



ENRICHING LIVES. INSPIRING CHANGE.

CEO's Review

It is with great pleasure that I present to you the results of the second quarter of 2012/13. The financial statements are prepared in compliance with Sri Lanka Financial Reporting Standards (SLFRS) for the current year. A second set of financial statements is prepared as per Sri Lanka Accounting Standards (SLAS) for the current year and the previous year, to facilitate performance comparisons between the two years.

The Group posted revenues of Rs. 12.9Bn, a growth of 29.0% over the previous year. Main contributors were Power, Healthcare and FMCG sectors, which recorded growth levels of 50.4%, 22.9% and 17.2% respectively. Group operating profits recorded a growth of 50.6%, to post Rs. 1,036Mn (as per SLAS) while earnings for the half-year was Rs. 705Mn (as per SLAS), a year-on-year growth of 44.9%. Earnings were driven by Transportation, FMCG and Healthcare sectors, whose earnings grew by 52.2%, 39.6% and 33.0% respectively, and Leisure sector which posted earnings of Rs. 42.4Mn as against a loss of Rs. 32.8Mn last year.

The FMCG sector performed very well to record a topline growth of 17.2% in a slowing market, to post Rs. 3.7Bn of revenues. Sector earnings were Rs. 358Mn for the half-year, a growth of 39.6%. Both revenues and earnings were driven by the strong performance of our Personal care and Personal wash categories. Many of the brands in these categories have seen increasing market shares during the period with *Velvet* succeeding to become the market leader in the beauty soap category. Escalating food prices during the quarter resulted in the slow growth experienced by the Personal care market, a trend we expect to continue into the next quarter. Despite a slow market growth our personal care portfolio recorded a strong growth of 9.4%, helped by our baby care, oral care and hair care categories. Our flagship brand *Baby Cheramy* celebrated its 50th anniversary with the launch of *Big Heart Project* together with the Department of Probation and Childcare Services of the Ministry of Child Development & Women Affairs to fund the education of disadvantaged children from across the country during the crucial first five years of schooling. The Project will specifically fund children that are 'at-risk', or in danger of being institutionalized due to the financial inability of their families' to care for them. Our sanitary napkin brand, *Fems* won the Silver Award for the Best Turnaround Brand of the Year, while our adult personal wash brand *Velvet*, secured the Bronze Award for the Product Brand of the Year at the 11th SLIM Brand Excellence Award Ceremony held recently.

Our Healthcare sector continued the growth it has been enjoying in the recent past during the first two quarters of the current year as well. Revenue and earnings growth was primarily driven by the performance of our Pharmaceuticals business, which benefited from the healthy growth of the market to post an increase in topline of 21.9%. During the period under review the business successfully grew its market share to 17.6% (Source: IMS), further strengthening its market leadership position. Despite the negative impact caused by the depreciating currency the business posted a healthy profit growth of 27.0%. Our Hospitals business experienced a good half-year with inpatient capacity nearing 80% at Wattala hospital, contributing to the increase in Hospital revenues of 30.3% to Rs. 660Mn. During the year our hospitals continued its efforts to create awareness amongst the community as well as educating and training doctors on colon cancer, ophthalmology, chest infections and ENT diseases. These activities together with our high service standards helped the business achieve higher surgery volumes recorded since inception and enhance volumes of our laboratory, which helped the business close the half year recording an EBITDA growth of 41.2%.

The Leisure sector enjoyed a good first half by recording a revenue of Rs. 656Mn, a growth of 44.9%. The performance of Hotel Dolphin helped the sector swing its earnings from a negative Rs. 33Mn to a positive Rs. 42Mn. The soft opening of Kani Lanka took place in September, rebranding it under the *Avani* umbrella as *Avani Kalutara*. Our hotels experienced a good first half recording an overall occupancy in excess of 70%, in a period which was predominantly the 'low season' and are looking forward to an exciting winter season. The sector's performance was enhanced by our inbound tour operation, which recorded a top line growth of 34% for the period, largely driven by increasing volumes.

The Transportation sector posted a topline of Rs. 465Mn, a 29.4% growth over the previous year. This was mainly on account of strong revenue growth in the aviation and maritime segments. Sector earnings rose by 52.2% to Rs. 155Mn during the first half of 2012. Our Aviation segment recorded satisfactory growth in passenger and cargo sales while our outbound tour operation too increased their share of the travel agency market. Our maritime segment's performance was aided by increasing

throughput volumes of our feeder business. The sector diversified its presence in this segment to handle casual callers and provide maritime services through our joint venture with Mercantile Shipping Company PLC which is expected to commence operations in the third quarter. Despite the growth of the maritime and aviation segments, our performance in the logistics segment was challenging. In September this year, we made an investment in Forwardair Logistics (Pvt) Ltd, strengthening our presence in this segment and allowing us to leverage our existing relationships in the industry for further growth.

The Power sector recorded revenues of Rs. 3.1Bn a growth of 50.4%, led by the pass through effect of increasing fuel prices of our thermal power plant, Heladhanavi. However, the sector earnings suffered a decline of 29.6%, to record Rs. 87Mn, hit by the low rainfall experienced in the catchment areas of our hydro power plants, which contributed 42.7% to earnings. Sector profitability was further depressed by the unrealized negative impact of Rs. 18Mn arising from a depreciating rupee on foreign exchange borrowings.

'Piyawara', our main CSR project focused on early childhood development in Sri Lanka was launched in 2002 with the Ministry of Child Development and at present we have 35 preschools island wide providing education for over 3,000 children daily. Our 35th school was declared open in September 2012 in the resettled village of Silawathei, Mulativue. Continuing our efforts in early childhood development, we have begun construction of a community preschool in another resettled village in Mulativue and a model pre-school for 100 children in the Kilinochchi city, which is expected to be completed during early 2013.

As we complete the first half of our financial year, we look ahead with great encouragement driven by the growth experienced by most of our businesses. Although we foresee a challenging second half for our consumer related businesses, we anticipate a boost from our Leisure sector during the upcoming winter season; and are optimistic of sustaining our growth momentum to close the year on a positive note.



Husein Esufally
Chief Executive Officer

Colombo
November 09, 2012

Statement of Financial Position

As at	Group		Company	
	30.09.2012	31.03.2012	30.09.2012	31.03.2012
Rs '000				
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	10,267,471	10,291,159	114,118	105,185
Investment Properties	474,685	474,685	331,500	331,500
Leasehold Right	92,559	94,456	-	-
Intangible Assets	299,050	302,491	743	1,275
Investment in Subsidiaries	-	-	6,408,088	6,194,296
Investment in Joint Ventures	-	-	38,519	38,519
Other Non Current Financial Assets	751,683	643,960	243,179	217,437
Deferred Tax Assets	26,491	25,031	-	-
	11,911,939	11,831,782	7,136,147	6,888,212
Current Assets				
Inventories	2,340,874	2,003,864	-	-
Trade and Other Receivables	7,041,490	5,907,346	499,074	366,158
Tax Recoverable	140,999	134,306	9,277	585
Other Current Financial Assets	210,040	105,752	529,338	350,717
Cash and Short Term Deposits	2,753,896	2,703,013	165,692	42,919
	12,487,299	10,854,281	1,203,381	760,379
Total Assets	24,399,238	22,686,063	8,339,528	7,648,591
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	1,600,603	1,600,603	1,600,603	1,600,603
Other Capital Reserves	459,013	437,923	257,032	257,032
Other Components of Equity	1,194,016	1,152,284	17,433	7,735
Retained Earnings	7,692,288	7,121,708	4,395,861	4,248,415
Equity attributable to owners of the parent	10,945,920	10,312,518	6,270,929	6,113,785
Non- Controlling Interest	2,104,552	2,100,310	-	-
Total Equity	13,050,472	12,412,828	6,270,929	6,113,785
Non-Current Liabilities				
Interest Bearing Loans and Borrowings	1,709,905	1,384,827	959,392	940,785
Other Non Current Financial Liabilities	150,917	146,091	7,491	10,599
Employee Benefit Liability	271,878	248,342	32,331	30,551
Deferred Tax Liabilities	170,900	161,308	46,754	40,056
Other Non Current Liabilities	239,432	258,657	-	-
	2,543,032	2,199,225	1,045,968	1,021,991
Current Liabilities				
Trade and Other Payables	5,655,485	5,188,231	272,442	222,225
Income Tax Liabilities	129,084	63,742	-	-
Interest Bearing Loans and Borrowings	932,413	936,458	689,000	290,590
Bank overdraft	2,088,752	1,885,579	61,189	-
	8,805,734	8,074,010	1,022,631	512,815
Total Equity and Liabilities	24,399,238	22,686,063	8,339,528	7,648,591
Net Asset per share - (Rs)	21.24	20.01	12.17	11.86

The above figures are provisional and subject to audit.

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

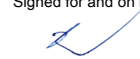


Malinga Arsakularatne

Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board by,

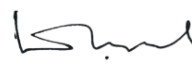


Husein Esufally

Chief Executive Officer

Colombo

November 9, 2012



Lalith De Mel

Chairman

Income Statement

<i>Rs '000</i>	Group		Company	
	Three Months Ended 30.09.2012	Six Months Ended 30.09.2012	Three Months Ended 30.09.2012	Six Months Ended 30.09.2012
Revenue	6,596,462	12,920,159	92,991	170,478
Cost of Sales	(4,640,748)	(9,126,908)	-	-
Gross Profit	1,955,714	3,793,251	92,991	170,478
Other Operating Income	39,141	119,375	195,753	331,957
Selling and Distribution Costs	(482,837)	(966,606)	-	-
Administrative Expenses	(910,795)	(1,893,925)	(83,264)	(163,468)
Operating Profit	601,223	1,052,095	205,480	338,967
Finance Costs	(121,943)	(201,668)	(61,697)	(95,314)
Finance Income	82,282	151,367	23,073	39,313
Profit Before Tax	561,562	1,001,794	166,856	282,966
Income Tax Expense	(119,044)	(214,736)	(850)	(6,697)
Profit for the Period	442,518	787,058	166,006	276,269
Attributable to:				
Owners of the Parent	387,778	722,106	166,006	276,269
Non-Controlling Interest	54,740	64,952	-	-
	442,518	787,058	166,006	276,269
Earnings Per Share (Rs)	0.75	1.40		
Annualised Earnings Per Share (Rs)	3.01	2.80		
Dividends Per Share (Rs.)	0.25	0.25		

Statement of Comprehensive Income

<i>Rs '000</i>	Group		Company	
	Three Months Ended 30.09.2012	Six Months Ended 30.09.2012	Three Months Ended 30.09.2012	Six Months Ended 30.09.2012
Profit for the Period	442,518	787,058	166,006	276,269
Other Comprehensive Income				
Net (loss)/gain on available-for-sale financial assets	34,292	33,624	17,093	9,698
Exchange differences on translation of foreign operations	485	212	-	-
Net movement on cash flow hedges	19,342	10,528	-	-
Income Tax on other comprehensive income	-	-	-	-
Other Comprehensive Income for the period, net of tax	54,119	44,364	17,093	9,698
Total Comprehensive Income for the period, net of tax	496,637	831,422	183,099	285,967
Attributable to:				
Owners of the Parent	445,399	763,838	183,099	285,967
Non-Controlling Interest	51,238	67,584	-	-
	496,637	831,422	183,099	285,967

The above figures are provisional and subject to audit.

Consolidated Statement of Changes in Equity

	Attributable to Owners of the Parent						Total	Non Controlling Interest	Total Equity	
	Stated Capital	Other Capital Reserves	Other Component Of Equity			Retained Earnings				
			Available for Sale Reserve	Foreign Currency translation Reserve	Cash flow hedge Reserve					Asset Revaluation Reserve
Rs '000										
As at 01 April 2012- as per SLAS	1,600,603	2,055,433	-	(59,662)	-	-	7,195,185	10,791,559	2,145,976	12,937,535
SLFRS first time adoption impact -as at 01.04.2011	-	(675,151)	2,830	-	-	274,132	(44,715)	(442,904)	(9,105)	(452,009)
SLFRS first time adoption impact for Year ended 31.03.2012	-	(942,359)	7,550	58,211	(43,658)	912,881	(28,762)	(36,137)	(36,561)	(72,698)
Balance as at 01 April 2012 -as per SLFRS	1,600,603	437,923	10,380	(1,451)	(43,658)	1,187,013	7,121,708	10,312,518	2,100,310	12,412,828
Profit for the Period	-	-	-	-	-	-	722,106	722,106	64,952	787,058
Other Comprehensive Income	-	-	33,624	212	7,896	-	-	41,732	2,632	44,364
Total Comprehensive Income	-	-	33,624	212	7,896	-	722,106	763,838	67,584	831,422
Dividends Paid - Ordinary Shares	-	-	-	-	-	-	(128,823)	(128,823)	(63,454)	(192,277)
Transfer to/from during the Period - Other Reserves	-	21,090	-	-	-	-	(21,090)	-	-	-
Transaction cost on Issue of shares	-	-	-	-	-	-	(1,613)	(1,613)	(537)	(2,150)
Adjustment in respect of changes in Group Holding	-	-	-	-	-	-	-	-	649	649
As at 30 September 2012	1,600,603	459,013	44,004	(1,239)	(35,762)	1,187,013	7,692,288	10,945,920	2,104,552	13,050,472

The above figures are provisional and subject to audit

Statement of Changes in Equity- Company

	Stated Capital	Other Capital Reserves	Other Component Of Equity Available for Sale Reserve	Retained Earnings	Total
<i>Rs '000</i>					
As at 01 April 2012- as per SLAS	1,600,603	257,032	-	4,288,974	6,146,609
SLFRS first time adoption impact -as at 01.04.2011	-	-	32,430	16,301	48,731
SLFRS first time adoption impact for Year ended 31.03.2012	-	-	(24,695)	(56,860)	(81,555)
Balance as at 01 April 2012 - as per SLFRS	1,600,603	257,032	7,735	4,248,415	6,113,785
Profit for the Period	-	-	-	276,269	276,269
Other Comprehensive Income	-	-	9,698	-	9,698
Total Comprehensive Income	-	-	9,698	276,269	285,967
Dividends Paid - Ordinary Shares	-	-	-	(128,823)	(128,823)
As at 30 September 2012	1,600,603	257,032	17,433	4,395,861	6,270,929

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Cash Flow Statement

<i>Rs '000</i>	Group	Company
	Six Months Ended 30.09.2012	Six Months Ended 30.09.2012
Operating Activities		
Profit Before Taxation	1,001,794	282,966
Adjustments for		
Depreciation	334,834	13,194
Profit on Disposal of Property, Plant and Equipment	(19,627)	(1,529)
Amortisation/Impairment of Intangibles	3,623	606
Amortisation of Leasehold Rights	1,897	-
Finance Cost	201,668	95,314
Finance Income	(151,367)	(39,313)
Investment Income	(2,046)	(326,623)
Employee Benefit Liability	31,024	1,904
Exchange (Gain)/Loss on Foreign Currency Loans	22,367	-
Working Capital Adjustments		
(Increase)/Decrease in Financial Assets	(96,370)	(188,318)
(Increase)/Decrease in Trade and Other Receivables	(1,134,145)	(130,308)
(Increase)/Decrease in Inventories	(337,010)	-
Increase/(Decrease) in Trade and Other Payables	414,400	50,217
Increase/(Decrease) in Other Non Current Liabilities	(12,065)	(3,108)
Increase/(Decrease) in Other Non Current Financial Liabilities	(3,012)	-
Finance Cost Paid	(171,463)	(81,875)
Finance Income Received	114,169	32,966
Investment Income Received	2,046	324,014
Income Tax Paid	(148,203)	(8,692)
Employee Retirement Benefit Paid	(7,488)	(123)
Net Cash flows from/(Used in) Operating Activities	45,026	21,292
Investing Activities		
Purchase of Property, Plant and Equipment	(323,428)	(22,267)
Investment in Intangible Assets	(182)	(74)
Investment in Subsidiaries	-	(213,791)
Proceeds from Disposal of Property, Plant and Equipment	32,023	1,669
Net Cash flows from/(Used in) Investing Activities	(291,587)	(234,463)
Financing Activities		
Interest Bearing Loans and Borrowings (Net)		
- Rupee Loan	407,315	403,578
- Foreign Currency Loans	(119,176)	-
Transaction cost on subsidiary share issue	(2,150)	-
Proceeds from Non-Controlling interest	649	-
Dividends Paid - Owners of the Parent	(129,097)	(128,823)
- Non-Controlling Interest	(63,454)	-
Net Cash flows from/(Used in) Financing Activities	94,087	274,755
Net Increase/(Decrease) in Cash and Cash Equivalents	(152,474)	61,584
Net Foreign Exchange Difference	183	-
Cash and Cash Equivalents at the beginning of the Year	817,435	42,919
Cash and Cash Equivalents at the end of the period	665,144	104,503

The above figures are provisional and subject to audit

Hemas Holdings PLC- Interim Report 2nd Quarter 2012-2013

Segmental Information

Three months ended 30 September 2012

	FMCG	Healthcare	Leisure	Transportation	Power	Others	Group
<i>Rs '000</i>							
Revenue							
Total Revenue	1,928,281	2,254,669	366,292	237,565	1,636,268	336,047	6,759,122
Intra Segmental Revenue	-	(26,884)	-	-	-	(14,496)	(41,380)
Segmental Revenue	1,928,281	2,227,785	366,292	237,565	1,636,268	321,551	6,717,742
Inter Segmental Revenue	-	-	-	-	-	(121,280)	(121,280)
External Revenue	1,928,281	2,227,785	366,292	237,565	1,636,268	200,271	6,596,462
Segmental Results	200,465	200,565	104,756	97,910	112,527	(115,000)	601,223
Finance Cost	(1)	(37,622)	(13,392)	(1,056)	(62,138)	(7,734)	(121,943)
Finance Income	16,863	3,176	990	11,466	44,712	5,075	82,282
Profit/(Loss) before Tax	217,327	166,119	92,354	108,320	95,101	(117,659)	561,562
Income Tax	(10,128)	(44,530)	(19,430)	(19,717)	(235)	(25,004)	(119,044)
Profit / (Loss) for the Period	207,199	121,589	72,924	88,603	94,866	(142,663)	442,518
Attributable to:							
Owners of the Parent	207,199	126,609	37,454	88,603	70,472	(142,559)	387,778
Non-controlling interest	-	(5,020)	35,470	-	24,394	(103)	54,740
	207,199	121,589	72,924	88,603	94,866	(142,663)	442,518

The above figures are provisional and subject to audit

As per SLFRS

Hemas Holdings PLC- Interim Report 2nd Quarter 2012-2013

Segmental Information

Six months ended 30 September 2012

	FMCG	Healthcare	Leisure	Transportation	Power	Others	Group
<i>Rs '000</i>							
Revenue							
Total Revenue	3,713,683	4,505,194	655,918	464,673	3,139,823	733,760	13,213,051
Intra Segmental Revenue	-	(43,301)	-	-	-	(27,723)	(71,024)
Segmental Revenue	3,713,683	4,461,893	655,918	464,673	3,139,823	706,037	13,142,027
Inter Segmental Revenue	-	-	-	-	-	(221,868)	(221,868)
External Revenue	3,713,683	4,461,893	655,918	464,673	3,139,823	484,169	12,920,159
Segmental Results	352,358	420,016	121,637	186,646	147,013	(175,575)	1,052,095
Finance Cost	(4)	(73,256)	(21,737)	(2,638)	(94,401)	(9,632)	(201,668)
Finance Income	36,209	5,423	6,536	18,822	75,152	9,225	151,367
Profit/(Loss) before Tax	388,563	352,183	106,436	202,830	127,764	(175,982)	1,001,794
Income Tax	(20,353)	(96,043)	(18,229)	(46,929)	(469)	(32,713)	(214,736)
Profit / (Loss) for the Period	368,210	256,140	88,207	155,901	127,295	(208,695)	787,058
Attributable to:							
Owners of the Parent	368,210	267,329	43,751	155,901	95,506	(208,591)	722,106
Non-controlling interest	-	(11,189)	44,456	-	31,789	(103)	64,952
	368,210	256,140	88,207	155,901	127,295	(208,695)	787,058

The above figures are provisional and subject to audit

Consolidated Balance Sheet

As at	30.09.2012	30.09.2011	31.03.2012
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	10,262,690	8,657,544	10,288,807
Investment Properties	474,685	309,965	474,685
Leasehold Property	54,250	57,246	55,713
Intangible Assets	300,093	302,476	300,409
Other Investments	386,148	384,133	384,148
Deferred Tax Assets	26,491	23,656	25,031
Other Long Term Receivables	384,201	53,318	399,346
	11,888,558	9,788,338	11,928,139
Current Assets			
Inventories	2,341,589	1,975,249	2,004,990
Trade and Other Receivables	7,213,203	5,179,313	6,038,471
Other Investments	80,475	68	53
Tax Recoverable	140,999	161,832	134,306
Short Term Cash Investments	1,538,721	1,314,973	1,614,034
Cash and Cash Equivalents	1,215,174	925,309	1,088,979
	12,530,161	9,556,744	10,880,833
Total Assets	24,418,719	19,345,082	22,808,972
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Stated Capital	1,600,603	1,600,603	1,600,603
Reserves	2,008,375	1,109,845	1,995,771
Retained Earnings	7,750,201	6,637,000	7,195,185
Shareholders' Funds	11,359,179	9,347,448	10,791,559
Minority Interests	2,146,752	1,943,169	2,145,976
Total Shareholders' Funds and Minority Interests	13,505,931	11,290,617	12,937,535
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	1,718,655	1,365,544	1,384,827
Deferred Tax Liabilities	170,900	115,048	161,309
Retirement Benefit Liability	271,606	258,633	248,342
Other Non-Current Liabilities	10,493	7,399	13,506
	2,171,654	1,746,624	1,807,984
Current Liabilities			
Trade and Other Payables	5,588,847	4,103,284	5,171,603
Dividends Payable	5,788	5,240	6,071
Income Tax Liabilities	129,084	86,724	63,742
Interest Bearing Loans and Borrowings	928,663	675,268	936,458
Bank overdraft	2,088,752	1,437,325	1,885,579
	8,741,134	6,307,841	8,063,453
Total Shareholders' Funds, Minority Interests and Liabilities	24,418,719	19,345,082	22,808,972
Net Asset per share - (Rs)	22.04	18.14	20.94

The above figures are provisional and subject to audit.

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



Malinga Arsakularatne

Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board by,



Husein Esufally

Chief Executive Officer

Colombo

November 9, 2012



Lalith De Mel
Chairman

Consolidated Income Statement

	Three Months Ended 30.09.2012	Three Months Ended 30.09.2011	Change %	Six Months Ended 30.09.2012	Six Months Ended 30.09.2011	Change %
Rs '000						
Revenue	6,563,129	5,013,749	30.9	12,886,275	9,990,569	29.0
Cost of Sales	(4,610,694)	(3,478,150)	32.6	(9,099,630)	(6,904,682)	31.8
Gross Profit	1,952,435	1,535,599	27.1	3,786,645	3,085,887	22.7
Dividend Income	153	-	100.0	2,046	2	102,205.4
Loss on disposal of Non Current Investments	-	(957)	(100.0)	-	(1,716)	(100.0)
Other Income and Gains	38,988	12,671	207.7	117,329	52,289	124.4
Selling and Distribution Costs	(494,065)	(400,127)	23.5	(970,616)	(838,126)	15.8
Administrative Expenses	(928,539)	(818,020)	13.5	(1,899,600)	(1,610,539)	17.9
Finance Cost	(95,356)	(62,512)	52.5	(163,889)	(124,922)	31.2
Finance Income	54,698	46,556	17.5	113,888	83,767	36.0
Profit Before Tax	528,314	313,210	68.7	985,803	646,642	52.4
Income Tax Expenses	(119,044)	(69,013)	72.5	(214,736)	(119,915)	79.1
Profit for the Period	409,270	244,197	67.6	771,067	526,727	46.4
Attributable to:						
Equity Holders of the Parent	358,422	224,473	59.7	705,061	486,438	44.9
Minority Interests	50,848	19,724	157.8	66,006	40,289	63.8
	409,270	244,197	67.6	771,067	526,727	46.4
Earnings Per Share (Rs)	0.70	0.44		1.37	0.94	
Annualised Earnings Per Share (Rs)	2.78	1.90		2.74	2.04	
Dividends Per Share (Rs)	0.25	0.25		0.25	0.25	

The above figures are provisional and subject to audit.

Statement of Changes in Equity- Group

	Attributable to Equity Holders of the Parent				Total	Minority Interests	Total Equity
	Stated Capital	Exchange Reserve	Revaluation and Other Capital Reserve	Retained Earnings			
Rs '000							
As at 01 April 2012	1,600,603	(59,662)	2,055,433	7,195,185	10,791,559	2,145,976	12,937,535
Profit for the period	-	-	-	705,061	705,061	66,006	771,067
Dividends paid							
- Ordinary Shares	-	-	-	(128,823)	(128,823)	(63,448)	(192,271)
- Preference Shares of Joint Venture Company	-	-	-	(5,680)	(5,680)	(1,893)	(7,573)
Transfer to/from during the Period							
- Overhaul, Heat Rate and Lube Oil Reserves	-	-	13,930	(13,930)	-	-	-
- Other Reserve	-	10,527	(12,065)	-	(1,538)	-	(1,538)
Transaction cost on Issue of shares	-	-	-	(1,612)	(1,612)	(538)	(2,150)
Adjustment in respect of changes in Group Holding	-	-	-	-	-	649	649
Net Gain/(Loss) Recognised Directly in Equity							
- Exchange Reserve	-	212	-	-	212	-	212
As at 30 September 2012	1,600,603	(48,923)	2,057,298	7,750,201	11,359,179	2,146,752	13,505,931
As at 01 April 2011	1,468,425	(1,179)	1,047,156	6,359,603	8,874,005	1,701,635	10,575,640
Profit for the Year	-	-	-	486,438	486,438	40,289	526,727
Issue of Ordinary shares under ESOP	132,178	-	-	-	132,178	-	132,178
Redemption of Preference Shares of Joint Venture Company	-	-	-	(7,843)	(7,843)	-	(7,843)
Dividends Paid							
- Ordinary Shares 2010/2011	-	-	-	(128,010)	(128,010)	(62,626)	(190,636)
- Preference Shares of Joint Venture Company	-	-	-	(5,999)	(5,999)	(2,000)	(7,999)
Transfer to/from during the Period							
- Overhaul Reserve, Heat Rate and Lube Oil	-	-	65,464	(65,464)	-	-	-
- Revaluation Reserve	-	-	(805)	805	-	-	-
Transaction cost on issue of Serendib shares	-	-	-	(2,530)	(2,530)	(1,852)	(4,382)
Shares Issued to Minority Shareholders	-	-	-	-	-	267,723	267,723
Net Gain/(Loss) Recognised Directly in Equity							
- Exchange Reserve	-	(791)	-	-	(791)	-	(791)
As at 30 September 2011	1,600,603	(1,970)	1,111,815	6,637,000	9,347,448	1,943,169	11,290,617

The above figures are provisional and subject to audit

Company Balance Sheet

As at	30.09.2012	30.09.2011	31.03.2012
Rs '000			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	114,861	88,220	106,461
Investment Properties	331,500	309,965	331,500
Investment in Subsidiaries	6,408,087	5,919,336	6,194,296
Investment in Joint Ventures	38,519	49,806	38,519
Other Investments	114,008	114,008	114,008
Loans Due from Related Parties	15,000	156,236	15,000
Other Long Term Receivables	121,765	-	111,765
	7,143,740	6,637,571	6,911,549
Current Assets			
Trade and Other Receivables	441,391	450,768	295,246
Loans Due from Related Parties	505,431	448,723	329,474
Other Investments	49	49	49
Tax Recoverable	9,277	-	585
Amounts Due from Related Parties	113,762	127,829	126,280
Short Term Cash Investments	41,148	9,610	8,800
Cash and Cash Equivalents	124,545	51,889	34,119
	1,235,603	1,088,868	794,553
Total Assets	8,379,343	7,726,439	7,706,102
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Stated Capital	1,600,603	1,600,603	1,600,603
Reserves	257,032	257,032	257,032
Retained Earnings	4,441,860	4,253,683	4,288,973
Shareholders' Funds	6,299,495	6,111,318	6,146,608
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	970,640	730,972	965,472
Deferred Tax Liabilities	46,754	42,324	40,056
Retirement Benefit Liability	32,331	20,683	30,551
Other Non-Current Liabilities	7,491	360	10,599
	1,057,216	794,339	1,046,678
Current Liabilities			
Trade and Other Payables	96,222	47,778	82,241
Dividends Payable	2,857	2,317	2,553
Income Tax Liabilities	-	3,079	-
Amounts Due to Related Parties	173,364	147,453	137,432
Interest Bearing Loans and Borrowings	689,000	586,140	290,590
Bank overdraft	61,189	34,015	-
	1,022,632	820,782	512,816
Total Shareholders' Funds and Liabilities	8,379,343	7,726,439	7,706,102
Net Asset per share - (Rs)	12.23	11.86	11.93

The above figures are provisional and subject to audit.

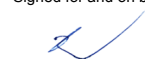
These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Malinga Arsakularatne
Chief Financial Officer

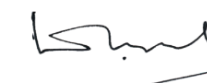
The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board by,



Husein Esufally
Chief Executive Officer
Colombo

November 9, 2012



Lalith De Mel
Chairman

Company Income Statement

	Three Months Ended 30.09.2012	Three Months Ended 30.09.2011	Change %	Six Months Ended 30.09.2012	Six Months Ended 30.09.2011	Change %
Rs '000						
Revenue	92,991	83,221	11.7	170,478	171,286	(0.5)
Cost of Sales	-	-	-	-	-	-
Gross Profit	92,991	83,221	11.7	170,478	171,286	(0.5)
Dividend Income	192,551	105,983	81.7	324,014	293,785	10.3
Loss on disposal of Non Current Investments	-	(8,175)		-	(8,175)	(100.0)
Other Income and Gains	1,964	2,076	(5.4)	5,334	3,861	38.2
Administrative Expenses	(82,615)	(70,613)	17.0	(162,511)	(133,309)	21.9
Finance Cost	(52,981)	(20,964)	152.7	(81,875)	(32,514)	151.8
Finance Income	19,851	11,403	74.1	32,966	23,229	41.9
Profit Before Tax	171,761	102,931	66.9	288,406	318,163	(9.4)
Income Tax Expenses	(850)	(6,510)	(86.9)	(6,697)	(13,692)	(51.1)
Profit for the Period	170,911	96,421	77.3	281,709	304,471	(7.5)
Dividends Per Share (Rs)	0.25	0.25		0.25	0.25	

The above figures are provisional and subject to audit.

Statement of Changes in Equity- Company

	Stated Capital	Other Capital Reserve	Retained Earnings	Total
<i>Rs '000</i>				
As at 01 April 2012	1,600,603	257,032	4,288,973	6,146,608
Profit for the Period	-	-	281,709	281,709
Dividends Paid - 2011/2012	-	-	(128,822)	(128,822)
As at 30 September 2012	1,600,603	257,032	4,441,860	6,299,495
As at 01 April 2011	1,468,425	257,032	4,077,851	5,803,308
Issue of Ordinary shares under ESOP	132,178	-	-	132,178
Profit for the Period	-	-	304,471	304,471
Final Dividends Paid - 2010/2011	-	-	(128,010)	(128,010)
Transaction cost on issue of shares under ESOP	-	-	(629)	(629)
As at 30 September 2011	1,600,603	257,032	4,253,683	6,111,318

The above figures are provisional and subject to audit

Cash Flow Statement

Six months ended 30 September <i>Rs '000</i>	Group		Company	
	2012	2011	2012	2011
Operating Activities				
Profit Before Taxation	985,803	646,642	288,406	318,162
Adjustments for				
Depreciation	337,852	312,535	13,800	12,055
Profit on Disposal of Property, Plant and Equipment	(19,627)	(16,275)	(1,529)	4,731
Amortisation/Impairment of Intangibles	316	22,566	-	-
Amortisation of Leasehold Property	1,464	1,533	-	-
(Profit)/Loss on Sale of Non current Investment	-	1,716	-	8,175
Finance Cost	163,889	124,922	81,875	32,514
Investment Income	(2,046)	(2)	(324,014)	(293,785)
Retirement Benefit Plan	31,024	32,726	1,904	2,007
Exchange (Gain)/Loss on USD Loan	22,367	3,013	-	-
Working Capital Adjustments				
(Increase)/Decrease in Trade and Other Receivables	(1,174,732)	(608,888)	(146,144)	(274,582)
(Increase)/Decrease in Inventories	(336,601)	(294,479)	-	-
(Increase)/Decrease in Amounts Due from Related Parties	-	-	12,518	2,897
Increase/(Decrease) in Amounts Due to Related Parties	-	-	35,932	(20,359)
Increase/(Decrease) in Trade and Other Payables	405,176	12,377	11,177	8,386
Increase/(Decrease) in other non current assets	15,145	(10,000)	(10,000)	-
Finance Cost Paid	(163,889)	(124,922)	(81,875)	(32,514)
Income Tax Paid	(148,040)	(144,498)	(8,692)	(23,696)
Gratuity Paid	(7,760)	(3,885)	(123)	-
Net Cash from/(Used in) Operating Activities	110,340	(44,919)	(126,766)	(256,009)
Investing Activities				
Purchase of Property, Plant and Equipment	(323,609)	(522,036)	(22,341)	(4,641)
Acquisitions & disposal of subsidiaries	-	3,173	(213,791)	(242,796)
Investment in Intangible Assets	-	(1,146)	-	-
Other Investments	(82,421)	49,528	-	-
Proceeds from Disposal of Property, Plant and Equipment	31,615	23,860	1,669	4,941
Redemption of Preference Shares of Joint Venture Company	-	(7,843)	-	-
Investment Income Received	2,046	2	324,014	293,785
Net Cash from/(Used in) Investing Activities	(372,369)	(454,462)	89,551	51,289
Financing Activities				
Interest Bearing Loans and Borrowings (Net)				
- Rupee Loan	430,358	(605,836)	227,622	238,281
- Foreign Currency Loans	(119,176)	(49,742)	-	-
Proceeds from issue of Ordinary shares under ESOS	-	132,178	-	132,178
Transaction cost of Issue of shares	(2,150)	(4,382)	-	(629)
Proceeds from Minority Shareholders	649	267,723	-	-
Dividends Paid				
- Ordinary Shares	(192,556)	(198,192)	(128,823)	(128,010)
- Preference Shares	(7,573)	(7,999)	-	-
Net Cash from/(Used in) Financing Activities	109,553	(466,250)	98,799	241,820
Net Increase/(Decrease) in Cash and Cash Equivalents	(152,476)	(965,631)	61,585	37,100
Exchange Loss	184	(791)	-	-
Cash and Cash Equivalents at the beginning of the Year	817,435	1,769,379	42,919	(9,616)
Cash and Cash Equivalents at the end of the period	665,143	802,957	104,504	27,484

The above figures are provisional and subject to audit

Hemas Holdings PLC- Interim Report 2nd Quarter 2012-2013

Segmental Information

For Three months ended 30 September	FMCG		Health Care		Leisure		Transportation		Power		Others		Group	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<i>Rs '000</i>														
Revenue														
Segmental Revenue - Gross	1,893,842	1,570,588	2,254,669	1,816,535	367,399	244,539	237,565	177,790	1,636,268	1,100,225	336,048	229,335	6,725,790	5,139,012
Intra Segmental Revenue	-	-	(26,884)	(15,858)	-	-	-	-	-	-	(14,497)	(2,897)	(41,381)	(18,755)
Segmental Revenue	1,893,842	1,570,588	2,227,784	1,800,677	367,399	244,539	237,565	177,790	1,636,268	1,100,225	321,551	226,438	6,684,409	5,120,257
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(121,280)	(106,508)	(121,280)	(106,508)
Total Revenue	1,893,842	1,570,588	2,227,784	1,800,677	367,399	244,539	237,565	177,790	1,636,268	1,100,225	200,271	119,930	6,563,129	5,013,749
Segmental Results	192,810	132,230	199,685	129,701	100,358	10,119	96,565	62,877	90,251	75,363	(110,697)	(81,124)	568,973	329,166
Finance Cost	(1)	36	(37,621)	(28,058)	(8,815)	(12,044)	(1,055)	(1,435)	(40,130)	(10,885)	(7,734)	(10,126)	(95,357)	(62,512)
Finance Income	12,785	11,759	1,720	3,696	948	9,089	10,911	7,226	26,564	13,791	1,770	995	54,698	46,556
Profit/(Loss) before Tax	205,594	144,025	163,784	105,339	92,492	7,164	106,420	68,668	76,685	78,269	(116,662)	(90,255)	528,314	313,210
Income Tax	(10,128)	(4,989)	(44,530)	(26,891)	(19,430)	(7,933)	(19,718)	(9,026)	(234)	(328)	(25,004)	(19,846)	(119,044)	(69,013)
Profit / (Loss) for the Period	195,466	139,036	119,254	78,448	73,062	(769)	86,702	59,642	76,451	77,941	(141,665)	(110,101)	409,270	244,197
Attributable to:														
Equity Holders of the Parent	195,466	139,036	124,433	84,618	36,027	(7,141)	86,702	59,642	57,355	58,473	(141,562)	(110,155)	358,422	224,473
Minority Interests	-	-	(5,179)	(6,170)	37,035	6,372	-	-	19,095	19,468	(104)	54	50,848	19,724
	195,466	139,036	119,254	78,448	73,062	(769)	86,702	59,642	76,451	77,941	(141,665)	(110,101)	409,270	244,197

The above figures are provisional and subject to audit

Hemas Holdings PLC- Interim Report 2nd Quarter 2012-2013

Segmental Information

For Six months ended 30 September	FMCG		Health Care		Leisure		Transportation		Power		Others		Group	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<i>Rs '000</i>														
Revenue														
Segmental Revenue - Gross	3,679,244	3,139,155	4,505,194	3,664,171	656,473	453,142	464,673	358,981	3,139,823	2,087,675	733,760	547,016	13,179,167	10,250,140
Intra Segmental Revenue	-	-	(43,301)	(33,055)	-	-	-	-	-	-	(27,723)	(6,396)	(71,024)	(39,451)
Segmental Revenue	3,679,244	3,139,155	4,461,893	3,631,116	656,473	453,142	464,673	358,981	3,139,823	2,087,675	706,037	540,620	13,108,142	10,210,689
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(221,868)	(220,120)	(221,868)	(220,120)
Total Revenue	3,679,244	3,139,155	4,461,893	3,631,116	656,473	453,142	464,673	358,981	3,139,823	2,087,675	484,169	320,500	12,886,275	9,990,569
Segmental Results	350,078	239,243	422,894	312,270	119,077	(9,207)	186,642	112,978	121,858	157,589	(164,745)	(125,076)	1,035,804	687,797
Finance Cost	(4)	(2,714)	(73,256)	(53,491)	(17,159)	(27,818)	(2,638)	(4,805)	(61,200)	(24,233)	(9,632)	(11,861)	(163,889)	(124,922)
Finance Income	28,455	24,063	2,416	3,696	6,467	9,754	17,740	11,793	56,077	32,140	2,732	2,321	113,888	83,767
Profit/(Loss) before Tax	378,529	260,592	352,055	262,475	108,385	(27,271)	201,744	119,966	116,734	165,496	(171,645)	(134,616)	985,803	646,642
Income Tax	(20,353)	(3,931)	(96,043)	(72,651)	(18,229)	4,215	(46,929)	(18,275)	(469)	(238)	(32,713)	(29,035)	(214,736)	(119,915)
Profit / (Loss) for the Period	358,176	256,661	256,012	189,824	90,156	(23,056)	154,815	101,691	116,265	165,258	(204,357)	(163,651)	771,067	526,727
Attributable to:														
Equity Holders of the Parent	358,176	256,661	266,682	200,554	42,408	(32,831)	154,815	101,691	87,233	123,978	(204,254)	(163,615)	705,061	486,438
Minority Interests	-	-	(10,670)	(10,730)	47,748	9,775	-	-	29,032	41,280	(103)	(36)	66,006	40,289
	358,176	256,661	256,012	189,824	90,156	(23,056)	154,815	101,691	116,265	165,258	(204,357)	(163,651)	771,067	526,727

The above figures are provisional and subject to audit

Notes to the Financial Statements

1 Basis of preparation

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

The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS- 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2012, including the changes to accounting policies as a result of convergence to revised Sri Lanka Accounting Standards (SLFRSs/LKASs). Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

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

Accordingly, current period figures as of 30 September 2012 has been presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) effective from 1 January 2012, while both current period figures and comparative figures have been presented under the Sri Lanka Accounting Standards existed immediately prior to 1 January 2012 (SLASs).

2 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company, its subsidiaries and jointly controlled entities as at 30th September 2012.

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

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

3 Changes in accounting policies

The accounting policies adopted for quarter ended 30 September 2012 are consistent with those of the previous financial year except as described below.

3.1 Business combinations and goodwill

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

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

Notes to the Financial Statements

3.2 Property, plant and equipment

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

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

3.3 Leases

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

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

3.4 Employee Benefit Plan

Defined Benefit Plan

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

3.5 Share-based payment transactions

Equity-settled transactions

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

Cash-settled transactions

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

3.6 Financial Instruments

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

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

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

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

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

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

Notes to the Financial Statements

3.7 Revenue Recognition

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

Revenue recognition policy for following elements has been changed.

Interest income

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

Dividends

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

3.8 Operating Segment

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

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

4 First-time adoption of SLFRS

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

4.1 Optional exemptions which the group has opted to apply:

Business combinations

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

Share-based payment transactions

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

Fair value as deemed cost

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

Leases

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

Investments in subsidiaries, jointly controlled entities and associates

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

Notes to the Financial Statements

Assets and liabilities of subsidiaries, jointly controlled entities and associates

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

Designation of previously recognised financial instruments

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

4.2 Exceptions the group has not applied retrospectively:

Estimates

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

De-recognition of financial assets and financial liabilities

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

Hedge Accounting

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

Non-controlling interests

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

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

5 Standards issued but not yet effective

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

SLFRS 9 – Financial Instruments

SLFRS 10 –Consolidated Financial Statements

SLFRS 11 – Joint Arrangements

SLFRS 12 – Disclosure of Interest in other entities

SLFRS 13 – Fair value measurement

- 6 The previous years'/periods' figures and phrases have been amended where relevant, for better presentation and to be comparable with those of the current period.
- 7 The group invested in Forward Air Logistics (Pvt) Ltd, Rs.55mn and H & M Shipping Services (Pvt) Ltd, Rs.30mn on 31st July 2012
- 8 The Board of Directors of the company has proposed a interim dividend of Rs.0.30 per share for the financial year ended 31 March 2013. 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 final dividend which is to be paid on xx November 2012
- 9 There have been no other events subsequent to the balance sheet date, which require disclosure in the interim financial statements.
- 10 There has been no significant changes in the nature of the contingent liabilities which were disclosed in the Audited Accounts for the year ended 31 March 2012.

Investor Information

	Three months Ended 30.09.2012	Three months Ended 30.09.2011
Market Value of Shares		
Closing Price on 30th September (Rs)	30.50	39.00
Highest Price during the Period (Rs)	33.40	45.10
Lowest Price during the Period (Rs)	20.60	38.00
Market Capitalization on 30th September (Rs Mn)	15,716	19,970
Ratios (As per SLASs)		
Net Asset Per Share on 30th September (Rs)	22.04	18.14
Price Earnings Ratio on 30th September (times)	10.96	20.57
Ratios (As per SLFRSs)		
Net Asset Per Share on 30th September (Rs)	21.24	-
Price Earnings Ratio on 30th September (times)	10.13	-
Share Trading		
No of transactions during the Period	1,626	1,785
No of shares traded during the Period	5,576,688	4,455,100
Value of shares traded during the Period (Rs Mn)	153	186
Number of Shares	515,290,620	515,290,620

Share Information

LIST OF 20 MAJOR SHAREHOLDERS	30.09.2012		30.09.2011	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	90,762,875	17.61	90,762,875	17.73
2 Saraz Investments (Pvt) Ltd.	86,396,035	16.77	86,396,035	16.87
3 Bluberry Investments (Pvt) Ltd.	85,781,250	16.65	85,781,250	16.75
4 Amagroup (Pvt) Limited	85,780,665	16.65	85,780,665	16.75
5 Employees Provident Fund	27,259,122	5.29	26,650,875	5.20
6 HSBC Intl. Nominees Ltd-SSBT-The RBS as Dep of FS India Subcontinent Fund As S/F Of First State Investment	9,732,370	1.89	9,732,370	1.90
7 Sri Lanka Insurance Corporation Ltd. - Life Fund	6,635,700	1.29	6,635,700	1.30
8 Mr. I.A.H. Esufally	6,424,000	1.25	6,132,500	1.20
9 HSBC Intl. Nominees Ltd-SSBT-The RBS PLC as Dep for first state Asia Pacific Sustainability Fund S/F of FS	6,272,899	1.22	6,272,899	1.23
10 Mr. M.A.H. Esufally	5,946,500	1.15	5,655,000	1.10
11 Mr. H.N. Esufally	5,836,705	1.13	5,795,205	1.13
12 Jacey Trust Services (Pvt) Ltd -Account No 2	5,750,000	1.12	4,613,750	0.90
13 HSBC Intl. Nominees Ltd. - HSBC Bank PLC - CMG First State Global Umbrella Fund PLC CMG First State India	5,149,500	1.00	5,825,500	1.14
14 Lexinton Holdings (Pvt) Ltd.	4,740,600	0.92	4,738,200	0.93
15 Jacey Trust Services (Pvt) Ltd	4,613,750	0.90	4,613,750	0.90
16 Anverally and sons (pvt) Ltd A/C no 01	3,828,661	0.74	2,621,100	0.51
17 Employees Trust Fund Board	3,390,545	0.66	2,795,100	0.55
18 HSBC Intl Nom Ltd-JPMCB- Pacific Assests Trust PLC	3,051,800	0.59	3,051,800	0.60
19 Cocoshell Activated Carbon Company Ltd.	2,660,175	0.52	2,938,275	0.57
20 Mr. A. N. Esufally	2,283,585	0.44	1,992,085	0.39
	30.09.2012		30.09.2011	
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. J. C. L. De Mel (Chairman)	87,500		87,500	
Mr. H.N. Esufally (Chief Executive Officer)	5,836,705		5,795,205	
Mr. A.N. Esufally	2,283,585		1,992,085	
Mr. I.A.H. Esufally	6,424,000		6,132,500	
Mr. M.E. Wickremesinghe	11,250		11,250	
Mr. M. A. H. Esufally	5,946,500		5,655,000	
Mr. D. Bhatnagar	-		150	
Mr. Pradipta Kumar Mohapatra	-		-	
	369,310,365		368,394,515	
	30.09.2012		30.09.2011	
PUBLIC HOLDING	No. of Shares		No. of Shares	
Issued Share Capital	515,290,620		515,290,620	
Less:Directors' Direct and Indirect Shareholding	369,310,365		368,394,515	
Public Holding	145,980,255		146,896,105	
Public Holding as a % of Issued Share Capital	28.33%		28.51%	

Corporate Information

Legal Form

Quoted Public Company with limited liability listed on the Colombo Stock Exchange on 15 October 2003

Date of Incorporation

10 December 1948

Date of Re-Registration

30 May 2007

New Registration Number

PQ 6

Accounting year end

31 March

Registered Office

Hemas House
No. 75, Braybrooke Place, Colombo 2.

Website

www.hemas.com

Auditors

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

Directors

Lalith De Mel (Chairman)
Husein Esufally (CEO)
Imtiaz Esufally
Murtaza Esufally
Abbas Esufally
Maithri Wickremesinghe
Pradipta Mohapatra
Ramabadrnan Gopalakrishnan

Secretaries & Registrars

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

Lawyers to the Company

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

Bankers

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