

Joie de vivre

[Joy of Living]

HEMAS HOLDINGS PLC
Interim Report
3rd Quarter 2010 - 2011

CEO's Review

It is my pleasure to present the quarterly and nine-month results of Hemas Holdings PLC and its subsidiaries. For the quarter ended 31 December 2010, the Group has recorded a turnover of Rs 4.7Bn, a year-on-year increase of 18.6% and earnings of Rs 311.4Mn, a growth of 25.9%. For the nine months ended 31 December 2010, we recorded a turnover of Rs 13.4Bn, an increase of 18.2% from last year, with net earnings of Rs 899.1Mn, up 59.2% from last year. During the year, the Group's performance was bolstered by the growth in Power, Healthcare and Transportation sectors, together with the recovery in the Leisure sector.

FMCG sector posted a revenue of Rs 4.4Bn for the nine months ended 31 December 2010, a growth of 10.0% over last year. However, the impact on margins due to increased raw material prices and CESS on imports has caused the sector profits to decline 7.8% from last year, to close at Rs 436.5Mn for the nine months. During the year, our sanitary napkins brand *Fems* and snack foods brand *Mr Pop* were re-launched, and the market response has been quite satisfactory.


Healthcare sector revenues and profits were boosted by the high growth in the Pharmaceuticals business where both the top-line and the bottom line grew 26% year-on-year. The business did well to maintain share in a strong growth market. During the quarter under review, we signed up with Mankind which specializes in Acute and Chronic therapies. The steady buildup of the Hospitals business, continued with a revenue growth of 77%, which has enabled the business to achieve positive EBIT within two years of commencement of operations. Our new laboratory which was opened in Ragama during the year has delivered results beyond our expectations.

Leisure sector revenues grew 47% year-on-year, to close the nine months at Rs 879Mn, on the back of the tourism recovery in post-war Sri Lanka. Tourist arrivals to Sri Lanka totaled 654,476 in 2010, a growth of 46.1% over 2009. All our hotels are currently operating at high occupancies and are enjoying higher room rates. Sector profits for the nine months ended 31 December 2010 closed at Rs 1.3Mn compared to a loss of Rs 25.5Mn a year ago.

Transportation sector enjoyed a revenue growth of 12.2% and a profit growth of 62.8%, to report a turnover of Rs 557Mn and profits of Rs 197Mn for the nine months under review. There has been a significant increase in passenger and cargo volumes in Aviation Services businesses, and enhanced transshipment volumes in the Maritime segment and growth in the freight business, resulting in all areas contributing well.

Power sector recorded revenues of Rs 2.4Bn for the period under review, up 14.7% from last year, and profits of Rs 235Mn which represents a growth of 115.9%. Our thermal power plant Heladhanavi generated 482.4Mn KWH of energy while our mini hydro plants generated 16.0Mn KWH, reflecting plant factors of 73% and 53% respectively. The power generation at both our mini hydro plants was at highest levels as both catchments received healthy rainfalls. It is important to note that nearly 45% of our net profits are now derived from the hydro sector. Work relating to our new 2.4MW project at Magal Ganga is progressing satisfactorily, and we are confident of keeping the project cost and timelines within initial budgets.

Despite the short-term impact on the supply and demand of our consumer businesses caused by the widespread rains and flood, we look forward to closing the financial year with a healthy growth in performance.



Husein Esufally
Chief Executive Officer
15th February 2011,

INVESTOR INFORMATION

	9 Months Ended Dec '10	9 Months Ended Dec '09
MARKET VALUE OF SHARES		
Closing Price on 31st December (Rs) *	44.50	24.55
Highest Price during the Period (Rs) *	39.60	27.00
Lowest Price during the Period (Rs) *	35.00	12.00
Market Capitalization on 31st December (Rs Mn)	22,786	12,515
RATIOS		
Net Asset Per Share on 31st December (Rs) *	16.58	14.61
Price Earnings Ratio on 31st December (times)	19.01	16.62
SHARE TRADING		
No of transactions during the Period	31,616	2,196
No of shares traded during the Period	89,914,200	6,252,000
Value of shares traded during the Period (Rs Mn)	4,716	728
NUMBER OF SHARES	512,040,620	101,958,124

* Comparative figures adjusted for sub division of ordinary shares in the proportion of 5:1

CONSOLIDATED INCOME STATEMENT

	Quarter Ended 31.12.2010 Rs '000	Quarter Ended 31.12.2009 Rs '000	Change %	Nine Months Ended 31.12.2010 Rs '000	Nine Months Ended 31.12.2009 Rs '000	Change %
Revenue	4,691,106	3,955,693	18.6	13,362,870	11,304,744	18.2
Cost of Sales	(3,182,913)	(2,605,807)	(22.1)	(9,030,258)	(7,575,624)	(19.2)
Gross Profit	1,508,193	1,349,886	11.7	4,332,612	3,729,120	16.2
Dividend Income	9	87	(89.7)	93	93	-
Change in Fair Value of Investment Properties	(12,000)	6,000	(300.0)	-	18,000	(100.0)
Other Income and Gains	45,750	(25,101)	282.3	112,055	22,762	392.3
Selling & Distribution Costs	(370,325)	(319,046)	(16.1)	(1,065,619)	(989,774)	(7.7)
Administrative Expenses	(751,413)	(636,660)	(18.0)	(2,132,604)	(1,880,411)	(13.4)
Finance Cost	(84,205)	(98,306)	14.3	(232,782)	(370,691)	37.2
Finance Income	43,517	42,872	1.5	108,712	132,202	(17.8)
Profit Before Tax	379,526	319,732	18.7	1,122,467	661,301	69.7
Income Tax Expenses	(38,081)	(39,879)	4.5	(147,801)	(112,320)	(31.6)
Profit for the Period	341,445	279,853	22.0	974,666	548,981	77.5
Attributable to:						
Equity Holders of the Parent	311,432	247,390	25.9	899,080	564,723	59.2
Minority Interests	30,013	32,463	(7.5)	75,586	(15,742)	580.2
	341,445	279,853	22.0	974,666	548,981	77.5
Earnings per Share (Rs) *	0.61	0.49		1.76	1.11	
Earnings per Share (Rs) - Annualised *	2.43	1.94		2.34	1.48	
Dividends per Share (Rs) *	0.25	-		0.70	0.36	

The above figures are provisional and subject to audit.

* Comparative figures adjusted for sub division of ordinary shares in the proportion of 5:1

CONSOLIDATED BALANCE SHEET

	31.12.2010 Rs '000	31.12.2009 Rs '000	31.03.2010 Rs '000
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	7,255,113	7,190,981	7,033,615
Investment Properties	1,261,410	1,196,710	1,261,410
Intangible Assets	330,684	339,762	333,074
Leasehold Property	59,546	62,611	61,845
Deferred Tax Assets	22,379	19,913	22,805
Other Long-Term Receivables	43,318	43,318	43,318
Other Investments	708,857	64,499	64,499
	9,681,307	8,917,794	8,820,566
Current Assets			
Inventories	1,760,792	1,414,109	1,544,559
Trade and Other Receivables	4,274,615	3,790,345	3,933,326
Other Investments	68	68	68
Tax Recoverable	163,933	116,444	116,533
Short-Term Cash Investments	1,489,460	1,236,431	1,258,993
Cash and Cash Equivalents	698,984	502,074	392,886
	8,387,852	7,059,471	7,246,365
Total Assets	18,069,159	15,977,265	16,066,931
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of Parent			
Stated Capital	1,468,426	1,369,223	1,369,223
Reserves	944,973	772,122	805,982
Retained Earnings	6,078,155	5,304,758	5,516,911
Shareholders' Funds	8,491,554	7,446,103	7,692,116
Minority Interests	1,539,526	1,426,930	1,488,104
Total Shareholders' Funds and Minority Interests	10,031,080	8,873,033	9,180,220
Non-Current Liabilities			
Other Borrowings	10,273	8,790	8,790
Interest Bearing Loans & Borrowings	2,162,324	1,930,092	1,231,530
Deferred Tax Liabilities	140,564	135,282	145,147
Retirement Benefit Liability	213,226	156,685	184,963
	2,526,387	2,230,849	1,570,430
Current Liabilities			
Trade and Other Payables	3,426,579	3,120,572	3,286,858
Dividends Payable	4,809	3,131	4,205
Income Tax liabilities	65,551	57,810	69,044
Other Borrowings	1,207	1,207	1,207
Interest Bearing Loans & Borrowings	2,013,546	1,690,663	1,954,967
	5,511,692	4,873,383	5,316,281
Total Share Holders' Funds, Minority Interests and Liabilities	18,069,159	15,977,265	16,066,931
Net Asset per share (Rs)	16.58	14.61	15.09

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.

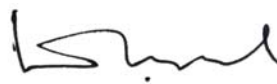
Signed for and on behalf of the Board by,



Husein Esufally

Chief Executive Officer

15th February 2011



Lalith De Mel

Chairman

COMPANY INCOME STATEMENT

	Quarter Ended 31.12.2010 Rs '000	Quarter Ended 31.12.2009 Rs '000	Change %	Nine Months Ended 31.12.2010 Rs '000	Nine Months Ended 31.12.2009 Rs '000	Change %
Revenue	88,708	87,993	0.8	248,619	265,152	(6.2)
Cost of Sales	-	-	NA	-	-	NA
Gross Profit	88,708	87,993	0.8	248,619	265,152	(6.2)
Dividend Income	3,951	82	4,718.3	303,382	151,876	99.8
Other Income and Gains	282	(1,132)	124.9	802	(452)	277.4
Administrative Expenses	(51,225)	(48,567)	(5.5)	(161,565)	(153,490)	(5.3)
Finance Cost	(14,322)	(27,274)	47.5	(41,157)	(101,248)	59.4
Finance Income	11,650	6,642	75.4	34,071	22,995	48.2
Profit Before Taxation	39,044	17,744	120.0	384,152	184,833	107.8
Income Tax Expenses	(6,998)	(10,130)	30.9	(15,150)	(16,065)	5.7
Profit for the Period	32,046	7,614	320.9	369,002	168,768	118.6
Attributable to:						
Equity Holders of the Parent	32,046	7,614	320.9	369,002	168,768	118.6
Minority Interest	-	-	NA	-	-	NA
	32,046	7,614	320.9	369,002	168,768	118.6
Dividends per Share (Rs) *	0.25	-		0.70	0.36	

The above figures are provisional and subject to audit.

* Comparative figures adjusted for sub division of ordinary shares in the proportion of 5:1

COMPANY BALANCE SHEET

	31.12.2010 Rs '000	31.12.2009 Rs '000	31.03.2010 Rs '000
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	107,347	65,022	59,683
Investment Properties	330,410	271,710	330,410
Loans Due from Related Parties	20,538	15,000	21,937
Investments in Subsidiaries	5,574,781	6,648,235	5,574,781
Investments in Joint Ventures	38,519	38,519	38,519
Other Investments	114,008	114,248	114,249
	6,185,603	7,152,734	6,139,579
Current Assets			
Trade and Other Receivables	287,345	180,496	116,826
Loans Due from Related Parties	486,611	307,634	268,621
Other Investments	49	49	49
Tax Recoverable	4,831	3,944	4,436
Amounts Due from Related Parties	135,207	205,310	214,091
Short-Term Cash Investments	1,198	1,078	50,141
Cash and Cash Equivalents	8,437	3,411	27,995
	923,678	701,922	682,159
Total Assets	7,109,281	7,854,656	6,821,738
EQUITY AND LIABILITIES			
Stated Capital	1,468,426	1,369,223	1,369,223
Reserves	257,032	368,074	257,032
Retained Earnings	4,108,533	2,699,004	4,096,385
Shareholders' Funds	5,833,991	4,436,301	5,722,640
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	419,710	1,135,320	425,710
Deferred Tax Liabilities	60,856	43,668	60,198
Retirement Benefit Liability	21,209	16,151	17,025
	501,775	1,195,139	502,933
Current Liabilities			
Trade and Other Payables	31,479	45,970	41,390
Dividends Payable	1,932	490	1,564
Income Tax liabilities	9,106	7,006	7,808
Amounts Due to Related Parties	159,215	1,662,018	116,941
Interest Bearing Loans & Borrowings	571,783	507,732	428,462
	773,515	2,223,216	596,165
Total Share Holders' Funds and Liabilities	7,109,281	7,854,656	6,821,738
Net Asset per share (Rs)	11.39	8.70	11.23

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 Arakularatne
Chief Financial Officer

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



Husein Esufally
Chief Executive Officer
15th February 2011



Lalith De Mel
Chairman

STATEMENT OF CHANGES IN EQUITY - CONSOLIDATED

	Attributable to Equity Shareholders of the Parent					Minority Interests	Total Equity
	Stated Capital	Exchange Reserve	Revaluation & Other Capital Reserves	Retained Earnings	Total		
Nine Months to 31st December 2010	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2010	1,369,223	(29,971)	835,953	5,516,911	7,692,116	1,488,104	9,180,220
Net Profit / (Loss) for the Period	-	-	-	899,080	899,080	75,586	974,666
Dividends- Ordinary Shares (2010)	-	-	-	(356,853)	(356,853)	(40,980)	(397,833)
- Preference Shares of Joint Venture Company	-	-	-	(4,183)	(4,183)	(1,394)	(5,577)
Issue of Ordinary Shares under ESOS	99,203	-	-	-	99,203	-	99,203
Adjustment in respect of changes in Group Holdings	-	-	-	-	-	18,047	18,047
Redemption of Preference Shares of Joint Venture Company	-	-	-	(15,687)	(15,687)	-	(15,687)
Transfer to/ (from) during the Period							
- Overhaul, Heat Rate and Lube Oil Reserves	-	-	13,104	(13,104)	-	-	-
- Revaluation Reserve	-	-	(594)	594	-	-	-
Preference Share Issue	-	-	135,000	-	135,000	-	135,000
Disposal of Revalued Assets	-	-	(39,808)	51,397	11,589	-	11,589
Net Gain/(Loss) Recognised Directly in Equity	-	-	-	-	-	-	-
- Deferred Income Tax	-	-	594	-	594	163	757
- Exchange Reserve	-	30,695	-	-	30,695	-	30,695
Balance as at 31st December 2010	1,468,426	724	944,249	6,078,155	8,491,554	1,539,526	10,031,080
Nine Months to 31st December 2009							
Balance as at 01st April 2009	1,369,223	(76,924)	914,598	4,821,393	7,028,290	837,062	7,865,352
Net Profit / (Loss) for the Period	-	-	-	564,723	564,723	(15,742)	548,981
Dividends- Ordinary Shares (2009)	-	-	-	(165,172)	(165,172)	(2,030)	(167,202)
- Preference Shares of Joint Venture Company	-	-	-	(2,702)	(2,702)	(901)	(3,603)
Adjustment in respect of changes in Group Holdings	-	-	2,978	-	2,978	(35,527)	(32,549)
Shares Issued to Minority Shareholders	-	-	-	-	-	643,892	643,892
Redemption of Preference Shares of Joint Venture Company	-	-	(16,666)	-	(16,666)	-	(16,666)
Transferred to/from during the Period							
- Overhaul Reserve	-	-	(85,085)	85,085	-	-	-
- Revaluation & Revenue Reserves	-	-	(1,431)	1,431	-	-	-
Net Gain/(Loss) Recognised Directly in Equity	-	-	-	-	-	-	-
- Deferred Income Tax	-	-	597	-	597	176	773
- Exchange Reserve	-	34,055	-	-	34,055	-	34,055
Balance as at 31st December 2009	1,369,223	(42,869)	814,991	5,304,758	7,446,103	1,426,930	8,873,033

The above figures are provisional and subject to audit.

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Stated Capital	Capital & Revenue Reserve	Retained Earnings	Total
Nine Months to 31st December 2010	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2010	1,369,223	257,032	4,096,385	5,722,640
Profit for the Period	-	-	369,002	369,002
Dividends Paid	-	-	(356,854)	(356,854)
Issue of Ordinary Shares under ESOS	99,203	-	-	99,203
Balance as at 31st December 2010	1,468,426	257,032	4,108,533	5,833,991
Nine Months to 31st December 2009				
Balance as at 01st April 2009	1,369,223	368,074	2,695,408	4,432,705
Profit for the Period	-	-	168,768	168,768
Dividends Paid	-	-	(165,172)	(165,172)
Balance as at 31st December 2009	1,369,223	368,074	2,699,004	4,436,301

The above figures are provisional and subject to audit.

CASH FLOW STATEMENT - CONSOLIDATED**For the nine months ended December**

	2010 Rs '000	2009 Rs '000
Operating Activities		
Profit Before Taxation	1,122,467	661,301
Non-Cash Adjustments		
Depreciation	446,359	515,154
Profit on Disposal of Property, Plant & Equipment	(23,634)	(9,112)
Retirement Benefit Plan	45,246	36,016
Amortisation/ Impairment of Intangibles	4,772	4,772
Finance Cost	232,782	370,691
Investment Income	(93)	(93)
Change in Fair Value of Investment Properties	-	(18,000)
Amortisation of Other Long-Term Receivables	-	360
Changes in Working Capital		
(Increase)/Decrease in Trade & Other Receivables	(341,290)	(212,649)
(Increase)/Decrease in Inventories	(216,233)	(105,314)
Increase/(Decrease) in Trade & Other Payables	81,417	354,262
Finance Cost Paid	(232,782)	(370,691)
Income Tax Paid	(190,505)	(116,037)
Gratuity Paid	(16,983)	(20,088)
Net Cash from / (used in) Operating Activities	911,523	1,090,572
Investing Activities		
Purchase of Property, Plant & Equipment	(789,867)	(569,487)
(Acquisition)/ Disposal of Other Investments	(586,054)	16,000
Investment in Intangible Assets	(83)	-
Acquisition and Disposals of Subsidiaries	18,048	(191,582)
Redemption of Preference Shares of Joint Venture Company	(15,687)	(16,667)
Proceeds from Disposal of Property, Plant & Equipment	145,646	53,145
Investment Income Received	93	93
Net Cash from / (used in) Investing Activities	(1,227,904)	(708,498)
Financing Activities		
Interest Bearing Loans and Borrowings (Net)	672,622	(154,118)
Proceeds from Issue of Shares to Minority	-	651,903
Proceeds from Issue of Share Options (ESOS)	99,203	-
Proceeds from Issue of Preference Shares	135,000	-
Dividends Paid - Ordinary Shares	(398,624)	(167,203)
- Preference Shares	(4,183)	(3,603)
Net Cash from / (used in) Financing Activities	504,018	326,979
Net Increase/(Decrease) in Cash & Cash Equivalents	187,637	709,053
Cash & Cash Equivalents at the Beginning of the Year	682,270	(54,496)
Cash & Cash Equivalents at the End of the Period	869,907	654,557

The above figures are provisional and subject to audit.

CASH FLOW STATEMENT - COMPANY

For the Nine months ended December

	2010 Rs '000	2009 Rs '000
Operating Activities		
Profit Before Taxation	384,152	184,833
Non-Cash Adjustments		
Depreciation	11,964	13,343
Profit on Disposal of Property, Plant & Equipment	927	109
Retirement Benefit Plan	4,950	3,750
Finance Cost	41,157	101,248
Investment Income	(303,382)	(151,876)
(Profit)/ Loss on Sale of Investments	(234)	-
Changes in Working Capital		
(Increase)/Decrease in Trade & Other Receivables	(169,564)	(23,451)
(Increase)/Decrease in Amounts due from Related Companies	77,930	(120,795)
Increase/(Decrease) in Amounts due to Related Companies	42,273	1,600,544
Increase/(Decrease) in Trade & Other Payables	(9,542)	1,048
Finance Cost Paid	(41,157)	(101,248)
Income Tax Paid	(13,588)	(7,417)
Gratuity Paid	(766)	(6,707)
Net Cash from/ (used in) Operating Activities	25,120	1,493,381
Investing Activities		
Purchase of Property, Plant & Equipment	(67,920)	(11,699)
Acquisitions and Disposals of Subsidiaries	-	(1,805,749)
Other Investments	-	(9,000)
Proceeds from Disposal of Property, Plant & Equipment	7,365	55
Proceeds from Disposal of Investments	474	-
Investment Income Received	303,382	151,876
Net Cash from/ (used in) Investing Activities	243,301	(1,674,517)
Financing Activities		
Interest Bearing Loans and Borrowings (Net)	(86,140)	322,923
Proceeds from Issue of Share Options (ESOS)	99,203	-
Dividends Paid	(356,853)	(165,172)
Net Cash from/ (used in) Financing Activities	(343,790)	157,751
Net Increase/ (Decrease) in Cash & Cash Equivalents	(75,369)	(23,385)
Cash & Cash Equivalents at the Beginning of the Year	76,582	21,810
Cash & Cash Equivalents at the End of the Period	1,213	(1,575)

The above figures are provisional and subject to audit.

SEGMENTAL INFORMATION

Information based on the primary segments (Business Segments)

For the quarter ended 31st December	FMCG		Healthcare		Leisure		Transportation		Power		Others		Group	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Revenue														
Segmental Revenue - Gross	1,490,656	1,301,064	1,678,548	1,318,529	389,828	256,783	183,374	165,163	844,164	765,051	240,189	277,505	4,826,759	4,084,095
Intra Segmental Revenue	-	-	(14,772)	(10,107)	-	-	-	-	-	-	(4,354)	(4,764)	(19,126)	(14,871)
	1,490,656	1,301,064	1,663,776	1,308,422	389,828	256,783	183,374	165,163	844,164	765,051	235,835	272,741	4,807,633	4,069,224
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(116,527)	(113,531)	(116,527)	(113,531)
Total Revenue	1,490,656	1,301,064	1,663,776	1,308,422	389,828	256,783	183,374	165,163	844,164	765,051	119,308	159,210	4,691,106	3,955,693
Results														
Segmental Results	146,527	178,527	101,825	72,362	47,169	28,655	73,814	40,088	132,060	175,331	(25,664)	(82,925)	475,731	412,038
Finance Cost	(7,769)	(13,728)	(32,549)	(44,936)	(14,960)	(4,260)	(3,094)	(692)	(22,666)	(33,004)	(3,167)	(1,686)	(84,205)	(98,306)
Change in Fair Value of Investment Properties	-	-	-	-	-	-	-	-	-	-	(12,000)	6,000	(12,000)	6,000
Profit/(Loss) before Tax	138,758	164,799	69,276	27,426	32,209	24,395	70,720	39,396	109,394	142,327	(40,831)	(78,611)	379,526	319,732
Income Tax	3,641	(89)	(12,360)	(14,844)	(13,272)	(3,632)	(6,503)	(9,220)	-	-	(9,587)	(12,094)	(38,081)	(39,879)
Profit/(Loss) for the Period	142,399	164,710	56,916	12,582	18,937	20,763	64,217	30,176	109,394	142,327	(50,418)	(90,705)	341,445	279,853
Attributable to:														
Equity Holders of the Parent	142,399	164,710	64,174	27,070	9,015	11,064	64,217	30,176	82,070	105,094	(50,443)	(90,724)	311,432	247,390
Minority Interests	-	-	(7,258)	(14,488)	9,922	9,699	-	-	27,324	37,233	25	19	30,013	32,463
	142,399	164,710	56,916	12,582	18,937	20,763	64,217	30,176	109,394	142,327	(50,418)	(90,705)	341,445	279,853

SEGMENTAL INFORMATION

Information based on the primary segments (Business Segments)

For the nine months ended 31st December	FMCG		Healthcare		Leisure		Transportation		Power		Others		Group	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Revenue														
Segmental Revenue - Gross	4,384,383	3,986,694	4,836,278	3,751,362	879,003	597,960	557,452	496,751	2,437,360	2,125,401	631,903	723,542	13,726,379	11,681,710
Intra Segmental Revenue	-	-	(43,483)	(28,738)	-	-	-	-	-	-	(12,361)	(12,042)	(55,844)	(40,780)
	4,384,383	3,986,694	4,792,795	3,722,624	879,003	597,960	557,452	496,751	2,437,360	2,125,401	619,542	711,500	13,670,535	11,640,930
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(307,665)	(336,186)	(307,665)	(336,186)
Total Revenue	4,384,383	3,986,694	4,792,795	3,722,624	879,003	597,960	557,452	496,751	2,437,360	2,125,401	311,877	375,314	13,362,870	11,304,744
Results														
Segmental Results	462,459	526,476	328,501	224,679	59,414	(226)	225,396	154,089	390,956	295,064	(111,477)	(186,090)	1,355,249	1,013,992
Finance Cost	(27,076)	(54,006)	(97,124)	(139,245)	(19,607)	(16,637)	(8,086)	(7,890)	(77,072)	(148,785)	(3,817)	(4,128)	(232,782)	(370,691)
Change in Fair Value of Investment Properties	-	-	-	-	-	-	-	-	-	-	-	18,000	-	18,000
Profit/(Loss) before Tax	435,383	472,470	231,377	85,434	39,807	(16,863)	217,310	146,199	313,884	146,279	(115,294)	(172,218)	1,122,467	661,301
Income Tax	1,137	1,167	(69,667)	(53,370)	(16,880)	(5,112)	(20,539)	(25,353)	-	-	(41,852)	(29,652)	(147,801)	(112,320)
Profit/(Loss) for the Period	436,520	473,637	161,710	32,064	22,927	(21,975)	196,771	120,846	313,884	146,279	(157,146)	(201,870)	974,666	548,981
Attributable to:														
Equity Holders of the Parent	436,520	473,637	186,295	88,810	1,285	(25,533)	196,771	120,846	235,473	109,046	(157,264)	(202,083)	899,080	564,723
Minority Interests	-	-	(24,585)	(56,746)	21,642	3,558	-	-	78,411	37,233	118	213	75,586	(15,742)
	436,520	473,637	161,710	32,064	22,927	(21,975)	196,771	120,846	313,884	146,279	(157,146)	(201,870)	974,666	548,981

NOTES TO THE FINANCIAL STATEMENTS

- 1 The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the audited accounts for the year ended 31st March 2010, and also in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.
- 2 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.
- 3 The Company paid a final dividend of Rs. 2.25 (Rs. 0.45 after sub division) per share on 28th June 2010, for the financial year ending 31st March 2010. An interim dividend of Rs.0.25 per share has been paid by the company on 22nd November 2010 for the financial year ending 31st March 2011.
- 4 The Company exercised a sub division of ordinary shares in the proportion of 5:1 on 2nd July 2010.
- 5 The company issued ESOS 2008 2nd tranche of 2,250,000 ordinary shares on 27 th December 2010 at Rs.44.09 per share for Rs.99Mn.
- 6 In August 2010 Serendib Hotels PLC acquired 19.9% of Cyprea Lanka(Pvt) Ltd.,the holding company of Kani Lanka Resort & Spa for an amount of Rs.325Mn. An amount of Rs.58Mn of the said purchase consideration is included under trade and other payables.
- 7 There has been no significant changes in the nature of the contingent liabilities which were disclosed in the Audited Accounts for the year ended 31st March 2010.
- 8 There have been no other events subsequent to the balance sheet date, which require disclosure in the interim financial statements.
- 9 Consolidated earnings are likely to fluctuate from quarter to quarter due to planned overhaul costs that may arise from time to time in the Thermal Power business.

SHARE INFORMATION

LIST OF 20 MAJOR SHAREHOLDERS

	31.12.2010		31.12.2009	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	90,762,875	17.7	18,152,575	17.8
2 Saraz Investments (Pvt) Ltd.	86,396,035	16.9	17,279,207	16.9
3 Blueberry Investments (Pvt) Ltd.	85,781,250	16.8	17,156,250	16.8
4 Amagroup (Pvt) Limited	85,780,665	16.8	17,156,133	16.8
5 Employees Provident Fund	26,766,775	5.2	4,144,275	4.1
6 Sri Lanka Insurance Corporation Ltd. - Life Fund	13,044,000	2.5	3,008,800	3.0
7 HSBC Intl. Nominees Ltd-SSBT-The RBS as Dep of FS India Subcontinent Fund As S/F Of First State Investment	9,732,370	1.9		
8 HSBC Intl. Nominees Ltd-SSBT-The RBS PLC as Dep for first state Asia Pacific Sustainability Fund S/F of FS	6,272,899	1.2		
9 Mr. I.A.H. Esufally	6,132,500	1.2	1,226,500	1.2
10 HSBC Intl. Nominees Ltd. - HSBC Bank PLC - CMG First State Global Umbrella Fund PLC CMG First State India	5,825,500	1.1	1,165,100.00	1.1
11 Mr. H.N. Esufally	5,795,205	1.1	1,159,041.00	1.1
12 Mr. M.A.H. Esufally	5,655,000	1.1	1,131,000.00	1.1
13 Jacey Trust Services (Pvt) Ltd. - Account No. 2	5,500,000	1.1	650,000.00	0.6
14 Jacey Trust Services (Pvt) Ltd.	4,613,750	0.9	922,750.00	0.9
15 Cocoshell Activated Carbon Company Ltd.	2,950,675	0.6	407,675.00	0.4
16 Anverally and sons (pvt) Ltd A/C no 01	2,646,200	0.5	566,900.00	0.6
17 Mr. Udeshi	2,150,825	0.4		
18 Mr. A.N. Esufally	1,992,085	0.4	398,417.00	0.4
19 HSBC Intl Nom Ltd-SSBT-RBS as dep of first state global emerging markets sustainability fund	1,914,135	0.4		
20 Employees Trust Fund Board	1,890,400	0.4		
	451,603,144	88	84,524,623	83
Shares held by the balance shareholders	60,437,476	11.8	17,433,501	17.1
Total Issued Shares	512,040,620	100.0	101,958,124	100.0

DIRECTORS INDIRECT SHAREHOLDING

A Z Holdings (Pvt) Ltd.	90,762,875	18,152,575
Saraz Investments (Pvt) Ltd.	86,396,035	17,279,207
Blueberry Investments (Pvt) Ltd.	85,781,250	17,156,250
Amagroup (Pvt) Ltd.	85,780,665	17,156,133

DIRECTORS SHAREHOLDING

Mr. A.N. Esufally	1,992,085	398,417
Mr. H.N. Esufally	5,795,205	1,159,041
Mr. I.A.H. Esufally	6,132,500	1,226,500
Mr. M.A.H. Esufally	5,655,000	1,131,000
Mr. L. De Mel	87,500	17,500
Mr. D. Bhatnagar	150	30
Mr. M.E. Wickremesinghe	11,250	2,250
	368,394,515	73,678,903

PUBLIC HOLDING

Issued Share Capital	512,040,620	101,958,124
Less: Directors Direct and Indirect Shareholding	368,394,515	73,678,903
Public Holding	143,646,105	28,279,221
Public Holding as a % of Issued Share Capital	28.05%	27.74%

* 2009 figures have not been adjusted for the sub division of ordinary shares in the proportion of 5:1

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 Building
No. 36, Bristol Street, Colombo 1.

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
Divyaroop Bhatnagar

Secretaries & Registrars

Hemas Corporate Services (Pvt) Ltd.
No. 36, Bristol Street, Colombo 1
Telephone: 4 731731 (hunting)
Facsimile: 4 731777

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