



ENRICHING LIVES. INSPIRING CHANGE.

CEO's Review

It is with great pleasure that I present you the results of the third quarter of 2012/13. Your Company has been successful in continuing the growth momentum it enjoyed during the first half of this year. The financial statements are prepared in compliance with Sri Lanka Financial Reporting Standards (SLFRS) for the current year, while a second set of financial statements have been prepared as per Sri Lanka Accounting Standards (SLAS) for both the current and previous year for the ease of comparison.

The Group posted a revenue growth of 26.1% to record Rs. 19.2Bn (as per SLAS) for the period ending 31 December, 2012. Our Power, Healthcare and FMCG sectors were the main contributors to the increase in revenue, posting a growth of 40.9%, 22.0% and 15.4% respectively. Group earnings grew by 25.8%, to record Rs. 1,052Mn, driven by FMCG, Healthcare and Transportation sectors which grew at 27.2%, 31.1% and 35.8%, respectively for the period ending December, 2012. Earnings in our Leisure sector swung from a loss of Rs. 8Mn last year to a profit of Rs. 98Mn this year.

The FMCG sector recorded revenue of Rs. 5.6Bn, which is a 15.4% growth over the previous nine months; however, much of this growth was price led. The sector was the largest contributor to Group earnings posting Rs. 548Mn for the period ending 31st December 2012, a growth of 27.2%. Our Personal wash category, led by our beauty soap *Velvet*, performed very well during the quarter recording a growth in both volume and value terms, while our Personal care segment recorded the highest market share achieved over two years despite a very challenging environment. During the period our Oral care brand *Clogard* recorded the highest market share achieved since 2008, while *Kumarika* strengthened its market leadership position achieving the highest market share since the brand was launched. In November, two new variants of deodorant were introduced under *Gold*; our brand catering to the male grooming segment, while our brands *Goya* and *Pro Sport* launched new fragrance variants strengthening our market position in this category. Going forward we foresee new challenges in the industry, especially with the imposition of VAT on large scale wholesalers and supermarkets introduced in the 2013 Budget proposals, but are optimistic about the next quarter. Continuing with our efforts to fund the education of disadvantaged children in the country under the 'Big heart' project, a 20-20 cricket match was organized reuniting the 96 world cup champions who played against the Sri Lankan cricket legends, who stepped forward as volunteers for this worthy cause. The event was a great success and all the funds raised were directed to the 'Nana Diriya' program of the Ministry of Child Development and Women Affairs. The 'Big heart' project was launched to celebrate 50 years of our flagship brand 'Baby Cheraamy'.

The Healthcare sector posted a revenue growth of 22.0% to record Rs. 6.7Bn, driven by the growth in Hospitals as well as Pharmaceutical Distribution. The sector posted a healthy earnings growth of 31.1%, to reach cumulative earnings of Rs. 375Mn for the year under review. Our Pharmaceuticals business continued to maintain its market leadership position with a market share of 17.8% (Source: IMS) in a rapidly growing industry which grew at 18% during the period ending 31st December, 2012. Our Hospital business also posted strong results with a 28.1% growth in turnover during the year under review. Progress in constructing our third hospital at Thalawathugoda is on schedule, and we expect to serve our first patient on 1st May, 2013. During the quarter, we concluded preliminary discussions to introduce dialysis services at our hospitals, a key milestone on our way to becoming a comprehensive healthcare services provider in the community.

Our Leisure sector enjoyed an excellent nine months posting revenue growth of 49.5% to close at Rs 1.1Bn, largely attributable to a good winter season performance. Club Hotel Dolphin led the sector with a topline growth of 22.0% and an average occupancy of 85%. Avani Kalutara resort was officially declared open by Hon. Basil Rajapakse, in November 2012. During the

quarter under review, Serendib Leisure Hotels received several accolades with Avani Bentota being awarded the Agoda Gold Circle Award for excellence in on-line distribution, while Club Hotel Dolphin was awarded Holiday Check Award 2013 for being one of the 99 most popular hotels worldwide in the "Family" category. Avani Bentota and Hotel Sigiriya won the Merit Certificates by the EU-SWITCH ASIA for conservation and waste management. Whilst our performance so far has been encouraging, we eagerly anticipate a meaningful initiative by Sri Lanka Tourism to market the destination to the right target segments. With increased inventory coming into the market, demand creation will be key to maintaining rates and occupancy at current levels.

Transportation Sector topline grew by 38.0% over last year to Rs 747Mn driven by the performance in the Aviation and Maritime Segments. Sector earnings stood at Rs 217Mn, reflecting an impressive growth of 35.8% year-on-year. Our Aviation Segment performed well with our Outbound travel business continuing to increase its market share. Our Maritime arm commenced operations on a joint venture with Mercantile Shipping in Galle to transport crew and sea marshals. As of date, our crew boats have steadily gained acceptance among key clients and their feedback is encouraging. Our Feeder Agency business enjoyed a steady quarter and also served new customers by providing maritime services, positively impacting earnings. In our Logistics segment, we expanded our service portfolio into contract warehousing apart from the empty container transport business at Hemas Logistics. The performance of our freight forwarding and courier partners was also noteworthy and supported overall growth in the sector.

Our Power sector recorded a revenue growth of 40.9% reaching Rs 4.4Bn driven by escalating fuel prices. Despite our 'Giddawa' hydro power plant being affected by floods during the quarter, the hydro power segment recorded an increase in revenue of 31.6% for the period, mainly attributable to the improved performance of 'Magal Ganga'. Sector earnings declined by 14.3% compared with the corresponding period last year due to higher finance costs and exchange losses, most of which were unrealized translation losses. Over the next quarter we expect to continue our pre-development work on new projects in Sri Lanka and in the East-African region.

This holiday season an initiative was undertaken by 'Piyawara', our CSR project, to set up an '*Angel Christmas Tree*' to collect Christmas gifts for unprivileged children in the Northern Province. The project was successful in winning the support of employees across the Group. As a result over 800 gifts were distributed to the children in Mulativue, Ambalnagar and Kilinochchi with the support of the Sri Lanka Army. During the quarter Hemas Outreach foundation also sponsored a three day residential teacher training program in the Northern Province which was organized by Ministry of Education.

We enter the last quarter, which is traditionally our best, with positive momentum and look forward to closing out the year on a positive note.



Husein Esufally
Chief Executive Officer


Colombo
February 1, 2013

Statement of Financial Position

As at	Group		Company	
	31.12.2012	31.03.2012	31.12.2012	31.03.2012
Rs '000				
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	10,501,858	10,291,159	143,577	105,185
Investment Properties	474,685	474,685	331,500	331,500
Leasehold Right	91,575	94,456	-	-
Intangible Assets	313,762	302,491	539	1,275
Investment in Subsidiaries	-	-	6,458,088	6,194,296
Investment in Joint Ventures	-	-	38,519	38,519
Other Non Current Financial Assets	744,340	643,960	236,827	217,437
Deferred Tax Assets	26,237	25,031	-	-
	12,152,457	11,831,782	7,209,050	6,888,212
Current Assets				
Inventories	2,522,630	2,003,864	-	-
Trade and Other Receivables	7,185,991	5,907,346	606,616	366,158
Tax Recoverable	131,487	134,306	9,540	585
Other Current Financial Assets	232,028	105,752	547,379	350,717
Cash and Short Term Deposits	2,625,713	2,703,013	58,786	42,919
	12,697,849	10,854,281	1,222,321	760,379
Total Assets	24,850,306	22,686,063	8,431,371	7,648,591
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	1,600,603	1,600,603	1,600,603	1,600,603
Other Capital Reserves	432,938	437,923	257,032	257,032
Other Components of Equity	1,198,780	1,152,284	7,865	7,735
Retained Earnings	7,908,784	7,121,708	4,449,462	4,248,415
Equity attributable to owners of the parent	11,141,105	10,312,518	6,314,962	6,113,785
Non- Controlling Interest	2,172,634	2,100,310	-	-
Total Equity	13,313,739	12,412,828	6,314,962	6,113,785
Non-Current Liabilities				
Interest Bearing Loans and Borrowings	1,698,363	1,384,827	1,158,471	940,785
Other Non Current Financial Liabilities	145,194	146,091	4,383	10,599
Employee Benefit Liability	284,523	248,342	33,283	30,551
Deferred Tax Liabilities	175,675	161,308	42,269	40,056
Other Non Current Liabilities	216,612	258,657	-	-
	2,520,367	2,199,225	1,238,406	1,021,991
Current Liabilities				
Trade and Other Payables	5,598,605	5,188,231	171,051	222,225
Income Tax Liabilities	119,920	63,742	2,031	-
Interest Bearing Loans and Borrowings	1,385,382	936,458	645,164	290,590
Bank overdraft	1,912,293	1,885,579	59,757	-
	9,016,200	8,074,010	878,003	512,815
Total Equity and Liabilities	24,850,306	22,686,063	8,431,371	7,648,591
Net Asset per share - (Rs)	21.62	20.01	12.26	11.86

The above figures are provisional and subject to audit.

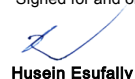
These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



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 Eusafally
Chief Executive Officer
Colombo

February 1, 2013



Lalith De Mel
Chairman

Income Statement

<i>Rs '000</i>	Group		Company	
	Three Months Ended 31.12.2012	Nine Months Ended 31.12.2012	Three Months Ended 31.12.2012	Nine Months Ended 31.12.2012
Revenue	6,392,083	19,312,242	205,322	375,800
Cost of Sales	(4,268,855)	(13,395,763)	-	-
Gross Profit	2,123,228	5,916,479	205,322	375,800
Other Operating Income	63,949	183,324	157,946	489,903
Selling and Distribution Costs	(567,656)	(1,534,262)	-	-
Administrative Expenses	(1,020,472)	(2,914,397)	(114,468)	(277,936)
Operating Profit	599,049	1,651,144	248,800	587,767
Finance Costs	(123,018)	(324,686)	(62,574)	(157,888)
Finance Income	85,179	236,546	25,371	64,684
Profit Before Tax	561,210	1,563,004	211,597	494,563
Income Tax Expense	(139,292)	(354,028)	(3,409)	(10,106)
Profit for the Period	421,918	1,208,976	208,188	484,457
Attributable to:				
Owners of the Parent	345,007	1,067,113	208,188	484,457
Non-Controlling Interest	76,911	141,863	-	-
	421,918	1,208,976	208,188	484,457
Earnings Per Share (Rs)	0.67	2.07		
Annualised Earnings Per Share (Rs)	2.68	2.76		
Dividends Per Share (Rs.)	0.30	0.55		

Statement of Comprehensive Income

<i>Rs '000</i>	Group		Company	
	Three Months Ended 31.12.2012	Nine Months Ended 31.12.2012	Three Months Ended 31.12.2012	Nine Months Ended 31.12.2012
Profit for the Period	421,918	1,208,976	208,188	484,457
Other Comprehensive Income				
Net (loss)/gain on available-for-sale financial assets	(4,355)	29,269	(9,568)	130
Exchange differences on translation of foreign operations	(127)	85	-	-
Net movement on cash flow hedges	14,199	24,727	-	-
Income Tax on other comprehensive income	-	-	-	-
Other Comprehensive Income for the period, net of tax	9,717	54,081	(9,568)	130
Total Comprehensive Income for the period, net of tax	431,635	1,263,057	198,620	484,587
Attributable to:				
Owners of the Parent	349,771	1,113,609	198,620	484,587
Non-Controlling Interest	81,864	149,448	-	-
	431,635	1,263,057	198,620	484,587

The above figures are provisional and subject to audit.

Consolidated Statement of Changes in Equity

	Attributable to Owners of the Parent						Total	Non Controlling Interest	Total Equity	
	Stated Capital	Other Capital Reserves	Other Component Of Equity			Retained Earnings				
			Available for Sale Reserve	Foreign Currency translation Reserve	Cash flow hedge Reserve					Asset Revaluation Reserve
Rs '000										
As at 01 April 2012- as per SLAS	1,600,603	2,055,433	-	(59,662)	-	-	7,195,185	10,791,559	2,145,976	12,937,535
SLFRS first time adoption impact -as at 01.04.2011	-	(675,151)	2,830	-	-	274,132	(44,715)	(442,904)	(9,105)	(452,009)
SLFRS first time adoption impact for Year ended 31.03.2012	-	(942,359)	7,550	58,211	(43,658)	912,881	(28,762)	(36,137)	(36,561)	(72,698)
Balance as at 01 April 2012 -as per SLFRS	1,600,603	437,923	10,380	(1,451)	(43,658)	1,187,013	7,121,708	10,312,518	2,100,310	12,412,828
Profit for the Period	-	-	-	-	-	-	1,067,113	1,067,113	141,863	1,208,976
Other Comprehensive Income	-	-	27,866	85	18,545	-	-	46,496	7,585	54,081
Total Comprehensive Income	-	-	27,866	85	18,545	-	1,067,113	1,113,609	149,448	1,263,057
Dividends Paid - Ordinary Shares	-	-	-	-	-	-	(283,409)	(283,409)	(77,236)	(360,645)
Transfer to/from during the Period - Overhaul Reserve, Heat Rate and Lube Oil	-	(4,985)	-	-	-	-	4,985	-	-	-
Transaction cost on Issue of shares	-	-	-	-	-	-	(1,613)	(1,613)	(537)	(2,150)
Adjustment in respect of changes in Group Holding	-	-	-	-	-	-	-	-	649	649
As at 31 December 2012	1,600,603	432,938	38,246	(1,366)	(25,113)	1,187,013	7,908,784	11,141,105	2,172,634	13,313,739

The above figures are provisional and subject to audit

Statement of Changes in Equity- Company

	Stated Capital	Other Capital Reserves	Other Component Of Equity Available for Sale Reserve	Retained Earnings	Total
<i>Rs '000</i>					
As at 01 April 2012- as per SLAS	1,600,603	257,032	-	4,288,974	6,146,609
SLFRS first time adoption impact -as at 01.04.2011	-	-	32,430	16,301	48,731
SLFRS first time adoption impact for Year ended 31.03.2012	-	-	(24,695)	(56,860)	(81,555)
Balance as at 01 April 2012 - as per SLFRS	1,600,603	257,032	7,735	4,248,415	6,113,785
Profit for the Period	-	-	-	484,457	484,457
Other Comprehensive Income	-	-	130	-	130
Total Comprehensive Income	-	-	130	484,457	484,587
Dividends Paid - Ordinary Shares	-	-	-	(283,410)	(283,410)
As at 31 December 2012	1,600,603	257,032	7,865	4,449,462	6,314,962

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Cash Flow Statement

Rs '000	Group	Company
	Nine Months Ended 31.12.2012	Nine Months Ended 31.12.2012
Operating Activities		
Profit Before Taxation	1,563,004	494,563
Adjustments for		
Depreciation	514,156	21,610
(Profit)/Loss on Disposal of Property, Plant and Equipment	(27,736)	1,548
Amortisation/Impairment of Intangibles	4,399	834
Amortisation of Leasehold Rights	2,880	-
Finance Cost	324,686	157,888
Finance Income	(236,546)	(64,684)
Investment Income	(2,048)	(482,662)
Employee Benefit Liability	46,128	2,856
Working Capital Adjustments		
(Increase)/Decrease in Financial Assets	(14,759)	(206,235)
(Increase)/Decrease in Trade and Other Receivables	(1,264,924)	(236,612)
(Increase)/Decrease in Inventories	(517,282)	-
Increase/(Decrease) in Trade and Other Payables	407,605	(51,175)
Increase/(Decrease) in Other Non Current Liabilities	(32,621)	(6,216)
Increase/(Decrease) in Other Non Current Financial Liabilities	1,610	-
Finance Cost Paid	(304,519)	(144,450)
Finance Income Received	206,370	54,997
Investment Income Received	2,048	478,816
Income Tax Paid	(284,747)	(14,818)
Employee Retirement Benefit Paid	(10,393)	(123)
Net Cash flows from/(Used in) Operating Activities	377,311	6,137
Investing Activities		
Purchase of Property, Plant and Equipment	(673,431)	(61,918)
Investment in Intangible Assets	(39,360)	(98)
Investment in Non current Financial Assets	(161,910)	-
Investment in Subsidiaries	-	(263,791)
Proceeds from Disposal of Property, Plant and Equipment	44,556	369
Net Cash flows from/(Used in) Investing Activities	(830,145)	(325,438)
Financing Activities		
Interest Bearing Loans and Borrowings (Net)		
- Rupee Loan	438,772	558,821
- Foreign Currency Loans	272,287	-
Transaction cost on subsidiary share issue	(2,150)	-
Proceeds from Non-Controlling interest	649	-
Dividends Paid - Owners of the Parent	(283,688)	(283,410)
- Non-Controlling Interest	(77,236)	-
Net Cash flows from/(Used in) Financing Activities	348,634	275,411
Net Increase/(Decrease) in Cash and Cash Equivalents	(104,200)	(43,890)
Net Foreign Exchange Difference	185	-
Cash and Cash Equivalents at the beginning of the Year	817,435	42,919
Cash and Cash Equivalents at the end of the period	713,420	(971)

The above figures are provisional and subject to audit

Hemas Holdings PLC- Interim Report 3rd Quarter 2012-2013

Segmental Information

Three months ended 31 December 2012

	FMCG	Healthcare	Leisure	Transportation	Power	Others	Group
Rs '000							
Revenue							
Total Revenue	1,992,729	2,216,472	426,185	282,180	1,254,709	492,272	6,664,547
Intra Segmental Revenue	-	(16,096)	-	-	-	(16,203)	(32,299)
Segmental Revenue	1,992,729	2,200,376	426,185	282,180	1,254,709	476,069	6,632,248
Inter Segmental Revenue	-	-	-	-	-	(240,165)	(240,165)
External Revenue	1,992,729	2,200,376	426,185	282,180	1,254,709	235,904	6,392,083
Segmental Results	180,773	172,250	129,642	81,032	130,591	(95,240)	599,048
Finance Cost	(3)	(37,622)	370	(4,987)	(58,699)	(22,077)	(123,018)
Finance Income	32,946	3,136	4,668	27,304	12,659	4,465	85,178
Profit/(Loss) before Tax	213,716	137,764	134,680	103,349	84,551	(112,852)	561,208
Income Tax	(14,618)	(38,952)	(16,329)	(43,452)	(234)	(25,707)	(139,292)
Profit / (Loss) for the Period	199,098	98,812	118,351	59,897	84,317	(138,559)	421,916
Attributable to:							
Owners of the Parent	199,098	103,138	58,033	59,897	63,255	(138,416)	345,005
Non-controlling interest	-	(4,326)	60,318	-	21,062	(144)	76,911
	199,098	98,812	118,351	59,897	84,317	(138,559)	421,916

The above figures are provisional and subject to audit

Hemas Holdings PLC- Interim Report 3rd Quarter 2012-2013

Segmental Information

Nine months ended 31 December 2012

	FMCG	Healthcare	Leisure	Transportation	Power	Others	Group
Rs '000							
Revenue							
Total Revenue	5,706,412	6,721,666	1,082,103	746,853	4,394,532	1,226,032	19,877,598
Intra Segmental Revenue	-	(59,397)	-	-	-	(43,926)	(103,323)
Segmental Revenue	5,706,412	6,662,269	1,082,103	746,853	4,394,532	1,182,106	19,774,275
Inter Segmental Revenue	-	-	-	-	-	(462,033)	(462,033)
External Revenue	5,706,412	6,662,269	1,082,103	746,853	4,394,532	720,073	19,312,242
Segmental Results	533,131	592,266	251,279	267,678	277,604	(270,815)	1,651,143
Finance Cost	(7)	(110,878)	(21,367)	(7,625)	(153,100)	(31,709)	(324,686)
Finance Income	69,155	8,559	11,204	46,126	87,811	13,690	236,545
Profit/(Loss) before Tax	602,279	489,947	241,116	306,179	212,315	(288,834)	1,563,002
Income Tax	(34,971)	(134,995)	(34,558)	(90,381)	(703)	(58,420)	(354,028)
Profit / (Loss) for the Period	567,308	354,952	206,558	215,798	211,612	(347,254)	1,208,974
Attributable to:							
Owners of the Parent	567,308	370,467	101,784	215,798	158,761	(347,007)	1,067,111
Non-controlling interest	-	(15,515)	104,774	-	52,851	(247)	141,863
	567,308	354,952	206,558	215,798	211,612	(347,254)	1,208,974

The above figures are provisional and subject to audit

Consolidated Balance Sheet

As at	31.12.2012	31.12.2011	31.03.2012
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	10,496,644	8,995,600	10,288,807
Investment Properties	474,685	309,965	474,685
Leasehold Property	53,482	56,480	55,713
Intangible Assets	315,383	302,026	300,409
Other Investments	426,897	384,133	384,148
Deferred Tax Assets	26,237	28,908	25,031
Other Long Term Receivables	406,246	53,318	399,346
	12,199,574	10,130,430	11,928,139
Current Assets			
Inventories	2,523,345	2,074,677	2,004,990
Trade and Other Receivables	7,333,827	5,526,973	6,038,471
Other Investments	112,314	68	53
Tax Recoverable	131,487	139,754	134,306
Short Term Cash Investments	1,562,335	1,467,583	1,614,034
Cash and Cash Equivalents	1,063,379	1,045,210	1,088,979
	12,726,687	10,254,265	10,880,833
Total Assets	24,926,261	20,384,695	22,808,972
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Stated Capital	1,600,603	1,600,603	1,600,603
Reserves	1,973,554	1,094,073	1,995,771
Retained Earnings	7,965,993	6,853,920	7,195,185
Shareholders' Funds	11,540,150	9,548,596	10,791,559
Minority Interests	2,208,410	1,990,797	2,145,976
Total Shareholders' Funds and Minority Interests	13,748,560	11,539,393	12,937,535
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	1,777,295	1,503,920	1,384,827
Deferred Tax Liabilities	175,675	117,353	161,309
Retirement Benefit Liability	284,251	269,430	248,342
Other Non-Current Liabilities	15,116	14,700	13,506
	2,252,337	1,905,403	1,807,984
Current Liabilities			
Trade and Other Payables	5,580,914	4,684,077	5,171,603
Dividends Payable	5,788		6,071
Income Tax Liabilities	119,920	59,540	63,742
Interest Bearing Loans and Borrowings	1,306,449	801,581	936,458
Bank overdraft	1,912,293	1,394,701	1,885,579
	8,925,364	6,939,899	8,063,453
Total Shareholders' Funds, Minority Interests and Liabilities	24,926,261	20,384,695	22,808,972
Net Asset per share - (Rs)	22.40	18.53	20.94

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 1, 2013



Lalith De Mel
Chairman

Consolidated Income Statement

	Three Months Ended 31.12.2012	Three Months Ended 31.12.2011	Change %	Nine Months Ended 31.12.2012	Nine Months Ended 31.12.2011	Change %
Rs '000						
Revenue	6,357,479	5,264,169	20.8	19,243,753	15,254,738	26.1
Cost of Sales	(4,235,452)	(3,575,071)	18.5	(13,335,082)	(10,479,753)	27.2
Gross Profit	2,122,026	1,689,098	25.6	5,908,671	4,774,985	23.7
Dividend Income	2	90	100.0	2,048	92	2,126.2
Loss on disposal of Non Current Investments	-	-	-	-	(1,716)	(100.0)
Other Income and Gains	41,274	63,012	(34.5)	158,603	115,301	37.6
Selling and Distribution Costs	(563,626)	(447,371)	26.0	(1,534,242)	(1,285,497)	19.4
Administrative Expenses	(1,002,327)	(825,431)	21.4	(2,901,927)	(2,435,970)	19.1
Finance Cost	(125,482)	(57,607)	117.8	(289,371)	(182,529)	58.5
Finance Income	92,482	32,720	182.6	206,370	116,487	77.2
Profit Before Tax	564,350	454,511	24.2	1,550,153	1,101,153	40.8
Income Tax Expenses	(139,292)	(64,572)	115.7	(354,028)	(184,487)	91.9
Profit for the Period	425,058	389,939	9.0	1,196,125	916,666	30.5
Attributable to:						
Equity Holders of the Parent	347,722	350,543	(0.8)	1,052,783	836,981	25.8
Minority Interests	77,336	39,396	96.3	143,342	79,685	79.9
	425,058	389,939	9.0	1,196,125	916,666	30.5
Earnings Per Share (Rs)	0.67	0.68		2.04	1.62	
Annualised Earnings Per Share (Rs)	2.70	2.72		2.72	2.17	
Dividends Per Share (Rs)	0.30	0.25		0.55	0.50	

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 2012	1,600,603	(59,662)	2,055,433	7,195,185	10,791,559	2,145,976	12,937,535
Profit for the period	-	-	-	1,052,783	1,052,783	143,342	1,196,125
Dividends paid							
-Ordinary Shares	-	-	-	(283,410)	(283,410)	(77,232)	(360,642)
-Preference Shares of Joint Venture Company	-	-	-	(11,361)	(11,361)	(3,787)	(15,148)
Transfer to/from during the Period							
- Overhaul, Heat Rate and Lube Oil Reserves	-	-	(47,029)	14,408	(32,621)	-	(32,621)
- Other Reserve	-	24,727	-	-	24,727	-	24,727
Transaction cost on Issue of shares	-	-	-	(1,612)	(1,612)	(538)	(2,150)
Adjustment in respect of changes in Group Holding	-	-	-	-	-	649	649
Net Gain/(Loss) Recognised Directly in Equity							
- Deferred Income Tax	-	-	-	-	-	-	-
- Exchange Reserve	-	85	-	-	85	-	85
As at 31 December 2012	1,600,603	(34,850)	2,008,404	7,965,993	11,540,150	2,208,410	13,748,560
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 Year	-	-	-	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)
Dividends Paid							
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 Reserve, Heat Rate and Lube Oil	-	-	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

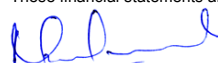
The above figures are provisional and subject to audit

Company Balance Sheet

As at	31.12.2012	31.12.2011	31.03.2012
<i>Rs '000</i>			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	144,116	82,887	106,461
Investment Properties	331,500	309,965	331,500
Investment in Subsidiaries	6,458,088	6,164,016	6,194,296
Investment in Joint Ventures	38,519	38,519	38,519
Other Investments	114,008	114,008	114,008
Loans Due from Related Parties	15,000	15,000	15,000
Other Long Term Receivables	121,765	-	111,765
	7,222,996	6,724,395	6,911,549
Current Assets			
Trade and Other Receivables	533,876	402,723	295,246
Loans Due from Related Parties	524,714	400,354	329,474
Other Investments	49	49	49
Tax Recoverable	9,540	-	585
Amounts Due from Related Parties	128,498	129,657	126,280
Short Term Cash Investments	25,081	11,410	8,800
Cash and Cash Equivalents	33,705	6,904	34,119
	1,255,463	951,097	794,553
Total Assets	8,478,459	7,675,492	7,706,102
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Stated Capital	1,600,603	1,600,603	1,600,603
Reserves	257,032	257,032	257,032
Retained Earnings	4,493,166	4,258,050	4,288,973
Shareholders' Funds	6,350,801	6,115,685	6,146,608
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	1,169,719	732,562	965,472
Deferred Tax Liabilities	42,269	42,051	40,056
Retirement Benefit Liability	33,283	21,687	30,551
Other Non-Current Liabilities	4,383	12,772	10,599
	1,249,654	809,072	1,046,678
Current Liabilities			
Trade and Other Payables	93,162	50,435	82,241
Dividends Payable	2,856	2,303	2,553
Income Tax Liabilities	2,031	727	-
Amounts Due to Related Parties	75,035	139,491	137,432
Interest Bearing Loans and Borrowings	645,163	550,090	290,590
Bank overdraft	59,757	7,689	-
	878,004	750,735	512,816
Total Shareholders' Funds and Liabilities	8,478,459	7,675,492	7,706,102
Net Asset per share - (Rs)	12.32	11.87	11.93

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 1, 2013



Lalith De Mel
Chairman

Company Income Statement

	Three Months Ended 31.12.2012	Three Months Ended 31.12.2011	Change %	Nine Months Ended 31.12.2012	Nine Months Ended 31.12.2011	Change %
<i>Rs '000</i>						
Revenue	205,322	86,731	136.7	375,800	258,017	45.6
Cost of Sales	-	-	-	-	-	-
Gross Profit	205,322	86,731	136.7	375,800	258,017	45.6
Dividend Income	154,802	134,367	15.2	478,816	428,152	11.8
Loss on disposal of Non Current Investments	-	-	-	-	(8,175)	(100.0)
Other Income and Gains	1,907	1,673	14.0	7,241	5,534	30.8
Administrative Expenses	(112,185)	(73,868)	51.9	(274,696)	(207,177)	32.6
Finance Cost	(62,575)	(20,679)	202.6	(144,450)	(53,193)	171.6
Finance Income	22,031	9,670	127.8	54,997	32,899	67.2
Profit Before Tax	209,302	137,894	51.8	497,708	456,057	9.1
Income Tax Expenses	(3,409)	(4,704)	(27.5)	(10,106)	(18,396)	(45.1)
Profit for the Period	205,893	133,190	54.6	487,602	437,661	11.4
Dividends Per Share (Rs)	0.30	0.25		0.55	0.50	

The above figures are provisional and subject to audit.

Statement of Changes in Equity- Company

<i>Rs '000</i>	Stated Capital	Other Capital Reserve	Retained Earnings	Total
As at 01 April 2012	1,600,603	257,032	4,288,973	6,146,608
Profit for the Period	-	-	487,602	487,602
Dividends Paid - 2011/2012	-	-	(283,409)	(283,409)
As at 31 December 2012	1,600,603	257,032	4,493,166	6,350,801
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
Profit for the Period	-	-	437,661	437,661
Final Dividends Paid - 2010/2011	-	-	(128,010)	(128,010)
Interim Dividends Paid - 2011/2012	-	-	(128,823)	(128,823)
Transaction cost on issue of shares under ESOP	-	-	(629)	(629)
As at 31 December 2011	1,600,603	257,032	4,258,050	6,115,685

The above figures are provisional and subject to audit

Cash Flow Statement

Nine months ended 31 December <i>Rs '000</i>	Group		Company	
	2012	2011	2012	2011
Operating Activities				
Profit Before Taxation	1,550,153	1,101,153	497,708	456,057
Adjustments for				
Depreciation	517,635	468,906	22,444	17,803
Profit on Disposal of Property, Plant and Equipment	(27,736)	(20,825)	(1,548)	4,731
Amortisation/Impairment of Intangibles	490	23,015	-	-
Amortisation of Leasehold Property	2,231	2,299	-	-
(Profit)/Loss on Sale of Non current Investment	-	1,716	-	18,851
Finance Cost	289,371	182,530	144,450	53,193
Investment Income	(2,048)	(92)	(478,816)	(428,152)
Retirement Benefit Plan	46,129	48,200	2,856	3,011
Exchange (Gain)/Loss on USD Loan	22,673	(1,596)	-	-
Working Capital Adjustments				
(Increase)/Decrease in Trade and Other Receivables	(1,281,635)	(956,547)	(235,020)	(226,537)
(Increase)/Decrease in Inventories	(516,873)	(393,902)	-	-
(Increase)/Decrease in Amounts Due from Related Parties	-	-	10,830	1,069
Increase/(Decrease) in Amounts Due to Related Parties	-	-	(78,941)	(28,321)
Increase/(Decrease) in Trade and Other Payables	373,370	587,943	4,893	23,438
Increase/(Decrease) in other non current assets	(6,900)	(10,000)	(10,000)	-
Finance Cost Paid	(289,371)	(182,530)	(144,450)	(53,193)
Income Tax Paid	(284,697)	(217,124)	(14,818)	(31,024)
Gratuity Paid	(10,393)	(8,562)	(123)	-
Net Cash from/(Used in) Operating Activities	382,399	624,584	(280,535)	(189,074)
Investing Activities				
Purchase of Property, Plant and Equipment	(673,637)	(1,026,900)	(62,017)	(5,056)
Acquisitions & disposal of subsidiaries	(39,154)	3,173	(263,791)	(489,802)
Investment in Intangible Assets	-	(1,146)	-	-
Other Investments	(155,010)	49,528	-	2,937
Proceeds from Disposal of Property, Plant and Equipment	44,148	38,841	3,465	4,941
Redemption of Preference Shares of Joint Venture Company	-	(7,843)	-	-
Investment Income Received	2,048	92	478,816	428,152
Net Cash from/(Used in) Investing Activities	(821,605)	(944,255)	156,473	(58,828)
Financing Activities				
Interest Bearing Loans and Borrowings (Net)				
- Rupee Loan	440,381	(243,208)	363,581	393,427
- Foreign Currency Loans	272,287	(150,514)	-	-
Proceeds from issue of Ordinary shares under ESOS	-	132,178	-	132,178
Transaction cost of Issue of shares	(2,150)	(4,382)	-	(629)
Proceeds from Minority Shareholders	649	277,850	-	-
Dividends Paid				
- Ordinary Shares	(298,836)	(330,924)	(283,409)	(256,833)
- Preference Shares	(77,236)	(11,680)	-	-
Net Cash from/(Used in) Financing Activities	335,095	(330,680)	80,172	268,143
Net Increase/(Decrease) in Cash and Cash Equivalents	(104,111)	(650,351)	(43,890)	20,241
Exchange Loss	97	(935)	-	-
Cash and Cash Equivalents at the beginning of the Year	817,435	1,769,379	42,919	(9,616)
Cash and Cash Equivalents at the end of the period	713,421	1,118,093	(971)	10,625

The above figures are provisional and subject to audit

Hemas Holdings PLC- Interim Report 3rd Quarter 2012-2013

Segmental Information

For Three months ended 31 December	FMCG		Health Care		Leisure		Transportation		Power		Others		Group	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<i>Rs '000</i>														
Revenue														
Segmental Revenue - Gross	1,957,063	1,744,623	2,216,472	1,851,808	427,247	271,629	282,180	182,259	1,254,709	1,031,265	492,272	319,042	6,629,943	5,400,626
Intra Segmental Revenue	-	-	(16,096)	(20,845)	-	-	-	-	-	-	(16,203)	(5,862)	(32,299)	(26,707)
Segmental Revenue	1,957,063	1,744,623	2,200,376	1,830,963	427,247	271,629	282,180	182,259	1,254,709	1,031,265	476,069	313,180	6,597,644	5,373,919
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(240,165)	(109,750)	(240,165)	(109,750)
Total Revenue	1,957,063	1,744,623	2,200,376	1,830,963	427,247	271,629	282,180	182,259	1,254,709	1,031,265	235,904	203,430	6,357,479	5,264,169
Segmental Results	175,590	168,504	178,026	128,849	132,729	63,844	83,602	62,808	120,476	77,079	(93,072)	(21,686)	597,350	479,398
Finance Cost	(3)	-	(37,623)	(27,827)	(7,071)	(10,270)	(4,987)	(839)	(53,721)	(9,354)	(22,077)	(9,317)	(125,482)	(57,607)
Finance Income	29,104	11,432	2,151	948	4,628	1,498	26,732	3,142	28,795	14,129	1,072	1,571	92,482	32,720
Profit/(Loss) before Tax	204,691	179,936	142,554	101,970	130,286	55,072	105,346	65,111	95,550	81,854	(114,077)	(29,432)	564,350	454,511
Income Tax	(14,618)	(5,693)	(38,952)	(21,554)	(16,329)	(6,365)	(43,452)	(7,202)	(234)	(339)	(25,707)	(23,419)	(139,292)	(64,572)
Profit / (Loss) for the Period	190,073	174,243	103,603	80,416	113,957	48,707	61,894	57,909	95,316	81,515	(139,785)	(52,851)	425,058	389,939
Attributable to:														
Equity Holders of the Parent	190,073	174,243	108,449	85,572	55,464	24,398	61,894	57,909	71,504	61,153	(139,662)	(52,732)	347,722	350,543
Minority Interests	-	-	(4,846)	(5,156)	58,492	24,309	-	-	23,812	20,362	(122)	(119)	77,336	39,396
	190,073	174,243	103,603	80,416	113,957	48,707	61,894	57,909	95,316	81,515	(139,785)	(52,851)	425,058	389,939

The above figures are provisional and subject to audit

Hemas Holdings PLC- Interim Report 3rd Quarter 2012-2013

Segmental Information

For Nine months ended 31 December	FMCG		Health Care		Leisure		Transportation		Power		Others		Group	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<i>Rs '000</i>														
Revenue														
Segmental Revenue - Gross	5,636,307	4,883,778	6,721,666	5,515,979	1,083,720	724,772	746,853	541,240	4,394,532	3,118,941	1,226,032	866,057	19,809,110	15,650,767
Intra Segmental Revenue	-	-	(59,397)	(53,900)	-	-	-	-	-	-	(43,926)	(12,259)	(103,323)	(66,159)
Segmental Revenue	5,636,307	4,883,778	6,662,269	5,462,079	1,083,720	724,772	746,853	541,240	4,394,532	3,118,941	1,182,106	853,798	19,705,787	15,584,608
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(462,033)	(329,870)	(462,033)	(329,870)
Total Revenue	5,636,307	4,883,778	6,662,269	5,462,079	1,083,720	724,772	746,853	541,240	4,394,532	3,118,941	720,073	523,928	19,243,753	15,254,738
Segmental Results	525,667	407,747	600,920	441,119	251,806	54,638	270,244	175,785	242,333	234,668	(257,816)	(146,762)	1,633,154	1,167,195
Finance Cost	(7)	(2,714)	(110,878)	(81,319)	(24,231)	(38,089)	(7,625)	(5,643)	(114,921)	(33,587)	(31,709)	(21,177)	(289,371)	(182,529)
Finance Income	57,559	35,496	4,568	4,645	11,095	11,252	44,472	14,934	84,872	46,270	3,804	3,890	206,370	116,487
Profit/(Loss) before Tax	583,219	440,529	494,609	364,445	238,671	27,801	307,091	185,076	212,284	247,351	(285,721)	(164,049)	1,550,153	1,101,153
Income Tax	(34,971)	(9,624)	(134,995)	(94,205)	(34,558)	(2,149)	(90,381)	(25,477)	(703)	(577)	(58,420)	(52,455)	(354,028)	(184,487)
Profit / (Loss) for the Period	548,248	430,905	359,615	270,240	204,113	25,652	216,709	159,599	211,581	246,774	(344,141)	(216,504)	1,196,125	916,666
Attributable to:														
Equity Holders of the Parent	548,248	430,905	375,130	286,126	97,873	(8,432)	216,709	159,599	158,738	185,132	(343,915)	(216,349)	1,052,783	836,981
Minority Interests	-	-	(15,516)	(15,886)	106,240	34,084	-	-	52,844	61,642	(226)	(155)	143,342	79,685
	548,248	430,905	359,615	270,240	204,113	25,652	216,709	159,599	211,581	246,774	(344,141)	(216,504)	1,196,125	916,666

The above figures are provisional and subject to audit

Notes to the Financial Statements

1 Basis of preparation

These are the Group's third SLFRS condensed interim financial statements prepared in accordance with Sri Lanka Financial Reporting Standard - SLFRS 1, First-time Adoption of Sri Lanka Accounting Standards ("SLFRSs").

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 2012, including the changes to accounting policies as a result of convergence to revised Sri Lanka Accounting Standards (SLFRSs/LKASs). Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

Under the Ruling for the Comparative figures in the Interim Financial Statements issued by the Institute of Chartered Accountants of Sri Lanka, the Group/Company opted to prepare the interim financial statements presenting the current period figures based on Sri Lanka Accounting Standards (SLFRSs/LKASs) effective from 1 January 2012, while presenting the comparative figures under the Sri Lanka Accounting Standards (SLASs) existed immediately prior to 1 January 2012 (Option 3 in the given Ruling).

Accordingly, current period figures as of 31 December 2012 has been presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) effective from 1 January 2012, while both current period figures and comparative figures have been presented under the Sri Lanka Accounting Standards existed immediately prior to 1 January 2012 (SLASs).

2 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company, its subsidiaries and jointly controlled entities as at 31st December 2012.

With the implementation of SLFRSs the basis of consolidation will include the following changes;

- Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.
- A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
- If the Group loses control over a subsidiary, it:
 - Derecognises the assets (including goodwill) and liabilities of the subsidiary
 - Derecognises the carrying amount of any non-controlling interest
 - Derecognises the cumulative translation differences, recorded in equity
 - Recognises the fair value of the consideration received
 - Recognises the fair value of any investment retained
 - Recognises any surplus or deficit in profit or loss
 - Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.
- Upon loss of joint control the Group measures and recognises its remaining investment at its fair value. Any difference between the carrying amount of the former joint controlled entity upon loss of joint control and the fair value of the remaining investment and proceeds from disposal is recognised in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

3 Changes in accounting policies

The accounting policies adopted for quarter ended 31 December 2012 are consistent with those of the previous financial year except as described below.

3.1 Business combinations and goodwill

Definition of a business is an integrated set of assets (inputs) and activities (processes) which are capable of being conducted and managed to provide a return, as opposed to a mere asset acquisition. Business combinations are accounted for using the acquisition method. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Notes to the Financial Statements

3.2 Property, plant and equipment

All items of Property, Plant and Equipment are initially recorded at cost. If payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognized as interest over the period, unless such interest is capitalized in accordance with LKAS 23-Borrowing Costs. Significant components of an asset are identified and depreciated separately. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group de-recognises the replaced part, and recognises the new part with its own associated useful life and depreciation. All other repair and maintenance costs are recognised in the income statement as incurred.

Group has decided to continue the present classification of Thermal and Hydro power plants under property, plant and equipment until the accounting treatment for power purchase agreements is finalised under SLFRS/LKAS

3.3 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to 1 April 2011, the date of inception is deemed to be 1 April 2011 in accordance with SLFRS 1.

3.4 Employee Benefit Plan

Defined Benefit Plan

Actuarial gains and losses for defined benefit plans are recognised in full in the period in which they occur in the income statement.

3.5 Share-based payment transactions

Equity-settled transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense.

3.6 Financial Instruments

LKAS 32 – Financial Instruments: Presentation, LKAS 39 – Financial Instruments: Recognition and Measurement and SLFRS 7 – Financial Instruments: Disclosures result in changes to the current method of recognizing financial assets, financial liabilities and equity instruments. These standards require measurement of financial assets and financial liabilities at fair value at initial measurement. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or a liability (other than financial assets and financial liabilities at fair value through profit or loss) are added or deducted from the fair value of the financial asset or liability as appropriate on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognized immediately in the income statement.

The subsequent measurement of financial assets classified as fair value through profit and loss and available for sale are at fair value, with the gains and losses routed through the income statement and other comprehensive income respectively.

Financial assets classified as held to maturity and loans and receivables are measured subsequently at amortized cost. These assets have been assessed for any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') coupled with a reliable estimate of the loss event (or events) impact on the estimated future cash flows of the financial asset or group of financial assets.

Financial assets are derecognized when the contractual rights to the cash flows from the asset has expired, or when the group has transferred the financial asset and substantially all the risk and rewards of ownership to another entity.

Financial liabilities are either classified as financial liabilities at fair value through profit or loss or other financial liabilities measured at amortized cost.

Financial liabilities are derecognised when and only when they are extinguished, that is when the obligation is discharged, cancelled or expired.

Notes to the Financial Statements

3.7 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue recognition policy for following elements has been changed.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends

Revenue is recognised when the Group's right to receive the payment is established.

3.8 Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 First-time adoption of SLFRS

SLFRS 1, First-Time Adoption of Sri Lanka Financial Reporting Standards allows first-time adopters certain exemptions from the retrospective application of SLFRS. Set out below are the applicable exemptions and exceptions under SLFRS 1 applied by the Group in preparing the first condensed consolidated interim financial statements for the quarter ended 30 September 2012.

4.1 Optional exemptions which the group has opted to apply:

Business combinations

SLFRS 3 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses for SLFRS, or of interests in associates and joint ventures that occurred before 1 April 2011.

Share-based payment transactions

SLFRS 2 Share based Payment has not been applied to equity instruments in share based payment transactions that were granted on or before 1 January 2012.

Fair value as deemed cost

Certain items of property, plant and equipment have been measured at fair value and used that fair value as its deemed cost at the date of transition to SLFRS.

Leases

The Group has applied the transitional provision in IFRIC 4 Determining Whether an Arrangement Contains a Lease and has assessed all arrangements based upon the conditions in place as at the date of transition. Accordingly, the Group has determined whether an arrangement existing at the date of transition to SLFRS contains a lease on the basis of facts and circumstances existing at that date.

Investments in subsidiaries, jointly controlled entities and associates

The group has measured an investment in a subsidiary, jointly controlled entity or associate at deemed cost (previous SLAS carrying amount) in its separate SLFRS financial statements.

Notes to the Financial Statements

Assets and liabilities of subsidiaries, jointly controlled entities and associates

When the parent becomes a first-time adopter later than its subsidiary, associate or joint venture, in the parent's consolidated financial statements the assets and liabilities of the subsidiary, associate or joint venture are measured at the same amounts as in the subsidiary's, associate's or joint venture's financial statements (after adjusting for consolidation and equity accounting adjustments and for the effects of the business combination in which the entity acquired the subsidiary).

Designation of previously recognised financial instruments

The Group has designated equity instruments held as at 1 April 2011 as available-for-sale investments.

4.2 Exceptions the group has not applied retrospectively:

Estimates

The estimates are consistent with those made for the same dates in accordance with SLASs (after adjustments to reflect any differences in accounting policies).

De-recognition of financial assets and financial liabilities

The Group has not recognized financial assets and financial liabilities which were previously de-recognised under SLAS as a result of a transaction that occurred before 1 April 2011.

Hedge Accounting

Transactions entered into before the date of transition to SLFRS have not been retrospectively designated as hedges. Further, the application of hedge accounting has been discontinued if an instrument is designated as a hedge before the date of transition, but does not meet the conditions for hedge accounting in LKAS 39.

Non-controlling interests

The following requirements of LKAS 27 are applied prospectively from the date of transition to SLFRS.

- To attribute total comprehensive income to non-controlling interests irrespective of whether this results in a deficit balance.
- To treat changes in a parents ownership interest that do not result in a loss of control as equity transactions.
- To apply LKAS 27 to loss of control of a subsidiary

5 Standards issued but not yet effective

The Institute of Chartered Accountants of Sri Lanka has issued the following standards which become effective for annual periods beginning after the current financial year. Accordingly these standards have not been applied in preparing these financial statements. The Group reasonably expects that these standards when applied will have substantial impact to the financial performance, financial position and disclosures. The Group intends to adopt these standards when they become effective.

- SLFRS 9 – Financial Instruments
- SLFRS 10 – Consolidated Financial Statements
- SLFRS 11 – Joint Arrangements
- SLFRS 12 – Disclosure of Interest in other entities
- SLFRS 13 – Fair value measurement

- 6** 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.
- 7** The group invested in Hemas Logistics (Pvt) Ltd (formally known as Forwardair Logistics (Pvt) Ltd), Rs.55mn and in H & M Shipping Services (Pvt) Ltd, Rs.30mn on 31st July 2012
- 8** The company paid a final dividend of Rs. 0.25 per share on 12 July 2012, for the financial year ended 31 March 2012.
- 9** The company paid an interim dividend of Rs. 0.30 per share on 3 December 2012, for the financial year ended 31 March 2013.
- 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 2012.

Investor Information

	Three months Ended 31.12.2012	Three months Ended 31.12.2011
Market Value of Shares		
Closing Price on 31st December (Rs)	27.00	33.00
Highest Price during the Period (Rs)	33.70	40.00
Lowest Price during the Period (Rs)	25.60	27.50
Market Capitalization on 31st December (Rs Mn)	13,913	17,005
Ratios (As per SLASs)		
Net Asset Per Share on 31st December (Rs)	22.40	18.53
Price Earnings Ratio on 31st December (times)	10.00	12.13
Ratios (As per SLFRSs)		
Net Asset Per Share on 31st December (Rs)	21.62	-
Price Earnings Ratio on 31st December (times)	10.08	-
Share Trading		
No of transactions during the Period	885	1,195
No of shares traded during the Period	1,285,370	1,686,700
Value of shares traded during the Period (Rs Mn)	37	59
Number of Shares	515,290,620	515,290,620

Share Information

LIST OF 20 MAJOR SHAREHOLDERS	31.12.2012		31.12.2011	
	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	27,259,122	5.29	26,650,875	5.17
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	1.89
7 Sri Lanka Insurance Corporation Ltd. - Life Fund	6,635,700	1.29	6,635,700	1.29
8 Mr. I.A.H. Esufally	6,424,000	1.25	6,132,500	1.19
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	1.22
10 Mr. M.A.H. Esufally	5,946,500	1.15	5,655,000	1.10
11 Mr. H.N. Esufally	5,836,705	1.13	5,795,205	1.12
12 Jacey Trust Services (Pvt) Ltd -Account No 2	5,750,000	1.12	8,750,000	1.70
13 HSBC Intl. Nominees Ltd. - HSBC Bank PLC - CMG First State Global Umbrella Fund PLC CMG First State India	5,149,500	1.00	5,825,500	1.13
14 Lexinton Holdings (Pvt) Ltd.	4,740,600	0.92	4,740,600	0.92
15 Jacey Trust Services (Pvt) Ltd	4,613,750	0.90	4,613,750	0.90
16 Anverally and sons (pvt) Ltd A/C no 01	3,828,661	0.74	3,011,700	0.58
17 Employees Trust Fund Board	3,639,711	0.71	2,795,100	0.54
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.	2,660,175	0.52	2,889,775	0.56
20 Mr. A. N. Esufally	2,283,585	0.44	1,992,085	0.39

DIRECTORS' SHAREHOLDING	31.12.2012		31.12.2011	
	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 (Chairman)	87,500		87,500	
Mr. H.N. Esufally (Chief Executive Officer)	5,836,705		5,795,205	
Mr. A.N. Esufally	2,283,585		1,992,085	
Mr. I.A.H. Esufally	6,424,000		6,132,500	
Mr. M.E. Wickremesinghe	11,250		11,250	
Mr. M. A. H. Esufally	5,946,500		5,655,000	
Mr. D. Bhatnagar	-		150	
Mr. Pradipta Kumar Mohapatra	-		-	
	369,310,365		368,394,515	

PUBLIC HOLDING	31.12.2012		31.12.2011	
	No. of Shares		No. of Shares	
Issued Share Capital	515,290,620		515,290,620	
Less:Directors' Direct and Indirect Shareholding	369,310,365		368,394,515	
Public Holding	145,980,255		146,896,105	
Public Holding as a % of Issued Share Capital	28.33%		28.51%	

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)
Husein Esufally (CEO)
Imtiaz Esufally
Murtaza Esufally
Abbas Esufally
Maithri Wickremesinghe
Pradipta Mohapatra
Ramabadrn Gopalakrishnan

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