



HEMAS HOLDINGS PLC

The central graphic consists of a large circle containing various line-art icons in blue and orange. These icons represent different business sectors: a medical professional with a clipboard, a delivery truck, personal care items (toothbrush, tube), a notebook and pen, a pill bottle, a target, a mountain with a flag, a factory, a hospital, a ship, a location pin on a globe, an airplane, and a forklift. The text "EMPOWER EXECUTE" is centered within this circle, with "EMPOWER" in blue and "EXECUTE" in orange.

EMPOWER EXECUTE

INTERIM REPORT
2018/2019 - Q3

CEO's Review

The Group reported a consolidated revenue of Rs.48.0Bn for the nine months ended December 31, 2018, indicating a Year-over-Year (YoY) growth of 37.8%, primarily driven by our acquisition of Atlas. Group operating profit stood at Rs.4.3Bn, a growth of 45.8% over the previous financial year. The profit attributable to equity holders of the parent at Rs.2.5Bn is a YoY growth of 19.2%. HHL delivered year-to-date organic revenue growth of 15.7% and a recurring organic operating profit growth of 2.6%, excluding Atlas performance and the disposal gain arising from the Galle Hospital divestment. Organic profitability growth remains as a challenge due to unprecedented rupee depreciation coupled with price controls at Pharmaceutical distribution and Morison. Unrealised forex losses arising from the translation of foreign currency denominated loan at our Anantara Peace Haven Tangalle hotel made a negative contribution to operating profit of Rs.174Mn, 5.7% of recurring operating profit.

Overall, the macro environment was challenging during the quarter with significant currency depreciation impacting profitability and political uncertainty eroding consumer and business confidence. HHL achieved higher revenues and profit growth primarily due to the solid performance at Atlas, during its critical Q3 peak season. The quarter recorded a revenue and operating profit of Rs.18.0Bn and Rs.1.9Bn, a YoY growth of 46.8% and 92.6% correspondingly.

During the period under review, our consumer business recorded a revenue of Rs.20.3Bn, indicating a YoY growth of 73.0%. Operating profit of Rs.2.8Bn grew by 100.1% during the nine months ended December 31, 2018 compared to last year. Over 85.0% of the revenue growth was driven by Atlas, which performed well during its back to school season. We have seen sustained growth momentum in our domestic personal care segment year-to-date with many of our core personal care categories recording market share gains. Further, we are also seeing the benefits of our profit improvement programme initiated last year improving operating margins. The performance in our Bangladesh personal care business is now stabilising with year-to-date revenues recording a modest growth of 4.4%. Profit growth continues to be a challenge due to new promotional campaigns to combat competition. Atlas has recorded a solid performance during Q3 with year-to-date revenues up by 13.0% over the same period last year. Atlas market share increased in its core categories and has also seen growth in its new back to school segment comprising of school bags.

Healthcare sector achieved a consolidated revenue of Rs.20.5Bn, a YoY increase of 23.6% while operating profit and earnings indicated a decline of 10.3% and 13.8% respectively. Hemas pharmaceutical distribution operation registered strong revenue growth stemming from the latest addition of new principals last year. However, the impact of price regulation and significant currency depreciation continues to compress margins. Additionally, the increase in interest costs from working capital funding added to pressure on earnings. Hemas Hospitals achieved an average occupancy of 57% across the two hospitals, Wattala and Thalawathugoda. Hospitals experienced a surge in channeling, surgical and inpatient volumes in the first nine months. Both EBITDA and EBIT margins have continuously improved from FY15/16 to date as a result of increasing market share and lean projects carried out at hospitals. During the quarter, hospital group divested the Galle hospital so that we can focus management on transforming Thalawathugoda and Wattala into super-specialty medical and healthcare. Group recorded a disposal gain of Rs.73.6Mn from the divestment. Our pharmaceutical manufacturing business, Morison posted a revenue of Rs.2.5Bn and operating profit of Rs.186.4Mn for the nine months ended December 31, 2018. Morison's underlying revenue growth, excluding Alcon distribution business, which we exited during the latter part of FY2017/18, was 7.0%. Operating profit has been impacted by weaker

performance in our OTC Pharma segment which has resulted in earnings recording a decline of 46.6% excluding the loss of Alcon distribution agency.

Hemas Leisure, Travel and Aviation (LTA) sector achieved revenues of Rs.3.1Bn, reflecting a growth of 19.3% for the nine months under consideration. Serendib Hotels recorded a strong quarter, with an average occupancy reaching 86% across its own managed hotels, 5% growth over same quarter last year. Similarly, profitability improved during the quarter over last year due to exchange gains and stringent cost controls coupled with increases in ARR at Dolphin and Sigiriya. During the review period, Anantara Peace Haven Tangalle improved performance with occupancy at 53% although the exchange losses arising from the foreign currency loan was a drag on group profitability. Travel and Aviation grew steadily through the year and recorded a growth in revenue of 25.1%, driven by newly secured agents and contributed to a significant improvement in profitability. However, overall sector profitability remained a challenge, declining by 39.1%, due to the partial closure of Avani Bentota in Q2 for soft refurbishment, coupled with exchange losses attributed to forex loan at Anantara.

Hemas Logistics and Maritime sector recorded a revenue growth of 6.3% over last year with revenues of Rs.2.2Bn. During the period in review, Port of Colombo was ranked as the world's fastest growing port with a growth of 15.6% in container handling during the first half of 2018, fueled by 20% growth in transshipment volumes. Year-to-date profitability of the maritime sector increased as a result. However, Q3 experienced a sudden drop in seasonal import cargo resulting from the rupee depreciation which impacted profitability. Our logistics business experienced a modest growth in 3PL and warehousing segments. The new logistics park facility is now up and running with newly secured customers moving in from August.

Our technology business, N*able reported significant growth in the third quarter with increased revenues over last year by 81.1%. However, profitability continues to be a challenge due to previously recorded losses during the first half of the financial year.

Our balance sheet has a significant increase in trade debtors primarily due to increased receivables from government and the seasonal impact of Atlas sales in Q3.

The group has performed robustly during a period of unprecedented currency devaluation and political uncertainty. We anticipate a challenging last quarter for our businesses as the full impact of devaluation hits cost structures. However, we continue to work hard to sustain our strong growth in the final quarter of the financial year.



Steven Enderby
Chief Executive Officer

February 07, 2019
Colombo

Consolidated Statement of Profit or Loss

LKR '000	Three Months Ended		Change	Nine Months Ended		Change
	31.12.2018	31.12.2017 <i>Restated</i>	%	31.12.2018	31.12.2017 <i>Restated</i>	%
Revenue	18,008,748	12,269,257	46.8	48,027,937	34,847,033	37.8
Cost of Sales	(12,211,417)	(7,769,341)	57.2	(32,174,056)	(22,176,415)	45.1
Gross Profit	5,797,331	4,499,916	28.8	15,853,881	12,670,618	25.1
Other Operating Income	319,111	70,720	351.2	624,235	237,924	162.4
Selling and Distribution Expenses	(1,475,986)	(1,179,201)	25.2	(4,355,969)	(3,208,682)	35.8
Administrative Expenses	(2,694,987)	(2,351,556)	14.6	(7,616,822)	(6,583,073)	15.7
Share of Results of Joint Ventures & Associates	(65,487)	(63,627)	2.9	(218,998)	(175,941)	24.5
Operating Profit	1,879,982	976,252	92.6	4,286,327	2,940,846	45.8
Finance Cost	(346,047)	(143,262)	141.5	(808,409)	(406,436)	98.9
Finance Income	122,488	213,255	(42.6)	327,626	648,470	(49.5)
Profit Before Tax	1,656,423	1,046,245	58.3	3,805,544	3,182,880	19.6
Income Tax Expenses	(418,937)	(298,069)	40.6	(1,026,216)	(954,976)	7.5
Profit for the Period	1,237,486	748,176	65.4	2,779,328	2,227,904	24.8
Attributable to:						
Equity Holders of the Parent	1,025,275	681,868	50.4	2,506,236	2,102,114	19.2
Non-Controlling Interests	212,211	66,308	220.0	273,092	125,790	117.1
	1,237,486	748,176	65.4	2,779,328	2,227,904	24.8
Earnings Per Share						
Basic Earnings Per Share (LKR)	1.78	1.19		4.36	3.66	
Annualised Earnings Per Share (LKR)	7.12	4.75		5.81	4.89	
Diluted Earnings Per Share (LKR)	1.78	1.18		4.35	3.65	
Dividend Per Share (LKR)	0.40	0.40		1.85	1.85	

Consolidated Statement of Comprehensive Income

LKR '000	Three Months Ended		Nine Months Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit for the Period	1,237,486	748,176	2,779,328	2,227,904
Other Comprehensive Income				
Other Comprehensive Income to be reclassified to Profit or Loss in Subsequent Periods				
Net Gain on Available-for-Sale Financial Assets	(29)	19	(91)	1,579
Net Movement on Cash Flow Hedges	521	(3,127)	652	(21,813)
Exchange Differences on Translation of Foreign Operations	103,787	(3,126)	193,628	(9,376)
Income Tax Effect on Other Comprehensive Income	-	-	-	(7,202)
Other Comprehensive Income for the Period, Net of Tax	104,279	(6,234)	194,189	(36,812)
Total Comprehensive Income for the Period, Net of Tax	1,341,765	741,942	2,973,517	2,191,092
Attributable to:				
Equity Holders of the Parent	1,120,609	675,890	2,683,316	2,074,270
Non-Controlling Interests	221,156	66,052	290,201	116,822
	1,341,765	741,942	2,973,517	2,191,092

The above figures are provisional and subject to audit.

Consolidated Statement of Financial Position

As at

LKR '000

31.12.2018 31.12.2017 31.03.2018

ASSETS**Non-Current Assets**

Property, Plant and Equipment	18,263,139	14,723,005	18,069,039
Investment Properties	1,507,474	1,472,929	1,507,474
Leasehold Rights	757,940	780,081	766,809
Intangible Assets	3,442,580	1,200,444	3,445,167
Investment in Joint Ventures	838,065	959,335	1,025,855
Investment in Associates	20,716	23,931	28,394
Other Financial Assets	822,124	867,314	731,335
Deferred Tax Asset	83,204	71,101	61,510
	25,735,242	20,098,140	25,635,583

Current Assets

Inventories	10,663,642	8,209,896	9,909,384
Trade and Other Receivables	20,429,539	11,983,864	14,178,651
Tax Recoverable	264,920	180,069	196,263
Other Financial Assets	147,363	245,787	130,857
Cash and Short Term Deposits	7,776,282	10,327,856	7,711,402
	39,281,746	30,947,472	32,126,557
Total Assets	65,016,988	51,045,612	57,762,140

EQUITY AND LIABILITIES**Equity**

Stated Capital	5,962,424	5,955,825	5,960,450
Other Capital and Revenue Reserves	172,063	121,654	141,775
Other Components of Equity	1,956,614	2,129,469	1,955,897
Retained Earnings	20,140,900	17,929,479	18,522,441
Equity Attributable to Equity Holders of the Parent	28,232,001	26,136,427	26,580,563
Non-Controlling Interests	4,697,686	3,280,471	4,440,044
Total Equity	32,929,687	29,416,898	31,020,607

Non-Current Liabilities

Interest Bearing Loans and Borrowings	1,175,995	2,735,568	2,243,540
Other Financial Liabilities	28,176	26,616	16,941
Deferred Tax Liability	1,826,791	515,848	1,844,002
Employee Benefit Liability	890,661	692,147	850,448
	3,921,623	3,970,179	4,954,931

Current Liabilities

Trade and Other Payables	16,914,500	13,565,341	16,390,081
Income Tax Liabilities	437,390	389,077	493,525
Interest Bearing Loans and Borrowings	8,294,883	1,774,277	2,931,913
Bank Overdraft	2,518,905	1,929,840	1,971,083
	28,165,678	17,658,535	21,786,602

Total Equity and Liabilities	65,016,988	51,045,612	57,762,140
Net Assets Per Share - (LKR)	49.10	45.46	46.23

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.


Zalmi Fazeel

Chief Financial Officer

The Board of Directors is responsible for these financial statements.

Signed for and on behalf of the Board by,


Husein Esufally

Chairman

Colombo

February 07, 2019


Steven Enderby

Chief Executive Officer

Consolidated Statement of Changes in Equity

	Attributable to Equity Holders of the Parent						Total	Non Controlling Interests	Total Equity	
	Stated Capital	Other Capital & Revenue Reserves	Other Component of Equity							Retained Earnings
			Revaluation Reserve	Foreign Currency Translation Reserve	Available for Sale Reserve	Cash Flow Hedge Reserve				
LKR '000										
Balance as at 1 April 2017	5,741,038	104,938	1,961,868	49,407	133,184	13,598	16,907,218	24,911,251	3,217,800	28,129,051
Profit for the Period	-	-	-	-	-	-	2,102,114	2,102,114	125,790	2,227,904
Other Comprehensive Income	-	-	(6,145)	(13,040)	890	(9,550)	-	(27,844)	(8,968)	(36,812)
Total Comprehensive Income	-	-	(6,145)	(13,040)	890	(9,550)	2,102,114	2,074,270	116,822	2,191,092
Final Dividend - 2016/17	-	-	-	-	-	-	(831,198)	(831,198)	(68,497)	(899,695)
Interim Dividend - 2017/18	-	-	-	-	-	-	(229,826)	(229,826)	-	(229,826)
Exercise of Share Options	214,787	-	-	-	-	-	-	214,787	-	214,787
Share Based Payments	-	16,716	-	-	-	-	-	16,716	-	16,716
Adjustment in Respect of Changes In Group Holding	-	-	(560)	-	10	(194)	(18,829)	(19,573)	14,346	(5,226)
Balance as at 31 December 2017	5,955,825	121,654	1,955,163	36,367	134,085	3,854	17,929,479	26,136,427	3,280,471	29,416,898
Balance as at 1 April 2018	5,960,450	141,775	1,928,834	41,654	(15,821)	1,230	18,522,441	26,580,563	4,440,044	31,020,607
Profit for the Period	-	-	-	-	-	-	2,506,236	2,506,236	273,092	2,779,328
Other Comprehensive Income	-	-	-	176,649	(91)	523	-	177,080	17,109	194,189
Total Comprehensive Income	-	-	-	176,649	(91)	523	2,506,236	2,683,316	290,201	2,973,517
Final Dividend - 2017/18	-	-	-	-	-	-	(833,655)	(833,655)	(32,816)	(866,471)
Interim Dividend - 2018/19	-	-	-	-	-	-	(229,981)	(229,981)	-	(229,981)
Transfers	-	-	(175,535)	-	-	-	175,535	-	-	-
Exercise of Share Options	1,974	-	-	-	-	-	-	1,974	-	1,974
Share Based Payments	-	30,288	-	-	-	-	-	30,288	-	30,288
Adjustment in Respect of Changes In Group Holding	-	-	-	(828)	-	-	324	(504)	257	(247)
Balance as at 31 December 2018	5,962,424	172,063	1,753,299	217,475	(15,912)	1,753	20,140,900	28,232,001	4,697,686	32,929,687

The above figures are provisional and subject to audit.

Statement of Profit or Loss Company

	Three Months Ended		Change	Nine Months Ended		Change
	31.12.2018	31.12.2017	%	31.12.2018	31.12.2017	%
<i>LKR '000</i>						
Revenue	254,407	206,499	23.2	672,606	602,397	11.7
Cost of Sales	-	-	-	-	-	-
Gross Profit	254,407	206,499	23.2	672,606	602,397	11.7
Other Operating Income	151,282	347,020	(56.4)	218,224	576,251	(62.1)
Administrative Expenses	(260,991)	(251,262)	3.9	(721,814)	(702,603)	2.7
Operating Profit	144,699	302,257	(52.1)	169,017	476,045	(64.5)
Finance Cost	(55,016)	(44,395)	23.9	(137,590)	(143,541)	(4.1)
Finance Income	12,462	131,869	(90.5)	36,061	405,244	(91.1)
Profit Before Tax	102,145	389,731	(73.8)	67,488	737,748	(90.9)
Income Tax Expenses	(18,431)	(12,863)	43.3	(21,137)	(42,063)	(49.7)
Profit for the Period	83,714	376,868	(77.8)	46,351	695,685	(93.3)

Statement of Comprehensive Income Company

	Three Months Ended		Nine Months Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
<i>LKR '000</i>				
Profit for the period	83,714	376,868	46,351	695,685
Other Comprehensive Income				
Net Gain/(Loss) on Available-for-Sale Financial Assets	59	(29)	(1)	21
Other Comprehensive Income for the Period, Net of Tax	59	(29)	(1)	21
Total Comprehensive Income for the Period, Net of Tax	83,773	376,839	46,350	695,706

The above figures are provisional and subject to audit.

Statement of Financial Position Company

As at LKR '000	31.12.2018	31.12.2017	31.03.2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	138,776	170,864	162,547
Investment Properties	592,125	569,141	592,125
Intangible Assets	77,836	85,628	80,248
Investment in Subsidiaries	17,918,954	11,618,414	17,850,805
Other Financial Assets	309,708	972,715	369,708
	19,037,399	13,416,762	19,055,433
Current Assets			
Trade and Other Receivables	478,875	441,380	333,263
Tax Recoverable	30,960	36,408	14,418
Other Financial Assets	531,270	505,992	342,094
Cash and Short Term Deposits	286,940	4,217,588	285,729
	1,328,045	5,201,368	975,504
Total Assets	20,365,444	18,618,130	20,030,937
EQUITY AND LIABILITIES			
Equity			
Stated Capital	5,962,424	5,955,825	5,960,450
Other Capital Reserves	393,414	343,005	363,126
Other Components of Equity	15,176	134,693	15,177
Retained Earnings	11,007,466	9,968,669	12,024,751
Total Equity	17,378,480	16,402,192	18,363,504
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	-	982,915	955,048
Deferred Tax Liability	136,798	60,750	138,076
Employee Benefit Liability	52,397	54,027	48,248
	189,195	1,097,692	1,141,372
Current Liabilities			
Trade and Other Payables	301,838	256,623	288,569
Income Tax Liabilities	24,927	36,593	17,196
Interest Bearing Loans and Borrowings	1,510,075	243,467	185,097
Bank Overdraft	960,929	581,563	35,199
	2,797,769	1,118,246	526,061
Total Equity and Liabilities	20,365,444	18,618,130	20,030,937
Net Assets Per Share - (LKR)	30.23	28.53	31.94

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Zalmi Fazeel
Chief Financial Officer

The Board of Directors is responsible for these financial statements.

Signed for and on behalf of the Board by,



Husein Esufally
Chairman
Colombo
February 07, 2019



Steven Enderby
Chief Executive Officer

Statement of Changes in Equity Company

			Other Components Of Equity		
	Stated Capital	Other Capital Reserves	Available for Sale Reserve	Retained Earnings	Total Equity
<i>LKR '000</i>					
Balance as at 1 April 2017	5,741,038	326,289	134,672	10,334,008	16,536,007
Profit for the Period	-	-	-	695,685	695,685
Other Comprehensive Income	-	-	21	-	21
Total Comprehensive Income	-	-	21	695,685	695,706
Exercise of Share Options	214,787	-	-	-	214,787
Share Based Payments	-	16,716	-	-	16,716
Final Dividend 2016/17	-	-	-	(831,198)	(831,198)
Interim Dividend Paid 2017/18	-	-	-	(229,826)	(229,826)
Balance as at 31 December 2017	5,955,825	343,005	134,693	9,968,669	16,402,192
 Balance as at 1 April 2018	 5,960,450	 363,126	 15,177	 12,024,751	 18,363,504
Profit for the Period	-	-	-	46,351	46,351
Other Comprehensive Income	-	-	(1)	-	(1)
Total Comprehensive Income	-	-	(1)	46,351	46,350
Exercise of Share Options	1,974	-	-	-	1,974
Share Based Payments	-	30,288	-	-	30,288
Final Dividend 2017/18	-	-	-	(833,655)	(833,655)
Interim Dividend Paid 2018/19	-	-	-	(229,981)	(229,981)
Balance as at 31 December 2018	5,962,424	393,414	15,176	11,007,466	17,378,480

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Statement of Cash Flows

For nine months ended	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
LKR '000				
Operating Activities				
Profit before taxation	3,805,544	3,182,880	67,488	737,748
Adjustments for,				
Depreciation	945,974	769,105	26,135	24,845
(Gain)/ Loss on Disposal of Property, Plant and Equipment, Investment Properties	(19,401)	(11,280)	846	(877)
(Gain)/Loss on Sale of Non-Current Investments	(84,157)	(5,093)	-	-
Provision for Share Based Payment Expense	30,658	50,496	3,933	14,462
Amortisation of Intangible Assets	50,088	66,739	15,321	16,481
Amortisation of Leasehold Rights	28,461	29,283	-	-
Finance Cost	808,409	406,436	137,590	143,541
Finance Income	(327,626)	(648,470)	(36,061)	(405,244)
Share of Results of Joint Ventures & Associates	218,998	175,941	-	-
Investment Income	-	-	(214,934)	(568,118)
Movement in Employee Benefit Liability	107,477	85,425	4,661	2,825
Operating Cash Flows before Working Capital Adjustments	5,564,425	4,101,462	4,980	(34,337)
Working Capital Adjustments				
(Increase)/Decrease in Inventories	(771,707)	(1,918,920)	-	-
(Increase)/Decrease in Trade and Other Receivables	(6,327,318)	(2,199,972)	(119,508)	166,561
Increase/(Decrease) in Trade and Other Payables	598,430	1,127,034	13,269	20,373
Increase/(Decrease) in Other Non Current Financial Liabilities	11,235	16,438	-	-
Cash Generated from Operations	(924,935)	1,126,042	(101,259)	152,597
Finance Cost Paid	(807,072)	(399,613)	(137,590)	(143,541)
Finance Income Received	323,604	645,393	36,061	405,244
Income Tax Paid	(1,143,897)	(1,045,612)	(31,230)	(32,754)
Employee Retirement Benefit Paid	(55,409)	(43,864)	(512)	(3,388)
Net Cash Flows From/(Used in) Operating Activities	(2,607,709)	282,346	(234,530)	378,158
Investing Activities				
Purchase of Property, Plant and Equipment	(1,820,374)	(1,610,737)	(16,243)	(86,398)
Investment in Intangible Assets	(47,419)	(8,208)	(12,909)	-
Disposal of /(Investment in) Financial Assets	(90,879)	(1,886)	-	-
Investment in Joint Ventures/ Associates	(13,054)	-	(68,150)	-
Acquisition/Disposal of /Investment in Subsidiaries	442,825	(323,845)	-	(72,094)
Proceeds from Disposal of Preference Shares	-	-	60,000	-
Investment Income Received	-	-	214,934	568,118
Proceeds on Disposal of Property, Plant and Equipment/ Intangible Assets / Leasehold Properties/ Investment Properties	67,927	64,817	13,033	3,646
Net Cash Flows From/(Used in) Investing Activities	(1,460,974)	(1,879,859)	190,666	413,272
Financing Activities				
Interest Bearing Loans and Borrowings (Net)	4,539,356	343,336	181,377	(1,069,393)
Proceed from Exercise of Share Options	1,604	181,007	1,604	181,007
Proceeds (to)/from Non-Controlling Interests	-	(8,854)	-	-
Dividends Paid - Equity Holders of the Parent	(1,063,636)	(1,061,024)	(1,063,636)	(1,061,024)
Dividends Paid - Non-Controlling Interests	(32,816)	(68,497)	-	-
Net Cash Flows From/(Used in) Financing Activities	3,444,508	(614,032)	(880,654)	(1,949,410)
Net Increase/(Decrease) in Cash and Cash Equivalents	(624,175)	(2,211,545)	(924,519)	(1,157,980)
Net Foreign Exchange Difference	141,233	(9,376)	-	-
Cash and Cash Equivalents at the Beginning of the Period	5,740,319	10,618,937	250,530	4,794,005
Cash and Cash Equivalents at the End of the Period	5,257,377	8,398,016	(673,989)	3,636,025

The above figures are provisional and subject to audit.

Segmental Information

	Consumer		Healthcare		Leisure, Travels & Aviation		Mobility		Others		Group	
For three months ended 31 December	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
LKR '000		Restated		Restated								Restated
Revenue												
Segmental Revenue - Gross	8,187,100	4,052,572	7,133,644	6,102,098	1,251,783	1,014,191	782,645	759,398	1,134,204	734,170	18,489,376	12,662,429
Intra Segmental Revenue	(46,236)	(31,542)	(56,425)	(57,487)	-	-	(8,371)	(4,455)	(38,130)	(34,782)	(149,162)	(128,266)
Segmental Revenue	8,140,864	4,021,030	7,077,219	6,044,611	1,251,783	1,014,191	774,274	754,943	1,096,074	699,388	18,340,214	12,534,163
Inter Segmental Revenue	-	(3,300)	-	-	-	-	(30,736)	-	(300,730)	(261,606)	(331,466)	(264,906)
Total Revenue	8,140,864	4,017,730	7,077,219	6,044,611	1,251,783	1,014,191	743,538	754,943	795,344	437,782	18,008,748	12,269,257
Results												
Segmental Results	1,289,592	424,189	509,729	592,267	158,600	42,306	178,075	209,510	(190,528)	(228,393)	1,945,469	1,039,879
Finance Cost	(94,029)	(25)	(98,488)	(67,305)	(41,431)	(13,556)	(53,833)	(9,626)	(58,266)	(52,750)	(346,047)	(143,262)
Finance Income	55,305	28,921	26,570	6,965	11,114	14,570	23,259	5,366	6,240	157,433	122,488	213,255
Share of Results of Joint Ventures & Associates	-	-	-	-	(58,015)	(37,501)	-	-	(7,472)	(26,126)	(65,487)	(63,627)
Profit/(Loss) before Tax	1,250,868	453,085	437,811	531,927	70,268	5,819	147,501	205,250	(250,026)	(149,836)	1,656,423	1,046,245
Income Tax	(271,334)	(99,236)	(79,227)	(118,972)	(22,152)	(20,914)	(27,602)	(28,677)	(18,622)	(30,270)	(418,937)	(298,069)
Profit / (Loss) for the Period	979,534	353,849	358,584	412,955	48,116	(15,095)	119,899	176,573	(268,648)	(180,106)	1,237,486	748,176
Attributable to:												
Equity Holders of the Parent	841,667	350,849	338,790	402,878	4,453	(15,259)	109,011	126,083	(268,647)	(182,684)	1,025,275	681,867
Non-Controlling Interests	137,867	3,000	19,794	10,077	43,663	164	10,888	50,490	(1)	2,577	212,211	66,308
	979,534	353,849	358,584	412,955	48,116	(15,095)	119,899	176,573	(268,648)	(180,106)	1,237,486	748,176

The above figures are provisional and subject to audit.

Segmental Information

	Consumer		Healthcare		Leisure, Travel & Aviation		Mobility		Others		Group	
For nine months ended 31 December LKR '000	2018	2017 Restated	2018	2017 Restated	2018	2017	2018	2017	2018	2017	2018	2017 Restated
Revenue												
Segmental Revenue - Gross	20,469,337	11,873,304	20,672,165	16,761,816	3,089,422	2,588,755	2,272,325	2,064,349	2,930,614	2,777,600	49,433,863	36,065,824
Intra Segmental Revenue	(161,183)	(127,794)	(188,359)	(188,681)			(26,466)	(13,365)	(141,220)	(103,475)	(517,228)	(433,315)
Segmental Revenue	20,308,154	11,745,510	20,483,806	16,573,135	3,089,422	2,588,755	2,245,859	2,050,984	2,789,394	2,674,125	48,916,635	35,632,509
Inter Segmental Revenue		(9,900)					(64,808)		(823,890)	(775,576)	(888,698)	(785,476)
Total Revenue	20,308,154	11,735,610	20,483,806	16,573,135	3,089,422	2,588,755	2,181,051	2,050,984	1,965,504	1,898,549	48,027,937	34,847,033
Results												
Segmental Results	2,774,893	1,386,849	1,509,751	1,683,157	87,983	(34,722)	620,960	629,035	(488,263)	(547,532)	4,505,325	3,116,787
Finance Cost	(152,862)	(27)	(306,004)	(189,236)	(86,504)	(23,481)	(118,573)	(22,584)	(144,466)	(171,108)	(808,409)	(406,436)
Finance Income	145,524	87,637	77,508	13,677	34,421	34,021	50,424	12,668	19,749	500,467	327,626	648,470
Share of Results of Joint Ventures & Associates					(200,322)	(149,815)			(18,676)	(26,126)	(218,998)	(175,941)
Profit/(Loss) before Tax	2,767,555	1,474,459	1,281,255	1,507,598	(164,422)	(173,997)	552,811	619,119	(631,656)	(244,299)	3,805,544	3,182,880
Income Tax	(598,347)	(348,582)	(260,407)	(315,950)	(54,043)	(58,209)	(85,706)	(92,986)	(27,713)	(139,249)	(1,026,216)	(954,976)
Profit / (Loss) for the Period	2,169,208	1,125,877	1,020,848	1,191,648	(218,465)	(232,206)	467,105	526,133	(659,369)	(383,548)	2,779,328	2,227,904
Attributable to:												
Equity Holders of the Parent	1,959,978	1,117,473	990,001	1,147,956	(189,628)	(167,731)	405,253	396,400	(659,369)	(391,984)	2,506,236	2,102,114
Non-Controlling Interests	209,230	8,404	30,847	43,692	(28,837)	(64,475)	61,852	129,733	-	8,436	273,092	125,790
	2,169,208	1,125,877	1,020,848	1,191,648	(218,465)	(232,206)	467,105	526,133	(659,369)	(383,548)	2,779,328	2,227,904

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 2018. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

New standards, Interpretations and Amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2018, except for the adoption of SLFRS 15 which is effective as of 1 April 2018. The Group has not early adopted any other standard, interpretation or amendment that have been issued but is not yet effective.

The Sri Lanka Accounting Standard – SLFRS 9 (Financial Instruments) is effective for annual periods beginning on or after 1 January 2018. However, CA Sri Lanka has granted the option, via the Statement of Alternative Treatment (SoAT) to prepare the interim financial statements continuing the application of LKAS 39 (Financial Instruments: Recognition and Measurement). As permitted by the above SoAT, the Group/ Company prepared Interim Financial Statements based on LKAS 39.

The Group applies, SLFRS 15 Revenue from Contracts with Customers for the first time using the full retrospective method of adoption. As required by LKAS 34, the nature and effect of these changes are disclosed below.

Basis of preparation and changes to the Group's accounting policies on SLFRS 15 - Revenue from Contracts with Customers

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The effect of adopting SLFRS 15 is, as follows:

For the Period Ended	31 December 2017 (LKR '000)		
	As Previously Reported	Impact on SLFRS 15	SLFRS 15 Adjusted
Revenue	35,580,338	(733,305)	34,847,033
Cost of Sales	(22,201,135)	24,720	(22,176,415)
Gross Profit	13,379,203	(708,585)	12,670,618
Other Operating Income	237,924	-	237,924
Selling and Distribution Expenses	(3,897,892)	689,210	(3,208,682)
Administrative Expenses	(6,602,448)	19,375	(6,583,073)
Share of Results of Joint Ventures & Associates	(175,941)	-	(175,941)
Operating Profit	2,940,846	-	2,940,846
Finance Cost	(406,436)	-	(406,436)
Finance Income	648,470	-	648,470
Profit Before Tax	3,182,880	-	3,182,880
Income Tax Expenses	(954,976)	-	(954,976)
Profit for the Period	2,227,904	-	2,227,904
Profit attributable to:			
Equity Holders of the Parent	2,102,114	-	2,102,114
Non-Controlling Interests	125,790	-	125,790
	2,227,904	-	2,227,904

There is no material impact on the statement of other comprehensive income, Statement of financial position, statement of cash flows and Earnings Per Share.

The different business segments of the group are in the course of providing variety of goods and services. The impacts of SLFRS 15 identified in Consumer and Healthcare sectors, stemming from variable consideration and customer allowances and incentives.

- The unsecured redeemable debentures of 10M, (rated AA-Ika, by Fitch Rating Lanka Limited) carrying a coupon rate of 11% p.a payable semi-annually, issued on 29 April 2014, will mature on 29 April 2019.
- The Company paid a final dividend of Rs.1.45 per share for the financial year ended 31 March 2018.
- The Company paid an interim dividend of Rs.0.40 per share for the financial year ending 31 March 2019.
- The Board of Directors decision (with the approval in principle of the Colombo Stock Exchange) 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 and create a Employee Share Option Scheme (ESOS), was authorized by shareholders at an Extraordinary General Meeting dated 10 April 2015.

Accordingly, 3,053,750 employee share options were granted on the first Grant to the Executive Directors and Senior Executives of the company and its subsidiaries at the exercise price of LKR 82 with a vesting period of one year starting from 27 July 2015 and exercise period of 3 years starting from 27 July 2016, out of which 2,574,423 employee share options were vested during the year ended 31 March 2017.

At the second Grant, 3,008,750 employee share options were granted with the exercise price of LKR 87.50 with a one year vesting period starting from 27 July 2016 and exercise period of 3 years starting from 27 July 2017, out of which 2,421,867 employee share options were vested on 27 July 2017.

At the third Grant, 3,420,000 employee share options were granted with the exercise price of LKR149.50 with a one year vesting period starting from 27 July 2017 and exercise period of 3 years starting from 27 July 2018, out of which 2,034,796 employee share options were vested on 27 July 2018.

Further, at the fourth Grant of 3,491,250 employee share options were granted on 27 July 2018 with the exercise price of LKR108.81 with a one year vesting period starting from 27 July 2018.

- MSJ Industries (Ceylon) (Pvt) Ltd.(MSJI) has been amalgamated with Morison PLC (Morison) with effect from 02 July, 2018 in accordance of the provisions of the Companies Act No.07 of 2007. The regulatory approval and the approval of the shareholders have been duly obtained.

Hence w.e.f. 02 July, 2018, the net assets of MSJI were absorbed into Morison and Morison continues its activities as public limited company which 91% effectively owned by Hemas Holdings PLC.

- Hemas Hospitals (Pvt) Ltd., a subsidiary of Hemas Holdings PLC divested its 100% stake in Hemas Southern Hospital (Pvt) Ltd. at a total Consideration of LKR 450Mn on 02 November 2018.

The fair value of assets and liabilities disposed were as follows:

In LKR '000

Assets

Cash and Cash Equivalents	20,884
Tax Receivables	7,145
Trade and Other Receivables	43,598
Inventories	17,449
Intangible Assets	778
Property, Plant and Equipment	683,416

Liabilities

Bank Overdrafts	(13,710)
Interest Bearing Loans and Borrowings	(243,931)
Trade & Other Payables	(74,434)
Employee Benefit Liability	(11,859)
Deferred Tax Liability	(53,018)
Total identifiable net assets	376,318
Gain on Disposal	73,682
Sales Consideration	450,000
Cash and cash equivalent disposed	(7,175)
Net cash inflow on disposal of non current investments	442,825

- There have been no events subsequent to the reporting date, which require disclosure in the interim financial statements.
- 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 2018.

Investor Information

Three Months Ended

31.12.2018

31.12.2017

Market Value of Shares

Closing Price on 31 December (LKR)	88.80	126.00
Highest Price During the Period (LKR)	94.90	134.90
Lowest Price During the Period (LKR)	83.50	118.00
Market Capitalisation on 31 December (LKR Mn)	51,056	72,436

Ratios

Net Asset Per Share on 31 December (LKR)	49.10	45.46
Price Earnings Ratio on 31 December (Times)	49.89	105.88

Debt security related ratios

Debt/Equity Ratio	36.4%	21.9%
Quick Asset Ratio	1.02	1.29
Interest Cover (Times)	5.43	6.81
Interest Yield as at Date of Last Trade	-	-
Yield to Maturity of Trade Done	-	-
Interest Rate of Comparable Government Security (5 Year Treasury Bond Rate)	11.7%	10.2%

Share Trading

No of Transactions During the Period	515	601
No of Shares Traded During the Period	3,240,520	12,717,804
Value of Shares Traded During the Period (LKR Mn)	281	1,632

Number of Shares	574,952,592	574,890,446
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Debentures 11% Fixed - Unsecured Redeemable

Closing Price on 31 December (LKR)	-	-
Highest Price During the Period (LKR)	-	-
Lowest Price During the Period (LKR)	-	-

There has been no trading in the listed Debentures of the Company during the nine months period ended 31 December 2018.

Number of Debentures	10,000,000	10,000,000
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Share Information

LIST OF 20 MAJOR SHAREHOLDERS	31.12.2018		31.12.2017	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	90,762,875	15.79	90,762,875	15.79
2 Saraz Investments (Pvt) Ltd.	86,396,035	15.03	86,396,035	15.03
3 Blueberry Investments (Pvt) Ltd.	85,781,250	14.92	85,781,250	14.92
4 Amagroup (Pvt) Ltd.	85,780,665	14.92	85,780,665	14.92
5 HSBC Intl Nominees Ltd-JPMLU-Franklin Templeton Investment Funds	39,766,809	6.92	41,867,475	7.28
6 Citi Bank New York S/A Norges Bank Account 2	17,184,764	2.99	17,184,764	2.99
7 HSBC International Nominees Ltd. -JPMCB- Templeton Global Investment Trust- Templeton Emerging Markets Small Cap Fund	14,964,257	2.60	14,964,257	2.60
8 BNYMSANV Re-First State Investments ICVC-Stewart Investors Indian Subcontinent Fund.	11,962,613	2.08	11,962,613	2.08
9 BNYMSANV Re-First State Investments ICVC-Stewart Investors Asia Pacific Sustainability Fund.	9,745,440	1.69	9,745,440	1.70
10 CB London s/a Verdipapirfondet Holberg Rurik	7,584,187	1.32	5,216,959	0.91
11 HSBC Intl Nom Ltd-JPMCB- Pacific Assets Trust PLC	6,793,862	1.18	6,793,862	1.18
12 Mr. M.A.H. Esufally	5,946,500	1.03	5,946,500	1.03
13 HSBC Intl. Nominees Ltd. -JPMCB- Scottish ORL SML TR GTI 6018	5,884,769	1.02	5,884,769	1.02
14 Phoenix Ventures (Pvt) Limited.	5,773,998	1.00	-	-
15 Mr. H.N. Esufally	5,586,705	0.97	5,586,705	0.97
16 BNYMSANV Re-First State Investments ICVC-Stewart Investors Global Emerging Market Sustainability Fund	5,036,288	0.88	5,036,288	0.88
17 BBH-Kopernik Global All Cap Fund	4,565,701	0.79	-	-
18 Mr. I.A.H. Esufally	4,424,000	0.77	4,424,000	0.77
19 Mellon Bank N.A.-Florida Retirement System	4,407,711	0.77	4,407,711	0.77
20 HSBC Intl. Nom. LTD-State Street Luxembourg c/o SSBT- Alliancebernstein Next 50 Emerging Markets(MASTER) Fund SICAV-SIF	4,066,195	0.71	4,066,195	0.71

DIRECTORS' SHAREHOLDING	31.12.2018	31.12.2017
	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	5,586,705
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. 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	-	-
Mr. J.M. Trivedi	-	-
Prof. N.R. De Silva (w.e.f. 01.10.2018)	-	-
	366,961,615	366,961,615

PUBLIC HOLDING	31.12.2018	31.12.2017
Issued Share Capital (No. of Shares)	574,952,592	574,890,446
Public Holding as a % of Issued Share Capital	35.70%	35.69%
Total Number of Shareholders	4,160	4,116
Number of Shareholders representing the Public Holding	4,148	4,104

Minimum Public Holding Requirement as per Listing Rules 7.13.1

	Float Adjusted Market Capitalisation - (LKR)	Public Holding Percentage	No of Shareholders	Option
Minimum Public Holding	18,226,885,389	35.7%	4,148	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 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
Ramabadran Gopalakrishnan
Dr. Anura Ekanayake
Dinesh Weerakkody
Malinga Arsakularatne
Amitha Saktha Amaratunga
Jyotindra Manibhai Trivedi
Prof. Nilanthi Renuka De Silva (w.e.f. 01.10.2018)

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, Attorneys-at-law
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
Citi Bank, N.A.