

GAMMA-CIVIC LTD
ABRIDGED AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		Company	
	2015 Rs Audited	2014 Rs Audited	2015 Rs Audited	2014 Rs Audited
Revenue	<u>2,127,358,775</u>	<u>4,892,706,940</u>	<u>440,541,805</u>	<u>945,344,205</u>
Continuing Operations				
Operating profit	147,095,772	106,755,380	178,176,972	243,694,032
Net gain from fair value adjustment on investment properties	6,415,000	25,375,000	-	-
Finance costs	(69,251,267)	(83,505,015)	(15,594,417)	(19,334,985)
Share of profit of associates and joint venture	<u>138,991,195</u>	<u>159,263,693</u>	<u>-</u>	<u>-</u>
Profit before taxation	223,250,700	207,889,058	162,582,555	224,359,047
Taxation	<u>(49,215,479)</u>	<u>(79,361,758)</u>	<u>(32,008,300)</u>	<u>(36,256,894)</u>
Profit for the year from continuing operations	<u>174,035,221</u>	<u>128,527,300</u>	<u>130,574,255</u>	<u>188,102,153</u>
Discontinued Operations				
Loss for the year from discontinued operations	<u>-</u>	<u>(105,580,691)</u>	<u>-</u>	<u>-</u>
Profit for the year	174,035,221	22,946,609	130,574,255	188,102,153
Other comprehensive income/(loss) for the year	<u>5,494,170</u>	<u>(6,617,629)</u>	<u>(571,528)</u>	<u>(35,154,890)</u>
Total comprehensive income for the year	<u>179,529,391</u>	<u>16,328,980</u>	<u>130,002,727</u>	<u>152,947,263</u>
Profit/(loss) attributable to:				
-Owners of the company	142,222,181	(45,978,835)	130,574,255	188,102,153
-Non-controlling interests	<u>31,813,040</u>	<u>68,925,444</u>	<u>-</u>	<u>-</u>
	<u>174,035,221</u>	<u>22,946,609</u>	<u>130,574,255</u>	<u>188,102,153</u>
Total comprehensive income/(loss) attributable to:				
-Owners of the company	147,716,351	(67,687,070)	130,002,727	152,947,263
-Non-controlling interests	<u>31,813,040</u>	<u>84,016,050</u>	<u>-</u>	<u>-</u>
	<u>179,529,391</u>	<u>16,328,980</u>	<u>130,002,727</u>	<u>152,947,263</u>
Number of shares in issue	133,250,000	133,250,000		
Dividend per share	1.75	1.72		
Earnings/(loss) per share:				
- From continuing and discontinued operations	1.07	(0.35)		
- From continuing operations	1.07	0.45		

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STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	2015 Rs Audited	2014 Rs Audited	2015 Rs Audited	2014 Rs Audited
<u>ASSETS</u>				
Non-current assets	4,560,430,750	3,711,778,504	2,081,801,261	1,273,825,838
Current assets	1,023,619,050	1,366,662,398	151,825,216	437,734,702
Total assets	Rs 5,584,049,800	5,078,440,902	2,233,626,477	1,711,560,540
<u>EQUITY AND LIABILITIES</u>				
Capital and reserves				
Stated capital	133,250,000	133,250,000	133,250,000	133,250,000
Share premium	86,482,579	86,482,579	86,482,579	86,482,579
Other reserves	2,292,782,219	2,378,253,368	520,921,261	624,106,034
Equity attributable to owners of the company	2,512,514,798	2,597,985,947	740,653,840	843,838,613
Non-controlling interests	140,920,518	136,059,605	-	-
Total equity	2,653,435,316	2,734,045,552	740,653,840	843,838,613
Non-current liabilities	1,297,069,786	1,013,689,405	810,790,363	480,914,625
Current liabilities	1,633,544,698	1,330,705,945	682,182,274	386,807,302
Total equity and liabilities	Rs 5,584,049,800	5,078,440,902	2,233,626,477	1,711,560,540

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GROUP STATEMENT OF CHANGES IN EQUITY

	Stated capital Rs Audited	Share Premium Rs Audited	Revaluation Reserve Rs Audited	Capital Reserve Rs Audited	Fair Value Reserve Rs Audited	Foreign Currency Translation Reserve Rs Audited	Retained Earnings Rs Audited	Attributable to Owners of the Parent Rs Audited	Non- Controlling Interests Rs Audited	Total Rs Audited
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	-	-	(1,814,500)	-	-	-	1,814,500	-	-	-
(Loss)/profit for the year	-	-	-	-	-	-	(45,978,835)	(45,978,835)	68,925,444	22,946,609
Other comprehensive income/(loss) for the year	-	-	27,753,367	-	423,500	24,268,416	(74,153,519)	(21,708,236)	15,090,606	(6,617,630)
Total comprehensive income/(loss) for the year	-	-	27,753,367	-	423,500	24,268,416	(120,132,354)	(67,687,071)	84,016,050	16,328,979
Transfer of non-controlling interests	-	-	-	-	-	-	(174,237,885)	(174,237,885)	174,237,885	-
Disposal of partial interest in Lottotech Ltd	-	-	-	-	-	-	587,918,890	587,918,890	34,982,725	622,901,615
Dividend	-	-	-	-	-	-	(229,190,000)	(229,190,000)	(60,823,280)	(290,013,280)
Balance at 31 December 2014	Rs 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
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	-	-	-
Profit for the year	-	-	-	-	-	-	142,222,181	142,222,181	31,813,040	174,035,221
Other comprehensive income/(loss) for the year	-	-	13,147,712	-	312,630	(8,527,389)	561,217	5,494,170	-	5,494,170
Total comprehensive income/(loss) for the year	-	-	13,147,712	-	312,630	(8,527,389)	142,783,398	147,716,351	31,813,040	179,529,391
Revaluation surplus of associate realised on disposal	-	-	(34,252,459)	-	-	-	34,252,459	-	-	-
Disposal of non-controlling Interests	-	-	-	-	-	-	-	-	(3,005,265)	(3,005,265)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	100	100
Dividend	-	-	-	-	-	-	(233,187,500)	(233,187,500)	(23,946,962)	(257,134,462)
Balance at 31 December 2015	Rs 133,250,000	86,482,579	536,185,010	279,612	233,130	50,586,475	1,705,497,992	2,512,514,798	140,920,518	2,653,435,316

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COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated capital Rs Audited	Share Premium Rs Audited	Revaluation Reserve Rs Audited	Capital Reserve Rs Audited	Fair Value Reserve Rs Audited	Retained Earnings Rs Audited	Total Rs Audited
Balance at 1 January 2014	133,250,000	86,482,579	333,943,817	279,612	(503,000)	366,628,342	920,081,350
Profit for the year	-	-	-	-	-	188,102,153	188,102,153
Other comprehensive income(loss) for the year	-	-	23,788,160	-	423,500	(59,366,550)	(35,154,890)
Total comprehensive income for the year	-	-	23,788,160	-	423,500	128,735,603	152,947,263
Dividend	-	-	-	-	-	(229,190,000)	(229,190,000)
Balance at 31 December 2014	Rs 133,250,000	86,482,579	357,731,977	279,612	(79,500)	266,173,945	843,838,613
Balance at 1 January 2015	133,250,000	86,482,579	357,731,977	279,612	(79,500)	266,173,945	843,838,613
Profit for the year	-	-	-	-	-	130,574,255	130,574,255
Other comprehensive income(loss) for the year	-	-	2,502,242	-	312,630	(3,386,400)	(571,528)
Total comprehensive income for the year	-	-	2,502,242	-	312,630	127,187,855	130,002,727
Dividend	-	-	-	-	-	(233,187,500)	(233,187,500)
Balance at 31 December 2015	Rs 133,250,000	86,482,579	360,234,219	279,612	233,130	160,174,300	740,653,840

STATEMENTS OF CASH FLOWS

	Group		Company	
	2015 Rs Audited	2014 Rs Audited	2015 Rs Audited	2014 Rs Audited
Net cash (used in)/generated from operating activities	(739,931,552)	24,064,209	(354,711,096)	450,181,967
Net cash (used in)/generated from investing activities	(642,118,476)	682,498,294	(568,246,934)	(4,230,908)
Net cash generated from/(used in) financing activities	609,652,629	(222,563,786)	405,757,452	(28,189,245)
Net (decrease)/increase in cash and cash equivalents	(772,397,399)	483,998,717	(517,200,578)	417,761,814
Cash and cash equivalents at beginning of year	505,157,614	21,158,897	204,586,927	(213,174,887)
Cash and cash equivalents at end of year	Rs (267,239,785)	505,157,614	(312,613,651)	204,586,927

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GROUP SEGMENT INFORMATION

(a) Segment

		<u>Contracting</u> Rs	<u>Investments</u> Rs	<u>Lottery</u> Rs	<u>Corporate Services and Others</u> Rs	<u>Eliminations</u> Rs	<u>Total</u> Rs
Revenue	Rs	<u>362,222,860</u>	<u>101,689,624</u>	<u>1,675,592,800</u>	<u>506,417,201</u>	<u>(518,563,710)</u>	<u>2,127,358,775</u>
Operating (loss)/profit	Rs	<u>(126,780,737)</u>	<u>65,351,256</u>	<u>84,272,705</u>	<u>209,619,597</u>	<u>(85,367,049)</u>	<u>147,095,772</u>

(b) Geographical

		<u>Mauritius</u> Rs	<u>Madagascar</u> Rs	<u>Eliminations</u> Rs	<u>Total</u> Rs
Revenue	Rs	<u>2,127,358,775</u>	<u>-</u>	<u>-</u>	<u>2,127,358,775</u>

COMMENTS

Business Model

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

Performance Highlights

Group performance for the year ended 31 December 2015 was as follows:

Group Statement of Profit or Loss and Other Comprehensive Income

Revenue	Net Profit after Taxation
Dec 2015: Rs2,127M	Dec 2015: Rs174M
Dec 2014: Rs4,893M	Dec 2014: Rs23M

Group Statement of Financial Position

Total Assets	Total Equity
Dec 2015: Rs5,584M	Dec 2015: Rs2,653M
Dec 2014: Rs5,078M	Dec 2014: Rs2,734M

Company performance for the year ended 31 December 2015 was as follows:

Company Statement of Profit or Loss and Other Comprehensive Income

Revenue	Net Profit after Taxation
Dec 2015: Rs441M	Dec 2015: Rs131M
Dec 2014: Rs945M	Dec 2014: Rs188M

Company Statement of Financial Position

Total Assets	Total Equity
Dec 2015: Rs2,234M	Dec 2015: Rs741M
Dec 2014: Rs1,712M	Dec 2014: Rs844M

For the year ended 31 December 2015, the Group has made a net profit after taxation of Rs174M whilst the Company made a profit of Rs131M. The group results for the period under review have been adversely impacted by exceptional and non-recurring cost items in our Contracting and Lottery businesses, amounting to Rs121M in total. The results of our various businesses and the exceptional and non-recurring cost items are explained below.

Gamma Construction Ltd has performed very poorly. Conditions in the contracting industry have been very tough during the year ended 31 December 2015, with minimal ongoing infrastructure and building works. These have adversely impacted Gamma Construction Ltd, which has suffered significant losses for the year ended 31 December 2015, amounting to Rs115M. Rs93m of these relate to restructuring costs and exceptional cost items.

Lottotech Ltd reported a profit of Rs43M for the year ended 31 December 2015 despite exceptional cost items relating to an inventory write-off of scratch cards and restructuring costs, amounting to Rs33M. These exceptional costs were driven by the budgetary measures announced on 23

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March 2015, which banned advertising and the Quick Win category of games. These have seriously impacted the business. Despite this and due to effective cost management, the company has managed to make a profit for the year under review.

The building materials and cement businesses remain pillars of the group operations. Our building materials and cement businesses delivered a strong financial performance and profits. Gamma Materials Ltd, our building materials business, made a net profit after tax of Rs120M whilst our cement business registered a net profit after tax of Rs193M.

On 17 December 2015, Gamma-Civic Ltd acquired 51% shareholding of Kolos Cement Ltd (formerly Holcim (Mauritius) Ltd), which became a wholly-owned subsidiary of the ultimate holding company.

Future Outlook

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.

Gamma Construction Ltd is anticipating an increase in activities in the construction industry, with opportunities in Smart Cities development and major infrastructure works for traffic decongestion and public utilities.

Loto remains the flagship brand of Lottotech Ltd. The board of Lottotech Ltd is still awaiting the outcome of the negotiations that it has already initiated with the Gambling Regulatory Authority regarding 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. This will determine the level of profitability of Lottotech Ltd going forward.

Gamma Materials Ltd and Kolos Cement Ltd are expected to continue to perform strongly going forward.

Earnings per share

The calculation of earnings per share is based on the profit attributable to the owners of the company of Rs142,222,181 (2014: Loss Rs45,978,835) and the number of the shares in issue of 133,250,000 (2014: 133,250,000).

Dividend

A final dividend of Rs1.50 per share (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.

An interim dividend of Rs0.25 per share (2014: Rs1.00 per share) was declared on 7 August 2015 and paid in September 2015 in respect of the financial year ended 31 December 2015.

Others

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.

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.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.

By Order of the Board

Gamma Corporate Services Ltd
Company Secretary

18 March 2016

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

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

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BRN: CO6001228