

**INTERIM FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 31 DECEMBER 2016
UNAUDITED**



ACL CABLES PLC (PQ 102)

ACL CABLES PLC
CONSOLIDATED INCOME STATEMENT

Unaudited

(all amounts in Sri Lanka Rupees thousands)

	Quarter ended 31 December		Period ended 31 December	
	2016	2015	2016	2015
<i>For the period ended 31 December</i>				
Revenue	4,623,467	3,018,984	11,670,331	9,698,983
Cost of sales	(3,786,585)	(2,264,987)	(9,052,710)	(7,399,372)
Gross profit	836,882	753,997	2,617,621	2,299,611
Other income	13,810	5,399	32,266	21,043
Distribution costs	(221,397)	(244,331)	(612,179)	(676,144)
Administrative costs	(103,113)	(100,920)	(311,279)	(288,759)
Results from operating activities	526,182	414,145	1,726,429	1,355,751
Net finance costs	(69,284)	(58,187)	(188,602)	(219,859)
Share of profit of investments accounted for using the equity method	(18,014)	16,917	(17,752)	58,907
Profit before income tax	438,884	372,875	1,520,076	1,194,799
Income tax expenses	(124,109)	(78,866)	(439,846)	(294,745)
Profit for the year	314,775	294,009	1,080,229	900,054
Profit attributable to :				
- Owners of the parent	283,827	257,344	963,887	794,922
- Non-controlling interests	30,948	36,665	116,342	105,132
	314,775	294,009	1,080,229	900,054
Earnings per share (Rs.)	2.37	2.15	8.05	6.64

ACL CABLES PLC
COMPANY INCOME STATEMENT

Unaudited

(all amounts in Sri Lanka Rupees thousands)

<i>For the period ended 31 December</i>	Quarter ended 31 December		Period ended 31 December	
	2016	2015	2016	2015
Revenue	2,165,368	1,396,064	6,063,847	5,306,358
Cost of sales	(1,761,734)	(1,165,699)	(4,844,937)	(4,450,291)
Gross profit	403,634	230,365	1,218,910	856,067
Other income	3,291	4,368	194,776	272,988
Distribution costs	(91,322)	(91,031)	(257,663)	(271,074)
Administrative costs	(47,721)	(45,088)	(134,731)	(125,150)
Results from operating activities	267,882	98,614	1,021,292	732,831
Net finance costs	(35,014)	(18,743)	(116,466)	(102,782)
Profit before income tax	232,868	79,871	904,826	630,049
Income tax expenses	(62,639)	(18,884)	(193,368)	(105,990)
Profit for the year	170,229	60,987	711,458	524,059
Earnings per share (Rs.)	1.42	0.51	5.94	4.37

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME

Unaudited

(all amounts in Sri Lanka Rupees thousands)

(A) Group

For the period ended 31 December

	Quarter ended 31 December		Period ended 31 December	
	2016	2015	2016	2015
Profit for the year	314,775	294,009	1,080,229	900,054
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	(1,331)	(1,263)	2,755	(569)
Share of other comprehensive income of equity accounted investee, net of tax	(1,157)	-	(1,157)	-
Other comprehensive income for the year, net of tax	(2,488)	(1,263)	1,597	(569)
Total comprehensive income for the year, net of tax	312,287	292,746	1,081,827	899,485
Total comprehensive income attributable to:				
- Owners of the parent	281,518	258,427	964,689	794,305
- Non-controlling interests	30,769	34,319	117,138	105,180
Total comprehensive income for the year, net of tax	312,287	292,746	1,081,827	899,485

(B) COMPANY

For the period ended 31 December

	Quarter ended 31 December		Period ended 31 December	
	2016	2015	2016	2015
Profit for the year	170,229	60,987	711,458	524,059
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	(816)	(1,225)	469	(707)
Other comprehensive income for the year, net of tax	(816)	(1,225)	469	(707)
Total comprehensive income for the year, net of tax	169,413	59,762	711,927	523,352

ACL CABLES PLC
STATEMENT OF FINANCIAL POSITION

Unaudited

(all amounts in Sri Lanka Rupees thousands)

As at	Group		Company	
	31 December 2016	31 March 2016	31 December 2016	31 March 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3,376,465	3,466,497	1,402,073	1,457,296
Work in progress	38,209	32,853	6,247	4,548
Investment property	516,000	516,000	285,000	285,000
Intangible assets	9,234	11,487	3,240	5,493
Pre paid lease rentals	1,671	1,688	-	-
Investment in subsidiaries	-	-	576,243	576,243
Investment in equity accounted investee	282,594	301,503	333,454	333,454
Held-to-maturity financial assets	230,099	-	230,099	-
Available-for-sale Financial assets	34,542	31,629	10,687	10,061
	4,488,814	4,361,657	2,847,043	2,672,095
Current assets				
Inventories	4,220,739	3,986,770	1,825,749	1,791,058
Trade and other receivables	4,938,833	4,250,727	3,708,330	2,476,739
Pre paid lease rentals	22	22	-	-
Held-to-maturity financial assets	161,730	1,067,315	-	578,280
Cash and cash equivalents	1,948,934	1,707,305	1,045,246	347,268
	11,270,258	11,012,139	6,579,325	5,193,345
TOTAL ASSETS	15,759,072	15,373,796	9,426,368	7,865,440
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	299,488	299,488	299,488	299,488
Capital reserve	1,875,347	1,875,347	849,241	849,241
General reserve	1,123,825	1,123,825	680,266	680,266
Available-for-sale Reserve	6,813	4,854	855	386
Retained earnings	5,924,791	5,141,742	2,800,663	2,268,886
Equity attributable to owners of the parent	9,230,264	8,445,256	4,630,513	4,098,267
Non-controlling interests	1,114,343	1,026,303	-	-
Total equity	10,344,608	9,471,559	4,630,513	4,098,267
Non-current liabilities				
Defined benefit obligations	281,653	253,462	164,411	148,994
Deferred tax liability	209,369	209,370	82,728	82,728
Borrowings	1,038,841	914,591	1,025,000	882,750
	1,529,863	1,377,423	1,272,139	1,114,472
Current liabilities				
Trade and other payables	2,021,726	2,010,090	2,333,516	1,147,950
Current income tax liability	786,808	781,919	448,671	308,853
Borrowings	694,379	808,283	472,453	421,938
Bank overdraft	381,688	924,522	269,076	773,960
	3,884,601	4,524,814	3,523,716	2,652,701
Total liabilities	5,414,464	5,902,237	4,795,855	3,767,173
Total equity and liabilities	15,759,072	15,373,796	9,426,368	7,865,440
Net asset value per share	77.06	70.50	38.66	34.21
Highest and Lowest Market Price recorded during the quarter;				
Highest price (Rs.)			65.50	122.00
Lowest price (Rs.)			59.00	88.00
Last traded price (Rs.)			60.50	100.90

It is certified that these financial statements have been prepared in compliance with the requirements of Companies Act, No. 07 of 2007.

Sgd.

Champika Coomasaru
Group Financial Controller

Sgd.

U. G. Madanayake
Chairman

14 February 2017
Colombo

Sgd.

Suren Madanayake
Managing Director

ACL CABLES PLC
STATEMENT OF CHANGES IN EQUITY - GROUP

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period ended 31 December

	Attributable to owners of the company					Total	Non controlling interest	Total equity
	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit			
Balance at 1 April 2016	299,488	1,875,347	1,123,825	4,854	5,141,742	8,445,256	1,026,303	9,471,559
Net profit	-	-	-	-	963,887	963,887	116,342	1,080,229
Fair value adjustment for available-for-sale financial assets	-	-	-	1,959	-	1,959	796	2,755
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	(1,157)	(1,157)	-	(1,157)
Total comprehensive income	-	-	-	1,959	962,730	964,689	117,138	1,081,827
Dividends	-	-	-	-	(179,681)	(179,681)	(29,098)	(208,779)
Balance at 31 December 2016	299,488	1,875,347	1,123,825	6,813	5,924,791	9,230,264	1,114,343	10,344,608

For the year ended 31 March 2016

	Attributable to owners of the company					Total	Non controlling interest	Total equity
	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit			
Balance at 1 April 2015	299,488	1,818,019	1,123,825	10,528	4,138,163	7,390,023	870,373	8,260,396
Net profit	-	-	-	-	794,922	794,922	105,132	900,054
Fair value adjustment for available-for-sale financial assets	-	-	-	(617)	-	(617)	48	(569)
Total comprehensive income	-	-	-	(617)	794,922	794,305	105,180	899,485
Transfers upon disposal of available for sale financial assets	-	-	-	(3,028)	-	(3,028)	-	(3,028)
Impact on ownership change in equity accounted investee	-	-	-	-	15,205	15,205	-	15,205
Dividends	-	-	-	-	(119,787)	(119,787)	(19,165)	(138,952)
Balance at 31 December 2015	299,488	1,818,019	1,123,825	6,883	4,828,503	8,076,718	956,388	9,033,106
Balance at 1 January 2016	299,488	1,818,019	1,123,825	6,883	4,828,503	8,076,718	956,388	9,033,106
Net profit	-	-	-	-	298,690	298,690	70,484	369,174
Fair value adjustment for available-for-sale financial assets	-	-	-	(2,029)	-	(2,029)	(569)	(2,598)
Re-measurements of post employment benefit obligation	-	-	-	-	8,817	8,817	-	8,817
Deferred tax on re-measurement of post employment benefit obligation	-	-	-	-	(1,576)	(1,576)	-	(1,576)
Deferred tax on revaluation surplus	-	63,104	-	-	-	63,104	-	63,104
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	306	306	-	306
Total comprehensive income	-	63,104	-	(2,029)	306,237	367,312	69,915	437,227
Transfer from revaluation reserve	-	(7,000)	-	-	7,000	-	-	-
Deferred tax on transfer from revaluation reserve	-	1,224	-	-	-	1,224	-	1,224
Balance at 31 March 2016	299,488	1,875,347	1,123,825	4,854	5,141,742	8,445,256	1,026,303	9,471,559

ACL CABLES PLC
STATEMENT OF CHANGES IN EQUITY - COMPANY

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period ended 31 December

	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit	Total
Balance at 1 April 2016	299,488	849,241	680,266	386	2,268,886	4,098,267
Net profit	-	-	-	-	711,458	711,458
Fair value adjustment for available-for-sale financial assets	-	-	-	469	-	469
Total comprehensive income	-	-	-	469	711,458	711,927
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 31 December 2016	299,488	849,241	680,266	855	2,800,663	4,630,513
No of shares as at 30 September 2016	119,787,360					

For the year ended 31 March 2016

	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit	Total
Balance at 1 April 2015	299,488	795,582	680,266	2,056	1,838,647	3,616,039
Net profit	-	-	-	-	524,059	524,059
Fair value adjustment for available-for-sale financial assets	-	-	-	(707)	-	(707)
Total comprehensive income	-	-	-	(707)	524,059	523,352
Dividends	-	-	-	-	(119,787)	(119,787)
Balance at 31 December 2015	299,488	795,582	680,266	1,349	2,242,919	4,019,604
Balance at 1 January 2016	299,488	795,582	680,266	1,349	2,242,919	4,019,604
Net profit	-	-	-	-	20,275	20,275
Fair value adjustment for available-for-sale financial assets	-	-	-	(963)	-	(963)
Re-measurements of post employment benefit obligation	-	-	-	-	6,899	6,899
Deferred tax on re-measurement of post employment benefit obligation	-	-	-	-	(1,207)	(1,207)
Deferred tax on revaluation surplus	-	53,659	-	-	-	53,659
Total comprehensive income	-	53,659	-	(963)	25,967	78,663
Balance at 31 March 2016	299,488	849,241	680,266	386	2,268,886	4,098,267
No of shares as at 31 March 2016	59,893,680					

ACL CABLES PLC
STATEMENT OF CASH FLOW

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period ended 31 December

	GROUP		COMPANY	
	2016	2015	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	1,520,076	1,194,799	904,826	630,049
Adjustments for:				
Depreciation of property, plant and equipment	175,938	170,371	68,869	65,949
share of profit from equity accounted investee (net of tax)	17,752	(58,907)	-	-
Dividend income	(1,248)	(469)	(180,844)	(120,326)
Interest expense/(income)	188,602	219,859	116,466	102,782
Exchange gain on investment in Sri Lanka development bonds	(13,371)	-	(5,851)	-
Profit on disposal of property, plant and equipment	(6,578)	(2,909)	(4,421)	(2,875)
Profit on sale of shares	-	-	-	-
Profit on share re-purchase	-	-	-	(147,886)
Amortization of leasehold properties	17	17	-	-
Defined benefit obligations	40,347	39,946	24,228	22,266
Changes in working capital:				
(Increase)/Decrease in;				
Inventories	(233,969)	803,319	(34,691)	11,589
Receivables and prepayments	(688,106)	1,047,034	(1,231,592)	499,488
Increase/(Decrease) in;				
Trade and other payables	11,636	(1,254,724)	1,185,566	(130,315)
Cash generated from/ (used in) operations	1,011,095	2,158,336	842,556	930,721
Interest received/(paid)	(188,602)	(219,859)	(116,466)	(102,782)
Defined benefit obligations paid	(12,156)	(17,723)	(8,811)	(14,296)
Income tax paid less refund received	(414,941)	(97,679)	(53,550)	(61,112)
WHT on dividend paid by subsidiary to non-controlling interests	(20,017)	(12,610)	-	-
Net cash (used in)/from operating activities	375,379	1,810,465	663,729	752,531
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(95,313)	(100,028)	(16,373)	(45,926)
Investment in held-to-maturity investments	(230,068)	-	(230,068)	-
Investment in available-for-sale financial assets	(157)	(149)	(157)	(149)
Dividend received	1,248	469	180,844	120,326
Cash proceeds from held-to-maturity investments	918,925	-	584,100	-
Sales proceeds from share disposal	-	4,550	-	-
Sales proceeds from share re-purchase	-	592,493	-	592,493
Sales proceeds from disposal of property, plant and equipment	12,883	3,084	7,703	2,875
Net cash from/(used in) investing activities	607,518	500,419	526,049	669,619
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings net of payments	(113,904)	(1,067,455)	50,515	(652,020)
Long term borrowings net of payments	124,250	7,000	142,250	25,000
Dividends paid	(179,681)	(119,787)	(179,681)	(119,787)
Dividends paid by subsidiaries to non-controlling interests	(29,098)	(19,165)	-	-
Net cash generated from/ (used in) financing activities	(198,433)	(1,199,407)	13,084	(746,807)
Net increase/(decrease) in cash and cash equivalents	784,463	1,111,477	1,202,862	675,343
Cash and cash equivalents at the beginning of the year	782,783	630,832	(426,692)	77,153
Cash and cash equivalents at the end of the year	1,567,246	1,742,309	776,170	752,496

(all amounts in Sri Lanka Rupees thousands)

1. Segment information

(a) Business segment information

<i>For the period ended 31 December</i>	Manufacturing cables 2016	Manufacturing PVC compound 2016	Others 2016	Total 2016	Total 2015
Revenue					
Total revenue	11,329,662	1,103,311	2,900,427	15,333,400	14,185,196
Inter-segment sales	(955,002)	(95,584)	(2,612,483)	(3,663,069)	(4,486,213)
External sales	10,374,660	1,007,727	287,944	11,670,331	9,698,983
Results					
Profit/(loss) before other income and finance cost	1,192,290	237,871	264,002	1,694,163	1,334,708
Other income	24,158	8,108	-	32,266	21,043
Finance (cost)/income	(104,200)	(13,049)	(71,353)	(188,602)	(219,859)
Share of profit of investments accounted for using the equity method (Power and energy)	-	-	(17,752)	(17,752)	58,907
Taxation	(320,924)	(65,260)	(53,662)	(439,846)	(294,745)
Profit/(loss) after taxation	791,324	167,670	121,235	1,080,229	900,054
Capital expenditure					
Segment capital expenditure	68,747	1,870	24,696	95,313	100,028
Total capital expenditure				95,313	100,028
Depreciation and amortisation					
Segment depreciation	139,016	13,106	23,816	175,938	170,371
Total depreciation and amortisation				175,938	170,371

<i>For the period ended 31 December</i>	Manufacturing cables 2016	Manufacturing PVC compound 2016	Others 2016	Total 2016	Total 31 March 2016
Assets					
Segment assets	13,243,681	555,918	1,367,416	15,167,015	15,476,914
Unallocated corporate assets				592,057	591,159
Total assets				15,759,072	15,373,796
Liabilities					
Segment liabilities	4,142,875	207,882	1,059,113	5,409,870	7,802,555
Unallocated corporate liabilities				4,594	5,122
Total liabilities				5,414,464	5,902,237

(b) Geographical segment information - revenue

<i>For the period ended 31 December</i>	Group		Company	
	2016	2015	2016	2015
Local sales	10,378,642	8,586,591	5,413,708	4,699,456
Export sales	1,291,689	1,112,392	650,139	606,902
	11,670,331	9,698,983	6,063,847	5,306,358

2. The consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31 March 2015 and are in compliance with Sri Lanka Accounting Standards - LKAS 34 - Interim Financial Reporting.
3. Where necessary, the presentation and classification of the financial statements of the previous period have been adjusted for better presentation and to be comparable with year end reporting.
4. There were no liabilities for management fees or any other similar expenditures in the interim financial statements.
5. There were no funds raised through an IPO/Rights/Debenture issues by the group of companies.
6. There have been no other events subsequent to the balance sheet date, which require disclosures in the interim financial statements.
7. There were no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2016.
8. subdivision of shares

At an Extraordinary General meeting held on 28 June 2016, it was resolved to increase the number of ordinary shares of the company in issue by way of a subdivision whereby 1 ordinary share will be subdivided in to 2 ordinary shares, increasing the Company's existing issued and fully paid 59,893,680 ordinary shares to 119,787,360 issued and fully paid ordinary shares, without any increase to the Company's stated capital.

(a) Impact on earning per share for the period ended 31 December 2016;

	After subdivision		Before subdivision	
	Group	Company	Group	Company
Net profit attributable to equity holders (LKR'000)	963,887	711,458	963,887	711,458
Number of ordinary shares	119,787,360	119,787,360	59,893,680	59,893,680
Earning per share (Rs.)	8.05	5.94	16.09	11.88

(b) Impact on net asset value per share as at 31 December 2016;

	After subdivision		Before subdivision	
	Group	Company	Group	Company
Net assets (LKR'000)	9,230,264	4,630,513	9,230,264	4,630,513
Number of ordinary shares	119,787,360	119,787,360	59,893,680	59,893,680
Net asset value per share (Rs.)	77.06	38.66	154.11	77.31

ACL CABLES PLC
NON FINANCIAL INFORMATION

Twenty largest shareholders as at 31 December 2016

Shareholder Name	Number of shares	Holdings %
1 Mr. U. G. Madanayake	45,694,432	38.15%
2 Mr. Suren Madanayake	26,604,792	22.21%
3 Employees Provident Fund	5,907,432	4.93%
4 Employees Trust Fund Board	4,427,057	3.70%
5 Deutsche Bank AG -National Equity Fund	2,264,314	1.89%
6 Mrs. N.C. Madanayake	2,064,200	1.72%
7 Bnymsanv Re-Compass Asia Partners,L.P.	2,000,000	1.67%
8 Seylan Bank Ltd/Govindasami Ramanan	1,675,498	1.40%
9 FAB Foods (Private) Ltd	1,535,040	1.28%
10 Deutsche Bank AG AS Trustee for Namal Acuity	1,500,000	1.25%
11 Bank of Ceylon-No 2 A/C	1,320,800	1.10%
12 Bank Of Ceylon No. 1 Account	1,005,246	0.84%
13 Mellon Bank N.A.-Commonwealth Of Massachuse	780,956	0.65%
14 Perera R.D.M.	701,864	0.59%
15 Selliah A & Selliah S	700,000	0.58%
16 Sir Cyril De Zoysa Trust	682,072	0.57%
17 Ceylon Investment PLCA/C # 01	600,042	0.50%
18 Arunodhaya (Private) Limited	500,000	0.42%
19 Arunodhaya Industries (Private) Limited	500,000	0.42%
20 Arunodhaya Investments (Private) Limited	500,000	0.42%
	100,963,745	84.29%

Share holding of directors as at 31 December 2016

Director Name	Number of shares	Holdings %
01. Mr. U. G. Madanayake - Chairman	45,694,432	38.15%
02. Mr. Suren Madanayake - Managing Director	26,604,792	22.21%
03. Mrs. N.C. Madanayake	2,064,200	1.72%
04. Dr.Sivakumar Selliah	700,000	0.58%
05. Mr. Ajit Jayaratne	-	-
06. Mr. Hemaka Amarasuriya	-	-
07. Mr. D.D. Wahalthanthri	-	-
08. Mr. Rajiv Casie Chitty	-	-
Total held by Directors	75,063,424	62.66%
Shares held by public as at 31 December 2016	44,723,936	37.34%
Total No of Shares as at 31 December 2016	119,787,360	100.00%

No of public share holders as at 31 December 2016

2,477