

Lion Brewery (Ceylon) PLC

**Interim Condensed Financial Statements
for the Fourth Quarter ended
31st March 2016**

LION BREWERY (CEYLON) PLC

BOARD OF DIRECTORS AS AT 31ST MARCH 2016

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 31st March In Rs.'000s	Company	
	2016	2015 (Audited)

ASSETS

Non- Current Assets

Property, plant & equipment	14,385,080	13,792,402
Intangible assets	4,157,316	4,205,582
Investments in subsidiaries	1,029,623	1,029,623
Total Non-Current Assets	19,572,019	19,027,607

Current Assets

Inventories	2,079,960	2,798,064
Trade and other receivables	1,660,862	1,845,855
Amounts due from related companies	301,310	376,720
Assets held for sale	-	58,660
Cash and cash equivalents	3,621,359	2,232,530
Total Current Assets	7,663,491	7,311,829
Total Assets	27,235,510	26,339,436

EQUITY AND LIABILITIES

Equity

Stated capital	2,537,801	2,537,801
Capital reserves	719,411	719,411
Revenue reserves	6,082,394	4,560,771
Total Equity	9,339,606	7,817,983

Non- Current Liabilities

Debentures (Note 4)	3,798,200	4,597,600
Loans and borrowings	3,223,615	2,874,862
Employee benefits	108,578	101,631
Deferred taxation	2,752,673	2,009,632
Total Non- Current Liabilities	9,883,066	9,583,725

Current Liabilities

Trade and other payables	671,142	787,153
Amounts due to related companies	194,319	176,403
Refundable deposits	987,168	885,915
Current taxation	1,065,106	983,505
Debentures (Note 4)	958,699	331,964
Loans and borrowings	2,950,032	4,243,914
Bank overdrafts	1,186,372	1,528,874
Total Current Liabilities	8,012,838	8,937,728
Total Liabilities	17,895,904	18,521,453
Total Equity and Liabilities	27,235,510	26,339,436

Net assets per ordinary share (Rs.) **116.75** **97.72**

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

Carsons Management Services (Private) Limited

12th May 2016

(Sgd.)

S.K. Shah

Director

(Sgd.)

C.T. Liyanage

Director

LION BREWERY (CEYLON) PLC
CONDENSED STATEMENT OF FINANCIAL POSITION

	Group	
As at 31st March In Rs.'000s	2016	2015 (Audited)

ASSETS

Non- Current Assets

Property, plant & equipment	15,448,755	14,583,827
Intangible assets	4,157,316	4,205,582
Total Non-Current Assets	19,606,071	18,789,409

Current Assets

Inventories	2,079,960	2,798,064
Trade and other receivables	1,685,768	1,874,085
Amounts due from related companies	301,310	256,342
Assets held for sale	5,200	491,895
Cash and cash equivalents	3,704,225	2,311,518
Total Current Assets	7,776,463	7,731,904
Total Assets	27,382,534	26,521,313

EQUITY AND LIABILITIES

Equity

Stated capital	2,537,801	2,537,801
Capital reserves	719,411	719,411
Revenue reserves	6,157,044	4,669,370
Total Equity	9,414,256	7,926,582

Non- Current Liabilities

Debentures (Note 4)	3,798,200	4,597,600
Loans and borrowings	3,223,615	2,874,862
Employee benefits	108,578	101,631
Deferred taxation	2,817,412	2,074,371
Total Non- Current Liabilities	9,947,805	9,648,464

Current Liabilities

Trade and other payables	678,706	795,692
Amounts due to related companies	194,319	176,403
Refundable deposits	987,168	885,915
Current taxation	1,065,177	983,505
Debentures (Note 4)	958,699	331,964
Loans and borrowings	2,950,032	4,243,914
Bank overdrafts	1,186,372	1,528,874
Total Current Liabilities	8,020,473	8,946,267
Total Liabilities	17,968,278	18,594,731
Total Equity and Liabilities	27,382,534	26,521,313

Net assets per ordinary share (Rs.)	117.68	99.08
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The above figures are provisional and subject to audit.

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

<i>In Sri Lankan Rs. '000s</i> As at 31st March	Three months ended		Change %	Year Ended		Change %
	31.03.2016	31.03.2015		31.03.2016	31.03.2015 (Audited)	
Revenue	8,357,946	9,473,106	(12)	35,526,379	32,350,375	10
Cost of sales	(6,541,729)	(7,333,421)	(11)	(26,710,333)	(24,217,959)	10
Gross Profit	1,816,217	2,139,685	(15)	8,816,045	8,132,416	8
Other income	2,515	224,983	(99)	17,315	234,749	- 93
	1,818,732	2,364,668	(23)	8,833,361	8,367,165	6
Distribution expenses	(895,598)	(1,128,983)	(21)	(3,505,996)	(3,670,066)	- 4
Administrative expenses	(287,373)	(262,265)	10	(1,094,109)	(885,649)	24
Other expenses	(61,604)	(94,050)	(34)	(312,518)	(199,311)	57
Loss / impairment on disposal of PPE	-	(274,514)	(100)	-	(274,514)	- 100
Profit From Operations Before Expenses Relating to New Investment	574,157	604,857	(5)	3,920,737	3,337,625	17
Expenses relating to new investment	-	(460,188)	(100)	-	(460,188)	- 100
Profit Before Finance Cost	574,157	144,669	297	3,920,737	2,877,437	36
Finance income	77,895	25,996	200	274,164	222,302	23
Finance costs	(290,964)	(218,794)	33	(1,193,276)	(820,350)	45
Net Finance (Costs)/Income	(213,069)	(192,798)	11	(919,112)	(598,048)	54
Profit Before Taxation	361,088	(48,129)	(850)	3,001,626	2,279,389	32
Income tax expenses	17,635	(280,864)	(106)	(879,301)	(1,065,776)	- 17
Profit After Taxation	378,723	(328,993)	(215)	2,122,325	1,213,613	75
Remeasurement of employee benefit obligations	7,491	(7,996)	-	7,491	(7,996)	-
Total Comprehensive Income for the period	386,214	(336,989)	(215)	2,129,816	1,205,617	77
Earnings per ordinary share (Rs.)	4.73	(4.11)		26.53	15.17	
Dividends per ordinary share (Rs.)					4.00	

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> As at 31st March	Three months	Three months	Change %	Year Ended		Change %
	Ended 31.03.2016	Ended 31.03.2015		31.03.2016	31.03.2015	
Revenue	8,357,946	9,473,106	(12)	35,526,379	32,350,375	10
Cost of sales	(6,541,728)	(7,333,421)	(11)	(26,710,333)	(24,217,959)	10
Gross Profit	1,816,218	2,139,685	- 15	8,816,046	8,132,416	8
Negative Goodwill	-	-	-	-	153,892	
Other income	14,244	228,821	(94)	37,946	239,193	(84)
	1,830,462	2,368,506	(23)	8,853,992	8,525,502	4
Distribution expenses	(895,598)	(1,138,942)	(21)	(3,505,996)	(3,680,025)	(5)
Administrative expenses	(316,866)	(280,035)	13	(1,148,607)	(1,019,148)	13
Other expenses	(61,604)	(94,050)	(34)	(312,518)	(199,311)	57
Loss / impairment on disposal of PPE	-	(302,786)	0	-	(302,786)	0
Profit From Operations Before Expenses Relating to New Investment	556,395	552,693	1	3,886,871	3,324,232	17
Expenses relating to new investment	-	(339,811)	- 100	-	(339,811)	
Profit Before Finance Cost	556,395	212,882	161	3,886,871	2,984,421	
Finance income	77,895	25,996	200	274,164	222,302	23
Finance costs	(290,966)	(218,799)	33	(1,193,285)	(820,355)	45
Net Finance (Costs)/Income	(213,071)	(192,802)	11	(919,121)	(598,053)	54
Profit Before Taxation	343,324	20,080	1,610	2,967,750	2,386,368	24
Income tax expenses	17,564	(271,137)	- 106	(879,372)	(1,056,047)	(17)
Profit After Taxation	360,888	(245,725)	- 247	2,088,378	1,330,321	57
Remeasurement of employee benefit obligations	7,491	(7,996)	- 194	7,491	(7,996)	- 194
Total Comprehensive Income for the period	368,379	(259,052)	- 242	2,095,869	1,322,324	58
Earnings per ordinary share (Rs.)	4.51	(3.07)		26.10	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
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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
Other comprehensive gain /(loss) for the year	-	-	(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

Super gains Tax - Adjustment to retained earnings	-	-	(288,193)	(288,193)
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Balance as at 1st April 2015	2,537,801	719,411	4,272,578	7,529,790
Total Comprehensive income for the period				
Profit for the period	-	-	2,129,816	2,129,816
Total other comprehensive income	-	-	-	-
Total Comprehensive income for the period	-	-	2,129,816	2,129,816

Transactions with owners, recorded directly in equity contribution by and distribution to owners

Ordinary dividends	-	-	(320,000)	(320,000)
Balance as at 31st March 2016	2,537,801	719,411	6,082,394	9,339,606

GROUP

On consolidation	2,537,801	719,411	3,675,154	6,932,366
Total Comprehensive Income				
Profit for the year	-	-	1,330,321	1,330,321
Other comprehensive gain /(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

Super gains Tax - Adjustment to retained earnings			(288,193)	(288,193)
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Balance as at 1st April 2015	2,537,801	719,411	4,381,178	7,638,390
Total Comprehensive Income				
Profit for the period	-	-	2,088,378	2,088,378
Other comprehensive gain /(loss) for the year	-	-	7,491	7,491
Total Comprehensive income for the period	-	-	2,095,869	2,095,869

Transactions with owners, recorded directly in equity contribution by and distribution to owners

Dividends	-	-	(320,000)	(320,000)
Balance as at 31st March 2016	2,537,801	719,411	6,157,044	9,414,256

LION BREWERY (CEYLON) PLC
CASH FLOW STATEMENT

As at 31st March In Rs.'000s	Company		Group	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Cash Flows from Operating Activities				
Profit before taxation	3,001,626	2,279,389	2,967,750	2,386,368
Adjustments for:				
Finance expenses	1,202,129	791,417	1,193,285	791,422
Net inventory provision	26,728	24,112	26,728	24,112
Depreciation on property, plant & equipment	987,451	710,886	1,022,307	722,647
Amortisation on Intangible Assets	53,512	53,053	53,512	53,053
Provision for retirement benefit obligation	20,573	19,770	20,573	19,770
Impairment of PPE	749	-	749	-
Impairment of Assets held for sale	-	89,641	-	117,913
Impairment of Investment	-	120,377	-	-
Loss / (gain) on disposal of property, plant & equipment	(3,572)	154,963	(12,750)	153,804
Provision for irrecoverable VAT	-	339,811	-	339,811
Exchange loss/ (gain) on revaluation of foreign currency term	1,927	(1,927)	1,927	(1,927)
Deposit liability write back	-	(253,590)	-	(253,590)
Finance income	(274,164)	(222,302)	(274,164)	(222,302)
Operating cash flow before working capital changes	5,016,958	4,105,600	4,999,917	4,131,081
(Increase) / decrease in inventories	691,376	(127,155)	691,376	(127,155)
(Increase) / decrease in trade and other receivables	184,993	537,092	188,317	508,863
Increase in amounts due from related companies	75,410	(162,649)	(44,968)	(42,271)
Increase in amounts due to related companies	17,916	110,782	17,916	(47,451)
Increase / (decrease) in trade and other payables	(115,997)	12,704	(116,973)	21,243
Decrease In Tax payable	20,756	(121,918)	20,756	110,782
Cash generated from operations	5,891,413	4,354,456	5,756,342	4,555,092
Finance expenses paid	(1,174,015)	(768,197)	(1,165,171)	(768,202)
Retirement benefits paid	(6,135)	(24,779)	(6,135)	(24,779)
Tax paid	(107,415)	(407,766)	(107,415)	(407,766)
Super gains tax paid	(288,193)	-	(288,193)	-
Net cash generated from operating activities	4,315,656	3,153,714	4,189,428	3,354,345
Cash Flows from investing activities				
Purchase and construction of property , plant & equipment	(1,451,728)	(2,700,903)	(1,759,848)	(4,052,989)
Borrowing cost capitalized	(136,650)	(505,697)	(136,650)	(505,697)
Purchase of intangible assets	(5,248)	(4,001,502)	(5,248)	(4,001,502)
Proceeds from sale of property, plant & equipment	11,072	58,358	21,262	146,909
Proceeds from sale of assets held for sale	58,660	-	486,695	-
Investments in Subsidiary	-	(1,150,000)	-	-
Agent deposits received	126,805	98,292	126,805	98,292
Agent deposits refunded	(25,551)	(2,910)	(25,551)	(2,910)
Interest received	274,164	222,302	274,164	222,302
Net cash used in investing activities	(1,148,476)	(7,982,060)	(1,018,371)	(8,095,595)
Cash flows from financing activities				
Loans and borrowings received	2,000,000	2,000,000	2,000,000	2,000,000
Proceeds from debentures	-	2,000,000	-	2,000,000
Repayments of loans and borrowing	(2,946,634)	(4,034,867)	(2,946,634)	(4,034,867)
Repayments of debentures	(201,200)	(201,200)	(201,200)	(201,200)
Share issue costs	-	-	-	(8,108)
Dividend paid net of tax	(288,015)	(288,029)	(288,015)	(288,029)
Net cash generated from financing activities	(1,435,849)	(524,096)	(1,435,849)	(532,204)
Net increase in cash & cash equivalents	1,731,331	(5,352,442)	1,735,209	(5,273,454)
Cash & cash equivalents at the beginning of the year	703,656	6,056,098	782,644	6,056,098
Cash & cash equivalents at the end of the year	2,434,987	703,656	2,517,853	782,644
Analysis of Cash and cash Equivalents				
Cash and cash equivalents	3,621,359	2,232,530	3,704,225	2,311,518
Bank overdraft	(1,186,372)	(1,528,874)	(1,186,372)	(1,528,874)
	2,434,987	703,656	2,517,853	782,644

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 31st March 2016 amounts to Rs. 127,141,593/- (2015 - Rs. 285,302,010)

3.2 Contingencies

(a) Contingent liabilities as at 31st March 2016 amount to Rs. 4,679,437/- (2015 -Rs. 17,482,348/-), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

The 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) 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 deposit managed through an Escrow account has been provided by the previous owner Cargills Ltd to absolve the Millers Brewery Limited from any arising 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	(799,400)
Debentures falling due after one year	<u>3,798,200</u>

Classified Under Current Liabilities

Debentures falling due within one year	799,400
Interest payable	159,299
	<u>958,699</u>

4.4 Debenture trading information

	Quarter Ended - 31.03.2016			Quarter Ended - 31.12.2015		
	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	N/T	N/T	N/T	N/T	N/T	N/T
Type G - Fixed Rate - 4 Year	N/T	N/T	N/T	N/T	N/T	N/T
Type H - Fixed Rate - 5 Year	N/T	N/T	N/T	N/T	N/T	N/T
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 - 31.03.2016	Quarter Ended - 31.12.2015
Interest yield of last trade done (%)		
Debentures issued on 17th Jun 2013 (Rs.1,000/- par value)		
Type F - Fixed Rate - 3 Year	N/T	N/T

	Quarter Ended - 31.03.2016	Quarter Ended - 31.12.2015
Yield to maturity of last trade done (%)		
Debentures issued on 17th Jun 2013 (Rs.1,000/- par value)		
Type F - Fixed Rate - 3 Year	N/T	N/T

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

Interest rate of comparable government securities(%)	Date	Period Ended 31.03.2016
03 year treasury bonds	31.03.2016	11.75%
04 year treasury bonds	31.03.2016	12.78%
05 year treasury bonds	31.03.2016	13.00%

Debt related ratios - Company

Debt/equity ratio (times)	1.17
Quick asset ratio (%)	70%
Interest cover (times)	4.27

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

Subsequent to the reporting date, no circumstances have arisen which would require adjustments to or disclosure in the Financial Statements.

8 INVESTOR INFORMATION

Investor Information	Quarter Ended		Year Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1 Share Information				
Price as at the end of the period (Rs.)	459.00	600.10	459.00	600.10
Highest price (Rs.)	630.00	654.60	700.00	740.00
Lowest price (Rs.)	452.00	590.00	452.00	370.00
2 Trading Statistics				
No of Transactions	181	112	518	1,330
No of Shares traded	566,780	65,860	1,824,710	1,715,681
Value of all shares traded (Rs. Mn.)	284	41	1,073	1,038

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****9 TWENTY MAJOR SHAREHOLDERS AS AT 31st March 2016**

	Name of Shareholder	No. of Shares	%
1	CEYLON BEVERAGE HOLDINGS PLC	41,798,788	52.25
2	CARLSBERG BREWERY MALAYSIA BERHAD	20,000,686	25.00
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	2,120,243	2.65
5	CACEIS BANK LUXEMBOURG S/A BARCA GLOBAL MASTER FUND LP	1,473,118	1.84
6	CARSON CUMBERBATCH PLC A/C NO. 01	1,400,758	1.75
7	BUKIT DARAH PLC A/C NO 2	1,300,000	1.63
8	HSBC INTL NOM LTD-MSCO-ROUTE ONE OFFSHORE MASTER FUND, L.P.	1,257,924	1.57
9	HSBC INTL NOM LTD-MSCO-ROUTE ONE FUND 1,L.P.	1,105,841	1.38
10	GF CAPITAL GLOBAL LIMITED	1,055,199	1.32
11	NORTHERN TRUST GLOBAL SERVICES LONDON S/A VERDIPAPIRFONDET ODIN EMERGING MARKETS	575,000	0.72
12	CB NY S/A WASATCH FRONTIER EMERGING SMALL COUNTRIES CIT FUND	410,139	0.51
13	MELLON BANK N.A.-FLORIDA RETIREMENT SYSTEM	349,177	0.44
14	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
15	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	300,000	0.38
16	HSBC INTERNATIONAL NOMINEES LTD-MORGAN STANLEY AND CO INTL PLC-OWN A/C	200,000	0.25
17	HSBC INTL NOM LTD-SSBT- RUSSELL INSTITUTIONAL FUNDS PUBLIC LIMITED COMPANY	195,900	0.24
18	MELLON BANK N.A.-COMMONWEALTH PEN PUB SCHOOL	166,193	0.21
19	PORTELET LIMITED	161,920	0.20
20	TRANZ DOMINION,L.L.C.	129,251	0.16

10 PUBLIC HOLDING

Ordinary Shares of the Company held by the public as at 31st March 2016 are as follows;

Number of Public Shareholders	1,110
Percentage of Public holding	13.92%

11 DIRECTOR'S SHAREHOLDINGS

As at 31st March 2016	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. Cabraal	-
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. 130,856,400/- (2015 - Rs. 143,138,003/-) as royalty during the period.
- (ii) A dividend of Rs. 150,475,636/- was paid by the Company to Ceylon Beverage Holdings PLC during the period. (2015 - Rs. 150,475,636/-)
- (iii) No balance was receivable / payable to the Company from Ceylon Beverage Holdings PLC as at 31st March 2016. (Receivable 2015 - 24,400/-)

(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. 173,512,106/- during the period. (2015 - Rs. 180,297,243/-)

- (i) An amount of Rs. 5,836,428/- was paid by the Company to Pubs 'N Places (Private) Limited as trade rebates on beer purchases during the period. (2015 - Rs. 7,590,575/-)
- (ii) No balance was receivable / payable to the Company by Pubs 'N Places (Private) Limited as at 31st March 2016. (2015 - 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. 185,052,213/- (2015 - Rs. 165,918,866/-) during the period.

- (i) No balance was receivable / payable to the Company by Retail Spaces (Private) Limited as at 31st March 2016. (2015 - 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. 32,143,360/- (2015 - 12,771,091/-)

(i) The excise licence for the import and distribution of imported spirits and imported beer was transferred to Luxury Brands (Pvt) Ltd during the period. The Company transferred a stock of imported spirits and imported beer amounting to Rs. 918,780,461/- at cost to Luxury Brands during the period.

- (ii) An amount of Rs. 301,309,569/- was receivable from Luxury Brands (Private) Limited to the Company as at 31st March 2016. (2015 - Rs. 256,317,883/-)

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****13 RELATED PARTY TRANSACTIONS (Contd.)****(E) 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	26,282,467	26,282,467
Bottles (625ML)	26,784,000	26,784,000
Kegs	20,751,000	20,751,000
Computer Equipment	287,679	287,679
Total	74,105,146	74,105,146

(ii) An amount of Rs. 11,490,000/- was charged as Rent fee for warehouse services provided by Millers Brewery Limited to the Company during the period. (2015 - Nil).

(iii) No balance was receivable / payable to Lion Brewery (Ceylon) PLC by Millers Brewery Limited as at 31st March 2016 (2015 - N/A)

(F) 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. 417,567,635/-(2015 - Rs. 338,681,064/-) was charged by Carsons Management Services (Private) Limited to the Company during the period ,which included supporting services fees of Rs. 258,943,493/- (2015 - Rs. 162,132,537/-) and other reimbursable expenses incurred by Carsons Management Services (Private) Limited on behalf of the Company.

No balance was receivable / payable to Carsons Management Services (Private) Limited as at 31st March 2016 (2015 -Nil).

(G) Transactions with other related entities

(a) Messrs. H.J.Andersen, Y.F Lew Directors of the Company represents the Carlsberg Group 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. 129,533,601/- (2015 - Rs. 123,530,742/-) 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. 7,984,538/- (2015 - Rs. 6,438,666/-).

(iii) An amount of Rs. 194,319,114/- remains payable to Carlsberg A/S as at 31st March 2016 (2015 - Rs. 176,402,594/-).

(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. 359,258,568/- (2015 - Rs. 316,976,685/-). As at the reporting date an amount of Rs. 35,008,334/- (2015 - Rs. 100,588,460/-) 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. 40,776/- has been charged as parking fees by Equity Two PLC . (2015 - Rs. 41,051/-)

(ii) No transactions were carried out with Equity One PLC during the period. (2015- Rental fee Rs. 27,086/-)

(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 (2015 - Air tickets purchase 43,400/-).

(ii) An amount of Rs. 40,516/- was charged by Pegasus Hotels of Ceylon PLC for hotel services provided during the period (2015 - Rs. 46,111/-).

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

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

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

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

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Chartered Accountants
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Tel: +94 11 5426 426
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MANAGERS & SECRETARIES

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