

e v o l u t i o n



Hemas Holdings PLC
Interim Report- 3rd Quarter 2014/15

CEO'S Review

It is a pleasure to present the results of your company for the nine months ending 31st December 2014. The Group recorded a revenue of Rs. 23.6Bn for the period, a growth of 19.5%. Key drivers of this growth were our Consumer, Healthcare and Leisure sectors. The consolidated operating profit for the period was Rs. 2.2Bn, recording a growth of 19.0%. Consolidated profits from continuing operations grew at 21.1% to post Rs. 1.5Bn. Underlying earnings growth of the core businesses adjusted for one-off items stood at a healthy 46.0%. The key one-off items are the Rs 157Mn loss on the disposal of the Group's stake in Hemas Power PLC and the capital gains recognised in the previous year of Rs. 364Mn from the land transfer of Peace Haven to PH Resorts, a joint venture company. However, consolidated earnings posted a decline of 21.5% to record Rs. 1.2Bn.

Our FMCG sector posted a revenue growth of 24.0% led by both volume and value growth seen in the personal care, personal wash and home care categories. During the quarter our personal wash brand, Velvet launched a new variant with the refreshing fragrance of Aloe and Kohomba, while our sanitary napkin brand Fems introduced a premium napkin to cater to increasing demand since its re-launch last year. Our revenue growth was also boosted by our operations in Bangladesh, which launching its own distribution network in November. Due to this excellent performance profitability grew by 32.9% for the period.

The Healthcare sector achieved revenues of Rs. 10.1Bn, a growth of 14.2%, led by our Hospitals, which saw a steady build up in revenue at our third hospital in Thalawathugoda and good growth at JL Morison. The pharmaceutical business continued to be impacted by challenging market conditions that have prevailed since the end of 2013. The overall market contracted by 1% during the period ending October 2014. Notwithstanding the adverse circumstances the business posted a reasonable top-line growth, maintaining its market leadership position with a market share of 21% (Source: IMS). Our hospital in Wattala continued to strengthen its performance during the quarter with increased occupancy, additional services and the rapid expansion of our diagnostics business contributing to a growth in bottom-line. Our Hospital at Thalawathugoda posted a significant growth in revenue of 148% over last year winning the patronage of the local community. During the quarter our efforts at striving for excellence at our hospitals was rewarded with our Wattala hospital winning the runner up award for the healthcare category at the National Business Excellence Awards 2014 organised by the National Chamber of Commerce of Sri Lanka, while our Southern Hospital won the first place in the private hospital sector at the "Dhakshina Suwa Wiru Abhishekaya -2014" Award Ceremony, organised by the Provincial Director of Health Services - Southern province.

JL Morison performed well during the quarter posting a revenue growth of 44% over the previous year contributed to by the growth in healthcare and agro businesses. The upgrading of our manufacturing facility continued to improve the healthcare segment revenues during the quarter, while the sector's investments in building its OTC and consumer portfolio boosted category revenue. JL Morison released "A Chronicle of J. L. Morison Son & Jones (Ceylon) PLC", a coffee table book narrating its origins and development through the years, in commemoration of its Diamond Jubilee in December 2014. The book includes the origins, evolution and growth of J L Morison through troughs and peaks and is filled with anecdotal stories from long-standing employees and excerpts from Company documents which record the Company's history over the past seven and half decades. We believe in building on this heritage in strengthening the company's product portfolio.

Our leisure sector posted a growth of 24.5% to post a revenue of Rs. 2.0Bn, largely attributable to the growth achieved by our hotel sector which recorded a top-line of Rs. 1.0Bn, a growth of 47%. The performance of the hotel sector reflects the impact of the closure of our Club Hotel Dolphin and Hotel

Sigiriya for refurbishment during the corresponding period, last year. Our hotels are enjoying a reasonable winter season with the hotels posting an overall occupancy of 77% for the period, in comparison to 76% posted the previous year.

The transportation sector revenue for the period stood at Rs. 1.1Bn, a growth of 22.6% while profitability grew at 19.6% to record Rs. 345Mn. Performance was largely driven by the increase in performance of the Maritime and Logistic segments, while our Aviation segment showed signs of recovery during the quarter. Our recent venture in Logistics, posted a good performance during the quarter with an increase in container handling, storage and haulage activities aiding the increase in both the sector top-line and bottom-line.

During the quarter the Group divested its interest in its Power business to a consortium of buyers, consisting of NDB Capital Holdings PLC, ACL Cables PLC and Trydan Partners Private Ltd for a consideration of Rs. 1.7Bn, recognising a capital loss of Rs. 157Mn on its book value. The focus of the group is developing our core strengths in Wellness, Leisure and Mobility industries.

As we head into the final quarter of the financial year, we are confident that our portfolio rationalisation and renewed focus on our core areas will yield us strong growth across our businesses as we look to maintain and build on our industry leading positions.



Steven Enderby
CEO
Colombo
January 12, 2015

Consolidated Income Statement

<i>Rs '000</i>	Three Months Ended		Change %	Nine Months Ended		Change %
	31.12.2014	31.12.2013		31.12.2014	31.12.2013	
Continuing Operations						
Revenue	8,241,675	7,280,342	13.2	23,640,114	19,779,777	19.5
Cost of Sales	(5,233,318)	(4,605,977)	13.6	(15,134,528)	(12,878,582)	17.5
Gross Profit	3,008,357	2,674,365	12.5	8,505,586	6,901,195	23.2
	-	-				
Other Operating Income	32,924	57,439	(42.7)	192,069	555,554	(65.4)
Selling and Distribution Costs	(862,420)	(769,885)	12.0	(2,456,872)	(2,084,353)	17.9
Administrative Expenses	(1,445,479)	(1,317,438)	9.7	(4,170,685)	(3,535,325)	18.0
Share of results of Joint ventures & Associates	38,877	28,796	35.0	143,796	23,872	502.4
Operating Profit	772,259	673,277	14.7	2,213,894	1,860,943	19.0
Finance Cost	(115,121)	(63,164)	82.3	(342,318)	(342,819)	(0.1)
Finance Income	29,995	50,307	(40.4)	95,628	145,640	(34.3)
Profit Before Tax	687,133	660,420	4.0	1,967,204	1,663,764	18.2
Income Tax Expense	(158,469)	(147,856)	7.2	(466,482)	(424,373)	9.9
Profit for the period from Continuing Operations	528,664	512,564	3.1	1,500,722	1,239,391	21.1
Discontinued Operations						
Profit/ (Loss) after tax for from Discontinued operations	(185,006)	107,830	(271.6)	(194,392)	358,098	(154.3)
Profit for the period	343,658	620,394	(44.6)	1,306,330	1,597,489	(18.2)
Attributable to:						
Equity Holders of the Parent	268,573	488,665	(45.0)	1,155,480	1,472,870	(21.5)
Non-Controlling Interests	75,085	131,729	(43.0)	150,850	124,619	21.0
	343,658	620,394	(44.6)	1,306,330	1,597,489	(18.2)
Earnings Per Share (Rs)	0.52	0.95		2.24	2.86	
Earnings Per Share for Continuing Operations (Rs)	0.92	0.83		2.73	2.46	
Annualised Earnings Per Share (Rs)	3.27	3.45		3.15	3.68	
Dividend Per Share (Rs)				1.10	0.75	

Statement of Comprehensive Income

<i>Rs '000</i>	Three Months Ended		Nine Months Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit for the Period	343,658	620,394	1,306,330	1,597,489
Other Comprehensive Income				
Net (loss)/gain on available-for-sale financial assets	(3,641)	(12,100)	(3,108)	(4,496)
Exchange differences on translation of foreign operations	(77)	4,869	223	2,510
Net movement on cash flow hedges	23,232	(71,656)	91,545	(68,767)
Revaluation of land and buildings	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-
Other Comprehensive Income for the period, net of tax	19,514	(78,887)	88,660	(70,753)
Total Comprehensive Income for the period, net of tax	363,172	541,507	1,394,990	1,526,736
Attributable to:				
Equity Holders of the Parent	276,260	452,609	1,192,685	1,435,836
Non-Controlling Interests	86,912	88,900	202,305	90,900
	363,172	541,509	1,394,990	1,526,736

The above figures are provisional and subject to audit.

Consolidated Statement of Financial Position

As at	31.12.2014	31.12.2013	31.03.2014
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	11,030,784	12,155,940	12,563,633
Investment Properties	1,683,130	578,453	1,683,130
Leasehold Right	121,325	87,640	145,847
Intangible Assets	732,458	1,274,678	1,333,219
Investment in Joint Ventures	1,292,299	2,922,418	2,018,096
Investment in Associates	388,623	378,579	380,303
Other Non Current Financial Assets	471,391	462,036	464,257
Deferred Tax Assets	55,028	45,694	58,581
	15,775,038	17,905,438	18,647,066
Current Assets			
Inventories	3,868,847	3,466,724	3,822,873
Trade and Other Receivables	7,309,882	6,573,212	6,575,911
Tax Recoverable	51,562	75,304	120,436
Other Current Financial Assets	617,611	442,766	507,758
Cash and Short Term Deposits	5,030,875	1,746,181	2,449,586
	16,878,777	12,304,187	13,476,564
Total Assets	32,653,815	30,209,625	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	196,390	348,844	400,289
Other Components of Equity	875,014	1,263,921	922,551
Retained Earnings	12,110,469	9,870,845	11,377,081
Equity attributable to equity holders of the parent	14,782,476	13,084,213	14,300,524
Non-Controlling Interests	2,127,413	3,203,513	3,329,111
Total Equity	16,909,889	16,287,726	17,629,635
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	3,439,181	3,599,857	3,464,922
Other Non Current Financial Liabilities	29,785	142,437	158,010
Deferred Tax Liabilities	271,321	244,467	273,055
Employee Benefit Liability	435,779	401,905	426,642
	4,176,066	4,388,666	4,322,629
Current Liabilities			
Trade and Other Payables	8,263,336	7,007,262	7,373,718
Income Tax Liabilities	100,047	143,163	109,199
Interest Bearing Loans and Borrowings	2,083,222	1,645,193	1,767,786
Bank Overdraft	1,121,255	737,615	920,663
	11,567,860	9,533,233	10,171,366
Total Equity and Liabilities	32,653,815	30,209,625	32,123,630
Net Asset per share - (Rs)	28.69	25.39	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

January 12, 2015



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							1,472,870	1,472,870	124,619	1,597,489
Other comprehensive income				2,406	(5,658)	(33,782)		(37,034)	(33,719)	(70,753)
Total comprehensive income	-	-	-	2,406	(5,658)	(33,782)	1,472,870	1,435,836	90,900	1,526,736
Dividends Paid - Ordinary Shares	-	-	-	-	-	-	(386,468)	(386,468)	(68,661)	(455,129)
Transfer to/from during the period										
- Overhaul Reserve/ Heat and Lube oil Reserve	-	(60,907)					60,907	-		-
- Available for sale reserve					(14,563)			(14,563)	(4,854)	(19,417)
Transaction cost on Issue of shares							(16,154)	(16,154)	(564)	(16,718)
Adjustment in respect of changes in Group Holding	-		1,041				(88,821)	(87,780)	927,655	839,875
Balance as at 31 December 2013	1,600,603	348,844	1,303,771	676	8,821	(49,347)	9,870,845	13,084,213	3,203,513	16,287,726
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							1,155,480	1,155,480	150,850	1,306,330
Other comprehensive income				101	(3,108)	40,212		37,205	51,455	88,660
Total comprehensive income	-	-	-	101	(3,108)	40,212	1,155,480	1,192,685	202,305	1,394,990
Dividends Paid - Ordinary Shares							(566,820)	(566,820)	(30,524)	(597,344)
Transfer to/from during the period										
- Overhaul Reserve/ Heat and Lube oil Reserve	-	(291,924)					218,943	(72,981)	72,981	-
- Deferred Tax Attributable to Revaluation Reserve	-		218					218	176	394
Transaction cost on Issue of shares	-						(6,188)	(6,188)	(1,281)	(7,469)
Adjustment in respect of changes in Group Holding	-	88,025	(84,960)				(68,027)	(64,962)	(1,445,355)	(1,510,317)
Balance as at 31 December 2014	1,600,603	196,390	866,405	(3,414)	4,262	7,761	12,110,469	14,782,476	2,127,413	16,909,889

Company Income Statement

	Three Months Ended		Change %	Nine Months Ended		Change %
	31.12.2014	31.12.2013		31.12.2014	31.12.2013	
<i>Rs '000</i>						
Revenue	156,206	180,229	(13.3)	492,445	467,948	5.2
Cost of Sales	-	-	-	-	-	-
Gross Profit	156,206	180,229	(13.3)	492,445	467,948	5.2
Other Operating Income	(208,653)	367,824	(156.7)	78,375	728,655	(89.2)
Administrative Expenses	(171,313)	(124,410)	37.7	(455,429)	(359,275)	26.8
Operating Profit/ (Loss)	(223,760)	423,643	(152.8)	115,391	837,328	(86.2)
Finance Cost	(58,739)	(65,457)	(10.3)	(164,647)	(225,295)	(26.9)
Finance Income	21,395	26,198	(18.3)	80,480	73,915	8.9
Profit/(Loss) Before Tax	(261,104)	384,384	(167.9)	31,224	685,948	(95.4)
Income Tax Expenses	5,109	1,477	245.9	(29,224)	(2,612)	1018.8
Profit/(Loss) for the Period	(255,995)	385,861	(166.3)	2,000	683,336	(99.7)

Statement of Comprehensive Income

	Three Months Ended		Nine Months Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
<i>Rs '000</i>				
Profit/(Loss) for the Period	(255,995)	385,861	2,000	683,336
Other Comprehensive Income				
Net (loss)/gain on available-for-sale financial assets	(3,640)	(12,100)	(3,107)	(9,218)
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	(3,640)	(12,100)	(3,107)	(9,218)
Total Comprehensive Income for the period, net of tax	(259,635)	373,761	(1,107)	674,118


The above figures are provisional and subject to audit

Statement of Financial Position -Company

As at	31.12.2014	31.12.2013	31.03.2014
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	144,516	172,894	169,472
Investment Properties	617,615	566,289	617,615
Intangible Assets	20,812	22,526	23,192
Investment in Subsidiaries	4,541,949	5,970,784	6,334,445
Investment in Joint Ventures	30,044	38,519	30,044
Other Non Current Financial Assets	488,653	373,507	425,455
	5,843,589	7,144,519	7,600,223
Current Assets			
Trade and Other Receivables	355,716	1,128,747	317,644
Tax Recoverable	11,298	11,921	17,940
Other Current Financial Assets	835,781	612,151	480,030
Cash and Short Term Deposits	2,466,143	110,188	364,468
	3,668,938	1,863,007	1,180,082
Total Assets	9,512,527	9,007,526	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	3,518	8,571	6,625
Retained Earnings	4,413,293	4,887,340	4,978,113
Total Equity	6,274,446	6,753,546	6,842,373
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	1,715,299	1,125,568	890,161
Other Non Current Financial Liabilities	8,840	4,383	8,840
Deferred Tax Liabilities	63,369	53,808	53,917
Employee Benefit Liability	20,484	28,892	33,809
	1,807,992	1,212,651	986,727
Current Liabilities			
Trade and Other Payables	196,846	116,081	133,451
Interest Bearing Loans and Borrowings	776,430	910,987	719,580
Bank Overdraft	456,813	14,261	98,174
	1,430,089	1,041,329	951,205
Total Equity and Liabilities	9,512,527	9,007,526	8,780,305
Net Asset per share - (Rs)	12.18	13.11	13.28

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Malinga Arakularatne
Chief Financial Officer

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



Husein Esufally
Chairman
Colombo
January 12, 2015



Steven Enderby
Chief Executive Officer

Statement of Changes in Equity- Company

<i>Rs '000</i>	Other Component Of Equity				Total Equity
	Stated Capital	Other Capital Reserves	Available for Sale Reserve	Retained Earnings	
Balance as at 1 April 2013	1,600,603	257,032	17,789	4,590,472	6,465,896
Profit for the period	-	-	-	683,336	683,336
Other comprehensive income	-	-	(9,218)	-	(9,218)
Total comprehensive income	-	-	(9,218)	683,336	674,118
Dividends Paid - Ordinary Shares					
Final dividend paid 2012/2013				(231,881)	(231,881)
Interim dividend paid 2013/2014				(154,587)	(154,587)
Balance as at 31 December 2013	1,600,603	257,032	8,571	4,887,340	6,753,546
Balance as at 1 April 2014	1,600,603	257,032	6,625	4,978,113	6,842,373
Profit for the period	-	-	-	2,000	2,000
Other comprehensive income	-	-	(3,107)	-	(3,107)
Total comprehensive income	-	-	(3,107)	2,000	(1,107)
Dividends Paid - Ordinary Shares					
Final Dividend Paid 2013/2014				(360,703)	(360,703)
Interim Dividend Paid 2014/2015				(206,117)	(206,117)
Balance as at 31 December 2014	1,600,603	257,032	3,518	4,413,293	6,274,446

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Cash Flow Statement

For Nine months ended 31 December <i>Rs '000</i>	Group		Company	
	2014	2013	2014	2013
Operating Activities				
Profit before tax from continuing operations	1,967,204	1,663,764	31,224	685,948
Profit/(loss) before tax from discontinued operations	(181,059)	372,152		
Adjustments for				
Depreciation	597,561	511,068	38,181	28,185
(Gain)/Loss on Disposal of Property, Plant and Equipment	(103,689)	(385,575)	(104)	609
Amortisation/ Impairment of Intangible Assets	16,770	-	-	1,756
(Gain)/ Loss on Sale of Non-Current Investments	300,998	-	300,423	(148,503)
Amortisation of Leasehold Rights	10,903	-	-	-
Impairment Property, Plant and Equipment/Leasehold Rights	1,500	39,054	-	-
Exchange Gain or Loss on Foreign Currency Borrowings	7,071	4,433	-	-
Re-classification of Available for sale reserve to Profit and Loss	-	(19,417)	-	-
Finance Cost	374,792	372,136	164,647	225,295
Finance Income	(94,960)	(144,018)	(80,480)	(73,915)
Share of results of Associates/Joint Ventures	(7,177)	(85,829)	-	-
Investment Income	-	-	(373,350)	(575,098)
Movement in Employee Benefit Liability	64,288	49,030	6,182	2,485
Working Capital Adjustments				
(Increase)/Decrease in Inventories	(52,370)	(513,903)	-	-
(Increase)/Decrease in Trade and Other Receivables	(1,080,225)	(603,194)	(38,073)	(98,200)
Increase/(Decrease) in Trade and Other Payables	731,632	1,367,002	63,395	(43,721)
Increase/(Decrease) in Other Non Current Financial Liabilities	-	2,094	-	-
Finance Cost Paid	(298,665)	(372,136)	(164,647)	(225,295)
Finance Income Received	81,916	109,182	76,983	58,944
Income Tax Paid	(383,414)	(414,666)	(13,127)	(6,598)
Employee Retirement Benefit Paid	(45,590)	(20,704)	(19,507)	(507)
Net Cash flows from/(Used in) Operating Activities	1,907,486	1,930,473	(8,253)	(168,615)
Investing Activities				
Purchase of Property, Plant and Equipment	(820,717)	(1,557,905)	(11,458)	(55,943)
Investment in Intangible Assets	(20,175)	(76,091)	(2,448)	(23,884)
Disposal of/ Investment in Financial Assets	(29,930)	(166,616)	104,727	1,209
Investment in Subsidiaries/Joint Ventures	(3,000)	(1,529,091)	(188,489)	-
Acquisition of Subsidiaries	(536,665)	(1,998,897)	1,680,962	521,852
Disposal/derecognition of Joint ventures	531,753	-	-	-
Proceeds from Disposal of Subsidiary	950,625	-	-	-
Dividend Received from Joint Venture/Associate	39,000	106,159	-	-
Investment Income Received	-	-	373,350	575,098
Proceeds on Disposal of Property, Plant and Equipment/ Intangible Assets / Leasehold Property	169,734	843,251	3,167	7,984
Net Cash flows from/(Used in) Investing Activities	280,625	(4,379,190)	1,959,811	1,026,316
Financing Activities				
Interest Bearing Loans and Borrowings (Net)	867,407	2,587,558	358,298	(419,324)
Transaction cost on Subsidiary Share Issue	(7,469)	(16,718)	-	-
Proceeds from Non-Controlling Interests	(70,038)	(592,608)	-	-
Dividends Paid - Equity Holders of the Parent	(566,820)	(386,468)	(566,820)	(386,468)
- Non-Controlling Interests	(30,524)	(68,661)	-	-
Net Cash flows from/(Used in) Financing Activities	192,556	1,523,103	(208,522)	(805,792)
Net Increase/(Decrease) in Cash and Cash Equivalents	2,380,667	(925,614)	1,743,036	51,909
Net Foreign Exchange Difference	30	(1,846)	-	-
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	3,909,620	1,008,566	2,009,329	95,927

The above figures are provisional and subject to audit

Hemas Holdings PLC- Interim Report 3rd Quarter 2014-2015

Segmental Information

For Three months ended 31 December	FMCG		Healthcare		Leisure		Transportation		Others		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<i>Rs '000</i>												
Revenue												
Segmental Revenue - Gross	3,032,456	2,522,000	3,604,641	3,084,886	765,013	719,546	390,568	339,105	703,394	817,167	8,496,072	7,482,704
Intra Segmental Revenue	-	-	(37,027)	(13,932)	-	-	-	-	(22,085)	(21,558)	(59,112)	(35,490)
Segmental Revenue	3,032,456	2,522,000	3,567,614	3,070,954	765,013	719,546	390,568	339,105	681,309	795,609	8,436,960	7,447,214
Inter Segmental Revenue	-	-	-	(32)	-	-	-	-	(195,285)	(166,840)	(195,285)	(166,872)
Total Revenue	3,032,456	2,522,000	3,567,614	3,070,922	765,013	719,546	390,568	339,105	486,024	628,769	8,241,675	7,280,342
Segmental Results	276,432	221,700	369,455	314,935	94,025	107,306	98,519	111,867	(105,049)	(111,327)	733,382	644,481
Finance Cost	(69)	331	(46,737)	(63,669)	(8,362)	57,577	(4,819)	(9,361)	(55,134)	(48,042)	(115,121)	(63,164)
Finance Income	10,369	9,501	2,377	3,407	4,191	1,619	7,139	5,881	5,919	29,899	29,995	50,307
Share of results of Joint ventures & Associates	-	-	-	-	1,271	29,189	37,606	(393)	-	-	38,877	28,796
Profit/(Loss) before Tax	286,732	231,532	325,095	254,673	91,125	195,691	138,445	107,994	(154,264)	(129,470)	687,133	660,420
Income Tax	(43,613)	(31,374)	(61,496)	(73,008)	(7,187)	(3,169)	(23,344)	(12,537)	(22,829)	(27,768)	(158,469)	(147,856)
Profit / (Loss) from Continuing Operations	243,119	200,158	263,599	181,665	83,938	192,522	115,101	95,457	(177,093)	(157,238)	528,664	512,564
Profit / (Loss) from Discontinued Operations											(185,006)	107,830
Profit / (Loss) for the Period	243,119	200,158	263,599	181,665	83,938	192,522	115,101	95,457	(177,093)	(157,238)	343,658	620,394
Attributable to:												
Equity Holders of the Parent	241,157	198,021	260,142	187,670	40,392	100,802	109,810	93,482	(179,358)	(155,737)	268,573	488,665
Non-Controlling Interests	1,962	2,137	3,457	(6,005)	43,546	91,720	5,291	1,975	2,265	(1,501)	75,085	131,729
	243,119	200,158	263,599	181,665	83,938	192,522	115,101	95,457	(177,093)	(157,238)	343,658	620,394

The above figures are provisional and subject to audit

Segmental Information

For Nine months ended 31 December	FMCG		Healthcare		Leisure		Transportation		Others		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<i>Rs '000</i>												
Revenue												
Segmental Revenue - Gross	8,971,191	7,236,864	10,166,057	8,901,890	1,982,694	1,592,848	1,113,915	908,589	2,176,036	1,852,283	24,409,893	20,492,474
Intra Segmental Revenue			(99,601)	(79,738)					(68,849)	(61,752)	(168,450)	(141,490)
Segmental Revenue	8,971,191	7,236,864	10,066,456	8,822,152	1,982,694	1,592,848	1,113,915	908,589	2,107,187	1,790,531	24,241,443	20,350,984
Inter Segmental Revenue	-	-	-	(32)	-	-	-	-	(601,329)	(571,175)	(601,329)	(571,207)
Total Revenue	8,971,191	7,236,864	10,066,456	8,822,120	1,982,694	1,592,848	1,113,915	908,589	1,505,858	1,219,356	23,640,114	19,779,777
Segmental Results	896,400	659,797	995,299	740,655	137,362	53,207	288,722	335,688	(247,685)	47,724	2,070,098	1,837,071
Finance Cost	(1,697)	(1,765)	(155,918)	(164,258)	(27,453)	(45,020)	(16,957)	(19,426)	(140,293)	(112,350)	(342,318)	(342,819)
Finance Income	19,121	50,737	6,009	12,808	10,709	6,260	21,531	28,648	38,258	47,187	95,628	145,640
Share of results of Joint ventures & Associates	-	-	-	-	34,036	28,400	109,760	(4,528)	-	-	143,796	23,872
Profit/(Loss) before Tax	913,824	708,769	845,390	589,205	154,654	42,847	403,056	340,382	(349,720)	(17,439)	1,967,204	1,663,764
Income Tax	(107,422)	(102,139)	(164,624)	(172,162)	(22,161)	(22,918)	(57,855)	(51,667)	(114,420)	(75,487)	(466,482)	(424,373)
Profit / (Loss) from Continuing Operations	806,402	606,630	680,766	417,043	132,493	19,929	345,201	288,715	(464,140)	(92,926)	1,500,722	1,239,391
Profit / (Loss) from Discontinued Operations											(194,392)	358,098
Profit / (Loss) for the Period	806,402	606,630	680,766	417,043	132,493	19,929	345,201	288,715	(464,140)	(92,926)	1,306,330	1,597,489
Attributable to:												
Equity Holders of the Parent	802,789	605,112	675,176	456,390	66,141	25,497	328,812	281,840	(468,453)	(101,777)	1,155,480	1,472,870
Non-Controlling Interests	3,613	1,518	5,590	(39,347)	66,352	(5,568)	16,389	6,875	4,313	8,851	150,850	124,619
	806,402	606,630	680,766	417,043	132,493	19,929	345,201	288,715	(464,140)	(92,926)	1,306,330	1,597,489

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 Company paid a final dividend of Rs. 0.40 per share on 02 December 2014, for the financial year ended 31 March 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 Group divested 93,900,000 Shares of Hemas Power PLC (presently known as Resus Energy PLC) at a total Consideration of RS.1,680Mn on 05 December 2014.
Hence, the Power segment has been classified as a discontinued operation as required by SLFRS 5, Non-Current Assets Held for sale and Discontinued Operations and the results of the Power Group as of the disposal date is presented in Page 12.
- 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.

Result from Discontinued operations

<i>Rs '000</i>	Three Months Ended		Change %	Nine Months Ended		Change %
	31.12.2014	31.12.2013		31.12.2014	31.12.2013	
Revenue	184,684	144,607	27.7	446,359	480,311	(7.1)
Cost of Sales	(18,129)	(24,535)	(26.1)	(68,309)	(69,130)	(1.2)
Gross Profit	166,555	120,072	38.7	378,050	411,181	(8.1)
	-	-				
Disposal loss on Heladhanavi	(143,918)	-	(100.0)	(143,918)	-	(100.0)
Disposal loss on Power	(156,827)	-	(100.0)	(156,827)	-	100.0
Other Operating Income	-	2,373	(100.0)	-	21,790	(100.0)
Administrative Expenses	(19,708)	(29,688)	(33.6)	(88,602)	(91,837)	(3.5)
Share of results of Joint ventures & Associates	(8,305)	33,043	(125.1)	(136,619)	61,957	(320.5)
Operating Profit	(162,203)	125,800	(228.9)	(147,916)	403,091	(136.7)
Finance Cost	(20,640)	(58,416)	(64.7)	(61,023)	(99,499)	(38.7)
Finance Income	7,183	45,990	(84.4)	27,880	68,561	(59.3)
Profit Before Tax	(175,660)	113,374	(254.9)	(181,059)	372,153	(148.7)
Income Tax Expense	(9,346)	(5,544)	68.6	(13,333)	(14,055)	(5.1)
Profit for the period	(185,006)	107,830	(271.6)	(194,392)	358,098	(154.3)

Investor Information

	Three months Ended	
	31.12.2014	31.12.2013
Market Value of Shares		
Closing Price on 31 December (Rs)	74.30	34.00
Highest Price during the Period (Rs)	76.00	34.70
Lowest Price during the Period (Rs)	58.00	31.50
Market Capitalization on 30 December (Rs Mn)	38,286	17,520
Ratios		
Net Asset Per Share on 31 December (Rs)	28.69	25.39
Price Earnings Ratio on 31 December (times)	23.58	9.24
Debt security related ratios		
Debt/Equity Ratio	39%	37%
Quick Asset Ratio	1.12	0.93
Interest Cover	6.75	5.85
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)	7.18%	-
Closing Price on 30 December (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	3,098	926
No of shares traded during the Period	19,236,416	3,535,671
Value of shares traded during the Period (Rs Mn)	1,303	117
Number of Shares	515,290,620	515,290,620

Share Information

LIST OF 20 MAJOR SHAREHOLDERS	31.12.2014		31.12.2013	
	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 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 HSBC Intl Nominees Ltd-JPMLP-Franklin Templeton Investment Funds	37,153,700	7.21	-	-
6 Pemberton Asian Opportunities Fund	10,000,000	1.94	-	-
7 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
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 Mr. I.A.H. Esufally	4,424,000	0.86	4,424,000	0.86
13 Anverally and sons (pvt) Ltd A/C no 01	3,997,820	0.78	4,207,881	0.82
14 HSBC Intl Nom Ltd-SSBT- Wasatch Frontier Emerging Small Countries Fund	3,868,367	0.75	-	-
15 HSBC Intl Nom Ltd-JPMCB- Pacific Assests Trust PLC	3,051,800	0.59	3,051,800	0.59
16 HSBC Intl Nom Ltd-State Street Luxembourg c/o SSBT - Alliancebernstein Next 50 Emerging Markets (Maste)	2,915,348	0.57	-	-
17 Mellon Bank N.A.-Frontier Market Select Fund II L.P	2,805,800	0.54	-	-
18 Mellon Bank N.A.-Frontier Market Oppprtunities Master Fund,L.P	2,765,087	0.54	-	-
19 HSBC Intl Nom Ltd-Bbh-Grandeur Peak Emerging Markets Opportunities Fund	2,492,145	0.48	-	-
20 Cocoshell Activated Carbon Company Ltd.	2,439,113	0.47	2,829,390	0.55

DIRECTORS' SHAREHOLDING	31.12.2014		31.12.2013	
	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	31.12.2014		31.12.2013	
	No. of Shares		No. of Shares	
Issued Share Capital	515,290,620		515,290,620	
Less:Directors' Direct and Indirect Shareholding	367,222,865		367,222,865	
Close Family Members	2,500,000		-	
Public Holding	145,567,755		148,067,755	
Public Holding as a % of Issued Share Capital	28.25%		28.73%	
Total Number of Shareholders	4,723			
Number of persons holdings Shares Excluded when computing Public Holding %	12			
Number of Shareholders representing the Public Holding	4,711			

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