance with the Accounting Policies set out in the most recent Annual Report and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.
2. Where appropriate, the previous year's presentation has been amended to conform with current year classifications.
3. **Adjustments in respect of the Supreme Court Judgment on 4th June 2009 regarding the privatization of Sri Lanka Insurance Corporation Ltd;**
 - 3.1 The Company has separately disclosed the net book value of assets held in Sri Lanka Insurance Corporation Ltd as at 31 March 2009 in the consolidated Balance Sheet. Since the Secretary to the Treasury has not made a conclusive determination of the amounts due to the DCSL Group as per the Supreme Court Order, we are unable to finalize the accounting treatment in respect of the disposal of this investment. Therefore, the effect of this disposal has not been reflected in the Financial Statements for the quarter ended 31 December 2009.
 - 3.2 The above mentioned Supreme Court judgment does not qualify as a prior period error under SLAS 10 as confirmed by the Urgent Issues Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka and therefore no adjustments have been done in respect of prior period Financial Statements.
4. In December 2009, the Company invested Rs. 500 million in its fully owned subsidiary, Continental Insurance Lanka Ltd.
5. A final dividend of Rs. 2.25 per share for the financial year ended 31st March 2009 was paid on 7th October 2009.

6. Non Financial Information

		31/12/2009	31/12/2008	31/03/2009
Net Assets Value per Share	- Group (Rs)	86.57	81.68	81.97
	- Company (Rs)	48.92	41.08	43.72
Market Price per Share	- Last Traded (Rs)	105.25	50.50	65.00
	- Highest (Rs)	112.00	71.00	112.00
	- Lowest (Rs)	65.25	50.00	50.00

7. 300,000,000 ordinary shares represent the Stated Capital
8. **Events Occurring After the Balance Sheet Date**
Subsequent to the balance sheet date, no circumstances have arisen which would require adjustments to or disclosure in the financial statements.
9. **Contingent Liabilities**
There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31 March 2009.

10. **Top 20 Shareholders – 31st December 2009**

Rank	Name	Share Holding	%
1	Milford Exports (Ceylon) Limited	124,470,500	41.49
2	Lanka Milk Foods (C.W.E.) PLC	37,961,500	12.65
3	Mr. Muzaffar Ali Yaseen	27,677,900	9.23
4	Mrs. Lorraine Estelle Marlene Yaseen	24,900,000	8.30
5	Sri Lanka Insurance Corporation Ltd. - Life Fund	22,269,200	7.42
6	Sri Lanka Insurance Corporation Ltd. - General Fund	7,285,500	2.43
7	Commercial Bank of Ceylon PLC / L.E.M. Yaseen	4,750,000	1.58
8	Mrs. Shantha Marie Chrysostom	3,047,000	1.02
9	BNY-J.P. Morgan Clearing Corporation	2,866,600	0.96
10	Caceis Bank Luxembourg S/A Barca Global	2,778,000	0.93
11	Mr. Kenneth Rudy Kamon	2,731,700	0.91
12	Stassen Exports Limited	2,114,200	0.70
13	Pershing LLC S/A Averbach Grauson & Co.	2,072,600	0.69
14	Ceylon Guardian Investment Trust PLC A/C 01	1,760,400	0.59
15	Ceylon Guardian Investment Trust PLC A/C 01	1,648,700	0.55
16	Hatton National Bank PLC A/C # 01	1,481,500	0.49
17	The Ceylon Investment PLC A/C # 02	1,098,000	0.37
18	Employees Trust Fund Board	705,000	0.24
19	MAS Capital (Private) Limited	694,100	0.23
20	HSBC International Nominees Ltd - HSBC Bank PLC - CMG	670,100	0.22
Total		272,982,500	91.00

Percentage of Shares held by the public – 44.67%

Directors' Shareholdings – 31st December 2009

	No. of Shares
Mr. D.H.S.Jayawardena	-
Mr. R.K.Obeyesekere	-
Mr. C.R.Jansz	-
Mr. N. De S. Deva Aditya	-
Mr. K. J. Kahanda	-
Mr. C.F.Fernando	2,062
Dr. A.N.Balasuriya	-