

**INTERIM FINANCIAL STATEMENTS
FOR THREE MONTHS ENDED 30 JUNE 2016
UNAUDITED**



ACL CABLES PLC (PQ 102)

ACL CABLES PLC
CONSOLIDATED INCOME STATEMENT

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period months ended 30 June	Group		Company	
	2016	2015	2016	2015
Revenue	3,361,809	3,352,796	1,769,091	1,921,327
Cost of sales	(2,555,906)	(2,613,001)	(1,424,223)	(1,597,919)
Gross profit	805,903	739,795	344,868	323,408
Other income	15,879	5,614	9,859	2,616
Distribution costs	(185,059)	(212,770)	(81,553)	(90,307)
Administrative costs	(102,265)	(98,654)	(42,265)	(39,729)
Results from operating activities	534,458	433,985	230,909	195,988
Net finance costs	(58,543)	(85,004)	(35,828)	(58,989)
Share of profit of investments accounted for using the equity method	6,077	25,935	-	-
Profit before income tax	481,992	374,916	195,081	136,999
Income tax expenses	(132,885)	(85,245)	(53,573)	(38,882)
Profit for the year	349,107	289,671	141,508	98,117
Profit attributable to :				
- Owners of the parent	306,171	264,217	141,508	98,117
- Non-controlling interests	42,936	25,454	-	-
	349,107	289,671	141,508	98,117
Earnings per share (Rs.)	5.11	4.41	2.36	1.64

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period months ended 30 June

	Group		Company	
	2016	2015	2016	2015
Profit for the year	349,107	289,671	141,508	98,117
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	(81)	1,923	(594)	6
Other comprehensive income for the year, net of tax	(81)	1,923	(594)	6
Total comprehensive income for the year, net of tax	349,026	291,594	140,914	98,123
Total comprehensive income attributable to:				
- Owners of the parent	305,912	265,473	140,914	98,123
- Non-controlling interests	43,115	26,121	-	-
Total comprehensive income for the year, net of tax	349,026	291,594	140,914	98,123

ACL CABLES PLC
STATEMENT OF CHANGES IN EQUITY - GROUP

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period ended 30 June 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 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	-	-	-	-	306,171	306,171	42,936	349,107
Fair value adjustment for available-for-sale financial assets	-	-	-	(259)	-	(259)	179	(81)
Total comprehensive income	-	-	-	(259)	306,171	305,912	43,115	349,026
Balance at 30 June 2016	299,488	1,875,347	1,123,825	4,596	5,447,913	8,751,169	1,069,419	9,820,587

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	-	-	-	-	264,217	264,217	25,454	289,671
Fair value adjustment for available-for-sale financial assets	-	-	-	1,256	-	1,256	667	1,923
Total comprehensive income	-	-	-	1,256	264,217	265,473	26,121	291,594
Balance at 30 June 2015	299,488	1,818,019	1,123,825	11,784	4,402,380	7,655,496	896,494	8,551,990
Balance at 1 July 2015	299,488	1,818,019	1,123,825	11,784	4,402,380	7,655,496	896,494	8,551,990
Net profit	-	-	-	-	829,395	829,395	150,162	979,557
Fair value adjustment for available-for-sale financial assets	-	-	-	(3,902)	-	(3,902)	(1,188)	(5,090)
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	-	63,105	-	-	-	63,105	-	63,105
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	306	306	-	306
Total comprehensive income	-	63,105	-	(3,902)	836,942	896,145	148,974	1,045,119
Transfers upon disposal of available-for-sale investments	-	-	-	(3,028)	-	(3,028)	-	(3,028)
Transfer from revaluation reserve	-	(7,000)	-	-	7,000	-	-	-
Deferred tax on transfer from revaluation reserve	-	1,224	-	-	-	1,224	-	1,224
Dividends	-	-	-	-	(119,787)	(119,787)	(19,165)	(138,952)
Impact on ownership change in equity accounted investee	-	-	-	-	15,205	15,205	-	15,205
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 30 June 2016

	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	-	-	-	-	141,508	141,508
Fair value adjustment for available-for-sale financial assets	-	-	-	(594)	-	(594)
Total comprehensive income	-	-	-	(594)	141,508	140,914
Balance at 30 June 2016	299,488	849,241	680,266	(208)	2,410,394	4,239,181
No of shares as at 30 June 2016	59,893,680					

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	-	-	-	-	98,117	98,117
Fair value adjustment for available-for-sale financial assets	-	-	-	6	-	6
Total comprehensive income	-	-	-	6	98,117	98,123
Balance at 30 June 2015	299,488	795,582	680,266	2,062	1,936,764	3,714,162
Balance at 1 July 2015	299,488	795,582	680,266	2,062	1,936,764	3,714,162
Net profit	-	-	-	-	446,217	446,217
Fair value adjustment for available-for-sale financial assets	-	-	-	(1,676)	-	(1,676)
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	-	(1,676)	451,909	503,892
Dividends	-	-	-	-	(119,787)	(119,787)
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 months ended 30 June

	GROUP		COMPANY	
	2016	2015	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	481,992	374,916	195,081	136,999
Adjustments for:				
Depreciation of property, plant and equipment	58,850	56,592	23,114	21,777
share of profit from equity accounted investee (net of tax)	(6,077)	(25,935)	-	-
Dividend income	(228)	(138)	(180)	(138)
Interest expense/(income)	58,543	85,004	35,828	58,989
Exchange gain on investment in Sri Lanka development bonds	(14,167)	-	(7,880)	-
Profit on disposal of property, plant and equipment	(2,325)	-	-	-
Amortization of leasehold properties	6	6	-	-
Defined benefit obligations	15,289	13,267	8,076	7,422
Changes in working capital:				
(Increase)/Decrease in;				
Inventories	(31,401)	606,263	44,773	180,069
Receivables and prepayments	(817,207)	434,257	(936,741)	78,933
Increase/(Decrease) in;				
Trade and other payables	(51,424)	(1,184,725)	429,304	(541,753)
Cash generated from/ (used in) operations	(308,149)	359,507	(208,625)	(57,702)
Interest received/(paid)	(58,543)	(85,004)	(35,828)	(58,989)
Defined benefit obligations paid	(5,771)	(7,895)	(2,218)	(6,644)
Income tax paid less refund received	(7,447)	(72,717)	-	-
WHT on dividend paid by subsidiary to non-controlling interests	-	(4,905)	-	-
Net cash (used in)/from operating activities	(379,910)	188,986	(246,671)	(123,335)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(41,303)	(36,956)	(5,783)	(28,363)
Investment in held-to-maturity investments	(230,068)	-	(230,068)	-
Dividend received	228	138	180	138
Sales proceeds from held-to-maturity investments	293,080	-	293,080	-
Sales proceeds from disposal of property, plant and equipment	5,230	-	-	-
Net cash from/(used in) investing activities	27,167	(36,818)	57,409	(28,225)
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings net of payments	(91,484)	(34,613)	74,825	304,846
Long term borrowings net of payments	185,550	69,000	191,550	75,000
Dividends paid by subsidiaries to non-controlling interests	-	(16,348)	-	-
Net cash generated from/ (used in) financing activities	94,066	18,039	266,375	379,846
Net increase/(decrease) in cash & cash equivalents	(258,677)	170,207	77,113	228,286
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	524,106	801,039	(349,579)	305,439

(all amounts in Sri Lanka Rupees thousands)

1. Segment information

(a) Business segment information

<i>For the period months ended 30 June</i>	Manufacturing cables 2016	Manufacturing PVC compound 2016	Others 2016	Total 2016	Total 2015
Revenue					
Total revenue	3,387,436	363,790	877,835	4,629,061	4,525,071
Inter-segment sales	(140,924)	(328,915)	(797,413)	(1,267,252)	(1,172,275)
External sales	3,246,512	34,875	80,422	3,361,809	3,352,796
Results					
Profit/(loss) before other income and finance cost	337,653	99,267	81,659	518,579	428,371
Other income	14,154	1,723	2	15,879	5,614
Finance (cost)/income	(31,069)	(1,937)	(25,537)	(58,543)	(85,004)
Share of profit of equity accounted investee and gain on bargain purchase (Power and energy)	-	-	-	6,077	25,935
Taxation	(88,027)	(27,500)	(17,358)	(132,885)	(85,245)
Profit/(loss) after taxation	232,711	71,553	38,766	349,107	289,671
Capital expenditure					
Segment capital expenditure	36,142	1,111	4,050	41,303	36,956
Total capital expenditure				41,303	36,956
Depreciation and amortisation					
Segment depreciation	46,807	4,361	7,682	58,850	56,592
Total depreciation and amortisation				58,850	56,592

<i>For the period months ended 30 June</i>	Manufacturing cables 2016	Manufacturing PVC compound 2016	Others 2016	Total 2016	Total 31 March 2015
Assets					
Segment assets	12,501,978	632,690	1,884,207	15,018,875	15,476,914
Unallocated corporate assets				591,457	591,159
Total assets				15,610,332	15,373,796
Liabilities					
Segment liabilities	4,375,173	208,159	1,201,769	5,785,101	7,802,555
Unallocated corporate liabilities				4,644	5,122
Total liabilities				5,789,745	5,902,237

(b) Geographical segment information - revenue

<i>For the period months ended 30 June</i>	Group		Company	
	2016	2015	2016	2015
Local sales	2,807,274	2,912,088	1,499,859	1,687,892
Export sales	554,535	440,708	269,232	233,435
	3,361,809	3,352,796	1,769,091	1,921,327

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 30 June 2016;

	After subdivision		Before subdivision	
	Group	Company	Group	Company
Net profit attributable to equity holders (LKR'000)	306,171	141,508	306,171	141,508
Number of ordinary shares	119,787,360	119,787,360	59,893,680	59,893,680
Earning per share (Rs.)	2.56	1.18	5.11	2.36

(b) Impact on net asset value per share as at 30 June 2016;

	After subdivision		Before subdivision	
	Group	Company	Group	Company
Net assets (LKR'000)	8,751,169	4,239,181	8,751,169	4,239,181
Number of ordinary shares	119,787,360	119,787,360	59,893,680	59,893,680
Net asset value per share (Rs.)	73.06	35.39	146.11	70.78

ACL CABLES PLC
NON FINANCIAL INFORMATION

Twenty largest shareholders as at 30 June 2016

Shareholder Name	Number of shares	Holdings %
1 Mr. U. G. Madanayake	22,847,216	38.15%
2 Mr. Suren Madanayake	13,302,396	22.21%
3 Employees Provident Fund	2,953,716	4.93%
4 Employees Trust Fund Board	1,641,777	2.74%
5 Deutsche Bank AG -National Equity Fund	1,132,157	1.89%
6 Mrs. N.C. Madanayake	1,032,100	1.72%
7 Seylan Bank Ltd/Govindasami Ramanan	800,981	1.34%
8 FAB Foods (Private) Ltd	767,520	1.28%
9 Deutsche Bank AG AS Trustee for Namal Acuity	750,000	1.25%
10 Bank of Ceylon-No 2 A/C	741,900	1.24%
11 Mas Capital (Private) Limited	591,503	0.99%
12 Seylan Bank PLC/ARC Capital (Pvt) Ltd	481,164	0.80%
13 Deutsche Bank AG AS Trustee to Astrue Alpha Fund	427,868	0.71%
14 Bank of Ceylon, No.01 Account	393,575	0.66%
15 Mellon Bank N A - Commonwealth of Massachuse	390,478	0.65%
16 Sri Lanka Insurance Corporation Limited - Life Fund	366,422	0.61%
17 Perera R.D.M.	350,932	0.59%
18 Selliah A & Selliah S	350,000	0.58%
19 Sir Cyril De Zoysa Trust	341,036	0.57%
20 Arunodhaya (Private) Limited	250,000	0.42%
	49,912,741	83.34%

Share holding of directors as at 30 June 2016

Director Name	Number of shares	Holdings %
01. Mr. U. G. Madanayake - Chairman	22,847,216	38.15%
02. Mr. Suren Madanayake - Managing Director	13,302,396	22.21%
03. Mrs. N.C. Madanayake	1,032,100	1.72%
04. Dr.Sivakumar Selliah	350,000	0.58%
05. Mr. Ajit Jayaratne	-	-
06. Mr. Hemaka Amarasuriya	-	-
07. Mr. D.D. Wahalthanthri	-	-
08. Mr. Rajiv Casie Chitty	-	-
Total held by Directors	37,531,712	62.66%
Shares held by public as at 30 June 2016	22,361,968	37.34%
Total No of Shares as at 30 June 2016	59,893,680	100.00%

No of public share holders as at 30 June 2016

2,367