



Our Ref. No: LRA/06/2015

08th January 2015

Mr. Sarath Ganegoda
Director
Hayleys PLC,
400, Deans Road,
Colombo 10

Dear Mr. Sarath Ganegoda,

Hayleys PLC – Credit Update

Lanka Rating Agency has reaffirmed the long and short- term corporate credit ratings of Hayleys PLC at **AA-** and **P1**. The outlook on the long-term rating carries a stable outlook. Concurrently, we have also reaffirmed the long-term issue ratings of the Company's LKR 2 billion Listed, Unsecured, Redeemable Debenture at **AA-**. Also, the we have also assigned a preliminary issue rating for the LKR 2 billion, Listed, Unsecured, Redeemable Debenture at **AA-**.

The long-term rating of **AA-** reflects;

"A strong capacity to meet financial obligations. The entity is resilient against adverse changes in circumstances, economic conditions and/or operating environments"

The short-term rating of **P1** reflects;

"A strong capacity to meet short-term financial obligations. This is the highest short-term corporate credit rating assigned by Lanka Rating Agency"

Surveillance

Lanka Rating Agency will continue to keep your Company under surveillance and request you to keep us informed of any material events that affect your organisation. Further, please forward us the quarterly information as per the mandate in the format already forwarded.

Finally, we would like to thank your staff for the co-operation extended to us during the rating review.

Thank you.

Yours faithfully,



Adrian Perera

Managing Director/ CEO

Material Events

1. Change in ownership / composition over 5%
2. Change in senior management positions and board.
3. Acquisitions and mergers
4. Commencement/Discontinuation of a product or business
5. New credit lines and withdrawals of such lines.
6. New issues of shares, debentures, loans
7. Large investments or disposal of such (10% and over of the share holders' funds)