

**LOTTOTECH LTD**
**ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Year ended 31 December 2015 MUR	Year ended 31 December 2014 MUR
Gross ticket sales	1,675,592,800	2,725,700,210
Prizes	(834,306,114)	(1,378,619,403)
Consolidated fund	(388,337,934)	(621,812,500)
<b>Net income</b>	<b>452,948,752</b>	<b>725,268,307</b>
<b>Operating profit</b>	<b>49,702,397</b>	<b>189,579,388</b>
Net finance income	1,384,616	7,195,875
<b>Profit before taxation</b>	<b>51,087,013</b>	<b>196,775,263</b>
Income tax expense	(10,607,310)	(29,813,502)
<b>Profit for the year<sup>1</sup></b>	<b>40,479,703</b>	<b>166,961,761</b>
<b>Other comprehensive income</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
Remeasurement of post-employment benefit obligations – net of tax	1,298,950	(219,950)
<b>Total comprehensive income for the year</b>	<b>41,778,653</b>	<b>166,741,811</b>
<b>Earnings per share</b>	<b>0.12</b>	<b>0.49</b>

<sup>1</sup> Profit for the year before one-off expenses	66,075,617	172,937,761
Listing expenses, net of incentive fees and tax	-	(5,976,000)
Inventory write-off, net of incentive fees and tax	(19,496,348)	-
Severance allowance, net of incentive fees and tax	(6,099,566)	-
<b>Profit for the year</b>	<b>40,479,703</b>	<b>166,961,761</b>

**LOTTOTECH LTD**

**ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

**STATEMENT OF FINANCIAL POSITION**

	<b>31 December 2015 MUR</b>	<b>31 December 2014 MUR</b>
<b>ASSETS</b>		
Non-current assets	<b>145,977,517</b>	202,379,471
Current assets	<b>149,835,629</b>	249,394,914
<b>Total assets</b>	<b>295,813,146</b>	<b>451,774,385</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Stated capital	<b>100,000,000</b>	100,000,000
Retained earnings	<b>42,205,376</b>	54,826,723
<b>Total equity</b>	<b>142,205,376</b>	<b>154,826,723</b>
Non-current liabilities	<b>6,363,756</b>	11,113,507
Current liabilities	<b>147,244,014</b>	285,834,155
<b>Total liabilities</b>	<b>153,607,770</b>	<b>296,947,662</b>
<b>Total equity and liabilities</b>	<b>295,813,146</b>	<b>451,774,385</b>

**LOTTOTECH LTD**

**ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

**STATEMENT OF CHANGES IN EQUITY**

	<b>Stated capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>MUR</b>	<b>MUR</b>	<b>MUR</b>
<b>Balance at 1 January 2014</b>	100,000,000	284,912	100,284,912
Profit for the year	-	166,961,761	166,961,761
Other comprehensive income for the year	-	(219,950)	(219,950)
<b>Total comprehensive income for the year</b>	-	166,741,811	166,741,811
Dividends	-	(112,200,000)	(112,200,000)
<b>Balance at 31 December 2014</b>	<u>100,000,000</u>	<u>54,826,723</u>	<u>154,826,723</u>
<b>Balance at 1 January 2015</b>	<b>100,000,000</b>	<b>54,826,723</b>	<b>154,826,723</b>
Profit for the year	-	<b>40,479,703</b>	<b>40,479,703</b>
Other comprehensive income for the year	-	<b>1,298,950</b>	<b>1,298,950</b>
<b>Total comprehensive income for the year</b>	-	<b>41,778,653</b>	<b>41,778,653</b>
Dividends	-	<b>(54,400,000)</b>	<b>(54,400,000)</b>
<b>Balance at 31 December 2015</b>	<u><b>100,000,000</b></u>	<u><b>42,205,376</b></u>	<u><b>142,205,376</b></u>

**LOTTOTECH LTD****ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**  
**STATEMENT OF CASH FLOWS**

	<b>Year Ended 31 December 2015</b>	<b>Year Ended 31 December 2014</b>
	<b>MUR</b>	<b>MUR</b>
Net cash (used in)/from operating activities	<b>(19,162,504)</b>	185,786,998
Net cash used in investing activities	<b>(1,614,310)</b>	(32,145,759)
Net cash used in financing activities	<b>(55,274,948)</b>	(153,479,963)
Net (decrease)/increase in cash and cash equivalents	<b>(76,051,762)</b>	161,276
Cash and cash equivalents at beginning of period	<b>199,194,170</b>	199,032,894
Cash and cash equivalents at end of the period	<b>123,142,408</b>	199,194,170

**COMMENTS****Principal Activity**

The company is the operator of the Mauritius National Lottery on behalf of the Government of Mauritius.

**Results**

Lottotech Ltd achieved a profit after taxation of MUR40m (2014: MUR167m) after incurring one-off costs of MUR26m, net of incentive fees and tax, relating to the employee severance and the write-off of the Quick Win inventory.

Gross ticket sales revenue for the year ended 31 December 2015 amounted to MUR1,676m (2014: MUR2,726m).

**Business Review**

In March 2015, the Government announced budgetary measures that banned advertising of the lottery effective 24 March 2015 and the prohibition of the Quick Win category of games effective 30 June 2015. The company took immediate action to right size the business to the new reality resulting in a reduction of 30% of employees and decrease in administration costs.

The Board engaged PwC to evaluate the actual financial impact of the budgetary changes and these independent reports were submitted to the Gambling Regulatory Authority (GRA) with a view to claim compensation for inter alia the severance and Quick Win inventory write-off and to review the quantum of the contribution to the Consolidated Fund so as to restore value for all shareholders and stakeholders in the coming years.

In spite of the impact of the budgetary measures, the company has managed to stay profitable. Loto maintained its position as a flagship brand creating 22 millionaires in 2015 out of a total of 149 since the start of operations in 2009. The company continues to have high approval ratings and high participation rates with 72% of males and 61% of females playing on average MUR73 weekly. The high participation rates and modest weekly spend aligns with the company's responsible gaming strategy. After six years

of operations, Mauritius ranks 105th globally in per capita sales again reflecting the responsible gaming strategy.

### **Future Outlook**

The Board has not received any response from the GRA regarding its representation in respect of the review of the contribution rate to the Consolidated Fund, the quantum of the compensation receivable for the exceptional Quick Win inventory write-off and severance payments and/or the review of the structured game plan. The Board considers that it has a legitimate claim and will take the relevant action as it may be advised.

The Board continues to work with management to ensure that the company can deliver on its targets and to take appropriate actions in order to mitigate the impact and protect the value of the company.

### **Earnings per share**

The calculation of earnings per share is based on the profit attributable to the shareholders of the company of MUR40,479,703 (December 2014: MUR166,961,761) and the number of the shares in issue of 340,000,000.

### **Dividend**

The company declared and paid dividends of MUR54.4m in the year ended 31 December 2015 (2014 – declared dividends of MUR112.2m and paid MUR152.2m).

### **Others**

Copies of the above abridged audited financial statements are available, free of charge, upon request made to the Company Secretary, at the registered office of the company, Royal Road, Chapman Hill, Beau Bassin, or can be viewed on the company's website [www.lottotech.mu](http://www.lottotech.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.

By Order of the Board

Gamma Corporate Services Ltd  
Company Secretary

16 March 2016

*The abridged audited financial statements have been extracted from the audited financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards and have been audited by Messrs PricewaterhouseCoopers, Chartered Accountants.*

*These abridged audited financial statements are issued pursuant to Listing Rule 12.14.*

*The Board of Directors of Lottotech Ltd accepts full responsibility for the accuracy of the information contained in these abridged audited financial statements.*

BRN: C08079313