

**THE UNITED BASALT PRODUCTS LTD AND ITS SUBSIDIARY COMPANIES**  
**AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**ABRIDGED STATEMENT OF FINANCIAL POSITION**

	<u>Audited</u> As at June 30, 2018 Rs. ' 000	<u>Audited</u> As at June 30, 2017 Rs. ' 000
<b>ASSETS</b>		
Non-current assets	3 669 519	3 691 158
Current assets	1 317 608	1 280 196
<b>TOTAL ASSETS</b>	<b><u>4 987 127</u></b>	<b><u>4 971 354</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity attributable to shareholders of the parent	3 087 456	3 130 790
Non-controlling interests	37 174	42 766
<b>TOTAL EQUITY</b>	<b><u>3 124 630</u></b>	<b><u>3 173 556</u></b>
Non-current liabilities	518 339	1 005 934
Current liabilities	1 344 158	791 864
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>4 987 127</u></b>	<b><u>4 971 354</u></b>

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**ABRIDGED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Audited</b>	<b>Audited</b>
	<b>Year ended</b>	<b>Year ended</b>
	<b>June 30, 2018</b>	<b>June 30, 2017</b>
	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>
<b>Revenue</b>	<b>2 927 055</b>	<b>2 651 466</b>
<b>Operating profit</b>	<b>219 200</b>	<b>217 162</b>
Finance income	<b>1 442</b>	<b>1 347</b>
Finance costs	<b>(46 861)</b>	<b>(47 081)</b>
Share of results of associates	<b>14 458</b>	<b>34 280</b>
<b>Profit before tax</b>	<b>188 239</b>	<b>205 708</b>
Income tax expense	<b>(44 014)</b>	<b>(34 077)</b>
<b>Profit for the year</b>	<b>144 225</b>	<b>171 631</b>
<b>Other comprehensive income</b>		
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		
Net gain on available-for-sale investments	<b>5 632</b>	<b>2 329</b>
Release on disposal of available-for-sale investments	<b>(14 317)</b>	<b>(10 813)</b>
Exchange differences on translation of foreign operations	<b>(14 619)</b>	<b>1 667</b>
<b>Net other comprehensive loss to be reclassified to profit or loss in subsequent periods</b>	<b>(23 304)</b>	<b>(6 817)</b>
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>		
Re-measurement losses on defined benefit plans	<b>(71 017)</b>	<b>(13 223)</b>
Income tax effect on re-measurement losses on defined benefit plans	<b>12 171</b>	<b>2 300</b>
Revaluation of land and buildings	<b>-</b>	<b>446 235</b>
Deferred tax effect on revaluation of land and buildings	<b>-</b>	<b>(45 411)</b>
Share of movement in reserves of associates	<b>(4 206)</b>	<b>42 090</b>
<b>Net other comprehensive (loss) / income not to be reclassified to profit or loss in subsequent periods</b>	<b>(63 052)</b>	<b>431 991</b>
<b>Other comprehensive (loss) / income for the year, net of tax</b>	<b>(86 356)</b>	<b>425 174</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>57 869</b>	<b>596 805</b>
<b>Profit for the year attributable to:</b>		
Equity holders of the parent	<b>131 078</b>	<b>159 669</b>
Non-controlling interests	<b>13 147</b>	<b>11 962</b>
	<b>144 225</b>	<b>171 631</b>
<b>Total comprehensive income for the year attributable to:</b>		
Equity holders of the parent	<b>49 451</b>	<b>585 467</b>
Non-controlling interests	<b>8 418</b>	<b>11 338</b>
	<b>57 869</b>	<b>596 805</b>
<b>Earnings per share (Rs)</b>		
Basic, profit for the year attributable to ordinary equity holders of the parent.	<b>4,94</b>	<b>6,02</b>

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**ABRIDGED STATEMENT OF CHANGES IN EQUITY**

<b>Audited</b>	<b>Equity attributable to shareholders of the parent</b>							<b>Non-controlling Interests</b>	<b>Total Equity</b>	
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Associate Companies</b>	<b>Revaluation Reserve</b>	<b>Fair Value Reserve</b>	<b>Translation Reserve</b>	<b>Retained Earnings</b>			
	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>			<b>Rs. ' 000</b>
At July 1, 2017	265 100	7 354	106 028	1 490 537	20 129	10 655	1 230 987	3 130 790	42 766	3 173 556
Profit for the year	-	-	-	-	-	-	131 078	131 078	13 147	144 225
Other comprehensive loss	-	-	(4 206)	(2 164)	(8 685)	(10 905)	(55 667)	(81 627)	(4 729)	(86 356)
Total comprehensive income / (loss) for the year	-	-	(4 206)	(2 164)	(8 685)	(10 905)	75 411	49 451	8 418	57 869
Dividend	-	-	-	-	-	-	(92 785)	(92 785)	(14 010)	(106 795)
<b>At June 30, 2018</b>	<b>265 100</b>	<b>7 354</b>	<b>101 822</b>	<b>1 488 373</b>	<b>11 444</b>	<b>(250)</b>	<b>1 213 613</b>	<b>3 087 456</b>	<b>37 174</b>	<b>3 124 630</b>
At July 1, 2016	265 100	7 354	63 938	1 093 038	28 613	7 444	1 165 994	2 631 481	46 238	2 677 719
Profit for the year	-	-	-	-	-	-	159 669	159 669	11 962	171 631
Other comprehensive income / (loss)	-	-	42 090	397 499	(8 484)	3 211	(8 518)	425 798	(624)	425 174
Total comprehensive income / (loss) for the year	-	-	42 090	397 499	(8 484)	3 211	151 151	585 467	11 338	596 805
Dividend	-	-	-	-	-	-	(86 158)	(86 158)	(14 810)	(100 968)
At June 30, 2017	265 100	7 354	106 028	1 490 537	20 129	10 655	1 230 987	3 130 790	42 766	3 173 556

**ABRIDGED STATEMENT OF CASH FLOWS**

	<b>Audited</b>	
	<b>Year ended June 30, 2018 Rs. ' 000</b>	<b>Year ended June 30, 2017 Rs. ' 000</b>
Net cash flows from operating activities	<b>418 312</b>	274 598
Net cash flows used in investing activities	<b>(225 596)</b>	(279 408)
Net cash flows used in financing activities	<b>(102 151)</b>	(71 352)
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b><u>90 565</u></b>	<b><u>(76 162)</u></b>
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>		
At July 1,	<b>(269 319)</b>	(196 691)
Movement	<b>90 565</b>	(76 162)
Exchange difference	<b>(5 476)</b>	3 534
At June 30,	<b><u>(184 230)</u></b>	<b><u>(269 319)</u></b>

The above Audited Abridged Group Financial Statements for the year ended June 30, 2018 have been prepared in compliance with International Financial Reporting Standards.

**THE UNITED BASALT PRODUCTS LTD AND ITS SUBSIDIARY COMPANIES**  
**AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS**  
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**SEGMENTAL INFORMATION**

	<b>Audited</b>	<b>Audited</b>
	<b>Year ended</b>	<b>Year ended</b>
	<b>June 30, 2018</b>	<b>June 30, 2017</b>
	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>
<b>Revenue:</b>		
Building materials - Core business	2 100 777	1 868 069
Building materials - Retail	922 488	857 224
Agriculture	96 208	100 885
Consolidation adjustments	<b>(192 418)</b>	<b>(174 712)</b>
<b>Total</b>	<b>2 927 055</b>	<b>2 651 466</b>
<b>Operating profit / (loss):</b>		
Building materials - Core business	201 498	208 396
Building materials - Retail	36 521	31 546
Agriculture	<b>(18 819)</b>	<b>(22 780)</b>
<b>Total</b>	<b>219 200</b>	<b>217 162</b>

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**COMMENTS**

The Group's revenue for the year ended June 30, 2018 increased by 10.4% compared to previous year whilst the Group's operating profit increased marginally from Rs 217.2 million in 2017 to Rs 219.2 million for the year under review. As shown in the segmental information disclosure, our core business segment posted lower profits despite an increase in revenue due mainly to the negative results of our overseas subsidiaries.

The profitability of our core business locally was impacted by unexpected production-related and transport costs incurred due to the bad weather conditions prevailing during the first three months of 2018. Our performance was also affected by exceptional severance allowances paid to retiring employees and legal fees incurred in relation to our case at the Privy Council. Overseas, our subsidiary operating in Madagascar was subject to a business review. Consequently, the net result for the year was heavily impacted by significant write offs relating to trade debtors. Furthermore, our subsidiary in Sri Lanka resumed production in May but the net result for the year under review was still at a loss.

In terms of our retail segment, the improved profitability for the year was attributable to an increase of 7.6% in revenue and to a significant debtors provision reversal at year end. In terms of our agricultural segment, the improved performance was attributable to a lower sugar production cost resulting from the VRS plan realised in previous year and this despite an impairment of our bearer biological asset attributable to an expected lower price of sugar.

Our share of results from associates dropped from Rs 34.3 million in 2017 to Rs 14.5 million for the year under review due to a major drop in the net result of our ready-mixed concrete entity caused by the bad weather conditions prevailing during the beginning of 2018.

In the light of the above and taking into account the increase in effective tax rate during the year, the Group's profit decreased from Rs 171.6 million for the year ended June 30, 2017 to Rs 144.2 million for the year under review. Earnings per share likewise decreased from Rs 6.02 in 2017 to Rs 4.94 this year.

**OUTLOOK**

The Group's revenue for the past two months denotes an improvement over that of the corresponding period in 2017. The construction industry's forecasted growth rate of 9.5% for 2018 is promising for the future with several announced major public infrastructure and property development projects which should span over several years. Despite the difficult situation overseas, the Group is committed to pursue its development plan by focusing on innovation and potential synergies within its entities and by seeking new growth opportunities.

**By Order of the Board**

**Bhooneshi Nemchand**  
Company Secretary

**September 18, 2018**

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The above Audited Abridged Group Financial Statements have been extracted from the Audited Financial Statements for the year ended June 30, 2018, which have been prepared in accordance with International Financial Reporting Standards and have been audited by Messrs Ernst & Young.

The Audited Abridged Group Financial Statements are issued pursuant to Listing Rule 12.14 of the Stock Exchange of Mauritius and to Section 88 of the Securities Act 2005.

The Board of Directors of The United Basalt Products Limited accepts full responsibility for the accuracy of the information contained in these Audited Abridged Group Financial Statements.

The statement of direct and indirect interests of insiders required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request, free of charge, at the registered office of the Company, Trianon, Quatre Bornes.

*Copies of this report are available to the public, free of charge, at the registered office of the Company, Trianon, Quatre Bornes.*