

INCOME STATEMENTSFor the 9 months ended 31st December 2007
Rs.'000s

	CONSOLIDATED			COMPANY		
	2007	2006	Variance %	2007	2006	Variance %
Gross Turnover	40,243,396	33,909,406	18.7	22,922,692	20,176,936	13.6
Net Turnover	24,360,432	20,197,083	20.6	7,039,729	6,464,613	8.9
Cost of Sales, Benefits & Losses	(17,083,759)	(14,198,114)	20.3	(4,633,563)	(4,094,638)	13.2
Gross Profit/Underwriting Revenue	7,276,673	5,998,969	21.3	2,406,166	2,369,975	1.5
Income from Investments	3,715,037	3,377,566	10.0	83,624	73,898	13.2
Gain on Disposal of Investments in Shares		460	(100.0)			
Other Operating Income	747,827	568,673	31.5	85,141	32,897	158.8
Distribution Cost	(1,419,864)	(745,761)	90.4	(147,388)	(131,008)	12.5
Administrative Expenses	(3,347,422)	(2,958,118)	13.2	(316,986)	(248,758)	27.4
Increase in Life Fund	(2,559,489)	(2,474,831)	3.4			
Other Operating Expenses	(4,416)	(3,900)	13.2			
Profit from Operations	4,408,346	3,763,058	17.1	2,110,557	2,097,004	0.6
Financing Income/(Cost)	(254,873)	12,660	(2113.2)	85,258	(53,934)	258.1
Income from Associate Company	445,386	239,822	85.7			
Profit Before Taxation	4,598,859	4,015,540	14.5	2,195,815	2,043,070	7.5
Income Tax Expenses	(1,584,205)	(1,218,599)	30.0	(763,968)	(718,190)	6.4
Profit After Taxation	3,014,654	2,796,941	7.8	1,431,847	1,324,880	8.1
Minority Interest	(177,575)	(268,778)	(33.9)	-	-	
Net Profit for the Period	2,837,079	2,528,163	12.2	1,431,847	1,324,880	8.1
Earnings Per Share (Annualised)	12.61	11.24		6.36	5.89	

The above figures are Provisional and subject to audit

BALANCE SHEETS AS AT	CONSOLIDATED			COMPANY		
	31-12-2007	31-12-2006	31-03-2007	31-12-2007	31-12-2006	31-03-2007
Rs.'000s						
ASSETS						
Non Current Assets						
Property Plant and Equipment	15,160,360	9,203,828	13,167,897	525,619	567,657	540,219
Investment in Subsidiaries	-	-	-	8,342,388	8,342,388	8,372,840
Investment in Jointly Controlled Entity	-	-	-	20,000	20,000	20,000
Investment in Equity Accounted Investees	2,196,741	2,434,901	2,614,865	548,904	548,904	548,904
Other Long Term Investments	28,551,556	22,352,978	23,116,859	1,385,494	900,449	901,579
Intangible Assets	1,379	-	-	-	-	-
Goodwill on Acquisition	1,987,279	924,289	2,371,100	-	-	-
Policyholder Loans & Other Loans	2,564,704	2,484,908	2,412,442	-	-	-
Development Expenditure	132,594	149,008	144,905	-	-	-
Advance Lease Premium	-	-	64,538	-	-	-
Deferred Tax Assets	23,928	-	17,784	-	-	-
	50,618,541	37,549,912	43,910,390	10,822,405	10,379,398	10,383,542
Current Assets						
Short Term Investments	12,028,397	18,974,758	17,807,584	-	-	-
Inventories	4,246,542	2,957,400	3,033,933	1,204,950	1,100,692	1,043,731
Trade and Other Receivables	8,280,933	5,972,907	5,791,971	1,207,793	1,884,600	1,399,847
Amounts Due from Subsidiaries and Joint Venture	-	-	-	1,545,060	-	878,569
Amounts Due from Related Cos	518,163	1,056	654,557	502,500	502,500	652,500
Short Term Deposits	711,839	1,052,577	565,737	571,577	387,800	361,750
Cash and Cash Equivalents	2,976,801	2,854,745	1,907,208	366,222	187,261	398,049
	28,762,675	31,813,443	29,760,990	5,398,102	4,062,853	4,734,446
Total Assets	79,381,216	69,363,355	73,671,380	16,220,507	14,442,251	15,117,988
EQUITY AND LIABILITIES						
Capital and Reserve						
Stated Capital	300,000	300,000	300,000	300,000	300,000	300,000
Capital Reserve	1,964,950	1,490,435	1,964,950	107,882	107,882	107,882
Revenue Reserve	14,729,080	11,291,129	12,357,000	9,674,999	8,164,095	8,708,152
	16,994,030	13,081,564	14,621,950	10,082,881	8,571,977	9,116,034
Minority Interest	3,417,946	2,503,002	2,607,364			
Non Current Liabilities						
Insurance Provision - Life	33,815,701	31,642,723	31,905,027	-	-	-
Insurance Provision - Non Life	10,693,349	6,069,378	8,342,175	-	-	-
Interest Bearing Loans & Borrowings	945,859	730,662	1,522,271	-	-	-
Deferred Taxation	568,477	108,318	626,633	13,342	26,072	13,341
Retirement Benefit Obligations	960,733	792,092	928,069	91,726	67,718	74,685
Deferred Income	273,886	285,459	279,671	-	-	-
	47,258,005	39,628,632	43,603,846	105,068	93,790	88,026
Current Liabilities						
Trade and Other Payables	7,344,319	6,892,436	7,718,127	3,150,201	2,350,084	3,305,340
Amount Due to Related Companies	466,480	220,567	155,104	261,125	323,775	168,821
Income Tax Payable	1,324,005	2,181,312	1,315,951	585,242	1,045,962	805,725
Interest Bearing Loans & Borrowings	2,576,431	4,855,842	3,649,038	2,035,990	2,056,663	1,634,042
	11,711,235	14,150,157	12,838,220	6,032,558	5,776,484	5,913,928
Total Equity and Liabilities	79,381,216	69,363,355	73,671,380	16,220,507	14,442,251	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 February 2008

CASH FLOW STATEMENTS	Consolidated	Consolidated	Company	Company
For the Period Ended 31st December	2007	2006	2007	2006
Rs.'000s				
Cash Generated from Operations				
Profit from operations	4,598,859	4,015,540	2,195,815	2,043,070
Adjustments for				
Depreciation.	806,181	530,044	79,500	18,973
Provision for Fall in value of Investments				
Provision for Retiring Gratuity	32,664	79,356	25,000	
(Gain)/ Loss on Disposal of P.P.E	(26,295)	(4,887)	(3,282)	(1,663)
Increase in LTAF during the year				
Gain on Disposal of Investments				
Provision for Bad Debts	451,030	158,345		
Interest Expenses	254,873	222,660	28,059	54,998
Movement In Technical Reserve	1,202,995	637,361		
Movement In LTAF	2,726,597	2,339,149		
Amortization of Goodwill on Acquisition	385,200			
Amortization of Capital Grants		(5,540)		
Differed Tax	(64,300)			
Written off the Development Expenditure	12,311	12,311		
Provision for Fall in value of Investments		24,561		
Dividend Income		(73,898)	(83,623)	(73,898)
Interest Income		(46,584)	(112,235)	(21,195)
Share of Associate Co. Profit	(418,124)			
Foreign Currency (Gain)/Loss				
Operating Profit before Working Capital Cha	9,961,991	7,888,418	2,129,234	2,020,285
(Increase)/Decrease in Inventories	(920,574)	(734,549)	(161,219)	86,728
(Increase)/Decrease in Receivables	(1,452,568)	(883,651)	(315,548)	(639,787)
Increase/(Decrease) in Payables	(313,960)	169,796	(198,170)	35,237
Cash flows from Operating Activities	7,274,889	6,440,014	1,454,297	1,502,463
Interest paid	(425,584)	(280,920)	(28,059)	(54,998)
Income Tax paid	(1,331,219)	(1,199,632)	(984,449)	(474,217)
Retiring Gratuity paid	(50,922)	(58,561)	(7,959)	(5,482)
Net Cash flows from Operating Activities	5,467,164	4,900,901	433,830	967,766
Cash flows from Investing Activities				
Acquisition of Property Plant and Equipment	(2,798,644)	(1,337,972)	(64,900)	12,393
Purchase of Shares	(5,434,697)	(11,512,775)		
Dividends Received	83,624	73,898	83,624	73,898
Proceeds on sale of P.P.E	26,295	8,456	3,282	1,663
Proceeds on sale of Investments	5,626,925	8,712,834	(1,153,463)	(9,364)
Grant Received	4,917	13,033		
Interest Received	170,711	46,584	112,235	21,195
Cash flows from Financing Activities	(2,320,869)	(3,995,942)	(1,019,222)	99,785
Receipts/(Repayment) of Loans				
Term Loan Received		371,071		
Dividend paid	(432,205)	(228,348)	(424,705)	(168,190)
Repayment of Loans	(576,412)	(86,066)		
Lease Rentals paid	64,538	(12,971)		
	(944,079)	43,686	(424,705)	(168,190)
Cash and Cash Equivalents				
At the Beginning of the year	(853,989)	(1,772,374)	414,406	(1,878,463)
Net Movement during the period	2,202,216	948,645	(1,010,097)	899,361
	1,348,227	(823,729)	(595,691)	(979,102)
At the End of the year				
Short Term Deposits	711,839	1,052,577	1,074,077	890,300
Cash in Transit	124,034	29,622	124,034	29,022
Cash in Hand and Bank	2,852,767	2,825,123	242,188	158,239
Bank & Other Borrowings	(2,340,413)	(4,731,051)	(2,035,990)	(2,056,663)
	1,348,227	(823,729)	(595,691)	(979,102)

STATEMENT OF CHANGES IN EQUITY

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 2005	300,000	872,866		5,211,191	29,865	1,490,205	7,904,127
Exchange Fluctuation Reserve-Associate		-		-	(3,882)	-	(3,882)
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		-		-		2,744,721	2,744,721
Transfer from Life Fund - SLICL		-		-		196,278	196,278
Transfers		(496,082)	1,095,539	2,124,660		(2,709,665)	14,452
Balance as at 31March 2006	300,000	396,465	1,095,539	7,341,156	25,983	1,573,602	10,732,745
Balance as at 1st April 2006	300,000	396,465	1,095,539	7,341,156	25,983	1,573,602	10,732,745
Exchange Fluctuation Reserve-Associate					15,779		15,779
Impact of adoption of revised Accounting- -Standards by Associates					(8,684)		(8,684)
Adjustments Due to Holding Changes in Associate					(1,560)		(1,560)
Adjustments Due to Holding Changes in Subsidiaries		(1,569)				(3,310)	(4,879)
Net Profit for the Period						2,528,163	2,528,163
Dividend Paid		-		-		(180,000)	(180,000)
Balance as at 31st December 2006	300,000	394,896	1,095,539	7,341,156	31,518	3,918,455	13,081,564
Balance as at 1st April 2007	300,000	869,412	1,095,538	7,399,341	22,349	4,935,311	14,621,951
Dividend Paid						(465,000)	(465,000)
Net Profit for the Period						2,837,079	2,837,079
Balance as at 31st December 2007	300,000	869,412	1,095,538	7,399,341	22,349	7,307,390	16,994,030

STATEMENT OF CHANGES IN EQUITY

Company

	Stated Capital	Capital Reserve	General Reserve	Retained Earnings	Total
Rs.'000s					
Balance as at 1st April 2005	300,000	107,882	5,210,000	151,647	5,769,529
Net Profit for the Period				1,807,568	1,807,568
Transfers			1,600,000	(1,600,000)	-
Dividend Paid				(150,000)	(150,000)
Balance as at 31st March 2006	300,000	107,882	6,810,000	209,215	7,427,097
Balance as at 1st April 2006	300,000	107,882	6,810,000	209,215	7,427,097
Net Profit for the Period				1,324,880	1,324,880
Dividend Paid				(180,000)	(180,000)
Balance as at 31st December 2006	300,000	107,882	6,810,000	1,354,095	8,571,977
Balance as at 1st April 2007	300,000	107,882	8,210,000	498,152	9,116,034
Dividend Paid				(465,000)	(465,000)
Net Profit for the Period				1,431,847	1,431,847
Balance as at 31st December 2007	300,000	107,882	8,210,000	1,464,999	10,082,881

STATEMENT OF CHANGES IN EQUITY

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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)
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		-		-		2,744,721	2,744,721
Transfer from Life Fund - SLICL		-		-		196,278	196,278
Transfers		(496,082)	1,095,539	2,124,660		(2,709,665)	14,452
Balance as at 31March 2006	300,000	396,465	1,095,539	7,341,156	25,983	1,573,602	10,732,745
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Balance as at 31st December 2006	300,000	394,896	1,095,539	7,341,156	31,518	3,918,455	13,081,564
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Dividend Paid						(465,000)	(465,000)
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Balance as at 31st December 2007	300,000	869,412	1,095,538	7,399,341	22,349	7,307,390	16,994,030

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

		31/12/2007	31/12/2006
Net Assets Value per Share	- Group (Rs)	56.65	43.61
	- Company (Rs)	33.61	28.57
Market Price per Share	- Last Traded (Rs)	100.50	90.50
Market Price per Share	- Highest (Rs)	109.00	97.50
Market Price per Share	- Lowest (Rs)	99.75	51.50

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.Jayawardene - Chairman / Managing Director

Mr.R.K.Obeyesekere

Mr.C.R.Jansz

Mr.N.De S. Deva Aditya

Mr.L.U.D.Fernando

Mr K. Jagath 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 Goonewardena & 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