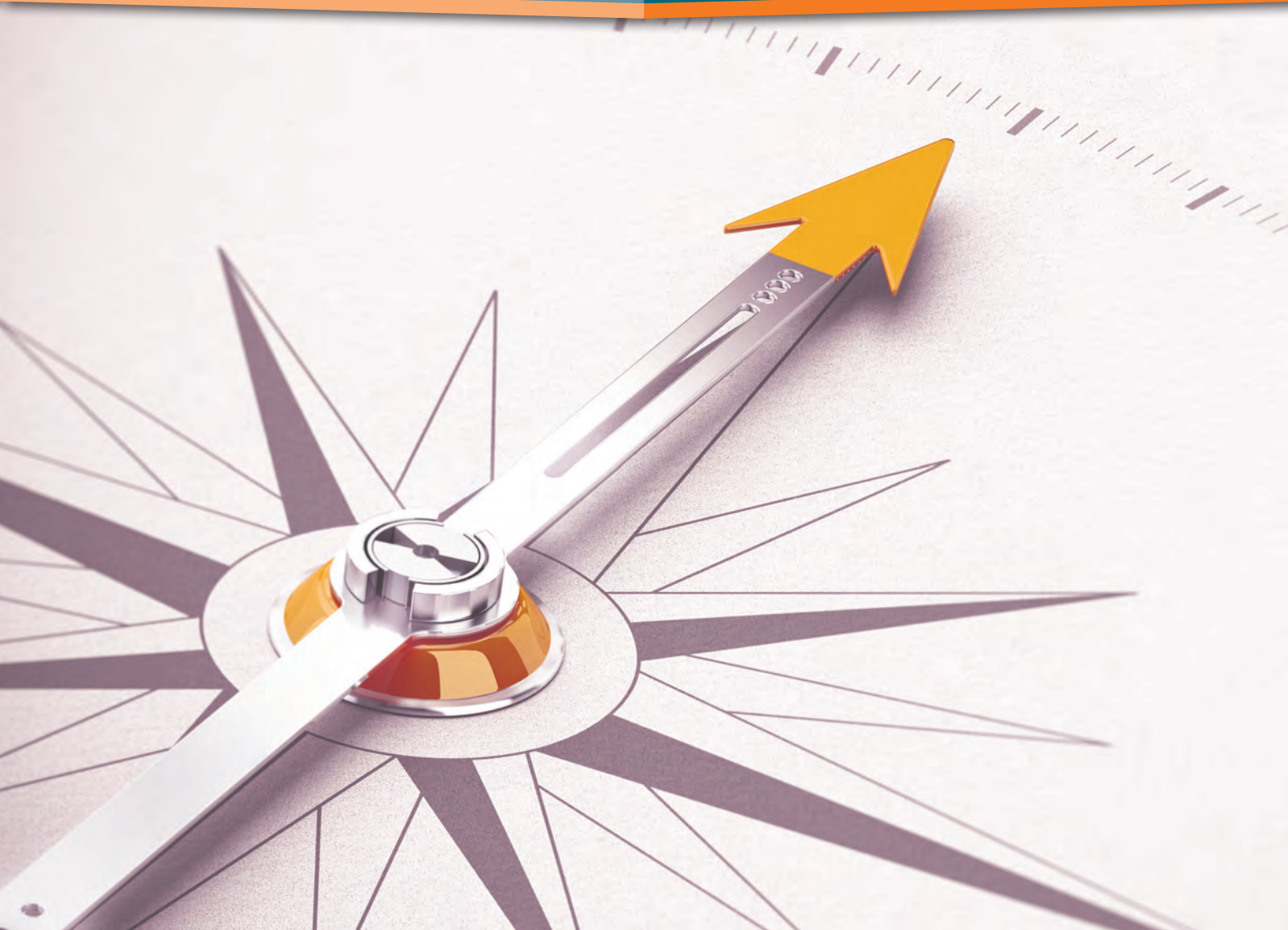




INTERIM REPORT Q2 - 2016/17

EXPLORE. ENGAGE.



CEO's Review

During the first six months of FY 2016/17, Hemas Holdings PLC (HHL) and its subsidiaries achieved a consolidated revenue of Rs.20.6Bn, year-on-year (YoY) growth of 12.1%, operating profit reached Rs.2.1Bn and earnings Rs.1.5Bn, growth of 28.9% and 47.0% respectively. Overall the Group has grown well despite lower than expected economic growth at 3.9%, unfavorable weather conditions, VAT uncertainty, and increasing inflation resulting in weakened domestic consumer demand.

Our Consumer business recorded a topline of Rs.8.4Bn for the first six months, a 13.1% YoY increase over the previous financial year. Operating profits were Rs.1.2Bn, 45.8% YoY growth, whilst earnings grew at 53.3% to stand at Rs.942Mn. Our local consumer sector growth is driven by market share improvement in our personal care and personal wash portfolio. Further, relatively benign commodity prices during the first half of the year contributed towards the sector gross margin improvement. Bangladesh Consumer sector growth was mainly driven by extended reach attained through our own distribution channels and strong marketing activities. We have also introduced our latest product "*Kumarika Facewash*" in the Bangladesh market.

Consolidated healthcare sector revenue for the first six months stood at Rs.9.2Bn, a YoY increase of 17.3% whilst earnings grew at 30.3%, to Rs. 643Mn. Hemas pharmaceutical distribution operation recorded a solid performance over last year including improved market share. During the period under review, Hemas Hospital Wattala added a new wing with a dedicated surgical ward comprising of 27 rooms in addition to an expanded dialysis centre. Parallel to the new opening, we launched our advanced Gastroenterology Centre and a range of new surgical specialties ranging from urology and ENT, to orthopedics, in addition to the installation of its latest state-of-the-art 128 slice CT scanner.

J. L. Morison posted a YoY growth of 6.7% and earnings growth of 21.8% for the six months ended September 30, 2016. Our Rx Pharma portfolio continued to do well benefiting from new product launches. With a view to increasing our focus on our healthcare portfolio, we have exited from the agricultural supply operations which have been part of J. L. Morison's for many years.

Our Leisure, Travel and Aviation (LTA) business recorded a total revenue of Rs.1.8Bn, reflecting an 8.4% YoY growth for the first six months. Hotels sector recorded a revenue growth of 5.4% over last year recording a topline of Rs.754Mn. LTA experienced a decline in segmental profitability during the first six months compounded by losses at Anantara Peace Haven Tangalle Resort which is in its first full year of operations. The latest addition to our leisure portfolio is Anantara Kalutara, opened in September in which we have a 12% shareholding. We continue our efforts to enhance and develop the luxury travel market in Sri Lanka through our close relationship with Minor Group. Travel and Aviation segment continued to show mixed results with some GSAs showing improvements in both yields and number of passengers handled while others faced competitive operating environments. As a result, the segment recorded a decline in revenues of 1.5%.

Hemas maritime and logistics recorded growth of 93.3% over last year recording a topline of Rs. 841Mn. This growth has been driven by our new maritime agency, Evergreen. The acquisition of this agency gives us a stronger position in the logistics and maritime space an area where we are now planning to expand further.

We anticipate a challenging second half for our businesses with increased VAT rates, the introduction of VAT at hospitals, the runway refurbishment impacting travel and leisure and the recent price controls imposed on pharmaceuticals. As ever the team is ready and prepared to respond to these challenges.



Steven Enderby
Group Chief Executive Officer

Colombo
November 03, 2016

Consolidated Statement of Profit or Loss

<i>Rs '000</i>	Three Months Ended		Change	Six Months Ended		Change
	30.09.2016	30.09.2015	%	30.09.2016	30.09.2015	%
Continuing Operations						
Revenue	10,745,028	9,596,477	12.0	20,630,750	18,411,644	12.1
Cost of Sales	(6,618,789)	(6,103,432)	8.4	(12,741,986)	(11,741,224)	8.5
Gross Profit	4,126,239	3,493,045	18.1	7,888,764	6,670,420	18.3
Other Operating Income	138,989	64,626	115.1	197,899	134,429	47.2
Selling and Distribution Expenses	(1,229,924)	(1,015,599)	21.1	(2,419,507)	(2,067,214)	17.0
Administrative Expenses	(1,850,093)	(1,549,802)	19.4	(3,538,955)	(3,091,842)	14.5
Share of results of Joint ventures & Associates	(16,387)	(53,993)	(69.6)	(51,659)	(34,244)	50.9
Operating Profit	1,168,824	938,277	24.6	2,076,542	1,611,549	28.9
Finance Cost	(149,737)	(117,060)	27.9	(253,528)	(240,378)	5.5
Finance Income	206,817	160,037	29.2	412,756	269,181	53.3
Profit Before Tax	1,225,904	981,254	24.9	2,235,770	1,640,352	36.3
Income Tax Expenses	(327,643)	(293,728)	11.5	(636,803)	(523,925)	21.5
Profit for the period	898,261	687,526	30.7	1,598,967	1,116,427	43.2
Attributable to:						
Equity Holders of the Parent	847,476	635,365	33.4	1,543,885	1,050,309	47.0
Non-Controlling Interests	50,785	52,161	(2.6)	55,082	66,118	(16.7)
	898,261	687,526	30.7	1,598,967	1,116,427	43.2
Earnings Per Share (Rs)	1.48	1.11		2.70	1.83	
Annualised Earnings Per Share (Rs)	5.92	4.44		5.39	3.67	
Diluted Earnings Per Share	1.48	1.13		2.70	1.87	
Dividend per share (Rs.)	1.00	0.70		1.00	0.70	

Consolidated Statement of Comprehensive Income

<i>Rs '000</i>	Three Months Ended		Six Months Ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Profit for the Period	898,261	687,526	1,598,967	1,116,427
Other Comprehensive Income				
Net (loss)/gain on available-for-sale financial assets	14	5,095	11	(7,439)
Exchange differences on translation of foreign operations	9,289	13,274	13,315	14,668
Net movement on cash flow hedges	(1,135)	(22,927)	10,957	(46,228)
Revaluation of land and buildings	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-
Other Comprehensive Income for the period, net of tax	8,168	(4,558)	24,283	(38,999)
Total Comprehensive Income for the period, net of tax	906,429	682,968	1,623,250	1,077,428
Attributable to:				
Equity Holders of the Parent	867,728	640,361	1,573,853	1,034,006
Non-Controlling Interests	38,701	42,607	49,397	43,422
	906,429	682,968	1,623,250	1,077,428

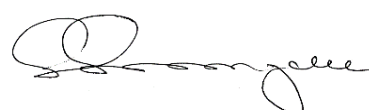
The above figures are provisional and subject to audit.

Consolidated Statement of Financial Position

As at				
Rs '000		30.09.2016	30.09.2015	31.03.2016
Non-Current Assets				
Property, Plant and Equipment		12,711,462	11,544,590	12,764,329
Investment Properties		1,437,878	1,763,665	1,735,779
Leasehold Right		112,926	102,591	115,751
Intangible Assets		833,841	739,748	852,339
Investment in Joint Ventures		1,239,679	1,423,616	1,323,506
Investment in Associates		-	371,285	359,064
Other Non Current Financial Assets		779,900	491,914	420,392
Deferred Tax Asset		53,625	63,590	47,829
		17,169,311	16,500,999	17,618,989
Current Assets				
Inventories		5,469,056	4,277,538	5,232,312
Trade and Other Receivables		9,798,539	8,667,854	7,462,326
Tax Recoverable		327,726	50,508	39,724
Other Current Financial Assets		162,780	139,605	84,861
Cash and Short Term Deposits		10,865,540	10,662,512	11,888,963
		26,623,641	23,798,017	24,708,186
Total Assets		43,792,952	40,299,016	42,327,175
Equity				
Stated Capital		5,722,837	5,722,837	5,722,837
Other Capital and Revenue Reserves		82,516	41,740	58,542
Other Components of Equity		2,052,612	1,275,772	2,022,644
Retained Earnings		15,228,450	13,315,948	14,187,670
Equity attributable to equity holders of the parent		23,086,415	20,356,297	21,991,693
Non-Controlling Interests		2,286,771	2,216,577	2,661,619
Total Equity		25,373,186	22,572,874	24,653,312
Non-Current Liabilities				
Interest Bearing Loans and Borrowings		2,852,830	3,138,206	3,241,655
Other Non Current Financial Liabilities		4,442	10,603	4,247
Deferred Tax Liability		422,236	291,932	424,484
Employee Benefit Liability		606,053	574,178	566,044
		3,885,561	4,014,919	4,236,430
Current Liabilities				
Trade and Other Payables		10,696,285	10,106,971	10,542,074
Income Tax Payable		599,541	254,286	523,074
Interest Bearing Loans and Borrowings		1,641,867	1,921,536	1,370,454
Bank Overdraft		1,596,512	1,428,430	1,001,831
		14,534,205	13,711,223	13,437,433
Total Equity and Liabilities		43,792,952	40,299,016	42,327,175
Net Asset per share - (Rs)		40.32	35.55	38.41

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.



Sanjeewa Samaranyake

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,



Imtiaz Esufally

Director

Colombo

November 03, 2016



Steven Enderby

Chief Executive Officer

Consolidated Statement of Changes in Equity

	Attributable to Equity Holders of the Parent						Retained Earnings	Total	Non Controlling Interests	Total Equity
	Stated Capital	Other Capital & Revenue Reserves	Other Component Of Equity							
			Revaluation Reserve	Exchange Reserve	Available for sale Reserve	Cash flow hedge Reserve				
<i>Rs '000</i>										
Balance as at 1 April 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
Share based payments	-	6,059	-	-	-	-	-	6,059	-	6,059
Transaction cost on Issue of shares	-	-	-	-	-	-	(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
Balance as at 1 April 2016	5,722,837	58,542	1,986,673	24,814	761	10,396	14,187,670	21,991,693	2,661,619	24,653,312
Profit for the period	-	-	-	-	-	-	1,543,885	1,543,885	55,082	1,598,967
Other comprehensive income	-	-	-	13,315	11	16,642	-	29,968	(5,685)	24,283
Total comprehensive income	-	-	-	13,315	11	16,642	1,543,885	1,573,853	49,397	1,623,250
Dividends Paid	-	-	-	-	-	-	(572,545)	(572,545)	(109,777)	(682,322)
Share based payments	-	23,974	-	-	-	-	-	23,974	-	23,974
Adjustment in respect of changes in Group Holding	-	-	-	-	-	-	69,440	69,440	(314,468)	(245,028)
Balance as at 30 September 2016	5,722,837	82,516	1,986,673	38,129	772	27,038	15,228,450	23,086,415	2,286,771	25,373,186

Statement of Profit or Loss (Company)

	Three Months Ended		Change	Six Months Ended		Change
	30.09.2016	30.09.2015	%	30.09.2016	30.09.2015	%
<i>Rs '000</i>						
Revenue	215,436	163,964	31.4	403,462	323,211	24.8
Cost of Sales	-	-	-	-	-	-
Gross Profit	215,436	163,964	31.4	403,462	323,211	24.8
Other Operating Income	450,278	259,827	73.3	451,107	291,742	54.6
Administrative Expenses	(246,818)	(156,916)	57.3	(428,421)	(315,625)	35.7
Operating Profit	418,896	266,875	57.0	426,148	299,328	42.4
Finance Cost	(74,224)	(53,572)	38.5	(119,944)	(109,799)	9.2
Finance Income	154,865	133,038	16.4	303,427	222,981	36.1
Profit Before Tax	499,537	346,341	44.2	609,631	412,510	47.8
Income Tax Expenses	(7,318)	898	(914.9)	(14,845)	(34,684)	(57.2)
Profit for the Period	492,219	347,239	41.8	594,786	377,826	57.4

Statement of Comprehensive Income (Company)

	Three Months Ended		Six Months Ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
<i>Rs '000</i>				
Profit for the Period	492,219	347,239	594,786	377,826
Other Comprehensive Income/ (Expense)				
Net (loss)/gain on available-for-sale financial assets	38	(4,175)	11	(7,713)
Other Comprehensive Income/ (Expense) for the period, net of tax	492,257	(4,175)	11	(7,713)
Total Comprehensive Income for the period, net of tax	492,257	343,064	594,797	370,113

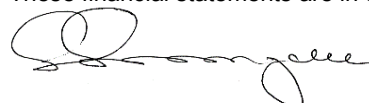
The above figures are provisional and subject to audit

Statement of Financial Position (Company)

As at	30.09.2016	30.09.2015	31.03.2016
<i>Rs '000</i>			
Non-Current Assets			
Property, Plant and Equipment	111,888	135,597	127,324
Investment Properties	528,278	675,750	700,480
Intangible Assets	86,063	21,854	97,590
Investment in Subsidiaries	5,609,369	4,548,889	4,550,098
Other Non Current Financial Assets	1,079,730	414,892	363,048
	7,415,328	5,796,982	5,838,540
Current Assets			
Trade and Other Receivables	771,193	847,012	490,752
Tax Recoverable	10,022	11,040	9,071
Other Current Financial Assets	1,148,612	1,045,396	1,036,966
Cash and Short Term Deposits	4,847,748	6,424,317	5,949,460
	6,777,575	8,327,765	7,486,249
Total Assets	14,192,903	14,124,747	13,324,789
Equity			
Stated Capital	5,722,837	5,722,837	5,722,837
Other Capital Reserves	303,867	263,091	279,893
Other Components of Equity	277	(1,693)	266
Retained Earnings	4,831,184	5,042,743	4,808,943
Total Equity	10,858,165	11,026,978	10,811,939
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	1,749,214	1,607,748	1,447,947
Other Non Current Financial Liabilities	-	5,051	-
Deferred Tax Liability	61,679	52,277	63,066
Employee Benefit Liability	28,576	27,885	26,732
	1,839,469	1,692,961	1,537,745
Current Liabilities			
Trade and Other Payables	857,699	425,948	432,577
Income Tax Payable	32,379	-	92,560
Interest Bearing Loans and Borrowings	428,211	743,000	348,647
Bank Overdraft	176,980	235,860	101,321
	1,495,269	1,404,808	975,105
Total Equity and Liabilities	14,192,903	14,124,747	13,324,789
Net Asset per share - (Rs)	18.96	19.26	18.88

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.



Sanjeewa Samaranayake

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,



Imtiaz Esufally

Director

Colombo

November 03, 2016



Steven Enderby

Chief Executive Officer

Statement of Changes in Equity (Company)

<i>Rs '000</i>	Other Component Of Equity				Total Equity
	Stated Capital	Other Capital Reserves	Available for Sale Reserve	Retained Earnings	
Balance as at 1 April 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)
Share based payments	-	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
Balance as at 1 April 2016	5,722,837	279,893	266	4,808,943	10,811,939
Profit for the period	-	-	-	594,786	594,786
Other comprehensive income	-	-	11	-	11
Total comprehensive income	-	-	11	594,786	594,797
Share based payments	-	23,974	-	-	23,974
Final Dividend Paid 2015/16	-	-	-	(572,545)	(572,545)
Balance as at 30 September 2016	5,722,837	303,867	277	4,831,184	10,858,165

The above figures are provisional and subject to audit

Statement of Cash Flows

For Six months ended <i>Rs '000</i>	Group		Company	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Operating Activities				
Profit before taxation from continuing operations	2,235,770	1,640,352	609,631	412,510
Profit/(loss) before taxation from discontinued operations			-	-
Adjustments for				
Depreciation	433,423	429,946	22,766	21,828
(Gain)/Loss on Disposal of Property, Plant and Equipment, Investment Property	(97,904)	(4,321)	(80,490)	(111)
Provision for Share based payment expense	23,974	6,059	8,815	1,394
Amortisation/ Impairment of Intangible Assets	28,968	11,474	11,544	5,445
Amortisation of Leasehold Rights	2,569	6,954	-	-
Impairment Property, Plant and Equipment/ Leasehold Rights	-	5,000	-	-
Exchange Gain or Loss on Foreign Currency Borrowings	(12,141)	1,698	-	-
Investment in Associate de-recognition	1,559		-	-
Finance Cost	253,528	240,378	119,944	109,799
Finance Income	(412,756)	(269,181)	(303,427)	(222,981)
Share of results of Associates/Joint Ventures	51,659	34,244	-	-
Investment Income	-	-	(368,951)	(288,861)
Movement in Employee Benefit Liability	59,741	51,972	2,500	1,850
Working Capital Adjustments				
(Increase)/Decrease in Inventories	(236,743)	(141,954)	-	-
(Increase)/Decrease in Trade and Other Receivables	(2,336,212)	(1,453,744)	(265,282)	387,305
Increase/(Decrease) in Trade and Other Payables	154,050	1,143,614	425,121	38,498
Increase/(Decrease) in Other Non Current Financial Liabilities	195	(19,280)	-	(4,383)
Finance Cost Paid	(253,528)	(240,378)	(119,944)	(109,799)
Finance Income Received	410,485	268,109	303,304	222,981
Income Tax Paid	(845,362)	(361,383)	(77,365)	(29,398)
Employee Retirement Benefit Paid	(19,736)	(11,396)	(655)	(1,651)
Net Cash flows from/(Used in) Operating Activities	(558,461)	1,338,163	287,511	544,426
Investing Activities				
Purchase of Property, Plant and Equipment	(390,616)	(536,072)	(7,330)	(24,146)
Investment in Intangible Assets	(10,501)	(267)	(17)	-
Disposal of/ Investment in Financial Assets	(81,482)	868,790	352	304,602
Acquisition/Investment in Joint Ventures	-	(250,512)	-	(16,352)
Investment in Subsidiaries	(8,564)		(1,059,271)	-
Dividend Received from Joint Venture/ Associate	25,200	34,200	-	-
Investment Income Received	-	-	368,951	288,861
Proceeds on Disposal of Property, Plant and Equipment/ Intangible Ass / Leasehold Property/ Investment Property	416,101	32,092	252,692	13,774
Net Cash flows from/(Used in) Investing Activities	(49,862)	148,231	(444,623)	566,739
Financing Activities				
Interest Bearing Loans and Borrowings (Net)	(95,747)	(57,580)	(447,714)	160,028
Transaction Cost of Right Issue	-	(65,676)	-	(64,488)
Proceeds from Right Issue	-	4,122,234	-	4,122,234
Proceeds to Non-Controlling Interests	(245,028)	11,857	-	-
Dividends Paid - Equity Holders of the Parent	(572,545)	(400,782)	(572,545)	(400,782)
- Non-Controlling Interests	(109,777)	(100,881)	-	-
Net Cash flows from/(Used in) Financing Activities	(1,023,097)	3,509,172	(1,020,259)	3,816,992
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,631,420)	4,995,566	(1,177,371)	4,928,157
Net Foreign Exchange Difference	13,315	13,523	-	-
Cash and Cash Equivalents at the beginning of the Year	10,887,133	4,224,993	5,848,139	1,260,300
Cash and Cash Equivalents at the end of the period	9,269,028	9,234,082	4,670,768	6,188,457

The above figures are provisional and subject to audit

Segmental Information

For three months ended 30 September	FMCG		Healthcare		Leisure, Travel & Aviation		Logistic & Maritime		Others		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<i>Rs '000</i>												
Revenue												
Segmental Revenue - Gross	4,170,726	3,636,754	4,817,528	4,098,219	1,070,032	985,376	497,169	224,407	601,925	984,645	11,157,380	9,929,401
Intra Segmental Revenue	(36,887)	(71,842)	(70,756)	(35,406)	-	-	-	-	(37,688)	(26,054)	(145,331)	(133,302)
Segmental Revenue	4,133,839	3,564,912	4,746,772	4,062,813	1,070,032	985,376	497,169	224,407	564,237	958,591	11,012,049	9,796,099
Inter Segmental Revenue	(1,050)	-	-	-	-	-	-	-	(265,971)	(199,622)	(267,021)	(199,622)
Total Revenue	4,132,789	3,564,912	4,746,772	4,062,813	1,070,032	985,376	497,169	224,407	298,266	758,969	10,745,028	9,596,477
Segmental Results												
Finance Cost	(1)	(3)	(55,090)	(48,300)	(8,321)	(5,728)	(4,775)	(5,120)	(81,550)	(57,909)	(149,737)	(117,060)
Finance Income	42,319	12,329	1,811	2,097	9,812	9,721	769	1,389	152,106	134,501	206,817	160,037
Change in Fair Value of Investment Properties	-	-	-	-	-	-	-	-	-	-	-	-
Share of results of Joint ventures & Associates	-	-	-	-	(42,956)	(86,303)	26,569	32,310	-	-	(16,387)	(53,993)
Profit/(Loss) before Tax	564,311	407,125	534,899	381,473	111,075	86,687	113,585	45,168	(97,966)	60,801	1,225,904	981,254
Income Tax	(131,767)	(106,562)	(119,759)	(93,624)	(19,556)	(26,965)	(25,793)	(6,642)	(30,768)	(59,935)	(327,643)	(293,728)
Profit / (Loss) from Continuing Operations	432,544	300,563	415,140	287,849	91,519	59,722	87,792	38,526	(128,734)	866	898,261	687,526
Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the Period	432,544	300,563	415,140	287,849	91,519	59,722	87,792	38,526	(128,734)	866	898,261	687,526
Attributable to:												
Equity Holders of the Parent	432,317	301,056	403,097	282,076	61,576	23,354	83,372	31,136	(132,886)	(2,257)	847,476	635,365
Non-Controlling Interests	227	(493)	12,043	5,773	29,943	36,368	4,420	7,390	4,152	3,123	50,785	52,161
	432,544	300,563	415,140	287,849	91,519	59,722	87,792	38,526	(128,734)	866	898,261	687,526

The above figures are provisional and subject to audit

Segmental Information

	FMCG		Healthcare		Leisure, Travel & Aviation		Logistic & Maritime		Others		Group	
For six months ended 30 September	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<i>Rs '000</i>												
Revenue												
Segmental Revenue - Gross	8,438,281	7,463,766	9,156,255	7,807,504	1,845,771	1,702,517	841,559	435,407	1,090,573	1,593,659	21,372,439	19,002,853
Intra Segmental Revenue	(87,306)	(71,842)	(84,379)	(67,880)	-	-	-	-	(65,884)	(51,773)	(237,569)	(191,495)
Segmental Revenue	8,350,975	7,391,924	9,071,876	7,739,624	1,845,771	1,702,517	841,559	435,407	1,024,689	1,541,886	21,134,870	18,811,358
Inter Segmental Revenue	(1,050)	-	-	-	-	-	-	-	(503,070)	(399,714)	(504,120)	(399,714)
Total Revenue	8,349,925	7,391,924	9,071,876	7,739,624	1,845,771	1,702,517	841,559	435,407	521,619	1,142,172	20,630,750	18,411,644
Segmental Results	1,158,859	795,024	1,004,076	759,119	169,159	233,104	141,246	41,084	(345,139)	(182,538)	2,128,201	1,645,793
Finance Cost	(1)	(16)	(111,221)	(97,651)	3,999	(12,966)	(10,679)	(10,262)	(135,626)	(119,483)	(253,528)	(240,378)
Finance Income	82,845	22,150	3,714	4,189	19,151	18,730	2,229	2,689	304,817	221,423	412,756	269,181
Share of results of Joint ventures & Associates	-	-	-	-	(109,290)	(88,420)	57,631	54,176	-	-	(51,659)	(34,244)
Profit/(Loss) before Tax	1,241,703	817,158	896,569	665,657	83,019	150,448	190,427	87,687	(175,948)	(80,598)	2,235,770	1,640,352
Income Tax	(296,392)	(201,130)	(240,269)	(163,900)	(34,991)	(44,866)	(27,906)	(11,886)	(37,245)	(102,143)	(636,803)	(523,925)
Profit / (Loss) from Continuing Operations	945,311	616,028	656,300	501,757	48,028	105,582	162,521	75,801	(213,193)	(182,741)	1,598,967	1,116,427
Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the Period	945,311	616,028	656,300	501,757	48,028	105,582	162,521	75,801	(213,193)	(182,741)	1,598,967	1,116,427
Attributable to:												
Equity Holders of the Parent	942,248	614,684	643,800	494,183	28,019	68,061	147,951	60,681	(218,133)	(187,300)	1,543,885	1,050,309
Non-Controlling Interests	3,063	1,344	12,500	7,574	20,009	37,521	14,570	15,120	4,940	4,559	55,082	66,118
	945,311	616,028	656,300	501,757	48,028	105,582	162,521	75,801	(213,193)	(182,741)	1,598,967	1,116,427

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 2016. 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 (AA-Ika, by Fitch Rating Lanka Limited) unsecured redeemable debentures carrying a coupon rate of 11% p.a., payable semi-annually issued on 29th April 2014 are to be matured on 29th April 2019.
- 3 The Company paid a final dividend of Rs.1/- per share for the financial year ended 31 March 2016.
- 4 The Board of Directors of the Company has declared an interim dividend of Rs. 0.40 per share for the financial year ending 31 March 2017 as required by section 56(2) of the companies Act No 07 of 2007 , the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the companies Act No. 07 of 2007, and has obtained a certificate from the Auditors, prior to declaring the interim dividend which is to be paid on 24th November 2016.

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 2016.
- 5 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, out of which 2,578,591 employee share options were vested during the current period.

Further, 3,053,750 employee share options were granted with the exercise price of Rs.87.50 with a one year vesting period starting from 27 July 2016 and exercise period of 3 years starting from 27 August 2017.

- 6 The Group ceased its significant influence had over Jada Resorts & Spa (Pvt) Ltd with the restructuring of its shareholding. As a result, the Group discontinue accounting Jada Resorts & Spa (Pvt) Ltd on equity method effective from 1st April 2016 and it was reclassified the same under "Other Financial Asses – Available for sale investments" as required by the accounting standards.
- 7 There have been no other events subsequent to the reporting date, which require disclosure in the interim financial statements.
- 8 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 2016.

Investor Information

	Six Months Ended	
	30.09.2016	30.09.2015
Market Value of Shares		
Closing Price on 30 Sept (Rs)	104.10	85.00
Highest Price during the Period (Rs)	105.50	99.80
Lowest Price during the Period (Rs)	85.00	78.00
Market Capitalization on 30 Sept (Rs Mn)	59,602	48,666
Ratios		
Net Asset Per Share on 30 Sept	40.32	35.55
Price Earnings Ratio on 30 Sept (times)	19.30	23.17
Debt security related ratios		
Debt/Equity Ratio	0.24	0.29
Quick Asset Ratio	1.46	1.42
Interest Cover	9.82	7.82
Interest yield as at date of last trade	-	9.30%
Yield to maturity of trade done	-	9.30%
Interest rate of comparable Government security (5 Year Treasury Bond rate)	11.76%	9.58%
Share Trading		
No of transactions during the Period	1,107	1,953
No of shares traded during the Period	9,073,004	14,893,420
Value of shares traded during the Period (Rs Mn)	861	1,323
Number of Shares	572,545,133	572,545,133
Debentures 11% fixed - Unsecured redeemable		
Closing Price on 31 March (Rs)	-	105.69
Highest Price during the Period (Rs)	-	105.69
Lowest Price during the period (Rs)	-	102.17
Number of Debentures	10,000,000	10,000,000

Share Information

LIST OF 20 MAJOR SHAREHOLDERS	30.09.2016		30.09.2015	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	90,762,875	15.85	90,762,875	15.85
2 Saraz Investments (Pvt) Ltd.	86,396,035	15.09	86,396,035	15.09
3 Blueberry Investments (Pvt) Ltd.	85,781,250	14.98	85,781,250	14.98
4 Amagroup (Pvt) Limited	85,780,665	14.98	85,780,665	14.98
5 HSBC Intl Nominees Ltd-JPMLU-Franklin Templeton Investment Funds	52,171,534	9.11	56,968,238	9.95
6 HSBC Intl. Nominees Ltd. -JPMCB- Templeton Global Investment Trust-Templeton Emerging Markets S	14,964,257	2.61	14,964,257	2.61
7 HSBC Intl. Nom Ltd-SSBT-First State Investments ICVC - Stewart Investors Indian Subcontinent Fund	11,962,613	2.09	11,962,613	2.09
8 Pemberton Asian Opportunities Fund	9,000,000	1.57	10,000,000	1.75
9 HSBC Intl. Nom Ltd-SSBT- First State Investments ICVC - Stewart Investors Asia Pacific Sustainability FU	8,286,047	1.45	8,286,047	1.45
10 HSBC Intl. Nominees Ltd. -JPMCB- Scottish ORL SML TR GTI 6018	8,006,561	1.40	7,886,561	1.38
11 HSBC Intl Nom Ltd-SSBT- First State Investments ICVC - Stewart Investors Asia Pacific Fund	6,435,960	1.12	-	-
12 Mr. M.A.H. Esufally	5,946,500	1.04	5,946,500	1.04
13 Mr. H.N. Esufally	5,586,705	0.98	5,836,705	1.02
14 Mr. I.A.H. Esufally	4,424,000	0.77	4,424,000	0.77
15 HSBC Intl Nom Ltd-JPMCB- Pacific Assests Trust PLC	4,344,132	0.76	4,344,132	0.76
16 HSBC Intl Nom Ltd-State Street Luxembourg c/o SSBT - Alliancebernstein next 50 emerging Markets (MASTE)	3,949,115	0.69	3,754,225	0.66
17 HSBC Intl. Nom. LTD-BBH-Grandeur Peak Emerging Markets Opportunities Fund	3,804,326	0.66	3,337,031	0.58
18 HSBC Intl Nom Ltd-SSBT- First State Investments ICVC - Stewart Investors Global Emerging Markets Sustai	3,317,420	0.58	-	-
19 HSBC International Nominees Ltd-Morgan Stanley and Co Intl PLC-Own A/C	2,758,300	0.48	-	-
20 BNYM SA/NV -Frontier Market Opportunities Master FD , L.P	2,752,207	0.48	-	-
	30.09.2016		30.09.2015	
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)	5,586,705		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. 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	-		-	
Mr. A.S. Amaratunga	-		-	
	366,961,615		367,211,615	
	30.09.2016		30.09.2015	
PUBLIC HOLDING	No. of Shares		No. of Shares	
Issued Share Capital	572,545,133		572,545,133	
Less:Directors' Direct and Indirect Shareholding	366,961,615		367,224,115	
Close Family Members	2,750,000		2,500,000	
Public Holding	202,833,518		202,821,018	
Public Holding as a % of Issued Share Capital	35.43%		35.42%	
Total Number of Shareholders	4,338		4,558	
Number of persons holdings Shares Excluded when computing Public Holding %	12		12	
Number of Shareholders representing the Public Holding	4,326		4,546	

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
Pradipta Mohapatra
Ramabadran Gopalakrishnan
Dr Anura Ekanayake
Dinesh Weerakkody
Malinga Arsakularatne
Amitha Saktha Amaratunga

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