

Lion Brewery (Ceylon) PLC

*Interim Condensed Financial Statements
for the first Quarter ended
30th June 2016*

LION BREWERY (CEYLON) PLC
BOARD OF DIRECTORS AS AT 30TH JUNE 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 COMPREHENSIVE INCOME - COMPANY

<i>In Sri Lankan Rs. '000s</i>	Three months ended		Change %	Year ended 31.03.2016 (Audited)
	30.06.2016	30.06.2015		
Revenue	5,612,409	9,136,753	(39)	35,526,379
Cost of sales	(4,434,755)	(6,908,748)	(36)	(26,710,333)
Gross Profit	1,177,654	2,228,005	(47)	8,816,046
Other income	4,036	2,361	71	17,315
	1,181,690	2,230,366	(47)	8,833,361
Distribution expenses	(583,054)	(860,656)	(32)	(3,505,996)
Administrative expenses	(245,885)	(242,548)	1	(1,094,109)
Other expenses	(32,748)	(69,281)	(53)	(312,518)
Operating Profit	320,003	1,057,881	(70)	3,920,738
Flood related losses (Note 05)	(412,694)	-	-	-
Profit/(Loss) before Finance Cost	(92,691)	1,057,881	(109)	3,920,738
Finance income	79,510	34,209	132	274,164
Finance costs	(295,200)	(294,597)	0	(1,193,276)
Net Finance Cost	(215,690)	(260,388)	(17)	(919,112)
	(308,381)	797,493	(139)	3,001,626
Profit/(Loss) Before Taxation	(308,381)	797,493	(139)	3,001,626
Income tax expenses	(160,279)	(214,565)	(25)	(947,218)
Profit/(Loss) After Taxation	(468,660)	582,928	(180)	2,054,408
Revaluation gain on land and building	-	-	-	414,818
Remeasurement of employee benefit obligations	-	-	-	4,494
Total Comprehensive Income/(Expense) for the period	(468,660)	582,928	(180)	2,473,720
Earnings/ (Loss) per ordinary share (Rs.)	(5.86)	7.29		25.68

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		Change %	Year ended 31.03.2016 (Audited)
	30.06.2016	30.06.2015		
Revenue	5,612,409	9,136,753	(39)	35,526,379
Cost of sales	(4,434,755)	(6,908,748)	(36)	(26,710,333)
Gross Profit	1,177,654	2,228,005	(47)	8,816,046
Other income	4,582	7,490	(39)	19,358
	1,182,237	2,235,495	(47)	8,835,404
Distribution expenses	(583,054)	(860,656)	(32)	(3,505,996)
Administrative expenses	(254,690)	(251,332)	1	(1,139,411)
Other expenses	(32,748)	(69,281)	(53)	(312,518)
Operating Profit	311,745	1,054,226	(70)	3,877,479
Flood related losses (Note 05)	(412,694)	-	-	-
Profit/(Loss) before Finance Cost	(100,950)	1,054,226	-	3,877,479
Finance income	79,510	34,209	132	274,164
Finance costs	(295,208)	(294,602)	0	(1,193,286)
Net Finance (Costs)	(215,697)	(260,393)	(17)	(919,122)
Profit/(Loss) Before Taxation	(316,647)	793,833	(140)	2,958,357
Income tax expenses	(160,351)	(214,565)	(25)	(877,812)
Profit/(Loss) After Taxation	(476,998)	579,268	(182)	2,080,545
Other comprehensive income items that will never be reclassified to profit or loss				
Remeasurement of employee benefit obligations	-	-	-	7,491
Deferred tax adjustment	-	-	-	(2,997)
Revaluation Gain on Land & Buildings	-	-	-	657,691
Deferred tax adjustment	-	-	-	(74,985)
Total Other comprehensive income/(loss) for the year net of tax	-	-	-	587,200
Total Comprehensive Income/(Expense) for the period	(476,998)	579,268	(182)	2,667,745
Earnings/ (Loss) per ordinary share (Rs.)	(5.96)	7.24		26.01

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 2015	2,537,801	719,411	4,272,578	7,529,790
Total Comprehensive income for the year				
Profit for the period			582,928	582,928
Total Comprehensive income for the period	-	-	582,928	582,928
Balance as at 30th June 2015	2,537,801	719,411	4,855,506	8,112,718
Company				
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	-	-	2,054,408	2,054,408
Total Other comprehensive gain for the year	-	414,818	4,494	419,312
Total Comprehensive income for the period	-	414,818	2,058,902	2,473,720
Transactions with owners of the company				
Distribution made to owners				
Ordinary Dividends	-	-	(320,000)	(320,000)
Balance as at 31st March 2016	2,537,801	1,134,229	6,011,480	9,683,510
Company				
Balance as at 1st April 2016	2,537,801	1,134,229	6,011,480	9,683,510
Total Comprehensive income for the year				
Loss for the period			(468,660)	(468,660)
Total Comprehensive income/(Expense) for the period	-	-	(468,660)	(468,660)
Balance as at 30th June 2016	2,537,801	1,134,229	5,542,820	9,214,850
Group				
Balance as at 1st April 2015	2,537,801	719,411	4,381,177	7,638,389
Total Comprehensive income for the year				
Profit for the period			579,268	579,268
Total Comprehensive income for the period	-	-	579,268	579,268
Balance as at 30th June 2015	2,537,801	719,411	4,960,445	8,217,657
Group				
Balance as at 1st April 2015	2,537,801	719,411	4,381,177	7,638,389
Total Comprehensive income for the period				
Profit for the period	-	-	2,080,545	2,080,545
Total other comprehensive gain for the year	-	582,706	4,494	587,200
Total Comprehensive income for the period	-	582,706	2,085,039	2,667,745
Transactions with owners of the company				
Distribution made to owners				
Ordinary Dividends	-	-	(320,000)	(320,000)
Balance as at 31st March 2016	2,537,801	1,302,117	6,146,216	9,986,134
Group				
Balance as at 1st April 2016	2,537,801	1,302,117	6,146,216	9,986,134
Total Comprehensive income for the year				
Loss for the period			(476,998)	(476,998)
Total Comprehensive income/(Expense) for the period	-	-	(476,998)	(476,998)
Balance as at 30th June 2016	2,537,801	1,302,117	5,669,218	9,509,136

LION BREWERY (CEYLON) PLC CASH FLOW STATEMENT						
As at 31st March In Rs.'000s	Company			Group		
	2016	2015	Year ended 31.03.2016 (Audited)	2016	2015	Year ended 31.03.2016 (Audited)
Cash Flows from Operating Activities						
Profit/(Expenses) before taxation	(308,381)	797,493	3,001,626	(316,647)	793,832	2,958,357
Adjustments for:						
Finance costs	295,200	292,392	1,202,128	295,208	294,602	1,202,138
Depreciation on property, plant & equipment	263,580	242,075	987,450	271,797	247,244	1,022,306
Amortisation on Intangible Assets	13,150	13,363	53,514	13,150	13,363	53,514
Net inventory provision	27,683	85,479	11,232	27,683	85,479	11,232
Provision for retirement benefit obligation	3,626	834	21,028	3,626	834	21,028
Impairment of PPE	120,392	-	749	120,392	-	749
Loss /(gain) on disposal of property, plant & equipment	-	1,980	(7,859)	-	1,996	(8,941)
Exchange loss/ (gain) on revaluation of foreign currency term loans	(7,160)	286	(49,783)	(7,160)	286	(49,783)
Finance Income	-	34,209	(274,164)	-	34,209	(274,164)
Operating cash flow before working capital changes	408,090	1,468,113	4,945,921	408,049	1,471,847	4,936,436
(Increase) / decrease in inventories	1,304,211	760,254	706,872	1,304,211	760,254	706,872
(Increase) / decrease in trade and other receivables	605,188	201,176	184,993	603,079	201,914	188,272
Increase in amounts due from related companies	(3,499)	68,621	75,410	(124,989)	68,605	(44,968)
Increase/(decrease) In Tax payable	(867,287)	(574,414)	20,757	(876,907)	(574,414)	30,149
Increase / (decrease) in trade and other payables	(143,870)	(132,708)	(115,855)	(140,444)	(133,379)	(116,828)
Increase in amounts due to related companies	24,359	35,323	17,916	145,789	35,323	17,916
Cash generated from operations	1,327,192	1,826,365	5,836,014	1,318,787	1,830,149	5,717,849
Finance expenses paid	(365,773)	(301,472)	(1,174,014)	(365,780)	(303,682)	(1,174,024)
Retirement benefits paid	(4,315)	-	(6,590)	(4,315)	-	(6,590)
Tax paid	-	(25,000)	(107,415)	-	(25,000)	(107,258)
Super gains tax paid	-	-	(288,193)	-	-	(288,193)
Net cash generated from operating activities	957,104	1,499,892	4,259,802	948,692	1,501,467	4,141,784
Cash Flows from investing activities						
Purchase and construction of property , plant & equipment	(176,386)	(409,734)	(1,451,728)	(176,386)	(409,734)	(1,451,729)
Borrowing cost capitalized	(28,810)	(32,337)	(136,650)	(28,810)	(32,337)	(136,650)
Purchase of intangible assets	-	-	(5,248)	-	-	(5,248)
Proceeds from sale of property,plant & equipment	-	3,230	15,361	21,287	3,230	17,299
Proceeds from sale of assets held for sale	-	-	58,660	-	43,898	178,576
Agent deposits received	569	16,240	126,805	569	16,240	126,805
Agent deposits refunded	-	-	(25,552)	-	-	(25,552)
Interest received	-	(34,209)	274,164	-	(34,209)	274,166
Net cash used in investing activities	(204,627)	(456,810)	(1,144,188)	(183,340)	(412,912)	(1,022,333)
Cash flows from financing activities						
Loans and borrowings received	1,100,000	470,000	2,000,000	1,100,000	470,000	2,000,000
Repayments of loans and borrowing	(414,485)	(510,081)	(2,894,924)	(414,485)	(510,081)	(2,894,924)
Repayments of debentures	(799,400)	-	(201,200)	(799,400)	-	(201,200)
Dividend paid net of tax	(378)	(15)	(288,159)	(378)	(15)	(288,159)
Net cash generated from financing activities	(114,263)	(40,096)	(1,384,283)	(114,263)	(40,096)	(1,384,283)
Net increase/(decrease) in cash & cash equivalents	638,214	1,002,987	1,731,331	651,089	1,048,460	1,735,168
Cash & cash equivalents at the beginning of the year	2,434,987	703,656	703,656	2,517,810	782,642	782,642
Cash & cash equivalents at the end of the year	3,073,201	1,706,643	2,434,987	3,168,899	1,831,102	2,517,810
Analysis of Cash and cash Equivalents						
Cash and cash equivalents	3,564,084	2,974,922	3,621,359	3,659,845	3,099,381	3,704,225
Bank overdraft	(490,883)	(1,268,279)	(1,186,372)	(490,946)	(1,268,279)	(1,186,415)
	3,073,201	1,706,643	2,434,987	3,168,899	1,831,102	2,517,810

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 2016 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 2016 amounts to Rs. 151,523,777/- (2015 - Rs. 304,130,508)

3.2 Contingencies

(a) Contingent liabilities as at 30th June 2016 amount to Rs. 18,342,524/- (2015 -Rs. 22,217,337/-), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

(b) 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.

(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 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.

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****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)	402,400
Category 02 & 03 Debentures - Fixed Rate (Note 4.2)	3,395,800
	<u>3,798,200</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 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	402,400			

Category 01 -Type C debentures amounting to Rs. 201,200,000/- were redeemed on June 16, 2016.

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 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	3,395,800				

Category 02 -Type F debentures amounting to Rs. 598,200,000/- were redeemed on June 16, 2016.

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)

3,798,200

Debentures falling due within one year

(799,400)

Debentures falling due after one year

2,998,800**Classified Under Current Liabilities**

Debentures falling due within one year

799,400

Interest payable

159,299

958,699**4.4 Debenture trading Information**

	Quarter Ended - 30.06.2016			Quarter Ended - 31.03.2016		
	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 - 30.06.2016	Quarter Ended - 31.03.2016
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 - 30.06.2016	Quarter Ended - 31.03.2016
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.)

4.5 Debenture trading Information

Interest rate of comparable government securities(%)	Date	Period Ended 30.06.2016
03 year treasury bonds	30.06.2016	11.55%
04 year treasury bonds	30.06.2016	11.93%
05 year treasury bonds	30.06.2016	11.89%

Debt related ratios - Company

Debt/equity ratio (times)	1.17
Quick asset ratio (%)	69%
Interest cover (times)	1.48

5 Flood Related Losses

A preliminary assessment has been done on the damage caused to the inventory and some fixed assets due to flooding. Accordingly an Interim Claim was submitted for which the payment has not been received as yet. As per SLFRS/LKAS a provision amounting to Rs.412.7 million has been made for the carrying values of the damaged inventory & some fixed assets included in the Interim Claim. Once further assessments are done additional interim claims will be submitted before the submission of the final insurance claim.

6 SEGMENTAL ANALYSIS

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

7 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).

8 EVENTS AFTER THE REPORTING PERIOD

Dividends

Subject to the approval of the shareholders at the Annual General Meeting, the Board of Directors recommend a First and Final dividend of Rs.3/-per ordinary share for the year ended 31st March 2016. The dividend payable has not been accounted for until it is approved at the forthcoming Annual General Meeting.

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

9 INVESTOR INFORMATION

Investor Information	Quarter Ended		Year Ended	
	30.06.2016	30.06.2015	31.03.2016	31.03.2015
1 Share Information				
Price as at the end of the period (Rs.)	380.00	620.20	459.00	600.10
Highest price (Rs.)	549.50	700.00	700.00	740.00
Lowest price (Rs.)	372.00	601.00	452.00	370.00
2 Trading Statistics				
No of Transactions	319	111	518	1,330
No of Shares traded	946,598	61,467	1,824,710	1,715,681
Value of all shares traded (Rs. Mn.)	397	39	1,073	1,038

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****10 TWENTY MAJOR SHAREHOLDERS AS AT 30th JUNE 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	CACEIS BANK LUXEMBOURG S/A BARCA GLOBAL MASTER FUND LP	1,473,118	1.84
5	HSBC INTL NOM LTD -SSBT -WASATCH FRONTIER EMERGING SMALL COUNTRIES FUND	1,432,435	1.79
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	HSBC INTL NOM LTD-JPMCB NA-FIDELITY ASIAN VALUES PLC	473,553	0.59
13	HSBC INTL NOM LTD - BBH - FIDELITY FUNDS	443,658	0.55
14	CB NY S/A WASATCH FRONTIER EMERGING SMALL COUNTRIES CIT FUND	410,139	0.51
15	MELLON BANK N.A.-FLORIDA RETIREMENT SYSTEM	393,400	0.49
16	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	300,000	0.38
17	HSBC INTL NOM LTD-SSBT- RUSSELL INSTITUTIONAL FUNDS PUBLIC LIMITED COMPANY	220,900	0.28
18	HSBC INTERNATIONAL NOMINEES LTD-MORGAN STANLEY AND CO INTL PLC-OWN A/C	200,000	0.25
19	HSBC INTL NOM LTD-BP2S SINGAPORE-BNP PARIBAS BANK AND TRUST CAYMAN LIMITED AS TRUSTEE FOR HARVEST FUNDS (CAYMAN) - ASIA FRONTIER EQUITY FUND	198,021	0.25
20	PORTELET LIMITED	161,920	0.20

11 PUBLIC HOLDING AS AT 30TH JUNE 2016

Ordinary shares of the Company held by the public as at 30th June 2016;

Market Capitalization of the Public Holding Rs.4.23 Billion

Percentage of ordinary shares held by the public 13.92%

Number of Public Shareholders 1,179

As at 31st March 2016, the Market Capitalization of the Company's Public Holding was Rs.5.11 Billion and the Company met the minimum Public Float requirement as per Rule 7.13.1(a).ii of the Listing Rules of the Colombo Stock Exchange.

On 17th May 2016, the share price of the Company decreased to Rs.442/-. A likely contributory factor for the decrease in the share price could be the Company factory premises in Biyagama being affected by the recent floods. Consequent, to the decrease in the share price, the Market Capitalization of the Company's Public Holding fell below Rs.5 Billion. The Company has since not been in compliance with the CSE Rule 7.13.1(a).ii and has made the requisite Announcements to the CSE with regard to non-compliance with the said Rule on the Company's Public Holding.

12 DIRECTOR'S SHAREHOLDINGS

As at 30th June 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	-

13 STATED CAPITAL

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

LION BREWERY (CEYLON) PLC NOTES TO THE FINANCIAL STATEMENTS
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14 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. 15,729,198/- (2015 - Rs. 34,576,925/-) as royalty during the period.
- (ii) No balance was receivable / payable to the Company from Ceylon Beverage Holdings PLC as at 30th June 2016 . (2015 - Nil)

(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. 36,040,504/- during the period. (2015 - Rs. 42,538,043/-)

- (i) An amount of Rs.965,981/- 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 30th June 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. 31,298,073/- (2015 - Rs. 45,652,085/-) during the period.

- (i) No balance was receivable / payable to the Company by Retail Spaces (Private) Limited as at 30th June 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. 7,135,126/- (2015 - 2,111,993/-)

An amount of Rs. 301,309,569/- was receivable from Luxury Brands (Private) Limited to the Company as at 30th June 2016. (2015 - Rs.186,139,188/-)

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****14 RELATED PARTY TRANSACTIONS (Contd.)****(E) Transactions with Sub Subsidiary - Millers Brewery Limited**

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

(i) An amount of Rs. 1,155,000/- was charged as Rent fee for warehouse services provided by Millers Brewery Limited to the Company during the period. (2015 - Rs.2,850,000/-).

(ii) An amount of Rs. 36,000/- remains payable to Millers Brewery Limited as at 30th June 2016 (2015 - Nil)

(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. 90,787,325/-(2015 - Rs. 79,473,818/-) was charged by Carsons Management Services (Private) Limited to the Company during the period, which included supporting services fees of Rs. 80,030,599/-(2015 - Rs. 66,543,483/-) 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 30th June 2016 (2015 -Rs. 57, 881,905/-).

(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. 22,293,600/- (2015 - Rs. 35,323,474/-) was charged as royalty during the period by Carlsberg A/S.

(ii) LBCPLC purchases part of its requirement of the raw material Aroma Hop oil from Carlsberg A/S. There were no purchases during the period. (2015 - Rs. 1,933,349/-).

(iii) LBCPLC imported beer from the Carlsberg Group affiliated breweries for a sum of Rs.10,108,557/- during the period.

(iv) An amount of Rs. 218,392,640/- remains payable to Carlsberg A/S as at 30th June 2016 (2015 - Rs. 211,726,068/-).

(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. 24,577,670/- (2015 - Rs. 90,563,960/-). As at the reporting date an amount of Rs. 40,780,146/- (2015 - Rs. 160,745,218/-) has been advanced to Ran Sahal (Private) Limited which remains to be settled against future purchases.

LION BREWERY (CEYLON) PLC**NOTES TO THE FINANCIAL STATEMENTS****14 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

Messrs. F. J. & G. De Saram
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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
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Tel : +94 11 2039 200
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REGISTERED OFFICE

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CORPORATE OFFICE & BREWERY

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Tel : +94 11 2465 900 (10 Lines)
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GROUP WEBSITE

www.carsoncumberbatch.com