



Hemas Holdings PLC Interim Report- 2nd Quarter 2015/16

A large, vertical rectangular image with a dark blue and black background filled with numerous small white stars and larger, glowing blue and green nebulae. The text "ENERGIZE. EXPLORE." is centered in the middle of this image in a white, serif font.

ENERGIZE. EXPLORE.

CEO's REVIEW

It is a pleasure to present to you the interim results for the first half of the 2015/16 financial year for Hemas Holdings PLC (HHL). HHL recorded a solid first half performance with consolidated Group revenue of Rs. 18.4Bn for the six months ended September 30, 2015, reflecting a Year-on-Year (YoY) growth of 19.6%. This led to an operating profit of Rs. 1.6Bn and earnings of Rs. 1.1Bn, a growth of 11.6% and 18.4% respectively. However, last year's corresponding period includes a one-off capital gain of Rs. 89Mn from the sale of the Nimex Brand and excluding the same, the underlying earnings growth of the Group stood at 31.6% over last year.

During the second quarter of FY15/16, the Group recorded a revenue growth of 16.7% compared with the same quarter last year. Good growth was recorded by the FMCG and Healthcare sectors of 16.3% each. However, both operating profit and earnings shows a negative growth of 1.2% and 0.7% respectively, due to exchange losses from our new hotel and the one-off capital gain and profit from discontinued operations recorded in the previous year. Excluding these, operating profit and earnings recorded an underlying growth of 9.0% and 16.6% respectively.

The FMCG sector reported revenues of Rs. 7.4Bn for the six months under consideration, a 24.5% YoY increase on the previous financial year. The sector earnings were driven by a volume growth across our major brands in personal wash, personal care, feminine hygiene and home care and in both general trade and modern trade sales channels. Further, the introduction of new product variants in Diva, Fems and Velvet brands directly complemented the higher topline growth. Our Bangladesh operation maintained its high revenue growth almost doubling last year's performance with the extended market reach through our recently established sales team starting to deliver. The FMCG sector recorded PBT growth of 30.3% growth and underlying earnings growth of 30.1% excluding one-off capital gains.

Fuelled by 16.7% growth in our pharmaceutical distribution business topline, the healthcare segment of the Group achieved sales of Rs.7.7Bn for the six months ended September 30, 2015. We continued to maintain our market leadership position in pharmaceutical distribution. This is an encouraging performance during a period of significant regulatory change in the pharmaceutical industry. Spurred by increased demand for healthcare in the country and the growing diagnostic network of the Group, all three hospitals recorded a YoY growth in revenue of 29.9%. Earnings growth recorded by the segment has been improved by hospitals performance while the rupee devaluation has negatively impacted pharmaceutical imports.

JL Morison posted a significant topline growth of 35.7% and an earnings growth of 77.6%. Both healthcare and OTC/Consumer brands contributed significantly towards the overall revenue growth. Revenue growth in healthcare was driven by increasing sales through the Rx pharmaceutical buy back arrangement with the Government of Sri Lanka. The high growth rates in revenue and earnings are also in part due to the plant closure in the previous year reducing both the revenue and earnings during 14/15.

Transportation sector revenue of Rs. 828.7Mn reflects a YoY growth of 14.6%, stemming from strong performance of our logistics business. The growth of the logistics business was mainly due to the securing of new projects, warehouses operating with full capacity and haulage business growing with the car carrier operation performing well. However, container depot performance was impacted with lower volumes and it was a challenging first half for the GSA businesses, due to the decline in outbound travel and low yields of ticketing income. As a result, the segmental earnings from the transportation sector stood at Rs.189Mn, a 13.5% drop from the previous year.

The leisure segment recorded a total revenue of Rs. 1.3Bn for the six months under consideration, registering a 7.5% increase over that of the first half of financial year 2014/15. The increase was primarily driven by the healthy overall occupancy rate of 74%. Our two new 5 star properties which are under construction are now at an advanced stage of completion. Anantara, Peace Haven, Tangalle will commence its operations in December 2015 and we continue to make good progress at Anantara Kalutara, which is scheduled to open in the first half of 2016.

Our IT solutions business N*able has delivered revenue growth of 12.3%. However, earnings growth was negative due to key projects not materializing on schedule.

With good growth in our key sectors and the team continuing to work hard to improve the performance of the Group, we remain optimistic that we will achieve continued growth in the remainder of the year.



Steven Enderby

Chief Executive Officer

Colombo

November 09, 2015

Consolidated Statement of Profit or Loss

Rs '000	Three Months Ended		Change	Six Months Ended		Change
	30.09.2015	30.09.2014	%	30.09.2015	30.09.2014	%
Continuing Operations						
Revenue	9,596,477	8,225,483	16.7	18,411,644	15,398,439	19.6
Cost of Sales	(6,103,432)	(5,258,506)	16.1	(11,741,224)	(9,901,210)	18.6
Gross Profit	3,493,045	2,966,977	17.7	6,670,420	5,497,229	21.3
Other Operating Income	64,626	126,657	(49.0)	134,429	159,145	(15.5)
Selling and Distribution Costs	(1,015,599)	(799,068)	27.1	(2,067,214)	(1,594,452)	29.7
Administrative Expenses	(1,549,802)	(1,392,678)	11.3	(3,091,842)	(2,722,703)	13.6
Share of results of Joint ventures & Associates	(53,993)	48,098	(212.3)	(34,244)	104,918	(132.6)
Operating Profit	938,277	949,986	(1.2)	1,611,549	1,444,137	11.6
Finance Cost	(117,060)	(105,435)	11.0	(240,378)	(227,198)	5.8
Finance Income	160,037	29,210	447.9	269,181	63,132	326.4
Profit Before Tax	981,254	873,761	12.3	1,640,352	1,280,071	28.1
Income Tax Expense	(293,728)	(201,245)	46.0	(523,925)	(308,013)	70.1
Profit for the period from Continuing Operations	687,526	672,516	2.2	1,116,427	972,058	14.9
Discontinued Operations						
Profit/ (Loss) after tax from Discontinued operations	-	44,910	(100.0)	-	(9,386)	100.0
Profit for the period	687,526	717,426	(4.2)	1,116,427	962,672	16.0
Attributable to:						
Equity Holders of the Parent	635,365	640,165	(0.7)	1,050,309	886,907	18.4
Non-Controlling Interests	52,161	77,261	(32.5)	66,118	75,765	(12.7)
	687,526	717,426	(4.2)	1,116,427	962,672	16.0
Earnings Per Share (Rs)	1.11	1.24		1.83	1.72	
Earnings Per Share for Continuing Operations (Rs)	1.11	1.61		1.83	1.81	
Annualised Earnings Per Share (Rs)	4.44	5.40		3.67	4.10	
Diluted Earnings Per Share	1.13	1.24		1.87	1.72	
Dividend per share	0.70	0.70		0.70	0.70	

Consolidated Statement of Comprehensive Income

Rs '000	Three Months Ended		Six Months Ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Profit for the Period	687,526	717,426	1,116,427	962,672
Other Comprehensive Income				
Actuarial (loss)/gain on defined benefit plans	-	-	-	-
Net (loss)/gain on available-for-sale financial assets	5,095	527	(7,439)	533
Exchange differences on translation of foreign operations	13,274	468	14,668	300
Net movement on cash flow hedges	(22,927)	57,739	(46,228)	68,313
Revaluation of land and buildings	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-
Other Comprehensive Income for the period, net of tax	(4,558)	58,734	(38,999)	69,146
Total Comprehensive Income for the period, net of tax	682,968	776,160	1,077,428	1,031,818
Attributable to:				
Equity Holders of the Parent	640,361	664,043	1,034,006	916,425
Non-Controlling Interests	42,607	112,117	43,422	115,393
	682,968	776,160	1,077,428	1,031,818

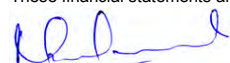
The above figures are provisional and subject to audit.

Consolidated Statement of Financial Position

As at	30.09.2015	30.09.2014	31.03.2015
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	11,544,590	13,333,901	11,465,089
Investment Properties	1,763,665	1,683,130	1,763,665
Leasehold Right	102,591	124,819	109,545
Intangible Assets	739,748	1,508,020	755,953
Investment in Joint Ventures	1,423,616	1,939,182	1,235,763
Investment in Associates	371,285	393,647	383,561
Other Non Current Financial Assets	491,914	434,075	1,060,198
Deferred Tax Assets	63,590	57,850	72,731
	16,500,999	19,474,624	16,846,505
Current Assets			
Inventories	4,277,538	3,514,815	4,135,584
Trade and Other Receivables	8,667,854	7,587,172	7,214,110
Tax Recoverable	50,508	67,560	59,229
Other Current Financial Assets	139,605	507,549	446,479
Cash and Short Term Deposits	10,662,512	3,736,386	5,736,413
	23,798,017	15,413,482	17,591,815
Total Assets	40,299,016	34,888,106	34,438,320
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	5,722,837	1,600,603	1,600,603
Other Capital and Revenue Reserves	41,740	217,101	35,681
Other Components of Equity	1,275,772	951,834	1,292,039
Retained Earnings	13,315,948	11,989,644	12,730,653
Equity attributable to equity holders of the parent	20,356,297	14,759,182	15,658,976
Non-Controlling Interests	2,216,577	3,425,231	2,263,623
Total Equity	22,572,874	18,184,413	17,922,599
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	3,138,206	4,097,490	3,420,154
Other Non Current Financial Liabilities	10,603	92,289	29,883
Deferred Tax Liabilities	291,932	294,432	260,979
Employee Benefit Liability	574,178	427,498	533,599
	4,014,919	4,911,709	4,244,615
Current Liabilities			
Trade and Other Payables	10,106,971	8,079,332	8,964,237
Income Tax Liabilities	254,286	71,660	146,207
Interest Bearing Loans and Borrowings	1,921,536	2,499,838	1,649,242
Bank Overdraft	1,428,430	1,141,154	1,511,420
	13,711,223	11,791,984	12,271,106
Total Equity and Liabilities	40,299,016	34,888,106	34,438,320
Net Asset per share - (Rs)	35.55	28.64	30.39

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 09, 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			Cash flow hedge Reserve				
			Revaluation Reserve	Exchange Reserve	Available for sale Reserve					
<i>Rs '000</i>										
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	-
- 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
Balance as at 1 April 2015	1,600,603	35,681	1,249,962	(2,288)	6,831	37,534	12,730,653	15,658,976	2,263,623	17,922,599
Profit for the period	-	-	-	-	-	-	1,050,309	1,050,309	66,118	1,116,427
Other comprehensive income	-	-	-	14,498	(7,469)	(23,331)	-	(16,302)	(22,696)	(38,998)
Total comprehensive income	-	-	-	14,498	(7,469)	(23,331)	1,050,309	1,034,007	43,422	1,077,429
Rights Issue	4,122,234	-	-	-	-	-	-	4,122,234	-	4,122,234
Dividends Paid - Ordinary Shares							(400,782)	(400,782)	-	(400,782)
Transfer to/from during the period										
- Deferred Tax Attributable to Revaluation Reserve	-	-	35	-	-	-	-	35	-	35
Exercise of Share Options	-	6,059	-	-	-	-	-	6,059	-	6,059
Transaction cost on Rights Issue	-	-	-	-	-	-	(65,178)	(65,178)	(498)	(65,676)
Dividends to Non Controlling Interests	-	-	-	-	-	-	-	-	(100,881)	(100,881)
Adjustment in respect of changes in Group Holding							946	946	10,911	11,857
Balance as at 30 September 2015	5,722,837	41,740	1,249,997	12,210	(638)	14,203	13,315,948	20,356,297	2,216,577	22,572,874

Statement of Profit or Loss (Company)

<i>Rs '000</i>	Three Months Ended		Change %	Six Months Ended		Change %
	30.09.2015	30.09.2014		30.09.2015	30.09.2014	
Revenue	163,964	167,868	(2.3)	323,211	336,239	(3.9)
Cost of Sales	-	-	-	-	-	-
Gross Profit	163,964	167,868	(2.3)	323,211	336,239	(3.9)
Other Operating Income	259,827	285,284	(8.9)	291,742	287,028	1.6
Administrative Expenses	(156,916)	(151,129)	3.8	(315,625)	(284,116)	11.1
Operating Profit	266,875	302,023	(11.6)	299,328	339,151	(11.7)
Finance Cost	(53,572)	(60,155)	(10.9)	(109,799)	(105,908)	3.7
Finance Income	133,038	30,617	334.5	222,981	59,085	277.4
Profit Before Tax	346,341	272,485	27.1	412,510	292,328	41.1
Income Tax Expenses	898	(7,469)	(112.0)	(34,684)	(34,333)	1.0
Profit for the Period	347,239	265,016	31.0	377,826	257,995	(46.4)

Statement of Comprehensive Income (Company)

<i>Rs '000</i>	Three Months Ended		Six Months Ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Profit for the Period	347,239	265,016	377,826	257,995
Other Comprehensive Income/ (Expense)				
Net (loss)/gain on available-for-sale financial assets	(4,175)	527	(7,713)	533
Exchange differences on translation of foreign operations	-	-	-	-
Net movement on cash flow hedges	-	-	-	-
Revaluation of land and buildings	-	-	-	-
Actuarial Gain/(losses) on defined benefit plans	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-
Other Comprehensive Income/ (Expense) for the period, net of tax	(4,175)	527	(7,713)	533
Total Comprehensive Income for the period, net of tax	343,064	265,543	370,113	258,528

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Statement of Financial Position (Company)

As at	30.09.2015	30.09.2014	31.03.2015
<i>Rs '000</i>			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	135,597	145,628	146,940
Investment Properties	675,750	617,615	675,750
Intangible Assets	21,854	21,979	27,299
Investment in Subsidiaries	4,548,889	6,513,934	4,532,536
Investment in Joint Ventures	-	30,044	-
Other Non Current Financial Assets	414,892	396,267	423,355
	5,796,982	7,725,467	5,805,880
Current Assets			
Trade and Other Receivables	847,012	623,400	1,229,648
Tax Recoverable	11,040	5,878	17,054
Other Current Financial Assets	1,045,396	512,949	1,129,426
Cash and Short Term Deposits	6,424,317	1,217,034	1,992,990
	8,327,765	2,359,261	4,369,118
Total Assets	14,124,747	10,084,728	10,174,998
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	5,722,837	1,600,603	1,600,603
Other Capital Reserves	263,091	257,032	257,032
Other Components of Equity	(1,693)	7,158	6,020
Retained Earnings	5,042,743	4,875,405	5,130,187
Total Equity	11,026,978	6,740,198	6,993,842
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	1,607,748	1,825,924	1,680,698
Other Non Current Financial Liabilities	5,051	8,840	9,434
Deferred Tax Liabilities	52,277	63,560	53,002
Employee Benefit Liability	27,885	18,679	27,686
	1,692,961	1,917,003	1,770,820
Current Liabilities			
Trade and Other Payables	425,948	219,470	387,445
Interest Bearing Loans and Borrowings	743,000	903,093	290,201
Bank Overdraft	235,860	304,964	732,690
	1,404,808	1,427,527	1,410,336
Total Equity and Liabilities	14,124,747	10,084,728	10,174,998
Net Asset per share - (Rs)	19.26	13.08	13.57

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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

November 09, 2015



Steven Enderby

Chief Executive Officer

Statement of Changes in Equity (Company)

	Other Component Of Equity			Retained Earnings	Total Equity
	Stated Capital	Other Capital Reserves	Available for Sale Reserve		
<i>Rs '000</i>					
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
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
Balance as at 1 April 2015	1,600,603	257,032	6,020	5,130,187	6,993,842
Profit for the period	-	-	-	377,826	377,826
Other comprehensive income	-	-	(7,713)	-	(7,713)
Total comprehensive income	-	-	(7,713)	377,826	370,113
Rights Issue	4,122,234	-	-	-	4,122,234
Transaction cost of Rights issue	-	-	-	(64,488)	(64,488)
Exercise of Share Option	-	6,059	-	-	6,059
Final Dividend Paid 2014/15	-	-	-	(400,782)	(400,782)
Balance as at 30 September 2015	5,722,837	263,091	(1,693)	5,042,743	11,026,978

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Statement of Cash Flows

For six months ended 30 September <i>Rs '000</i>	Group		Company	
	2015	2014	2015	2014
Operating Activities				
Profit before tax from continuing operations	1,640,352	1,280,071	412,510	292,328
Profit/(loss) before tax from discontinued operations	-	(5,399)	-	-
Adjustments for				
Depreciation	429,946	402,599	21,828	25,487
(Gain)/Loss on Disposal of Property, Plant and Equipment	(4,321)	(98,058)	(111)	(104)
Provision for Share based payment expense	6,059	-	1,394	-
Amortisation/ Impairment of Intangible Assets	11,474	4,046	5,445	-
Amortisation of Leasehold Rights	6,954	7,408	-	-
Impairment Property, Plant and Equipment/ Leasehold Rights	5,000	6,500	-	-
Exchange Gain or Loss on Foreign Currency Borrowings	1,698	6,418	-	-
Finance Cost	240,378	246,169	109,799	105,908
Finance Income	(269,181)	(64,919)	(222,981)	(59,085)
Share of results of Associates/Joint Ventures	34,244	23,395	-	-
Investment Income	-	-	(288,861)	(283,348)
Movement in Employee Benefit Liability	51,972	48,774	1,850	4,121
Working Capital Adjustments				
(Increase)/Decrease in Inventories	(141,954)	308,059	-	-
(Increase)/Decrease in Trade and Other Receivables	(1,453,744)	(986,513)	387,305	(305,758)
Increase/(Decrease) in Trade and Other Payables	1,143,614	431,203	38,498	86,024
Increase/(Decrease) in Other Non Current Financial Liabilities	(19,280)	1,778	(4,383)	-
Finance Cost Paid	(240,378)	(246,169)	(109,799)	(105,908)
Finance Income Received	268,109	54,862	222,981	55,202
Income Tax Paid	(361,383)	(264,366)	(29,398)	(12,628)
Employee Retirement Benefit Paid	(11,396)	(47,918)	(1,651)	(19,251)
Net Cash flows from/(Used in) Operating Activities	1,338,163	1,107,940	544,426	(217,012)
Investing Activities				
Purchase of Property, Plant and Equipment	(536,072)	(549,896)	(24,146)	(3,491)
Investment in Intangible Assets	(267)	(17,215)	-	-
Disposal of/ Investment in Financial Assets	868,790	40,448	304,602	33,850
Investment in Subsidiaries/Joint Ventures	(250,512)	(3,000)	(16,352)	(179,489)
Acquisition of Subsidiaries	-	(536,665)	-	-
Dividend Received from Joint Venture/ Associate	34,200	39,000	-	-
Investment Income Received	-	-	288,861	283,348
Proceeds on Disposal of Property, Plant and Equipment/ Intangible Assets / Leasehold Property	32,092	147,130	13,774	3,167
Net Cash flows from/(Used in) Investing Activities	148,231	(880,198)	566,739	137,385
Financing Activities				
Interest Bearing Loans and Borrowings (Net)	(57,580)	1,355,211	160,028	1,086,107
Transaction cost on Share Issue	(65,676)	(7,469)	(64,488)	-
Proceeds from Share Issue	4,122,234	-	4,122,234	-
Proceeds to Non-Controlling Interests	11,857	(106,668)	-	-
Dividends Paid - Equity Holders of the Parent	(400,782)	(360,703)	(400,782)	(360,703)
- Non-Controlling Interests	(100,881)	(42,113)	-	-
Net Cash flows from/(Used in) Financing Activities	3,509,172	838,258	3,816,992	725,404
Net Increase/(Decrease) in Cash and Cash Equivalents	4,995,566	1,066,000	4,928,157	645,777
Net Foreign Exchange Difference	13,523	309	-	-
Cash and Cash Equivalents at the beginning of the Year	4,224,993	1,528,923	1,260,300	266,293
Cash and Cash Equivalents at the end of the period	9,234,082	2,595,232	6,188,457	912,070

The above figures are provisional and subject to audit

Segmental Information

For three months ended 30 September	FMCG		Healthcare		Leisure		Transportation		Power		Others		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Rs '000														
Revenue														
Segmental Revenue - Gross	3,636,754	3,065,060	4,098,219	3,523,464	780,125	702,778	429,658	388,988	-	-	984,645	804,589	9,929,401	8,484,879
Intra Segmental Revenue	(71,842)	-	(35,406)	(30,425)	-	-	-	-	-	-	(26,054)	(23,949)	(133,302)	(54,374)
Segmental Revenue	3,564,912	3,065,060	4,062,813	3,493,039	780,125	702,778	429,658	388,988	-	-	958,591	780,640	9,796,099	8,430,505
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(199,622)	(205,022)	(199,622)	(205,022)
Total Revenue	3,564,912	3,065,060	4,062,813	3,493,039	780,125	702,778	429,658	388,988	-	-	758,969	575,618	9,596,477	8,225,483
Segmental Results														
Finance Cost	(3)	(249)	(48,300)	(39,999)	(5,728)	(8,106)	(5,120)	(5,855)	-	-	(57,909)	(51,226)	(117,060)	(105,435)
Finance Income	12,329	4,858	2,097	2,149	3,871	3,363	7,239	7,718	-	-	134,501	11,122	160,037	29,210
Share of results of Joint ventures & Associa	-	-	-	-	(86,303)	10,149	32,310	37,949	-	-	-	-	(53,993)	48,098
Profit/(Loss) before Tax	407,125	368,766	381,473	363,238	520	52,381	131,335	148,246	-	-	60,801	(58,870)	981,254	873,761
Income Tax	(106,562)	(37,722)	(93,624)	(77,695)	(15,789)	(10,057)	(17,818)	(20,335)	-	-	(59,935)	(55,436)	(293,728)	(201,245)
Profit / (Loss) from Continuing Operations	300,563	331,044	287,849	285,543	(15,269)	42,324	113,517	127,911	-	-	866	(114,306)	687,526	672,516
Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	44,910	-	-	-	44,910
Profit / (Loss) for the Period	300,563	331,044	287,849	285,543	(15,269)	42,324	113,517	127,911	-	44,910	866	(114,306)	687,526	717,426
Attributable to:														
Equity Holders of the Parent	301,056	329,660	282,076	279,348	(51,638)	20,333	106,128	120,349	-	6,255	(2,257)	(115,780)	635,365	640,165
Non-Controlling Interests	(493)	1,384	5,773	6,195	36,369	21,991	7,389	7,562	-	38,655	3,123	1,474	52,161	77,261
	300,563	331,044	287,849	285,543	(15,269)	42,324	113,517	127,911	-	44,910	866	(114,306)	687,526	717,426

The above figures are provisional and subject to audit

Segmental Information

For six months ended 30 September	FMCG		Healthcare		Leisure		Transportation		Power		Others		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Rs '000														
Revenue														
Segmental Revenue - Gross	7,463,766	5,938,735	7,807,504	6,561,416	1,309,141	1,217,681	828,783	723,347	-	-	1,593,659	1,472,641	19,002,853	15,913,820
Intra Segmental Revenue	(71,842)	-	(67,880)	(62,574)	-	-	-	-	-	-	(51,773)	(46,763)	(191,495)	(109,337)
Segmental Revenue	7,391,924	5,938,735	7,739,624	6,498,842	1,309,141	1,217,681	828,783	723,347	-	-	1,541,886	1,425,878	18,811,358	15,804,483
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(399,714)	(406,044)	(399,714)	(406,044)
Total Revenue	7,391,924	5,938,735	7,739,624	6,498,842	1,309,141	1,217,681	828,783	723,347	-	-	1,142,172	1,019,834	18,411,644	15,398,439
Segmental Results														
Finance Cost	(16)	(1,628)	(97,651)	(109,181)	(12,951)	(19,091)	(10,277)	(12,138)	-	-	(119,483)	(85,160)	(240,378)	(227,198)
Finance Income	22,150	8,752	4,189	3,632	6,430	6,518	14,989	14,392	-	-	221,423	29,838	269,181	63,132
Share of results of Joint ventures & Associates	-	-	-	-	(88,420)	32,765	54,176	72,153	-	-	-	-	(34,244)	104,918
Profit/(Loss) before Tax	817,158	627,092	665,657	520,295	(4,308)	63,529	242,443	264,610	-	-	(80,598)	(195,455)	1,640,352	1,280,071
Income Tax	(201,130)	(63,809)	(163,900)	(103,128)	(18,923)	(14,974)	(37,829)	(34,511)	-	-	(102,143)	(91,591)	(523,925)	(308,013)
Profit / (Loss) from Continuing Operations	616,028	563,283	501,757	417,167	(23,231)	48,555	204,614	230,099	-	-	(182,741)	(287,046)	1,116,427	972,058
Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	(9,386)	-	-	-	(9,386)
Profit / (Loss) for the Period	616,028	563,283	501,757	417,167	(23,231)	48,555	204,614	230,099	-	(9,386)	(182,741)	(287,046)	1,116,427	962,672
Attributable to:														
Equity Holders of the Parent	614,684	561,632	494,183	415,034	(60,753)	25,749	189,495	219,001	-	(45,414)	(187,300)	(289,095)	1,050,309	886,907
Non-Controlling Interests	1,344	1,651	7,574	2,133	37,522	22,806	15,119	11,098	-	36,028	4,559	2,049	66,118	75,765
	616,028	563,283	501,757	417,167	(23,231)	48,555	204,614	230,099	-	(9,386)	(182,741)	(287,046)	1,116,427	962,672

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 2015. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

The previous years'/periods' figures and phrases have been amended where relevant, for better presentation and to be comparable with those of the current period.

- 2 The ten million, rated (A+Ika, by Fitch Rating Lanka Limited) unsecured redeemable debentures carrying a coupon rate of 11% p.a., payable semi-annually issued on 20th April 2014 are to be matured on 29th April 2019.
- 3 The company paid a final dividend of Rs. 0.70 per share for the financial year ended 31 March 2015
- 4 The Board of Directors of the Company has declared a interim dividend of Rs. 0.40 per share for the financial year ending 31 March 2016. 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 to be paid on 04th December 2015. 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 2015.
- 5 Hemas Holdings PLC (HHL) announced a Rights Issue of 57,254,513 shares to the value of Rs. 4,122,324,936/- (at the proportion of One Ordinary Share for every Nine Ordinary Shares at a consideration of Rs. 72 per share) after obtaining the principal approval from the Securities Exchange Commission and by its shareholders on the Extraordinary General Meeting dated 10th April 2015 and has successfully completed on 26th May 2015.
- 6 The Board of Directors, with the approval in principal of the Colombo Stock Exchange, and authorized by the shareholders on an Extraordinary General Meeting dated 10th April 2015, to create a Employee Share Option Scheme (ESOS) to offer 13,900,000 ordinary shares being 2.4% of the total number of shares in issue to Executive Directors and Senior Executives of the company and its subsidiaries whom the Board deems to be eligible to be awarded the shares. Accordingly, 3,053,750 employee share options were granted to the Executive Directors and Senior Executives of the company and its subsidiaries at the exercise price of Rs.82/- with a vesting period of one year starting from 27th July 2015 and exercise period of 3 years starting from 27th August 2016.
- 7 As per the interim Budget presented in the Parliament of Sri Lanka on 07th February 2015, the government proposed a one off 25% Tax namely, Super Gain Tax (SGT) to be imposed on companies or groups which have earned profit before income tax in excess of Rs. 2,000 million for the year ended 31st March 2014. Subsequently the Gazette notification in respect of the above was issued by the Government of Sri Lanka on 30th March 2015 and enacted on 20th October 2015 with the approval of the parliament. Accordingly, Group is liable to pay Rs.626.7Mn as the SGT which is assessed based on taxable income of the year of assessment 2013/14 for the liable companies and would be required to pay such SGT in three equal installments on 30 October 2015, 30 November and 31 December 2015. In accordance with the Sri Lanka Accounting Standard (LKAS 10) - Events after the reporting date, the Super Gain Tax has not been recognized as a liability in the financial statements as at 30 September 2015.
- 8 There have been no other events subsequent to the reporting date, which require disclosure in the interim financial statements.
- 9 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 2015.

Investor Information

	Six Months Ended	
	30.09.2015	30.09.2014
Market Value of Shares		
Closing Price on 30 September (Rs)	85.00	61.00
Highest Price during the Period (Rs)	99.80	64.00
Lowest Price during the Period (Rs)	78.00	43.80
Market Capitalization on 30 September (Rs Mn)	48,666	31,433
Ratios		
Net Asset Per Share on 30 September (Rs)	35.55	28.64
Price Earnings Ratio on 30 September (times)	23.17	17.72
Debt security related ratios		
Debt/Equity Ratio	0.29	0.43
Quick Asset Ratio	1.42	1.01
Interest Cover	7.82	6.63
Interest yield as at date of last trade (24 March 2015)	9.30%	10.42%
Yield to maturity of trade done on 24 March 2015	9.30%	10.42%
Interest rate of comparable Government security (5 Year Treasury Bond rate)	9.58%	6.59%
Share Trading		
No of transactions during the Period	1,953	4,638
No of shares traded during the Period	14,893,420	66,702,200
Value of shares traded during the Period (Rs Mn)	1,323	3,287
Number of Shares	572,545,133	515,290,620
Debentures 11% fixed - Unsecured redeemable		
Closing Price on 31 March (Rs)	105.69	102.17
Highest Price during the Period (Rs)	105.69	102.17
Lowest Price during the period (Rs)	102.17	102.17
Number of Debentures	10,000,000	10,000,000

Share Information

LIST OF 20 MAJOR SHAREHOLDERS	30.09.2015		30.09.2014	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	90,762,875	15.85	90,762,875	17.61
2 Saraz Investments (Pvt) Ltd.	86,396,035	15.09	86,396,035	16.77
3 Blueberry Investments (Pvt) Ltd.	85,781,250	14.98	85,781,250	16.65
4 Amagroup (Pvt) Limited	85,780,665	14.98	85,780,665	16.65
5 HSBC Intl Nominees Ltd-JPMLU-Franklin Templeton Investment Funds	56,968,238	9.95	37,153,700	7.21
6 HSBC Intl. Nominees Ltd. -JPMCB- Templeton Global Investment Trust-Templeton Emerging Markets S	14,964,257	2.61	2,379,832	0.46
7 HSBC Intl. Nom Ltd-SSBT-National Westminster Bank PLC as depository of First State Indian Subcontinent	11,962,613	2.09	9,732,370	1.89
8 Pemberton Asian Opportunities Fund	10,000,000	1.75	6,650,154	1.29
9 HSBC Intl. Nom Ltd-SSBT-National Westminster Bank PLC as depository of First State Asia Pacific Susta	8,286,047	1.45	6,272,899	1.22
10 HSBC Intl. Nominees Ltd. -JPMCB- Scottish ORL SML TR GTI 6018	7,886,561	1.38	5,149,500	1.00
11 Mr. M.A.H. Esufally	5,946,500	1.04	5,946,500	1.15
12 Mr. H.N. Esufally	5,836,705	1.02	5,836,705	1.13
13 HSBC Intl. Nom. LTD-BBH-Matthews Emerging Asia Fund	5,038,636	0.88	-	-
14 Mr. I.A.H. Esufally	4,424,000	0.77	4,424,000	0.86
15 HSBC Intl Nom Ltd-JPMCB- Pacific Assests Trust PLC	4,344,132	0.76	3,051,800	0.59
16 HSBC Intl Nom Ltd-SSBT- Wasatch Frontier Emerging Small Countries Fund	4,298,185	0.75	-	-
17 HSBC Intl Nom Ltd-SSBT- National Westminster Bank PLC as Depository of First State Asia Pacific Fund	4,000,000	0.70	-	-
18 Anverally And Sons (Pvt) Ltd A/C No 01	3,899,299	0.68	4,207,881	0.82
19 HSBC Intl Nom Ltd-State Street Luxembourg c/o SSBT - Alliancebernstein Next 50 Emerging Markets (Maste)	3,764,225	0.66	-	-
20 HSBC Intl. Nom. LTD-BBH-Grandeur Peak Emerging Markets Opportunities Fund	3,337,031	0.58	-	-
	30.09.2015		30.09.2014	
DIRECTORS' SHAREHOLDING	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	12,500		11,250	
Mr. M. A. H. Esufally	5,946,500		5,946,500	
Mr. Pradipta Kumar Mohapatra	-		-	
Mr. R. Gopalakrishnan	-		-	
Dr S.A.B Ekanayake	-		-	
Mr. D.S. Weerakkody	-		-	
Mr. S.M Enderby (Chief Executive Officer)	-		-	
Mr. W.M.De F. Arsakularatne	-		-	
	367,224,115		367,222,865	
	30.09.2015		30.09.2014	
PUBLIC HOLDING	No. of Shares		No. of Shares	
Issued Share Capital	572,545,133		515,290,620	
Less:Directors' Direct and Indirect Shareholding	367,224,115		367,222,865	
Close Family Members	2,500,000		2,500,000	
Public Holding	202,821,018		145,567,755	
Public Holding as a % of Issued Share Capital	35.42%		28.25%	
Total Number of Shareholders	4,558		5,137	
Number of persons holdings Shares Excluded when computing Public Holding %	12		12	
Number of Shareholders representing the Public Holding	4,546		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(CFO)

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

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
National Development Bank PLC
Sampath Bank PLC