

# CAMMO ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2015

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME							STATEMENTS OF FINANCIAL POSITION						
	Group				Company					Gro	oup	Comp	any
	Quarter ended 30-Jun-15 Rs Unaudited	Quarter ended <u>30-Jun-14</u> Rs Unaudited	Half Year ended <u>30-Jun-15</u> Rs Unaudited	Half Year ended <u>30-Jun-14</u> Rs Unaudited	Quarter ended 30-Jun-15 Rs Unaudited	Quarter ended <u>30-Jun-14</u> Rs Unaudited	Half Year ended <u>30-Jun-15</u> Rs Unaudited	Half Year ended <u>30-Jun-14</u> Rs Unaudited		<u>30-Jun-15</u> Rs Unaudited	31-Dec-14 Rs Audited	30-Jun-15 Rs Unaudited	31-Dec-14 Rs Audited
Revenue	549,026,633	1,381,285,205	1,204,848,093	2,590,673,214	47,043,836	710,369,698	201,922,509	757,276,161	<u>ASSETS</u>				
Operating (loss)/profit	(43,509,685)	(171,919)	(74,839,006)	17,777,908	(56,578,460)	218,437,137	43,800,550	210,640,789	Non-current assets	3,564,555,627	3,711,778,504	1,283,314,628	1,273,825,838
Finance costs	(14,630,067)	(31,469,779)	(27,946,289)	(47,998,051)	(1,700,725)	(7,804,912)	(3,781,519)	(14,530,877)	Current assets	900,382,088	1,366,662,398	234,619,472	437,734,702
Share of profit of associates and joint venture	41,139,069	39,041,478	66,508,180	73,365,512	-	-	-	-					
(Loss)/profit before exceptional items and taxation	(17,000,683)	7,399,780	(36,277,115)	43,145,369	(58,279,185)	210,632,225	40,019,031	196,109,912	Total assets R	s 4,464,937,715	5,078,440,902	1,517,934,100	1,711,560,540
Exceptional items	(51,082,195)		(51,082,195)					-					
(Loss)/profit before taxation	(68,082,878)	7,399,780	(87,359,310)	43,145,369	(58,279,185)	210,632,225	40,019,031	196,109,912	EQUITY AND LIABILITIES				
Taxation	(4,877,943)	(5,605,842)	(25,113,133)	(14,881,825)	(494,472)	10,461,252	(9,918,472)	13,814,252					
(Loss)/profit for the period	(72,960,821)	1,793,938	(112,472,443)	28,263,544	(58,773,657)	221,093,477	30,100,559	209,924,164	Capital and reserves				
Other comprehensive loss for the period	(1,723,112)	(60,496,692)	(9,508,253)	(39,839,295)	(3,333,700)	(66,146,150)	(3,333,700)	(66,146,150)	Stated capital	133,250,000	133,250,000	133,250,000	133,250,000
Total comprehensive (loss)/income for the period	(74,683,933)	(58,702,754)	(121,980,696)	(11,575,751)	(62,107,357)	154,947,327	26,766,859	143,778,014	Share premium Other reserves	86,482,579 2,053,359,727	86,482,579 2,378,253,368	86,482,579 450,997,893	86,482,579 624,106,034
(Loss)/profit attributable to:									Officer reserves			430,777,673	024,100,034
-Owners of the company	(65,306,099)	(9,980,151)	(115,510,388)	20,129,875	(58,773,657)	221,093,477	30,100,559	209,924,164	Equity attributable to owners of the				
-Non-controlling interests	(7,654,722)	11,774,089	3,037,945	8,133,669					company	2,273,092,306	2,597,985,947	670,730,472	843,838,613
	(72,960,821)	1,793,938	(112,472,443)	28,263,544	(58,773,657)	221,093,477	30,100,559	209,924,164	Non-controlling interests	115,150,589	136,059,605		-
Total comprehensive (loss)/profit attributable to:									Total equity	2,388,242,895	2,734,045,552	670,730,472	843,838,613
-Owners of the company	(67,029,211)	(72,500,386)	(125,018,641)	(29,058,939)	(62,107,357)	154,947,327	26,766,859	143,778,014		_,,_	_, ,, , _ ,	,,	
-Non-controlling interests	(7,654,722)	13,797,632	3,037,945	17,483,188					Non-current liabilities	1,008,433,106	1,013,689,405	518,476,266	480,914,625
	(74,683,933)	(58,702,754)	(121,980,696)	(11,575,751)	(62,107,357)	154,947,327	26,766,859	143,778,014	Current liabilities	1,068,261,714	1,330,705,945	328,727,362	386,807,302
Number of shares in issue	133,250,000	133,250,000	133,250,000	133,250,000									
Dividend per share	-	-	1.50	0.72					Total equity and liabilities R	4,464,937,715	5,078,440,902	1,517,934,100	1,711,560,540
(Loss)/earnings per share	(0.49)	(0.07)	(0.87)	0.15									

GROUP STATEMENT	OF CHANGES IN EQUITY

		Stated <u>capital</u> Rs Unaudited	Share <u>Premium</u> Rs Unaudited	Revaluation <u>Reserve</u> Rs Unaudited	Capital <u>Reserve</u> Rs Unaudited	Fair Value <u>Reserve</u> Rs Unaudited	Foreign Currency Translation <u>Reserve</u> Rs Unaudited	Retained <u>Earnings</u> Rs Unaudited	Attributable to Owners of the Parent Rs Unaudited	Non-Controlling <u>Interests</u> Rs Unaudited	<u>Total</u> Rs Unaudited
Balance at 1 January 2014		133,250,000	86,482,579	533,165,390	279,612	(503,000)	34,845,448	1,693,661,984	2,481,182,013	(96,353,775)	2,384,828,238
Revaluation surplus of associate realised on depreciation		-	-	(1,134,063)				1,134,063			-
Profit for the period		=	-	-	-	-	-	20,129,875	20,129,875	8,133,669	28,263,544
Other comprehensive income/(loss) for the period		-	-	-	-	-	16,957,336	(66,146,150)	(49,188,814)	9,349,519	(39,839,295)
Total comprehensive income/(loss) for the period		-	-	-	-	-	16,957,336	(46,016,275)	(29,058,939)	17,483,188	(11,575,751)
Partial disposal of subsidiaries		-	-	-	-	-	-	587,826,811	587,826,811	35,074,804	622,901,615
Dividend		-	-	-	-	-	-	(95,940,000)	(95,940,000)	(11,590,500)	(107,530,500)
Balance at 30 June 2014	Rs	133,250,000	86,482,579	532,031,327	279,612	(503,000)	51,802,784	2,140,666,583	2,944,009,885	(55,386,283)	2,888,623,602
Balance at 1 January 2015		133,250,000	86,482,579	559,104,257	279,612	(79,500)	59,113,864	1,759,835,135	2,597,985,947	136,059,605	2,734,045,552
Revaluation surplus of associate realised on depreciation		-	-	(1,814,500)	-	-	-	1,814,500	-	-	-
(Loss)/profit for the period		-	-	-	-	-	-	(115,510,388)	(115,510,388)	3,037,946	(112,472,442)
Other comprehensive loss for the period		=	-	-	=	-	(6,174,553)	(3,333,700)	(9,508,253)	-	(9,508,253)
Total comprehensive (loss)/income for the period		-	-	-	-	-	(6,174,553)	(118,844,088)	(125,018,641)	3,037,946	(121,980,695)
Dividend		-	-	-	-	-	-	(199,875,000)	(199,875,000)	(23,946,962)	(223,821,962)
Balance at 30 June 2015	Rs	133,250,000	86.482.579	557.289.757	279.612	(79,500)	52,939,311	1.442.930.547	2.273.092.306	115.150.589	2.388.242.895

OF CHANGES IN EQUITY	COMPANT STATEMENT
State	

	capital Rs Unaudited	Premium Rs Unaudited	Reserve Rs Unaudited	Reserve Rs Unaudited	Reserve Rs Unaudited	Earnings Rs Unaudited	Total Rs Unaudited
Balance at 1 January 2014	133,250,000	86,482,579	336,771,506	279,612	(503,000)	363,800,653	920,081,350
Revaluation surplus realised on depreciation	-	-	(1,283,705)	-	-	1,283,705	-
Profit for the period	-	-		-	-	209,924,164	209,924,164
Other comprehensive loss for the period	-	-	-	-	-	(66,146,150)	(66,146,150)
Total comprehensive income for the period	-	-	-	-	-	143,778,014	143,778,014
Dividend		-	-	-	-	(95,940,000)	(95,940,000)
Balance at 30 June 2014 Rs	133,250,000	86,482,579	335,487,801	279,612	(503,000)	412,922,372	967,919,364
Balance at 1 January 2015	133,250,000	86,482,579	357,731,977	279,612	(79,500)	266,173,945	843,838,613
Revaluation surplus realised on depreciation	-	-	(926,464)	-	-	926,464	-
Profit for the period	-	-	-	-	-	30,100,559	30,100,559
Other comprehensive (loss) for the period	-	-	-	-	-	(3,333,700)	(3,333,700)
Total comprehensive income for the period	-	-	-	-	-	26,766,859	26,766,859
Dividend		-	-	-	-	(199,875,000)	(199,875,000)
Balance at 30 June 2015 Rs	133,250,000	86,482,579	356,805,513	279,612	(79,500)	93,992,268	670,730,472

### STATEMENTS OF CASH FLOWS

	Group		Company		
	Half Year ended <u>30-Jun-15</u> Rs	Half Year ended 30-Jun-14 Rs	Half Year ended 30-Jun-15 Rs	Half Year ended 30-Jun-14 Rs	
	Unaudited	Unaudited	Unaudited	Unaudited	
Net cash (used in)/from operating activities	(303,366,879)	19,918,380	(95,126,532)	473,271,161	
Net cash from/(used in) investing activities	11,731,240	632,771,842	(5,731,185)	(641,878)	
Net cash (used in)/from financing activities	(72,159,930)	(104,183,601)	(34,610,360)	28,425,660	
Net (decrease)/increase in cash and cash equivalents	(363,795,569)	548,506,621	(135,468,077)	501,054,943	
Cash and cash equivalents at beginning of period	505,157,614	21,158,897	204,586,927	(213,174,887)	
Cash and cash equivalents at end of period	Rs 141,362,045	569,665,518	69,118,850	287,880,056	

### GROUP SEGMENT INFORMATION

(a) Segment	WAIIO	<u> </u>						
		Contracting	Investments	<u>Lottery</u>	Corporate Services <u>and</u> <u>Others</u>	Eliminations	<u>Total</u>	
		Rs	Rs	Rs	Rs	Rs	Rs	
Revenue	Rs	227,709,397	67,097,548	901,609,780	172,910,509	(164,479,141)	1,204,848,093	
Operating (loss)/profit before exceptional items	Rs	(43,726,485)	37,097,221	40,097,328	60,287,951	(168,595,021)	(74,839,006)	
(b) Geographical								
				<u>Mauritius</u>	<u>Madagascar</u>	<b>Eliminations</b>	<u>Total</u>	
				Rs	Rs	Rs	Rs	
Revenue			Rs	1,204,848,093	-	-	1,204,848,093	

# **COMMENTS**

Gamma-Civic Ltd ("Company") is an investment holding company. Our goal is the maximisation of returns to shareholders. To meet our goal, Gamma-Civic Idd invests in and grows businesses and realises shareholders' value through dividend income and partial divestment.

Performance Highlights Group performance for the half year ended 30 June 2015 was as follows:

Group Statement of Profit or Loss and Other Comprehensive Income

Net (Loss)/profit after Taxation Jun 2015: Rs(112)M Jun 2014: Rs28M Jun 2014: Rs2,591M

Group Statement of Financial Position

Company performance for the half year ended 30 June 2015 was as follows Company Statement of Profit or Loss and Other Comprehensive Income

Net Profit after Taxation Jun 2015: Rs30M Jun 2014: Rs210M

Company Statement of Financial Position

For the half year ended 30 June 2015, the Group has made a net loss after tax of Rs112M whilst the Company made a profit of Rs30M. It should be noted that there was an exceptional cost item, amounting to Rs51M, which has been recognised in the group statement of profit or loss and other comprehensive income. The results of our various businesses and the exceptional cost item are explained in more detail below.

Our Contracting business comprises the Roads, Building and Civil Engineering Divisions. Conditions in the contracting industry are extremely tough, with minimal ongoing infrastructure and building works. These have adversely impacted Gamma Construction Ltd, which has suffered significant losses for the half year ended 30 June 2015, amounting to Rs64M. Management carried out in earnest a restructuring exercise during the quarter ended 30

June 2015 in order to right size the cost structure. The restructuring costs which were recognised as an exceptional item in the statement of profit or loss and other comprehensive income in the quarter ended 30 June 2015 amounted to Rs19M. The Board is closely monitoring the situation and will work with management to ensure that Gamma Construction Ltd minimises its losses in the current financial year whilst retaining adequate capabilities and resources to swiftly react to an upturn in the economy.

Lottery
Lottotech Ltd suffered a significant drop in its financial performance during the quarter ended 30 June 2015. There was a significant inventory write-off of scratch cards and restructuring costs, amounting to Rs32M, as a result of Government's decision to ban scratch cards and advertising in the gaming industry. This has been recognised as an exceptional cost item in the statement of profit or loss and other comprehensive income and has adversely affected the overall results for the half year ended 30 June 2015. Lottotech Ltd has made a profit after tax of Rs1M for the period.

Investments Investments segment mainly comprises our Real Estate business. Our

Real Estate portfolio comprises a bank of prime land as well as some premium offices. There is much untapped value in our land bank and we are now taking steps to develop it and realise its value.

**Corporate Services and Others**The Corporate Services and Others segment relates mainly to the investment holding company, Gamma-Civic Ltd.

Building Materials and Hotel (Joint Venture/Associates)
The building materials and cement businesses remain pillars of the group operations. Despite the continuing downturn in the construction industry, our building materials and cement businesses delivered a strong financial performance and profits. Both of these businesses have contributed significantly and positively to the results of the group. Gamma Materials Ltd, our building materials business, made a net profit after tax of Rs48M whilst our cement business registered a net profit after tax of Rs112M.

Morning Light Co Ltd is an associate company of Gamma-Civic Ltd and owns the "Hillon Mauritius Resort & Spa", a resort hotel of international standard. The hotel is managed and operated by Hillon International, the worldwide hotel group. The conditions for the hotel industry were challenging during the half year under review, which has negatively impacting the revenue and profits of the company. Morning Light Co Ltd made a loss after tax of Rs40M for the half year ended 30 June 2015. The results for the half year under review were lower than last year's corresponding period due to the hotel opening in November 2014, a lower Euro-Rupee exchange rate, bad weather prevailing during the first quarter and higher depreciation and finance costs as a result of the renovation.

# **Future Outlook**

**PUTION**The local environment in which our businesses operate remains very challenging. The Board is monitoring the situation closely and the respective companies will take further action if business conditions deteriorate.

Management of Gamma Construction Ltd is expecting more visibility in terms of future work opportunities by the end of August 2015. Should there be no material positive developments by then, the company will take further

Lottotech Ltd has implemented various initiatives to restore profitability over the next six months. Loto remains the strong flagship brand of the company. The Board continues to work with management to ensure that the company is taking appropriate actions to mitigate the impact of the Government measures and protect the value of the company.

As announced in its communiqué dated 5 August 2015, Gamma-Civic Ltd has entered into a Shareholder Purchase Agreement with Holcim (Outre-Mer) SAS for the acquisition of its 51% direct and indirect stake in Holcim (Mauritius) Ltd, subject to the fulfillment of all conditions precedent, including the approval of the Competition Commission of Mauritius. The proposed acquisition may be a substantial transaction for Gamma-Civic Ltd under Chapter 13 of the Listing Rules, and accordingly a substantial transaction circular, which is subject to the approval of the Stock Exchange of Mauritius Ltd, will be made available to the shareholders of Gamma-Civic Ltd and the investing public in general. Holcim (Mauritius) Ltd will soon change its name to Kolos Cement Ltd, and upon completion of the acquisition, the shareholder Gamma-Civic Ltd will set up a new Board to manage the company, which shall be composed of Directors having the required expertise and experience in the cement industry. This transaction marks a significant milestone for Gamma-Civic Ltd.

Morning Light Co Ltd is committed to taking advantage of the increase in the number of Chinese tourists coming to Mauritius. In addition, following several marketing events and the renovation of the hotel last year, Morning Light Co Ltd is well positioned to improve its financial performance in the future.

We are confident that our businesses, following their respective restructuring programmes, are well-equipped to withstand the pressures of the continuing poor economic conditions. Our new organisational structure comprising an investment committee and a new management team is now in place in line with our vision of creating a fit-for-purpose investment holding company. We remain cautiously confident in our ability to grow earnings over the short to long term whilst continuing to create value for our shareholders. The long term growth and sustainability of Gamma Group remains our focus.

(Loss)/earnings per share
The calculation of loss per share is based on the loss attributable to the owners of the company of Rs115,510,388 (Jun 2014: profit Rs20,129,875) and the number of the shares in issue of 133,250,000 (Jun 2014: 133,250,000). A final dividend of Rs1.50 per share (Jun 2014: Rs0.72 per share) was declared on 11 March 2015 and paid in April 2015 in respect of the financial year ended 31 December 2014.

**Others**The abridged financial statements for the quarter and half year ended 30 June 2015 are unaudited and have been prepared using the same accounting policies as in the audited financial statements for the year ended 31 December 2014.

Copies of the above abridged unaudited financial statements are available, free of charge, upon request made to the Company Secretary, at the registered office of the company, Level 3, Alexander House, 35 Cybercity, Ebene, or can be viewed on the company's website www.gamma.mu.

The statement of direct and indirect interests of insiders pursuant to rule 8(2) (m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available, free of charge, upon request made to the Company Secretary, at the registered office of the company.

Gamma Corporate Services Ltd Company Secretary

By Order of the Board

These abridged unaudited financial statements are issued pursuant to Listing Rule 12.20 and Rule 8 of the Securities (Disclosure Obligations of Reporting Issuers)

The Board of Directors of Gamma-Civic Ltd accepts full responsibility for the accuracy of the information contained in these abridged unaudited financial statements.

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