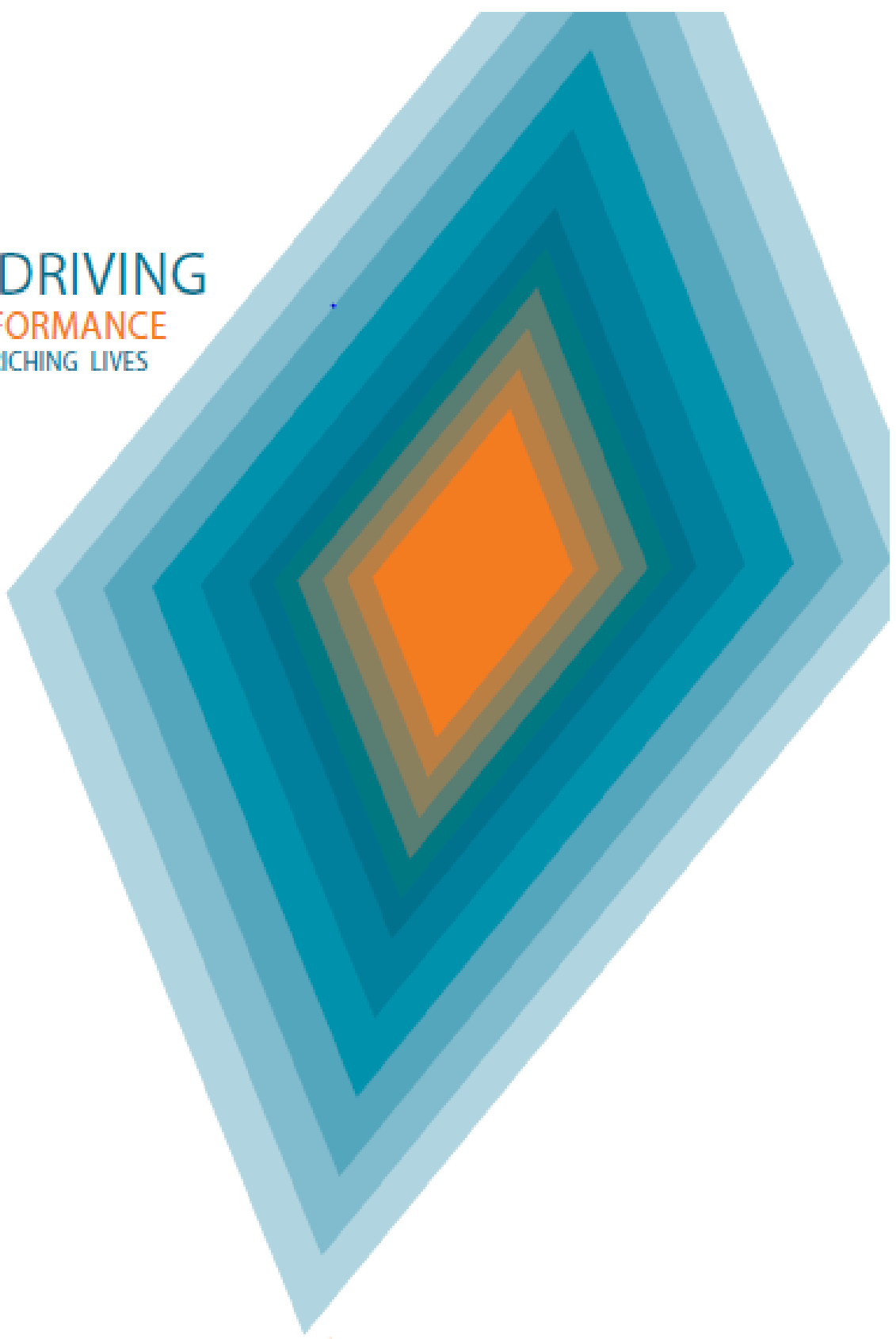


DRIVING
PERFORMANCE
ENRICHING LIVES



Hemas Holdings PLC
Interim Report-2nd Quarter 2013/14

Chairman/CEO's Review

It is with great pleasure that I present you the results of the first half of 2013/14. For the period under review, the group posted a revenue of Rs. 14.9Bn, a growth of 15.2% and an operating profit of Rs. 1.5Bn a growth of 41.6%. Further Group earnings grew by 36.3%, to close the six month period under review at Rs. 984Mn.

Revenue growth was mainly driven by the Healthcare, FMCG and Transportation sectors, which grew by 28.9%, 27.0% and 47.5%, respectively. The growth seen in Group operating profit and earnings was largely due to the capital gain realized in transferring 21 acres of our property at Tangalle to a joint-venture with Minor International, formed for the purpose of developing a luxury resort. Conversely, startup losses at our new hospital at Thalawathugoda and the closure of Club Hotel Dolphin for refurbishment, negatively impacted Group profits over the six months ending 30th September 2013. The underlying business activity of the Group, adjusted for these one-off factors, has seen a notable growth, with operating profits posting a growth of 32.6% on a normalized basis. The excellent first half enjoyed by our hydro power plants, increased margins enjoyed by our FMCG business and the improved performance of the Transportation sector contributed positively to both the Group operating profits and earnings for the period.

FMCG sector reported an impressive first half recording a revenue growth of 27.0% to reach Rs. 4.7Bn and an operating profit growth of 24.3% to reach Rs. 438Mn. The encouraging performance of the sector was largely driven by the growth in oral care, home care and personal wash categories, which grew at 25.3%, 24.9% and 18.5% respectively. Clogard, our oral care brand and Diva detergent powder showed a notable performance in terms of its contribution towards both the top line and bottom line during the first half of this year, while our adult beauty soap, Velvet, was the forerunner of the personal wash category growth. This quarter proved to be very eventful for the sector with many re-launches beginning with Velvet, re-launched in July with the aim of refreshing the brand and making it more relevant to the consumer. The re-launch also included the introduction of two new variants, Kohomba and Aloe with improved packaging to uplift the imagery of the product. Since its re-launch the brand has performed well, achieving new heights and increased market share. During the quarter, our male fragrance brand, Gold, was re-launched with the intention of contemporizing the brand to cater to the dynamic consumer needs. Our oral care brand, Clogard, was repositioned in mid-September as an 'anti-cavity toothpaste', strengthening its product proposition and thereby improving its competitiveness within its market space. Since its re-launch the brand has seen significant growth in both its contribution to both sector topline and bottom-line.

The Healthcare sector registered revenues of Rs. 5.8Bn, a growth of 28.9% over the same period last year. This was driven by the positive performance of our Pharmaceutical distribution and augmented by the recent addition to our Hospital chain, at Thalawathugoda. Operating profit of the sector increased marginally by 1.4% to reach Rs. 426Mn, dampened by the startup losses of our new hospital. Our Pharmaceuticals business enjoyed a good first half posting a 17.8% growth in revenue and 20.4% improvement in operating profits, backed by an increase in sales volumes during the quarter. The performance of our Pharmaceutical business helped strengthen its market leadership position by increasing its market share to 18.6% (Source: IMS). The hospital business experienced a slow year with both Wattala and Southern experiencing marginal improvements in both topline and bottom-line, while our new hospital at Thalawathugoda saw a steady pick-up in volumes since its commencement in June 2013.

Our new addition to Hemas Group, J.L. Morison Sons and Jones (Ceylon) PLC performed well during the period under review. The business posted an operating profit growth of 14.2% to record Rs. 96Mn and an earnings growth of 22.3% to post Rs. 80Mn, for the period ending 30th September 2013. Post-acquisition, measures were taken to reassign the OTC portfolio of Hemas Pharmaceuticals under J.L. Morison, strengthening the product offering in line with the overall Group OTC strategy. Going forward we expect

to build on and strengthen the manufacturing capabilities of the business to cater to the expected consumer demand.

Our Leisure sector recorded a revenue of Rs. 452Mn and an operating loss of Rs. 54Mn for the first half resulting in a 31.0% and a 144.5% decline, respectively, primarily due to the closure of Hotel Sigiriya and Club Hotel Dolphin during the period under review. Hotel Sigiriya was reopened after renovations on 1st August 2013 and experienced satisfactory levels of occupancy. With the reopening of Club Hotel Dolphin on 1st November 2013 the sector is geared for a busy winter season. The growth in tourist arrivals during the quarter reached 20%, however inconsistency in conversion to room nights at graded establishments persisted during the quarter. Despite the shortage of the total room inventory, our hotels have recorded satisfactory occupancy levels in excess of 50% during what is considered an off-peak season. We are looking forward to a positive third quarter with the reopening of Hotel Dolphin and the encouraging forward bookings for the upcoming winter season. We have been successful in reaching new markets through constant improvements to our own web booking engine and will continuously work towards maintaining strong occupancy levels.

The Transportation sector posted a revenue of Rs. 685Mn, a 47.5% growth, much of it driven by our new venture Hemas Logistics, while operating profit recorded a growth of 19.2% to reach Rs. 223Mn during the first half of the year. Our Aviation segment enjoyed a strong performance with increased passenger and cargo markets while Hemas Travels increased their market share among top travel agencies. Our crew boat service business at the Hambantota Port successfully completed its first year of operation in September 2013. However, the Maritime segment results were hindered by lower transshipment volumes with a lesser number of ships calling at the port. Our Logistics segment including the warehouse and haulage activities performed well during the first half of the year and we plan to commence operations of a fully-fledged integrated logistics facility in the months to come.

Power sector recorded a drop in revenue growth of 15.8% to post Rs. 2.6Bn largely impacted by the drop in generation at our thermal power plant Heladhanavi resulting from the curtailment imposed by the CEB. In spite of this, the sector posted a significant increase in operating profit to achieve Rs. 295Mn for the first half, contributed by our hydro power plants which experienced a higher rainfall around the catchment areas. The performance of hydro power assets under Pan Asian Power PLC, Rath Ganga and Manelwala, also contributed to strengthen the sector's profitability during the period under review.

As we look to the future, we have also instituted a transformation plan designed to accelerate growth. Mr. Steven Enderby will be replacing me as Group Chief Executive Officer from 01st April 2014, and will function as Deputy CEO with immediate effect. Both Steven, and our Group Chief Financial Officer, Mr. Malinga Arsakularatane, have been appointed to the Board of Hemas Holdings PLC. I will function as Chairman and CEO until 31st March 2014, after which I will assume the position of Non-executive Chairman.

Along with these leadership changes, there are several other exciting initiatives that will be rolled out during the second half of the year, giving us confidence that we can close out the year on a positive note.



Husein Esufally
Chairman/CEO
Colombo
November 06, 2013

Consolidated Income Statement

<i>Rs '000</i>	Three Months Ended		Change %	Six Months Ended		Change %
	30.09.2013	30.09.2012		30.09.2013	30.09.2012	
Revenue	7,645,561	6,596,462	15.9	14,888,773	12,920,159	15.2
Cost of Sales	(5,137,808)	(4,640,748)	10.7	(10,159,927)	(9,126,908)	11.3
Gross Profit	2,507,753	1,955,714	28.2	4,728,846	3,793,251	24.7
Other Operating Income	446,585	39,141	1,041.0	512,966	119,375	329.7
Selling and Distribution Costs	(710,027)	(482,837)	47.1	(1,320,712)	(966,606)	36.6
Administrative Expenses	(1,243,805)	(910,795)	36.6	(2,430,217)	(1,893,925)	28.3
Share of Profit of an Associate	-	-	-	(789)	-	-
Operating Profit	1,000,506	601,223	66.4	1,490,094	1,052,095	41.6
Finance Cost	(215,183)	(121,943)	76.5	(384,956)	(201,668)	90.9
Finance Income	64,505	82,282	(21.6)	156,983	151,367	3.7
Profit Before Tax	849,828	561,562	51.3	1,262,121	1,001,794	26.0
Income Tax Expense	(153,097)	(119,044)	28.6	(285,028)	(214,736)	32.7
Profit for the Period	696,731	442,518	57.4	977,093	787,058	24.1
Attributable to:						
Equity Holders of the Parent	707,495	387,778	82.4	984,203	722,106	36.3
Non-Controlling Interests	(10,764)	54,740	(119.7)	(7,110)	64,952	(110.9)
	696,731	442,518	57.4	977,093	787,058	24.1
Earnings Per Share (Rs)	1.37	0.75		1.91	1.40	
Annualised Earnings Per Share (Rs)	5.49	3.01		3.82	2.80	
Dividend Per Share (Rs)	0.45	0.25		0.45	0.25	

Statement of Comprehensive Income

<i>Rs '000</i>	Three Months Ended		Six Months Ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Profit for the Period	696,731	442,518	977,093	787,058
Other Comprehensive Income				
Net (loss)/gain on available-for-sale financial assets	(9,519)	34,292	7,604	33,624
Exchange differences on translation of foreign operations	(1,776)	485	(2,359)	212
Net movement on cash flow hedges	11,447	19,342	2,889	10,528
Revaluation of land and buildings	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-
Other Comprehensive Income for the period, net of tax	152	54,119	8,134	44,364
Total Comprehensive Income for the period, net of tax	696,883	496,637	985,227	831,422
Attributable to:				
Equity Holders of the Parent	704,801	445,399	990,337	763,838
Non-Controlling Interests	(7,918)	51,238	(5,110)	67,584
	696,883	496,637	985,227	831,422

The above figures are provisional and subject to audit.

Consolidated Statement of Financial Position

As at	30.09.2013	30.09.2012	31.03.2013
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	13,479,323	10,267,471	11,293,957
Investment Properties	578,453	474,685	578,453
Leasehold Right	88,624	92,559	90,592
Intangible Assets	1,289,596	299,050	436,701
Investment in Subsidiaries	-	-	-
Investment in Joint Ventures	-	-	-
Investment in Associates	371,820	-	221,325
Other Non Current Financial Assets	304,542	751,683	399,147
Deferred Tax Assets	45,403	26,491	39,762
	16,157,761	11,911,939	13,059,937
Current Assets			
Inventories	3,099,902	2,340,874	2,425,137
Trade and Other Receivables	9,168,775	7,041,490	7,047,695
Tax Recoverable	71,787	140,999	78,590
Other Current Financial Assets	438,386	210,040	172,919
Cash and Short Term Deposits	2,378,203	2,753,896	3,223,380
	15,157,053	12,487,299	12,947,721
Total Assets	31,314,814	24,399,238	26,007,658
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,600,603	1,600,603	1,600,603
Other Capital and Revenue Reserves	333,776	459,013	409,751
Other Components of Equity	1,306,044	1,194,016	1,314,477
Retained Earnings	9,608,758	7,692,288	8,828,511
Equity attributable to equity holders of the parent	12,849,181	10,945,920	12,153,342
Non- Controlling Interests	3,060,777	2,104,552	2,259,037
Total Equity	15,909,958	13,050,472	14,412,379
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	3,564,273	1,709,905	2,182,887
Other Non Current Financial Liabilities	145,855	150,917	140,343
Deferred Tax Liabilities	242,108	170,900	193,313
Employee Benefit Liability	398,325	271,878	287,427
Other Non Current Liabilities	-	239,432	-
	4,350,561	2,543,032	2,803,970
Current Liabilities			
Trade and Other Payables	7,283,223	5,655,485	5,906,044
Income Tax Liabilities	122,473	129,084	141,591
Interest Bearing Loans and Borrowings	1,722,311	932,413	715,230
Bank Overdraft	1,926,288	2,088,752	2,028,444
	11,054,295	8,805,734	8,791,309
Total Equity and Liabilities	31,314,814	24,399,238	26,007,658
Net Assets Per share - (Rs)	24.94	21.24	23.59

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
Chairman/ CEO
Colombo
November 6, 2013



Imtiaz Esufally
Director

Consolidated Statement of Changes in Equity

	Attributable to Equity Holders of the Parent						Retained Earnings	Total	Non Controlling Interests	Total Equity
	Stated Capital	Other Capital & Revenue Reserves	Other Component Of Equity							
			Revaluation Reserve	Exchange Reserve	Available For Sale Reserve	Cash Flow Hedge Reserve				
<i>Rs '000</i>										
Balance as at 1 April 2012	1,600,603	437,923	1,187,013	(1,451)	10,380	(43,658)	7,121,708	10,312,518	2,100,310	12,412,828
Profit for the period	-	-	-	-	-	-	722,106	722,106	64,952	787,058
Other comprehensive income	-	-	-	212	33,624	7,896	-	41,732	2,632	44,364
Total comprehensive income	-	-	-	212	33,624	7,896	722,106	763,838	67,584	831,422
Dividends Paid - Ordinary Shares	-	-	-	-	-	-	(128,823)	(128,823)	(63,454)	(192,277)
Transfer to/from during the period										
- Other Reserve	-	21,090	-	-	-	-	(21,090)	-	-	-
Transaction cost on issue of shares	-	-	-	-	-	-	(1,613)	(1,613)	(537)	(2,150)
Adjustment in respect of changes in Group Holding	-	-	-	-	-	-	-	-	649	649
Balance as at 30 September 2012	1,600,603	459,013	1,187,013	(1,239)	44,004	(35,762)	7,692,288	10,945,920	2,104,552	13,050,472
Balance as at 1 April 2013	1,600,603	409,751	1,302,730	(1,730)	29,042	(15,565)	8,828,511	12,153,342	2,259,037	14,412,379
Profit for the period	-	-	-	-	-	-	984,203	984,203	(7,110)	977,093
Other comprehensive income	-	-	-	(2,475)	6,441	2,168	-	6,134	2,000	8,134
Total comprehensive income	-	-	-	(2,475)	6,441	2,168	984,203	990,337	(5,110)	985,227
Dividends Paid - Ordinary Shares	-	-	-	-	-	-	(231,881)	(231,881)	(68,104)	(299,985)
Transfer to/from during the period										
- Overhaul Reserve/ Heat and Lube oil Reserve	-	(75,975)	-	-	-	-	75,975	-	-	-
- Available for sale reserve	-	-	-	-	(14,567)	-	-	(14,567)	(4,852)	(19,419)
Transaction cost on issue of shares	-	-	-	-	-	-	(8,595)	(8,595)	-	(8,595)
Adjustment in respect of changes in Group Holding	-	-	-	-	-	-	(39,455)	(39,455)	879,806	840,351
Balance as at 30 September 2013	1,600,603	333,776	1,302,730	(4,205)	20,916	(13,397)	9,608,758	12,849,181	3,060,777	15,909,958

Company Income Statement

	Three Months Ended		Change %	Six Months Ended		Change %
	30.09.2013	30.09.2012		30.09.2013	30.09.2012	
<i>Rs '000</i>						
Revenue	156,895	92,991	68.7	287,719	170,478	68.8
Cost of Sales	-	-	-	-	-	-
Gross Profit	156,895	92,991	68.7	287,719	170,478	68.8
Other Operating Income	358,964	195,753	83.4	360,831	331,957	8.7
Administrative Expenses	(127,212)	(83,264)	52.8	(234,865)	(163,468)	43.7
Operating Profit	388,647	205,480	89.1	413,685	338,967	22.0
Finance Cost	(71,802)	(61,697)	16.4	(159,838)	(95,314)	67.7
Finance Income	18,876	23,073	(18.2)	47,717	39,313	21.4
Profit Before Tax	335,721	166,856	101.2	301,564	282,966	6.6
Income Tax Expenses	2,000	(850)	(335.3)	(4,089)	(6,697)	(38.9)
Profit for the Period	337,721	166,006	103.4	297,475	276,269	7.7

Statement of Comprehensive Income

	Three Months Ended		Six Months Ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
<i>Rs '000</i>				
Profit for the Period	337,721	166,006	297,475	276,269
Other Comprehensive Income				
Net (loss)/gain on available-for-sale financial assets	(9,589)	17,093	2,882	9,698
Exchange differences on translation of foreign operations	-	-	-	-
Net movement on cash flow hedges	-	-	-	-
Revaluation of land and buildings	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-
Other Comprehensive Income for the period, net of tax	(9,589)	17,093	2,882	9,698
Total Comprehensive Income for the period, net of tax	328,132	183,099	300,357	285,967

The above figures are provisional and subject to audit

Statement of Financial Position -Company

As at	30.09.2013	30.09.2012	31.03.2013
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	163,329	114,118	153,730
Investment Properties	566,289	331,500	566,289
Intangible Assets	19,062	743	398
Investment in Subsidiaries	6,466,343	6,408,088	6,344,133
Investment in Joint Ventures	38,519	38,519	38,519
Other Non Current Financial Assets	382,586	243,179	224,924
	7,636,128	7,136,147	7,327,993
Current Assets			
Trade and Other Receivables	1,216,884	499,074	1,026,351
Tax Recoverable	8,621	9,277	5,323
Other Current Financial Assets	793,202	529,338	647,913
Cash and Short Term Deposits	54,562	165,692	85,301
	2,073,269	1,203,381	1,764,888
Total Assets	9,709,397	8,339,528	9,092,881
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,600,603	1,600,603	1,600,603
Other Capital Reserves	257,032	257,032	257,032
Other Components of Equity	20,671	17,433	17,789
Retained Earnings	4,656,066	4,395,861	4,590,472
Equity attributable to owners of the parent	6,534,372	6,270,929	6,465,896
Non- Controlling Interests	-	-	-
Total Equity	6,534,372	6,270,929	6,465,896
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	1,939,431	959,392	1,288,566
Other Non Current Financial Liabilities	4,383	7,491	4,383
Deferred Tax Liabilities	55,285	46,754	51,196
Employee Benefit Liability	28,571	32,331	26,431
	2,027,670	1,045,968	1,370,576
Current Liabilities			
Trade and Other Payables	142,083	272,442	159,802
Interest Bearing Loans and Borrowings	648,813	689,000	1,055,324
Bank Overdraft	356,459	61,189	41,283
	1,147,355	1,022,631	1,256,409
Total Equity and Liabilities	9,709,397	8,339,528	9,092,881
Net Assets Per Share - (Rs)	12.68	12.17	12.55

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

Chairman/CEO

Colombo

November 6, 2013



Imtiaz Esufally

Director

Statement of Changes in Equity- Company

<i>Rs '000</i>	Other Component Of Equity				
	Stated Capital	Other Capital Reserves	Available for Sale Reserve	Retained Earnings	Total Equity
Balance as at 1 April 2012	1,600,603	257,032	7,735	4,248,415	6,113,785
Profit for the period	-	-	-	276,269	276,269
Other comprehensive income	-	-	9,698	-	9,698
Total comprehensive income	-	-	9,698	276,269	285,967
Dividends Paid - Ordinary Shares					
Final dividend paid	-	-	-	(128,823)	(128,823)
Balance as at 30 September 2012	1,600,603	257,032	17,433	4,395,861	6,270,929
Balance as at 1 April 2013	1,600,603	257,032	17,789	4,590,472	6,465,896
Profit for the period	-	-	-	297,475	297,475
Other comprehensive income	-	-	2,882	-	2,882
Total comprehensive income	-	-	2,882	297,475	300,357
Dividends Paid - Ordinary Shares					
Final dividend paid 2012/2013	-	-	-	(231,881)	(231,881)
Balance as at 30 September 2013	1,600,603	257,032	20,671	4,656,066	6,534,372

The above figures are provisional and subject to audit

Cash Flow Statement

	Group		Company	
	2013	2012	2013	2012
Cash Flow Statement				
For Six Months ended 30 September				
Rs '000				
Operating Activities				
Profit Before Taxation	1,262,121	1,001,794	301,564	282,966
Adjustments for				
Depreciation	413,839	334,834	18,420	13,194
(Gain)/Loss on Disposal of Property, Plant and Equipment	(374,880)	(19,627)	40	(1,529)
Amortisation/ Impairment of Intangibles	28,762	3,623	701	606
Amortisation of Leasehold Rights	1,967	1,897	-	-
Exchange gain or loss on foreign currency borrowings	91,444	22,367	-	-
Re-classification of Available for Sale Reserve to Profit and Loss	(19,417)	-	-	-
Finance Cost	384,956	201,668	159,838	95,314
Finance Income	(156,983)	(151,367)	(47,717)	(39,313)
Share of Results of Associates	789	-	-	-
Investment Income	-	(2,046)	(357,096)	(326,623)
Movement in Employee Benefit Liability	34,674	31,024	1,657	1,904
Working Capital Adjustments				
(Increase)/Decrease in Inventories	(91,370)	(337,010)	-	-
(Increase)/Decrease in Trade and Other Receivables	(1,204,783)	(1,134,145)	(187,575)	(130,308)
(Increase)/Decrease in Other Current Financial Assets	9,233	(96,370)	152,830	(188,318)
Increase/(Decrease) in Trade and Other Payables	1,030,777	414,400	(17,719)	50,217
Increase/(Decrease) in Other Non Current Liabilities	5,513	(12,065)	-	(3,108)
Increase/(Decrease) in Other Non Current Financial Liabilities	-	(3,012)	-	-
Finance Cost Paid	(384,944)	(171,463)	(159,838)	(81,875)
Finance Income Received	134,174	114,169	37,921	32,966
Investment Income Received	-	2,046	-	324,014
Income Tax Paid	(250,557)	(148,203)	(3,297)	(8,692)
Employee Retirement Benefit Paid	(14,419)	(7,488)	-	(123)
Net Cash Flows From/(Used in) Operating Activities	900,896	45,026	(100,271)	21,292
Investing Activities				
Purchase of Property, Plant and Equipment	(1,474,426)	(323,428)	(30,180)	(22,267)
Investment in Intangible Assets	(71,147)	(182)	(19,365)	(74)
Investment in Non Current Financial Assets	(47,237)	-	(154,781)	-
Acquisition/ Disposal of Subsidiary	(1,998,897)	-	(122,211)	(213,791)
Investment Income Received	-	-	357,096	-
Proceeds from Disposal of Property, Plant and Equipment	762,627	32,023	2,121	1,669
Net Cash Flows From/(Used in) Investing Activities	(2,829,080)	(291,587)	32,680	(234,463)
Financing Activities				
Interest Bearing Loans and Borrowings (Net)	2,084,525	288,139	(46,443)	403,578
Transaction cost on subsidiary share issue	(8,595)	(2,150)	-	-
Proceeds from/(to) Non-Controlling interests	(592,126)	649	-	-
Dividends Paid - Equity Holders of the Parent	(231,881)	(129,097)	(231,881)	(128,823)
- Non-Controlling Interests	(68,104)	(63,454)	-	-
Net Cash Flows From/(Used in) Financing Activities	1,183,819	94,087	(278,324)	274,755
Net Increase/(Decrease) in Cash and Cash Equivalents	(744,365)	(152,474)	(345,915)	61,584
Net Foreign Exchange Difference	1,344	183	-	-
Cash and Cash Equivalents at the Beginning of the Year	1,194,936	817,435	44,018	42,919
Cash and Cash Equivalents at the End of the Period	451,915	665,144	(301,897)	104,503

The above figures are provisional and subject to audit

Segmental Information

For Three Months Ended 30 September	FMCG		Healthcare		Leisure		Transportation		Power		Others		Group	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Rs '000														
Revenue														
Segmental Revenue - Gross	2,477,913	1,928,281	3,040,524	2,254,669	243,319	366,292	328,009	237,565	1,210,253	1,636,268	593,768	336,047	7,893,786	6,759,122
Intra Segmental Revenue			(38,287)	(26,884)	-	-	-	-	-	-	(20,166)	(14,496)	(58,453)	(41,380)
Segmental Revenue	2,477,913	1,928,281	3,002,237	2,227,785	243,319	366,292	328,009	237,565	1,210,253	1,636,268	573,602	321,551	7,835,333	6,717,742
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(189,772)	(121,280)	(189,772)	(121,280)
Total Revenue	2,477,913	1,928,281	3,002,237	2,227,785	243,319	366,292	328,009	237,565	1,210,253	1,636,268	383,830	200,271	7,645,561	6,596,462
Segmental Results														
	213,711	200,465	257,212	200,565	(23,000)	104,756	114,342	97,910	148,123	112,527	290,118	(115,000)	1,000,506	601,223
Finance Cost	(1,306)	(1)	(60,869)	(37,622)	(48,465)	(13,392)	(5,564)	(1,056)	(60,270)	(62,138)	(38,709)	(7,734)	(215,183)	(121,943)
Finance Income	13,439	16,863	4,300	3,176	1,774	990	8,174	11,466	29,619	44,712	7,199	5,075	64,505	82,282
Profit/(Loss) before Tax	225,844	217,327	200,643	166,119	(69,691)	92,354	116,952	108,320	117,472	95,101	258,608	(117,659)	849,828	561,562
Income Tax	(40,482)	(10,128)	(37,046)	(44,530)	(21,523)	(19,430)	(13,906)	(19,717)	(4,449)	(235)	(35,691)	(25,004)	(153,097)	(119,044)
Profit / (Loss) for the Period	185,362	207,199	163,597	121,589	(91,214)	72,924	103,046	88,603	113,023	94,866	222,917	(142,663)	696,731	442,518
Attributable to:														
Equity Holders of the Parent	186,918	207,199	176,171	126,609	(35,406)	37,454	101,304	88,603	64,833	70,472	213,675	(142,559)	707,495	387,778
Non-Controlling Interests	(1,556)	-	(12,574)	(5,020)	(55,808)	35,470	1,742	-	48,190	24,393	9,242	(103)	(10,764)	54,740
	185,362	207,199	163,597	121,589	(91,214)	72,924	103,046	88,603	113,023	94,865	222,917	(142,663)	696,731	442,518

The above figures are provisional and subject to audit

Segmental Information

For Six Months Ended 30 September	FMCG		Healthcare		Leisure		Transportation		Power		Others		Group	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<i>Rs '000</i>														
Revenue														
Segmental Revenue - Gross	4,714,864	3,713,683	5,817,004	4,505,194	452,416	655,918	685,175	464,673	2,644,551	3,139,823	1,035,116	733,760	15,349,126	13,213,051
Intra Segmental Revenue			(65,806)	(43,301)	-	-	-	-	-	-	(40,194)	(27,723)	(106,000)	(71,024)
Segmental Revenue	4,714,864	3,713,683	5,751,198	4,461,893	452,416	655,918	685,175	464,673	2,644,551	3,139,823	994,922	706,037	15,243,126	13,142,027
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(354,353)	(221,868)	(354,353)	(221,868)
Total Revenue	4,714,864	3,713,683	5,751,198	4,461,893	452,416	655,918	685,175	464,673	2,644,551	3,139,823	640,569	484,169	14,888,773	12,920,159
Segmental Results	438,097	352,358	425,720	420,016	(54,099)	121,637	222,567	186,646	295,312	147,013	163,285	(175,575)	1,490,882	1,052,095
Finance Cost	(2,096)	(4)	(100,589)	(73,256)	(102,597)	(21,737)	(12,946)	(2,638)	(102,419)	(94,401)	(64,309)	(9,632)	(384,956)	(201,668)
Finance Income	41,236	36,209	9,401	5,423	4,641	6,536	22,767	18,822	65,886	75,152	13,052	9,225	156,983	151,367
Share of results of associate	-	-	-	-	(789)	-	-	-	-	-	-	-	(789)	-
Profit/(Loss) before Tax	477,237	388,563	334,532	352,183	(152,843)	106,436	232,388	202,830	258,779	127,764	112,028	(175,982)	1,262,121	1,001,794
Income Tax	(70,765)	(20,353)	(99,154)	(96,043)	(19,749)	(18,229)	(39,130)	(46,929)	(8,511)	(469)	(47,719)	(32,713)	(285,028)	(214,736)
Profit / (Loss) for the Period	406,472	368,210	235,378	256,140	(172,592)	88,207	193,258	155,901	250,268	127,295	64,309	(208,695)	977,093	787,058
Attributable to:														
Equity Holders of the Parent	407,091	368,210	268,720	267,329	(75,304)	43,751	188,358	155,901	141,381	95,506	53,957	(208,591)	984,203	722,106
Non-Controlling Interests	(619)	-	(33,342)	(11,189)	(97,288)	44,456	4,900	-	108,887	31,788	10,352	(103)	(7,110)	64,952
	406,472	368,210	235,378	256,140	(172,592)	88,207	193,258	155,901	250,268	127,294	64,309	(208,695)	977,093	787,058

The above figures are provisional and subject to audit

Notes to the Financial Statements

1 Basis of preparation

The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS- 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2013. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

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.

- 2 The Group invested a further Rs. 300Mn in Panasian Power PLC on 24 April 2013 thereby increasing the Group's stake in Panasian Power PLC to 29.3%.
- 3 The Group invested a further Rs. 81Mn in Peace Haven Resorts Ltd on 7 May 2013 thereby increasing the Group's stake in Peace Haven Resorts Ltd to 98.9%.
- 4 The Group purchased a 71.5% voting stake and 50% non-voting stake in J.L.Morison Son & Jones (Ceylon) PLC valued at Rs.1.7Bn on 30 May 2013.
The Group further invested in J.L.Morison Son & Jones (Ceylon) PLC Rs. 394Mn for 18.5% voting stake and Rs. 133Mn for 34.7% non voting stake by closing the mandatory offer and voluntary offer on 23 July 2013.
- 5 The Company paid a final dividend of Rs.0.45 per share on 9 July 2013, for the financial year ended 31 March 2013.

The Board of Directors of the Company has proposed an interim dividend of Rs.0.30 per share for the financial year ending 31 March 2014. As required by section 56(2) of the Companies Act No 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act No.07 of 2007, and has obtained a certificate from the Auditors prior to declaring the interim dividend which is to be paid on 27 November 2013.

- 6 There have been no other events subsequent to the reporting date, which require disclosure in the interim financial statements.
- 7 There have been no significant changes in the nature of the contingent liabilities which were disclosed in the audited financial statements for the year ended 31 March 2013.

Investor Information

	Three Months Ended	
	30.09.2013	30.09.2012
Market Value of Shares		
Closing Price on 30 September (Rs)	32.00	30.50
Highest Price during the Period (Rs)	35.00	33.40
Lowest Price during the Period (Rs)	28.00	20.60
Market Capitalization on 30 September(Rs Mn)	16,489	15,716
Ratios		
Net Asset Per Share on 30 September (Rs)	24.94	21.24
Price Earnings Ratio on 30 September (times)	8.38	10.13
Share Trading		
No of transactions during the period	1,272	1,626
No of shares traded during the period	9,707,863	5,576,688
Value of shares traded during the period (Rs Mn)	324	153
Number of Shares	515,290,620	515,290,620

Share Information

LIST OF 20 MAJOR SHAREHOLDERS	30.09.2013	%	30.09.2012	%
	No. of Shares		No. of Shares	
1 A Z Holdings (Pvt) Ltd	90,762,875	17.61	90,762,875	17.61
2 Saraz Investments (Pvt) Ltd	86,396,035	16.77	86,396,035	16.77
3 Blueberry Investments (Pvt) Ltd	85,781,250	16.65	85,781,250	16.65
4 Amagroup (Pvt) Limited	85,780,665	16.65	85,780,665	16.65
5 Employees Provident Fund	27,362,341	5.31	27,259,122	5.29
6 HSBC Intl. Nom Ltd-SSBT-National Westminster Bank PLC as a depository of First State Indian Subcontinent	9,732,370	1.89	9,732,370	1.89
7 HSBC Intl. Nom Ltd-SSBT-National Westminster Bank PLC as a depository of First State Asia Pacific Susta	6,272,899	1.22	6,272,899	1.22
8 Sri Lanka Insurance Corporation Ltd. - Life Fund	6,160,700	1.20	6,635,700	1.29
9 Mr. M.A.H. Esufally	5,946,500	1.15	5,946,500	1.15
10 Mr. H.N. Esufally	5,836,705	1.13	5,836,705	1.13
11 Jacey Trust Services (Pvt) Ltd -Account No 2	5,750,000	1.12	5,750,000	1.12
12 HSBC Intl. Nominees Ltd. - HSBC Bank PLC - CMG First State Global Umbrella Fund PLC CMG First State India	5,149,500	1.00	5,149,500	1.00
13 Lexinton Holdings (Pvt) Ltd	4,947,500	0.96	4,740,600	0.92
14 Jacey Trust Services (Pvt) Ltd	4,613,750	0.90	4,613,750	0.90
15 Mr. I.A.H. Esufally	4,424,000	0.86	6,424,000	1.25
16 Employees Trust Fund Board	4,438,386	0.86	3,390,545	0.66
17 Anverally and sons (Pvt) Ltd A/C no 01	4,207,881	0.82	3,828,661	0.74
18 HSBC Intl Nom Ltd-JPMCB- Pacific Assests Trust PLC	3,051,800	0.59	3,051,800	0.59
19 Cocoshell Activated Carbon Company Ltd	2,829,390	0.55	2,660,175	0.52
20 J.B Cocoshell (Pvt)Ltd	2,513,180	0.49	-	-

DIRECTORS' SHAREHOLDING	30.09.2013	30.09.2012
	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' DIRECT SHAREHOLDING

Mr. J. C. L. De Mel (Retired with effect from 6 November 2013)	87,500	87,500
Mr. H.N. Esufally (Chief Executive Officer)	5,836,705	5,836,705
Mr. A.N. Esufally	2,283,585	2,283,585
Mr. I.A.H. Esufally	4,424,000	6,424,000
Mr. M.E. Wickremesinghe	11,250	11,250
Mr. M. A. H. Esufally	5,946,500	5,946,500
Mr. Pradipta Kumar Mohapatra	-	-
Mr. R. Gopalakrishnan	-	-
	367,310,365	369,310,365

PUBLIC HOLDING	30.09.2013	30.09.2012
	No. of Shares	No. of Shares
Issued Share Capital	515,290,620	515,290,620
Less:Directors' Direct and Indirect Shareholding	367,310,365	369,310,365
Public Holding	147,980,255	145,980,255
Public Holding as a % of Issued Share Capital	28.72%	28.33%

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 House
No. 75, Braybrooke Place, Colombo 2.

Website

www.hemas.com

Auditors

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

Directors

Lalith De Mel (Chairman - retired w.e.f. 6 November 2013)
Husein Esufally (Chairman/CEO- appointed w.e.f. 6 November 2013)
Steven Enderby (Deputy CEO- appointed w.e.f. 6 November 2013)
Imtiaz Esufally
Murtaza Esufally
Abbas Esufally
Maithri Wickremesinghe
Pradipta Mohapatra
Ramabadrán Gopalakrishnan
Dr Anura Ekanayake (appointed w.e.f. 1 October 2013)
Dinesh Weerakkody (appointed w.e.f. 1 October 2013)
Malinga Arsakularatne (appointed w.e.f. 6 November 2013)

Secretaries & Registrars

Hemas Corporate Services (Pvt) Ltd.
No.75, Braybrooke Place, Colombo 02.
Telephone: 4 731731 (hunting)
Facsimile: 4 731777

Lawyers to the Company

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

Bankers

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