

KELANI CABLES PLC

Company Reg. No. PQ 117

INTERIM FINANCIAL STATEMENTS

FOR THE 9 MONTHS PERIOD ENDED DECEMBER 31, 2011

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - DECEMBER 31, 2011

INCOME STATEMENT

FOR THE QUARTER ENDED DECEMBER 31, 2011

	CONSOLIDATED QUARTER ENDED		COMPANY QUARTER ENDED	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	Rs	Rs	Rs	Rs
Turnover	995,169,183	1,031,175,772	995,169,183	1,031,175,772
Cost of Sales	<u>(800,036,687)</u>	<u>(848,481,154)</u>	<u>(800,036,687)</u>	<u>(848,481,154)</u>
Gross Profit	195,132,496	182,694,618	195,132,496	182,694,618
Other Operating Income	2,184,690	1,594,613	2,184,690	1,594,613
Distribution Expenses	(72,208,460)	(57,987,388)	(72,208,460)	(57,987,388)
Administrative Expenses	<u>(38,173,158)</u>	<u>(39,464,564)</u>	<u>(38,173,158)</u>	<u>(39,464,564)</u>
Profit from Operation	86,935,568	86,837,279	86,935,568	86,837,279
Finance Income	1,584,264	2,584,357	1,584,264	2,584,357
Finance Costs	<u>(14,797,141)</u>	<u>(9,075,606)</u>	<u>(14,797,141)</u>	<u>(9,075,606)</u>
Net Finance Cost	(13,212,877)	(6,491,249)	(13,212,877)	(6,491,249)
Share of Associate Company Profit/ (Loss) before Taxation	<u>(4,612,762)</u>	<u>1,544,486</u>	<u>-</u>	<u>-</u>
Profit Before Tax	69,109,929	81,890,516	73,722,691	80,346,030
Income Tax Expense	(20,660,358)	(34,503,941)	(20,660,358)	(34,503,941)
Profit for the period	<u>48,449,571</u>	<u>47,386,575</u>	<u>53,062,333</u>	<u>45,842,089</u>
Attributable to				
Equity Holders of the Company	48,449,571	47,386,575	53,062,333	45,842,089
Minority Interest	-	-	-	-
Profit for the period	<u>48,449,571</u>	<u>47,386,575</u>	<u>53,062,333</u>	<u>45,842,089</u>
Basic Earnings Per Share -Rs.	2.22	2.17	2.43	2.10
Diluted Earnings Per Share-Rs.	2.22	2.17	2.43	2.10
Market Value per Share				
Highest Price			97.90	129.90
Lowest Price			78.00	99.00
Last Traded Price			80.30	105.00
Number of Shares representing the Stated Capital			21,800,000	21,800,000

KELANI CABLES PLC**INTERIM FINANCIAL STATEMENTS - DECEMBER 31, 2011****INCOME STATEMENT**

FOR THE 09 MONTHS PERIOD ENDED DECEMBER 31, 2011

	CONSOLIDATED 09 MONTHS		COMPANY 09 MONTHS	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	Rs	Rs	Rs	Rs
Turnover	3,132,728,295	2,733,288,898	3,132,728,295	2,733,288,898
Cost of Sales	<u>(2,585,299,896)</u>	<u>(2,305,222,162)</u>	<u>(2,585,299,896)</u>	<u>(2,305,222,162)</u>
Gross Profit	547,428,399	428,066,736	547,428,399	428,066,736
Other Operating Income	3,446,719	5,484,285	3,446,719	5,484,285
Distribution Expenses	<u>(160,115,059)</u>	<u>(147,742,917)</u>	<u>(160,115,059)</u>	<u>(147,742,917)</u>
Administrative Expenses	<u>(109,499,099)</u>	<u>(116,888,398)</u>	<u>(109,499,099)</u>	<u>(116,888,398)</u>
Profit from Operation	281,260,960	168,919,706	281,260,960	168,919,706
Finance Income	4,308,918	7,705,797	4,308,918	7,705,797
Finance Cost	<u>(33,636,340)</u>	<u>(35,889,244)</u>	<u>(33,636,340)</u>	<u>(35,889,244)</u>
Net Finance Cost	<u>(29,327,422)</u>	<u>(28,183,447)</u>	<u>(29,327,422)</u>	<u>(28,183,447)</u>
Share of Associate Company Profit/ (Loss) before Taxation	<u>(4,885,371)</u>	<u>361,380</u>	<u>-</u>	<u>-</u>
Profit Before Tax	247,048,167	141,097,639	251,933,538	140,736,259
Income Tax Expense	<u>(70,558,691)</u>	<u>(65,634,213)</u>	<u>(70,558,691)</u>	<u>(65,634,213)</u>
Profit for the period	<u>176,489,476</u>	<u>75,463,426</u>	<u>181,374,847</u>	<u>75,102,046</u>
Attributable to				
Equity Holders of the Company	176,489,476	75,463,426	181,374,847	75,102,046
Minority Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period	<u>176,489,476</u>	<u>75,463,426</u>	<u>181,374,847</u>	<u>75,102,046</u>
Basic Earnings Per Share -Rs.	8.10	3.46	8.32	3.45
Diluted Earnings Per Share -Rs.	8.10	3.46	8.32	3.45
Market Value per Share				
Highest Price			117.00	139.00
Lowest Price			78.00	99.00
Last Traded Price			80.30	105.00
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.

(Sgd.)

Ms. Hemamala Karunasekara
Chief Financial Officer

(Sgd.)

U. G. Madanayake
Chairman

(Sgd.)

Suren Madanayake
Deputy Chairman

Colombo
February 14, 2012

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - DECEMBER 31, 2011

BALANCE SHEET

AS AT DECEMBER 31, 2011

	CONSOLIDATED		COMPANY	
	As At	As At	As At	As At
	31.12.2011	31.03.2011	31.12.2011	31.03.2011
	Rs.	Rs.	Rs.	Rs.
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	357,751,760	347,144,075	357,751,760	347,144,075
Investment Property	125,000,000	125,000,000	125,000,000	125,000,000
Investment in Equity Accounted Investee	25,020,478	29,905,849	51,200,000	51,200,000
	<u>507,772,238</u>	<u>502,049,924</u>	<u>533,951,760</u>	<u>523,344,075</u>
CURRENT ASSETS				
Inventories	916,064,776	1,120,623,940	916,064,776	1,120,623,940
Trade and Other Receivables	774,594,614	936,668,581	774,594,614	936,668,581
Amount due from Related Companies	60,136,498	45,601,272	60,136,498	45,601,272
Value Added Tax Recoverable	93,129,093	109,320,610	93,129,093	109,320,610
Deposits and Prepayments	8,101,174	7,498,161	8,101,174	7,498,161
Short Term Deposits	193,217,954	77,229,219	193,217,954	77,229,219
Cash at Banks and in Hand	4,711,755	2,703,336	4,711,755	2,703,336
	<u>2,049,955,864</u>	<u>2,299,645,119</u>	<u>2,049,955,864</u>	<u>2,299,645,119</u>
TOTAL ASSETS	<u>2,557,728,102</u>	<u>2,801,695,043</u>	<u>2,583,907,624</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	143,062,597	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	1,029,581,943	863,992,467	1,075,209,227	904,734,380
Total Equity Attributable to Equity Holders of the Company	<u>1,821,780,540</u>	<u>1,656,191,064</u>	<u>1,847,960,062</u>	<u>1,677,485,215</u>
Minority Interest	-	-	-	-
Total Equity	<u>1,821,780,540</u>	<u>1,656,191,064</u>	<u>1,847,960,062</u>	<u>1,677,485,215</u>
NON CURRENT LIABILITIES				
Retirement Benefit Obligations	39,438,027	37,719,959	39,438,027	37,719,959
Provision for Payment in Lieu of -Employee Share Issue Scheme	2,568,926	2,775,329	2,568,926	2,775,329
Deferred Taxation	17,238,818	17,238,818	17,238,818	17,238,818
	<u>59,245,771</u>	<u>57,734,106</u>	<u>59,245,771</u>	<u>57,734,106</u>
CURRENT LIABILITIES				
Trade Payables	557,192,601	467,056,618	557,192,601	467,056,618
Other Payable	76,696,804	86,445,020	76,696,804	86,445,020
Income Tax Payable	23,506,646	18,520,647	23,506,646	18,520,647
Dividend Payable	4,931,443	4,746,046	4,931,443	4,746,046
Interest-Bearing Loans and Borrowings	14,374,297	511,001,542	14,374,297	511,001,542
	<u>676,701,791</u>	<u>1,087,769,873</u>	<u>676,701,791</u>	<u>1,087,769,873</u>
TOTAL LIABILITIES	<u>735,947,562</u>	<u>1,145,503,979</u>	<u>735,947,562</u>	<u>1,145,503,979</u>
TOTAL EQUITY AND LIABILITIES	<u>2,557,728,102</u>	<u>2,801,695,043</u>	<u>2,583,907,624</u>	<u>2,822,989,194</u>
Net Asset Per Share	83.57	75.97	84.77	76.95

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

(Sgd.)

Ms. Hemamala Karunasekara
Chief Financial Officer

(Sgd.)

U. G. Madanayake
Chairman

(Sgd.)

Suren Madanayake
Deputy Chairman

Colombo
February 14, 2012

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - DECEMBER 31, 2011

STATEMENT OF CHANGES IN EQUITY

FOR THE 09 MONTHS PERIOD ENDED DECEMBER 31, 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	-	-	-	75,463,426	75,463,426
Balance As At December 31, 2010	<u>218,000,000</u>	<u>121,976,514</u>	<u>431,136,000</u>	<u>805,722,914</u>	<u>1,576,835,428</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	-	-	-	176,489,476	176,489,476
Balance As At December 31, 2011	<u>218,000,000</u>	<u>143,062,597</u>	<u>431,136,000</u>	<u>1,029,581,943</u>	<u>1,821,780,540</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	-	-	-	75,102,046	75,102,046
Balance As At December 31, 2010	<u>218,000,000</u>	<u>121,976,514</u>	<u>431,136,000</u>	<u>847,049,994</u>	<u>1,618,162,508</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	-	-	-	181,374,847	181,374,847
Balance As At December 31, 2011	<u>218,000,000</u>	<u>123,614,835</u>	<u>431,136,000</u>	<u>1,075,209,227</u>	<u>1,847,960,062</u>

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - DECEMBER 31, 2011

CASH FLOW STATEMENT

FOR THE 09 MONTHS PERIOD ENDED DECEMBER 31, 2011

	CONSOLIDATED PERIOD ENDED		COMPANY PERIOD ENDED	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	Rs	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before Taxation	247,048,167	141,097,639	251,933,538	140,736,259
Adjustments for				
Share of loss/(profit) from Equity Accounted Investee	4,885,371	(361,380)	-	-
Interest Income from Fixed Deposits	(4,308,918)	(7,705,797)	(4,308,918)	(7,705,797)
Interest Expense	33,636,340	35,889,244	33,636,340	35,889,244
Depreciation of Property, Plant and Equipment	24,791,742	24,039,883	24,791,742	24,039,883
Provision/(Reversal) for Bad and Doubtful Debts	(4,988,978)	1,869,132	(4,988,978)	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	(1,581,872)	(872,321)	(1,581,872)	(872,321)
Provision for Retiring Gratuity	4,836,202	4,396,547	4,836,202	4,396,547
Operating Profit before Working Capital Changes	296,857,275	200,352,947	296,857,275	200,352,947
Decrease/(Increase) in Inventories	212,019,943	109,349,948	212,019,943	109,349,948
Decrease/(Increase) in Trade and Other Receivables	167,062,945	69,975,044	167,062,945	69,975,044
Decrease/(Increase) in Amount due from Related Companies	(14,535,226)	(24,133,010)	(14,535,226)	(24,133,010)
Decrease/(Increase) in Deposit & Prepayments	15,588,504	27,431,507	15,588,504	27,431,507
Increase/(Decrease) in Trade Payables	90,135,983	(117,231,329)	90,135,983	(117,231,329)
Increase/(Decrease) in Other Payables	(9,748,216)	7,609,358	(9,748,216)	7,609,358
Cash Generated from Operations	757,381,208	273,354,465	757,381,208	273,354,465
Interest Paid	(33,636,340)	(35,889,244)	(33,636,340)	(35,889,244)
Gratuity Paid	(3,118,134)	(1,534,123)	(3,118,134)	(1,534,123)
Payment for Payment In Lieu of Employee Share -Issue Scheme	(206,403)	(119,937)	(206,403)	(119,937)
Income Tax Paid	(65,572,692)	(179,662,973)	(65,572,692)	(179,662,973)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	654,847,639	56,148,188	654,847,639	56,148,188
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income from Fixed Deposits	4,308,918	7,705,797	4,308,918	7,705,797
Proceeds from Sale of Property, Plant And Equipment	1,581,872	872,321	1,581,872	872,321
Purchase of Property, Plant & Equipment	(21,706,365)	(18,989,251)	(21,706,365)	(18,989,251)
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	(29,508,637)	(16,742,847)	(29,508,637)	(16,742,847)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend Paid	(10,714,603)	(16,225,083)	(10,714,603)	(16,225,083)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES	(10,714,603)	(16,225,083)	(10,714,603)	(16,225,083)
Net Increase/(Decrease) in Cash and Cash Equivalents	614,624,399	23,180,258	614,624,399	23,180,258
Cash and Cash Equivalents at beginning	(431,068,987)	(225,069,835)	(431,068,987)	(225,069,835)
CASH AND CASH EQUIVALENTS AT END	183,555,412	(201,889,577)	183,555,412	(201,889,577)
ANALYSIS OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD				
Short Term Deposits	193,217,954	185,357,239	193,217,954	185,357,239
Cash at Banks and in Hand	4,711,755	5,526,685	4,711,755	5,526,685
Short Term Loans	-	(195,000,000)	-	(195,000,000)
Bank Overdrafts	(14,374,297)	(197,773,501)	(14,374,297)	(197,773,501)
	183,555,412	(201,889,577)	183,555,412	(201,889,577)

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - DECEMBER 31, 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 December 31, 2011 on guarantees given to third parties amounted to Rs.53,109,055/-.
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 December 31, 2011 was 20.4% .
8. The number of shares held by the Board of directors are as follows :

		As at December 31, 2011		As at December 31, 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 December 31, 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. 02	79,600	0.37%
8 Waldock 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 Commercial Bank of Ceylon PLC/D S L Investment	50,000	0.23%
13 Waldock Mackenzie Ltd/Hi-Line Towers (Private) Ltd.	44,900	0.21%
14 Investment Link (Pvt) Ltd.	42,600	0.20%
15 Vignarajah K. C.	42,420	0.19%
16 Kannangara N. L.	40,000	0.18%
17 Al-Nakib M. T. T.	38,800	0.18%
18 Imtiaz T. L. M.	38,300	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 the name was 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