

HAYLEYS PLC

Interim Report

A large, stylized number '2' with a 3D effect, rendered in a light gray color with a dark gray outline and a slight shadow.

Second Quarter

Six months ended 30th September, 2016

Statement of Profit or Loss

<u>Consolidated</u>		<u>Consolidated</u>				<u>Consolidated</u>		
Audited year ended 31.03.16 Rs.'000		Unaudited 6 months to 30.09.16 Rs.'000	Unaudited 6 months to 30.09.15 Rs.'000	Change %	Unaudited 3 months to 30.09.16 Rs.'000	Unaudited 3 months to 30.09.15 Rs.'000	Change %	
	Notes							
92,274,683		52,153,173	44,019,522	18	28,039,665	21,996,742	27	
(69,642,934)	5	(40,368,088)	(33,444,850)	21	(21,634,111)	(16,502,028)	31	
22,631,749		11,785,085	10,574,672	11	6,405,554	5,494,714	17	
689,956		329,990	235,113	40	138,608	112,797	23	
(3,171,259)		(1,666,964)	(1,447,654)	15	(854,056)	(728,974)	17	
(11,466,920)		(6,722,216)	(5,657,382)	19	(3,608,234)	(2,837,144)	27	
(178,314)		(85,401)	(70,950)	20	(39,135)	(30,840)	27	
8,505,212		3,640,494	3,633,799	0	2,042,737	2,010,553	2	
843,766		334,061	438,374	(24)	158,313	270,550	(41)	
(2,775,241)		(1,670,484)	(1,521,465)	10	(856,976)	(855,125)	0	
(1,931,475)		(1,336,423)	(1,083,091)	23	(698,663)	(584,575)	20	
242,537		179,931	168,966	6	105,593	102,757	3	
6,816,274		2,484,002	2,719,674	(9)	1,449,667	1,528,735	(5)	
(1,756,533)	6	(839,804)	(652,478)	29	(454,106)	(384,123)	18	
5,059,741		1,644,198	2,067,196	(20)	995,561	1,144,612	(13)	
3,003,913		930,187	1,151,871	(19)	575,252	629,143	(9)	
2,055,828		714,011	915,325	(22)	420,309	515,469	(18)	
5,059,741		1,644,198	2,067,196	(20)	995,561	1,144,612	(13)	
40.05		12.40	15.36		7.67	8.39		
40.05		12.40	15.36		7.67	8.39		

*The Notes on pages 10 to 13 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.*

Statement of Profit or Loss

<u>Company</u>	<u>Company</u>			<u>Company</u>		
Audited year ended 31.03.16 Rs.'000	Unaudited 6 months to 30.09.16 Rs.'000	Unaudited 6 months to 30.09.15 Rs.'000	Change %	Unaudited 3 months to 30.09.16 Rs.'000	Unaudited 3 months to 30.09.15 Rs.'000	Change %
330,083 Revenue	170,483	166,482	2	85,351	83,254	3
(169,221) Cost of sales	(95,459)	(77,969)	22	(48,820)	(38,012)	28
160,862 Gross profit	75,024	88,513	(15)	36,531	45,242	(19)
1,467,416 Group Dividend	583,066	488,104	19	306,665	275,957	11
1,489 Other income	71,419	376	>100	114	20	>100
(139,434) Administrative expenses	(39,112)	(59,584)	(34)	(9,129)	(66,050)	(86)
- Other expenses	(6)	-	>100	(6)	-	>100
1,490,333 Results from operating activities	690,391	517,409	33	334,175	255,169	31
71,407 Finance Income	44,323	43,988	1	37,763	22,375	69
(672,845) Finance Costs	(431,048)	(359,274)	20	(208,665)	(179,808)	16
(601,438) Net finance costs	(386,725)	(315,286)	23	(170,902)	(157,433)	9
888,895 Profit before tax	303,666	202,123	50	163,273	97,736	67
(21,132) Tax expense	(855)	(19,948)	<100	(221)	(18,123)	<100
867,763 Profit for the period	302,811	182,175	66	163,052	79,613	>100

*The Notes on pages 10 to 13 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.*

Statement of Comprehensive Income

<u>Consolidated</u>	<u>Consolidated</u>			<u>Consolidated</u>		
Audited year ended 31.03.16 Rs.'000	Unaudited 6 months to 30.09.16 Rs.'000	Unaudited 6 months to 30.09.15 Rs.'000	Change %	Unaudited 3 months to 30.09.16 Rs.'000	Unaudited 3 months to 30.09.15 Rs.'000	Change %
5,059,741	1,644,198	2,067,196	(20)	995,561	1,144,612	(13)
Other Comprehensive income						
Items will not be reclassified subsequently to profit or loss						
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(378,352)	-	-	-	-	-	-
50,304	-	-	-	-	-	-
Items will be reclassified subsequently to profit or loss						
367,727	80,209	(18,790)	>100	(53,412)	141,517	<100
(469)	-	-	-	-	-	-
(6,850)	111,026	3,732	>100	101,974	(2,326)	>100
32,360	191,235	(15,058)	>100	48,562	139,191	(65)
5,092,101	1,835,433	2,052,138	(11)	1,044,123	1,283,803	(19)
Attributable to						
2,972,574	1,014,075	1,176,809		586,326	716,885	
2,119,527	821,358	875,329		457,797	566,918	
5,092,101	1,835,433	2,052,138		1,044,123	1,283,803	

*The Notes on pages 10 to 13 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.*

Statement of Comprehensive Income

<u>Company</u>	<u>Company</u>			<u>Company</u>		
Audited year ended 31.03.16 Rs.'000	Unaudited 6 months to 30.09.16 Rs.'000	Unaudited 6 months to 30.09.15 Rs.'000	Change %	Unaudited 3 months to 30.09.16 Rs.'000	Unaudited 3 months to 30.09.15 Rs.'000	Change %
867,763	302,811	182,175	66	163,052	79,613	>100
Other Comprehensive income						
Items will not be reclassified subsequently to profit or loss						
	-	-	-	-	-	-
	-	-	-	-	-	-
(70,694)	-	-	-	-	-	-
	-	-	-	-	-	-
Items will be reclassified subsequently to profit or loss						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
(70,694)	-	-	-	-	-	-
797,069	302,811	182,175	66	163,052	79,613	>100

*The Notes on pages 10 to 13 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.*

Statement of Financial Position

Consolidated		Company		Consolidated		Company	
Audited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
(Restated)							
as at	as at	as at	as at	as at	as at	as at	as at
31.03.16	31.03.16	30.09.16	30.09.15	30.09.16	30.09.15	30.09.16	30.09.15
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
Non - current assets							
50,429,684	6,674,109	55,595,253	48,026,850	6,704,062	6,670,487		
1,396,312	-	1,393,464	1,409,898	-	-		
342,797	-	346,425	312,238	-	-		
6,297,430	-	6,239,696	5,785,362	-	-		
-	9,881,296	-	-	11,524,699	9,381,763		
671,797	-	1,272,033	1,016,677	-	-		
223,038	141,764	203,172	509,756	108,746	147,998		
595,977	-	591,526	239,316	-	-		
399,217	-	393,927	389,197	-	-		
60,356,252	16,697,169	66,035,496	57,689,294	18,337,507	16,200,248		
Current assets							
15,026,634	1,421	16,002,743	12,612,535	1,309	1,826		
-	1,111,039	-	-	924,336	973,896		
30,162	5,762	19,984	41,290	2,865	1,038		
19,053,660	13,983	21,563,766	17,506,247	29,597	39,802		
1,471,295	11,134	1,540,571	1,528,552	81,526	78,339		
193,581	2,287	139,784	161,277	4,184	1,266		
929,875	445,180	451,808	37,125	9,603	11,111		
1,971,981	-	1,201,564	1,733,471	-	-		
3,694,342	98,559	4,071,621	3,442,916	85,179	66,122		
3,021	-	3,021	3,021	-	-		
42,374,551	1,689,365	44,994,862	37,066,434	1,138,599	1,173,400		
102,730,803	18,386,534	111,030,358	94,755,728	19,476,106	17,373,648		
EQUITY AND LIABILITIES							
1,575,000	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000		
-	-	-	-	-	-		
1,067,818	13,226	1,005,356	1,293,125	13,226	13,226		
11,576,897	6,314,023	11,660,827	11,584,928	6,314,023	6,314,023		
16,600,264	3,096,965	16,971,755	15,419,738	2,912,276	2,504,745		
30,819,979	10,999,214	31,212,938	29,872,791	10,814,525	10,406,994		
15,685,874	-	15,390,927	15,360,186	-	-		
46,505,853	10,999,214	46,603,865	45,232,977	10,814,525	10,406,994		
Non - current liabilities							
12,235,849	3,555,665	17,257,885	10,620,783	5,214,648	3,223,169		
739,677	-	733,446	715,808	-	-		
1,496,269	-	1,573,103	1,397,666	-	-		
5,678,535	521,012	5,886,966	5,180,577	506,837	441,836		
20,150,330	4,076,677	25,451,400	17,914,834	5,721,485	3,665,005		
Current liabilities							
13,130,739	241,627	14,271,502	10,934,053	248,965	233,592		
22,662	-	21,887	25,153	-	-		
1,312,459	10,823	718,206	465,158	16,249	10,984		
553	-	13,375	-	13,375	-		
-	27,376	-	-	24,430	19,189		
-	-	339	2,059	-	-		
720,534	-	405,312	363,589	-	-		
6,394,488	2,987,765	4,483,803	4,994,816	721,867	3,037,884		
14,492,853	43,052	19,060,337	14,822,757	1,915,210	-		
332	-	332	332	-	-		
36,074,620	3,310,643	38,975,093	31,607,917	2,940,096	3,301,649		
56,224,950	7,387,320	64,426,493	49,522,751	8,661,581	6,966,654		
102,730,803	18,386,534	111,030,358	94,755,728	19,476,106	17,373,648		

The Financial Position as at 30th September, 2016 and Statement of Profit or Loss, Statement of Comprehensive Income, Changes in Equity and Cash Flow for the Six months then ended are drawn up from the unaudited financial statements of the Company, its Subsidiaries and Equity Accounted Investees and they provide the information required by the Colombo Stock Exchange.

I certify that the Financial Statements have been prepared in compliance with the requirements of the Companies Act no 7 of 2007.

sgd.

L.D.E.A De Silva
Group Chief Financial Officer

Signed for and on behalf of the Board

sgd.

A M Pandithage
Chairman & Chief Executive
7th November 2016

sgd.

S C Ganegoda
Director

The Notes on pages 10 to 13 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

Statement of Changes in Equity

For the period ended 30th September

Consolidated	Attributable to owners of the Company													Total Equity
	Stated capital	Employee Share Trust Loan **	Capital Reserves		Other Components of Equity			Revenue Reserves			Shareholders' Funds	Non-controlling interest		
			Reserve on scrip issue	Other capital reserve	Revaluation	Available-for-sale reserve	Foreign currency translation reserve	General reserve	Timber reserve	Retained earnings				
			Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000			Rs.'000	
Balance as at 1st at April, 2016-As previously stated	1,575,000	-	612,184	490,492	10,636,028	1,819	939,050	2,233,358	72,860	14,294,046	30,854,837	15,728,293	46,583,130	
Prior year adjustments- Note 4	-	-	(34,858)	-	-	-	-	-	-	-	(34,858)	(42,419)	(77,277)	
Balance as at 1st April 2016 - Restated	1,575,000	-	577,326	490,492	10,636,028	1,819	939,050	2,233,358	72,860	14,294,046	30,819,979	15,685,874	46,505,853	
Profit for the period	-	-	-	-	-	-	-	-	-	930,187	930,187	714,011	1,644,198	
Other Comprehensive income														
Exchange differences on translation of foreign operations	-	-	-	-	-	-	75,453	-	-	-	75,453	4,756	80,209	
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	8,435	-	-	-	-	8,435	102,591	111,026	
Revaluation of land	-	-	-	-	-	-	-	-	-	-	-	-	-	
Actuarial gain on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total other comprehensive income	-	-	-	-	-	8,435	75,453	-	-	-	83,888	107,347	191,235	
Total Comprehensive income for the period	-	-	-	-	-	8,435	75,453	-	-	930,187	1,014,075	821,358	1,835,433	
Transactions with owners, recorded directly in equity														
Dividends to equity holders	-	-	-	-	-	-	-	-	-	(487,500)	(487,500)	(627,880)	(1,115,380)	
Unclaimed Dividend-write back	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recovery for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	1,809	-	-	19,088	-	(20,897)	0	0	-	0	
Total contributions by and distributions to owners	-	-	-	1,809	-	-	19,088	-	(508,397)	(487,500)	(627,880)	(1,115,380)		
Changes in ownership interests in subsidiaries														
Acquisition of non-controlling interest with a change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	
Acquisition of non-controlling interest without a change in control	-	-	(64,272)	-	39	-	3	4	(69,390)	(133,616)	(488,425)	(622,041)	(622,041)	
Total changes in ownership interests in subsidiaries	-	-	(64,272)	-	39	-	3	4	(69,390)	(133,616)	(488,425)	(622,041)		
Total transactions with owners	-	-	(64,272)	1,809	39	-	3	19,092	-	(577,787)	(621,116)	(1,116,305)	(1,737,421)	
Balance as at 30th September 2016	1,575,000	-	513,054	492,302	10,636,067	10,254	1,014,506	2,252,450	72,860	14,646,446	31,212,938	15,390,927	46,603,865	
Balance as at 1st April, 2015	1,575,000	(148,558)	816,801	487,179	10,857,027	10,199	705,819	2,216,088	63,387	12,521,008	29,103,950	15,105,525	44,209,475	
Profit for the period	-	-	-	-	-	-	-	-	-	1,151,871	1,151,871	915,325	2,067,196	
Other Comprehensive income														
Exchange differences on translation of foreign operations	-	-	-	-	-	-	22,621	-	-	-	22,621	(41,411)	(18,790)	
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	2,318	-	-	-	-	2,318	1,414	3,732	
Revaluation of land	-	-	-	-	-	-	-	-	-	-	-	-	-	
Actuarial losses on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total other comprehensive income	-	-	-	-	-	2,318	22,621	-	-	-	24,939	(39,997)	(15,058)	
Total Comprehensive income for the period	-	-	-	-	-	2,318	22,621	-	-	1,151,871	1,176,810	875,328	2,052,138	
Transactions with owners, recorded directly in equity														
Dividends to equity holders	-	-	-	-	-	-	-	-	-	(450,000)	(450,000)	(637,422)	(1,087,422)	
Unclaimed Dividend-write back	-	-	-	-	-	-	-	-	-	4,686	4,686	-	4,686	
Recovery for the period	-	148,558	-	-	-	-	-	-	-	-	148,558	-	148,558	
Transfers	-	-	-	3,245	-	-	-	-	-	(3,245)	-	-	-	
Total contributions by and distributions to owners	-	148,558	-	3,245	-	-	-	-	-	(448,559)	(296,756)	(637,422)	(934,178)	
Changes in ownership interests in subsidiaries														
Acquisition of non-controlling interest with a change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	
Acquisition of non-controlling interest without a change in control	-	-	(14,100)	-	(13,266)	77	133	2,262	(1)	(86,318)	(111,213)	16,755	(94,458)	
Total changes in ownership interests in subsidiaries	-	-	(14,100)	-	(13,266)	77	133	2,262	(1)	(86,318)	(111,213)	16,755	(94,458)	
Total transactions with owners	-	148,558	(14,100)	3,245	(13,266)	77	133	2,262	(1)	(534,877)	(407,968)	(620,667)	(1,028,635)	
Balance as at 30th September 2015	1,575,000	-	802,701	490,424	10,843,761	12,594	728,573	2,218,350	63,386	13,138,002	29,872,791	15,360,186	45,232,977	

** Employee share trust loan was fully settled during the period by the proceeds of the sale of shares of the Share Trust.

The Notes on pages 10 to 12 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

Statement of Changes in Equity

For the period ended 30th September

Company	Other Component of Equity						Total
	Stated capital	Employee Share Trust Loan	Capital Reserve	Revaluation reserve	Revenue Reserves		
					General reserve	Retained earnings	
Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Balance as at 1st April 2016	1,575,000	-	13,226	6,314,023	382,087	2,714,878	10,999,214
Profit for the period	-	-	-	-	-	302,811	302,811
Other Comprehensive income							
Actuarial losses on defined benefit obligations	-	-	-	-	-	-	-
Revaluation of land	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	-	302,811	302,811
Transactions with owners, recorded directly in equity							
Dividends to equity holders	-	-	-	-	-	(487,500)	(487,500)
Unclaimed dividend	-	-	-	-	-	-	-
Repayment of Employee share trust loan	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	(487,500)	(487,500)
Total transactions with owners	-	-	-	-	-	(487,500)	(487,500)
Balance as at 30th September 2016	1,575,000	-	13,226	6,314,023	382,087	2,530,189	10,814,525
Balance as at 1st at April, 2015	1,575,000	(148,558)	13,226	6,314,023	382,087	2,385,797	10,521,575
Profit for the period	-	-	-	-	-	182,175	182,175
Other Comprehensive income							
Revaluation of land	-	-	-	-	-	-	-
Actuarial losses on defined benefit obligations	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	-	182,175	182,175
Transactions with owners, recorded directly in equity							
Dividends to equity holders	-	-	-	-	-	(450,000)	(450,000)
Unclaimed Dividend-write back	-	-	-	-	-	4,686	4,686
Repayment of Employee Share trust Loan	-	148,558	-	-	-	-	148,558
Total contributions by and distributions to owners	-	148,558	-	-	-	(445,314)	(296,756)
Total transactions with owners	-	148,558	-	-	-	(445,314)	(296,756)
Balance as at 30th September 2015	1,575,000	-	13,226	6,314,023	382,087	2,122,658	10,406,994

The Notes on pages 10 to 12 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Cash Flows

<u>Consolidated</u>		<u>Company</u>		<u>Consolidated</u>		<u>Company</u>	
Audited (Restated) as at 31.03.16 Rs. 000	Audited as at 31.03.16 Rs. 000	Unaudited 6 months to 30.09.16 Rs. 000	Unaudited 6 months to 30.09.15 Rs. 000	Unaudited 6 months to 30.09.16 Rs. 000	Unaudited 6 months to 30.09.15 Rs. 000		
Cash flows from operating activities							
10,616,753	1,815,004	1,909,490	4,846,578	740,273	834,065		
(410,898)	(14,835)	(287,676)	(219,603)	(45,227)	(5,243)		
(1,402,217)	(21,667)	(1,019,105)	(724,706)	(2,753)	(19,462)		
(939,829)	(22,578)	-	-	-	-		
7,863,809	1,755,924	602,708	3,902,269	692,293	809,360		
Cash flows from Investing activities							
(6,361,888)	(58,637)	(6,369,577)	(2,958,875)	(53,459)	(13,832)		
(2,488)	-	-	(180)	-	-		
(132,076)	-	(16,292)	(19,693)	-	-		
(7,511)	-	(3,627)	(4,762)	-	-		
90,288	-	9,190	25,994	-	-		
204,198	5,312	52,069	63,916	6,881	3,212		
1,147	-	1,546	3,430	-	-		
-	-	99,280	-	99,280	-		
-	-	2,505,997	-	2,426,808	-		
(65,713)	-	(21,526)	(19,058)	-	-		
460,000	-	-	-	-	-		
(121)	(515,952)	(490,352)	(121)	(1,602,738)	(16,423)		
(895,285)	(402,832)	-	-	-	-		
-	-	(2,006,264)	-	(2,000,000)	-		
(859,854)	-	-	(584,821)	-	-		
177,793	33,077	106,334	92,355	4,768	16,404		
194,353	-	70,048	6,683	-	-		
6,191	802	5,354	3,205	177	228		
(7,190,966)	(938,230)	(6,057,821)	(3,391,926)	(1,118,283)	(10,411)		
672,843	817,694	(5,455,113)	510,343	(425,990)	798,949		
Cash flows from financing activities							
(29,251)	-	(12,084)	(15,337)	-	-		
148,558	148,558	-	148,558	-	148,558		
(2,011,580)	(605,470)	(1,412,349)	(998,608)	(346,689)	(305,777)		
(1,134,028)	-	(627,880)	(637,422)	-	-		
6,799,581	1,442,000	8,182,132	2,069,273	2,000,000	-		
(5,026,408)	(1,833,517)	(5,147,828)	(2,484,448)	(2,613,600)	(661,850)		
-	-	-	3,177	-	-		
-	-	-	4,894	(11,759)	-		
(15,389)	(12,033)	-	(15,942)	-	(12,033)		
(450,000)	(450,000)	(487,500)	(450,000)	(487,500)	(450,000)		
(1,718,517)	(1,310,462)	494,491	(2,375,856)	(1,459,548)	(1,281,102)		
(1,045,674)	(492,768)	(4,960,622)	(1,865,513)	(1,885,538)	(482,153)		
(7,779,741)	548,275	(8,825,415)	(7,779,741)	55,507	548,275		
Cash and cash equivalents at end of the year/period (Note B)							
(8,825,415)	55,507	(13,786,037)	(9,645,255)	(1,830,031)	66,122		

Net cash flows related to discontinued operation, shown in note 8, discontinued operation

The Notes on pages 10 to 13 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Cash Flow Statements

<u>Consolidated</u>		<u>Company</u>		<u>Consolidated</u>		<u>Company</u>	
Audited (Restated) as at 31.03.16 Rs.'000	Audited as at 31.03.16 Rs.'000			Unaudited 6 months to 30.09.16 Rs.'000	Unaudited 6 months to 30.09.15 Rs.'000	Unaudited 6 months to 30.09.16 Rs.'000	Unaudited 6 months to 30.09.15 Rs.'000
A. Cash generated from operations							
6,816,274	888,895	Profit before tax		2,484,002	2,719,674	303,666	202,123
Adjustments for:							
1,931,475	601,438	Net finance expense		1,336,423	1,083,091	386,725	315,286
(242,537)		Share of profits from equity accounted investees		(179,931)	(168,966)	-	-
2,514,125	35,370	Depreciation on property, plant & equipment		1,367,644	1,210,083	16,732	16,874
6,076		- Depreciation on investment property		2,851	3,103	-	-
27,405		- Impairment of property, plant & equipment		-	25,209	-	-
(27,810)		- Change in fair value of biological assets		-	-	-	-
(60,577)	(1,489)	(Gain)/loss on the disposal of property, plant & equipment		(14,553)	(24,674)	(107)	(376)
-		- (Gain)/loss on the buy back of shares		(71,305)	-	(71,305)	-
(3,862)		- Gain on Bargain purchase of subsidiaries		-	-	-	-
140,626		- Amortisation of intangible assets		82,777	69,996	-	-
-		- Impairment of intangible assets		-	-	-	-
-		- Scrip dividend		-	-	(40,669)	-
398,950		- Net gains/(loss) on translation of foreign currency		(52,342)	(171,726)	-	-
-		- Differences of exchange on translation of foreign entities		(536,846)	303,264	-	-
116,759		- Impairment of trade & other receivables		-	-	-	-
244,400		- Provision for unrealised profit and write-down of inventories		-	-	-	-
33,254		- Impairment of other non current assets		20,743	7,092	-	-
(107,485)		- (Gain)/loss on the disposal of equity accounted investees		-	-	-	-
645,178	49,536	Provision for post employee benefits obligations		484,686	456,751	31,053	33,800
(64,106)		- Government grants amortised		(15,421)	(23,680)	-	-
<u>12,368,145</u>	<u>1,573,750</u>			<u>4,908,729</u>	<u>5,489,217</u>	<u>626,095</u>	<u>567,707</u>
(598,298)	283,942	(Increase)/decrease in trade and other receivables		(2,569,205)	361,784	103,697	327,502
(2,166,247)	432	(Increase)/decrease in inventories		(976,110)	70,377	112	28
1,013,153	(43,120)	Increase/(decrease) in trade and other payables		546,076	(1,074,800)	10,369	(61,172)
<u>10,616,753</u>	<u>1,815,004</u>			<u>1,909,490</u>	<u>4,846,578</u>	<u>740,273</u>	<u>834,065</u>
B. Analysis of cash and cash equivalents							
3,695,457*	98,559	Cash & cash equivalents		4,072,736*	3,444,031*	85,179	66,122
1,971,981		- Short - term deposits		1,201,564	1,733,471	-	-
5,667,438	98,559			5,274,300	5,177,502	85,179	66,122
(14,492,853)	(43,052)	Short-term interest bearing borrowings		(19,060,337)	(14,822,757)	(1,915,210)	-
(8,825,415)	55,507	Cash and cash equivalents at the end of the period		(13,786,037)	(9,645,255)	(1,830,031)	66,122

* Includes discontinued operations.

Notes to the Financial Statements

- 1 The Interim Condensed Financial Statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34- Interim Financial Reporting. These Interim Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2016.

The Interim Condensed Financial Statements have been prepared on a historical cost basis, except for, land ,Biological assets and financial instruments.

The Financial Statements also provide information required by the Colombo Stock Exchange.

- 2 There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31.03.2016.
- 3 No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the financial statements.
- 4 The presentation and classification of the Financial Statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

The Consolidated Financial Statements for the comparative interim period have been restated in accordance with LKAS 8- Accounting Policies, changes in Accounting Estimates and Errors to reflect in the Note 09.

5 INDUSTRY SEGMENT REVENUE

Audited year ended 31.03.16 Rs.'000	Consolidated			
	Total	Intra-group	External	Unaudited
	Rs.'000	Rs.'000	Unaudited 6 months to 30.09.16 Rs.'000	Unaudited 6 months to 30.09.15 Rs.'000
3,791,081 Eco Solutions	2,360,946	253,614	2,107,332	1,974,239
12,725,304 Hand Protection	7,040,653	1,141	7,039,512	6,186,814
11,705,824 Purification Products	5,952,658	-	5,952,658	5,509,744
8,364,207 Textiles	4,212,671	-	4,212,671	4,324,901
3,944,150 Construction Materials	1,947,975	5,660	1,942,315	1,749,547
11,023,145 Agriculture	6,920,333	334,536	6,585,797	4,751,083
9,095,537 Plantations	4,509,663	66,499	4,443,164	4,708,369
15,812,275 Transportation & Logistics	11,064,838	-	11,064,838	7,329,695
5,718,155 Consumer Products	2,441,494	-	2,441,494	2,702,837
Power and Energy				
2,701,321 Industry Inputs	1,660,279	37,647	1,622,632	1,287,108
935,278 Power & Energy	631,672	-	631,672	646,666
4,501,214 Leisure	2,602,745	-	2,602,745	2,090,523
1,957,192 Others	1,747,800	241,456	1,506,344	757,996
92,274,683	53,093,726	940,553	52,153,173	44,019,522

Notes to the Financial Statements

6 INDUSTRY SEGMENT RESULTS

<u>Consolidated</u> Audited year ended 31.03.16 Rs.'000		<u>Consolidated</u> Unaudited 6 months to 30.09.16 Rs.'000	<u>Consolidated</u> Unaudited 6 months to 30.09.15 Rs.'000
166,912	Eco Solutions	127,110	71,041
542,032	Hand Protection	440,607	356,157
1,216,377	Purification Products	521,668	530,005
369,597	Textiles	144,516	213,879
813,113	Construction Materials	390,965	266,328
1,287,233	Agriculture	657,819	454,783
217,904	Plantations	(357,698)	(54,843)
1,577,599	Transportation & Logistics	629,084	750,197
228,428	Consumer Products	44,040	65,707
	Power and Energy		
349,176	Industry Inputs	153,712	158,754
616,565	Power & Energy	446,968	456,442
990,652	Leisure	349,490	409,144
1,648,095	Others	757,607	527,537
10,023,683	Segment results	4,305,888	4,205,131
(1,518,471)	Non - segment income/(expenses)	(665,394)	(571,332)
8,505,212	Operating profit	3,640,494	3,633,799
(1,931,475)	Net finance costs	(1,336,423)	(1,083,091)
242,537	Share of profits from equity accounted investees	179,931	168,966
6,816,274	Profit before tax	2,484,002	2,719,674

7 STATED CAPITAL

Audited as at 31.03.16 Rs.'000		<u>Unaudited</u> as at 30.09.16 Rs.'000	Unaudited as at 30.09.15 Rs.'000
1,575,000	Issued and fully paid 75,000,000 (75,000,000 - 30.09.2015) Ordinary Shares	1,575,000	1,575,000

Notes to the Financial Statements

8. Assets and Liabilities of discontinued operations

<u>Consolidated</u>		<u>Consolidated</u>	<u>Consolidated</u>
Audited as at 31.03.16 Rs.'000		Unaudited as at 30.09.16 Rs.'000	Unaudited as at 30.09.15 Rs.'000
	Assets classified as held for sale		
1,906	Trade and Other Receivable	1,906	1,906
1,115	Cash in Hand and at Bank	1,115	1,115
<u>3,021</u>	Total assets	<u>3,021</u>	<u>3,021</u>
	Liabilities directly associated with assets classified as held for sale		
332	Trade and other payables	332	332
<u>332</u>	Total equity and liabilities	<u>332</u>	<u>332</u>
	Cash Flow related to discontinued operations		
Audited as at 31.03.16 Rs.'000		Unaudited as at 30.09.16 Rs.'000	Unaudited as at 30.09.15 Rs.'000
-	Net cash flows from operating activities	-	-
<u>-</u>	Net cash out flow from discontinuing operation	<u>-</u>	<u>-</u>

- 9 Fentons Group, which is a subsidiary of Hayleys PLC adjusted errors due to over statement and under statement of assets and liabilities. The Annual Financial Statements for the year ended 31st March 2016 has been restated together with the comparative information in the Interim Condensed Financial Statements as follows

As at 31st March	Consolidated		
	Audited	Audited	Impact of error
	2016	(Restated) 2016	
	Rs.'000	Rs.'000	Rs.'000
Assets			
Property, plant & equipment	50,441,828	50,429,684	(12,144)
Intangible assets	6,227,104	6,297,430	70,326
Deferred tax assets	399,193	399,217	24
Inventories	15,136,119	15,026,634	(109,485)
Amounts due from equity accounted investees	42,162	30,162	(12,000)
Trade and other receivables	19,498,173	19,053,660	(444,513)
Other current assets	1,533,231	1,471,295	(61,936)
Income tax recoverable	218,899	193,581	(25,318)
Short term deposits	1,985,845	1,971,981	(13,864)
Cash in hand and at bank	3,676,171	3,694,342	18,171
Equity and liabilities			
Capital reserves	1,102,676	1,067,818	(34,858)
Non-controlling interest	15,728,293	15,685,874	(42,419)
Interest-bearing borrowings	12,265,720	12,235,849	(29,871)
Employee benefit obligations	5,673,028	5,678,535	5,507
Trade and other payables	13,163,671	13,130,739	(32,932)
Other current liabilities	1,817,552	1,312,459	(505,093)
Income tax payable	710,414	720,534	10,120
Current portion of long term interest-bearing borrowings	6,235,591	6,394,488	158,897
Short-term interest-bearing borrowings	14,612,943	14,492,853	(120,090)

Investor Information

MARKET VALUE OF SHARES

The market value of an ordinary share of Hayleys PLC was as follows:

	30.09.2016	30.09.2015
	<u>Rs.</u>	<u>Rs.</u>
Closing price on	285.00	326.20
Highest price recorded for the three months ending	309.00	365.00
Lowest price recorded for the three months ending	265.00	322.10
Market capitalisation (Rs. Mn.)	21,375	24,465

RATIOS

Net assets per share	416.17	398.30
Price earnings ratio (times) (Annualised)	11.49	10.62

DIVIDEND PAYMENT

First and Final dividend 2015/16 Rs 6.50 per share paid on 11th July, 2016

SHARE TRADING FROM 1ST APRIL, 2016 TO 30TH SEPTEMBER, 2016

No. of transactions	1,691
No. of shares traded	939,831
Value of shares traded (Rs.)	263,896,112

LISTED DEBENTURES

Details regarding the listed debentures are as follows;

DEBENTURE 1 -

Listed, rated, senior, unsecured, redeemable Debentures at 14.25% p.a. payable quarterly and redeemable on 9th July, 2016
This debenture was redeemed on 9th July 2016.

DEBENTURE 2 -

Listed, rated, senior, unsecured, redeemable Debentures at 7.60% p.a. payable semi annually and redeemable on 6th March, 2019
Interest rate of comparable Government Securities as at 30th September, 2016, 11.25% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2016

There were no transactions during the period.

DEBENTURE 3 -

Listed, rated, senior, unsecured, redeemable Debentures at 7.85% p.a. payable semi annually and redeemable on 6th March, 2020
Interest rate of comparable Government Securities as at 30th September, 2016, 11.58% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2016

There were no transactions during the period.

DEBENTURE 4 -

Listed, rated, senior, unsecured, redeemable, debentures at floating rate (6 month (Gross) treasury bill rate + 1.25%) p.a payable semi annually and redeemable on 31st May,2019
Interest rate of comparable Government Securities as at 30th September, 2016, 11.35% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2016

No. of Transactions	1
No. of Debentures traded	38,000
Highest Price	100
Lowest Price	100
Last Traded Price	100
Interest yield - Last traded	11.97%
Yield to maturity - Last traded	11.77%

RATIOS

	30.09.2016	30.09.2015
Debt/ equity ratio	0.73	0.60
Quick asset ratio	0.39	0.35
Interest cover	1.97	1.65

Investor Information

FIRST TWENTY SHAREHOLDERS AS AT 30TH SEPTEMBER, 2016

Name of the Shareholder		No.of Shares	%
1	Mr.K.D.D.Perera	32,247,113	43.00
	SBL/ Mr.K.D.D.Perera	3,400,000	4.53
2	Trustees of the D.S.Jayasundera Trust	8,698,017	11.60
3	Employees Provident Fund	3,714,125	4.95
4	Vallibel One PLC	2,182,584	2.91
5	Lanka Orix Leasing Company PLC	1,700,004	2.27
6	Hayleys Group Services(Private) Ltd No.02 A/C	1,117,090	1.49
7	Mrs.A.M.L.Johnpulle & Mr.B.J.M.Johnpulle	882,165	1.18
8	Commercial Leasing & Finance PLC	734,144	0.98
9	Mrs.R.N.Ponnambalam	583,745	0.78
10	Mrs.R.M.Spittel	564,697	0.75
11	Mr.R.H.S.Phillips	520,727	0.69
12	Mrs.Y.M.Spittel	465,561	0.62
13	Mr.A.C Wikramanayake	462,204	0.62
14	Mrs.P.M Godamunne	443,447	0.59
15	Mrs.S.D. Wickramasinghe .	440,281	0.59
16	Sri Lanka Insurance Corporation Ltd-Life Fund	397,418	0.53
17	Mr.G.N. Wikramanayake	370,422	0.49
18	Associated Electrical Corporation Ltd	331,000	0.44
19	Akbar Brothers Pvt Ltd A/C No.01	321,931	0.43
20	Mr.N.K.A.D.De Silva	298,540	0.40
	Total	59,875,215	79.83

There were no non voting shares as at 30th September, 2016.

The Public Holding percentage , as defined under Colombo Stock Exchange rules, was 37.62% as at 30th September 2016.

Total number of Shareholders representing the Public Holding is 6,153.

DIRECTORS' SHAREHOLDINGS AS AT 30TH SEPTEMBER, 2016

Directors' holdings of ordinary shares in the Company were as follows

Name of the Director	No.of Shares
Mr. A M Pandithage	125,357
Mr. K D D Perera	37,831,363 *
Mr. M R Zaheed	38,395
Mr W D N H Perera	11
Mr S C Ganegoda	23,414
Mr H S R Kariyawasan	9,427
Dr K I M Ranasoma	9,634
Mr L T Samarawickrama	7,488
Mr L R V Waidyaratne	37,930

* Inclusive of indirect holding through other companies in which he owns controlling interest.

Corporate Information

NAME OF COMPANY

Hayleys PLC
*(A public limited company,
incorporated in Sri Lanka in 1952)*

COMPANY NUMBER

PQ 22

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka

REGISTERED OFFICE

Hayley Building,
P.O. Box 70, 400, Deans Road,
Colombo 10, Sri Lanka
Telephone: (94-11)2627000
Facsimile: (94-11)2699299
Website: <http://www.hayleys.com>

DIRECTORS

A M Pandithage – Chairman & Chief Executive
K D D Perera - Co-Chairman (Non - Executive)
M R Zaheed
W D N H Perera
S C Ganegoda
H S R Kariyawasan
Dr. H Cabral, PC
L T Samarawickrama
Dr. K I M Ranasoma
L R V Waidyaratne
M H Jamaldeen
M Y A Perera - (appointed w.e.f 12.09.2016)
M D S Goonatilleke (resigned w.e.f 12.05.2016)

GROUP MANAGEMENT COMMITTEE

A M Pandithage – Chief Executive
M R Zaheed
S C Ganegoda
H S R Kariyawasan
Dr. K I M Ranasoma
L T Samarawickrama
L R V Waidyaratne
H C S Mendis
S J Wijesignhe
Dr A Sivagananathan
L D E A De Silva
W G R Rajadurai
E R P Goonethilleke
M S Lakshminarasimhan
Ms.D Talpahewa

AUDIT COMMITTEE

M Y A Perera - Chairman (appointed w.e.f 12.09.2016)
W D N H Perera
Dr H Cabral, PC
M H Jamaldeen
M D S Goonatilleke – Chairman (resigned w.e.f 12.05.2016)

REMUNERATION COMMITTEE

Dr H Cabral, PC – Chairman
K D D Perera
W D N H Perera
M H Jamaldeen
M Y A Perera - (appointed w.e.f 12.09.2016)
M D S Goonatilleke (resigned w.e.f 12.05.2016)

NOMINATION COMMITTEE

A M Pandithage – Chairman
K D D Perera
W D N H Perera
Dr H Cabral, PC

RELATED PARTY TRANSACTION REVIEW COMMITTEE

Dr H Cabral, PC - Chairman
S C Ganegoda
M Y A Perera - (appointed w.e.f 12.09.2016)
M D S Goonatilleke (resigned w.e.f 12.05.2016)

SECRETARIES

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Telephone: (94-11)2627650
Facsimile: (94-11)2627645
E-mail: info.sec@hayleys.com
Please direct any queries about the administration of shareholdings to the Company Secretaries

INVESTOR RELATIONS

Please contact Strategic Business Development Unit
Telephone: (94-11)2627662
E-mail: info@cau.hayleys.com