

HEMAS HOLDINGS PLC



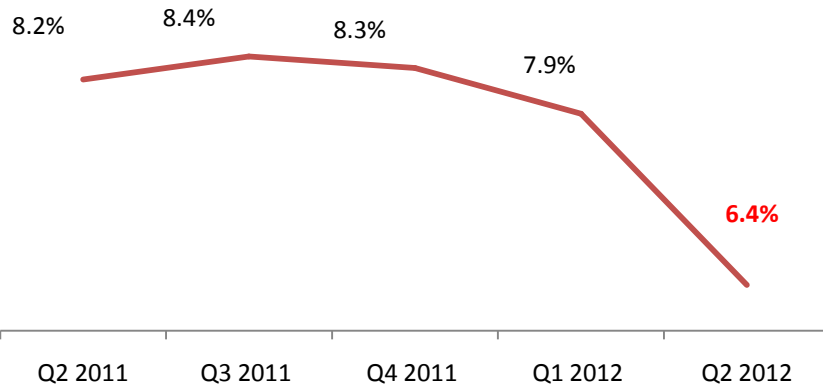
ENRICHING LIVES. INSPIRING CHANGE.

Investor Presentation
1H 2012/13

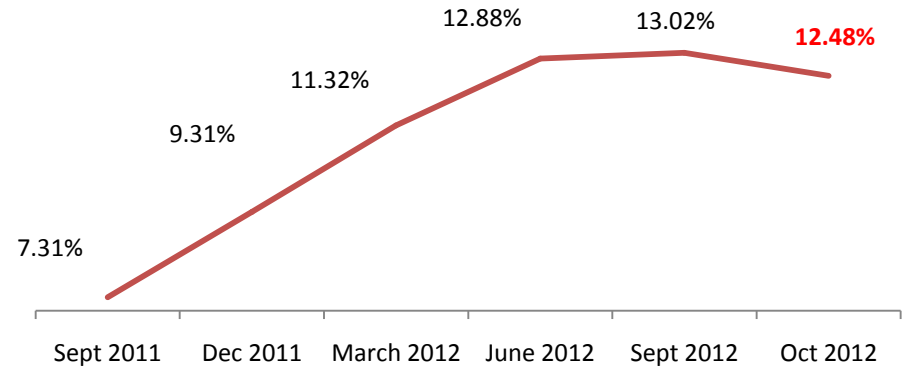
Macro Highlights

Sri Lanka: Macro Highlights

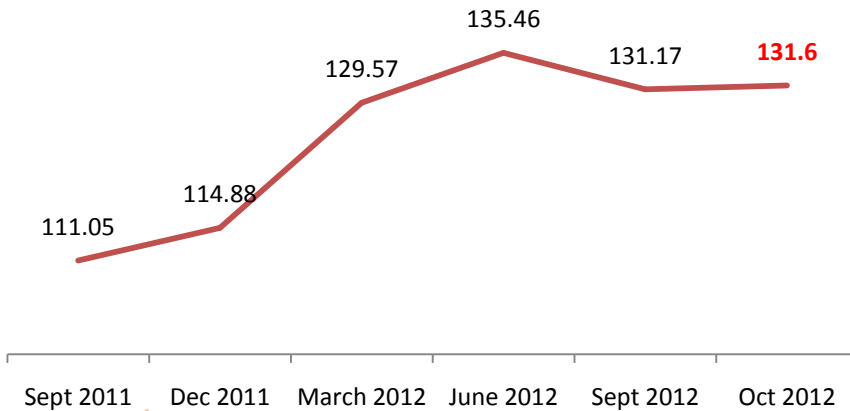
GDP Growth slows to 6.4%



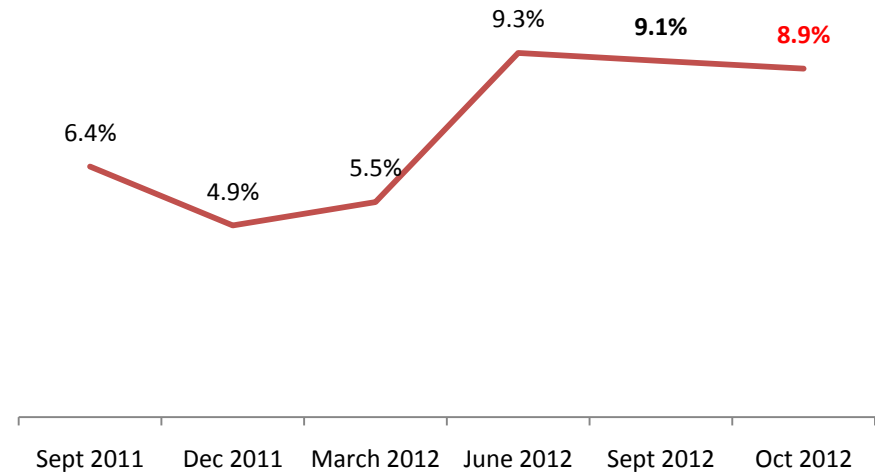
12M T-Bill Rate peaks around 13%



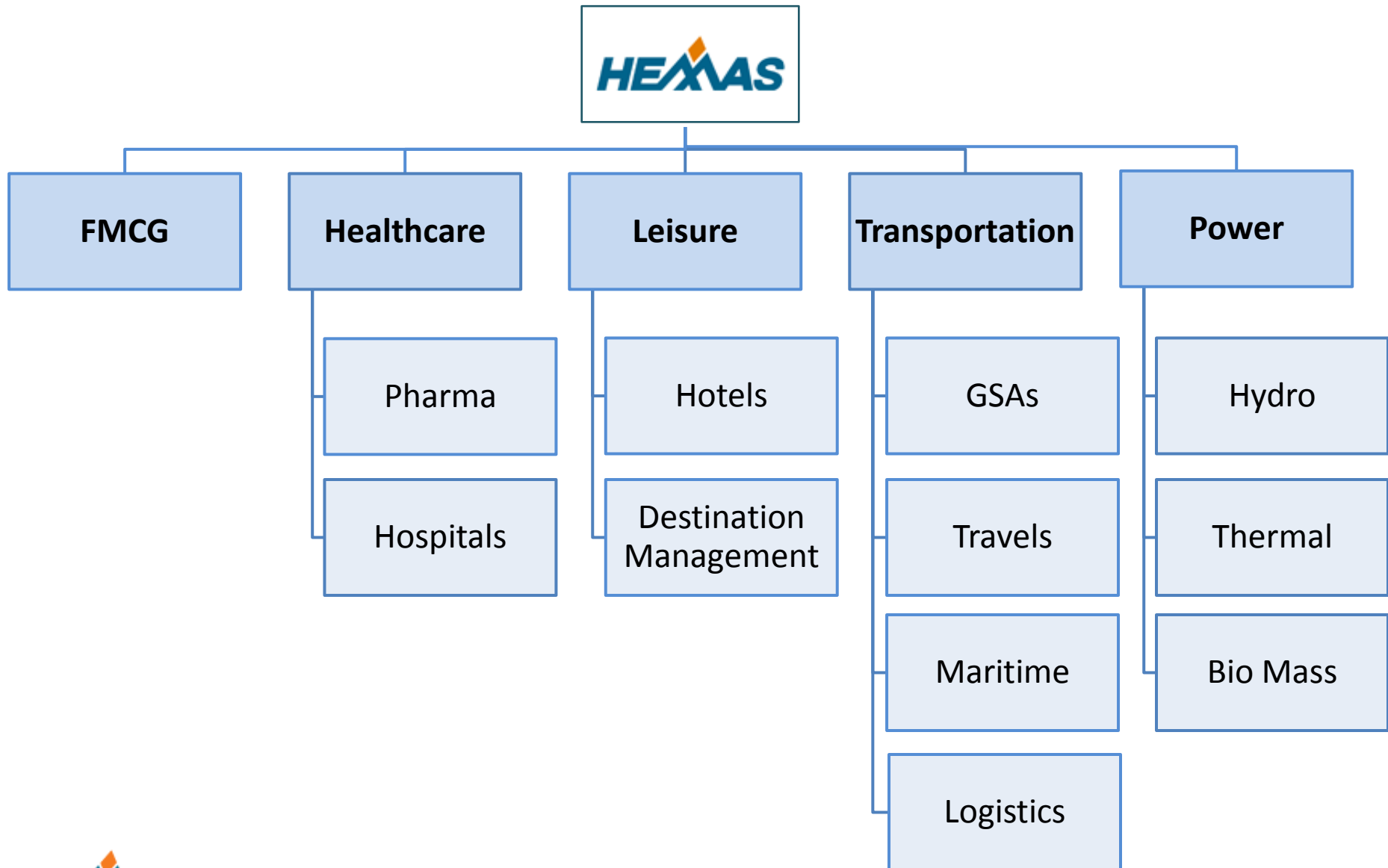
Rupee recovers after a 20% slip



Inflation hovers around 9%



Hemas Group

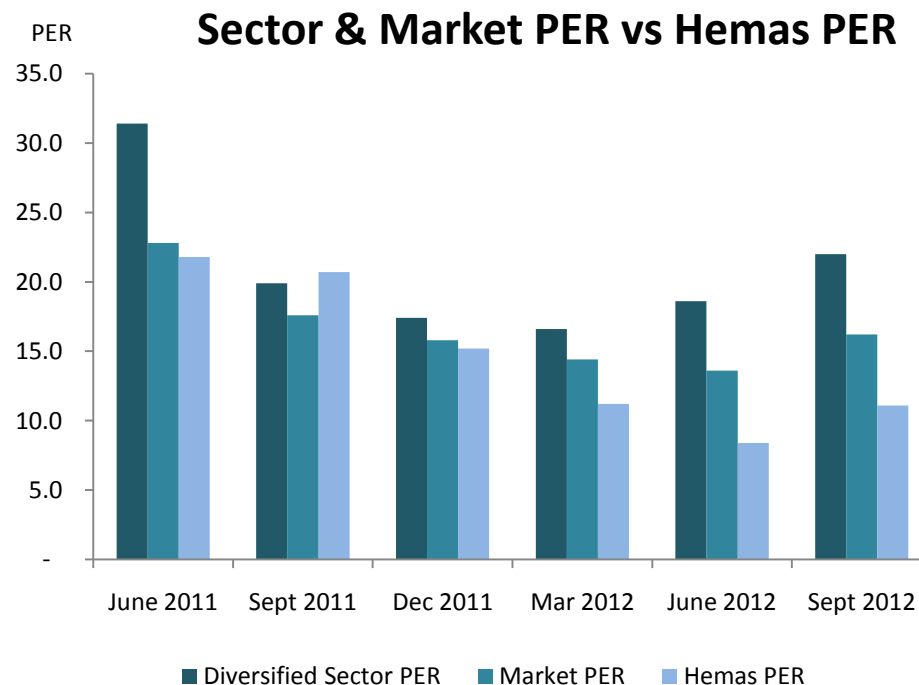




1H Performance Review

Hemas Group: A Snapshot

Share Price (As at 21.11.2012)	Rs. 27.90
Market Capitalization	Rs. 14.4Bn
% of Total Market	0.70%
PER	10.2*
PBV	1.27
No of Shares	515,290,620
Public Shareholding	28.33%



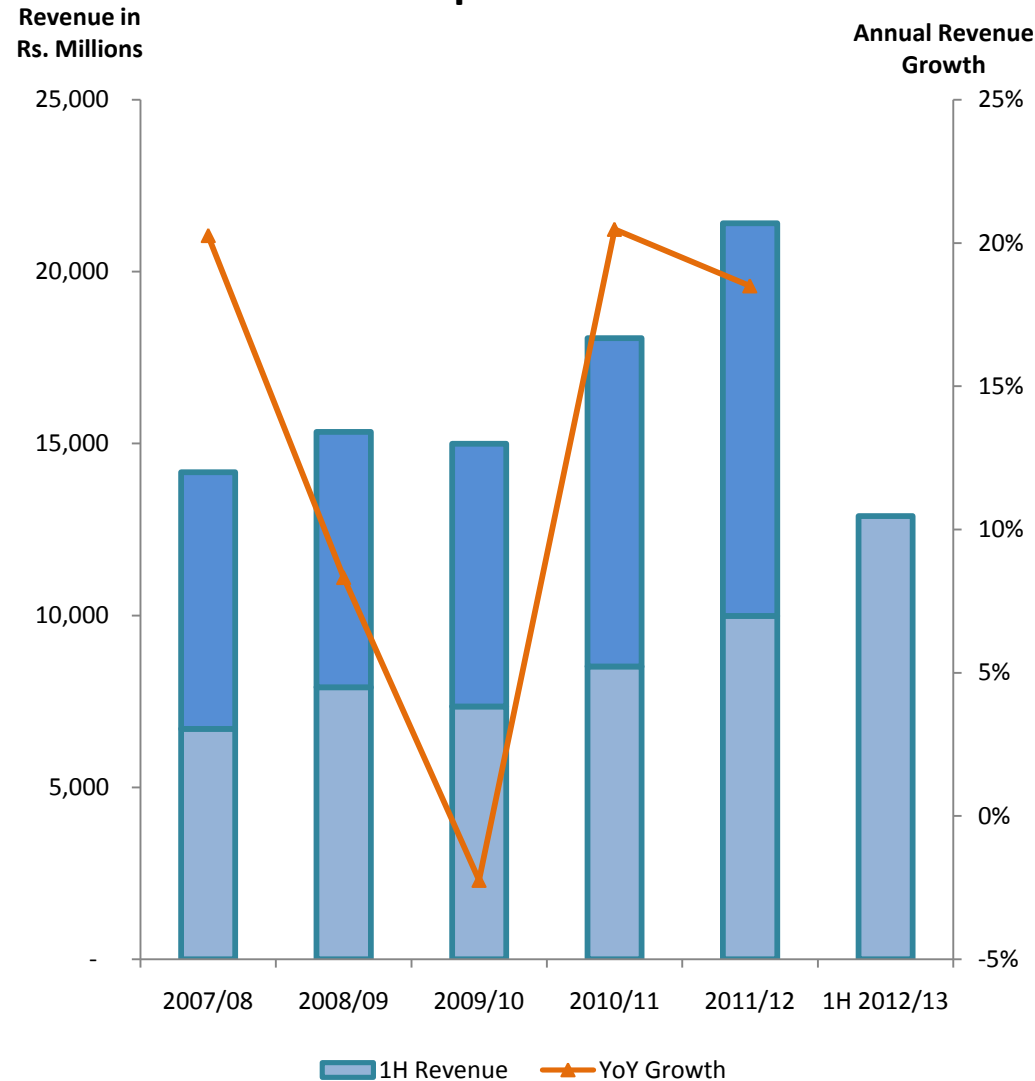
* PER based on annualized earnings

Hemas Group: Performance Highlights

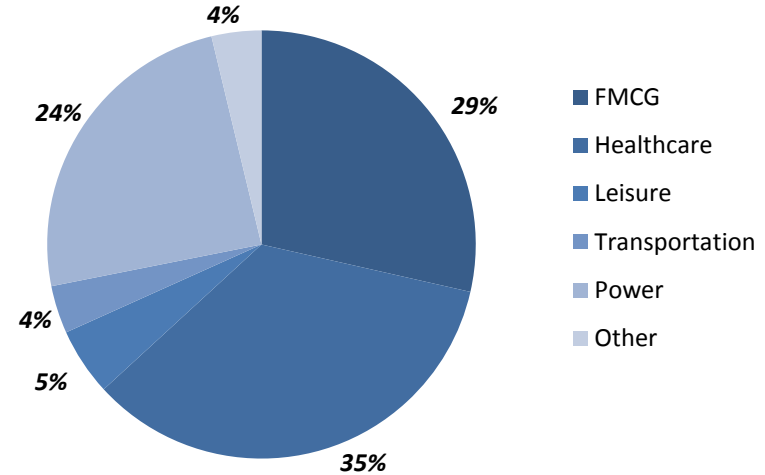
Figures are in Rs. Millions	1H 2012/13	1H 2011/12	% Change	
Group Turnover	12,886	9,991	↑	29%
PAT	771	527	↑	46%
Group Earnings	705	486	↑	45%
Cash From Operations	110	-45	↑	346%
Total Assets	24,419	19,345	↑	26%
Shareholders' Funds	11,359	9,347	↑	22%
Capital Employed	18,242	14,769	↑	24%
	1H 2012/13	1H 2011/12	% Change	
EPS	2.74	1.89	↑	45%
Net Assets per Share	22.04	18.14	↑	22%
ROE	13.6%	11.1%	↑	23%
ROCE	12.6%	9.8%	↑	29%

Consumer Businesses Drive Revenue

Group Turnover



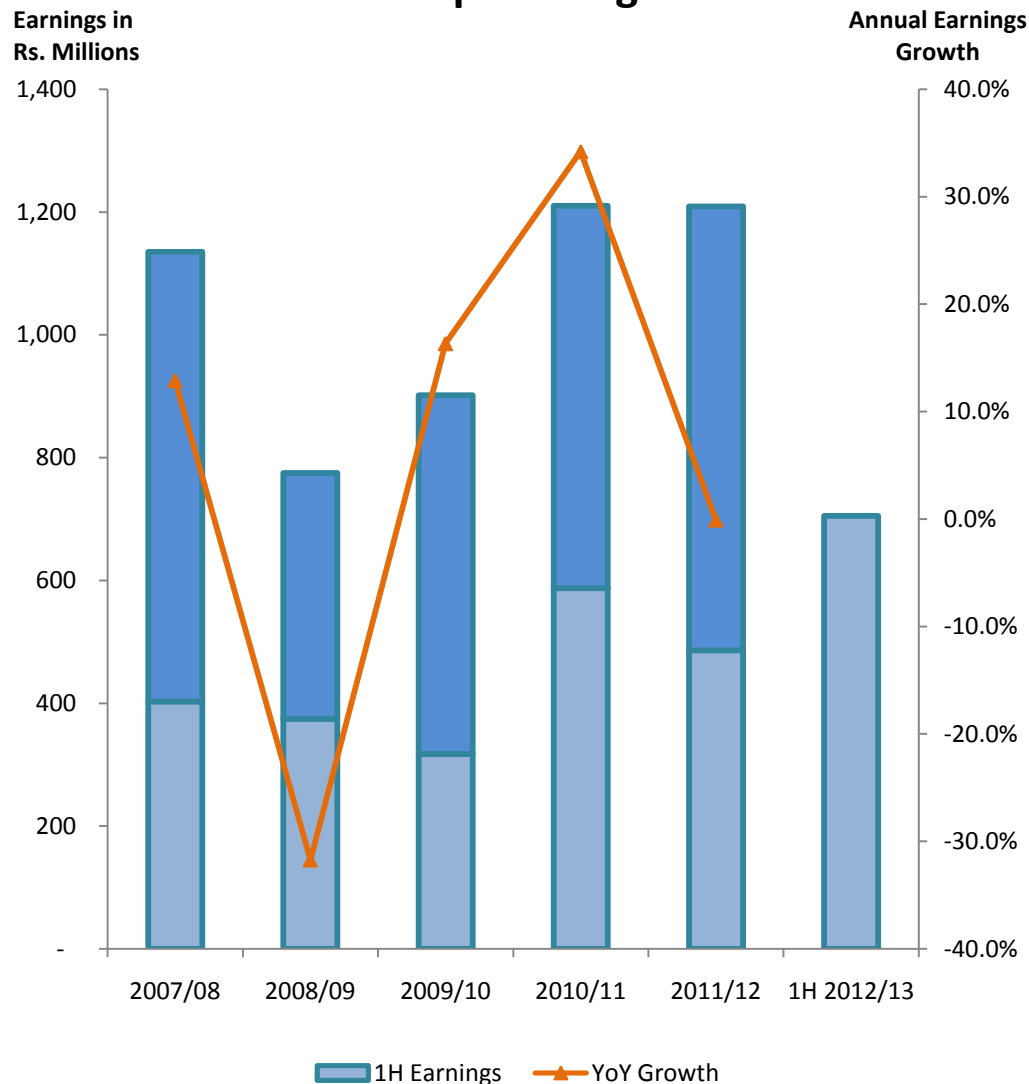
Revenue Contribution – 1H 2012/13



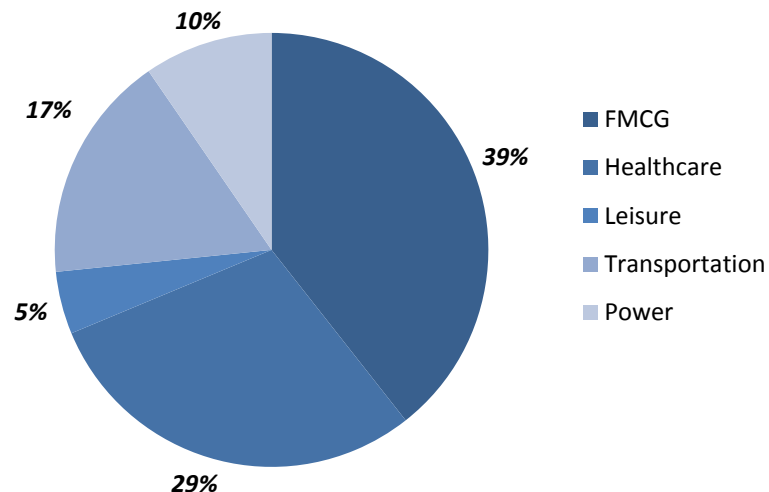
- Group turnover recorded a growth of 29%, YoY
- Revenue growth was driven by Power, Healthcare and FMCG sectors

Group Earnings on an Upward Trend

Group Earnings



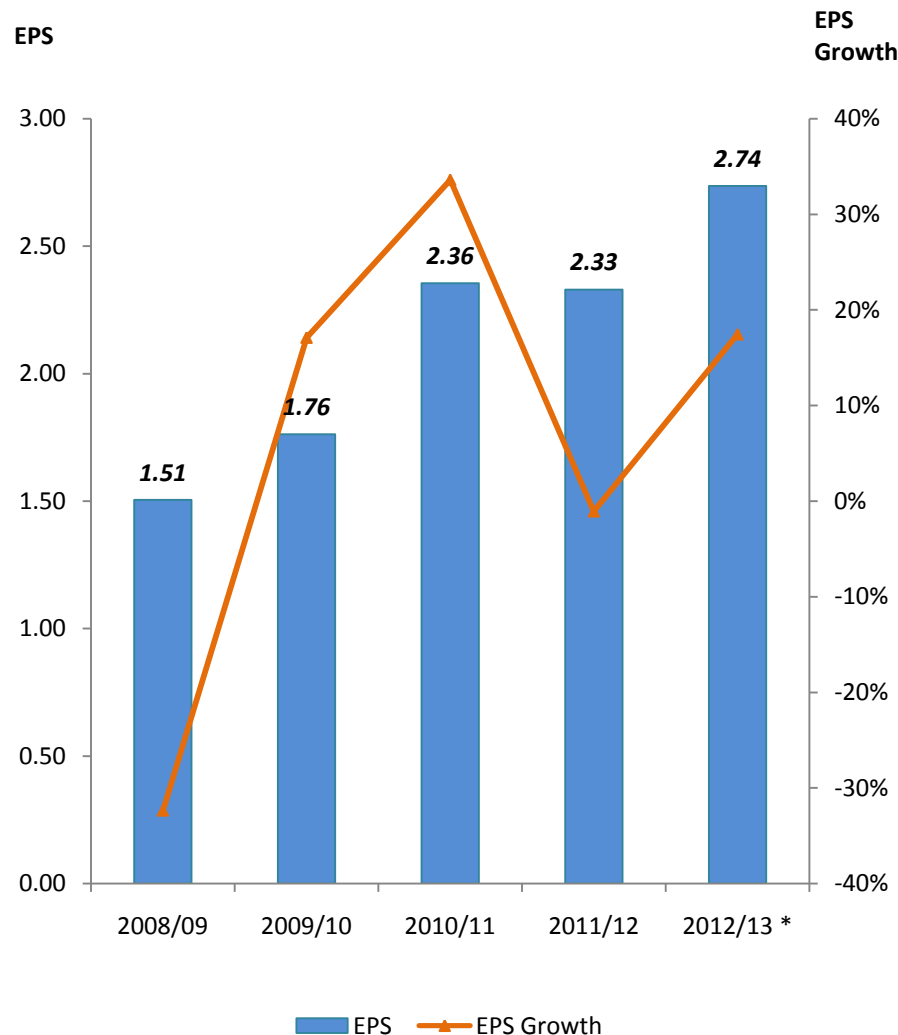
Earnings Contribution – 1H 2012/13



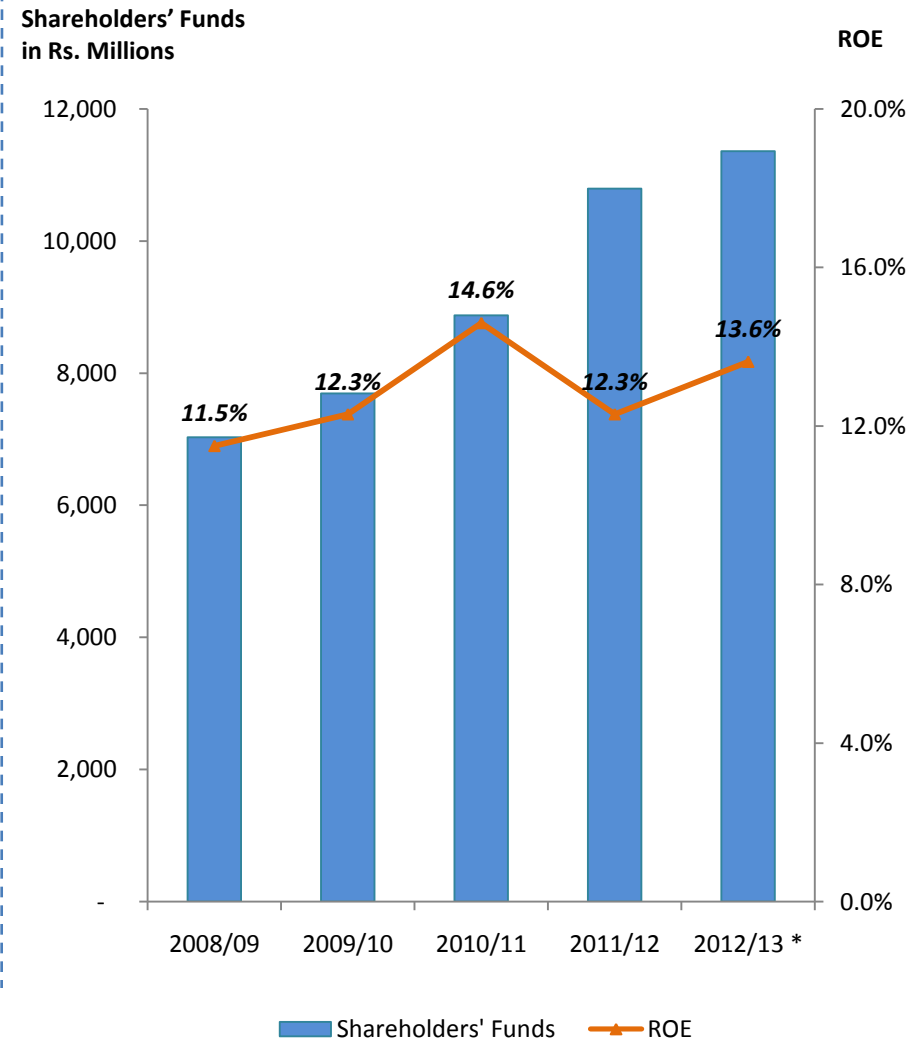
- Group earnings recorded a growth of 45%, YoY
- Earnings growth was driven by FMCG, Leisure, Healthcare and Transportation sectors

Earnings Growth Boosts ROE

EPS and EPS Growth



Shareholders' Funds vs ROE



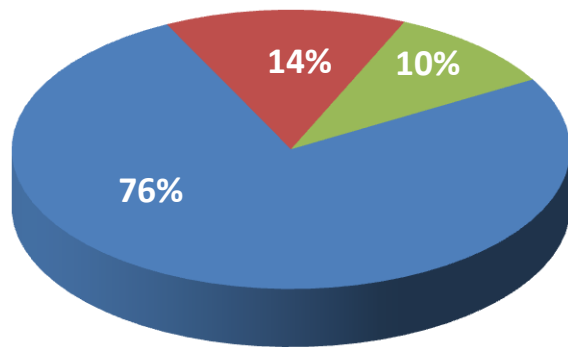
* 2012/13 is based on annualized 1H earnings



FMCG

Overview of FMCG Business

Total FMCG market ~ Rs. 125Bn
(Jan'12 to Sept'12)

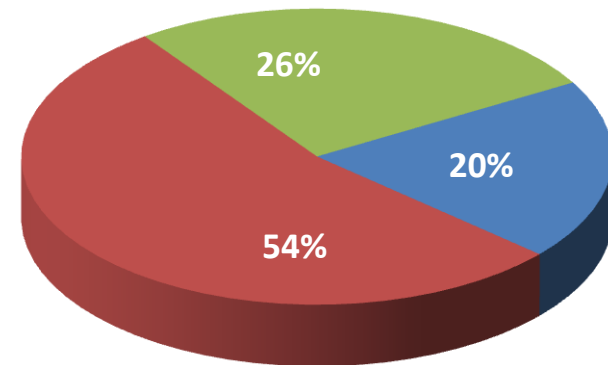


■ Food and Beverages ■ Personal Care ■ Household Care

Value Growth : Jan - Sept '12 Vs. Jan - Sept '11

	All	Urban	Rural
Total FMCG	13%	14%	12%
Food & Beverages	13%	15%	11%
Personal Care	12%	13%	12%
Household Care	14%	11%	15%

Hemas FMCG revenue contribution for 1H 2012/13



■ Food and home care ■ Personal care ■ Personal wash

- Comprises of 18 Popular brands
- No. 2 in Personal Care
- Market leader in baby care, hair oil and men's hair setting categories

FMCG: Our Key Brands

Baby Cheramy



Most preferred range of baby care products in Sri Lanka since 1962

Clogard



Unique oral care product containing clove oil
No. 2 in oral care market

Kumarika



Leading hair oil in the market with indigenous herbs

Diva



A leading washing powder in the market delivering excellent value to the consumer

Velvet



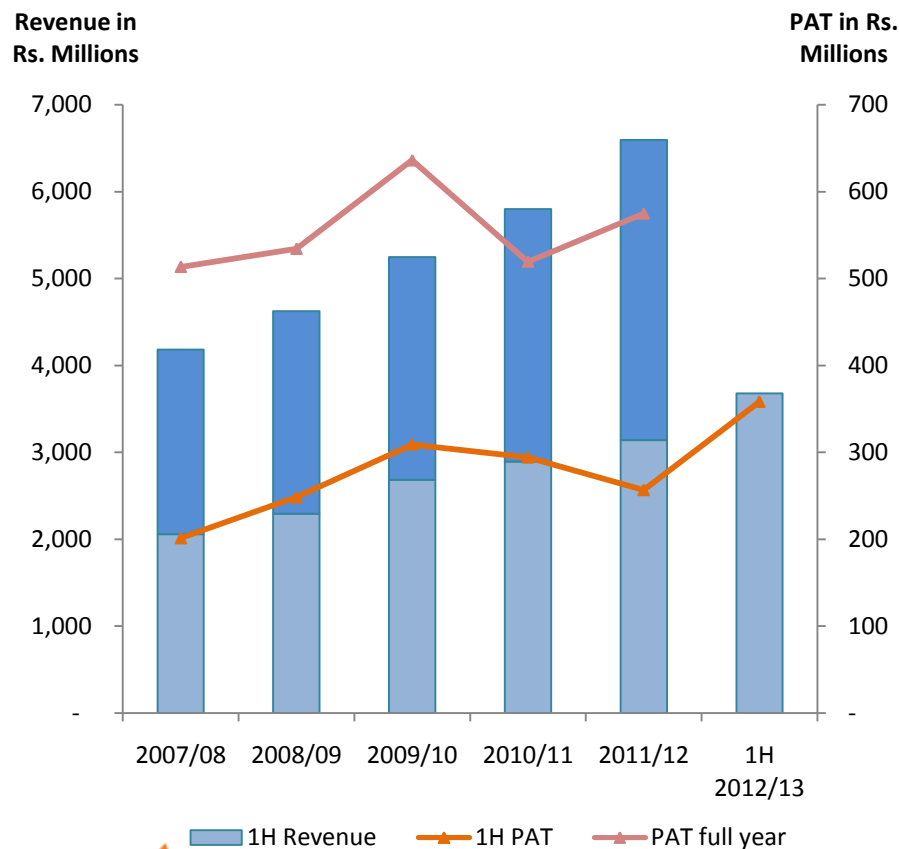
No.1 in beauty soap market surpassing Lux

Won Bronze Award for *Product Brand of the Year* at the 11th SLIM Brand Excellence Awards

FMCG: Performance Highlights

	1H 12/13	1H 11/12	Change
Turnover (Rs. Mn)	3,679	3,139	17%
PAT (Rs. Mn)	358	257	40%

- Strong performance in Personal wash and Personal care categories contributed towards the growth in revenue
- Steady increase in sales: September recorded the highest ever sales value crossing the Rs. 700Mn sales mark
- Excellent overall performance in Bangladesh business; turnover up by 166%
- Impressive market share gain in Personal wash category underpinned by Baby Cheramy and Velvet soap
- Margins on track after price corrections to offset the exchange impact
- Our sanitary napkin brand, *Fems* won the Silver Award for *Best Turnaround Brand of the Year* at the 11th SLIM Brand Excellence Awards





Big Heart Project



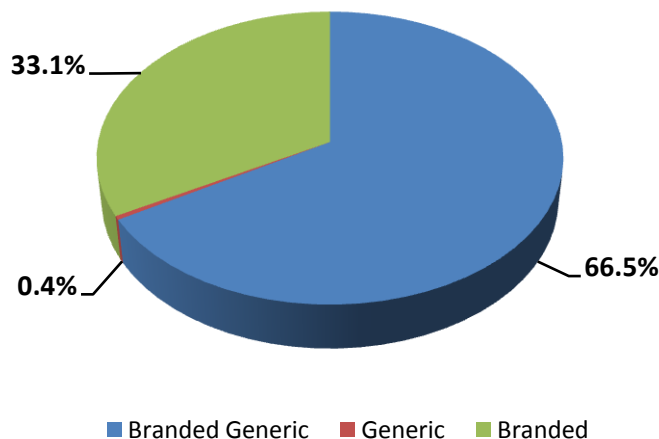
- Baby Cheramy, celebrates 50 years of enriching lives of Sri Lankan mothers and children
- The Big heart Project was launched together with the Department of Probation and Childcare Services of the Ministry of Child Development & Women Affairs, in September 2012, to celebrate this milestone
- The project will fund the educational needs of children that are 'at risk', or in danger of being institutionalized due to the financial difficulties of their families
- 50 cents from every Baby Cheramy product sold will be donated to fund the educational needs of children from grade 1-5
- The Big Heart truck will travel across Sri Lanka and appeal to all Sri Lankans to open their hearts and donate towards this great cause



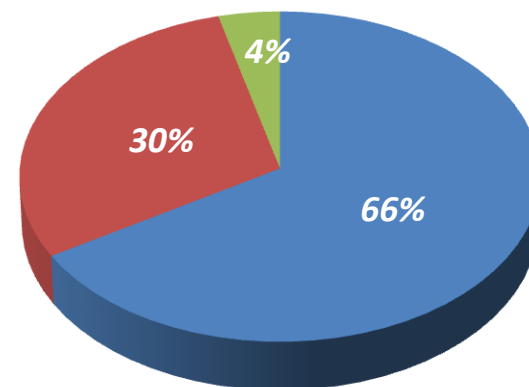
Healthcare

Overview of Pharmaceutical Distribution

- Size of the total Pharmaceutical market is ~ Rs 27Bn (MAT Q2 2012) *(Source IMS)*
- Overall Pharmaceutical market has grown by 16.3% YoY *(Source IMS)*
- Hemas Pharmaceutical remains the market leader with a share of 17.55% *(Source IMS)*
- Pharmaceutical market composition *(approx)*:



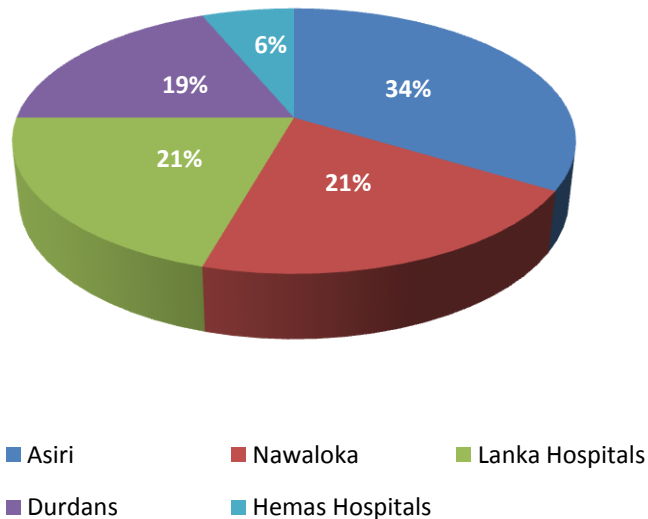
Hemas Pharmaceutical revenue contribution for 1H 12/13



- Distributors (Pharmacies)
- Institutional Segment
- Supermarkets

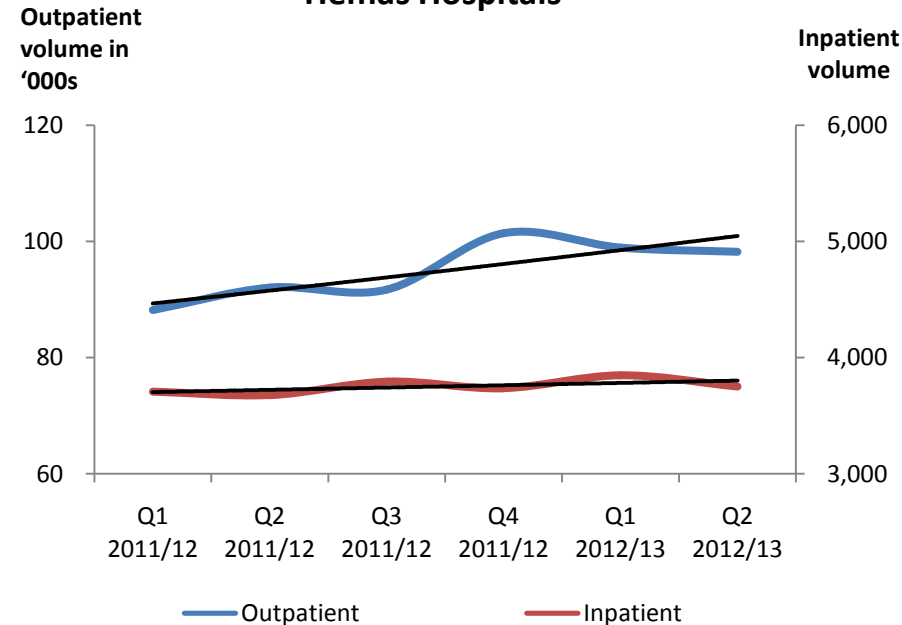
Overview of Hospitals

- The number of registered private hospitals stood at 186 at end 2011, with a bed capacity of 4,784 (*Source- CBSL*)
- Combined market size of the 4 leading hospitals ~ Rs. 17Bn for FY 2011/12
- Revenue split among leading Hospitals:

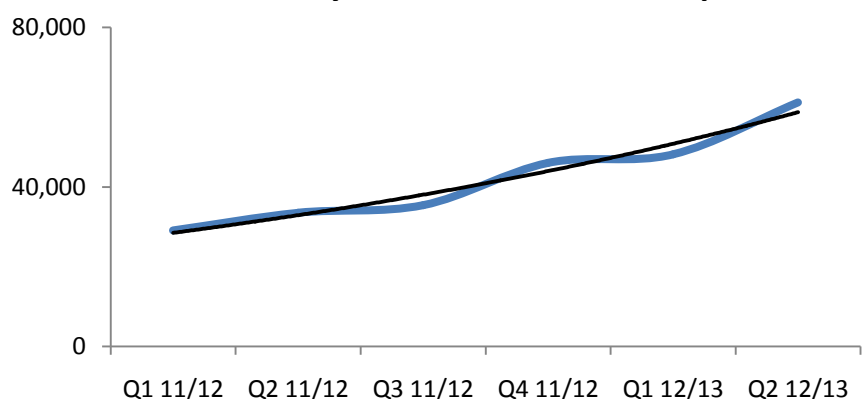


Revenue split is based on Q1, 2012/13 financials

Outpatient and inpatient volumes at Hemas Hospitals

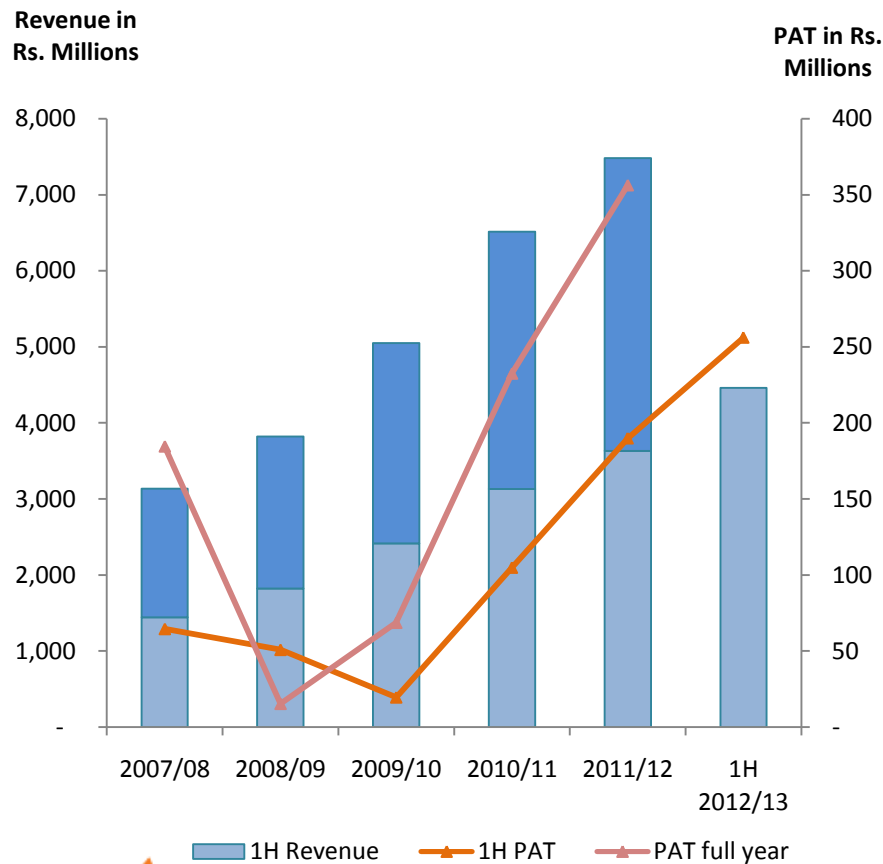


Laboratory revenue at Hemas Hospitals



Health Care: Performance Highlights

	1H 12/13	1H 11/12	Change
Turnover (Rs. Mn)	4,462	3,631	23%
PAT (Rs. Mn)	256	190	35%



- Pharmaceutical business was the main contributor to sector revenue growth
 - Revenue growth of Pharma: 21.8%
 - Revenue growth of Hospitals: 30.3%
- Training and educational programs for doctors and community awareness projects along with high quality service standards contributed towards the revenue growth at hospitals
- Hemas Wattala Hospital recorded the highest number of baby deliveries in September since inception



Leisure

Overview of Tourism Industry

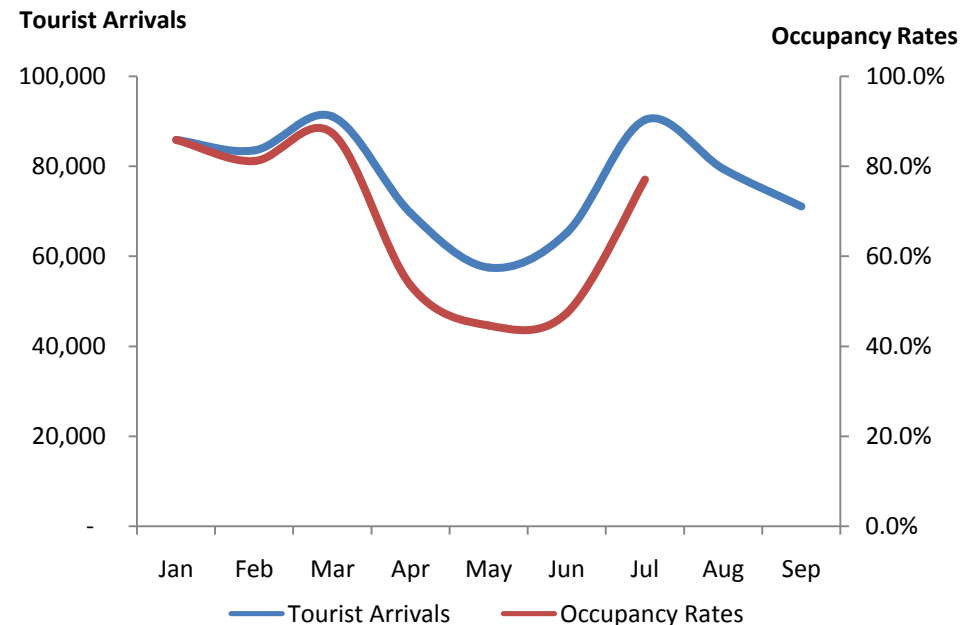
Travel Trends

- Outbound travel forecast 2012:
World 2%; Europe 1%; **Asia 4%**
(IPK Survey)
- Purpose of travel : 71% holidays of which 27% looks for **sun and beach**
- Tighter budgets; looking for **value for money**
- Tourists are becoming more **demanding**
- Travelers are searching for meaningful **experiences**
- **Web and mobile technologies** are emerging as powerful marketing tools

Sri Lanka

- Tourist arrivals during the year were 693,772 marking a growth of 16% and expect to top one million at the end of year

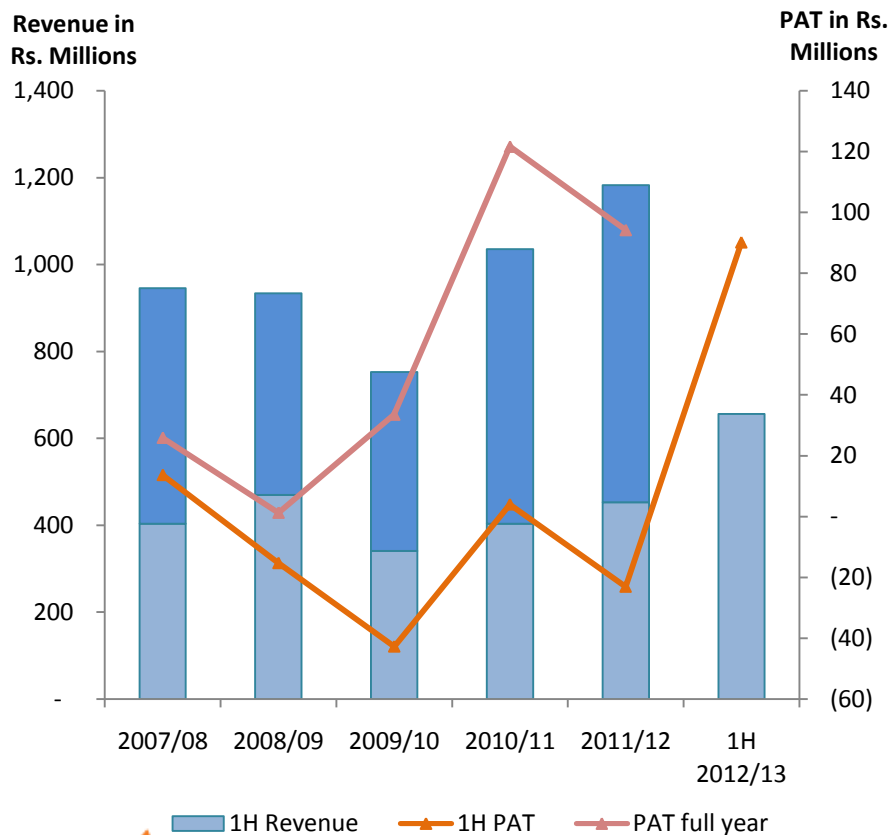
Tourist arrivals & occupancy rates in 2012



Source - SLTDA

Leisure: Performance Highlights

	1H 12/13	1H 11/12	Change
Turnover (Rs. Mn)	656	453	45%
PAT (Rs. Mn)	90	-23	491%



- Sector performance was mainly driven by the Hotel sector and was enhanced by our inbound tour operation
- Gross operating profit of the Hotel sector grew by an impressive 124% over LY
- Occupancy rates of our hotels for 1H 2012/13:

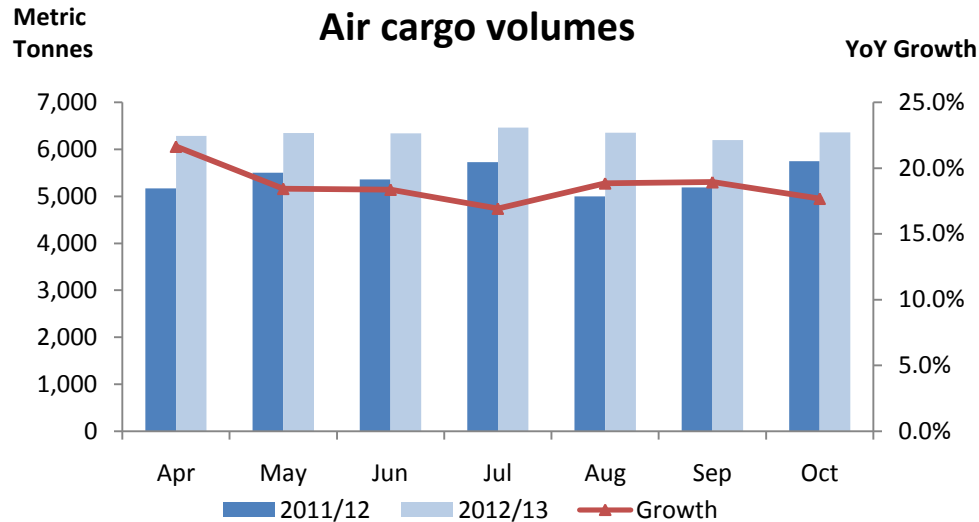
Sigiriya	75%
Dolphin	85%
Avani Bentota	67%
- Kani Lanka Resort & Spa rebranded as Avani Kalutara , was opened for guests in October 2012
- Hotels under the Serendib Leisure umbrella are looking forward to a good winter season with favorable forward bookings



Transportation

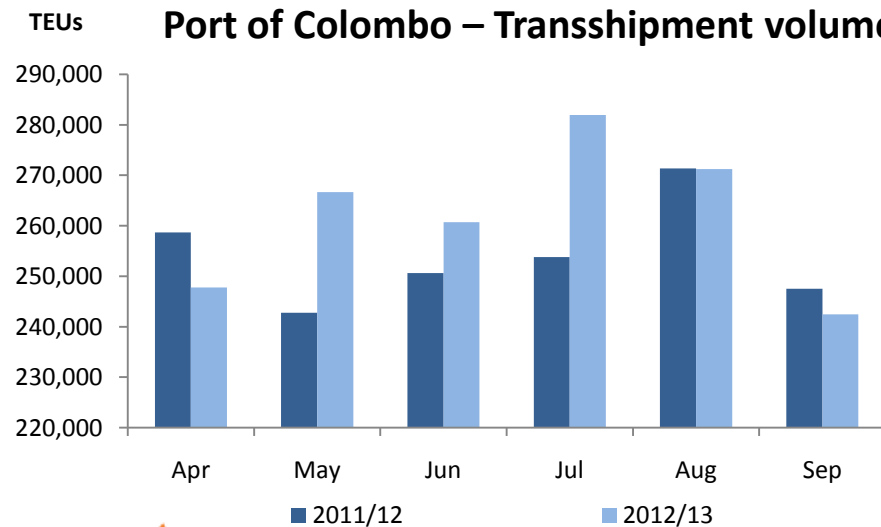
Overview of Transportation Industry

Air cargo volumes



Source – Sri Lankan Cargo

Port of Colombo – Transshipment volumes

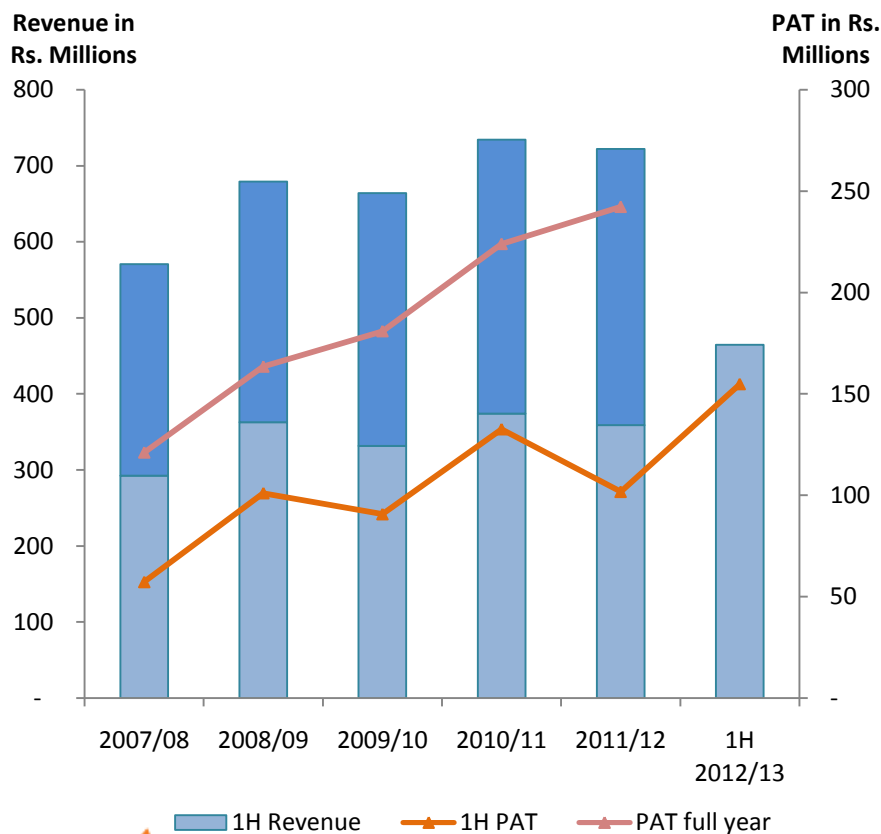


Source – Port Statistics

- Import volumes in Sri Lanka declined over LY on account of higher tariffs while exports slowed down due to unfavourable economic conditions in the EU and US markets
- However, air export and transshipment volumes grew over LY which positively impacted the earnings growth of the sector
- Main shipping lines re-aligned their capacities in and out of CMB which impacted freight rates and liner/feeder schedules
- Infrastructure development throughout Sri Lanka created a significant demand for logistics facilities which is a focus area for growth in the sector

Transportation: Performance Highlights

	1H 12/13	1H 11/12	Change
Turnover (Rs. Mn)	465	359	29%
PAT (Rs. Mn)	155	102	52%



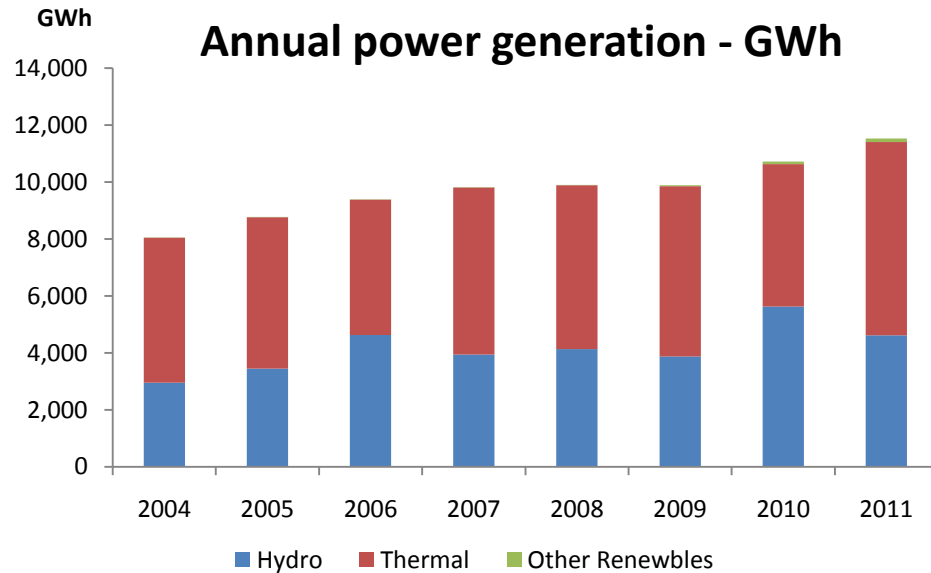
- GSA businesses maintained their leadership in the market with both passenger and cargo segments posting healthy earnings
- The outbound travel business continued to strengthen its relationships with key corporate clients and increased its share during 1H
- The maritime business benefitted from a higher throughput at the port. New business was generated by servicing casual callers and providing value added services to vessel owners
- “MercMas” – JV with Mercantile Shipping to provide crew boat services for the transport of crew, sea marshals and spares in Galle was launched in October 2012
- “Hemas Logistics” – strategic investment in a haulage company specializing in repositioning containers for shipping lines, expanded services to include car logistics and over dimensional cargo movement



Power

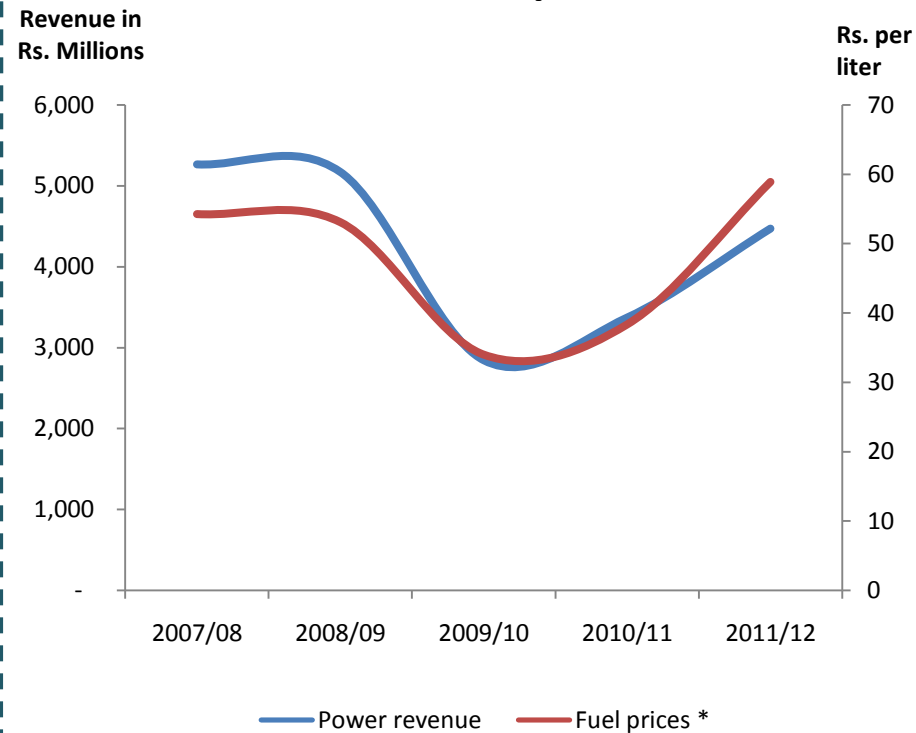
Overview of Power Industry

Annual power generation - GWh



- Combined installed capacity of power plants in 2011 was 3,141 MW, a growth of 11.5%
- Gross generation for year 2011 was 11,528 GWh, a growth of 7.6%
- Average electricity consumption per capita for 2011 was 480 KWh, a growth of 7%

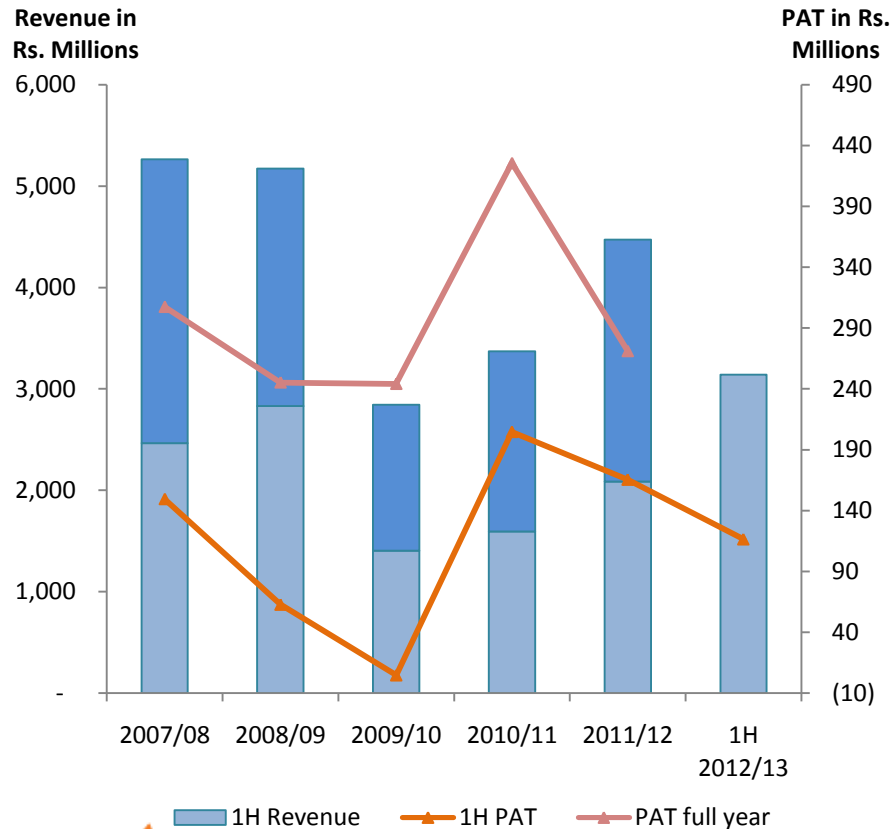
Hemas Power revenue vs furnace oil prices



Power: Performance Highlights

	1H 12/13	1H 11/12	Change
Turnover (Rs. Mn)	3,140	2,088	50%
PAT (Rs. Mn)	116	165	-30%

- Sector revenue was mainly driven by growth of our thermal power plant Heladhanavi due to increase in fuel prices
- Our hydro power plants recorded a drop in performance due to low rain fall in catchment areas
- Increase in rupee interest rates negatively impacted the bottom line of Heladhanavi
- Rupee devaluation negatively impacted the net profit through exchange losses on foreign currency borrowings, most of which is unrealized





Sustainability

Community Investment



- Hemas' primary CSR project 'Piyawara' celebrated its 10 year partnership with the Ministry of Child Development
- At present Hemas has 35 state-of-the-art preschools island wide providing education for over 3,000 children
- First ever community preschool in the resettled village of Ambalnagar (10km from Kilinochchi) was opened in July 2012 and the second was opened in Silawathei, Mulativue
- Training has been provided for teachers in partnership with the Education Ministry of the Northern Province
- Construction is in progress for another community pre-school in Mulativue and a model pre-school for 100 children in the Kilinochchi city



Strategic Focus

Strategic Focus

FMCG

- Greater focus to win in the personal care market
- Investment in identified high growth categories
- Improve sales growth and strengthen Hemas brand acceptance in Bangladesh market

Healthcare

Third hospital at Thalawathugoda

- Completion: May 2013
- Estimated cost: Rs. 1.3Bn

Leisure

Peace Haven project in Tangalle

- Luxury resort with 150 rooms
- Commencement of construction: FY 13/14
- Estimated cost: \$30Mn

Strategic Focus *contd.*

Transportation

- Investments and growth plans for maritime, aviation and logistics businesses

Power

- Focus on renewable energy space; mainly in the small hydro segment in Sri Lanka and East Africa

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