

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016**



LANKA ALUMINIUM INDUSTRIES PLC (PQ 187)

LANKA ALUMINIUM INDUSTRIES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Company		Group	
	Un-Audited	Audited	Un-Audited	Audited
	As at 30th September 2016	As at 31st March 2016	As at 30th September 2016	As at 31st March 2016
	Rs '000	Rs '000	Rs '000	Rs '000
ASSETS				
Non-Current Assets				
Property, plant & equipment	1,085,852	842,564	1,152,043	908,878
Intangible assets	2,115	2,242	2,115	2,242
Investment in subsidiaries	3,600	3,600	-	-
Deferred tax assets	-	-	-	8
Other non-current financial assets	18,510	14,837	18,510	14,837
Total Non Current Assets	1,110,077	863,243	1,172,668	925,965
Current Assets				
Inventories	323,875	379,056	364,656	418,329
Trade and other receivables	530,027	495,131	588,552	544,644
Amount due from related parties	59,519	68,868	5,005	4,833
Income tax recoverable	32,881	29,525	32,881	29,525
Other current financial assets	-	-	6,798	6,635
Cash and cash equivalents	56,494	118,138	58,238	129,387
Total Current Assets	1,002,796	1,090,718	1,056,130	1,133,353
Total Assets	2,112,873	1,953,961	2,228,798	2,059,318
EQUITY & LIABILITIES				
Equity				
Stated capital	137,028	137,028	137,028	137,028
Reserves	399,358	395,687	462,185	458,513
Retained earnings	406,763	357,743	427,907	375,053
Total Equity attributable to equity holders of the company	943,149	890,458	1,027,120	970,594
Non-controlling interests	-	-	8,839	7,483
Total Equity	943,149	890,458	1,035,959	978,077
Non-Current Liabilities				
Loans and borrowings	49,578	70,349	49,578	70,349
Retirement benefit obligations	34,441	34,186	35,011	34,708
Deferred tax liabilities	109,455	101,695	112,235	104,457
Total Non Current Liabilities	193,474	206,230	196,824	209,514
Current Liabilities				
Trade and other payables	298,489	177,924	311,240	191,848
Amount due To related parties	3,127	3,346	-	-
Income tax payable	-	-	2,857	3,876
Loans and borrowings	613,684	626,677	613,684	626,677
Bank Overdrafts	60,950	49,326	68,234	49,326
Total Current Liabilities	976,250	857,273	996,015	871,727
Total Liabilities	1,169,724	1,063,503	1,192,839	1,081,241
Total Equity and Liabilities	2,112,873	1,953,961	2,228,798	2,059,318
Net assets per share (Rs.)	68.83	64.98	74.96	70.83

All values are in Rupees '000, unless otherwise stated. These figures are not audited.

I certify that these Interim Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.

A.F. Feroze Noon
Group General Manager - Finance & Administration

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board by ,

Sgd.

J.D. Peiris
Managing Director

Sgd.

R. Seevaratnam
Director

4th November 2016

LANKA ALUMINIUM INDUSTRIES PLC
STATEMENT OF COMPREHENSIVE INCOME - GROUP

	For the Quarter ended 30th September			For Six months ended 30th September		
	Un-Audited	Un-Audited		Un-Audited	Un-Audited	
	2016 Rs'000	2015 Rs'000	% Change	2016 Rs'000	2015 Rs'000	% Change
Revenue	488,720	357,957	37	861,117	685,054	26
Cost of Sales	(341,834)	(252,700)	35	(614,415)	(501,460)	23
Gross Profit	146,886	105,257	40	246,702	183,594	34
Other income	52	3,845	(99)	347	4,145	(92)
Administrative and general expenses	(36,700)	(32,296)	14	(68,356)	(61,619)	11
Marketing and distribution expenses	(25,591)	(20,579)	24	(48,441)	(37,507)	29
Profit from operations	84,646	56,227	51	130,251	88,613	47
Net finance expense	(20,445)	(14,319)	43	(37,409)	(29,515)	27
Profit from operations after net finance expense	64,201	41,908	53	92,842	59,098	57
Income tax expense	(7,982)	(5,224)	53	(10,696)	(7,700)	39
Profit for the period	56,219	36,684	53	82,146	51,398	60
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	1,653	-	-	3,673	918	300
Other comprehensive income for the period, net of tax	1,653	-	-	3,673	918	300
Total comprehensive income for the period, net of tax	57,872	36,684	58	85,819	52,316	64
Profit/(loss) attributable to:						
Equity holders of the company	53,751	36,115	49	80,260	51,344	56
Non-controlling Interests	2,468	569	334	1,886	54	3,393
Profit for the period	56,219	36,684	53	82,146	51,398	60
Total comprehensive income attributable to:						
Equity holders of the company	55,404	36,115	53	83,933	52,262	61
Non-controlling Interests	2,468	569	334	1,886	54	3,393
Total comprehensive income for the period	57,872	36,684	58	85,819	52,316	64

Earnings Per Share (Rs.)

3.92

2.64

5.86

3.75

Figures in brackets indicate deductions
All values are in Rupees '000, unless otherwise stated.
These figures are not audited.

LANKA ALUMINIUM INDUSTRIES PLC
STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	For the Quarter ended 30th Septmeber			For Six months ended September		30th
	Un-Audited	Un-Audited	%	Un-Audited	Un-Audited	%
	2016 Rs'000	2015 Rs'000	Change	2016 Rs'000	2015 Rs'000	Change
Revenue	449,769	328,907	37	800,770	634,118	26
Cost of Sales	(316,997)	(230,752)	37	(573,745)	(462,416)	24
Gross Profit	132,772	98,155	35	227,025	171,702	32
Other income	3,773	2,793	35	4,068	3,393	20
Administrative and general expenses	(34,390)	(29,654)	16	(63,350)	(56,954)	11
Marketing and distribution expenses	(25,591)	(20,474)	25	(48,440)	(37,297)	30
Profit from operations	76,564	50,820	51	119,303	80,845	48
Net finance expense	(19,057)	(13,185)	45	(35,117)	(27,273)	29
Profit from operations after net finance expense	57,507	37,636	53	84,186	53,572	57
Income tax expense	(5,187)	(4,578)	13	(7,760)	(7,078)	10
Profit for the period	52,320	33,058	58	76,426	46,494	64
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	1,653	-	-	3,673	918	300
Other comprehensive income for the period, net of tax	1,653	-	-	3,673	918	300
Total comprehensive income for the period, net of tax	53,973	33,058	63	80,099	47,412	69
Profit/(loss) attributable to:						
Equity holders of the company	52,320	33,058	58	76,426	46,494	64
Profit for the period	52,320	33,058	58	76,426	46,494	64
Total comprehensive income attributable to:						
Equity holders of the company	53,973	33,058	63	80,099	47,412	69
Total comprehensive income for the period	53,973	33,058	63	80,099	47,412	69
Earnings Per Share (Rs.)	3.82	2.41		5.58	3.39	
Market Price Per Share						
Highest				100.00	119.90	
Lowest				76.00	74.10	
As at 30th September				91.00	105.00	

Figures in brackets indicate deductions
All values are in Rupees '000, unless otherwise stated.

LANKA ALUMINIUM INDUSTRIES PLC

STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to Equity Holders of the Parent					Non-controlling Interest	Total Equity
	Stated Capital	Revaluation Reserves	Available for Sale Reserve	Retained Earnings	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 01st April, 2015	137,028	470,814	(15,164)	278,442	871,120	4,200	875,320
Dividend Paid	-	-	-	(13,702)	(13,702)	-	(13,702)
Other Comprehensive Income for the Period	-	-	918	-	918	-	918
Profit for the period	-	-	-	51,344	51,344	54	51,398
As at 30th September 2015	137,028	470,814	(14,246)	316,085	909,681	4,254	913,935
As at 01st April, 2016	137,028	470,814	(12,302)	375,053	970,594	7,483	978,077
Dividend Paid	-	-	-	(27,406)	(27,406)	(528)	(27,934)
Other Comprehensive Income for the Period	-	-	3,673	-	3,673	-	3,673
Profit for the period	-	-	-	80,260	80,260	1,886	82,147
As at 30th September 2016	137,028	470,814	(8,629)	427,907	1,027,120	8,839	1,035,959

COMPANY	Stated Capital	Available for Sale Reserve	Revaluation Reserves	Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 01st April, 2015	137,028	(15,164)	407,989	266,979	796,832
Dividend Paid	-	-	-	(13,702)	(13,702)
Other Comprehensive Income for the Period	-	918	-	-	918
Profit for the period	-	-	-	46,494	46,494
As at 30th September 2015	137,028	(14,246)	407,989	299,771	830,541
As at 01st April, 2016	137,028	(12,302)	407,989	357,743	890,458
Dividend Paid	-	-	-	(27,406)	(27,406)
Other Comprehensive Income for the Period	-	3,673	-	-	3,673
Profit for the period	-	-	-	76,426	76,426
As at 30th September 2016	137,028	(8,631)	407,989	406,763	943,149

LANKA ALUMINIUM INDUSTRIES PLC
CASH FLOW STATEMENT

	Company		Group	
	Un-audited 2016 Rs.000	Un-audited 2015 Rs.000	Un-audited 2016 Rs.000	Un-audited 2015 Rs.000
<i>For the period ended 30th September</i>				
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	84,186	53,572	92,842	59,098
Adjustment For :-				
Depreciation on property, plant & equipment	26,437	24,022	26,789	24,355
Amortisation of intangible asset	126	83	126	83
Provision for retiring gratuity	3,600	3,000	3,649	3,049
Provision for impairment of trade receivables	-	35	-	35
Write back of bad debts	-	-	-	(2,478)
Property, plant and equipment write off	29	77	29	77
Exchange gain	(1,674)	(490)	(1,674)	(490)
Dividend Income	(3,722)	(1,975)	-	-
Interest income	(6,702)	(4,491)	(4,506)	(2,682)
Interest expense	43,493	32,254	43,589	32,686
Operating profit before working capital changes	145,773	106,087	160,844	113,733
(Increase) / decrease in inventories	55,180	7,444	53,674	(6,268)
(Increase) / decrease in trade & other receivables	(34,896)	(24,435)	(43,908)	(19,922)
(Increase) / decrease in amount due from related companies	9,349	(4,404)	(172)	2,241
Increase / (decrease) in trade and other payables	119,696	59,779	118,466	61,402
Increase / (decrease) in amount due to related companies	(219)	384	-	-
Cash generated from / (used in) operations	294,883	144,855	288,903	151,186
Income tax paid	(3,356)	(1,883)	(7,285)	(3,969)
Interest paid	(43,493)	(32,254)	(43,589)	(32,686)
Retiring gratuity paid	(3,345)	(180)	(3,345)	(180)
Net cash generated from / (used in) operations	244,689	110,538	234,685	114,351
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(269,754)	(22,680)	(269,983)	(22,680)
Dividend Received	3,722	1,975	-	-
Dividend paid to non-controlling interests	-	-	(476)	-
Interest income	6,702	4,491	4,506	2,682
Net Cash From/(Used in) Investing Activities	(259,330)	(16,214)	(265,952)	(19,998)
CASH FLOW FROM FINANCING ACTIVITIES				
Investment in short term deposit	-	-	(163)	(141)
Dividend Paid to equity holders of the parent	(24,863)	(12,332)	(24,863)	(12,332)
Short/long term loan obtained/paid	(33,764)	(74,951)	(33,764)	(74,951)
Net Cash from / (Used in) Financing Activities	(58,627)	(87,283)	(58,790)	(87,424)
Net increase / (decrease) in cash & cash equivalents	(73,268)	7,041	(90,057)	6,929
Cash & cash equivalent at the beginning of the period	68,812	75,305	80,061	66,473
Cash & cash equivalent at the end of the period	(4,456)	82,346	(9,996)	73,402
Cash in hand and at bank	56,494	124,181	58,238	126,769
Bank overdraft	(60,950)	(41,835)	(68,234)	(53,367)
Cash & cash equivalent at the end of the period	(4,456)	82,346	(9,996)	73,402

LANKA ALUMINIUM INDUSTRIES PLC

Notes to the financial statements

1. BASIS OF PREPARATION

1.1 The condensed interim financial statements of Lanka Alluminium Industries Plc are for the six months ended 30th September 2016. They have been prepared in accordance with LKAS 34, interim financial reporting. These interim financial statements have been prepared in accordance with the SLFRS standards and IFRIC interpretations issued and effective as at the time of preparing these statements. The condensed interim financial statements do not include all of the information required for full annual financial statements and have not been audited.

1.2 The same accounting policies and methods of computation have been followed in the interim financial statements as compared to the recent Annual Financial statement published for the year ended 31st March 2016.

2. COMPARATIVE INFORMATION

Comparative information has been restated / reclassified where necessary in line with the changes to the new Sri Lanka Accounting Standards (SLFRS / LKAS) which are effective from 1st January 2012.

3. STATED CAPITAL

The Stated Capital is consisting of 13,702,823 ordinary shares issued as at 30th September 2016

4. INCOME TAX EXPENSE

The Company is liable to pay income tax at the rate of 28% (2015 - 28%) of its taxable profits in accordance with the provisions of the Inland Revenue Act, No. 10 of 2006 and subsequent amendments thereto.

5. EARNINGS PER SHARE (EPS)

Basic Earnings Per Share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	Company		Group	
	2016 Rs'000	2015 Rs'000	2016 Rs'000	2015 Rs'000
Profit for the Period ended 30th September	76,426	46,494	80,260	51,344
Weighted Average No. of Shares	13,703	13,703	13,703	13,703
Earnings Per Share	5.58	3.39	5.86	3.75

6. CONTINGENT LIABILITIES

There is no change in the nature of contingent liabilities as at 30th September 2016 as compared to the contingent liabilities which were disclosed in the accounts for the year ended 31st March 2016

7. EVENTS AFTER REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Interim Financial Statements.

LANKA ALUMINIUM INDUSTRIES PLC
TWENTY (20) MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 2016

	NAME OF THE SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE
1	CLOVIS COMPANY LIMITED	6,863,429	50.09
2	MR. K. D. D. PERERA	3,962,999	28.92
3	SANDWAVE LIMITED	804,657	5.87
4	MR. R.S.A. SILVA	334,930	2.44
5	DR. A. C. VISVALINGAM / MRS.Y.I.VISVALINGAM	115,215	0.84
6	MR. K.C VIGNARAJAH	106,982	0.78
7	SRI LANKA INSURANCE CORPORATION LTD - LIFE FUND	83,660	0.61
8	MRS. P.N BHATT	78,613	0.57
9	HATTON NATIONAL BANK PLC / MR R.S.A SILVA & MRS G.J NIRMALIE	66,350	0.48
10	ELGIN INVESTMENTS LIMITED	61,018	0.45
11	MR. Z.G.CARIMJEE	49,100	0.36
12	MR.U.W.J.P.A SUMATHIPALA	43,000	0.31
13	PEOPLE'S LEASING & FINANCE PLC/ L. P. HAPANGAMA	39,302	0.29
14	MR ASANKA RUWAN KUMARA	35,268	0.26
15	MERCHANT BANK OF SRI LANKA PLC / R.R.S ANANDA	25,000	0.18
16	MRS ADAMALLY ZENAD MOHAMEDI	22,800	0.17
17	MR. D.S. PATHMASIRI, JOINT WITH MRS M.N.K PATHIRANA	22,500	0.16
18	DR R.S DERANIYAGALA	22,000	0.16
19	NOORANI ESTATES LIMITED	17,500	0.13
20	MR. KORALA KANKANANGE ROSHAN	16,492	0.12
	PERCENTAGE OF SHARES HELD BY THE PUBLIC		49.85
	NUMBER OF SHAREHOLDERS REPRESENTING THE PUBLIC HOLDING		1,138
	THE DIRECTORS DO NOT HOLD ANY SHARES		