

Lion Brewery (Ceylon) PLC

**Interim Condensed Financial Statements
for the First Quarter ended
30th June 2015**

LION BREWERY (CEYLON) PLC

Review

A turnover of Rs.9.13 billion was recorded for the 3 months ended 30th June 2015 compared to Rs.6.89 billion for the period April to June 2014, an improvement of 33%. In the meanwhile, the Company recorded a pre-tax profit of Rs. 797.49 million during the 1st quarter of the financial year 2015/16 compared to Rs. 741.98 million for the same period last year, an increase of 7% . Revenue was driven mainly by two increases in Excise Duty during the 3rd quarter of the previous financial year. The growth in tourism during the 1st quarter also helped improve turnover. Earnings however did not keep pace with revenue growth as a result of the alcohol industry being subjected to further discriminatory taxation, the details of which are given below.

During the 3rd quarter of the previous financial year, the alcohol industry was made “VAT exempt”. Whilst Excise Duties were increased to protect Government revenue, industry lost the ability of claiming input VAT. As a result, both operating costs and capital expenditure have increased to the extent of the irrecoverable VAT. Further, the full benefit of efforts to improve productivity and reduce costs are not fully reflected in the financials as the irrecoverable VAT component has eroded part of the savings. Operating margins have therefore suffered.

During the period under review the Company reintroduced Three Coins Lager to the market. Thus 3 of the brands acquired from Millers Brewery are now in distribution island-wide, the other two being Sando Power and Sando Stout. A fourth brand, Irish Dark, a red ale will also be made available in the months to follow.

LION BREWERY (CEYLON) PLC

BOARD OF DIRECTORS AS AT 30TH JUNE 2015

Mr. L. C. R. de C.Wijetunge (**Chairman**)

Mr. H. Selvanathan (**Deputy Chairman**)

Mr. S. K. Shah (**Chief Executive Officer**)

Mr. D.C.R.Gunawardena

Mr. C.T. Liyanage

Mr. D. R. P. Goonetilleke

Mr. K. Selvanathan (Director / Alternate Director to H. Selvanathan)

Mrs. S.J.F.Evans

Mr. H.J.Andersen

Mr. D. A. Cabraal

Mr. Y.F.Lew

LION BREWERY (CEYLON) PLC
CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30th June In Rs. '000s	Company			Group	
	2015	2014	31.03.2015 (Audited)	2015	31.03.2015 (Audited)
ASSETS					
Non- Current Assets					
Property, plant & equipment	13,985,639	11,984,517	13,792,402	14,771,881	14,583,827
Intangible assets	4,193,767	243,907	4,205,582	4,193,767	4,205,582
Investments in subsidiaries	1,029,623	-	1,029,623	-	-
Total Non-Current Assets	19,209,029	12,228,424	19,027,607	18,965,648	18,789,409
Current Assets					
Inventories	1,952,331	2,388,639	2,798,064	1,952,331	2,798,064
Trade and other receivables	1,644,679	2,330,491	1,845,855	1,672,170	1,874,085
Amounts due from related companies	308,099	263,144	376,720	187,738	256,342
Assets held for sale	58,660	-	58,660	447,997	491,895
Cash and cash equivalents	2,974,922	6,120,464	2,232,530	3,099,381	2,311,518
Total Current Assets	6,938,691	11,102,738	7,311,829	7,359,616	7,731,904
Total Assets	26,147,720	23,331,162	26,339,436	26,325,264	26,521,313
EQUITY AND LIABILITIES					
Equity					
Stated capital	2,537,801	2,537,801	2,537,801	2,537,801	2,537,801
Capital reserves	719,411	719,411	719,411	719,411	719,411
Revenue reserves	5,143,699	4,163,032	4,560,771	5,248,638	4,669,370
Total Equity	8,400,911	7,420,244	7,817,983	8,505,850	7,926,582
Non- Current Liabilities					
Debentures (Note 4)	4,396,400	2,597,600	4,597,600	4,396,400	4,597,600
Loans and borrowings	2,515,207	2,006,897	2,874,862	2,515,207	2,874,862
Employee benefits	102,465	94,993	101,631	102,465	101,631
Deferred taxation	2,154,489	1,255,091	2,009,632	2,219,228	2,074,371
Total Non- Current Liabilities	9,168,561	5,954,581	9,583,725	9,233,300	9,648,464
Current Liabilities					
Trade and other payables	654,431	573,555	787,153	662,298	795,692
Amounts due to related companies	211,726	94,014	176,403	211,726	176,403
Refundable deposits	902,155	1,076,857	885,915	902,155	885,915
Current taxation	453,799	979,861	983,505	453,799	983,505
Debentures (Note 4)	320,626	284,608	331,964	320,626	331,964
Loans and borrowings	4,767,232	6,305,129	4,243,914	4,767,232	4,243,914
Bank overdrafts	1,268,279	642,313	1,528,874	1,268,279	1,528,876
Total Current Liabilities	8,578,248	9,956,337	8,937,728	8,586,114	8,946,267
Total Liabilities	17,746,809	15,910,918	18,521,453	17,819,414	18,594,731
Total Equity and Liabilities	26,147,720	23,331,162	26,339,436	26,325,264	26,521,313
Net assets per ordinary share (Rs.)	105.01	92.75	97.72	106.32	99.08

The above figures are provisional and subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

D.R.P. Goonetilleke

Director - Finance

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

Approved and signed on behalf of the Managers

(Sgd.)

A. Weeratunge

Director

(Sgd.)

S.K. Shah

Director

(Sgd.)

C.T. Liyanage

Director

Carsons Management Services (Private) Limited

7th August 2015

LION BREWERY (CEYLON) PLC**CONDENSED STATEMENT OF COMPREHENSIVE INCOME - COMPANY**

<i>In Sri Lankan Rs. '000s</i>	Three months ended		Change %	Year ended 31.03.2015 (Audited)
	30.06.2015	30.06.2014		
Revenue	9,136,753	6,895,266	33	32,350,375
Cost of sales	(6,908,748)	(5,097,478)	36	(24,217,959)
Gross Profit	2,228,005	1,797,788	24	8,132,416
Other income	2,361	2,124	11	234,749
	2,230,367	1,799,912	24	8,367,165
Distribution expenses	(860,656)	(777,370)	11	(3,670,066)
Administrative expenses	(242,548)	(164,624)	47	(885,649)
Other expenses	(69,281)	(42,907)	61	(199,311)
Loss / impairment on disposal of PPE	-	-	-	(274,514)
Profit From Operations Before Expenses Relating to New Investment	1,057,881	815,011	30	3,337,625
Expenses relating to new investment	-	-	-	(460,188)
Profit Before Finance Cost	1,057,881	815,011	30	2,877,437
Finance income	34,209	123,158	(72)	222,302
Finance costs	(294,597)	(196,180)	50	(820,350)
Net Finance (Costs)/Income	(260,388)	(73,022)	257	(598,048)
	797,493	741,989	7	2,279,389
Profit Before Taxation	797,493	741,989	7	2,279,389
Income tax expenses	(214,565)	(254,111)	(16)	(1,065,776)
Profit After Taxation	582,928	487,878	19	1,213,613
Remeasurement of employee benefit obligations	-	-	-	(7,996)
Total Comprehensive Income for the year	582,928	487,878	19	1,205,617
Earnings per ordinary share (Rs.)	7.29	6.10		15.17

The above figures are provisional and subject to audit.

LION BREWERY (CEYLON) PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME - GROUP

<i>In Sri Lankan Rs. '000s</i>	Three months Ended 30.06.2015	Year ended 31.03.2015 (Audited)
Revenue	9,136,753	32,350,375
Cost of sales	(6,908,748)	(24,217,959)
Gross Profit	2,228,005	8,132,416
Negative Goodwill	-	153,892
Other income	7,490	239,193
	2,235,495	8,525,501
Distribution expenses	(860,656)	(3,680,025)
Administrative expenses	(251,332)	(1,019,148)
Other expenses	(69,281)	(199,311)
Loss / impairment on disposal of PPE	-	(302,786)
Profit From Operations Before Expenses Relating to New Investment	1,054,225	3,324,231
Expenses relating to new investment	-	(339,811)
Profit Before Finance Cost	1,054,225	2,984,420
Finance income	34,209	222,302
Finance costs	(294,602)	(820,355)
Net Finance (Costs)/Income	(260,393)	(598,053)
Profit Before Taxation	793,832	2,386,367
Income tax expenses	(214,565)	(1,056,047)
Profit After Taxation	579,267	1,330,320
Remeasurement of employee benefit obligations	-	(7,996)
Total Comprehensive Income for the year	579,268	1,322,324
Earnings per ordinary share (Rs.)	7.24	16.63

The above figures are provisional and subject to audit.

LION BREWERY (CEYLON) PLC

STATEMENT OF CHANGES IN EQUITY

<i>In Rs.'000s</i>	Stated Capital	Revaluation Reserve	Retained Earnings	Total Equity
Company				
Balance as at 1st April 2014	2,537,801	719,411	3,675,154	6,932,366
Total Comprehensive income for the period				
Profit for the period	-	-	487,878	1,342,133
Total other comprehensive income	-	-	-	-
Total Comprehensive income for the period	-	-	487,878	1,342,133
Transactions with owners, recorded directly in equity contribution by				
Ordinary dividends	-	-	-	(320,000)
Preference dividends	-	-	-	-
Balance as at 30th June 2014	2,537,801	719,411	4,163,032	7,420,244
Balance as at 1st April 2014	2,537,801	719,411	3,675,154	6,932,366
Total Comprehensive income for the year				
Profit for the year	-	-	1,213,613	1,213,613
Total other comprehensive loss	-	-	(7,996)	(7,996)
Total Comprehensive income for the year	-	-	1,205,617	1,205,617
Transactions with owners, recorded directly in equity contribution by and distribution to owners				
Ordinary dividends	-	-	(320,000)	(320,000)
Balance as at 31st March 2015	2,537,801	719,411	4,560,771	7,817,983
Balance as at 1st April 2015	2,537,801	719,411	4,560,771	6,932,366
Total Comprehensive income for the period				
Profit for the period	-	-	582,928	582,928
Total other comprehensive income	-	-	-	-
Total Comprehensive income for the period	-	-	5,143,699	5,143,699
Transactions with owners, recorded directly in equity contribution by and distribution to owners				
Ordinary dividends	-	-	-	-
Preference dividends	-	-	-	-
Balance as at 30th June 2015	2,537,801	719,411	5,143,699	8,400,911
GROUP				
On consolidation	2,537,801	719,411	3,675,154	6,932,366
Total Comprehensive Income				
Profit for the year	-	-	1,330,320	1,330,320
Other comprehensive loss for the year	-	-	(7,996)	(7,996)
Total Comprehensive income for the year	-	-	1,322,324	1,322,324
Share issue costs			(8,108)	(8,108)
Transactions with owners, recorded directly in equity contribution by and distribution to owners				
Dividends	-	-	(320,000)	(320,000)
Balance as at 31st March 2015	2,537,801	719,411	4,669,370	7,926,582
Balance as at 1st April 2015	2,537,801	719,411	4,669,370	7,926,582
Total Comprehensive Income				
Profit for the period	-	-	579,268	579,268
Other comprehensive loss for the period	-	-	-	-
Total Comprehensive income for the period	-	-	579,268	579,268
Transactions with owners, recorded directly in equity contribution by and distribution to owners				
Dividends	-	-	-	-
Balance as at 30th June 2015	2,537,801	719,411	5,248,638	8,505,850

LION BREWERY (CEYLON) PLC**CASH FLOW STATEMENT**

<i>In Sri Lankan Rs. '000s</i>	Company		Group	
	30.06.2015	31.03.2015 (Audited)	30.06.2015	31.03.2015 (Audited)
Net cash generated from operating activities	1,499,892	3,153,714	1,501,467	3,354,345
Net cash used in investing activities	(456,810)	(7,982,060)	(412,912)	(8,095,595)
Net cash generated used in financing activities	(40,096)	(524,096)	(40,096)	(532,204)
Net increase / (decrease) in cash & cash equivalents	1,002,987	(5,352,442)	1,048,460	(5,273,454)
Cash & cash equivalents at the beginning of the period	703,656	6,056,098	782,642	6,056,098
Cash & cash equivalents at the end of the period	1,706,643	703,656	1,831,102	782,644

Analysis of Cash & cash equivalents

Cash and cash equivalents	2,974,922	2,232,530	3,099,381	2,311,518
Bank overdraft	(1,268,279)	(1,528,874)	(1,268,279)	(1,528,874)
Cash & cash equivalents at the end of the period	1,706,643	703,656	1,831,102	782,644

The above figures are provisional and subject to audit.

LION BREWERY (CEYLON) PLC

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Lion Brewery (Ceylon) PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and is listed on the Colombo Stock Exchange. The parent company is Ceylon Beverage Holdings PLC and the ultimate parent company is Bukit Darah PLC. The registered office of the Company is situated at No 61, Janadhipathi Mawatha, Colombo 01 and the principal place of business is situated at No 254, Colombo Road, Biyagama.

The Interim Consolidated Financial Statements comprise of the Company and its subsidiaries (together referred to as the "Group" and individually Group entities). The subsidiaries of the Company are set out below.

Subsidiary	Controlling interest	Note
Pearl Springs (Private) Limited	100%	"PSPL"
Millers Brewery Limited	100%	100% Subsidiary of PSPL

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The condensed Interim Financial Statements of the Company and Group have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 – Interim Financial Reporting. This Interim Financial Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2015 including the changes to accounting policies as a result of adapting to Sri Lanka Financial Reporting Standards, (" SLFRSs/LKASs ")

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following;

- Freehold Land and buildings are measured at cost at the time of acquisition and construction and subsequently at revalued amounts, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.

- Employee benefits are recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

2.3 Functional Currency and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees Thousands (Rs.'000s) which is the Group's functional currency, unless otherwise indicated.

3 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Finance Commitments

Document credits established for foreign purchases of the Company as at 30th June 2015 amounts to Rs. 304,130,508/- (2014 - Rs. 84,906,321/-)

3.2 Contingencies

(a) Contingent liabilities as at 30th June 2015 amount to Rs. 22,217,337/- (2014 -Rs. 139,232,961/-), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

Following legal matter is outstanding against the company and no provision has been made in the Financial Statements to this regard.

The Customs Department instituted a prosecution in the Magistrate's Court of Kaduwela in Case No. 11303/Customs against the company and its directors to recover Excise Duty amounting to Rs. 58,753,582/94 comprising of the disputed Excise Duty of Rs. 29,376,791/47 and its penalty of Rs. 29,376,791/47. The Company and the directors have filed an application for Writ in the Court of Appeal to quash the Certificate Excise Duty in Default issued by the DG of Customs and Excise Duty to recover the said sum and obtained a Stay Order in respect of the proceedings of the MC Kaduwela Case. The Court of Appeal made an order against the Company refusing the writ of certiorari prayed for and the Company has now preferred an appeal against the said order to the Supreme Court. Matter is currently at the stage of arguments.

LION BREWERY (CEYLON) PLC

NOTES TO THE FINANCIAL STATEMENTS

3.2 Contingencies

(b)As per interim Budget 2015 passed by the Parliament of Sri Lanka on 07th February 2015 it was proposed that a one off 25% Super Gain Tax (SGT) is to be imposed on companies based on either profits of (a) the company or (b) at the consolidated level if in a Group, if the profit before income tax is in excess of Rs. 2,000 million as per the Audited Financial Statements in the Financial Year 2013/14. The Bill in respect of the above budget proposal was issued on 30th March 2015. The consolidated profit before tax of Carson Cumberbatch PLC (of which Lion Brewery Ceylon PLC is a subsidiary) exceeds this threshold. Accordingly, the Company will become liable for SGT based on the taxable income . However, as of the date of authorizing the Financial Statements by the Board of Directors, this bill has not been passed in the Parliament. In the event the Bill is enacted as law in the future, the Company which has a taxable income for the year of assessment 2013/14 will become liable to pay SGT.

(c)An assessment has been received for Rs. 74,676,206/- from the Department of Inland Revenue to Millers Brewery Limited for income tax for the financial year 2011/12. As this pertains to the period when Millers Brewery was owned by Cargills Ltd, a bank guarantee has been provided by the previous owner Cargills Ltd to absolve the Millers Brewery Limited from any tax loss.

4 Debentures

The Company issued 3,000,000 Rated Unsecured Redeemable Debentures at the face value of Rs. 1,000/- each to raise Rs. 3,000,000,000/- on 17th June 2013. The interest is paid on 30th June, 30th September, 31st December and 31st March for a period of 5 years.

The Company further issued 20,000,000 rated Unsecured Redeemable Debentures (Category 3 - Type I) at a face value of Rs. 100/- each to raise Rs. 2,000,000,000/- on 8th December 2014. The interest is paid on 30th September and 31st March for a period of 5 years.

The categories of Debentures and its proportion of the different types of debentures in each category are as follows.

	Rs. 000's
Category 01 Debentures - Floating Rate (Note 4.1)	603,600
Category 02 & 03 Debentures - Fixed Rate (Note 4.2)	3,994,000
	<u>4,597,600</u>

4.1 Category 01 Debentures - Floating Rate

Debentures Category	Amount Rs. ('000)	Proportion (From and out of the Category 02 Debentures issued)	Interest Rate (per annum)	Redemption From the Date of Allotment
Category 01 -Type C	201,200	20%	AWPLR + 0.60%	36 Months (3 Years)
Category 01 -Type D	201,200	20%	AWPLR + 0.80%	48 Months (4 Years)
Category 01 -Type E	201,200	20%	AWPLR + 1.10%	60 Months (5 Years)
Total	603,600			

Category 01 -Type B debentures amounting to Rs. 201,200,000/- were redeemed on June 16, 2015.

4.2 Category 02 & 03 Debentures - Fixed Rate

Debentures Category	Amount Rs. ('000)	Proportion (From and out of the Category 02 Debentures issued)	Interest Rate (per annum)	AER (per annum)	Redemption From the Date of Allotment
Category 02 - Type F	598,200	30%	13.50%	14.20%	36 Months (3 Years)
Category 02 - Type G	598,200	30%	13.75%	14.48%	48 Month (4 Years)
Category 02 - Type H	797,600	40%	14.00%	14.75%	60 Months (5 Years)
Category 03 - Type I	2,000,000	N/A	7.85%	8.00%	60 Months (5 Years)
Total	3,994,000				

LION BREWERY (CEYLON) PLC

NOTES TO THE FINANCIAL STATEMENTS

4 Debentures (Contd.)

4.3 Composition of Debentures and Interest Payable

Rs. ('000)

Classified Under Non Current Liabilities

Total debentures on issue (Category 1, 2 & 3)	4,597,600
Debentures falling due within one year/Category Type B	(201,200)
Debentures falling due after one year	<u>4,396,400</u>

Classified Under Current Liabilities

Debentures falling due within one year/Category Type B	201,200
Interest payable	119,426
	<u>320,626</u>

4.4 Debenture trading information

	Quarter Ended - 30.06.2015			Quarter Ended - 31.03.2015		
	Highest price (Rs.)	Lowest price (Rs.)	Last Traded Price (Rs.)	Highest price (Rs.)	Lowest price (Rs.)	Last Traded Price (Rs.)
Debentures issued on 17th Jun 2013 (Rs.1,000/- par value)						
Type B - Floating Rate - 2 Year	N/T	N/T	N/T	N/T	N/T	N/T
Type C - Floating Rate - 3 Year	N/T	N/T	N/T	N/T	N/T	N/T
Type D - Floating Rate - 4 Year	N/T	N/T	N/T	N/T	N/T	N/T
Type E - Floating Rate - 5 Year	N/T	N/T	N/T	N/T	N/T	N/T
Type F - Fixed Rate - 3 Year	1,057	1,057	1,057	1,074	1,074	1,074
Type G - Fixed Rate - 4 Year	N/T	N/T	N/T	1,118	1,118	1,118
Type H - Fixed Rate - 5 Year	N/T	N/T	N/T	1,160	1,160	1,160
Debentures issued on 11th Dec 2014 (Rs.100/- par value)						
Type I - Fixed Rate - 5 Year	N/T	N/T	N/T	N/T	N/T	N/T

N/T - Not traded during the quarter.

Debenture Trading Information

	Quarter Ended - 30.06.2015	Quarter Ended - 31.03.2015
Interest yield of last trade done (%)		
Debentures issued on 17th Jun 2013 (Rs.1,000/- par value)		
Type F - Fixed Rate - 3 Year	12.77%	12.57%
Type G - Fixed Rate - 4 Year	N/T	12.30%
Type H - Fixed Rate - 5 Year	N/T	12.06%

	Quarter Ended - 30.06.2015	Quarter Ended - 31.03.2015
Yield to maturity of last trade done (%)		
Debentures issued on 17th Jun 2013 (Rs.1,000/- par value)		
Type F - Fixed Rate - 3 Year	7.77%	7.29%
Type G - Fixed Rate - 4 Year	N/T	4.10%
Type H - Fixed Rate - 5 Year	N/T	1.08%

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****4 Debentures (Contd.)****4.4 Debenture trading Information**

Interest rate of comparable government securities(%)	As at - 30.06.2015
03 year treasury bonds	7.18%
04 year treasury bonds	7.67%
05 year treasury bonds	8.16%

Debt related ratios - Company	Period Ended 30.06.2015
Debt/equity ratio (times)	1.43
Quick asset ratio (%)	58%
Interest cover (times)	4.06

5 SEGMENTAL ANALYSIS

The Company does not distinguish its products into significant components for different Geographical / Business segments as the differentiations are insignificant.

6 COMPARATIVE FIGURES

Comparative figures/information have been restated/reclassified where necessary in line with the changes to the new Sri Lanka Accounting Standards (SLFRS/LKAS).

7 EVENTS AFTER THE REPORTING PERIOD**Dividends**

The Board of Directors recommended a First and Final dividend of Rs. 4/-per ordinary share for the year ended 31st March 2015 which was approved at the Annual General Meeting held on 23rd July 2015.

Apart from the above , subsequent to the reporting date, no circumstances have arisen which required adjustment to or disclosure in the Financial Statements.

8 INVESTOR INFORMATION

Investor Information	Quarter Ended		Year Ended
	30.06.2015	30.06.2014	31.03.2015
1 Share Information			
Price as at the end of the period (Rs.)	620.20	450.00	600.00
Highest price (Rs.)	700.00	480.00	740.00
Lowest price (Rs.)	601.00	370.00	370.00
2 Trading Statistics			
No of Transactions	111	270	1,330
No of Shares traded	61,467	44,546	1,715,781
Value of all shares traded (Rs. Mn.)	39	19	1,038

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****9 TWENTY MAJOR SHAREHOLDERS AS AT 30th JUNE 2015**

	Name of Shareholder	No.of Shares	%
1	CEYLON BEVERAGE HOLDINGS PLC	41,798,788	52.25
2	CARLSBERG BREWERY MALAYSIA BERHAD	19,979,686	24.97
3	CARSON CUMBERBATCH PLC A/C NO.2	4,107,793	5.13
4	HSBC INTL NOM LTD -SSBT -WASATCH FRONTIER EMERGING SMALL COUNTRIES FUND	2,256,243	2.82
5	HSBC INTL NOM LTD-MSCO-ROUTE ONE OFFSHORE MASTER FUND, LP	1,635,774	2.04
6	HSBC INTL NOM LTD-MSCO-ROUTE ONE FUND 1,L.P.	1,558,802	1.95
7	CACEIS BANK LUXEMBOURG S/A BARCA GLOBAL MASTER FUND LP	1,473,118	1.84
8	CARSON CUMBERBATCH PLC A/C NO. 01	1,400,758	1.75
9	BUKIT DARAH PLC A/C NO 2	1,300,000	1.63
10	GF CAPITAL GLOBAL LIMITED	1,265,199	1.58
11	CB NY S/A WASATCH FRONTIER EMERGING SMALL COUNTRIES CIT FUND	410,139	0.51
12	HSBC INTL NOM LTD-BP2S SINGAPORE-BNP PARIBAS BANK AND TRUST CAYMAN LIMITED AS TRUSTEE FOR HARVEST FUNDS (CAYMAN) - ASIA FRONTIER EQUITY FUND	322,394	0.40
13	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	300,000	0.38
14	HSBC INTERNATIONAL NOMINEES LTD-MORGAN STANLEY AND CO INTL PLC - OWN A/C	200,000	0.25
15	MELLON BANK N.A.-COMMONWEALTH PEN PUB SCHOOL	166,193	0.21
16	PORTELET LIMITED	161,920	0.20
17	TRANZ DOMINION,L.L.C.	129,251	0.16
18	NEWGREENS LIMITED	83,200	0.10
19	UNION ASSURANCE PLC/ACCOUNT NO. 05 (UNIT-LINKED LIFE INSURANCE FUND - EQUITY TRACKER FUND)	71,527	0.09
20	PEOPLE'S LEASING & FINANCE PLC/K.L.UDAYANANDA	55,179	0.07

10 PUBLIC HOLDING

Ordinary Shares of the Company held by the public as at 30th June 2015 are as follows;

Number of Public Shareholders	1,116
Percentage of Public holding	13.95%

11 DIRECTOR'S SHAREHOLDINGS

As at 30th June 2015	No. of Shares
Mr. L.C.R. de C. Wijetunge (Chairman)	-
Mr. H. Selvanathan (Deputy Chairman)	1,579
Mr. S. K. Shah (Chief Executive Officer)	6,016
Mr. D.C.R. Gunawardena	34
Mr. C. T. Liyanage	2,500
Mr. D. R. P. Goonetilleke	-
Mr. K. Selvanathan (Director / Alternate Director to H. Selvanathan)	-
Mrs. S.J.F. Evans	-
Mr. H.J.Andersen	-
Mr. D. A. Cebraal	-
Mr. Y.F.Lew	-

12 STATED CAPITAL

The Company's stated capital consists of 80,000,000 ordinary shares.

LION BREWERY (CEYLON) PLC

NOTES TO THE FINANCIAL STATEMENTS

13 RELATED PARTY TRANSACTIONS

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard LKAS 24 - 'Related Party Disclosures', the details of which are reported below.

(A) Transactions with parent company - Ceylon Beverage Holdings PLC

Messrs. L.C.R.de C.Wijetunge, H.Selvanathan, S.K.Shah, D.C.R.Gunawardena, Mr. D. A. Cabraal, Mr. H.J.Andersen Directors of the Company are also Directors of Ceylon Beverage Holdings PLC, with which the following contracts / transactions have been entered into during the period by the Company in the normal course of business.

- (i) As per the licensed brewing agreement with Ceylon Beverage Holdings PLC, the Company was charged Rs. 34,576,925/- (2014 - Rs. 33,898,698/-) as royalty during the period.
- (ii) No balance was receivable / payable to the Company from Ceylon Beverage Holdings PLC as at 30th June 2015 . (Payable 2014 - Rs. 10,844,090/-)

(B) Transactions with Fellow Subsidiary - Pubs 'N Places (Private) Limited

Messrs. S.K. Shah and D.R.P. Goonetilleke, Directors of the Company are also Directors of Pubs 'N Places (Private) Limited, to which the Company sold beer for a total value of Rs. 42,538,043/- during the period. (2014 - 47,201,462/-)

- (i) An amount of Rs. 7,590,575/- was paid by the Company to Pubs 'N Places (Private) Limited as trade rebates on beer purchases during the period. (2014- Nil)
- (ii) No balance was receivable / payable to the Company by Pubs 'N Places (Private) Limited as at 30th June 2015 . (2014 - Nil)

(C) Transactions with Fellow Subsidiary - Retail Spaces (Private) Limited

Messrs. S.K. Shah and D.R.P. Goonetilleke, Directors of the Company are also Directors of Retail Spaces (Private) Limited, to which the Company sold beer for a total value of Rs. 45,652,085/- (2014 - Rs. 36,231,895/-) during the period.

No balance was receivable / payable to the Company by Retail Spaces (Private) Limited as at 30th June 2015 . (2014 - Nil)

(D) Transactions with Fellow Subsidiary - Luxury Brands (Private) Limited

Messrs. S.K. Shah and D.R.P. Goonetilleke, Directors of the Company are also Directors of Luxury Brands (Private) Limited, for which the Company provided management services for a management fee amounting to Rs. 2,111,993/-. (2014 - Rs. 2,355,830/-)

An amount of Rs.186,139,188/- was receivable from Luxury Brands (Private) Limited to the Company as at 30th June 2015 . (2014 - Rs. 262,467,034/-)

(E) Transactions with Subsidiary - Pearl Springs (Private) Limited

Messrs. D.R.P. Goonetilleke & C.T Liyanage, Directors of the Company are also Directors of Pearl Springs (Private) Limited.

An amount of Rs. 120,377,019/- was receivable from Pearl Springs (Private) Limited to the Company as at 30th June 2015. (2014 - N/A)

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****13 RELATED PARTY TRANSACTIONS (Contd.)****(F) Transactions with Sub Subsidiary - Millers Brewery Limited**

Messrs. D.R.P. Goonetilleke & C.T Liyanage, Directors of the Company are also Directors of Millers Brewery Limited.

(i) During the period the company purchased the following assets from Millers Brewery Limited

Asset Class	Carrying value (Rs.)	Purchase Cost (Rs.)
Plant & machinery	17,114,254	17,124,454
Bottles (625ML)	26,784,000	26,784,000
Total	43,898,254	43,908,454

(ii) An amount of Rs. 2,850,000/- was charged as Rent fee for warehouse services provided by Millers Brewery Limited to the Company during the period. (2014 - Nil).

(iii) No balance was receivable / payable to the Company by Millers Brewery Limited as at 30th June 2015. (2014 - N/A)

(G) Transactions with Group entities

Messrs. H.Selvanathan, S.K.Shah and K. Selvanathan, Directors of the Company, are also Directors of Carsons Management Services (Private) Ltd., which provides supporting services to the Company. An amount of Rs. 79,473,818/- (2014 - Rs. 58,607,795/-) was charged by Carsons Management Services (Private) Limited to the Company during the period, which included supporting services fees of Rs. 66,543,483/- (2014 - 57,448,970/-) and other reimbursable expenses incurred by Carsons Management Services (Private) Limited on behalf of the Company.

An amount of Rs. 57,881,905/- payable to Carsons Management Services (Private) Limited as at 30th June 2015. (2014 - nil).

(H) Transactions with other related entities

(a) Messrs. H.J.Andersen, Director of the Company represents Carlsberg Brewery Malaysia Berhad with which the following contracts / transactions have been entered into during the period by the Company in the normal course of business.

(i) As per the licensed brewing agreement, a sum of Rs. 35,323,474/- (2014 - Rs. 28,518,020/-) was charged as royalty during the period by Carlsberg A/S.

(ii) During the period the Company purchased a part of its requirement of the raw material Aroma Hops from Carlsberg A/S amounting to Rs. 1,933,349/- (2014 - Rs. 1,488,081/-).

(iii) An amount of Rs. 211,726,068/- remains payable to Carlsberg A/S as at 30th June 2015 (2014 - Rs. 83,169,798/-).

(b) The Company purchases a part of its requirement of the raw material rice from Ran Sahal (Private) Limited. The entire production of Ran Sahal (Private) Limited is exclusively sold to the Company. Towards this the Company advances funds to Ran Sahal (Private) Limited from time to time against future purchases. During the period the Company purchased rice for an amount of Rs. 316,976,685/- (2014 - Rs.65,649,825/-). As at the reporting date an amount of Rs. 100,588,460/- (2014 - Rs. 91,717,451/-) has been advanced to Ran sahal (Private) Limited which remains to be settled against future purchases.

(c) Messrs D.C.R. Gunawardena, Director of the Company, is also a Director of following companies with which the Company entered into transactions.

(i) An amount of Rs. 10,285/- has been charged as parking fees to Equity Two PLC. (2014 - Rs.6,857/-)

(ii) No transactions were carried out with Equity One PLC during the period. (2014- Rental fee Rs. 17,714/-)

(d) Messrs D.C.R. Gunawardene and Mr. H. Selvanathan, Directors of the Company, are also Directors of following companies with which the Company entered into transactions.

(i) No transactions were carried out with Carsons Air Line Services (Private) Limited during the period (2014 - Air tickets purchase 43,400/-).

(ii) No transactions were carried out with Pegasus Hotels of Ceylon PLC during the period (2014 - Hotel services Rs. 10,000/-).

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****13 RELATED PARTY TRANSACTIONS (Contd)**

- (e) Mr. D.A. Cabraal, Director of the Company is also a Director of the HNB PLC, with which the Company transacted during the period as described below.

Category	2015 (Rs.)	2014 (Rs.)
Short term loan interest expense	1,391,712	92,238,082
Overdraft interest expense	53,129	3,814
Fixed deposit interest income	2,926,027	-

Short term loans	2015 (Rs.)	2014 (Rs.)
Opening balance	650,000,000	4,400,000,000
Short term loans obtained	450,000,000	-
Short term loans repaid	(1,100,000,000)	(400,000,000)
Balance as at period end	-	4,000,000,000

Fixed Deposits	2015 (Rs.)	2014 (Rs.)
Opening balance	202,200,000	252,239,578
Fixed deposits placed	502,633,425	-
Fixed deposits matured	-	-
Balance as at period end	704,833,425	252,239,578

- (f) Mr. L.C.R. de C. Wijetunge, director of the Company, is also a director of Janashakthi Insurance PLC for which the Company has paid Rs. 102,323/- for its services during the period. (2014 - 13,490,952/-).

(I) Transactions with key management personnel (KMP)

According to Sri Lanka Accounting Standard 24 "Related Party Disclosures", key management personnel are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company and its parent company (including executive and non executive directors) and their immediate family members have been classified as KMP of the Company.

The compensation paid to key management personnel consist of short-term employment benefits and no other payments such as post-employment benefits, terminal benefits and share based payments have been paid to key management personnel during the period.

LION BREWERY (CEYLON) PLC

Corporate Information

NAME OF COMPANY

Lion Brewery (Ceylon) PLC
(A Carson Cumberbatch Company)

COMPANY REGISTRATION NUMBER

PQ 57

LEGAL FORM

A Public Quoted Company with Limited Liability.
Incorporated in Sri Lanka in 1996
Official listing of the Colombo Stock Exchange obtained in 1997

SUBSIDIARY COMPANY

Pearl Springs (Private) Limited
Millers Brewery Limited

PARENT AND CONTROLLING ENTITY

Ceylon Beverage Holdings PLC is the immediate Parent Company of Lion Brewery (Ceylon) PLC. In the opinion of the Directors, Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC

DIRECTORS

L. C. R. de C.Wijetunge (Chairman)
H. Selvanathan (Deputy Chairman)
S. K. Shah (Chief Executive Officer)
D.C.R.Gunawardena
C.T. Liyanage
D. R. P. Goonetilleke
K. Selvanathan (Director / Alternate Director to H. Selvanathan)
Mrs. S.J.F.Evans
H.J.Andersen
D. A. Cabraal
Y.F.Lew

BANKERS

Citibank
Commercial Bank
Deutsche Bank
DFCC Bank
Hatton National Bank
HSBC
Nations Trust Bank
National Development Bank
Standard Chartered Bank
Sampath Bank
Peoples' Bank

LEGAL ADVISERS

Messrs. F. J. & G. De Saram
216, De Saram Place
Colombo 10, Sri Lanka
Tel: +94 11 4718 200
Fax:+94 11 4718 220

AUDITORS

Messrs. KPMG
Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha
Colombo 3, Sri Lanka
Tel: +94 11 5426 426
Fax:+94 11 2445 872

MANAGERS & SECRETARIES

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha
Colombo 01, Sri Lanka
Tel : +94 11 2039 200
Fax: +94 11 2039 300

REGISTERED OFFICE

No. 61, Janadhipathi Mawatha
Colombo 01, Sri Lanka
Tel : +94 11 2039 200
Fax: +94 11 2039 300

CORPORATE OFFICE & BREWERY

254, Colombo Road, Biyagama, Sri Lanka
Tel : +94 11 2465 900 (10 Lines)
Fax : +94 11 2465 901

GROUP WEBSITE

www.carsoncumberbatch.com