

KELANI CABLES PLC

Company Reg. No. PQ 117

INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS PERIOD ENDED SEPTEMBER 30, 2011

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2011

INCOME STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	CONSOLIDATED QUARTER ENDED 30.09.2011 Rs		30.09.2010 Rs	COMPANY QUARTER ENDED 30.09.2011 Rs		30.09.2010 Rs
Turnover	1,122,325,944		919,572,364	1,122,325,944		919,572,364
Cost of Sales	<u>(929,575,854)</u>		<u>(778,876,909)</u>	<u>(929,575,854)</u>		<u>(778,876,909)</u>
Gross Profit	192,750,090		140,695,455	192,750,090		140,695,455
Other Operating Income	1,061,016		2,339,403	1,061,016		2,339,403
Distribution Expenses	<u>(39,703,523)</u>		<u>(48,027,017)</u>	<u>(39,703,523)</u>		<u>(48,027,017)</u>
Administrative Expenses	<u>(38,646,047)</u>		<u>(42,727,868)</u>	<u>(38,646,047)</u>		<u>(42,727,868)</u>
Profit from Operation	115,461,536		52,279,973	115,461,536		52,279,973
Finance Income	1,327,499		2,560,416	1,327,499		2,560,416
Finance Costs	<u>(7,706,427)</u>		<u>(13,570,238)</u>	<u>(7,706,427)</u>		<u>(13,570,238)</u>
Net Finance Cost	<u>(6,378,928)</u>		<u>(11,009,822)</u>	<u>(6,378,928)</u>		<u>(11,009,822)</u>
Share of Associate Company Profit/ (Loss) before Taxation	<u>718,860</u>		<u>1,151,316</u>	<u>-</u>		<u>-</u>
Profit Before Tax	109,801,468		42,421,467	109,082,608		41,270,151
Income Tax Expense	<u>(30,541,953)</u>		<u>(20,019,221)</u>	<u>(30,541,953)</u>		<u>(20,019,221)</u>
Profit for the period	<u>79,259,515</u>		<u>22,402,246</u>	<u>78,540,655</u>		<u>21,250,930</u>
Attributable to						
Equity Holders of the Company	79,259,515		22,402,246	78,540,655		21,250,930
Minority Interest	<u>-</u>		<u>-</u>	<u>-</u>		<u>-</u>
Profit for the period	<u>79,259,515</u>		<u>22,402,246</u>	<u>78,540,655</u>		<u>21,250,930</u>
Basic Earnings Per Share -Rs.	3.64		1.03	3.60		0.97
Diluted Earnings Per Share-Rs.	3.64		1.03	3.60		0.97
Market Value per Share						
Highest Price				105.00		139.00
Lowest Price				79.80		115.00
Last Traded Price				101.00		129.00
Number of Shares representing the Stated Capital				21,800,000		21,800,000

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2011

INCOME STATEMENT

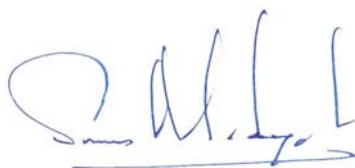
FOR THE 06 MONTHS PERIOD ENDED SEPTEMBER 30, 2011

	CONSOLIDATED 06 MONTHS		COMPANY 06 MONTHS	
	30.09.2011 Rs	30.09.2010 Rs	30.09.2011 Rs	30.09.2010 Rs
Turnover	2,137,559,112	1,702,113,126	2,137,559,112	1,702,113,126
Cost of Sales	<u>(1,785,263,209)</u>	<u>(1,456,741,008)</u>	<u>(1,785,263,209)</u>	<u>(1,456,741,008)</u>
Gross Profit	352,295,903	245,372,118	352,295,903	245,372,118
Other Operating Income	1,262,029	3,889,672	1,262,029	3,889,672
Distribution Expenses	(87,906,599)	(89,755,529)	(87,906,599)	(89,755,529)
Administrative Expenses	<u>(71,325,941)</u>	<u>(77,423,834)</u>	<u>(71,325,941)</u>	<u>(77,423,834)</u>
Profit from Operation	194,325,392	82,082,427	194,325,392	82,082,427
Finance Income	2,724,654	5,121,440	2,724,654	5,121,440
Finance Cost	<u>(18,839,199)</u>	<u>(26,813,638)</u>	<u>(18,839,199)</u>	<u>(26,813,638)</u>
Net Finance Cost	(16,114,545)	(21,692,198)	(16,114,545)	(21,692,198)
Share of Associate Company Profit/ (Loss) before Taxation	<u>(272,609)</u>	<u>(1,183,106)</u>	<u>-</u>	<u>-</u>
Profit Before Tax	177,938,238	59,207,123	178,210,847	60,390,229
Income Tax Expense	(49,898,333)	(31,130,272)	(49,898,333)	(31,130,272)
Profit for the period	<u>128,039,905</u>	<u>28,076,851</u>	<u>128,312,514</u>	<u>29,259,957</u>
Attributable to				
Equity Holders of the Company	128,039,905	28,076,851	128,312,514	29,259,957
Minority Interest	-	-	-	-
Profit for the period	<u>128,039,905</u>	<u>28,076,851</u>	<u>128,312,514</u>	<u>29,259,957</u>
Basic Earnings Per Share -Rs.	5.87	1.29	5.89	1.34
Diluted Earnings Per Share -Rs.	5.87	1.29	5.89	1.34
Market Value per Share				
Highest Price			117.00	139.00
Lowest Price			79.80	103.00
Last Traded Price			101.00	129.00
Number of Shares representing the Stated Capital			21,800,000	21,800,000

It is certified that these Financial Statements have been prepared in compliance with the requirements of Companies Act No. 7 of 2007.



U. G. Madanayake
Chairman



Suren Madanayake
Deputy Chairman



Ms. Hemamala Karunasekara
Chief Financial Officer

Colombo
November 11, 2011

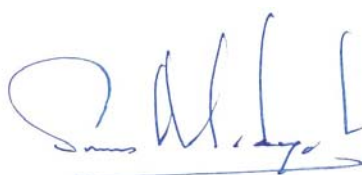
INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2011
BALANCE SHEET
AS AT SEPTEMBER 30, 2011

	CONSOLIDATED		COMPANY	
	As At	As At	As At	As At
	30.09.2011	31.03.2011	30.09.2011	31.03.2011
	Rs.	Rs.	Rs.	Rs.
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	351,077,064	347,144,075	351,077,064	347,144,075
Investment Property	125,000,000	125,000,000	125,000,000	125,000,000
Investment in Equity Accounted Investee	29,633,240	29,905,849	51,200,000	51,200,000
	<u>505,710,304</u>	<u>502,049,924</u>	<u>527,277,064</u>	<u>523,344,075</u>
CURRENT ASSETS				
Inventories	1,053,918,486	1,120,623,940	1,053,918,486	1,120,623,940
Trade and Other Receivables	921,890,170	936,668,581	921,890,170	936,668,581
Amount due from Related Companies	42,216,793	45,601,272	42,216,793	45,601,272
Value Added Tax Recoverable	109,764,245	109,320,610	109,764,245	109,320,610
Deposits and Prepayments	7,698,262	7,498,161	7,698,262	7,498,161
Short Term Deposits	71,382,101	77,229,219	71,382,101	77,229,219
Cash at Banks and in Hand	3,157,370	2,703,336	3,157,370	2,703,336
	<u>2,210,027,427</u>	<u>2,299,645,119</u>	<u>2,210,027,427</u>	<u>2,299,645,119</u>
TOTAL ASSETS	<u>2,715,737,731</u>	<u>2,801,695,043</u>	<u>2,737,304,491</u>	<u>2,822,989,194</u>
EQUITY AND LIABILITIES				
EQUITY				
Stated Capital	218,000,000	218,000,000	218,000,000	218,000,000
Capital Reserves	123,614,835	143,062,597	123,614,835	123,614,835
General Reserves	431,136,000	431,136,000	431,136,000	431,136,000
Retained Earnings	1,000,580,134	863,992,467	1,022,146,894	904,734,380
Total Equity Attributable to Equity Holders of the Company	<u>1,773,330,969</u>	<u>1,656,191,064</u>	<u>1,794,897,729</u>	<u>1,677,485,215</u>
Minority Interest	-	-	-	-
Total Equity	<u>1,773,330,969</u>	<u>1,656,191,064</u>	<u>1,794,897,729</u>	<u>1,677,485,215</u>
NON CURRENT LIABILITIES				
Retirement Benefit Obligations	39,801,363	37,719,959	39,801,363	37,719,959
Provision for Payment in Lieu of -Employee Share Issue Scheme	2,677,706	2,775,329	2,677,706	2,775,329
Deferred Taxation	17,238,818	17,238,818	17,238,818	17,238,818
	<u>59,717,887</u>	<u>57,734,106</u>	<u>59,717,887</u>	<u>57,734,106</u>
CURRENT LIABILITIES				
Trade Payables	531,005,085	467,056,618	531,005,085	467,056,618
Other Payable	62,281,909	86,445,020	62,281,909	86,445,020
Income Tax Payable	25,071,710	18,520,647	25,071,710	18,520,647
Dividend Payable	5,028,729	4,746,046	5,028,729	4,746,046
Interest-Bearing Loans and Borrowings	259,301,442	511,001,542	259,301,442	511,001,542
	<u>882,688,875</u>	<u>1,087,769,873</u>	<u>882,688,875</u>	<u>1,087,769,873</u>
TOTAL LIABILITIES	<u>942,406,762</u>	<u>1,145,503,979</u>	<u>942,406,762</u>	<u>1,145,503,979</u>
TOTAL EQUITY AND LIABILITIES	<u>2,715,737,731</u>	<u>2,801,695,043</u>	<u>2,737,304,491</u>	<u>2,822,989,194</u>
Net Asset Per Share	81.35	75.97	82.33	76.95

It is certified that these Financial Statements have been prepared in compliance with the requirements of Companies Act No. 7 of 2007.



U. G. Madanayake
Chairman



Suren Madanayake
Deputy Chairman



Hemamala Karunasekara
Chief Financial Officer

Colombo
November 11, 2011

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2011

STATEMENT OF CHANGES IN EQUITY

FOR THE 06 MONTHS PERIOD ENDED SEPTEMBER 30, 2011

CONSOLIDATED

	Stated Capital Rs.	Capital Reserves Rs.	General Reserves Rs.	Retained Profits Rs.	Total Rs.
Balance As At 1 April 2010	218,000,000	121,976,514	431,136,000	746,609,488	1,517,722,002
Dividend Paid	-	-	-	(16,350,000)	(16,350,000)
Net Profit for the Period	-	-	-	28,076,852	28,076,852
Balance As At September 30, 2010	<u>218,000,000</u>	<u>121,976,514</u>	<u>431,136,000</u>	<u>758,336,340</u>	<u>1,529,448,854</u>
Balance As At 1 April 2011	218,000,000	143,062,597	431,136,000	863,992,467	1,656,191,064
Dividend Paid	-	-	-	(10,900,000)	(10,900,000)
Net Profit for the Period	-	-	-	128,039,905	128,039,905
Balance As At September 30, 2011	<u><u>218,000,000</u></u>	<u><u>143,062,597</u></u>	<u><u>431,136,000</u></u>	<u><u>981,132,372</u></u>	<u><u>1,773,330,969</u></u>

COMPANY

	Stated Capital Rs.	Capital Reserves Rs.	General Reserves Rs.	Retained Profits Rs.	Total Rs.
Balance As At 1 April 2010	218,000,000	121,976,514	431,136,000	788,297,948	1,559,410,462
Dividend paid	-	-	-	(16,350,000)	(16,350,000)
Net Profit for the Period	-	-	-	29,259,957	29,259,957
Balance As At September 30, 2010	<u>218,000,000</u>	<u>121,976,514</u>	<u>431,136,000</u>	<u>801,207,905</u>	<u>1,572,320,419</u>
Balance As At 1 April 2011	218,000,000	123,614,835	431,136,000	904,734,380	1,677,485,215
Dividend Paid	-	-	-	(10,900,000)	(10,900,000)
Net Profit for the Period	-	-	-	128,312,514	128,312,514
Balance As At September 30, 2011	<u><u>218,000,000</u></u>	<u><u>123,614,835</u></u>	<u><u>431,136,000</u></u>	<u><u>1,022,146,894</u></u>	<u><u>1,794,897,729</u></u>

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2011

CASH FLOW STATEMENT

FOR THE 06 MONTHS PERIOD ENDED SEPTEMBER 30, 2011

	CONSOLIDATED PERIOD ENDED		COMPANY PERIOD ENDED	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	Rs	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before Taxation	177,938,238	59,207,123	178,210,847	60,390,229
Adjustments for				
Share of loss/(profit) from Equity Accounted Investee	272,609	1,183,106	-	-
Interest Income from Fixed Deposits	(2,724,654)	(5,121,440)	(2,724,654)	(5,121,440)
Interest Expense	18,839,199	26,813,638	18,839,199	26,813,638
Depreciation of Property, Plant and Equipment	16,304,942	16,618,083	16,304,942	16,618,083
Provision/(Reversal) for Bad and Doubtful Debts	(6,762,619)	1,869,132	(6,762,619)	1,869,132
Provision/(Reversal) for Inventories	(7,460,779)	2,000,000	(7,460,779)	2,000,000
Gain on Disposal of Property, Plant and Equipment	-	(872,321)	-	(872,321)
Provision for Retiring Gratuity	3,224,135	2,931,032	3,224,135	2,931,032
Operating Profit before Working Capital Changes	199,631,071	104,628,353	199,631,071	104,628,353
Decrease/(Increase) in Inventories	74,166,233	149,755,885	74,166,233	149,755,885
Decrease/(Increase) in Trade and Other Receivables	21,541,030	65,251,449	21,541,030	65,251,449
Decrease/(Increase) in Amount due from Related Companies	3,384,479	(21,849,352)	3,384,479	(21,849,352)
Decrease/(Increase) in Deposit & Prepayments	(643,736)	(18,949,587)	(643,736)	(18,949,587)
Increase/(Decrease) in Trade Payables	63,948,467	(159,293,866)	63,948,467	(159,293,866)
Increase/(Decrease) in Other Payables	(24,163,111)	10,940,535	(24,163,111)	10,940,535
Cash Generated from Operations	337,864,433	130,483,417	337,864,433	130,483,417
Interest Paid	(18,839,199)	(26,813,638)	(18,839,199)	(26,813,638)
Gratuity Paid	(1,142,731)	(1,189,646)	(1,142,731)	(1,189,646)
Payment for Payment In Lieu of Employee Share -Issue Scheme	(97,623)	(72,520)	(97,623)	(72,520)
Income Tax Paid	(43,347,270)	(84,300,292)	(43,347,270)	(84,300,292)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	274,437,610	18,107,321	274,437,610	18,107,321
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income from Fixed Deposits	2,724,654	5,121,440	2,724,654	5,121,440
Proceeds from Sale of Property, Plant And Equipment	-	872,321	-	872,321
Purchase of Property, Plant & Equipment	(6,544,869)	(13,501,304)	(6,544,869)	(13,501,304)
Additions to Capital Work-in-Progress	(13,693,062)	(6,331,714)	(13,693,062)	(6,331,714)
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(17,513,277)	(13,839,257)	(17,513,277)	(13,839,257)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend Paid	(10,617,317)	(16,100,935)	(10,617,317)	(16,100,935)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES	(10,617,317)	(16,100,935)	(10,617,317)	(16,100,935)
Net Increase/(Decrease) in Cash and Cash Equivalents	246,307,016	(11,832,871)	246,307,016	(11,832,871)
Cash and Cash Equivalents at beginning	(431,068,987)	(225,069,835)	(431,068,987)	(225,069,835)
CASH AND CASH EQUIVALENTS AT END	(184,761,971)	(236,902,706)	(184,761,971)	(236,902,706)
ANALYSIS OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD				
Short Term Deposits	71,382,101	199,643,769	71,382,101	199,643,769
Cash at Banks and in Hand	3,157,370	4,115,880	3,157,370	4,115,880
Short Term Loans	(202,500,000)	(192,500,000)	(202,500,000)	(192,500,000)
Bank Overdrafts	(56,801,442)	(248,162,355)	(56,801,442)	(248,162,355)
	(184,761,971)	(236,902,706)	(184,761,971)	(236,902,706)

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2011

NOTES TO THE FINANCIAL STATEMENTS

1. The above figures are provisional and subject to audit.
2. The Company has followed the same accounting policies and methods of computation as disclosed in the Annual Report for the year ended March 31, 2011 and are in compliance with Sri Lanka Accounting Standards 35 - Interim Financial Reporting. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statement of the Company and the Group.
3. The contingent liability as at September 30, 2011 on guarantees given to third parties amounted to Rs.36,528,388/-.
4. The previous period figures have been re-classified to conform with the current presentation.
5. Interim dividend payment of Rs.- /50 per share for the year ended March 31, 2011 was paid on August 15, 2011.
6. There have been no other material events subsequent to the interim period which require disclosure in the Financial Statements.
7. Percentage of Shares held by the public as at September 30, 2011 was 20.7% .
8. The number of shares held by the Board of directors are as follows :

		As at September 30, 2011		As at September 30, 2010	
		No. of Shares	% Holding	No. of Shares	% Holding
Mr. U. G. Madanayake	- Chairman	-		-	
Mr. Suren Madanayake	- Deputy Chairman	61,000	0.28%	14,000	0.06%
Mrs. N. C. Madanayake	- Director	-		-	
Dr. Bandula Perera	- Director	-		-	
Dr. Ranjith Cabral	- Director	-		-	

9. 20 Largest Shareholders of the Company as at September 30, 2011 were as follows:

	No. of Shares	% Holding
1 Lanka Olex Cables (Private) Ltd	16,349,348	75.00%
2 ACL Cables PLC	933,756	4.28%
3 Employees Trust Fund Board	425,900	1.95%
4 Bank of Ceylon-No 2 A/c	323,800	1.49%
5 Thaha I. M.	103,500	0.47%
6 Aloysius K.	79,600	0.37%
7 DPMC Financial Services (Pvt) Ltd. Account No. 0	79,600	0.37%
8 Waddock Mackenzie Ltd/Ceylinco Shriram Capital Management	76,600	0.35%
9 DPMC Financial Services (Pvt) Ltd. Account No. 1	72,000	0.33%
10 Goonesekera C. D. M. (Mrs)	62,500	0.29%
11 Madanayake H. A. S.	61,000	0.28%
12 Imtiaz T. L. M.	51,400	0.24%
13 Commercial Bank of Ceylon PLC/D S L Investment	50,000	0.23%
14 Waddock Mackenzie Ltd/Hi-Line Towers (Private) Ltd.	44,900	0.21%
15 Investment Link (Pvt) Ltd.	42,600	0.20%
16 Vignarajah K. C.	42,420	0.19%
17 Al-Nakib M. T. T.	40,000	0.18%
18 Kannangara N. L.	40,000	0.18%
19 Waas M. J. T.	36,700	0.17%
20 Sumathipala U. W. J. P. A.	35,200	0.16%

Corporate Information

Name of the Company	- Kelani Cables PLC
Legal Form	- A Quoted Public Company with Limited Liability
Date of Incorporation	- Incorporated as Ceylon Non-Ferrous Metal Industries Limited on 27th January 1969. Thereafter on 18th December 1973 name changed to Kelani Cables Limited. With the adoption of the Companies Act No. 07 of 2007, re-registered as Kelani Cables PLC in February 2008.
Company Registration No.	- PQ 117
Registered Office	- No. 60, Rodney Street, Colombo 08. Telephone : 94-11-2911224, 94-11-5399600 Fax : 94-11-2910481 Email : info@kelanicable.com Website : www.kelanicable.com
Board of Directors	- Mr. U. G. Madanayake Mr. Suren Madanayake Mrs. N. C. Madanayake Dr. Bandula Perera Dr. Ranjith Cabral
Company Secretary	- Corporate Affairs (Private) Limited.
Auditors	- KPMG Ford, Rhodes, Thornton & Co., (Chartered Accountants) 32A, Sir Mohamed Macan Marker Mawatha P. O. Box 186 Colombo 3 Sri Lanka
Bankers	- Hatton National Bank PLC Hongkong and Shanghai Banking Corporation Limited Peoples Bank Union Bank of Colombo Ltd Standard Chartered Bank