

HAYLEYS PLC

Interim Report



FIRST QUARTER
Three months ended 30th June, 2017

STATEMENT OF PROFIT OR LOSS

Consolidated		Company		Consolidated		Company	
Audited	Audited	Unaudited	Unaudited (Restated)	Unaudited	Unaudited	Unaudited	Unaudited
year ended	year ended	3 months to	3 months to	Change	3 months to	3 months to	Change
31.03.17	31.03.17	30.06.17	30.06.16	%	30.06.17	30.06.16	%
Rs.'000	Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000	
111,383,076	338,222	29,158,697	24,113,508	21	96,174	85,132	13
(85,461,619)	(186,551)	(23,267,945)	(18,733,977)	24	(56,583)	(46,639)	21
25,921,457	151,671	5,890,752	5,379,531	10	39,591	38,493	3
-	1,586,916	-	-	-	203,168	276,401	(26)
1,024,222	71,470	106,713	191,382	(44)	-	71,305	<100
(3,419,040)	-	(1,082,124)	(812,908)	33	-	-	-
(13,578,638)	(91,627)	(3,690,708)	(3,112,561)	19	11,816	(29,983)	<100
(273,354)	(23)	(34,206)	(46,266)	(26)	-	-	-
9,674,647	1,718,407	1,190,427	1,599,178	(26)	254,575	356,216	(29)
718,637	44,650	220,180	175,748	25	840	6,560	(87)
(3,830,279)	(815,075)	(1,095,807)	(813,508)	35	(205,575)	(222,383)	(8)
(3,111,642)	(770,425)	(875,627)	(637,760)	37	(204,735)	(215,823)	(5)
249,286	-	-	-	-	-	-	-
212,871	-	92,937	74,338	25	-	-	-
7,025,162	947,982	407,737	1,035,756	(61)	49,840	140,393	(64)
(1,976,840)	(9,600)	(346,281)	(385,698)	(10)	(13)	(634)	(98)
5,048,322	938,382	61,456	650,058	(91)	49,827	139,759	(64)
2,783,933		(149,674)	356,053	<100			
2,264,389		211,130	294,005	(28)			
5,048,322		61,456	650,058	(91)			
37.12		(2.00)	4.75				
37.12		(2.00)	4.75				

The Notes on pages 8 to 12 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 (Restated)	Unaudited	Unaudited	Unaudited	Unaudited
as at	as at	as at	as at	as at	as at	as at	as at
31.03.16	31.03.16	30.06.17	30.06.16	30.06.17	30.06.16	30.06.17	30.06.16
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
Non - current assets							
66,407,294	2,377,439	66,651,829	51,088,126	2,362,217	6,669,556		
1,764,423	-	1,764,423	1,935,137	-	-		
374,353	-	374,800	344,191	-	-		
6,434,205	-	6,416,122	6,263,303	-	-		
-	21,947,100	-	-	22,024,874	10,873,357		
721,633	-	814,570	746,136	-	-		
197,858	104,297	203,100	201,306	102,072	110,971		
1,657,145	-	1,640,222	596,325	-	-		
604,150	-	616,775	396,432	-	-		
78,161,061	24,428,836	78,481,841	61,570,956	24,489,163	17,653,884		
Current assets							
17,678,103	1,206	18,989,249	15,649,851	1,235	1,349		
-	1,176,681	-	-	877,375	1,059,500		
68,375	13,655	75,350	34,021	11,215	4,013		
23,876,704	12,746	24,480,341	20,760,480	24,012	20,572		
1,462,471	61,414	2,129,675	2,025,049	92,020	94,134		
344,815	5,411	171,305	163,707	7,309	2,566		
479,520	17,196	495,615	2,477,017	9,397	2,009,348		
2,920,857	-	3,137,052	1,526,795	-	-		
5,007,087	64,955	4,331,122	4,217,340	133,950	73,189		
3,021	-	3,021	3,021	-	-		
51,840,953	1,353,264	53,812,730	46,857,281	1,156,513	3,264,671		
130,002,014	25,782,100	132,294,571	108,428,237	25,645,676	20,918,555		
EQUITY AND LIABILITIES							
1,575,000	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000		
-	-	-	-	-	-		
943,608	13,226	879,466	1,022,494	13,226	13,226		
19,013,131	1,991,460	19,144,462	11,649,748	1,991,460	6,314,023		
19,333,998	13,490,522	18,613,544	16,672,711	12,977,849	2,749,224		
40,865,737	17,070,208	40,212,472	30,919,953	16,557,535	10,651,473		
17,173,230	-	17,291,892	15,504,078	-	-		
58,038,967	17,070,208	57,504,364	46,424,031	16,557,535	10,651,473		
Non - current liabilities							
20,634,704	5,901,449	20,507,217	14,312,658	5,433,392	5,313,525		
743,387	-	757,212	738,853	-	-		
1,853,124	-	1,896,101	1,643,130	-	-		
5,608,640	557,063	5,771,126	5,809,974	569,069	536,546		
28,839,855	6,458,512	28,931,656	22,504,615	6,002,461	5,850,071		
Current liabilities							
16,766,174	256,522	15,840,916	14,540,236	235,424	783,642		
15,350	-	18,656	23,633	-	-		
1,405,240	30,507	1,362,413	1,227,863	14,634	28,054		
1,374	1,281	8,508	10,759	8,508	3,792		
-	34,777	-	-	36,402	27,102		
-	-	438	-	-	-		
821,832	-	650,787	764,579	-	-		
5,060,603	1,211,273	4,524,864	6,429,733	1,220,005	2,754,639		
19,052,287	719,020	23,451,637	16,502,456	1,570,707	819,782		
332	-	332	332	-	-		
43,123,192	2,253,380	45,858,551	39,499,591	3,085,680	4,417,011		
71,963,047	8,711,892	74,790,207	62,004,206	9,088,141	10,267,082		
130,002,014	25,782,100	132,294,571	108,428,237	25,645,676	20,918,555		

The Financial Position as at 30th June, 2017 and Statement of Profit or Loss, Statement of Comprehensive Income, Changes in Equity and Cash Flow for the three 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.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act no 7 of 2007.

sgd.

Dilhan De Silva
Group Chief Financial Officer

The Directors are responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board

sgd.

Mohan Pandithage
Chairman & Chief Executive
8th August 2017

sgd.

Sarath Ganegoda
Director

The Notes on pages 8 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 June

Consolidated	Attributable to owners of the Company												Total Equity
	Capital Reserves			Other Components of Equity			Revenue Reserves			Shareholders' Funds	Non-controlling interest		
	Stated capital	Reserve on scrip issue	Other capital reserve	Revaluation reserve	Available-for-sale reserve	Foreign currency translation reserve	General reserve	Timber reserve	Bearer Biological reserve			Retained earnings	
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000		
Balance as at 1st April 2017	1,575,000	527,790	415,818	17,823,047	23,876	1,166,208	2,233,557	81,415	8,942	17,010,084	40,865,737	17,173,230	58,038,967
Profit for the period	-	-	-	-	-	-	-	-	-	(149,674)	(149,674)	211,130	61,456
Other Comprehensive income													
Net exchange differences on translation of foreign operations	-	-	-	-	-	119,370	-	-	-	-	119,370	83,517	202,887
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets	-	-	-	-	4,846	-	-	-	-	-	4,846	2,719	7,565
Revaluation of land	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	4,846	119,370	-	-	-	-	124,216	86,236	210,452
Total Comprehensive income for the period	-	-	-	-	4,846	119,370	-	-	-	(149,674)	(25,457)	297,366	271,909
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	-	(562,500)	(562,500)	(183,454)	(745,954)
Transfers	-	-	7,512	-	-	-	-	-	-	(7,512)	-	-	-
Total contributions by and distributions to owners	-	-	7,512	-	-	-	-	-	-	(570,012)	(562,500)	(183,454)	(745,954)
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	-	(71,654)	-	7,087	9	18	277	-	-	(1,046)	(65,308)	4,751	(60,557)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	(71,654)	-	7,087	9	18	277	-	-	(1,046)	(65,308)	4,751	(60,557)
Total transactions with owners	-	(71,654)	7,512	7,087	9	18	277	-	-	(571,058)	(627,808)	(178,704)	(806,512)
Balance as at 30th June 2017	1,575,000	456,136	423,330	17,830,134	28,731	1,285,596	2,233,834	81,415	8,942	16,289,353	40,212,472	17,291,892	57,504,364
Balance as at 31st March, 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
Effect of change in accounting policy- LKAS 40 - Note 9	-	-	-	-	-	-	-	-	-	273,214	273,214	127,511	400,725
Effect of transition to LKAS 41- Note 9	-	-	-	-	-	-	-	-	2,346	-	2,346	4,145	6,491
Adjustment to the fair value on acquisition - SLFRS 3 - Note 9	-	(34,857)	-	-	-	-	-	-	-	-	(34,857)	(42,420)	(77,277)
Balance as at 1st April, 2016 - Restated	1,575,000	577,327	490,492	10,636,028	1,819	939,050	2,233,358	72,860	2,346	14,567,260	31,095,540	15,817,529	46,913,069
Profit for the period	-	-	-	-	-	-	-	-	-	356,053	356,053	294,005	650,058
Other Comprehensive income													
Net exchange differences on translation of foreign operations	-	-	-	-	-	67,131	-	-	-	-	67,131	66,490	133,621
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets	-	-	-	-	5,682	-	-	-	-	-	5,682	3,370	9,052
Revaluation of land	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial losses on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	5,682	67,131	-	-	-	-	72,813	69,860	142,673
Total Comprehensive income for the period	-	-	-	-	5,682	67,131	-	-	-	356,053	428,866	363,865	792,731
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	-	(487,500)	(487,500)	(183,300)	(670,800)
Recovery for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	1,809	-	-	-	-	-	-	(1,809)	0	-	0
Total contributions by and distributions to owners	-	-	1,809	-	-	-	-	-	-	(489,309)	(487,500)	(183,300)	(670,800)
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	-	(47,134)	-	31	1	6	5	-	-	(69,862)	(116,953)	(494,017)	(610,970)
Total changes in ownership interests in subsidiaries	-	(47,134)	-	31	1	6	5	-	-	(69,862)	(116,953)	(494,017)	(610,970)
Total transactions with owners	-	(47,134)	1,809	31	1	6	5	-	-	(559,171)	(604,453)	(677,316)	(1,281,770)
Balance as at 30th June 2016	1,575,000	530,193	492,301	10,636,059	7,502	1,006,187	2,233,363	72,860	2,346	14,364,142	30,919,953	15,504,078	46,424,031

The Notes on pages 8 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 June

Company	Capital Reserve		Other Component of Equity Revaluation reserve	Revenue Reserves		Total
	Stated capital	Other capital reserve		General reserve	Retained earnings	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2017	1,575,000	13,226	1,991,460	382,087	13,108,435	17,070,208
Profit for the period	-	-	-	-	49,827	49,827
Other Comprehensive income						
Actuarial losses on defined benefit obligations	-	-	-	-	-	-
Revaluation of land	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	49,827	49,827
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(562,500)	(562,500)
Total contributions by and distributions to owners	-	-	-	-	(562,500)	(562,500)
Total transactions with owners	-	-	-	-	(562,500)	(562,500)
Balance as at 30th June 2017	1,575,000	13,226	1,991,460	382,087	12,595,762	16,557,535
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	-	-	-	-	139,759	139,759
Other Comprehensive income						
Revaluation of land	-	-	-	-	-	-
Actuarial losses on defined benefit obligations	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	139,759	139,759
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(487,500)	(487,500)
Total contributions by and distributions to owners	-	-	-	-	(487,500)	(487,500)
Total transactions with owners	-	-	-	-	(487,500)	(487,500)
Balance as at 30th June 2016	1,575,000	13,226	6,314,023	382,087	2,367,137	10,651,473

The Notes on pages 8 to 12 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Consolidated		Company		Consolidated		Company	
Audited	Audited	Unaudited	Unaudited (Restated)	Unaudited	Unaudited	Unaudited	Unaudited
as at	as at	3 months to	3 months to	3 months to	3 months to	3 months to	3 months to
31.03.17	31.03.17	30.06.17	30.06.16	30.06.17	30.06.16	30.06.17	30.06.16
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash flows from operating activities							
9,730,658	1,626,614	(1,685,463)	421,749	519,436	303,898		
(528,326)	(58,134)	(64,672)	(103,562)	(4,970)	-		
(2,003,508)	(12,724)	(313,461)	(220,425)	(1,911)	(913)		
7,198,824	1,555,756	(2,063,596)	97,762	512,555	302,985		
Cash flows from Investing activities							
(11,301,360)	(72,798)	(1,013,979)	(1,341,466)	(7,602)	(3,689)		
-	-	-	-	-	-		
(1,107,767)	-	-	-	-	-		
(5,357)	-	(447)	(1,393)	-	-		
44,270	-	21,508	6,661	-	-		
205,271	6,886	28,251	23,550	-	-		
1,984	-	-	1,546	-	-		
99,280	99,280	-	99,280	-	99,280		
2,921,811	2,426,808	8,778	433,120	-	405,536		
330,112	-	-	-	-	-		
(216,480)	-	(14,689)	(8,279)	-	-		
-	-	-	-	-	-		
-	(2,048,720)	-	-	(77,773)	(951,396)		
-	-	-	(41,060)	-	-		
(2,469,362)	(2,000,000)	(419)	(2,000,419)	-	(2,000,000)		
-	-	-	-	-	-		
272,791	6,270	77,201	37,464	192	3,610		
163,409	-	-	-	-	-		
9,909	282	431	1,626	74	74		
(11,051,489)	(1,581,992)	(893,365)	(2,789,369)	(85,109)	(2,446,585)		
(3,852,665)	(26,236)	(2,956,961)	(2,691,608)	427,446	(2,143,600)		
Cash flows from financing activities							
(26,827)	-	(4,843)	11,011	-	-		
(3,152,556)	(678,744)	(967,811)	(615,579)	(160,388)	(166,470)		
(1,487,395)	-	(183,454)	(668,197)	-	-		
-	-	-	-	-	-		
13,858,547	3,500,000	1,303,410	3,379,119	-	2,000,000		
(7,130,810)	(2,998,485)	(2,049,460)	(1,346,536)	(487,250)	(480,267)		
(5,981)	(5,981)	-	-	-	-		
(11,759)	(11,759)	-	-	-	(11,763)		
(867)	(867)	-	-	-	-		
(487,500)	(487,500)	-	-	(562,500)	-		
1,554,852	(683,336)	(1,902,159)	759,817	(1,210,138)	1,341,500		
(2,297,813)	(709,572)	(4,859,120)	(1,931,791)	(782,692)	(802,100)		
(8,825,415)	55,507	(11,123,228)	(8,825,415)	(654,065)	55,507		
(11,123,228)	(654,065)	(15,982,348)	(10,757,206)	(1,436,757)	(746,593)		

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

The Notes on pages 8 to 12 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Consolidated		Company		Consolidated		Company	
Audited	Audited	Unaudited	Unaudited (Restated)	Unaudited	Unaudited	Unaudited	Unaudited
as at	as at	3 months to	3 months to	3 months to	3 months to	3 months to	3 months to
31.03.17	31.03.17	30.06.17	30.06.16	30.06.17	30.06.16	30.06.17	30.06.16
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
A. Cash generated from operations							
7,025,162	947,982	407,737	1,035,756	49,840	140,393		
Profit before tax							
Adjustments for:							
3,111,642	770,425	875,627	637,760	204,735	215,823		
(212,871)	-	(92,937)	(74,338)	-	-		
2,997,780	34,305	861,817	670,212	8,360	8,242		
75,332	-	-	-	14,463	-		
(24,455)	-	-	-	-	-		
(18,805)	-	-	-	-	-		
(249,286)	-	-	-	-	-		
(35,561)	(141)	(11,664)	(2,614)	-	-		
(71,309)	(71,309)	-	(71,309)	-	(71,309)		
22	-	-	-	-	-		
(86,311)	-	-	-	-	-		
181,733	-	32,531	40,860	-	-		
-	-	-	-	-	-		
-	(40,669)	-	-	-	(40,669)		
(25,884)	-	129,547	(29,191)	-	-		
-	-	-	-	-	-		
5,630	-	-	-	-	-		
(49,360)	-	-	-	-	-		
46,599	-	16,923	40,712	-	-		
(25,300)	-	-	-	-	-		
838,638	65,972	218,446	224,174	16,977	15,534		
(40,560)	-	(7,683)	(7,485)	-	-		
13,442,836	1,706,565	2,430,344	2,464,537	294,375	268,014		
(4,858,061)	(122,450)	(1,277,819)	(2,264,432)	259,887	(36,233)		
(2,576,812)	216	(1,311,147)	(616,728)	(29)	72		
3,722,695	42,283	(1,526,842)	838,373	(34,797)	72,045		
9,730,658	1,626,614	(1,685,463)	421,749	519,436	303,898		
B. Analysis of cash and cash equivalents							
5,008,202*	64,955	4,332,237 *	4,218,455 *	133,950	73,189		
2,920,857	-	3,137,052	1,526,795	-	-		
7,929,059	64,955	7,469,289	5,745,250	133,950	73,189		
(19,052,287)	(719,020)	(23,451,637)	(16,502,456)	(1,570,707)	(819,782)		
(11,123,228)	(654,065)	(15,982,348)	(10,757,206)	(1,436,757)	(746,593)		

* 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 2017.

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 31.03.2017.
- 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

Consolidated		Consolidated			
		Total	Intra-group	External	
Audited year ended 31.03.17				Unaudited 3 months to 30.06.17	Unaudited 3 months to 30.06.16
Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
4,012,613	Eco Solutions	1,190,816	108,977	1,081,839	1,082,028
14,281,444	Hand Protection	3,969,824	1,116	3,968,708	3,210,489
13,553,575	Purification Products	3,299,006	-	3,299,006	2,948,089
8,228,977	Textiles	1,997,111	-	1,997,111	2,024,199
4,706,316	Construction Materials	890,590	9,298	881,292	829,369
13,611,732	Agriculture	2,662,394	125,590	2,536,804	3,229,881
9,989,254	Plantations	3,503,534	16,642	3,486,892	2,203,777
24,245,431	Transportation & Logistics	7,238,706	-	7,238,706	4,925,181
5,277,527	Consumer Products	1,235,333	-	1,235,333	1,083,279
	Power and Energy				
3,633,625	Industry Inputs	881,967	5,119	876,848	856,334
1,026,860	Power & Energy	404,940	-	404,940	299,851
5,618,505	Leisure	1,123,024	17,935	1,105,089	1,089,614
3,197,217	Others	1,199,162	153,033	1,046,129	331,417
111,383,076		29,596,407	437,710	29,158,697	24,113,508

Notes to the Financial Statements

6 INDUSTRY SEGMENT RESULTS

Consolidated		Consolidated	
Audited		Unaudited	Unaudited
year ended		3 months to	3 months to
31.03.17		30.06.17	30.06.16
Rs.'000		Rs.'000	Rs.'000
1,063,797	Eco Solutions	46,480	63,181
978,264	Hand Protection	38,985	155,220
1,368,272	Purification Products	160,864	284,126
199,536	Textiles	10,104	69,752
1,050,277	Construction Materials	85,416	133,492
1,486,730	Agriculture	83,304	329,269
479,166	Plantations	99,415	(103,421)
1,857,068	Transportation & Logistics	430,947	288,169
178,805	Consumer Products	(4,631)	(9,700)
	Power and Energy		
480,957	Industry Inputs	51,833	86,543
582,391	Power & Energy	229,450	213,983
772,467	Leisure	(106,891)	46,216
1,855,012	Others	274,951	363,013
12,352,742	Segment results	1,400,227	1,919,843
(2,678,095)	Non - segment income/(expenses)	(209,800)	(320,665)
9,674,647	Operating profit	1,190,427	1,599,178
(3,111,642)	Net finance costs	(875,627)	(637,760)
249,286	Change in fair value of investment properties	-	-
212,871	Share of profits from equity accounted investees	92,937	74,338
7,025,162	Profit before tax	407,737	1,035,756

7 STATED CAPITAL

Audited		Unaudited	Unaudited
as at		as at	as at
31.03.17		30.06.17	30.06.16
Rs.'000		Rs.'000	Rs.'000
1,575,000	Issued and fully paid 75,000,000 (75,000,000 - 30.06.2016) Ordinary Shares	1,575,000	1,575,000

Notes to the Financial Statements

8 Assets and Liabilities of discontinued operations

Consolidated		Consolidated	
Audited as at 31.03.17 Rs.'000		Unaudited as at 30.06.17 Rs.'000	Unaudited as at 30.06.16 Rs.'000
	Assets classified as held for sale		
1,906	Trade and Other Receivables	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		
		Unaudited	Unaudited
Audited as at 31.03.17 Rs.'000		as at 30.06.17 Rs.'000	as at 30.06.16 Rs.'000
-	Net cash flows from operating activities	-	-
-	Net cash out flow from discontinuing operation	-	-

9 PRIOR YEAR ADJUSTMENTS

The Consolidated Financial Statements have been restated in accordance with Sri Lanka Accounting Standard LKAS 8-Accounting Policies, Changes in Accounting Estimates and Errors, to reflect the followings.

9.1 Adjustment to fair value - SLFRS 3

Hayleys PLC acquired Fentons (Pvt) Ltd in March 2016 and the Financial Statements of the Group for the year ended 31 March 2016 were drawn up applying provisional amounts relating to the fair value of assets and liabilities acquired on Business Combination.

With the completion of the acquisition, the carrying value of assets and liabilities acquired have been adjusted retrospectively in their Financial Statements in accordance with SLFRS 3; Business Combinations.

9.2 Change in subsequent measurement policy for investment properties - LKAS 40

The Group re-assessed its accounting for investment properties with respect to measurement after initial recognition. The Group had previously measured all investment properties using the cost model whereby, after initial recognition of the asset classified as investment properties, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

The Group decided to change the method of accounting for investment properties, as the Group believes that the fair value model provides more relevant information to the users of its Financial Statements. The Group applied the revaluation model retrospectively.

After initial recognition, investment property is measured at its fair value at the end of the reporting period and a gain or loss arising from changes in the fair value in the reporting period is recognised in profit or loss for that period.

9.3 Agriculture: Bearer Plants (Amendments to LKAS 16 and LKAS 41) Produce on bearer biological assets

LKAS 41 requires the produce on bearer plant prior to harvest to be measured at fair value less costs to sell. The Group previously presumed any agricultural produce prior to harvest (produce on) as bearer biological asset and measured at cost less accumulated depreciation and accumulated impairment losses, if any.

After initial recognition, changes in the fair value of such agricultural produce recognised in profit or loss at the end of each reporting period. The Group applied this amendment retrospectively.

9.4 Impact to the Consolidated Statement of Profit or Loss for the period ended 30th June 2016

	As per Interim Report published 2016 Rs.'000	Effect of change in accounting policy LKAS 40 Rs.'000	As per Interim Report published 2017 Rs.'000
Revenue	24,113,508	-	24,113,508
Cost of sales	(18,733,977)	-	(18,733,977)
Gross profit	5,379,531	-	5,379,531
Group dividend	-	-	-
Other income	191,382	-	191,382
Distribution expenses	(812,908)	-	(812,908)
Administrative expenses	(3,113,982)	1,421	(3,112,561)
Other expenses	(46,266)	-	(46,266)
Results from operating activities	1,597,757	1,421	1,599,178
Finance income	175,748	-	175,748
Finance costs	(813,508)	-	(813,508)
Net finance costs	(637,760)	-	(637,760)
Change in fair value of investment properties	-	-	-
Share of profit of equity accounted investees (net of tax)	74,338	-	74,338
Profit before tax	1,034,335	1,421	1,035,756
Tax expense	(385,698)	-	(385,698)
Profit for the period	648,637	1,421	650,058
Profit for the period attributable to:			
Owners of the parent	354,935	1,118	356,053
Non-controlling interest	293,702	303	294,005
	648,637	1,421	650,058
Earnings per share			
Basic (Rs.)	4.73	0.01	4.75
Diluted (Rs.)	4.73	0.01	4.75

Impact to the Consolidated Comprehensive Income for the period ended 30th June 2016

	As per Interim Report published 2016 Rs.'000	Effect of change in accounting policy LKAS 40 Rs.'000	As per Interim Report published 2017 Rs.'000
Profit for the period	648,637	1,421	650,058
Other Comprehensive income			
Items will not be reclassified subsequently to profit or loss			
Revaluation of land	-	-	-
Share of other comprehensive income of equity accounted investees	-	-	-
Actuarial (loss)/gain on Employee benefit obligations	-	-	-
Income tax on other comprehensive income	-	-	-
Items will be reclassified subsequently to profit or loss			
Net exchange differences on translation of foreign operations	133,621	-	133,621
Share of other comprehensive income of equity accounted investees	-	-	-
Net change in fair value of available-for-sale financial assets	9,052	-	9,052
Total other comprehensive income for the period, net of tax	142,673	-	142,673
Total comprehensive income for the period, net of tax	791,310	1,421	792,731
Total comprehensive income for the period attributable to			
Owners of the parent	427,748	1,118	428,866
Non- Controlling Interest	363,562	303	363,865
	791,310	1,421	792,731

9.5 Reconciliation for the Consolidated Statement of Financial Position as at 30th June 2016

	As per Interim Report published	Adjustment to fair value on acquisition - SLFRS 3	Effect of change in accounting policy LKAS 40	Effect of Transition to LKAS 41	As per Interim Report published
As at 30 the June	2016				2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets					
Non-current assets					
Property, plant & equipment	51,180,078	(12,144)	(79,808)	-	51,088,126
Investment properties	1,394,891	-	540,246	-	1,935,137
Biological assets	344,191	-	-	-	344,191
Intangible assets	6,192,977	70,326	-	-	6,263,303
Investments in subsidiaries	-	-	-	-	-
Investments in equity accounted investees	746,136	-	-	-	746,136
Other non-current financial assets	201,306	-	-	-	201,306
Other non-current assets	596,325	-	-	-	596,325
Deferred tax assets	396,408	24	-	-	396,432
Total non-current assets	61,052,312	58,206	460,438	-	61,570,956
Current assets					
Inventories	15,752,845	(109,485)	-	6,491	15,649,851
Amounts due from subsidiaries	-	-	-	-	-
Amounts due from equity accounted investees	46,021	(12,000)	-	-	34,021
Trade and other receivables	21,204,994	(444,514)	-	-	20,760,480
Other current assets	2,086,985	(61,936)	-	-	2,025,049
Income tax recoverable	189,025	(25,318)	-	-	163,707
Other current financial assets	2,477,017	-	-	-	2,477,017
Short term deposits	1,540,659	(13,864)	-	-	1,526,795
Cash in hand and at bank	4,199,169	18,171	-	-	4,217,340
Assets classified as held for sale	3,021	-	-	-	3,021
Total current assets	47,499,736	(648,946)	-	6,491	46,857,281
Total assets	108,552,048	(590,740)	460,438	6,491	108,428,237
Equity and liabilities					
Stated capital	1,575,000	-	-	-	1,575,000
Employee share trust loan	-	-	-	-	-
Capital reserves	1,057,351	(34,857)	-	-	1,022,494
Other components of equity	11,649,748	-	-	-	11,649,748
Revenue reserves	16,396,033	-	274,332	2,346	16,672,711
Total equity attributable to equity holders of the company	30,678,132	(34,857)	274,332	2,346	30,919,953
Non-controlling interest	15,414,539	(42,420)	127,814	4,145	15,504,078
Total equity	46,092,671	(77,277)	402,146	6,491	46,424,031
Non-current liabilities					
Interest-bearing borrowings	14,342,529	(29,871)	-	-	14,312,658
Grants	738,853	-	-	-	738,853
Deferred tax liabilities	1,584,838	-	58,292	-	1,643,130
Employee benefit obligations	5,804,467	5,507	-	-	5,809,974
Total non-current liabilities	22,470,687	(24,364)	58,292	-	22,504,615
Current liabilities					
Trade and other payables	14,573,169	(32,933)	-	-	14,540,236
Provisions	23,633	-	-	-	23,633
Other current liabilities	1,732,956	(505,093)	-	-	1,227,863
Other current financial liabilities	10,759	-	-	-	10,759
Amounts due to subsidiaries	-	-	-	-	-
Amounts due to equity accounted investees	-	-	-	-	-
Income tax payable	754,459	10,120	-	-	764,579
Current portion of long term interest-bearing borrowings	6,270,836	158,897	-	-	6,429,733
Short-term interest-bearing borrowings	16,622,546	(120,090)	-	-	16,502,456
Liabilities directly associated with assets classified as held for sale	332	-	-	-	332
Total current liabilities	39,988,690	(489,099)	-	-	39,499,591
Total liabilities	62,459,377	(513,463)	58,292	-	62,004,206
Total equity and liabilities	108,552,048	(590,740)	460,438	6,491	108,428,237

INVESTOR INFORMATION

MARKET VALUE OF SHARES

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

	30.06.2017 Rs.	30.06.2016 Rs.
Closing price on	296.10	268.00
Highest price recorded for the three months ending	302.80	292.00
Lowest price recorded for the three months ending	262.00	245.00
Market capitalisation (Rs. Mn.)	22,208	20,100

RATIOS

Net assets per share	536.17	412.27
Price earnings ratio (times) (Annualised)	(37.09)	14.11

DIVIDEND PAYMENT

Interim dividend 2016/17

Rs 7.50 per share paid on 09th June, 2017

SHARE TRADING FROM 1ST APRIL, 2017 TO 30TH JUNE, 2017

No. of transactions	880
No. of shares traded	655,028
Value of shares traded (Rs.)	187,822,552

LISTED DEBENTURES

Details regarding the listed debentures are as follows;

DEBENTURE 1 -

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 June, 2017, 10.37% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.06.2017

There were no transactions during the period.

DEBENTURE 2 -

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 June, 2017, 10.70% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.06.2017

There were no transactions during the period.

DEBENTURE 3 -

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 June, 2017, 10.37% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.06.2017

No. of Transactions	2
No. of Debentures traded	25,000
Highest Price	100.00
Lowest Price	98.00
Last Traded Price	100.00

Interest yield - Last traded 12.79%

Yield to maturity - Last traded 12.67%

Utilization of fund via Capital Market

Debenture	Objective Number	Objectives as per Prospectus	Amount Allocated as per Prospectus Rs. mn	Proposed Date of Utilisation as per Prospectus	Amount allocated from Proceeds Rs. mn	% of Total Proceeds	Amounts Utilised Rs. mn	% of Utilisation against Allocation
Debenture 1/2	1	Restructure debt portfolio	1,735	Upon completion of allotment	1,735	86.75%	1,735	100%
Debenture 1/2	2	Working capital requirements	265	Upon completion of allotment	265	13.25%	265	100%
Debenture 3	1	Redemption of Debenture Issue 2013	2,000	9 July 2016	2,000	100%	2,000	100%

RATIOS

	30.06.2017	30.06.2016
Debt/ equity ratio	0.50	0.83
Quick asset ratio	0.37	0.74
Interest cover	1.57	2.10

INVESTOR INFORMATION

FIRST TWENTY SHAREHOLDERS AS AT 30th June, 2017

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	3,776,621	5.04
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	585,745	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	335,000	0.45
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	59,943,711	79.94

There were no non voting shares as at 30th June, 2017.

The Public Holding percentage , as defined under Colombo Stock Exchange rules, was 37.62% as at 30th June 2017.

Total number of Shareholders representing the Public Holding is 5,910

DIRECTORS' SHAREHOLDINGS AS AT 30TH JUNE, 2017

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 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
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
N.L.S.Joseph

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 Goonethileke
M S Lakshminarasimhan
Ms.D Talpahewa

AUDIT COMMITTEE

M Y A Perera - Chairman
Dr H Cabral, PC
M H Jamaldeen

REMUNERATION COMMITTEE

Dr H Cabral, PC – Chairman
K D D Perera
M H Jamaldeen
M Y A Perera

NOMINATION COMMITTEE

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

RELATED PARTY TRANSACTION REVIEW COMMITTEE

Dr H Cabral, PC - Chairman
S C Ganegoda
M Y A Perera

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