

Enriching lives, embracing opportunities



CEO's Review

Dear Shareholder,

It is my pleasure to present the financial results of Hemas Holdings PLC for the period ended 31 December 2011. The Group enjoyed its best quarter year-to-date with consolidated revenues of Rs 5.3Bn, reflecting a growth of 15.2% year-on-year, and net earnings of Rs 350Mn, a growth of 12.6%. Earnings growth during the quarter was fueled by the Leisure, Healthcare and FMCG sectors, which grew by 170.6%, 33.3% and 22.2% respectively. Our Healthcare sector was the main contributor to the year-to-date performance with a revenue growth of 14.0% and earnings growth of 53.6%. Nine month earnings were mainly impacted by the underperformance of our Power sector, which is experiencing low rainfalls in the catchment areas. As a result, Group earnings for the nine months ending 31 December 2011 declined by 6.9% to Rs 837Mn, despite our strong quarterly performance. However, the Group has sustained a healthy revenue growth of 16.6% year-to-date, to close at Rs 15.3Bn.

Our FMCG sector enjoyed a good quarter, recording a revenue growth of 17.0% to achieve Rs. 1.7Bn, whilst sector profits grew at 22.4% to end the quarter at 174Mn. Many of the categories we serve; lotions, shampoos, hair grooming and sanitary napkins, in particular, have grown at healthy rates during the year. Our sanitary napkin brand, 'Fems' which was re-launched in November 2011 and 'Kumarika' hair oil were the front runners for the sector turnover growth. With our introduction of two new variants to Kumarika hair oil, the brand has strengthened its footing as the distinctive market leader in the category. During the quarter 'Diva' detergent powder was extended to the whitener category with its new extension 'Diva White Power'. Raw material prices, which peaked at the beginning of the year, have been on a declining trend, helping our profit margins to gradually improve.

The Healthcare sector continued to show a healthy performance recording a quarterly revenue of Rs 1.8Bn (up 10.0% year-on-year) and quarterly earnings of Rs 86Mn (up 33.3% year-on-year). The strong performance of our Pharmaceuticals business helped maintain its leadership position in the industry with a market share of 16.65% (Source: IMS). Our hospitals in Wattala and Galle continue to enjoy increasing patronage amongst local residents. During the period our hospital in Galle introduced laparoscopic surgery, which has seen an increase in popularity while our diagnostic network expanded to include two new laboratories in Gampaha and Negombo including OPD consultation facilities. Our second phase of hospital expansion began during the quarter, with the commencement of project work for our third hospital in Thalawathugoda.

The key highlight of our Leisure sector was the reopening of Hotel Serendib under its new brand name 'Avani Bentota'. The hotel was repositioned as a design hotel to offer its customers a unique 'on the beach' experience. The total project cost was Rs 650Mn and the hotel was closed for refurbishment from May to November 2011, as a result of which the quarterly revenues of the sector remained flat. However, excellent GOP margins by Club Hotel Dolphin, Hotel Sigiriya and Kani Lanka, coupled with gains due to exchange rate fluctuations resulted in a 170.6% growth in quarterly earnings.

Our Transportation sector achieved a revenue of Rs. 182Mn for the quarter ended 31 December 2011, a marginal decline of 0.6% from the previous year, whilst profits dropped 9.8% to Rs. 58Mn. The drop was mainly attributable to the dip in cargo volumes of our aviation sector in line with the declining market, overshadowing the growth in the passenger sales market. Our maritime arm suffered a drop in volumes, due to the drop in trade activity in the region, whilst our out bound tour operation performed exceptionally well during the quarter with a high level of growth seen in the leisure travel market.

The Power sector recorded quarterly earnings of Rs 61Mn, a year-on-year decline of 25.5%. Throughout the year, our mini hydro plants experienced low levels of rainfall dragging the sector performance well below that of last year. With our latest mini hydro plant in Magal Ganga, which was commissioned in September 2011, we have a total of 7MW in our renewable energy portfolio, in addition to the 100MW thermal plant. Our project development team is currently working on several new projects, with a view to expanding and diversifying our renewable energy portfolio.

We are optimistic that the last quarter of 2011/12 will continue with the same momentum gathered during the third quarter. With improved sentiments in the consumer markets and the anticipated tourism peak in the winter season, we expect to close the year on a positive note.



Husein Esufally

Chief Executive Officer

Colombo

February 2, 2012

Consolidated Balance Sheet

As at	31.12.2011	31.12.2010	31.03.2011
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	8,995,600	7,255,113	7,457,601
Investment Properties	309,965	1,261,410	1,309,965
Intangible Assets	302,026	330,684	323,895
Leasehold Property	56,480	59,546	58,779
Deferred Tax Assets	28,908	22,379	25,489
Other Long Term Receivables	53,318	43,318	43,318
Other Investments	384,133	708,857	433,661
	10,130,430	9,681,307	9,652,708
Current Assets			
Inventories	2,074,677	1,760,792	1,680,772
Trade and Other Receivables	5,526,973	4,274,615	4,575,929
Other Investments	68	68	68
Tax Recoverable	139,754	163,933	148,020
Short Term Cash Investments	1,467,583	1,489,460	2,025,097
Cash and Cash Equivalents	1,045,210	698,984	1,133,280
	10,254,265	8,387,852	9,563,166
Total Assets	20,384,695	18,069,159	19,215,874
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Stated Capital	1,600,603	1,468,426	1,468,425
Reserves	1,094,073	944,973	1,045,977
Retained Earnings	6,853,920	6,078,155	6,359,603
Shareholders' Funds	9,548,596	8,491,554	8,874,005
Minority Interests	1,990,797	1,539,526	1,701,635
Total Shareholders' Funds and Minority Interests	11,539,393	10,031,080	10,575,640
Non-Current Liabilities			
Other Non-Current Liabilities	14,700	10,273	10,243
Interest Bearing Loans and Borrowings	1,503,920	2,162,324	1,700,040
Deferred Tax Liabilities	117,353	140,564	123,609
Retirement Benefit Liability	269,430	213,226	230,298
	1,905,403	2,526,387	2,064,190
Current Liabilities			
Trade and Other Payables	4,682,870	3,431,388	4,104,683
Income Tax Liabilities	59,540	65,551	89,890
Other Borrowings	1,207	1,207	1,207
Interest Bearing Loans and Borrowings	801,581	695,008	991,267
Bank overdraft	1,394,701	1,318,538	1,388,997
	6,939,899	5,511,692	6,576,044
Total Shareholders' Funds, Minority Interests and Liabilities	20,384,695	18,069,159	19,215,874
Net Asset per share - (Rs)	18.52	16.58	17.33

The above figures are provisional and subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Malinga Arakularatne

Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board by,



Husein Esufally

Chief Executive Officer

Colombo

February 2, 2012



Lalith De Mel

Chairman

Consolidated Income Statement

	Three Months Ended 31.12.2011	Three Months Ended 31.12.2010	Change %	Nine Months Ended 31.12.2011	Nine Months Ended 31.12.2010	Change %
<i>Rs '000</i>						
Revenue	5,264,169	4,571,529	15.2	15,254,738	13,085,183	16.6
Cost of Sales	(3,575,071)	(3,063,336)	16.7	(10,479,753)	(8,752,571)	19.7
Gross Profit	1,689,098	1,508,193	12.0	4,774,985	4,332,612	10.2
Dividend Income	90	9	900.0	92	93	(1.1)
Loss on disposal of Non Current Investments	-	-	(100.0)	(1,716.00)	-	-
Change in Fair Value of Investment Properties	-	(12,000)	(100.0)	-	-	-
Other Income and Gains	63,012	45,750	37.7	115,301	112,055	2.9
Selling and Distribution Costs	(447,371)	(370,325)	20.8	(1,285,497)	(1,065,619)	20.6
Administrative Expenses	(825,431)	(751,413)	9.9	(2,435,970)	(2,132,604)	14.2
Finance Cost	(57,607)	(84,205)	(31.6)	(182,529)	(232,782)	(21.6)
Finance Income	32,720	43,517	(24.8)	116,487	108,712	7.2
Profit Before Tax	454,511	379,526	19.8	1,101,153	1,122,467	(1.9)
Income Tax Expenses	(64,572)	(38,081)	69.6	(184,487)	(147,801)	24.8
Profit for the Period	389,939	341,445	14.2	916,666	974,666	(6.0)
Attributable to:						
Equity Holders of the Parent	350,543	311,432	12.6	836,981	899,080	(6.9)
Minority Interests	39,396	30,013	31.3	79,685	75,586	5.4
	389,939	341,445	14.2	916,666	974,666	(6.0)
Earnings Per Share (Rs)	0.68	0.61		1.62	1.76	
Earnings Per Share (Rs)-Annualised	2.72	2.43		2.17	2.34	
Dividends Per Share	0.25	0.25		0.50	0.70	

The above figures are provisional and subject to audit.

Company Balance Sheet

As at	31.12.2011	31.12.2010	31.03.2011
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	82,887	107,347	105,306
Investment Properties	309,965	330,410	309,965
Loans Due from Related Parties	15,000	20,538	15,000
Investment in Subsidiaries	6,164,016	5,574,781	5,696,001
Investment in Joint Ventures	38,519	38,519	38,519
Other Investments	114,008	114,008	114,008
	6,724,395	6,185,603	6,278,799
Current Assets			
Trade and Other Receivables	402,723	287,345	176,187
Loans Due from Related Parties	400,354	486,611	519,272
Other Investments	49	49	49
Tax Recoverable	-	4,831	-
Amounts Due from Related Parties	129,657	135,207	130,726
Short Term Cash Investments	11,410	1,198	210
Cash and Cash Equivalents	6,904	8,437	23,679
	951,097	923,678	850,123
Total Assets	7,675,492	7,109,281	7,128,922
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Stated Capital	1,600,603	1,468,426	1,468,425
Reserves	257,032	257,032	257,032
Retained Earnings	4,258,050	4,108,533	4,077,851
Shareholders' Funds	6,115,685	5,833,991	5,803,308
Non-Current Liabilities			
Other Non-Current liabilities	12,772	-	-
Interest Bearing Loans and Borrowings	732,562	419,710	686,502
Deferred Tax Liabilities	42,051	60,856	42,022
Retirement Benefit Liability	21,687	21,209	18,676
	809,072	501,775	747,200
Current Liabilities			
Trade and Other Payables	52,738	33,411	42,072
Income Tax Liabilities	727	9,106	13,385
Amounts Due to Related Parties	139,491	159,215	167,812
Interest Bearing Loans and Borrowings	550,090	563,361	321,640
Bank overdraft	7,689	8,422	33,505
	750,735	773,515	578,414
Total Shareholders' Funds, Minority Interests and Liabilities	7,675,492	7,109,281	7,128,922
Net Asset per share - (Rs)	11.87	11.39	11.33

The above figures are provisional and subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Malinga Arsakularatne

Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board by,



Husein Esufally

Chief Executive Officer

Colombo

February 2, 2012



Lalith De Mel
Chairman

Company Income Statement

	Three Months Ended 31.12.2011	Three Months Ended 31.12.2010	Change %	Nine Months Ended 31.12.2011	Nine Months Ended 31.12.2010	Change %
<i>Rs '000</i>						
Revenue	86,731	88,708	(2.2)	258,017	248,619	3.8
Cost of Sales	-	-	-	-	-	-
Gross Profit	86,731	88,708	(2.2)	258,017	248,619	3.8
Dividend Income	134,367	3,951	3,300.8	428,152	303,382	41.1
Loss on disposal of Non Current Investments	-	-	-	(8,175)	-	-
Other Income and Gains	1,673	282	493.3	5,534	802	590.0
Administrative Expenses	(73,868)	(51,225)	44.2	(207,177)	(161,565)	28.2
Finance Cost	(20,679)	(14,322)	44.4	(53,193)	(41,157)	29.2
Finance Income	9,670	11,650	(17.0)	32,899	34,071	(3.4)
Profit Before Tax	137,894	39,044	253.2	456,057	384,152	18.7
Income Tax Expenses	(4,704)	(6,998)	(32.8)	(18,396)	(15,150)	21.4
Profit for the Period	133,190	32,046	315.6	437,661	369,002	18.6
Dividends Per Share (Rs)	0.25	0.25		0.50	0.70	

The above figures are provisional and subject to audit.

Statement of Changes in Equity- Group

	Attributable to Equity Holders of the Parent				Total	Minority Interests	Total Equity
	Stated Capital	Exchange Reserve	Revaluation and Other Capital Reserve	Retained Earnings			
Rs '000							
As at 01 April 2011	1,468,425	(1,179)	1,047,156	6,359,603	8,874,005	1,701,635	10,575,640
Profit for the period	-	-	-	836,981	836,981	79,685	916,666
Issue of Ordinary shares under ESOP	132,178	-	-	-	132,178	-	132,178
Redemption of Preference Shares of Joint Venture Company	-	-	-	(7,843)	(7,843)	-	(7,843)
Final dividend paid - 2010/2011	-	-	-	(128,010)	(128,010)	-	(128,010)
Interim dividend paid - 2011/2012	-	-	-	(128,823)	(128,823)	(62,628)	(191,451)
Preference Shares of Joint Venture Company	-	-	-	(11,680)	(11,680)	(3,893)	(15,573)
Transfer to/from during the Period							
- Overhaul, Heat Rate and Lube Oil Reserves	-	-	64,583	(64,583)	-	-	-
- Revaluation Reserve	-	-	(805)	805	-	-	-
- Other Reserve	-	(14,777)	-	-	(14,777)	-	(14,777)
Transaction cost on Issue of Serendib shares	-	-	-	(2,530)	(2,530)	(1,852)	(4,382)
Shares Issued to Minority Shareholders	-	-	-	-	-	277,850	277,850
Net Gain/(Loss) Recognised Directly in Equity							
- Exchange Reserve	-	(905)	-	-	(905)	-	(905)
As at 31 December 2011	1,600,603	(16,861)	1,110,934	6,853,920	9,548,596	1,990,797	11,539,393
As at 01 April 2010	1,369,223	(29,971)	835,953	5,516,911	7,692,116	1,488,104	9,180,220
Profit for the period	-	-	-	899,080	899,080	75,586	974,666
Issue of Ordinary shares under ESOP	99,203	-	-	-	99,203	-	99,203
Redemption of Preference Shares of Joint Venture Company	-	-	-	(15,687)	(15,687)	-	(15,687)
Dividends Paid							
- Ordinary Shares 2009/2010	-	-	-	(356,853)	(356,853)	(40,980)	(397,833)
- Preference Shares	-	-	-	(4,183)	(4,183)	(1,394)	(5,577)
Transfer to/from during the Period							
- Overhaul Reserve, Heat Rate and Lube Oil	-	-	13,104	(13,104)	-	-	-
- Revaluation Reserve	-	-	(594)	594	-	-	-
Adjustment in respect of changes in Group Holding	-	-	-	-	-	18,047	18,047
Preference Share issue	-	-	135,000	-	135,000	-	135,000
Disposal of Revalued Assets	-	-	(39,808)	51,397	11,589	-	11,589
Net Gain/(Loss) Recognised Directly in Equity							
- Deferred Income Tax	-	-	594	-	594	163	757
- Exchange Reserve	-	30,695	-	-	30,695	-	30,695
As at 31 December 2010	1,468,426	724	944,249	6,078,155	8,491,554	1,539,526	10,031,080

The above figures are provisional and subject to audit

Statement of Changes in Equity- Company

	Stated Capital	Capital & Revenue Reserve	Retained Earnings	Total
<i>Rs '000</i>				
As at 01 April 2011	1,468,425	257,032	4,077,851	5,803,308
Issue of Ordinary shares under ESOP	132,178	-	-	132,178
Transaction cost on Issue of shares under ESOP	-	-	(629)	(629)
Profit for the period	-	-	437,661	437,661
Final Dividend Paid - 2010/2011	-	-	(128,010)	(128,010)
Interim Dividend Paid - 2011/2012	-	-	(128,823)	(128,823)
As at 31 December 2011	1,600,603	257,032	4,258,050	6,115,685
As at 01 April 2010	1,369,223	257,032	4,096,385	5,722,640
Issue of Ordinary shares under ESOP	99,203	-	-	99,203
Profit for the period	-	-	369,002	369,002
Final Dividends Paid - 2009/2010	-	-	(356,854)	(356,854)
As at 31 December 2010	1,468,426	257,032	4,108,533	5,833,991

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Cash Flow Statement

For the Nine months ended 31 December <i>Rs '000</i>	Group		Company	
	2011	2010	2011	2010
Operating Activities				
Profit Before Taxation	1,101,153	1,122,467	456,057	384,152
Adjustments for				
Depreciation	468,906	446,359	17,803	11,964
Profit on Disposal of Property, Plant and Equipment	(20,825)	(23,634)	4,731	927
Retirement Benefit Plan	48,200	45,246	3,011	4,950
Finance Cost	182,530	232,782	53,193	41,157
Investment Income	(92)	(93)	(428,152)	(303,382)
(Profit)/Loss on Sale of Non current Investment	1,716	-	18,851	(234)
Exchange (Gain)/Loss on USD Loan	(1,596)	(4,132)	-	-
Amortisation/Impairment of Intangibles	23,015	4,772	-	-
Amortisation of Leasehold Property	2,299	-	-	-
Working Capital Adjustments				
(Increase)/Decrease in Trade and Other Receivables	(956,547)	(341,291)	(226,537)	(169,564)
(Increase)/Decrease in Inventories	(393,902)	(216,233)	-	-
(Increase)/Decrease in Amounts Due from Related Parties	-	-	1,069	77,930
Increase/(Decrease) in Amounts Due to Related Parties	-	-	(28,321)	42,273
Increase/(Decrease) in Trade and Other Payables	587,943	81,417	23,438	(9,542)
Increase/(Decrease) in other non current assets	(10,000)	-	-	-
Finance Cost Paid	(182,530)	(232,782)	(53,193)	(41,157)
Income Tax Paid	(217,124)	(190,505)	(31,024)	(13,588)
Gratuity Paid	(8,562)	(16,983)	-	(766)
Net Cash from/(Used in) Operating Activities	624,584	907,390	(189,074)	25,120
Investing Activities				
Purchase of Property, Plant and Equipment	(1,026,900)	(789,867)	(5,056)	(67,920)
Acquisitions and Disposals of Subsidiaries	3,173	18,048	(489,802)	-
Investment in Intangible Assets	(1,146)	(83)	-	-
Other Investments	49,528	(586,054)	2,937	474
Proceeds from Disposal of Property, Plant and Equipment	38,841	145,646	4,941	7,365
Redemption of Preference Shares of Joint Venture Company	(7,843)	(15,687)	-	-
Investment Income Received	92	93	428,152	303,382
Net Cash from/(Used in) Investing Activities	(944,255)	(1,227,904)	(58,828)	243,301
Financing Activities				
Interest Bearing Loans and Borrowings (Net)				
- Rupee Loan	(243,208)	735,029	393,427	(86,140)
- USD Loan	(150,514)	(58,275)	-	-
Proceeds from Issue of Ordinary shares under ESOS	132,178	99,203	132,178	99,203
Proceeds from issue of Preference Shares	-	135,000	-	-
Proceeds from Minority Shareholders	277,850	-	-	-
Dividends Paid				
- Ordinary Shares	(330,924)	(398,624)	(256,833)	(356,853)
- Preference Shares	(11,680)	(4,183)	-	-
Transaction cost on subsidiary share issue	(4,382)	-	(629)	-
Net Cash from/(Used in) Financing Activities	(330,680)	508,150	268,143	(343,790)
Net Increase/(Decrease) in Cash and Cash Equivalents	(650,351)	187,636	20,241	(75,369)
Exchange Loss	(935)	-	-	-
Cash and Cash Equivalents at the beginning of the Year	1,769,379	682,270	(9,616)	76,582
Cash and Cash Equivalents at the end of the period	1,118,093	869,906	10,625	1,213

The above figures are provisional and subject to audit

Segmental Information

For Three months ended 31 December	FMCG		Health Care		Leisure		Transportation		Power		Others		Group	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<i>Rs '000</i>														
Revenue														
Segmental Revenue - Gross	1,744,623	1,490,656	1,851,808	1,678,548	271,629	270,251	182,259	183,374	1,031,265	844,164	319,042	240,189	5,400,626	4,707,182
Intra Segmental Revenue	-	-	(20,845)	(14,772)	-	-	-	-	-	-	(5,862)	(4,354)	(26,707)	(19,126)
Segmental Revenue	1,744,623	1,490,656	1,830,963	1,663,776	271,629	270,251	182,259	183,374	1,031,265	844,164	313,180	235,835	5,373,919	4,688,056
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(109,750)	(116,527)	(109,750)	(116,527)
Total Revenue	1,744,623	1,490,656	1,830,963	1,663,776	271,629	270,251	182,259	183,374	1,031,265	844,164	203,430	119,308	5,264,169	4,571,529
Segmental Results														
Segmental Results	168,504	133,577	128,849	100,837	63,844	46,829	62,808	69,594	77,079	108,326	(21,686)	(26,949)	479,398	432,214
Finance Cost	-	(7,769)	(27,827)	(32,549)	(10,270)	(14,960)	(839)	(3,094)	(9,354)	(22,666)	(9,317)	(3,167)	(57,607)	(84,205)
Finance Income	11,432	12,950	948	988	1,498	340	3,142	4,220	14,129	23,734	1,571	1,285	32,720	43,517
Change in Fair Value of Investment Properties	-	-	-	-	-	-	-	-	-	-	-	(12,000)	-	(12,000)
Profit/(Loss) before Tax	179,936	138,758	101,970	69,276	55,072	32,209	65,111	70,720	81,854	109,394	(29,432)	(40,831)	454,511	379,526
Income Tax	(5,693)	3,641	(21,554)	(12,360)	(6,365)	(13,272)	(7,202)	(6,503)	(339)	-	(23,419)	(9,587)	(64,572)	(38,081)
Profit / (Loss) for the Period	174,243	142,399	80,416	56,916	48,707	18,937	57,909	64,217	81,515	109,394	(52,851)	(50,418)	389,939	341,445
Attributable to:														
Equity Holders of the Parent	174,243	142,399	85,572	64,174	24,398	9,015	57,909	64,217	61,153	82,070	(52,732)	(50,443)	350,543	311,432
Minority Interests	-	-	(5,156)	(7,258)	24,309	9,922	-	-	20,362	27,324	(119)	25	39,396	30,013
	174,243	142,399	80,416	56,916	48,707	18,937	57,909	64,217	81,515	109,394	(52,851)	(50,418)	389,939	341,445

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Segmental Information

For Nine months ended 31 December

	FMCG		Health Care		Leisure		Transportation		Power		Others		Group	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Rs '000														
Revenue														
Segmental Revenue - Gross	4,883,778	4,384,383	5,515,979	4,836,278	724,772	601,316	541,240	557,452	3,118,941	2,437,360	866,057	631,903	15,650,767	13,448,692
Intra Segmental Revenue	-	-	(53,900)	(43,483)	-	-	-	-	-	-	(12,259)	(12,361)	(66,159)	(55,844)
Segmental Revenue	4,883,778	4,384,383	5,462,079	4,792,795	724,772	601,316	541,240	557,452	3,118,941	2,437,360	853,798	619,542	15,584,608	13,392,848
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(329,870)	(307,665)	(329,870)	(307,665)
Total Revenue	4,883,778	4,384,383	5,462,079	4,792,795	724,772	601,316	541,240	557,452	3,118,941	2,437,360	523,928	311,877	15,254,738	13,085,183
Segmental Results														
Finance Cost	(2,714)	(27,076)	(81,319)	(97,124)	(38,089)	(19,607)	(5,643)	(8,086)	(33,587)	(77,072)	(21,177)	(3,817)	(182,529)	(232,782)
Finance Income	35,496	34,131	4,645	3,749	11,252	1,066	14,934	11,924	46,270	53,243	3,890	4,599	116,487	108,712
Change in Fair Value of Investment Properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) before Tax	440,529	435,383	364,445	231,377	27,801	39,806	185,076	217,310	247,351	313,885	(164,049)	(115,294)	1,101,153	1,122,467
Income Tax	(9,624)	1,137	(94,205)	(69,667)	(2,149)	(16,880)	(25,477)	(20,539)	(577)	-	(52,455)	(41,852)	(184,487)	(147,801)
Profit / (Loss) for the Period	430,905	436,520	270,240	161,710	25,652	22,926	159,599	196,771	246,774	313,885	(216,504)	(157,146)	916,666	974,666
Attributable to:														
Equity Holders of the Parent	430,905	436,520	286,126	186,295	(8,432)	1,284	159,599	196,771	185,132	235,474	(216,349)	(157,264)	836,981	899,080
Minority Interests	-	-	(15,886)	(24,585)	34,084	21,642	-	-	61,642	78,411	(155)	118	79,685	75,586
	430,905	436,520	270,240	161,710	25,652	22,926	159,599	196,771	246,774	313,885	(216,504)	(157,146)	916,666	974,666

The above figures are provisional and subject to audit

Notes to the Financial Statements

- 1 The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the audited accounts for the year ended 31 March 2011, and also in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting. Further, provisions of the new Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.
- 2 The previous years'/periods' figures and phrases have been amended where relevant, for better presentation and to be comparable with those of the current period.
- 3 The company exercised its rights and invested Rs. 111Mn in Serendib Hotels PLC on 05 May 2011.
- 4 The group divested its stake in Solas Lanka (Pvt) Ltd on 30 June 2011.
- 5 The Company disposed 51% of shares in ACX International (Pvt) Ltd on 12 August 2011 and will be treated as a joint venture
- 6 Investment Property of Hemas Development (Pvt) Ltd was reclassified from the financial year 2011/12 onwards to Property, Plant & Equipment in the consolidated balance sheet, following the commencement of owner occupation by group subsidiaries and depreciated accordingly in the consolidated income statement
- 7 The Company issued ESOS 2008 final tranche of 3,250,000 ordinary shares on 26 September 2011 at Rs.40.67 per share for Rs.132Mn
- 8 The Company paid a final dividend of Rs.0.25 per share on 11 July 2011, for the financial year ended 31 March 2011
- 9 The Company paid an interim dividend of Rs.0.25 per share on 22 November for the financial year 2011/12
- 10 There have been no other events subsequent to the balance sheet date, which require disclosure in the interim financial statements.
- 11 There has been no significant changes in the nature of the contingent liabilities which were disclosed in the Audited Accounts for the year ended 31 March 2011.

Investor Information

Three months Ended
31.12.2011

Three months Ended
31.12.2010

Market Value of Shares

Closing Price on 31st December (Rs)	33.00	44.50
Highest Price during the Period (Rs)	40.00	52.90
Lowest Price during the Period (Rs)	27.50	42.00
Market Capitalization on 31st December (Rs Mn)	17,005	22,786

Ratios

Net Asset Per Share on 31st December (Rs)	18.52	16.58
Price Earnings Ratio on 31st December (times)	15.24	19.01

Share Trading

No of transactions during the Period	1,195	8,717
No of shares traded during the Period	1,686,700	24,107,100
Value of shares traded during the Period (Rs Mn)	59	1,110

Number of Shares

515,290,620	512,040,620
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Share Information

LIST OF 20 MAJOR SHAREHOLDERS	31.12.2011		31.12.2010	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	90,762,875	17.61	90,762,875	17.80
2 Saraz Investments (Pvt) Ltd.	86,396,035	16.77	86,396,035	16.95
3 Bluberry Investments (Pvt) Ltd.	85,781,250	16.65	85,781,250	16.83
4 Amagroup (Pvt) Limited	85,780,665	16.65	85,780,665	16.83
5 Employees Provident Fund	26,650,875	5.17	26,766,775	5.25
6 HSBC Intl. Nominees Ltd-SSBT-The RBS as Dep of FS India Subcontinent Fund As S/F Of First State Investment	9,732,370	1.89	9,732,370	1.91
7 Jacey Trust Services (Pvt) Ltd -Account No 2	8,750,000	1.70	5,500,000	1.08
8 Sri Lanka Insurance Corporation Ltd. - Life Fund	6,635,700	1.29	13,044,000	2.56
9 HSBC Intl. Nominees Ltd-SSBT-The RBS PLC as Dep for first state Asia Pacific Sustainability Fund S/F of FS	6,272,899	1.22	6,272,899	1.23
10 Mr. I.A.H. Esufally	6,132,500	1.19	6,132,500	1.20
11 HSBC Intl. Nominees Ltd. - HSBC Bank PLC - CMG First State Global Umbrella Fund PLC CMG First State India	5,825,500	1.13	5,825,500	1.14
12 Mr. H.N. Esufally	5,795,205	1.12	5,795,205	1.14
13 Mr. M.A.H. Esufally	5,655,000	1.10	5,655,000	1.11
14 Lexinton Holdings (Pvt) Ltd.	4,740,600	0.92	-	-
15 Jacey Trust Services (Pvt) Ltd	4,613,750	0.90	4,613,750	0.91
16 HSBC Intl Nom Ltd-JPMCB- Pacific Assests Trust PLC	3,051,800	0.59	-	-
17 Anverally and sons (pvt) Ltd A/C no 01	3,011,700	0.58	2,646,200	0.52
17 Cocoshell Activated Carbon Company Ltd.	2,889,775	0.56	2,950,675	0.58
18 Employees Trust Fund Board	2,795,100	0.54	1,890,400	0.37
20 Mr.Udeshi	2,150,825	0.42	2,150,825	0.42

	31.12.2011	31.12.2010
	No. of Shares	No. of Shares

DIRECTORS INDIRECT SHAREHOLDING

A Z Holdings (Pvt) Ltd.	90,762,875	90,762,875
Saraz Investments (Pvt) Ltd.	86,396,035	86,396,035
Blueberry Investments (Pvt) Ltd.	85,781,250	85,781,250
Amagroup (Pvt) Ltd.	85,780,665	85,780,665

DIRECTORS SHAREHOLDING

Mr. J. C. L. De Mel (Chairman)	87,500	87,500
Mr. H.N. Esufally (Chief Executive Officer)	5,795,205	5,795,205
Mr. A.N. Esufally	1,992,085	1,992,085
Mr. I.A.H. Esufally	6,132,500	6,132,500
Mr. M.E. Wickremesinghe	11,250	11,250
Mr. M. A. H. Esufally	5,655,000	5,655,000
Mr. D. Bhatnagar	150	150

368,394,515	368,394,515
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PUBLIC HOLDING

Issued Share Capital	515,290,620	512,040,620
Less:Directors Direct and Indirect Shareholding	368,394,515	368,394,515
Public Holding	146,896,105	143,646,105
Public Holding as a % of Issued Share Capital	28.51%	28.05%

Corporate Information

Legal Form

Quoted Public Company with limited liability listed on the Colombo Stock Exchange on 15 October 2003

Date of Incorporation

10 December 1948

Date of Re-Registration

30 May 2007

New Registration Number

PQ 6

Accounting year end

31 March

Registered Office

Hemas Building
No. 36, Bristol Street, Colombo 1.

Website

www.hemas.com

Auditors

Ernst & Young
Chartered Accountants
No. 201, De Saram Place, Colombo 10.

Directors

Lalith De Mel (Chairman)
Husein Esufally (CEO)
Intiaz Esufally
Murtaza Esufally
Abbas Esufally
Maithri Wickremesinghe
Pradipta Mohapatra
Divyaroop Bhatnagar

Secretaries & Registrars

Hemas Corporate Services (Pvt) Ltd.
No. 36, Bristol Street, Colombo 1
Telephone: 4 731731 (hunting)
Facsimile: 4 731777

Lawyers to the Company

D.L. & F De Saram
No. 47, Alexandra Place, Colombo 7

Bankers

Commercial Bank of Ceylon PLC
Deutsche Bank AG
Hong Kong & Shanghai Banking Corp. Ltd.
Hatton National Bank PLC
Standard Chartered Bank
Nations Trust Bank
People's Bank
DFCC Bank