

Ceylon Beverage Holdings PLC

*Interim Condensed Financial Statements
for the Fourth Quarter ended
31st March 2018*

CEYLON BEVERAGE HOLDINGS PLC REVIEW

The Group earned a profit of Rs 907 million for the year under review from normal operations on a turnover of Rs 32,205 billion. In addition, flood related insurance receipts of Rs 1.957 billion were also accounted for in the results of the Group during this financial year. The Group has now received in full, its claim on account of insurance.

This years' results are not comparable with those of the previous year, since the Group's operations were compromised by the flood for most of that period.

As shareholders are aware, in November 2015, excise duties on beer were increased by as much as 70%. At the same time, taxes on local spirits were also increased but by a much lower 25%. There was no rationale for discriminating against the beer industry in this manner other than to provide the spirits industry a distinct competitive advantage. Consumption shifted immediately from beer to spirits i.e. from mild to hard alcohol. Within months, spirits was accounting for over 65% of the Country's legal alcohol consumption. With illicit liquor factored in, hard alcohol accounted for an astonishing 85% of total consumption. It was the under privileged consumer that paid the price; since hard alcohols – both legal & illegal - were more affordable, they consumed more of it. Government revenues from the beer industry dropped dramatically. During the period November 2015 to October 2017, the Group suffered an earnings loss of Rs 7.6 billion on account of the lop-sided excise tax policy (these figures exclude the losses that arose as a result of the floods & the resultant shut down during the period May to December 2016).

However, in November 2017, a more pragmatic excise duty policy was introduced & now, alcobevs are taxed on the basis of their alcohol content. This is in keeping with global practice & is the most appropriate policy to adopt with respect to alcohol since it encourages the consumption of beverages with a lower alcohol content. Less expensive mild alcohols is also the most effective weapon against illicit alcohol. In Sri Lanka too, the results are evident; evidence suggests that in the 5 months since the alcohol tax reforms, considerable in-roads have been made against illicit alcohol consumption. Revenue to Government from the beer industry has also seen a sharp improvement; since November 2017 Excise duty collections from Lion Brewery alone has increased by Rs 795 million a month. A further increase of Rs 208 million per month has been derived from VAT. Thus, from Lion Brewery alone, the monthly revenue gain to Government amounts to Rs. 1.003 billion. The total revenue gain from the beer industry will be even greater.

With a reasonable alcohol tax policy now in place, consumers, Government & industry will all emerge winners. Consumers, since they are no longer pushed by policy makers to drink hard alcohol, Government, since its revenues will increase & industry, since its performance will improve. Indeed, its winners all around & in stark contrast to November 2015, November 2017 saw policy making at its best.

CEYLON BEVERAGE HOLDINGS PLC
BOARD OF DIRECTORS AS AT 31ST MARCH 2018

Mr. D. A. Cabraal (Chairman)

Mr. H. Selvanathan (Deputy Chairman)

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

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

Mr. D. C. R. Gunawardena

Mr. L. Lehmann

Mr. R. H. Meewakkala

CEYLON BEVERAGE HOLDINGS PLC				
STATEMENTS OF FINANCIAL POSITION				
	Company		Group	
As at 31st March	2018	2017	2018	2017
In Rs. '000s		(Audited)		(Audited)
ASSETS				
Non-Current Assets				
Property, plant & equipment	331,190	331,766	18,488,693	18,267,017
Intangible assets	-	-	2,412,334	2,469,013
Investments in subsidiaries (Note 03)	1,971,964	1,971,964	-	-
Loan to operators	-	-	53,693	54,138
Total Non-Current Assets	2,303,154	2,303,730	20,954,720	20,790,168
Current Assets				
Inventories	-	-	1,910,141	2,534,278
Trade & other receivables	16,305	18,377	3,353,753	2,073,358
Amounts due from related companies	107,818	39,909	5,535	33,076
Current Taxation	-	-	2,477	2,477
Cash and cash equivalents	7,683	70	8,958,215	7,645,227
Total Current Assets	131,806	58,356	14,230,121	12,288,416
Total Assets	2,434,960	2,362,086	35,184,841	33,078,584
EQUITY AND LIABILITIES				
Equity				
Stated capital	533,384	533,384	533,384	533,384
Capital reserves	334,690	334,690	821,607	1,005,356
Revenue reserves	965,727	957,897	3,453,540	2,766,700
Equity Attributable To Equity Holders of the Company	1,833,801	1,825,971	4,808,531	4,305,440
Non controlling interest	-	-	4,635,019	3,969,835
Total Equity	1,833,801	1,825,971	9,443,550	8,275,275
Non Current Liabilities				
Debentures	-	-	2,000,000	2,998,800
Loans and borrowings	78,700	208,300	4,892,084	5,193,065
Employee benefits	-	-	190,953	78,440
Net deferred tax liabilities	597	597	3,362,965	2,373,520
Total Non- Current Liabilities	79,297	208,897	10,446,002	10,643,825
Current Liabilities				
Trade and other payables	16,326	12,497	1,599,517	753,760
Amounts due to related companies	-	-	105,559	144,628
Refundable deposits	-	-	1,164,261	1,009,357
Tax liabilities	10,141	6,653	1,922,559	919,951
Debentures	-	-	1,110,582	937,932
Loans and borrowings	129,600	129,600	6,996,653	7,846,468
Bank overdraft	365,795	178,468	2,396,158	2,547,388
Total Current Liabilities	521,862	327,218	15,295,289	14,159,484
Total Liabilities	601,159	536,115	25,741,291	24,803,309
Total Equity and Liabilities	2,434,960	2,362,086	35,184,841	33,078,584
Net assets per ordinary share (Rs.)	87.37	87.00	229.11	205.14

The above figures are provisional and subject to audit.

I certify that the above Financial Statements comply with the requirements of Companies Act No.07 of 2007.

(Sgd.)

D.R.P. Goonetilleke

Head of Finance

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

Approved and signed on behalf of the Managers

Approved and signed on behalf of the Board

(Sgd.)

A. Weeratunge

Director

Carsons Management Services (Private) Ltd.

15th May 2018

(Sgd.)

M.Selvanathan

Director

(Sgd.)

S.K. Shah

Director

CEYLON BEVERAGE HOLDINGS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

In Rs.'000s	Quarter Ended			Year Ended		
	31-Mar-18	31-Mar-17	Change %	31-Mar-18	31-Mar-17 (Audited)	Change %
Revenue	187,591	16,274	1,053	255,261	169,971	50
Cost of Sales	-	-	-	-	-	-
Gross Profit	187,591	16,274	1,053	255,261	169,971	50
Administrative Expenses	(3,441)	(4,238)	(19)	(20,055)	(15,268)	31
Profit Before Finance Cost	184,150	12,036	1,430	235,206	154,703	52
Finance Costs	(6,997)	(8,593)	(19)	(37,904)	(42,922)	(12)
Net Finance Costs	(6,997)	(8,593)	(19)	(37,904)	(42,922)	(12)
Profit/(Loss) Before Taxation	177,153	3,443	5,045	197,302	111,781	77
Income Tax Reversal /(Expenses)	(12,298)	(28,434)	(57)	(21,567)	(29,618)	(27)
Profit/(Loss) After Taxation	164,855	(24,991)	(760)	175,735	82,163	114
Total Other Comprehensive Income for the year	-	-	-	-	-	-
Total Comprehensive Income/(Expenses)	164,855	(24,991)	(760)	175,735	82,163	114
Earnings/(Loss) per Ordinary Share (Rs.)	7.85	(1.19)		8.37	3.91	
Dividend per Ordinary Share (Rs.)	-	-		7.00	1.00	

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CEYLON BEVERAGE HOLDINGS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

	Quarter Ended			Year Ended		
	31-Mar-18	31-Mar-17	Change %	31-Mar-18	31-Mar-17 (Audited)	Change %
In Rs.'000s						
Revenue	10,782,436	6,446,388	67	32,205,144	23,083,883	40
Cost of Sales	(8,050,629)	(5,403,419)	49	(24,823,621)	(19,089,442)	30
Gross Profit	2,731,807	1,042,969	162	7,381,523	3,994,441	85
Progressive insurance receipts on business interruption	492,737	-	-	1,205,359	1,000,000	21
Other Income	28,327	(13,297)	(313)	62,589	29,721	111
	3,252,871	1,029,672	216	8,649,471	5,024,162	72
Distribution Expenses	(1,376,379)	(875,842)	57	(3,407,918)	(2,735,230)	25
Administrative Expenses	(402,996)	(444,688)	(9)	(1,310,220)	(1,334,140)	(2)
Other Expenses	26,662	(92,967)	(129)	(328,226)	(212,457)	54
Impairment of intangible assets	-	(1,673,065)	(100)	-	(1,673,065)	(100)
Profit/(Loss) from Operations	1,500,158	(2,056,890)	(173)	3,603,107	(930,730)	(487)
Reversal of unabsorbed VAT provision	-	-	-	-	339,811	(100)
Stocks and PPE provided/quantified and written-off to date due to flood related damages	-	520,414	(100)	-	(1,349,287)	(100)
Progressive insurance receipts on property damage	752,263	-	-	752,263	1,366,294	(45)
Profit/(Loss) Before Finance Cost	2,252,421	(1,536,476)	(247)	4,355,370	(573,912)	(859)
Finance Income	186,429	153,614	21	819,652	427,493	92
Finance Costs	(559,048)	(536,476)	4	(2,309,931)	(1,831,469)	26
Net Finance Costs	(372,619)	(382,862)	(3)	(1,490,279)	(1,403,976)	6
Profit/(Loss) Before Taxation	1,879,802	(1,919,338)	(198)	2,865,091	(1,977,888)	(245)
Income Tax Reversal /(Expenses)	(722,666)	1,027,828	(170)	(999,876)	417,716	(339)
Profit/(Loss) After Taxation	1,157,136	(891,510)	(230)	1,865,215	(1,560,172)	(220)
Other Comprehensive Income						
Items that will never be reclassified to profit or loss						
Remeasurement of employee benefit obligation	(40,938)	25,976	(258)	(40,938)	25,976	(258)
Deferred tax adjustment	16,375	(10,390)	(258)	16,375	(10,390)	(258)
Deferred tax adjustment on revaluation of lands	(351,672)	-	-	(351,672)	-	-
Total Other Comprehensive Income for the year	(376,235)	15,586	(2,514)	(376,235)	15,586	(2,514)
Total Comprehensive Income/(Expenses)	780,901	(875,924)	(189)	1,488,980	(1,544,586)	(196)
Profit Attributable to						
- Equity Holders of the Company	550,648	(503,195)	(209)	867,579	(869,075)	(200)
- Minority Shareholders	606,488	(388,315)	(256)	997,636	(691,097)	(244)
Profit/(Loss) Available for Appropriation	1,157,136	(891,510)	(230)	1,865,215	(1,560,172)	(220)
Total Comprehensive Income Attributable to						
- Equity Holders of the Company	354,065	(495,052)	(172)	670,996	(860,932)	(178)
- Minority Shareholders	426,836	(380,872)	(212)	817,984	(683,654)	(220)
Profit/(Loss) Available for Appropriation	780,901	(875,924)	(189)	1,488,980	(1,544,586)	(196)
Earnings/(Loss) per Ordinary Share (Rs.)	26.24	(23.98)		41.34	(41.41)	

The above figures are provisional and subject to audit.
Figures in brackets indicate deductions.

CASH FLOW STATEMENT

<i>For the period ended In Rs. '000s</i>	Company		Group	
	31-Mar-18	31-Mar-17 (Audited)	31-Mar-18	31-Mar-17 (Audited)
Cash Flows From Operating Activities				
Profit/(Loss) before taxation	197,302	111,781	2,865,091	(1,977,888)
Adjustments for:				
Finance expenses	37,904	42,922	2,353,190	1,838,477
Depreciation on property, plant & equipment	576	577	1,131,512	1,096,268
Amortisation of intangible assets	-	-	59,630	59,122
Net Inventory provisions/(reversals)	-	-	73,572	43,059
Provision for retirement benefit obligations	-	-	87,404	22,047
Impairment of property plant & equipment	-	-	288	11,736
Impairment of Intangible Assets	-	-	-	1,673,065
Progressive insurance receipts on property damage	-	-	-	(1,366,294)
Finance income	-	-	(819,652)	(427,493)
(Profit)/Loss on disposal of property, plant & equipment	-	-	37,934	(896)
Loss on PPE written-off	-	-	-	525,850
Reversal of unabsorbed VAT provision	-	-	-	(339,811)
ESC Write Off	-	-	-	2,666
Unrealised exchange loss/(gain) on foreign currency term Loan	-	-	(7,540)	6,305
Operating cash flow before working capital changes	235,782	155,280	5,781,428	1,166,213
Decrease in inventories	-	-	550,565	98,809
(Increase)/decrease in trade & other receivables	2,072	(4,721)	(1,299,435)	337,962
(Increase)/decrease in amounts due from related companies	(67,909)	212,048	27,986	(33,076)
Increase/(decrease) in amounts due to related companies	-	-	(39,069)	(49,663)
Increase/(decrease) in tax payables	1,251	29	831,413	149,226
Increase/(decrease) in trade & other payables	3,829	1,137	845,757	(119,231)
Cash generated from operations	175,025	363,773	6,698,645	1,550,240
Finance expenses	(37,904)	(44,787)	(2,250,923)	(1,779,096)
Tax paid	(19,330)	(36,674)	(155,493)	(122,427)
Economic service charge paid	-	-	-	(2,907)
Retirement benefits paid	-	-	(15,829)	(27,442)
Net cash generated from operating activities	117,791	282,312	4,276,400	(381,632)
Cash Flows from Investing Activities				
Purchase and construction of property, plant & equipment	-	-	(1,364,710)	(3,306,634)
Borrowing cost capitalized	-	-	(27,614)	(119,225)
Purchase of intangible assets	-	-	(2,036)	(7,864)
Proceeds from sale of property, plant & equipment	-	-	-	23,731
Proceeds from sale of assets held for sale	-	-	-	5,200
Agent deposits received	-	-	154,904	22,189
Interest received	-	-	819,652	376,585
Investment in subsidiaries	-	(311,880)	-	-
Net cash used in investing activities	-	(311,880)	(419,804)	(3,006,018)
Cash Flows from Financing Activities				
Proceeds from loans & borrowings	-	150,000	1,500,000	8,100,000
Repayment of loans & borrowings	(129,600)	(104,600)	(2,772,273)	(1,614,935)
Repayment of debentures	-	-	(799,400)	(799,400)
Progressive insurance receipts on property damage	-	-	-	1,366,294
Dividends paid net of tax	(167,905)	(62,977)	(320,705)	(165,964)
Net cash generated from/(used in) financing activities	(297,505)	(17,577)	(2,392,378)	6,885,995
Net increase/(decrease) in cash & cash equivalents	(179,714)	(47,145)	1,464,218	3,498,345
Cash & cash equivalents at the beginning of the year	(178,398)	(131,253)	5,097,839	1,599,494
Cash & cash equivalents at the end of the year	(358,112)	(178,398)	6,562,057	5,097,839
Analysis of Cash and Cash Equivalents				
Cash and cash equivalents	7,683	70	8,958,215	7,645,227
Bank overdraft	(365,795)	(178,468)	(2,396,158)	(2,547,388)
	(358,112)	(178,398)	6,562,057	5,097,839

Figures in brackets indicate deductions.

STATEMENTS OF CHANGES IN EQUITY

In Rs. '000s	Attributable to Equity Holders of the Parent					Non-Controlling Interests	Total Equity
	Stated Capital	Revaluation Reserve	General Capital Reserve	Retained Profits	Total		
COMPANY							
Balance as at 1st April 2016	533,384	328,914	5,776	938,698	1,806,772	-	1,806,772
Total Comprehensive Income							
Profit for the period	-	-	-	82,163	82,163	-	82,163
Total Comprehensive income for the period	-	-	-	82,163	82,163	-	82,163
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(62,964)	(62,964)	-	(62,964)
Balance as at 31st March 2017	533,384	328,914	5,776	957,897	1,825,971	-	1,825,971
Balance as at 1st April 2017							
Balance as at 1st April 2017	533,384	328,914	5,776	957,897	1,825,971	-	1,825,971
Total Comprehensive Income							
Profit for the period	-	-	-	175,735	175,735	-	175,735
Total Comprehensive income for the period	-	-	-	175,735	175,735	-	175,735
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(167,905)	(167,905)	-	(167,905)
Balance as at 31st March 2018	533,384	328,914	5,776	965,727	1,833,801	-	1,833,801
GROUP							
Balance as at 1st April 2016	533,384	999,580	5,776	3,690,596	5,229,336	4,768,089	9,997,425
Total Comprehensive Income							
Loss for the period	-	-	-	(869,075)	(869,075)	(691,097)	(1,560,172)
Other comprehensive income for the period	-	-	-	8,143	8,143	7,443	15,586
Total Comprehensive Income for the period	-	-	-	(860,932)	(860,932)	(683,654)	(1,544,586)
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(62,964)	(62,964)	(114,600)	(177,564)
Balance as at 31st March 2017	533,384	999,580	5,776	2,766,700	4,305,440	3,969,835	8,275,275
Balance as at 1st April 2017							
Balance as at 1st April 2017	533,384	999,580	5,776	2,766,700	4,305,440	3,969,835	8,275,275
Total Comprehensive Income							
Profit for the period	-	-	-	867,579	867,579	997,636	1,865,215
Other comprehensive income for the period	-	(183,749)	-	(12,834)	(196,583)	(179,652)	(376,235)
Total Comprehensive Income for the period	-	(183,749)	-	854,745	670,996	817,984	1,488,980
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(167,905)	(167,905)	(152,800)	(320,705)
Balance as at 31st March 2018	533,384	815,831	5,776	3,453,540	4,808,531	4,635,019	9,443,550

CEYLON BEVERAGE HOLDINGS PLC
NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Ceylon Beverage Holdings PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The parent company is Carson Cumberbatch PLC (CCPLC). 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
Lion Brewery (Ceylon) PLC	52.25%	"LBCPLC"
Pubs 'N Places (Private) Limited	99.9%	
Retail Spaces (Private) Limited	100%	
Luxury Brands (Private) Limited	100%	
Vee Waruna (Private) Limited	100%	Disposed on 11/08/2017
Pearl Springs (Private) Limited	52.25%	"PSPL" , 100% Subsidiary of LBCPLC
Millers Brewery Limited	52.25%	100% Subsidiary of PSPL

The principal activities of the Group is brewing and marketing of high quality beers for both local & export markets and retailing of beer & alcohol products through its owned/managed wine shops & pubs. The Group is also engaged in the import & marketing of globally renowned high quality beer and spirits brands.

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 2017 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.

CEYLON BEVERAGE HOLDINGS PLC**NOTES TO THE INTERIM FINANCIAL STATEMENTS****3 INVESTMENT IN SUBSIDIARIES**

Company disposed its share in fully owned subsidiary Vee Waruna (Private) Limited for Rs.10/- on 11/08/2017. The company had no commercial operations.

4 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1 Financial Commitments****Lion Brewery (Ceylon) PLC**

Document credits established for foreign purchases of the Group as at 31st March 2018 amounts to Rs. 43,795,228/- (2017 - Rs.89,839,385/-)

4.2 Contingencies

Following legal matters are outstanding against the Group and no provision has been made in the Financial Statements in this regard.

(i) Company

In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Company and its Directors for the recovery of Rs. 48,121,634/29 comprising of Rs.23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998/IVq to 2001/IIIq and Rs.25,059,553/86 as its penalty. The Company and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs. 23,062,080/43 being the duty amount in dispute was paid to Sri Lanka Customs by the Company as required before submitting its appeal. Subsequently the CA Application was dismissed and the Company appealed against the Order to the Supreme Court and was granted Special Leave to Appeal by the Court. The Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. No provision has been made for the payment of penalty amounting to Rs.25,059,553/86, pending the Judgment from the Supreme Court in the said Leave to Appeal matter. Currently this matter is in the Arguments stage and will be heard in the Supreme Court.

(ii) The Group

The Customs Department instituted a prosecution in the Magistrate's Court of Kaduwela in Case No. 11303/Customs against the LBCPLC 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. The matter was Argued on the 9th of May 2018 before a Bench comprising of Justices Sisira De Abrew, Prasanna Jayawardene and L. T. B. Dehideniya, in the Supreme Court and concluded the arguments from both parties.

Judgment is reserved by Justice Jayawardene and the parties will accordingly be notified .

(iii) Contingent liabilities of the Group as at 31st March 2018 amounts to Rs.72,312,314/- (2017-Rs. 37,492,951/-) , being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

Apart from the above there were no other material contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

CEYLON BEVERAGE HOLDINGS PLC**NOTES TO THE INTERIM FINANCIAL STATEMENTS****5 COMPARATIVE FIGURES**

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

6 FLOOD RELATED LOSSES**Financial year 2016/17****Lion Brewery Ceylon PLC**

The company has estimated and written off its Property Plant & Inventory amounting to Rs. 525,850,338/- and Rs. 372,371,176/- respectively. The other operational costs related to flood recovery amounted to Rs. 143,136,076/-. Accordingly, a total loss of Rs. 1,041,357,590/- was recorded in the financial year ended 31st March 2017. Interim claims on insurance have been submitted for the damages caused to the Company's Property Plant and Equipment, inventory and for Business Interruption. Against these interim claims, an amount of Rs. 2,066,448,095/- has been received as on account payments during the financial year ended 31st March 2017. Whilst Rs. 1,000,000,000/- of this has been received against Business Interruption the balance amount of Rs. 1,066,448,095/- has been recorded against Property Plant & Inventory as at 31st March 2017 inclusive of Rs.16,448,095/- through two separate inventory policies.

Luxury Brands (Pvt) Ltd

The company's inventory were damaged due to flooding and a claim was submitted for the damaged value. As of 31st March 2017, the claim has been fully settled.

An amount of Rs. 307 Million had been recognized for the carrying value of damaged inventory including other operational expenses incurred for the flood recovery process.

Financial year 2017/18**Lion Brewery Ceylon PLC**

During the year ended 31st March 2018, the company has further, received confirmation for an amount of Rs.1,205,359,067/- against Business Interruption and Rs.752,263,093/- against the damages caused to the Company's Property Plant and Equipment and inventory. As at the date of approving these accounts an amount of Rs.1,957,622,160/- due on the insurance claim has been received in full. Accordingly the Company has now received the full amount of Rs.4,000,000,000/- due from insurance for the main fire policy.

CEYLON BEVERAGE HOLDINGS PLC**NOTES TO THE INTERIM FINANCIAL STATEMENTS****7 STATED CAPITAL**

The Company's stated capital consists of 20,988,090 ordinary shares.

8 SEGMENTAL ANALYSIS

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

9 INVESTOR INFORMATION

Investor Information	Quarter Ended		Year Ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Share Information				
Price as at the end of the period (Rs.)	700.00	600.00	700.00	600.00
Highest price (Rs.)	747.00	745.00	747.00	799.90
Lowest price (Rs.)	487.00	600.00	487.00	564.00
				-
Trading Statistics				-
No of Transactions	131	22	424	113
No of Shares traded	52,408	528	477,142	16,770
Value of all shares traded (Rs. Mn.)	36.06	0.33	296.72	10.71

CEYLON BEVERAGE HOLDINGS PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

10 DIRECTORS' SHAREHOLDINGS

As at 31st March 2018	No. of Shares
Mr. D. A. Cabraal (Chairman)	1,500
Mr. H. Selvanathan (Deputy Chairman)	690
Mr. M. Selvanathan (Director / Alternate Director to Mr. H. Selvanathan)	690
Mr. S. K. Shah (Chief Executive Officer)	2,632
Mr. D.C.R. Gunawardena	15
Mr. L. Lehmann	-
Mr. R. H. Meewakkala	-

11 TWENTY MAJOR SHAREHOLDERS AS AT 31 MARCH 2018

#	Name of Shareholder	No. of Shares	%
1	CARSON CUMBERBATCH PLC A/C NO.02	15,726,912	74.93
2	GF CAPITAL GLOBAL LIMITED	1,908,523	9.09
3	CARLSBERG A/S	1,676,440	7.99
4	BNYMSANV RE-BUTTERFIELD TRUST (BERMUDA) LIMITED	800,000	3.81
5	HSBC INTERNATIONAL NOMINEES LTD-SSBT-DEUSTCHE BANK AG SINGAPORE A/C 01	135,000	0.64
6	CARSON CUMBERBATCH PLC A/C NO. 01	91,655	0.44
7	TRANZ DOMINION,L.L.C.	74,916	0.36
8	MRS. C.A.D.S. WOODWARD	40,065	0.19
9	MRS. J.K.P. SINGH	31,485	0.15
10	GUINNESS MORISON INTERNATIONAL LIMITED	20,953	0.10
11	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	13,650	0.07
12	MR. H.A. PIERIS	10,000	0.05
13	MISS M.P. RADHAKRISHNAN	9,633	0.05
14	MISS A. RADHAKRISHNAN	9,633	0.05
15	MR. N.J. GAMADIA	8,786	0.04
16	MR. C.N. RAJAHMONEY	8,579	0.04
17	MR. R. MAHESWARAN	8,134	0.04
18	MRS. M.S.K. WELIKALA	7,856	0.04
19	ADMIN.OF T A.C. ABDEEN (DECD)	7,725	0.04
20	MRS. M.C. ABEYSEKERA	7,622	0.04

12 PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.13.1 (b) of the Listing Rules of Colombo Stock Exchange, under Option 1, i.e. Float-Adjusted Market Capitalization of Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 7.5%.

The Company's Public Holding as at 31st March 2018

Market Capitalization of the Public Holding	Rs.3.25 Billion
Percentage of ordinary shares held by the public	24.60%
Number of Public Shareholders	956

13 EVENTS AFTER THE REPORTING PERIOD

No circumstances have arisen which required adjustment to or disclosure in the Financial Statements.

14 RELATED PARTY DISCLOSURES

14.1 Parent and ultimate controlling party

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.

14.2 Transactions with key management personnel (KMP)

(i) 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.

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

14.3 Other related party transactions

14.3.1 Transactions with subsidiary companies

Messrs. Mr. L. C. R. de C Wijetunge (stepped down from the Board on 20/07/2017), H.Selvanathan, S.K.Shah, D.C.R.Gunawardena, D.A. Cabraal, Mr. L. Lehmann, Mr. R. H. Meewakkala are also Directors of Lion Brewery (Ceylon) PLC, with which the following contracts/ transactions have been entered into during the period by the Company in the normal course of business.

(a) Lion Brewery (Ceylon) PLC (LBCPLC)

(i) Was charged Rs. 93,985,710/- (2017 -Rs.55,933,618/-) as royalty in accordance with the licensed brewing agreement with the Company.

(ii) A dividend of Rs. 150,475,635/- was paid by LBCPLC to the Company during the period. (2017 - 112,856,728/-)

(iii) No balance was receivable or payable to the Company at 31st March 2018. (2017 - Nil)

(b) Pubs 'N Places (Private) Limited

(i) Mr. S.K. Shah Director of the Company is also a Director of Pubs 'N Places (Private) Limited, which as at 31st March 2018 balance receivable from Pubs 'N Places (Private) Limited to the Company was Rs. 107,817,481/-. (2017 - Rs. 39,908,710/-).

(c) Retail Spaces (Pvt) Limited

(i) Mr. S.K. Shah Director of the Company is also a Directors of Retail Spaces (Private) Limited paid a dividend of Rs. 10,800,000/- (2017 - Rs.1,180,558/-) to the Company.

As at 31st March 2018 no balance was receivable or payable to the Company . (2017 - Nil)

14.3.2 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. 1,062,470/-(2017 -Rs.754,280/-) was charged by Carsons Management Services (Private) Limited to the Company and Group Rs.435,447,597/- (2017-Rs. 405,326,142/-) during the period ,which included supporting services fees of Rs. 386,774,479/-(2017 - Rs. 338,729,044/-) and other reimbursable expenses incurred by Carsons Management Services (Private) Limited on behalf of the Group.

NAME OF THE COMPANY

Ceylon Beverage Holdings PLC
(A Carson Cumberbatch Company)

COMPANY REGISTRATION NUMBER

PQ 35

LEGAL FORM

A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1910
Official listing of the Colombo Stock Exchange was obtained in April 1991

SUBSIDIARY COMPANIES

Lion Brewery (Ceylon) PLC
Pubs 'N Places (Private) Limited
Retail Spaces (Private) Limited
Luxury Brands (Private) Limited
Pearl Springs (Private) Limited
Millers Brewery Limited

PARENT AND CONTROLLING ENTITY

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. D. A. Cabraal (Chairman)
Mr. H. Selvanathan (Deputy Chairman)
Mr. M. Selvanathan (Director / Alternate Director to H. Selvanathan)
Mr. S. K. Shah (Chief Executive Officer)
Mr. D. C. R. Gunawardena
Mr. L. Lehmann
Mr. R. H. Meewakkala

BANKERS

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

LEGAL ADVISERS

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216, De Saram Place
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Sri Lanka
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Fax: + 94 11 4718220

AUDITORS

Messrs. KPMG
Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha
Colombo 3
Sri Lanka
Tel: + 94 11 5426426
Fax: +94 11 2445872

MANAGERS & SECRETARIES

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

REGISTERED OFFICE

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Fax: +94 11 2039 300

CORPORATE OFFICE & BREWERY

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Tel: +94 11 2465900 (10 Lines)
Fax: +94 11 2465901

GROUP WEBSITE

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