

①



CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED
No. of Company PV 315



13th February 2012

Mr. Renuke Wijayawardhane
Assistant General Manager-Regulatory Affairs
Colombo Stock Exchange
Level 4, 4-1, West Tower
World Trade Centre
Echelon Square
Colombo 1

Our Ref. No: LION/CSE/2012/01

Dear Sir,

LION BREWERY (CEYLON) PLC - PQ 57
CORPORATE DISCLOSURE IN ACCORDANCE WITH SECTION 5.2.m OF THE LISTING
RULES OF THE COLOMBO STOCK EXCHANGE

UTILISATION OF RIGHTS ISSUE FUNDS RECEIVED IN 2009

We write further to our announcement No. LION/CSE/04/2011 dated 26th May 2011 captioned disposal of shareholding in South Asian Breweries Pte Ltd (SABL), attached herewith for easy reference;

The Company now wishes to announce that the Funds amounting to Rs. 1.2Bn which was received through the Rights issue in 2009 in order to be utilised to reduce the high gearing level of the Company that had arisen as a result of the investment made in SABL, would now be retained and be utilised towards the on-going expansion program of the Company.

A meeting of the shareholders would be convened to obtain the concurrence of the shareholders for the change in the utilisation of the Rights Issue Funds received in 2009 shortly.

Yours faithfully,
For and on behalf of,
LION BREWERY (CEYLON) PLC
Carsons Management Services (Private) Limited

K. D. D. D.
Director
Secretaries

-/ss

4/15
Circulate
13/02





26th May 2011

CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED
No. of Company PV 315

Mr. Renuke Wijayawardhane
Assistant General Manager-Regulatory Affairs
Colombo Stock Exchange
Level 4, 4-1, West Tower
World Trade Centre
Echelon Square
Colombo 1

Ref: LION/CSE/04/2011

Dear Sir,

LION BREWERY (CEYLON) PLC
DISPOSAL OF SHAREHOLDING IN SOUTH ASIAN BREWERIES PTE LTD

The Board of Lion Brewery (Ceylon) PLC (Lion Brewery) has today decided to sell its shareholding in South Asian Breweries Pte Ltd (SoAB) to Carlsberg South Asia Pte Ltd (CSAPL) at a consideration equivalent to the book value of the investment as at today (same as the book value as at 31st March 2011). The Company is currently awaiting the necessary regulatory approvals in order to conclude the transaction.

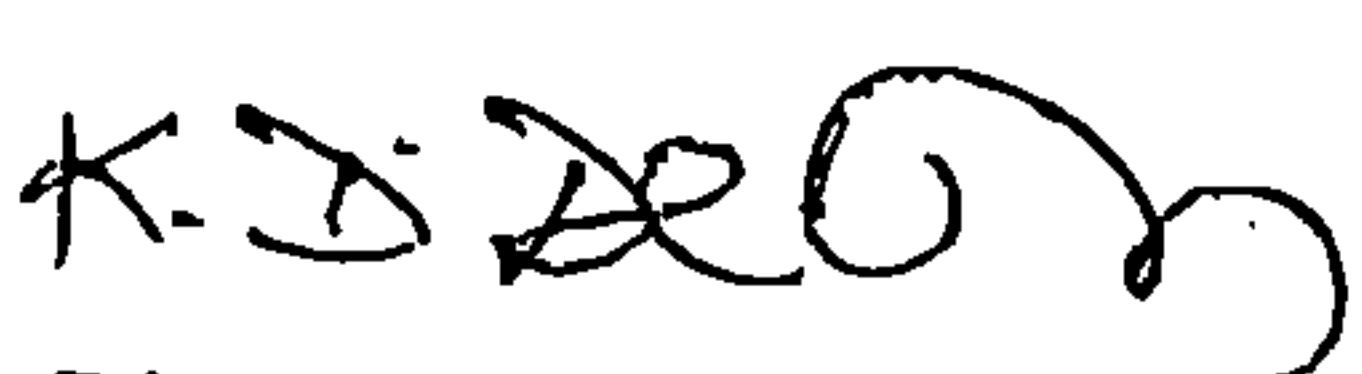
Lion Brewery has been a shareholder in SoAB since 2006. SoAB is the holding company of the operating entity, Carlsberg India Pvt Ltd, headquartered in Gurgaon, New Delhi.

The Board of Lion Brewery has evaluated the very substantial investment program required in India, which the Board estimates could be up to USD 200 million over the next few years. The Board has also evaluated the significant investments that are required to be made in its Sri Lankan business over the short to medium term to capture opportunities and meet the emerging positive economic environment. The Board is conscious of Sri Lanka being the Company's home market and as such, is of the view that maintaining its focus on the current market position is the top most priority and one which would in turn, deliver the most financially beneficial position for the Company and its shareholders.

With the sale of this investment, Lion Brewery will be free of debt thereby strengthening the Company and positioning it strongly to invest in its future development and growth and face future challenges in the industry.

Since part of the investment in SoAB was funded out of a Rights Issue of Shares in September 2009, the Board will summon an extraordinary general meeting of the shareholders no sooner the proceeds are received on account of this transaction, in order to seek the approval of the shareholders for the utilization of the funds raised through the Rights Issue.

Yours faithfully
for and on behalf of
LION BREWERY (CEYLON) PLC
Carsons Management Services (Private) Limited


Director
Secretaries

Regd. Office : 41, ~~Madhipathi~~ Madhipathi Mawatha, P. O. Box 24, Colombo 01, Sri Lanka.
Tel : +94-11-4739200 Fax : +94-11-4739300
E-mail: carsons@caromb.com Web site : www.carsonscumberbatch.com
Directors : H. Selvanathan (Chairman), M. Selvanathan, D. C. R. Gunawardana,
S. K. Shah, P. C. P. Tissera, K. C. N. Fernando, A. P. Weeratunga, Mrs. K. D. de Silva, K. Selvanathan

