

HAYLEYS PLC

Interim Report



SECOND QUARTER

Six months ended 30th September, 2017

STATEMENT OF PROFIT OR LOSS

Consolidated		Consolidated			Consolidated		
Audited		Unaudited	Unaudited (Restated)		Unaudited	Unaudited (Restated)	
year ended		6 months to	6 months to	Change	3 months to	3 months to	Change
31.03.17	Notes	30.09.17	30.09.16	%	30.09.17	30.09.16	%
Rs.'000		Rs.'000	Rs.'000		Rs.'000	Rs.'000	
111,383,076	Revenue	62,421,367	52,153,173	20	33,262,670	28,039,665	19
(85,461,619)	Cost of sales	(49,778,012)	(40,368,088)	23	(26,510,067)	(21,634,111)	23
25,921,457	Gross profit	12,643,355	11,785,085	7	6,752,603	6,405,554	5
1,024,222	Other income	224,260	329,990	(32)	117,547	138,608	(15)
(3,419,040)	Distribution expenses	(1,867,105)	(1,666,964)	12	(784,981)	(854,056)	(8)
(13,578,638)	Administrative expenses	(7,765,051)	(6,719,368)	16	(4,074,343)	(3,606,807)	13
(273,354)	Other expenses	(70,715)	(85,401)	(17)	(36,509)	(39,135)	(7)
9,674,647	Results from operating activities	3,164,744	3,643,342	(13)	1,974,317	2,044,164	(3)
718,637	Finance income	396,380	334,061	19	176,200	158,313	11
(3,830,279)	Finance costs	(2,345,170)	(1,670,484)	40	(1,249,363)	(856,976)	46
(3,111,642)	Net finance costs	(1,948,790)	(1,336,423)	46	(1,073,163)	(698,663)	54
249,286	Change in fair value of investment properties	-	-	-	-	-	-
212,871	Share of profit of equity accounted investees (net of tax)	172,888	179,931	(4)	79,951	105,593	(24)
7,025,162	Profit before tax	1,388,842	2,486,850	(44)	981,105	1,451,094	(32)
(1,976,840)	Tax expense	(670,080)	(839,804)	(20)	(323,799)	(454,106)	(29)
5,048,322	Profit for the period	718,762	1,647,046	(56)	657,306	996,988	(34)
	Profit for the period attributable to:						
2,783,933	Owners of the parent	18,675	932,429	<100	168,349	576,376	(71)
2,264,389	Non-controlling interest	700,087	714,617	(2)	488,957	420,612	16
5,048,322		718,762	1,647,046	(56)	657,306	996,988	(34)
	Earnings per share						
37.12	Basic (Rs.)	0.25	12.43		2.24	7.69	
37.12	Diluted (Rs.)	0.25	12.43		2.24	7.69	

The Notes on pages 10 to 14 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF PROFIT OR LOSS

Company		Company			Company		
Audited year ended 31.03.17 Rs.'000	Notes	Unaudited 6 months to 30.09.17 Rs.'000	Unaudited 6 months to 30.09.16 Rs.'000	Change %	Unaudited 3 months to 30.09.17 Rs.'000	Unaudited 3 months to 30.09.16 Rs.'000	Change %
338,222 (186,551)		190,710 (110,210)	170,483 (95,459)	12 15	94,536 (53,627)	85,351 (48,820)	11 10
151,671		80,500	75,024	7	40,909	36,531	12
1,586,916 71,470 (91,627) (23)		555,318 7 (19,287) -	583,066 71,419 (39,112) (6)	(5) <100 (51) <100	352,150 7 (31,103) -	306,665 114 (9,129) (6)	15 <100 >100 <100
1,718,407		616,538	690,391	(11)	361,963	334,175	8
44,650 (815,075) (770,425)		12,375 (503,996) (491,621)	44,323 (431,048) (386,725)	(72) 17 27	11,535 (298,421) (286,886)	37,763 (208,665) (170,902)	(69) 43 68
947,982 (9,600)		124,917 (19)	303,666 (855)	(59) (98)	75,077 (6)	163,273 (221)	(54) (97)
938,382		124,898	302,811	(59)	75,071	163,052	(54)

The Notes on pages 10 to 14 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF COMPREHENSIVE INCOME

Consolidated		Consolidated			Consolidated		
		Unaudited 6 months to 30.09.17 Rs.'000	Unaudited (Restated) 6 months to 30.09.16 Rs.'000	Change %	Unaudited 3 months to 30.09.17 Rs.'000	Unaudited (Restated) 3 months to 30.09.16 Rs.'000	Change %
Audited							
year ended							
31.03.17							
Rs.'000							
5,048,322	Profit for the period	718,762	1,647,046	(56)	657,306	996,988	(34)
	Other Comprehensive income						
	Items will not be reclassified subsequently to Statement of Profit or Loss						
7,540,561	Revaluation of land	-	-	-	-	-	-
394,067	Actuarial (loss)/gain on employee benefit obligations	-	-	-	-	-	-
(68,082)	Income tax on other comprehensive income	-	-	-	-	-	-
	Items will be reclassified subsequently to Statement of Profit or Loss						
449,755	Net exchange differences on translation of foreign operations	298,884	80,209	>100	95,998	(53,412)	>100
374	Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
12,065	Net change in fair value of available-for-sale financial assets	1,346	111,026	(99)	(6,220)	101,974	<100
8,328,740	Other comprehensive income for the period, net of tax	300,230	191,235	57	89,778	48,562	85
13,377,062	Total comprehensive income for the period, net of tax	1,018,992	1,838,281	(45)	747,084	1,045,550	(29)
	Total comprehensive income for the period attributable to						
10,343,403	Owners of the parent	191,472	1,016,317	(81)	216,929	587,451	(63)
3,033,659	Non-controlling interest	827,520	821,964	1	530,155	458,099	16
13,377,062		1,018,992	1,838,281	(45)	747,084	1,045,550	(29)

The Notes on pages 10 to 14 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF COMPREHENSIVE INCOME

Company	Company			Company		
	Unaudited 6 months to 30.09.17 Rs.'000	Unaudited 6 months to 30.09.16 Rs.'000	Change %	Unaudited 3 months to 30.09.17 Rs.'000	Unaudited 3 months to 30.09.16 Rs.'000	Change %
Audited year ended 31.03.17 Rs.'000						
938,382 Profit for the period	124,898	302,811	(59)	75,071	163,052	(54)
Other Comprehensive income						
Items will not be reclassified subsequently to Statement of Profit or Loss						
5,648,000 Revaluation of land	-	-	-	-	-	-
(28,213) Actuarial (loss)/gain on employee benefit obligations	-	-	-	-	-	-
- Income tax on other comprehensive income	-	-	-	-	-	-
Items will be reclassified subsequently to Statement of Profit or Loss						
- Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
- Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-
5,619,787 Other comprehensive income for the period, net of tax	-	-	-	-	-	-
6,558,169 Total comprehensive income for the period, net of tax	124,898	302,811	(59)	75,071	163,052	(54)

The Notes on pages 10 to 14 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

Consolidated	Company		Consolidated		Company	
			Unaudited	Unaudited	Unaudited	Unaudited
			as at	(Restated)	as at	as at
31.03.17	30.09.16	30.09.17	30.09.16	30.09.17	30.09.16	
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
		Notes				
		ASSETS				
		Non - current assets				
66,407,294	2,377,439	Property, plant & equipment	77,259,698	55,515,445	2,341,031	6,704,062
1,764,423	-	Investment Properties	1,764,423	1,935,137	-	-
374,353	-	Biological assets	378,188	346,425	-	-
6,434,205	-	Intangible assets	12,857,423	6,239,696	-	-
-	21,947,100	Investments in subsidiaries	-	-	32,009,359	11,524,699
721,633	-	Investments in equity accounted investees	844,585	1,272,033	-	-
197,858	104,297	Other non current financial assets	222,692	203,172	99,847	108,746
-	-	Non - current Trade and other receivable	7,852,725	-	-	-
1,657,145	-	Other non current assets	2,753,884	591,526	-	-
604,150	-	Deferred tax assets	682,100	393,927	-	-
78,161,061	24,428,836	Total non-current assets	104,615,718	66,497,361	34,450,237	18,337,507
		Current assets				
17,678,103	1,206	Inventories	28,925,488	16,009,234	1,222	1,309
-	1,176,681	Amounts due from subsidiaries	-	-	1,220,435	924,336
68,375	13,655	Amounts due from equity accounted investees	92,529	19,984	13,586	2,865
23,876,704	12,746	Trade and other receivables	41,813,231	21,563,766	18,799	29,597
1,462,471	61,414	Other current assets	3,428,736	1,540,571	66,058	81,526
344,815	5,411	Income tax recoverable	393,181	139,784	9,497	4,184
479,520	17,196	Other current financial assets	338,553	451,808	8,744	9,603
2,920,857	-	Short-term deposits	3,290,277	1,201,564	-	-
5,007,087	64,955	Cash in hand and at bank	6,103,536	4,071,621	98,694	85,179
3,021	-	Assets classified as held for sale	3,021	3,021	-	-
51,840,953	1,353,264	Total current assets	84,388,552	45,001,353	1,437,035	1,138,599
130,002,014	25,782,100	Total assets	189,004,270	111,498,714	35,887,272	19,476,106
		EQUITY AND LIABILITIES				
1,575,000	1,575,000	Stated capital	1,575,000	1,575,000	1,575,000	1,575,000
-	-	Employee share trust loan	-	-	-	-
943,608	13,226	Capital reserves	831,120	1,005,356	13,226	13,226
19,013,131	1,991,460	Other components of equity	19,209,173	11,660,827	1,991,460	6,314,023
19,333,998	13,490,522	Revenue reserves	18,778,480	17,249,558	13,052,920	2,912,276
40,865,737	17,070,208	Total equity attributable to owners of the parent	40,393,773	31,490,741	16,632,606	10,814,525
17,173,230	-	Non- controlling interest	22,172,630	15,523,188	-	-
58,038,967	17,070,208	Total Equity	62,566,403	47,013,929	16,632,606	10,814,525
		Non - current liabilities				
20,634,704	5,901,449	Interest bearing borrowings	35,157,765	17,257,885	12,293,110	5,214,648
743,387	-	Grants	755,782	733,446	-	-
1,853,124	-	Deferred tax liabilities	2,238,206	1,631,395	-	-
-	-	Other non current financial liabilities	1,644,238	-	-	-
5,608,640	557,063	Employee benefit obligations	6,698,226	5,886,966	576,312	506,837
28,839,855	6,458,512	Total non-current liabilities	46,494,217	25,509,692	12,869,422	5,721,485
		Current liabilities				
16,766,174	256,522	Trade and other payables	24,432,664	14,271,502	317,434	248,965
15,350	-	Provisions	21,563	21,887	-	-
1,405,240	30,507	Other current liabilities	1,591,515	718,206	18,696	16,249
1,374	1,281	Other current financial liabilities	4,656,977	13,375	61,847	13,375
-	34,777	Amounts due to subsidiaries	-	-	37,599	24,430
-	-	Amounts due to equity accounted investees	-	339	-	-
821,832	-	Income tax payable	389,894	405,312	-	-
5,060,603	1,211,273	Current portion of long term interest bearing borrowings	21,397,224	4,483,803	2,216,257	721,867
19,052,287	719,020	Short-term interest bearing borrowings	27,453,481	19,060,337	3,733,411	1,915,210
332	-	Liabilities directly associated with assets classified as held for sale	332	332	-	-
43,123,192	2,253,380	Total current liabilities	79,943,650	38,975,093	6,385,244	2,940,096
71,963,047	8,711,892	Total liabilities	126,437,867	64,484,785	19,254,666	8,661,581
130,002,014	25,782,100	Total equity and liabilities	189,004,270	111,498,714	35,887,272	19,476,106

The Financial Position as at 30th September, 2017 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.

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
6th November 2017

sgd.

Sarath Ganegoda
Director

The Notes on pages 10 to 14 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
	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	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	-	-	-	-	-	-	-	-	-	18,675	18,675	700,087	718,762
Other Comprehensive income													
Net exchange differences on translation of foreign operations	-	-	-	-	-	172,009	-	-	-	-	172,009	126,876	298,884
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets	-	-	-	-	788	-	-	-	-	-	788	558	1,346
Revaluation of land	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	788	172,009	-	-	-	-	172,797	127,434	300,230
Total Comprehensive income for the period	-	-	-	-	788	172,009	-	-	-	18,675	191,472	827,521	1,018,992
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	-	(562,500)	(562,500)	(419,628)	(982,128)
Transfers	-	-	7,512	-	-	-	-	-	-	(7,512)	-	-	-
Total contributions by and distributions to owners	-	-	7,512	-	-	-	-	-	-	(570,012)	(562,500)	(419,628)	(982,128)
Changes in ownership interests in subsidiaries													
Acquisition of non-controlling interest with a change in control	-	-	-	-	-	-	-	-	-	-	-	4,919,384	4,919,384
Acquisition of non-controlling interest without a change in control	-	(120,000)	-	23,180	10	55	7,720	-	-	(11,901)	(100,936)	(327,877)	(428,813)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	(120,000)	-	23,180	10	55	7,720	-	-	(11,901)	(100,936)	4,591,507	4,490,571
Total transactions with owners	-	(120,000)	7,512	23,180	10	55	7,720	-	-	(581,913)	(663,436)	4,171,879	3,508,443
Balance as at 30th September 2017	1,575,000	407,790	423,330	17,846,227	24,674	1,338,272	2,241,277	81,415	8,942	16,446,846	40,393,773	22,172,630	62,566,403
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	-	-	-	-	-	-	-	-	-	932,429	932,429	714,617	1,647,046
Other Comprehensive income													
Net 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 losses on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Income 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	-	-	-	932,429	1,016,317	821,964	1,838,281
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	-	(487,500)	(487,500)	(627,880)	(1,115,380)
Recovery for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	1,809	-	-	-	19,088	-	-	(20,897)	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)
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	513,055	492,301	10,636,067	10,254	1,014,506	2,252,450	72,860	2,346	14,921,902	31,490,741	15,523,188	47,013,929

The Notes on pages 10 to 14 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	Capital Reserve		Other Component of Equity	Revenue Reserves		Total Equity
	Stated capital	Other capital reserve	Revaluation 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	-	-	-	-	124,898	124,898
Other Comprehensive income						
Actuarial losses on defined benefit obligations	-	-	-	-	-	-
Revaluation of land	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	124,898	124,898
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 September 2017	1,575,000	13,226	1,991,460	382,087	12,670,833	16,632,606
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						
Revaluation of land	-	-	-	-	-	-
Actuarial losses on defined benefit obligations	-	-	-	-	-	-
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)
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

The Notes on pages 10 to 14 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 31.03.17 Rs.'000	as at 31.03.17 Rs.'000	6 months to 30.09.17 Rs.'000	6 months to 30.09.16 Rs.'000	6 months to 30.09.17 Rs.'000	6 months to 30.09.16 Rs.'000	6 months to 30.09.17 Rs.'000	6 months to 30.09.16 Rs.'000
Cash flows from operating activities							
9,730,658	1,626,614	3,969,737	1,909,491	693,545	740,273		
(528,326)	(58,134)	(218,693)	(287,676)	(14,506)	(45,227)		
(2,003,508)	(12,724)	(1,025,408)	(1,019,105)	(4,104)	(2,753)		
7,198,824	1,555,756	2,725,636	602,709	674,935	692,293		
Cash flows from Investing activities							
(11,301,360)	(72,798)	(2,046,635)	(6,369,577)	(8,710)	(53,459)		
-	-	-	-	-	-		
(1,107,767)	-	-	(16,292)	-	-		
(5,357)	-	(3,835)	(3,627)	-	-		
44,270	-	27,804	9,190	-	-		
205,271	6,886	51,036	52,069	7	6,881		
1,984	-	-	1,546	-	-		
99,280	99,280	-	99,280	-	99,280		
2,921,811	2,426,808	448,201	2,505,997	-	2,426,808		
330,112	-	-	-	-	-		
(216,480)	-	(93,986)	(21,526)	-	-		
-	-	-	-	-	-		
-	(2,048,720)	(11,958,566)	(490,352)	(10,062,258)	(1,602,738)		
-	-	(11,939)	-	-	-		
(2,469,362)	(2,000,000)	(43,406)	(2,006,264)	-	(2,000,000)		
-	-	-	-	-	-		
272,791	6,270	183,653	106,334	256	4,768		
163,409	-	49,936	70,048	-	-		
9,909	282	5,286	5,354	464	177		
(11,051,489)	(1,581,992)	(13,392,452)	(6,057,821)	(10,070,241)	(1,118,283)		
(3,852,665)	(26,236)	(10,666,816)	(5,455,113)	(9,395,306)	(425,990)		
Cash flows from financing activities							
(26,827)	-	(9,305)	(12,084)	-	-		
(3,152,556)	(678,744)	(2,121,689)	(1,412,349)	(391,686)	(346,689)		
(1,487,395)	-	(419,628)	(627,880)	-	-		
-	-	-	-	-	-		
13,858,547	3,500,000	9,563,826	8,182,132	8,000,000	2,000,000		
(7,130,810)	(2,998,485)	(2,717,840)	(5,147,828)	(616,583)	(2,613,600)		
(5,981)	(5,981)	-	-	(14,577)	-		
(11,759)	(11,759)	-	-	-	(11,759)		
(867)	(867)	(1,374)	-	-	-		
(487,500)	(487,500)	(562,500)	(487,500)	(562,500)	(487,500)		
1,554,852	(683,336)	3,731,491	494,491	6,414,654	(1,459,548)		
(2,297,813)	(709,572)	(6,935,325)	(4,960,622)	(2,980,652)	(1,885,538)		
(8,825,415)	55,507	(11,123,228)	(8,825,415)	(654,065)	55,507		
(11,123,228)	(654,065)	(18,058,553)	(13,786,037)	(3,634,717)	(1,830,031)		

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

The Notes on pages 10 to 14 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	6 months to	6 months to	6 months to	6 months to	6 months to	6 months to
31.03.17	31.03.17	30.09.17	30.09.16	30.09.17	30.09.16	30.09.17	30.09.16
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	1,388,842	2,486,850	124,917	303,666		
Profit before tax							
Adjustments for:							
3,111,642	770,425	1,948,790	1,336,423	491,621	386,725		
(212,871)	-	(172,888)	(179,931)	-	-		
2,997,780	34,305	1,756,570	1,367,644	16,189	16,734		
75,332	-	-	-	28,927	-		
(24,455)	-	-	-	-	-		
(18,805)	-	-	-	-	-		
(249,286)	-	-	-	-	-		
(35,561)	(141)	(20,409)	(14,553)	(7)	(107)		
(71,309)	(71,309)	-	(71,309)	-	(71,309)		
22	-	-	-	-	-		
(86,311)	-	-	-	-	-		
181,733	-	68,550	82,777	-	-		
-	-	-	-	-	-		
-	(40,669)	-	-	-	(40,669)		
(25,884)	-	(25,521)	(52,334)	-	-		
-	-	(103,952)	(536,846)	-	-		
5,630	-	-	-	-	-		
(49,360)	-	-	-	-	-		
46,599	-	47,303	20,743	-	-		
(25,300)	-	-	-	-	-		
838,638	65,972	501,387	484,686	33,756	31,053		
(40,560)	-	(15,409)	(15,421)	-	-		
13,442,836	1,706,565	5,373,263	4,908,730	695,403	626,093		
(4,858,061)	(122,450)	(2,396,513)	(2,569,205)	(54,355)	103,699		
(2,576,812)	216	(989,431)	(976,110)	(16)	112		
3,722,695	42,283	1,982,418	546,076	52,513	10,369		
9,730,658	1,626,614	3,969,737	1,909,491	693,545	740,273		
B. Analysis of cash and cash equivalents							
5,008,202*	64,955	6,104,651 *	4,072,736 *	98,694	85,179		
2,920,857	-	3,290,277	1,201,564	-	-		
7,929,059	64,955	9,394,928	5,274,300	98,694	85,179		
(19,052,287)	(719,020)	(27,453,481)	(19,060,337)	(3,733,411)	(1,915,210)		
(11,123,228)	(654,065)	(18,058,553)	(13,786,037)	(3,634,717)	(1,830,031)		

* 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 1. 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.
2. No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the financial statements.
- 3 On 15th September, 2017 Hayleys Group acquired 231,864,362 shares (61.73% Holding) in Singer (Sri Lanka) PLC for Rs. 10,992 mn and resulting a goodwill of Rs 6,124 mn.
Subsequently, In terms of Rule 24 of the Company Take-overs & Mergers Code, a mandatory offer was made by Hayleys PLC together with the parties acting in concert which has been accepted by the shareholders of 79,180,051 (21.08 % holding) in Singer Sri Lanka PLC.
- 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 Rs.'000		Rs.'000	Rs.'000	Unaudited 6 months to 30.09.17 Rs.'000	Unaudited 6 months to 30.09.16 Rs.'000
4,012,613	Eco Solutions	2,504,928	381,399	2,123,529	2,107,332
14,281,444	Hand Protection	8,025,337	5,012	8,020,325	7,039,512
13,553,575	Purification Products	7,116,237	-	7,116,237	5,952,658
8,228,977	Textiles	4,372,443	-	4,372,443	4,212,671
4,706,316	Construction Materials	2,062,766	41,140	2,021,626	1,942,315
13,611,732	Agriculture	5,840,916	339,323	5,501,593	6,585,797
9,989,254	Plantations	6,570,155	36,904	6,533,251	4,443,164
24,245,431	Transportation & Logistics	16,358,894	-	16,358,894	11,064,838
5,277,527	Consumer Products	2,736,752	-	2,736,752	2,441,494
	Power and Energy				
3,633,625	Industry Inputs	1,911,994	42,931	1,869,063	1,622,632
1,026,860	Power & Energy	873,820	-	873,820	631,672
5,618,505	Leisure	2,614,690	-	2,614,690	2,602,745
3,197,217	Others	2,608,317	329,173	2,279,144	1,506,344
111,383,076		63,597,249	1,175,882	62,421,367	52,153,173

Notes to the Financial Statements

6 INDUSTRY SEGMENT RESULTS

Consolidated		Consolidated	
Audited		Unaudited	Unaudited
year ended		6 months to	(Restated)
31.03.17		30.09.17	6 months to
Rs.'000		Rs.'000	Rs.'000
1,063,797	Eco Solutions	69,751	127,431
978,264	Hand Protection	98,167	441,477
1,368,272	Purification Products	358,334	521,668
199,536	Textiles	64,877	144,516
1,050,277	Construction Materials	226,024	390,965
1,486,730	Agriculture	233,557	657,819
479,166	Plantations	216,062	(357,698)
1,857,068	Transportation & Logistics	1,085,568	630,725
178,805	Consumer Products	10,579	44,040
	Power and Energy		
480,957	Industry Inputs	137,324	153,712
582,391	Power & Energy	547,369	446,968
772,467	Leisure	36,710	349,490
1,855,012	Others	758,098	757,623
12,352,742	Segment results	3,842,420	4,308,736
(2,678,095)	Non - segment income/(expenses)	(677,676)	(665,394)
9,674,647	Operating profit	3,164,744	3,643,342
(3,111,642)	Net finance costs	(1,948,790)	(1,336,423)
249,286	Change in fair value of investment properties	-	-
212,871	Share of profits from equity accounted investees	172,888	179,931
7,025,162	Profit before tax	1,388,842	2,486,850

7 STATED CAPITAL

Audited		Unaudited	Unaudited
as at		as at	as at
31.03.17		30.09.17	30.09.16
Rs.'000		Rs.'000	Rs.'000
1,575,000	Issued and fully paid 75,000,000 (75,000,000 - 30.09.2016) 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 30.09.17 Rs.'000	Unaudited as at 30.09.16 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 30.09.17 Rs.'000	as at 30.09.16 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 September 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	52,153,173	-	52,153,173
Cost of sales	(40,368,088)	-	(40,368,088)
Gross profit	11,785,085	-	11,785,085
Group dividend	-	-	-
Other income	329,990	-	329,990
Distribution expenses	(1,666,964)	-	(1,666,964)
Administrative expenses	(6,722,216)	2,848	(6,719,368)
Other expenses	(85,401)	-	(85,401)
Results from operating activities	3,640,494	2,848	3,643,342
Finance income	334,061	-	334,061
Finance costs	(1,670,484)	-	(1,670,484)
Net finance costs	(1,336,423)	-	(1,336,423)
Change in fair value of investment properties	-	-	-
Share of profit of equity accounted investees (net of tax)	179,931	-	179,931
Profit before tax	2,484,002	2,848	2,486,850
Tax expense	(839,804)	-	(839,804)
Profit for the period	1,644,198	2,848	1,647,046
Profit for the period attributable to:			
Owners of the parent	930,187	2,242	932,429
Non-controlling interest	714,011	606	714,617
	1,644,198	2,848	1,647,046
Earnings per share			
Basic (Rs.)	12.40	0.03	12.43
Diluted (Rs.)	12.40	0.03	12.43

Impact to the Consolidated Comprehensive Income for the period ended 30th September 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	1,644,198	2,848	1,647,046
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	80,209	-	80,209
Share of other comprehensive income of equity accounted investees	-	-	-
Net change in fair value of available-for-sale financial assets	111,026	-	111,026
	-	-	-
Total other comprehensive income for the period, net of tax	191,235	-	191,235
Total comprehensive income for the period, net of tax	1,835,433	2,848	1,838,281
Total comprehensive income for the period attributable to			
Owners of the parent	1,014,075	2,242	1,016,317
Non- Controlling Interest	821,358	606	821,964
	1,835,433	2,848	1,838,281

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

	As per Interim Report published	Effect of change in accounting policy LKAS 40	Effect of Transition to LKAS 41	As per Interim Report published
As at 30 the September	2016			2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets				
Non-current assets				
Property, plant & equipment	55,595,253	(79,808)	-	55,515,445
Investment properties	1,393,464	541,673	-	1,935,137
Biological assets	346,425	-	-	346,425
Intangible assets	6,239,696	-	-	6,239,696
Investments in subsidiaries	-	-	-	-
Investments in equity accounted investees	1,272,033	-	-	1,272,033
Other non-current financial assets	203,172	-	-	203,172
Other non-current assets	591,526	-	-	591,526
Deferred tax assets	393,927	-	-	393,927
Total non-current assets	66,035,496	461,865	-	66,497,361
Current assets				
Inventories	16,002,743	-	6,491	16,009,234
Amounts due from subsidiaries	-	-	-	-
Amounts due from equity accounted investees	19,984	-	-	19,984
Trade and other receivables	21,563,766	-	-	21,563,766
Other current assets	1,540,571	-	-	1,540,571
Income tax recoverable	139,784	-	-	139,784
Other current financial assets	451,808	-	-	451,808
Short term deposits	1,201,564	-	-	1,201,564
Cash in hand and at bank	4,071,621	-	-	4,071,621
Assets classified as held for sale	3,021	-	-	3,021
Total current assets	44,994,862	-	6,491	45,001,353
Total assets	111,030,358	461,865	6,491	111,498,714
Equity and liabilities				
Stated capital	1,575,000	-	-	1,575,000
Employee share trust loan	-	-	-	-
Capital reserves	1,005,356	-	-	1,005,356
Other components of equity	11,660,827	-	-	11,660,827
Revenue reserves	16,971,755	275,457	2,346	17,249,558
Total equity attributable to equity holders of the company	31,212,938	275,457	2,346	31,490,741
Non-controlling interest	15,390,927	128,116	4,145	15,523,188
Total equity	46,603,865	403,573	6,491	47,013,929
Non-current liabilities				
Interest-bearing borrowings	17,257,885	-	-	17,257,885
Grants	733,446	-	-	733,446
Deferred tax liabilities	1,573,103	58,292	-	1,631,395
Employee benefit obligations	5,886,966	-	-	5,886,966
Total non-current liabilities	25,451,400	58,292	-	25,509,692
Current liabilities				
Trade and other payables	14,271,502	-	-	14,271,502
Provisions	21,887	-	-	21,887
Other current liabilities	718,206	-	-	718,206
Other current financial liabilities	13,375	-	-	13,375
Amounts due to subsidiaries	-	-	-	-
Amounts due to equity accounted investees	339	-	-	339
Income tax payable	405,312	-	-	405,312
Current portion of long term interest-bearing borrowings	4,483,803	-	-	4,483,803
Short-term interest-bearing borrowings	19,060,337	-	-	19,060,337
Liabilities directly associated with assets classified as held for sale	332	-	-	332
Total current liabilities	38,975,093	-	-	38,975,093
Total liabilities	64,426,493	58,292	-	64,484,785
Total equity and liabilities	111,030,358	461,865	6,491	111,498,714

INVESTOR INFORMATION

MARKET VALUE OF SHARES

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

	30.09.2017 Rs.	30.09.2016 Rs.
Closing price on	270.00	285.00
Highest price recorded for the three months ending	299.00	309.00
Lowest price recorded for the three months ending	270.00	265.00
Market capitalisation (Rs. Mn.)	20,250	21,375

RATIOS

Net assets per share	538.58	419.88
Price earnings ratio (times) (Annualised)	542.17	11.46

DIVIDEND PAYMENT

Interim dividend 2016/17 Rs 7.50 per share paid on 09th June, 2017

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

No. of transactions	1,605
No. of shares traded	1,122,673
Value of shares traded (Rs.)	321,966,427

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 September, 2017, 9.59% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2017

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 September, 2017, 9.89% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2017

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 September, 2017, 9.64% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2017

No. of Transactions	1
No. of Debentures traded	5,000
Highest Price (Rs.)	97.00
Lowest Price (Rs.)	97.00
Last Traded Price (Rs.)	97.00

Interest yield - Last traded	14.75%
Yield to maturity - Last traded	12.85%

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

	30.09.2017	30.09.2016
Debt/ equity ratio	1.10	0.73
Quick asset ratio	0.22	0.39
Interest cover	1.56	1.97

INVESTOR INFORMATION

FIRST TWENTY SHAREHOLDERS AS AT 30th September, 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	590,645	0.79
10 Mr.N.K.A.D.De Silva	570,166	0.76
11 Mrs.R.M.Spittel	564,697	0.75
12 Mr.R.H.S.Phillips	520,727	0.69
13 Mrs.Y.M.Spittel	465,561	0.62
14 Mr.A.C Wikramanayake	462,204	0.62
15 Mrs.P.M Godamunne	443,447	0.59
16 Mrs.S.D. Wickramasinghe .	440,281	0.59
17 Sri Lanka Insurance Corporation Ltd-Life Fund	397,418	0.53
18 Mr.G.N. Wikramanayake	370,422	0.49
19 Associated Electrical Corporation Ltd	351,000	0.47
20 Akbar Brothers Pvt Ltd A/C No.01	321,931	0.43
Total	60,236,237	80.33

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

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

Total number of Shareholders representing the Public Holding is 6,126

DIRECTORS' SHAREHOLDINGS AS AT 30TH September, 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
S J Wijesinghe
Dr A Sivagananathan
L D E A De Silva
W G R Rajadurai
E R P Goonethileke
M S Lakshminarasimhan
Ms.D Talpahewa
Asoka Pieris (appointed w.e.f 02.10.2017)
H C S Mendis (resigned w.e.f 19.09.2017)

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