

e v o l u t i o n



Hemas Holdings PLC
Interim Report- 2nd Quarter 2014/15

CEO's Review

It is a pleasure to present the results of your company for the first half of the financial year 2014/15. The group has recorded consolidated revenues of Rs. 15.7Bn, a growth of 22.0%, and group earnings of Rs. 887Mn, a drop of 9.9% over the same period last year. However last year's corresponding period included a one off capital gain of Rs. 364Mn on the transfer of Peace Haven to PH Resorts, a joint venture company. Underlying earnings, adjusted for one-off items, recorded a growth of 29.5% over last year.

Our personal care business has grown revenue by 26.0%, to Rs. 5.9Bn with personal wash, oral care and home care categories contributing positively to sector top line growth. The sector enjoyed a good quarter with encouraging volume growth contributing to the increase in revenue. In addition to good financial performance we have also received industry recognition for the performance of our leading consumer brands. Our personal wash brand, Velvet was awarded Sri Lanka's 'Brand of the year', 'Local brand of the year' and 'Product brand of the year' at the recent brand excellence awards held by Sri Lanka Institute of Marketing. During the quarter, the sector divested its interest in the tissue and toilet paper category with the sale of Nimex.

The Healthcare sector recorded a growth in revenue of 13.0% to Rs. 6.5Bn led by the higher contribution of our third hospital in Thalawathugoda, good growth at Wattala hospital and our recent acquisition, JL Morison. Our pharmaceutical segment's performance continued to be hampered by weak market conditions. The industry grew at 0.03% during the second quarter (Source: IMS). In these weak market conditions, the company maintained its market leadership position.

J.L. Morison, achieved revenue growth of 5.3% to Rs. 1.3Bn, led by an increase in production at our pharmaceutical manufacturing operation, which grew by 21.4% over last year. This growth is being augmented by our investment in the upgrading of the facility to meet globally recognised Good Manufacturing Practices and an increase in capacity. The business has recovered well from the plant shutdown which impacted Q1 results.

The Leisure sector achieved revenue growth of 39.4% to record Rs. 1.2Bn. The growth in sector revenue was driven by the Hotels segment with revenues of Rs. 638Mn, an increase of 86.9%, while earnings grew to Rs. 89Mn during the period under review. However year on year comparisons are not particularly meaningful due to the closure of Club Hotel Dolphin and Hotel Sigiriya for refurbishment during the corresponding period the previous year. During the period the hotels recorded an average occupancy rate of 73%.

The Transportation sector posted revenues of Rs. 723Mn, 27.0% growth, with a strong contribution from the Maritime and Logistic segments. The Maritime segment continued to enjoy an increase in volumes driven by an increase in transshipment volumes to Sri Lanka, along with the addition of new destination ports during the last quarter. The Logistics segment consolidated its presence in container yard operations increasing capacity utilization and contributed to the overall sector earnings growth of 16.3%.

Our IT solutions business, N-able recovered well from project delays in Q1 to enjoy a good quarter with the completion of several key contracts. The business recorded earnings of Rs. 43Mn for the year to date, a significant increase over the same period last year.

The Power sector posted a revenue of Rs. 262Mn a decline of 22.1% over the previous year hampered by the low rainfall experienced in Q1. The heat rate reserve charge on the Heladhanavi income

statement led to the decline in sector profitability, recording a loss of Rs. 45Mn, a decline of 132.1% over the previous year.

During the quarter, your Group entered into an agreement to sell its shareholding in Hemas Power PLC to a consortium of buyers, consisting of NDB Capital Holdings PLC, ACL Cables PLC and Trydan Partners Private Ltd, thus divesting the company's interest in the Power Sector. This is an important move for the Group in line with our strategy to focus on our core strengths of Wellness, Leisure and Mobility.

This renewed focus on our core strengths coupled with ongoing investments in healthcare, personal care and leisure provides us with the confidence to weather an increasingly competitive business environment and achieve growth across our business sectors.

A handwritten signature in black ink, appearing to read 'S. Enderby', is positioned above the typed name.

Steven Enderby
CEO
Colombo
November 12, 2014

Consolidated Income Statement

<i>Rs '000</i>	Three Months Ended		Change %	Six Months Ended		Change %
	30.09.2014	30.09.2013		30.09.2014	30.09.2013	
Revenue	8,393,133	6,756,891	24.2	15,660,114	12,835,139	22.0
Cost of Sales	(5,284,260)	(4,362,285)	21.1	(9,951,390)	(8,317,200)	19.6
Gross Profit	3,108,873	2,394,606	29.8	5,708,724	4,517,939	26.4
	-	-				
Other Operating Income	126,655	451,322	(71.9)	159,143	517,532	(69.2)
Selling and Distribution Costs	(799,069)	(707,104)	13.0	(1,594,453)	(1,314,468)	21.3
Administrative Expenses	(1,429,584)	(1,180,861)	21.1	(2,794,097)	(2,280,038)	22.5
Share of results of Joint ventures & Associates	(3,209)	19,304	(116.6)	(23,395)	23,990	(197.5)
Operating Profit	1,003,666	977,267	2.7	1,455,922	1,464,955	(0.6)
Finance Cost	(113,207)	(163,959)	(31.0)	(246,169)	(297,121)	(17.1)
Finance Income	30,655	36,520	(16.1)	64,919	94,287	(31.1)
Profit Before Tax	921,114	849,828	8.4	1,274,672	1,262,121	1.0
Income Tax Expense	(203,688)	(153,097)	33.0	(312,000)	(285,028)	9.5
Profit for the Period	717,426	696,731	3.0	962,672	977,093	(1.5)
Attributable to:						
Equity Holders of the Parent	640,165	707,495	(9.5)	886,907	984,203	(9.9)
Non-Controlling Interests	77,261	(10,764)	(817.8)	75,765	(7,110)	(1,165.6)
	717,426	696,731	3.0	962,672	977,093	(1.5)
Earnings Per Share (Rs)	1.24	1.37		1.72	1.91	
Annualised Earnings Per Share (Rs)	4.97	5.49		3.44	3.82	
Dividend Per Share (Rs)	0.70	0.45		0.70	0.45	

Statement of Comprehensive Income

<i>Rs '000</i>	Three Months Ended		Six Months Ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2014
Profit for the Period	717,426	696,731	962,672	977,093
Other Comprehensive Income				
Net (loss)/gain on available-for-sale financial assets	527	(9,519)	533	7,604
Exchange differences on translation of foreign operations	468	(1,776)	300	(2,359)
Net movement on cash flow hedges	57,739	11,447	68,313	2,889
Revaluation of land and buildings	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-
Other Comprehensive Income for the period, net of tax	58,734	152	69,146	8,134
Total Comprehensive Income for the period, net of tax	776,160	696,883	1,031,818	985,227
Attributable to:				
Equity Holders of the Parent	664,043	697,691	916,425	983,227
Non-Controlling Interests	112,117	(808)	115,393	2,000
	776,160	696,883	1,031,818	985,227

The above figures are provisional and subject to audit.

Consolidated Statement of Financial Position

As at	30.09.2014	30.09.2013	31.03.2014
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	13,333,901	11,741,156	12,563,633
Investment Properties	1,683,130	578,453	1,683,130
Leasehold Right	124,819	88,624	145,847
Intangible Assets	1,508,020	1,289,578	1,333,219
Investment in Joint Ventures	1,939,182	2,975,222	2,018,096
Investment in Associates	393,647	371,820	380,303
Other Non Current Financial Assets	434,075	304,193	464,257
Deferred Tax Assets	57,850	45,237	58,581
	19,474,624	17,394,283	18,647,066
Current Assets			
Inventories	3,514,815	2,982,517	3,822,873
Trade and Other Receivables	7,587,172	6,805,017	6,575,911
Tax Recoverable	67,560	69,510	120,436
Other Current Financial Assets	507,549	438,386	507,758
Cash and Short Term Deposits	3,736,386	1,819,790	2,449,586
	15,413,482	12,115,220	13,476,564
Total Assets	34,888,106	29,509,503	32,123,630
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,600,603	1,600,603	1,600,603
Other Capital and Revenue Reserves	217,101	333,776	400,289
Other Components of Equity	951,834	1,306,044	922,551
Retained Earnings	11,989,644	9,608,758	11,377,081
Equity attributable to equity holders of the parent	14,759,182	12,849,181	14,300,524
Non-Controlling Interests	3,425,231	3,060,777	3,329,111
Total Equity	18,184,413	15,909,958	17,629,635
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	4,097,490	3,126,706	3,464,922
Other Non Current Financial Liabilities	92,289	145,855	158,010
Deferred Tax Liabilities	294,432	241,738	273,055
Employee Benefit Liability	427,498	394,437	426,642
	4,911,709	3,908,736	4,322,629
Current Liabilities			
Trade and Other Payables	8,079,332	6,851,434	7,373,718
Income Tax Liabilities	71,660	120,628	109,199
Interest Bearing Loans and Borrowings	2,499,838	1,712,731	1,767,786
Bank Overdraft	1,141,154	1,006,016	920,663
	11,791,984	9,690,809	10,171,366
Total Equity and Liabilities	34,888,106	29,509,503	32,123,630
Net Asset per share - (Rs)	28.64	24.94	27.75

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

Colombo

November 12, 2014



Steven Enderby

Chief Executive Officer

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 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
Balance as at 1 April 2014	1,600,603	400,289	951,147	(3,515)	7,370	(32,451)	11,377,081	14,300,524	3,329,111	17,629,635
Profit for the period							886,907	886,907	75,765	962,672
Other comprehensive income				352	533	28,633		29,518	39,628	69,146
Total comprehensive income	-	-	-	352	533	28,633	886,907	916,425	115,393	1,031,818
Dividends Paid - Ordinary Shares							(360,703)	(360,703)	(42,113)	(402,816)
Transfer to/from during the period										
- Overhaul Reserve/ Heat and Lube oil Reserve	-	(183,188)					137,391	(45,797)	45,797	-
- Deferred Tax Attributable to Revaluation Reserve	-		(235)					(235)	(223)	(458)
Transaction cost on Issue of shares							(6,264)	(6,264)	(1,204)	(7,468)
Adjustment in respect of changes in Group Holding	-						(44,768)	(44,768)	(21,530)	(66,298)
Balance as at 30 September 2014	1,600,603	217,101	950,912	(3,163)	7,903	(3,818)	11,989,644	14,759,182	3,425,231	18,184,413

Company Income Statement

	Three Months Ended		Change %	Six Months Ended		Change %
	30.09.2014	30.09.2013		30.09.2014	30.09.2013	
<i>Rs '000</i>						
Revenue	167,868	156,895	7.0	336,239	287,719	16.9
Cost of Sales	-	-	-	-	-	-
Gross Profit	167,868	156,895	7.0	336,239	287,719	16.9
Other Operating Income	285,284	358,964	(20.5)	287,028	360,831	(20.5)
Administrative Expenses	(151,129)	(127,212)	18.8	(284,116)	(234,865)	21.0
Operating Profit	302,023	388,647	(22.3)	339,151	413,685	(18.0)
Finance Cost	(60,155)	(71,802)	(16.2)	(105,908)	(159,838)	(33.7)
Finance Income	30,617	18,876	62.2	59,085	47,717	23.8
Profit Before Tax	272,485	335,721	(18.8)	292,328	301,564	(3.1)
Income Tax Expenses	(7,469)	2,000	(473.5)	(34,333)	(4,089)	739.6
Profit for the Period	265,016	337,721	(21.5)	257,995	297,475	(13.3)

Statement of Comprehensive Income

	Three Months Ended		Six Months Ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
<i>Rs '000</i>				
Profit for the Period	265,016	337,721	257,995	297,475
Other Comprehensive Income				
Net (loss)/gain on available-for-sale financial assets	527	(9,589)	533	2,882
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	527	(9,589)	533	2,882
Total Comprehensive Income for the period, net of tax	265,543	328,132	258,528	300,357

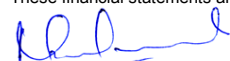
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Statement of Financial Position -Company

As at	30.09.2014	30.09.2013	31.03.2014
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	145,628	163,329	169,472
Investment Properties	617,615	566,289	617,615
Intangible Assets	21,979	19,062	23,192
Investment in Subsidiaries	6,513,934	6,466,343	6,334,445
Investment in Joint Ventures	30,044	38,519	30,044
Other Non Current Financial Assets	396,267	382,586	425,455
	7,725,467	7,636,128	7,600,223
Current Assets			
Trade and Other Receivables	623,400	1,216,884	317,644
Tax Recoverable	5,878	8,621	17,940
Other Current Financial Assets	512,949	793,202	480,030
Cash and Short Term Deposits	1,217,034	54,562	364,468
	2,359,261	2,073,269	1,180,082
Total Assets	10,084,728	9,709,397	8,780,305
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	7,158	20,671	6,625
Retained Earnings	4,875,405	4,656,066	4,978,113
Total Equity	6,740,198	6,534,372	6,842,373
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	1,825,924	1,939,431	890,161
Other Non Current Financial Liabilities	8,840	4,383	8,840
Deferred Tax Liabilities	63,560	55,285	53,917
Employee Benefit Liability	18,679	28,571	33,809
	1,917,003	2,027,670	986,727
Current Liabilities			
Trade and Other Payables	219,470	142,083	133,451
Interest Bearing Loans and Borrowings	903,093	648,813	719,580
Bank Overdraft	304,964	356,459	98,174
	1,427,527	1,147,355	951,205
Total Equity and Liabilities	10,084,728	9,709,397	8,780,305
Net Asset per share - (Rs)	13.08	12.68	13.28

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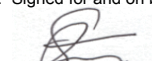


Malinga Arsakularatne
Chief Financial Officer

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
Colombo
November 12, 2014



Steven Enderby
Chief Executive Officer

Statement of Changes in Equity- Company

<i>Rs '000</i>	Stated Capital	Other Capital Reserves	Other Component	Retained Earnings	Total Equity
			Of Equity Available for Sale Reserve		
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
Balance as at 1 April 2014	1,600,603	257,032	6,625	4,978,113	6,842,373
Profit for the period	-	-	-	257,995	257,995
Other comprehensive income	-	-	533	-	533
Total comprehensive income	-	-	533	257,995	258,528
Dividends Paid - Ordinary Shares					
Final Dividend Paid 2013/2014				(360,703)	(360,703)
Balance as at 30 September 2014	1,600,603	257,032	7,158	4,875,405	6,740,198

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Cash Flow Statement

For Six months ended 30 September Rs '000	Group		Company	
	2014	2013	2014	2013
Operating Activities				
Profit Before Taxation	1,274,672	1,262,121	292,328	301,564
Adjustments for				
Depreciation	402,599	317,453	25,487	18,420
(Gain)/Loss on Disposal of Property, Plant and Equipment	(98,058)	(374,880)	(104)	40
Amortisation/ Impairment of Intangible Assets	4,046	28,760	-	701
Amortisation of Leasehold Rights	7,408	1,967	-	-
Impairment Property, Plant and Equipment/Leasehold Rights	6,500	-	-	-
Exchange Gain or Loss on Foreign Currency Borrowings	6,418	71,408	-	-
Re-classification of Available for sale reserve to Profit and Loss	-	(19,417)	-	-
Finance Cost	246,169	297,121	105,908	159,838
Finance Income	(64,919)	(94,287)	(59,085)	(47,717)
Share of results of Associates/Joint Ventures	23,395	(23,990)	-	-
Investment Income	-	-	(283,348)	(357,096)
Movement in Employee Benefit Liability	48,774	35,455	4,121	1,657
Working Capital Adjustments				
(Increase)/Decrease in Inventories	308,059	(29,696)	-	-
(Increase)/Decrease in Trade and Other Receivables	(986,513)	(834,998)	(305,758)	(187,575)
Increase/(Decrease) in Trade and Other Payables	431,203	1,204,246	86,024	(17,719)
Increase/(Decrease) in Other Non Current Liabilities	1,778	-	-	-
Increase/(Decrease) in Other Non Current Financial Liabilities	-	5,513	-	-
Finance Cost Paid	(246,169)	(297,109)	(105,908)	(159,838)
Finance Income Received	54,862	71,478	55,202	37,921
Income Tax Paid	(264,366)	(248,213)	(12,628)	(3,297)
Employee Retirement Benefit Paid	(47,918)	(14,340)	(19,251)	-
Net Cash flows from/(Used in) Operating Activities	1,107,940	1,358,592	(217,012)	(253,101)
Investing Activities				
Purchase of Property, Plant and Equipment	(549,896)	(895,087)	(3,491)	(30,180)
Investment in Intangible Assets	(17,215)	(71,122)	-	(19,365)
Disposal of/ Investment in Financial Assets	40,448	(38,834)	33,850	(1,951)
Investment in Subsidiaries/Joint Ventures	(3,000)	(1,536,775)	(179,489)	-
Acquisition/ Disposal of Subsidiary	(536,665)	(1,998,897)	-	(122,211)
Dividend Received from Joint Venture/Associate	39,000	-	-	-
Investment Income Received	-	-	283,348	357,096
(Profit)/Loss on Disposal of Property, Plant and Equipment/ Intangible Assets / Leasehold Property	147,130	762,799	3,167	2,121
Net Cash flows from/(Used in) Investing Activities	(880,198)	(3,777,916)	137,385	185,510
Financing Activities				
Interest Bearing Loans and Borrowings (Net)	1,355,211	2,194,404	1,086,107	(46,443)
Transaction cost on Subsidiary Share Issue	(7,469)	(8,595)	-	-
Proceeds from Non-Controlling Interests	(106,668)	(592,126)	-	-
Dividends Paid - Equity Holders of the Parent	(360,703)	(231,881)	(360,703)	(231,881)
- Non-Controlling Interests	(42,113)	(68,104)	-	-
Net Cash flows from/(Used in) Financing Activities	838,258	1,293,698	725,404	(278,324)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,066,000	(1,125,626)	645,777	(345,915)
Net Foreign Exchange Difference	309	3,374	-	-
Cash and Cash Equivalents at the beginning of the Year	1,528,923	1,936,026	266,293	44,018
Cash and Cash Equivalents at the end of the period	2,595,232	813,774	912,070	(301,897)

The above figures are provisional and subject to audit

Segmental Information

For Three months ended 30 September	FMCG		Healthcare		Leisure		Transportation		Power		Others		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<i>Rs '000</i>														
Revenue														
Segmental Revenue - Gross	3,065,060	2,477,913	3,523,464	3,040,524	702,778	489,726	388,988	288,803	167,650	164,363	804,589	593,768	8,652,529	7,055,097
Intra Segmental Revenue	-	-	(30,425)	(38,287)	-	-	-	-	-	-	(23,949)	(20,166)	(54,374)	(58,453)
Segmental Revenue	3,065,060	2,477,913	3,493,039	3,002,237	702,778	489,726	388,988	288,803	167,650	164,363	780,640	573,602	8,598,155	6,996,644
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(205,022)	(239,753)	(205,022)	(239,753)
Total Revenue	3,065,060	2,477,913	3,493,039	3,002,237	702,778	489,726	388,988	288,803	167,650	164,363	575,618	333,849	8,393,133	6,756,891
Segmental Results	364,157	213,711	401,088	257,211	46,975	(23,000)	108,434	113,199	104,987	106,723	(18,766)	290,119	1,006,875	957,963
Finance Cost	(249)	(1,306)	(39,999)	(60,869)	(8,106)	(48,464)	(5,855)	(5,393)	(7,772)	(9,218)	(51,226)	(38,709)	(113,207)	(163,959.00)
Finance Income	4,858	13,439	2,149	4,300	3,363	1,774	7,718	8,175	1,445	1,635	11,122	7,197	30,655	36,520
Share of results of Joint ventures & Associates	-	-	-	-	10,149	-	37,949	972	(51,307)	18,332	-	-	(3,209)	19,304
Profit/(Loss) before Tax	368,766	225,844	363,238	200,642	52,381	(69,690)	148,246	116,953	47,353	117,472	(58,870)	258,607	921,114	849,828
Income Tax	(37,722)	(40,482)	(77,695)	(37,046)	(10,057)	(21,523)	(20,335)	(13,906)	(2,443)	(4,449)	(55,436)	(35,691)	(203,688)	(153,097)
Profit / (Loss) for the Period	331,044	185,362	285,543	163,596	42,324	(91,213)	127,911	103,047	44,910	113,023	(114,306)	222,916	717,426	696,731
Attributable to:														
Equity Holders of the Parent	329,660	186,918	279,348	176,170	20,333	(35,405)	120,349	101,305	6,255	64,832	(115,780)	213,675	640,165	707,495
Non-Controlling Interests	1,384	(1,556)	6,195	(12,574)	21,991	(55,808)	7,562	1,742	38,655	48,191	1,474	9,241	77,261	(10,764)
	331,044	185,362	285,543	163,596	42,324	(91,213)	127,911	103,047	44,910	113,023	(114,306)	222,916	717,426	696,731

The above figures are provisional and subject to audit

Segmental Information

For Six months ended 30 September	FMCG		Healthcare		Leisure		Transportation		Power		Others		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<i>Rs '000</i>														
Revenue														
Segmental Revenue - Gross	5,938,735	4,714,864	6,561,416	5,817,004	1,217,681	873,302	723,347	569,484	261,675	335,704	1,472,641	1,035,116	16,175,495	13,345,474
Intra Segmental Revenue			(62,574)	(65,806)							(46,763)	(40,194)	(109,337)	(106,000)
Segmental Revenue	5,938,735	4,714,864	6,498,842	5,751,198	1,217,681	873,302	723,347	569,484	261,675	335,704	1,425,878	994,922	16,066,158	13,239,474
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(406,044)	(404,335)	(406,044)	(404,335)
Total Revenue	5,938,735	4,714,864	6,498,842	5,751,198	1,217,681	873,302	723,347	569,484	261,675	335,704	1,019,834	590,587	15,660,114	12,835,139
Segmental Results	619,968	438,097	625,844	425,720	43,337	(54,099)	190,203	223,821	140,098	244,140	(140,133)	163,286	1,479,317	1,440,965
Finance Cost	(1,628)	(2,096)	(109,181)	(100,589)	(19,091)	(102,597)	(12,138)	(10,065)	(18,971)	(17,466)	(85,160)	(64,308)	(246,169)	(297,121)
Finance Income	8,752	41,236	3,632	9,401	6,518	4,641	14,392	22,767	1,787	3,191	29,838	13,051	64,919	94,287
Share of results of Joint ventures & Associates	-	-	-	-	32,765	(789)	72,153	(4,135)	(128,313)	28,914	-	-	(23,395)	23,990
Profit/(Loss) before Tax	627,092	477,237	520,295	334,532	63,529	(152,844)	264,610	232,388	(5,399)	258,779	(195,455)	112,029	1,274,672	1,262,121
Income Tax	(63,809)	(70,765)	(103,128)	(99,154)	(14,974)	(19,749)	(34,511)	(39,130)	(3,987)	(8,511)	(91,591)	(47,719)	(312,000)	(285,028)
Profit / (Loss) for the Period	563,283	406,472	417,167	235,378	48,555	(172,593)	230,099	193,258	(9,386)	250,268	(287,046)	64,310	962,672	977,093
Attributable to:														
Equity Holders of the Parent	561,632	407,091	415,034	268,720	25,749	(75,305)	219,001	188,358	(45,414)	141,381	(289,095)	53,958	886,907	984,203
Non-Controlling Interests	1,651	(619)	2,133	(33,342)	22,806	(97,288)	11,098	4,900	36,028	108,887	2,049	10,352	75,765	(7,110)
	563,283	406,472	417,167	235,378	48,555	(172,593)	230,099	193,258	(9,386)	250,268	(287,046)	64,310	962,672	977,093

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 2014. 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 Changes in Accounting Policies

(a) SLFRS 10 – Consolidated Financial Statements

SLFRS 10 replaces the portion of LKAS 27 Consolidated and separate financial statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in Standing Interpretations Committee (SIC) 12 Consolidation Special Purpose Entities.

SLFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by SLFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore are required to be consolidated by a parent, compared with the requirements that were in LKAS 27.

SLFRS 10 has had no impact on the consolidation of investments held by the Group.

(b) SLFRS 11 – Joint Arrangements

SLFRS 11 replaces LKAS 31 Interests in joint ventures and SIC on Jointly-controlled entities and Non-monetary contributions by venturers. SLFRS 11 removes the option to account for Jointly Controlled Entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

Accordingly, previous years'/periods' figures and phrases have been amended due to the retrospective application of equity method of accounting and cessation of proportionate consolidation of joint ventures as recommended by the said standard.

(c) SLFRS 12 – Disclosure of Interest in Other Entities

SLFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable to the interim condensed consolidated financial statements, unless significant events and transactions in the interim period require that they are disclosed. Accordingly, the Group has not made any such disclosures.

(d) SLFRS 13 – Fair Value Measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. It provides guidance on all fair value measurements under SLFRSs. The application of SLFRS 13 has not materially impacted the fair value measurements carried out by the Group.

- 3 The Group invested Rs. 165Mn in Serendib Hotels PLC on 6 June 2014 thereby increasing the group stake to 55%.
- 4 The Group invested Rs. 11.5 Mn in Hemas Logistics Private Limited on 2 April 2014 thereby increasing the group stake to 58%.
- 5 The Group invested Rs. 3 Mn in Far Shipping Agency Lanka (Private) Limited. on 27 May 2014 thereby obtaining 60% group stake in Far shipping Agency Lanka (Private) Limited.
- 6 The Company paid a final dividend of Rs. 0.70 per share for the financial year ended 31 March 2014.
- 7 The Board of Directors of the Company has declared an interim dividend of Rs. 0.40 per share for the financial year ending 31 March 2015. 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 was paid on 02 December 2014. In accordance with the Sri Lanka Accounting Standard (LKAS 10) - Events After the Reporting Date, the interim dividend has not been recognized as a liability in the financial statements as at 30 September 2014.
- 8 Hemas Holdings PLC issued ten million, rated (A+Ika, by Fitch Rating Lanka Limited) unsecured redeemable debentures carrying a coupon rate of 11% p.a., payable semi-annually, at the face value of LKR 100/- each on 29 April 2014 to raise Rupees one billion to be matured on 29 April 2019.
- 9 The Company entered into a Share Sale and Purchase agreement dated 13 October 2014, with a consortium of buyers to dispose 93,900,000 shares of Hemas Power PLC at a consideration of Rs. 1,680 Mn at the rate of Rs. 17.90 per share. In terms of the agreement Hemas Power PLC is required to fulfilled following conditions prior to completion of the transaction.
 - Divest its investments in Heladhanavi (Thermal Plant)
 - Change the name of the Company
- 10 The Group Divested 60,000,000 Shares of Heladhanavi Limited at a total Consideration of RS.532Mn on 24 October 2014.
- 11 There have been no other events subsequent to the reporting date, which require disclosure in the interim financial statements.
- 12 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 2014.

Investor Information

	Three months Ended	
	30.09.2014	30.09.2013
Market Value of Shares		
Closing Price on 30 September (Rs)	61.00	32.00
Highest Price during the Period (Rs)	64.00	35.00
Lowest Price during the Period (Rs)	43.80	28.00
Market Capitalization on 30 September (Rs Mn)	31,433	16,489
Ratios		
Net Asset Per Share on 30 September (Rs)	28.64	24.94
Price Earnings Ratio on 30 September (times)	17.72	8.38
Debt/Equity Ratio	43%	37%
Quick Asset Ratio	1.01	0.94
Interest Cover	6.18	5.25
Interest yield as at date of last trade (17 June 2014)	10.42%	-
Yield to maturity of trade done on 17 June 2014	10.42%	-
Interest rate of comparable Government security (5 Year Treasury Bond rate)	6.59%	-
Closing Price on 30 September (Rs)	102.17	-
Highest Price during the Period (Rs)	102.17	-
Lowest Price during the period (Rs)	102.17	-
Share Trading		
No of transactions during the Period	4,638	1,272
No of shares traded during the Period	66,702,200	9,707,863
Value of shares traded during the Period (Rs Mn)	3,287	324
Number of Shares	515,290,620	515,290,620

Share Information

LIST OF 20 MAJOR SHAREHOLDERS	30.09.2014		30.09.2013	
	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 Bluberry 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 HSBC Intl Nominees Ltd-JPMLP-Franklin Templeton Investment Funds	37,153,700	7.21	-	-
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 Pemberton Asian Opportunities Fund	6,650,154	1.29	-	-
8 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
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 HSBC Intl. Nominees Ltd. -JPMCB- Scottish ORL SML TR GTI	5,149,500	1.00	5,149,500	1.00
12 Jacey Trust Services (Pvt) Ltd -Account No 2	4,750,000	0.92	5,750,000	1.12
13 Mr. I.A.H. Esufally	4,424,000	0.86	4,424,000	0.86
14 Anverally and sons (pvt) Ltd A/C no 01	4,207,881	0.82	4,207,881	0.82
15 HSBC Intl Nom Ltd-JPMCB- Pacific Assests Trust PLC	3,051,800	0.59	3,051,800	0.59
16 Mellon Bank N.A.-Frontier Market Select Fund II L.P	2,805,800	0.54	-	-
17 Mellon Bank N.A.-Frontier Market Oppprtunities Master Fund,L.P	2,765,087	0.54	-	-
18 Cocoshell Activated Carbon Company Ltd.	2,597,540	0.50	2,829,390	0.55
19 HSBC International Nominess Ltd-JPMCB-Templeton Global Invetment Trust -Templeton Emerging Market	2,379,832	0.46	-	-
20 Mr.A.N. Esufally	2,283,585	0.44	2,283,585	0.44

DIRECTORS' SHAREHOLDING	30.09.2014	30.09.2013
	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. H.N. Esufally (Chairman)	5,836,705	5,836,705
Mr. A.N. Esufally	2,283,585	2,283,585
Mr. I.A.H. Esufally	4,424,000	4,424,000
Mr. M.E. Wickremesinghe	11,250	11,250
Mr. M. A. H. Esufally	5,946,500	5,946,500
Mr. Pradipta Kumar Mohapatra	-	-
Dr S.A.B Ekanayake	-	-
Mr. D.S. Weerakkody	-	-
Mr. S.M Enderby (Chief Executive Officer)	-	-
Mr. W.M.De F. Arsakularatne	-	-
	367,222,865	367,222,865

PUBLIC HOLDING	30.09.2014	30.09.2013
	No. of Shares	No. of Shares
Issued Share Capital	515,290,620	515,290,620
Less:Directors' Direct and Indirect Shareholding	367,222,865	367,310,365
Close Family Members	2,500,000	-
Public Holding	145,567,755	147,980,255
Public Holding as a % of Issued Share Capital	28.25%	28.72%
Total Number of Shareholders	5,137	
Number of persons holdings Shares Excluded when computing Public Holding %	12	
Number of Shareholders representing the Public Holding	5,125	

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

Husein Esufally (Chairman)
Steven Enderby (CEO)
Imtiaz Esufally
Murtaza Esufally
Abbas Esufally
Maithri Wickremesinghe
Pradipta Mohapatra
Ramabadrán Gopalakrishnan
Dr Anura Ekanayake
Dinesh Weerakkody
Malinga Arsakularatne

Secretaries

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

Registrars

SSP Corporate Services (Pvt) Ltd
101, Inner Flower Road
Colombo 03

Lawyers to the Company

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

Bankers

Bank of Ceylon
Commercial Bank of Ceylon PLC
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