

**INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED 30 SEPTEMBER 2016
UNAUDITED**



ACL CABLES PLC (PQ 102)

ACL CABLES PLC
CONSOLIDATED INCOME STATEMENT

Unaudited

(all amounts in Sri Lanka Rupees thousands)

<i>For the period ended 30 September</i>	Quarter ended 30 September		Period ended 30 September	
	2016	2015	2016	2015
Revenue	3,685,055	3,327,203	7,046,864	6,679,999
Cost of sales	(2,710,219)	(2,521,384)	(5,266,125)	(5,134,385)
Gross profit	974,836	805,820	1,780,739	1,545,615
Other income	6,611	11,032	18,456	16,063
Distribution costs	(205,723)	(219,043)	(390,782)	(431,813)
Administrative costs	(105,901)	(89,185)	(208,166)	(187,839)
Results from operating activities	669,823	508,624	1,200,247	942,027
Net finance costs	(64,809)	(77,670)	(119,318)	(162,091)
Share of profit of investments accounted for using the equity method	(5,815)	16,055	262	41,990
Profit before income tax	599,200	447,010	1,081,192	821,926
Income tax expenses	(182,852)	(130,634)	(315,737)	(215,879)
Profit for the year	416,347	316,376	765,454	606,047
Profit attributable to :				
- Owners of the parent	373,890	273,363	680,061	537,580
- Non-controlling interests	42,458	43,013	85,394	68,467
	416,347	316,376	765,454	606,047
Earnings per share (Rs.)	3.12	2.28	5.68	4.49

ACL CABLES PLC
COMPANY INCOME STATEMENT

Unaudited

(all amounts in Sri Lanka Rupees thousands)

<i>For the period ended 30 September</i>	Quarter ended 30 September		Period ended 30 September	
	2016	2015	2016	2015
Revenue	2,129,388	1,988,967	3,898,479	3,910,294
Cost of sales	(1,658,980)	(1,686,673)	(3,083,203)	(3,284,592)
Gross profit	470,408	302,294	815,276	625,702
Other income	181,626	270,639	191,485	272,239
Distribution costs	(84,788)	(89,736)	(166,341)	(180,043)
Administrative costs	(44,745)	(40,333)	(87,010)	(80,062)
Results from operating activities	522,501	442,864	753,410	637,836
Net finance costs	(45,624)	(29,685)	(81,452)	(87,658)
Profit before income tax	476,877	413,179	671,958	550,178
Income tax expenses	(77,156)	(48,224)	(130,729)	(87,106)
Profit for the year	399,721	364,955	541,229	463,072
Earnings per share (Rs.)	3.34	3.05	4.52	3.87

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME

Unaudited

(all amounts in Sri Lanka Rupees thousands)

(A) Group

For the period ended 30 September

	Quarter ended 30 September		Period ended 30 September	
	2016	2015	2016	2015
Profit for the year	416,347	316,376	765,454	606,047
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	4,167	(1,229)	4,086	694
Other comprehensive income for the year, net of tax	4,167	(1,229)	4,086	694
Total comprehensive income for the year, net of tax	420,514	315,147	769,540	606,741
Total comprehensive income attributable to:				
- Owners of the parent	377,259	269,353	683,171	537,852
- Non-controlling interests	43,253	42,767	86,368	68,889
Total comprehensive income for the year, net of tax	420,514	312,120	769,540	606,741

(B) COMPANY

For the period ended 30 September

	Quarter ended 30 September		Period ended 30 September	
	2016	2015	2016	2015
Profit for the year	399,721	364,955	541,229	463,072
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	1,879	(524)	1,285	(518)
Other comprehensive income for the year, net of tax	1,879	(524)	1,285	(518)
Total comprehensive income for the year, net of tax	401,600	364,431	542,514	462,554

(all amounts in Sri Lanka Rupees thousands)

As at	Group		Company	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3,375,071	3,466,497	1,418,003	1,457,296
Work in progress	55,932	32,853	6,247	4,548
Investment property	516,000	516,000	285,000	285,000
Intangible assets	9,985	11,487	3,991	5,493
Pre paid lease rentals	1,677	1,688	-	-
Investment in subsidiaries	-	-	576,243	576,243
Investment in equity accounted investee	301,765	301,503	333,454	333,454
Held-to-maturity financial assets	230,099	-	230,099	-
Available-for-sale Financial assets	35,717	31,629	11,346	10,061
	4,526,246	4,361,657	2,864,383	2,672,095
Current assets				
Inventories	4,060,091	3,986,770	1,767,303	1,791,058
Trade and other receivables	4,911,259	4,250,727	3,348,560	2,476,739
Pre paid lease rentals	22	22	-	-
Held-to-maturity financial assets	158,285	1,067,315	-	578,280
Cash and cash equivalents	2,234,241	1,707,305	1,271,152	347,268
	11,363,898	11,012,139	6,387,015	5,193,345
TOTAL ASSETS	15,890,144	15,373,796	9,251,398	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	7,965	4,854	1,671	386
Retained earnings	5,642,122	5,141,742	2,630,434	2,268,886
Equity attributable to owners of the parent	8,948,747	8,445,256	4,461,100	4,098,267
Non-controlling interests	1,083,574	1,026,303	-	-
Total equity	10,032,321	9,471,559	4,461,100	4,098,267
Non-current liabilities				
Defined benefit obligations	273,273	253,462	160,734	148,994
Deferred tax liability	209,369	209,370	82,728	82,728
Borrowings	1,069,841	914,591	1,050,000	882,750
	1,552,483	1,377,423	1,293,462	1,114,472
Current liabilities				
Trade and other payables	2,291,820	2,010,090	2,297,813	1,147,950
Current income tax liability	806,514	781,919	429,170	308,853
Borrowings	775,698	808,283	514,845	421,938
Bank overdraft	431,308	924,522	255,008	773,960
	4,305,340	4,524,814	3,496,836	2,652,701
Total liabilities	5,857,823	5,902,237	4,790,298	3,767,173
Total equity and liabilities	15,890,144	15,373,796	9,251,398	7,865,440
Net asset value per share	74.71	70.50	37.24	34.21
Highest and Lowest Market Price recorded during the quarter;				
Highest price (Rs.)			65.60	122.00
Lowest price (Rs.)			52.70	88.00
Last traded price (Rs.)			64.70	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
15 November 2016
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 30 September

	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	-	-	-	-	680,061	680,061	85,394	765,454
Fair value adjustment for available-for-sale financial assets	-	-	-	3,111	-	3,111	975	4,086
Total comprehensive income	-	-	-	3,111	680,061	683,171	86,368	769,540
Dividends	-	-	-	-	(179,681)	(179,681)	(29,098)	(208,779)
Balance at 30 September 2016	299,488	1,875,347	1,123,825	7,965	5,642,122	8,948,747	1,083,574	10,032,321

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	-	-	-	-	537,580	537,580	68,467	606,047
Fair value adjustment for available-for-sale financial assets	-	-	-	272	-	272	422	694
Total comprehensive income	-	-	-	272	537,580	537,852	68,889	606,741
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 30 September 2015	299,488	1,818,019	1,123,825	10,800	4,571,161	7,823,293	920,097	8,743,390
Balance at 1 October 2015	299,488	1,818,019	1,123,825	10,800	4,571,161	7,823,293	920,097	8,743,390
Net profit	-	-	-	-	556,032	556,032	107,149	663,181
Fair value adjustment for available-for-sale financial assets	-	-	-	(2,918)	-	(2,918)	(943)	(3,861)
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	-	(2,918)	563,579	623,765	106,206	729,971
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
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 September

	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	-	-	-	-	541,229	541,229
Fair value adjustment for available-for-sale financial assets	-	-	-	1,285	-	1,285
Total comprehensive income	-	-	-	1,285	541,229	542,514
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 30 September 2016	299,488	849,241	680,266	1,671	2,630,434	4,461,100
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	-	-	-	-	463,072	463,072
Fair value adjustment for available-for-sale financial assets	-	-	-	(518)	-	(518)
Total comprehensive income	-	-	-	(518)	463,072	462,554
Balance at 30 September 2015	299,488	795,582	680,266	1,538	2,301,719	4,078,593
Balance at 1 October 2015	299,488	795,582	680,266	1,538	2,301,719	4,078,593
Net profit	-	-	-	-	81,262	81,262
Fair value adjustment for available-for-sale financial assets	-	-	-	(1,152)	-	(1,152)
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	-	(1,152)	86,954	139,461
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 ended 30 September

	GROUP		COMPANY	
	2016	2015	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	1,081,192	821,926	671,958	550,178
Adjustments for:				
Depreciation of property, plant and equipment	117,966	112,659	45,991	43,863
Share of profit from equity accounted investee (net of tax)	(262)	(41,990)	-	-
Dividend income	(800)	(371)	(180,794)	(120,228)
Interest expense/(income)	129,244	163,107	87,303	88,674
Exchange gain on investment in Sri Lanka development bonds	(9,926)	-	(5,851)	-
Profit on disposal of property, plant and equipment	(6,579)	(2,875)	(4,422)	(2,875)
Profit on sale of shares	-	(3,296)	-	-
Profit on share re-purchase	-	-	-	(147,887)
Amortization of leasehold properties	11	11	-	-
Defined benefit obligations	25,649	27,841	16,152	14,844
Changes in working capital:				
(Increase)/Decrease in;				
Inventories	(73,321)	1,067,604	23,755	209,583
Receivables and prepayments	(660,544)	797,107	(871,821)	34,399
Increase/(Decrease) in;				
Trade and other payables	281,730	(1,461,253)	1,149,863	54,824
Cash generated from/ (used in) operations	884,360	1,480,470	932,134	725,375
Interest received/(paid)	(129,244)	(163,107)	(87,303)	(88,674)
Defined benefit obligations paid	(5,838)	(15,037)	(4,412)	(11,006)
Income tax paid less refund received	(271,126)	(25,087)	(10,412)	-
WHT on dividend paid by subsidiary to non-controlling interests	(20,017)	(13,048)	-	-
Net cash (used in)/from operating activities	458,134	1,264,191	830,007	625,695
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(54,410)	(44,822)	(10,176)	(30,376)
Investment in held-to-maturity investments	(230,068)	-	(230,068)	-
Dividend received	800	371	180,794	120,228
Cash proceeds from held-to-maturity investments	918,925	-	584,100	-
Sales proceeds from share disposal	-	4,550	-	-
Sales proceeds from share re-purchase	-	592,492	-	592,492
Sales proceeds from disposal of property, plant and equipment	12,883	2,875	7,703	2,875
Net cash from/(used in) investing activities	648,130	555,466	532,353	685,219
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings net of payments	(32,585)	(805,138)	92,907	(541,105)
Long term borrowings net of payments	155,250	38,000	167,250	50,000
Dividends paid	(179,681)	(119,787)	(179,681)	(119,787)
Dividends paid by subsidiaries to non-controlling interests	(29,098)	(19,399)	-	-
Net cash generated from/ (used in) financing activities	(86,114)	(906,324)	80,476	(610,892)
Net increase/(decrease) in cash and cash equivalents	1,020,150	913,333	1,442,836	700,022
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	1,802,933	1,544,165	1,016,144	777,175

(all amounts in Sri Lanka Rupees thousands)

1. Segment information

(a) Business segment information

<i>For the period ended 30 September</i>	Manufacturing cables 2016	Manufacturing PVC compound 2016	Others 2016	Total 2016	Total 2015
Revenue					
Total revenue	7,303,752	733,177	1,880,170	9,917,099	10,007,340
Inter-segment sales	(505,538)	(666,488)	(1,698,209)	(2,870,235)	(3,327,341)
External sales	6,798,214	66,689	181,961	7,046,864	6,679,999
Results					
Profit/(loss) before other income and finance cost	818,650	184,774	178,367	1,181,791	925,963
Other income	17,836	620	-	18,456	16,063
Finance (cost)/income	(77,134)	(2,162)	(40,022)	(119,318)	(162,091)
Share of profit of investments accounted for using the equity method (Power and energy)	-	-	262	262	41,990
Taxation	(225,808)	(50,760)	(39,169)	(315,737)	(215,879)
Profit/(loss) after taxation	533,544	132,472	99,438	765,454	606,047
Capital expenditure					
Segment capital expenditure	49,327	1,127	3,956	54,410	44,822
Total capital expenditure				54,410	44,822
Depreciation and amortisation					
Segment depreciation	92,850	8,732	16,384	117,966	112,659
Total depreciation and amortisation				117,966	112,659

<i>For the period ended 30 September</i>	Manufacturing cables 2016	Manufacturing PVC compound 2016	Others 2016	Total 2016	Total 31 March 2015
Assets					
Segment assets	13,116,971	540,545	1,640,871	15,298,387	15,476,914
Unallocated corporate assets				591,757	591,159
Total assets				15,890,144	15,373,796
Liabilities					
Segment liabilities	4,358,779	239,270	1,255,180	5,853,229	7,802,555
Unallocated corporate liabilities				4,594	5,122
Total liabilities				5,857,823	5,902,237

(b) Geographical segment information - revenue

<i>For the period ended 30 September</i>	Group		Company	
	2016	2015	2016	2015
Local sales	6,110,216	6,271,618	3,438,970	3,676,859
Export sales	936,648	408,381	459,509	233,435
	7,046,864	6,679,999	3,898,479	3,910,294

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 September 2016;

	After subdivision		Before subdivision	
	Group	Company	Group	Company
Net profit attributable to equity holders (LKR'000)	680,061	541,229	680,061	541,229
Number of ordinary shares	119,787,360	119,787,360	59,893,680	59,893,680
Earning per share (Rs.)	5.68	4.52	11.35	9.04

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

	After subdivision		Before subdivision	
	Group	Company	Group	Company
Net assets (LKR'000)	8,948,747	4,461,100	8,948,747	4,461,100
Number of ordinary shares	119,787,360	119,787,360	59,893,680	59,893,680
Net asset value per share (Rs.)	74.71	37.24	149.41	74.48

ACL CABLES PLC
NON FINANCIAL INFORMATION

Twenty largest shareholders as at 30 September 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	Seylan Bank Ltd/Govindasami Ramanan	1,812,869	1.51%
8	FAB Foods (Private) Ltd	1,535,040	1.28%
9	Deutsche Bank AG AS Trustee for Namal Acuity	1,500,000	1.25%
10	Bank of Ceylon-No 2 A/C	1,483,800	1.24%
11	Seylan Bank PLC/ARC Capital (Pvt) Ltd	1,228,141	1.03%
12	Bank of Ceylon, No.01 Account	798,886	0.67%
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	Arunodhaya (Private) Limited	500,000	0.42%
18	Arunodhaya Industries (Private) Limited	500,000	0.42%
19	Arunodhaya Investments (Private) Limited	500,000	0.42%
20	Deutsche Bank AG AS Trustee to Astrue Alpha Fund	499,607	0.42%
		100,185,462	83.64%

Share holding of directors as at 30 September 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 30 September 2016	44,723,936	37.34%
	Total No of Shares as at 30 September 2016	119,787,360	100.00%

No of public share holders as at 30 September 2016

2,467