

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 Mohamed 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 year ended 31st March
Rs.'000s

	CONSOLIDATED			COMPANY		
	2008	2007	Variance %	2008	2007	Variance %
Gross Turnover	55,779,810	46,769,220	19.3	26,085,622	22,653,131	15.2
Net Turnover	37,564,578	27,890,608	34.7	9,628,136	8,632,828	11.5
Cost of Sales, Benefits & Losses	(29,013,873)	(20,090,710)	44.4	(6,317,673)	(5,622,772)	12.4
Gross Profit/Underwriting Revenue	8,550,705	7,799,898	9.6	3,310,463	3,010,056	10.0
Income from Investments	5,067,508	4,574,106	10.8	89,998	179,364	(49.8)
Gain on Disposal of Investments in Shares	-	615	(100.0)	-	615	(100.0)
Other Operating Income	872,557	790,470	10.4	179,706	252,562	(28.8)
Surplus on Acquisition of Subsidiaries & H	-	1,273	(100.0)	-	-	-
Distribution Cost	(1,270,638)	(1,050,193)	21.0	(174,409)	(176,898)	(1.4)
Administrative Expenses	(4,452,276)	(3,982,533)	11.8	(442,291)	(290,677)	52.2
Increase in Life Fund	(3,445,384)	(3,320,681)	3.8	-	-	-
Other Operating Expenses	(7,038)	(4,954)	42.1	-	(75,637)	(100.0)
Profit from Operations	5,315,434	4,808,001	10.6	2,963,467	2,899,385	2.2
Financing Income/(Cost) - Refer Note (03)	(642,387)	34,920	(1939.6)	50,963	(72,788)	(170.0)
Income from Associate Company	526,359	466,302	12.9	-	-	-
Profit Before Taxation	5,199,406	5,309,223	(2.1)	3,014,430	2,826,597	6.6
Income Tax Expenses	(1,649,704)	(1,633,606)	1.0	(1,049,759)	(957,660)	9.6
Profit After Taxation	3,549,702	3,675,617	(3.4)	1,964,671	1,868,937	5.1
Minority Interest	(168,422)	(69,404)	142.7	-	-	-
Net Profit for the Period	3,381,280	3,606,213	(6.2)	1,964,671	1,868,937	5.1
Earnings Per Share	11.27	12.02		6.55	6.23	

The above figures are Provisional and subject to audit

INCOME STATEMENTSFor the 3 months ended 31st March
Rs.'000s

	CONSOLIDATED			COMPANY		
	2008	2007	Variance %	2008	2007	Variance %
Gross Turnover	<u>15,536,414</u>	<u>12,859,814</u>	20.8	<u>3,162,930</u>	<u>2,476,195</u>	27.7
Net Turnover	13,204,146	7,693,525	71.6	2,588,408	2,168,215	19.4
Cost of Sales, Benefits & Losses	<u>(10,930,114)</u>	<u>(6,392,596)</u>	71.0	<u>(1,684,109)</u>	<u>(1,558,134)</u>	8.1
Gross Profit/Underwriting Revenue	2,274,032	1,300,929	74.8	904,299	610,081	48.2
Income from Investments	1,352,471	1,196,540	13.0	6,374	105,466	(94.0)
Gain on Disposal of Investments in Shares	-	155	(100.0)	-	615	
Other Operating Income	124,730	221,797	(43.8)	94,564	219,665	(57.0)
Surplus on Acquisition of Subsidiaries & Holdind Changes	-	1,273	100.0	-	-	-
Distribution Cost	(350,774)	(304,432)	15.2	(27,022)	(45,890)	(41.1)
Administrative Expenses	(1,104,854)	(1,024,415)	7.9	(125,305)	(41,919)	198.9
Increase in Life Fund	(885,895)	(845,850)	4.7	-	-	
Other Operating Expenses	<u>(2,622)</u>	<u>(1,054)</u>	148.8	<u>-</u>	<u>(75,637)</u>	(100.0)
Profit from Operations	1,407,088	544,943	158.2	852,910	772,381	10.4
Financing Income/(Cost)	(387,514)	22,260	(1840.9)	(34,295)	(18,854)	81.9
Income from Associate Company	<u>80,973</u>	<u>226,480</u>	(64.2)	<u>-</u>	<u>-</u>	
Profit Before Taxation	1,100,547	793,683	38.7	818,615	753,527	8.6
Income Tax Expenses	<u>(435,499)</u>	<u>(415,007)</u>	4.9	<u>(285,791)</u>	<u>(249,470)</u>	14.6
Profit After Taxation	665,048	378,676	75.6	532,824	504,057	5.7
Minority Interest	<u>9,153</u>	<u>199,374</u>	(95.4)	<u>-</u>	<u>-</u>	
Net Profit for the Period	<u>674,201</u>	<u>578,050</u>	16.6	<u>532,824</u>	<u>504,057</u>	5.7
Earnings Per Share	2.25	1.93		1.78	1.68	

The above figures are Provisional and subject to audit

BALANCE SHEETS AS AT	CONSOLIDATED		COMPANY	
	31-03-2008	31-03-2007	31-03-2008	31-03-2007
Rs.'000s				
ASSETS				
Non Current Assets				
Property Plant and Equipment	16,078,961	13,167,897	917,852	540,219
Investment in Subsidiaries	-	-	8,362,388	8,372,840
Investment in Joint Venture	-	-	-	20,000
Investment in Equity Accounted Investees	2,277,713	2,614,865	548,904	548,904
Other Long Term Investments	30,380,861	23,116,859	2,956,573	901,579
Goodwill on Acquisition	1,988,621	2,371,100	-	-
Policyholder Loans & Other Loans	2,544,447	2,412,442	-	-
Development Expenditure	128,491	144,905	-	-
Advance Lease Premium	64,538	64,538	-	-
Deferred Tax Assets	35,802	17,784	-	-
	53,499,434	43,910,390	12,785,717	10,383,542
Current Assets				
Short Term Investments	19,531,348	17,807,584	-	-
Inventories	4,816,585	3,033,933	1,425,407	1,043,731
Trade and Other Receivables	6,090,197	5,791,971	1,747,359	1,399,847
Amounts Due from Subsidiaries	-	-	210,979	878,569
Amounts Due from Related Cos	690,036	654,557	606,125	652,500
Short Term Deposits	1,541,250	565,737	1,276,254	361,750
Cash and Cash Equivalents	2,549,840	1,907,208	317,098	398,049
	35,219,256	29,760,990	5,583,222	4,734,446
Total Assets	88,718,690	73,671,380	18,368,939	15,117,988
EQUITY AND LIABILITIES				
Capital and Reserve				
Stated Capital	300,000	300,000	300,000	300,000
Capital Reserve	1,964,950	1,964,950	107,882	107,882
Revenue Reserve	15,273,295	12,357,002	10,207,837	8,708,153
	17,538,245	14,621,952	10,615,719	9,116,035
Minority Interest	4,002,514	2,607,364	-	-
Non Current Liabilities				
Insurance Provision - Life	35,571,710	31,905,025	-	-
Insurance Provision - Non Life	9,889,668	8,342,175	-	-
Interest Bearing Loans & Borrowings	2,296,331	1,522,271	-	-
Deferred Taxation	557,016	626,633	13,342	13,341
Retirement Benefit Obligations	1,080,028	928,069	109,600	74,685
Deferred Income	283,583	279,671	-	-
	49,678,336	43,603,844	122,942	88,026
Current Liabilities				
Trade and Other Payables	10,687,544	7,718,127	3,623,024	3,305,340
Amount Due to Related & Subsidiaries Compa	969,712	155,104	745,074	168,821
Income Tax Payable	999,708	1,315,951	625,410	805,724
Interest Bearing Loans & Borrowings	4,842,631	3,649,038	2,636,770	1,634,042
	17,499,595	12,838,220	7,630,278	5,913,927
Total Equity and Liabilities	88,718,690	73,671,380	18,368,939	15,117,988

The above figures are provisional and subject to audit.

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

sgd/-
L.U.DamienFernando
Director

CASH FLOW STATEMENTS For the year ended 31st March Rs.'000s	Consolidated		Company	
	2008	2007	2008	2007
Cash Generated from Operations				
Profit from operations	5,199,406	5,309,223	3,014,430	2,826,597
Adjustments for				
Depreciation.	1,113,801	937,289	100,275	101,624
Provision for Fall in value of Investments	(379)	(20,769)	-	(33,471)
Provision for Retiring Gratuity	250,441	217,023	46,592	9,633
(Gain)/ Loss on Disposal of P.P.E	(88,955)	(5,036)	(42,619)	(4,138)
Increase in LTAF During the year	5,214,178	3,320,681	-	-
Gain on Disposal of Investments	(161,000)	(615)	(2)	(615)
Provision for Bad Debts	(519,871)	492,685	-	-
Interest Expenses	504,052	424,925	101,940	72,788
Movement In Technical Reserve	2,147,752	2,087,118	-	-
Movement In LTAF	(16,414)	130,159	-	-
Amortization of Capital Grants	-	2,447	-	-
Dividend Income	-	-	(89,998)	-
Interest Income	-	-	(151,527)	-
Share of Associate Co. Profit	(526,359)	(467,576)	-	-
Operating Profit before Working Capital Chan	13,116,652	12,427,554	2,979,091	2,972,418
(Increase)/Decrease in Inventories	(1,782,652)	(294,092)	(381,676)	143,688
(Increase)/Decrease in Receivables	(5,967,746)	(1,775,172)	868,953	(1,646,192)
Increase/(Decrease) in Payables	3,904,284	1,266,068	854,633	875,237
Cash flows from Operating Activities	9,270,538	11,624,358	4,321,001	2,345,151
Interest paid	(504,052)	(424,925)	(101,940)	(72,788)
Income Tax paid	(2,151,895)	(2,143,545)	(1,230,072)	(966,656)
Retiring Gratuity paid	(98,482)	(85,788)	(11,677)	(8,148)
Net Cash flows from Operating Activities	6,516,109	8,970,100	2,977,312	1,297,559
Cash flows from Investing Activities				
Acquisition of Property Plant and Equipment	(4,018,134)	(2,322,449)	(477,909)	(44,956)
Purchase of Shares	(16,027,344)	(12,249,839)	(2,054,993)	(17,792)
Dividends Received	-	46,650	89,998	-
Proceeds on sale of P.P.E	82,224	42,438	42,619	6,273
Proceeds on sale of Investments	15,051,872	7,013,319	30,452	8,074
Grant Received	-	12,573	-	-
Interest Received	-	-	151,527	-
	(4,911,382)	(7,457,308)	(2,218,306)	(48,401)
Cash flows from Financing Activities				
Term Loan Received	-	644,834	-	-
Dividend paid	(865,000)	(229,574)	(425,683)	(169,659)
Repayment of Loans	(637,279)	(294,737)	-	-
Lease Rentals paid	-	(31,950)	-	-
	(1,502,279)	88,573	(425,683)	(169,659)
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	102,448	1,601,365	333,323	1,079,499
	(751,541)	(853,989)	(540,920)	(874,243)
At the End of the year				
Short Term Deposits	1,541,250	565,737	1,778,753	361,750
Cash in Transit	274,845	166,507	274,845	166,507
Cash in Hand and Bank	2,274,995	1,740,701	42,253	231,542
Bank & Other Borrowings	(4,842,631)	(3,326,934)	(2,636,771)	(1,634,042)
	(751,541)	(853,989)	(540,920)	(874,243)

STATEMENT OF CHANGES IN EQUITY

Company

	Share Capital	Capital Reserves	General Reserves	Retained Profit	Total
Rs.'000s					
Balance as at 1st April 2005	300,000	107,883	5,210,000	151,647	5,769,530
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	107,883	6,810,000	209,215	7,427,098
Balance as at 1st April 2006	300,000	107,883	6,810,000	209,215	7,427,098
Net Profit for the Period	-	-	-	1,868,937	1,868,937
Dividend Paid	-	-	-	(180,000)	(180,000)
Transfers	-	-	1,400,000	(1,400,000)	-
Balance as at 31st March 2007	300,000	107,883	8,210,000	498,152	9,116,035
Balance as at 1st April 2007	300,000	107,883	8,210,000	498,152	9,116,035
Dividend Paid	-	-	-	(464,987)	(464,987)
Net Profit for the Period	-	-	-	1,964,671	1,964,671
Balance as at 31st March 2008	300,000	107,883	8,210,000	1,997,836	10,615,719

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)
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	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	-	-	-	-	(3,634)	-	(3,634)
Impact of adoption of revised accounting	-	-	-	-	-	-	-
- Standards by Associates	-	-	-	-	-	(6,319)	(6,319)
Surpluse on revaluation of Associate	-	25,264	-	-	-	-	25,264
Surpluse on revaluation of PPE	-	583,712	-	-	-	-	583,712
Deffered tax effect on the surplus of revaluation	-	(136,030)	-	-	-	-	(136,030)
Adjustments Due to Holding Changes in Subsidiareis	-	-	-	-	-	-	-
Net Profit for the Period	-	-	-	-	-	3,606,213	3,606,213
Transfers	-	-	-	1,658,184	-	(1,658,184)	-
Dividend Paid	-	-	-	-	-	(180,000)	(180,000)
Balance as at 31March 2007	300,000	869,411	1,095,539	7,399,341	22,349	4,935,312	14,621,952
Balance as at 1st April 2007	300,000	869,411	1,095,539	7,399,341	22,349	4,935,312	14,621,952
Dividene Paid	-	-	-	-	-	(464,987)	(464,987)
Net Profit for the Period	-	-	-	-	-	3,381,280	3,381,280
Balance as at 31st March 2008	300,000	869,411	1,095,539	7,399,341	22,349	7,851,605	17,538,245

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.

	2008	2007
Financing Income / (Cost)	(621,757.00)	(356,730.00)
Exchange Gain / (Loss)	(20,630.00)	391,650.00
	<u>(642,387.00)</u>	<u>34,920.00</u>

4. 300,000,000 shares represent the Stated Capital

5. Non Financial Information

		31/03/2008	31/03/2007
Net Assets Value per Share	- Group(Rs.)	58.46	48.74
	- Company(Rs.)	35.39	30.39
Market Price per Share	- Last traded (Rs.)	98.00	105
Market Price per Share	- Highest (Rs.)	113.25	130.25
Market Price per Share	- Lowest (Rs.)	80.00	41.25