

INNODIS LTD

CONDENSED UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 MARCH 2016

CONDENSED STATEMENTS OF PROFIT OR LOSS

	CONSOLIDATED Nine Months 31 Mar 16 Unaudited Rs'000	CONSOLIDATED Nine Months 31 Mar 15 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 15 Audited Rs'000	SEPARATE Nine Months 31 Mar 16 Unaudited Rs'000	SEPARATE Nine Months 31 Mar 15 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 15 Audited Rs'000
Revenue	3,419,191	3,239,925	4,293,739	2,055,465	2,160,402	2,866,966
Profit from operating activities	179,689	176,699	226,520	161,857	164,475	199,222
Net finance expense	(87,359)	(43,323)	(70,694)	(34,359)	(33,547)	(42,670)
Share of profit of equity accounted investees	-	5	72	-	-	-
Profit before impairment	92,330	133,381	155,898	127,498	130,928	156,552
Impairment of investment in subsidiary	-	-	-	-	(98,500)	-
Income tax expense	92,330 (37,444)	133,381 (31,198)	155,898 (24,343)	127,498 (21,675)	130,928 (19,707)	58,052 (7,951)
Profit for the period/year	54,886	102,183	131,555	105,823	111,221	50,101
Profit attributable to: Owners of the company	55,624 (738)	83,709 18,474	116,619 14,936	105,823	111,221	50,101
Non-controlling interests	54,886	102,183	131,555	105,823	111,221	50,101
Number of shares	36,730,266	36,730,266	36,730,266			
Earnings per share (Rs)	1.51	2.28	3.18			

	CONSOLIDATED Quarter Ended 31 Mar 16 Unaudited Rs'000	CONSOLIDATED Quarter Ended 31 Mar 15 Unaudited Rs'000	SEPARATE Quarter Ended 31 Mar 16 Unaudited Rs'000	SEPARATE Quarter Ended 31 Mar 15 Unaudited Rs'000
Revenue	1,104,852	956,831	533,175	636,647
Profit from operating activities	19,555	36,258	46,927	53,278
Net finance expense	(82,506)	(11,727)	(7,092)	(8,039)
Share of profit of equity accounted investees	-	-	-	-
Profit before impairment	(62,951)	24,531	39,835	45,239
Impairment of investment in subsidiary	-	-	-	-
Income tax expense	(62,951) (10,664)	24,531 (8,678)	39,835 (6,772)	45,239 (5,141)
Profit for the period/year	(73,615)	15,853	33,063	40,098

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	CONSOLIDATED Nine Months 31 Mar 16 Unaudited Rs'000	CONSOLIDATED Nine Months 31 Mar 15 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 15 Audited Rs'000	SEPARATE Nine Months 31 Mar 16 Unaudited Rs'000	SEPARATE Nine Months 31 Mar 15 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 15 Audited Rs'000
Profit for the period/year	54,886	102,183	131,555	105,823	111,221	50,101
Other comprehensive income						
Items that will never be classified to profit or loss						
Deferred tax arising on revaluation reserve	(950)	(1,968)	(142)	1,103	(1,095)	1,642
Re-measurement of employee benefit liability	2,868	-	11,949	2,025	-	11,164
Deferred tax on retirement benefit obligation	-	-	14	-	-	-
	1,918	(1,968)	11,821	3,128	(1,095)	12,806
Items that are or may be reclassified to profit or loss						
Foreign currency translation difference - foreign operations	(36,685)	(3,621)	(19,537)	-	-	-
Other comprehensive income for the period/year	(34,767)	(5,589)	(7,716)	3,128	(1,095)	12,806
Total comprehensive income for the period/year	20,119	96,594	123,839	108,951	110,126	62,907
Total comprehensive income for the period/year:						
Owners of the company	34,179 (14,060)	79,674 16,920	118,032 5,807	108,951	110,126	62,907
Non-controlling interests	20,119	96,594	123,839	108,951	110,126	62,907

CONDENSED STATEMENTS OF CASH FLOWS

	CONSOLIDATED Nine Months 31 Mar 16 Unaudited Rs'000	CONSOLIDATED Nine Months 31 Mar 15 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 15 Audited Rs'000	SEPARATE Nine Months 31 Mar 16 Unaudited Rs'000	SEPARATE Nine Months 31 Mar 15 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 15 Audited Rs'000
Net cash from/(used in) operating activities	3,718	49,256	197,112	104,362	82,218	162,952
Net cash from/(used in) investing activities	2,026	(92,413)	(6,191)	(27,800)	(21,215)	(27,836)
Net cash (used in)/from financing activities	(29,108)	24,261	(215,204)	(2,820)	(52,547)	(132,311)
Net (decrease)/increase in cash and cash equivalents	(23,364)	(18,896)	(24,283)	73,742	8,456	2,805
Effects of exchange rate movements on cash and cash equivalents	1,005	(358)	539	-	-	-
Cash and cash equivalents at beginning of period/year	(385,518)	(361,774)	(361,774)	(385,900)	(388,705)	(388,705)
Cash and cash equivalents at end of period/year	(407,877)	(381,028)	(385,518)	(312,158)	(380,249)	(385,900)

CONDENSED STATEMENTS OF FINANCIAL POSITION

	CONSOLIDATED Nine Months 31 Mar 16 Unaudited Rs'000	CONSOLIDATED Nine Months 31 Mar 15 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 15 Audited Rs'000	SEPARATE Nine Months 31 Mar 16 Unaudited Rs'000	SEPARATE Nine Months 31 Mar 15 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 15 Audited Rs'000
ASSETS						
Property, plant and equipment	1,660,764	1,725,605	1,669,374	864,423	862,297	857,676
Biological assets	41,253	44,567	31,982	41,253	44,567	31,982
Intangible assets	6,533	6,360	5,840	-	-	-
Investments	-	7,566	6,829	334,185	278,550	191,631
Other non-current assets	35,203	27,178	13,515	228,781	209,484	200,930
Current assets	1,861,749	2,185,210	1,987,827	1,472,710	1,602,455	1,533,626
Total assets	3,605,502	3,996,486	3,715,367	2,941,352	2,997,353	2,815,845
EQUITY AND LIABILITIES						
Shareholders' equity						
Owners' interest	1,735,432	1,791,697	1,701,252	1,639,468	1,614,466	1,530,517
Non-controlling interest	184,814	179,264	198,875	-	-	-
Total shareholders' equity	1,920,246	1,970,961	1,900,127	1,639,468	1,614,466	1,530,517
Non-current liabilities	499,153	410,160	512,209	501,493	308,287	424,848
Current liabilities	1,186,103	1,615,365	1,303,031	800,391	1,074,600	860,480
Total equity and liabilities	3,605,502	3,996,486	3,715,367	2,941,352	2,997,353	2,815,845

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Share capital Rs'000	Share premium Rs'000	Revaluation reserve Rs'000	Foreign exchange translation deficit Rs'000	Retained earnings Rs'000	Total Rs'000	Non Controlling Interest Rs'000	Total Shareholders' Equity Rs'000
CONSOLIDATED								
At 30 Jun 2014	367,303	5,308	394,956	(729)	884,333	1,651,171	186,916	1,838,087
Total comprehensive income for the year	-	-	-	(10,408)	116,619	116,619	14,936	131,555
Total other comprehensive income for the year	-	-	(128)	-	11,949	1,413	(9,129)	(7,716)
Dividend	-	-	-	-	(67,951)	(67,951)	(31,129)	(99,080)
Loan	-	-	-	-	-	-	37,281	37,281
Revaluation reserve realised	-	-	(7,026)	-	7,026	-	-	-
At 30 Jun 2015	367,303	5,308	387,802	(11,137)	951,976	1,701,252	198,875	1,900,127
Total comprehensive income for the period	-	-	-	-	55,624	55,624	(738)	54,886
Total other comprehensive income for the period	-	-	(950)	(21,337)	843	(21,444)	(13,323)	(34,767)
Revaluation reserve realised	-	-	(5,270)	-	5,270	-	-	-
At 31 Mar 2016	367,303	5,308	381,582	(32,474)	1,013,713	1,735,432	184,814	1,920,246
SEPARATE								
At 30 Jun 2014	367,303	5,308	336,030	-	826,920	1,535,561	-	1,535,561
Total comprehensive income for the year	-	-	-	-	50,101	50,101	-	50,101
Total other comprehensive income for the year	-	-	1,642	-	11,164	12,806	-	12,806
Revaluation reserve realised	-	-	(5,475)	-	5,475	-	-	-
Dividend	-	-	-	-	(67,951)	(67,951)	-	(67,951)
At 30 Jun 2015	367,303	5,308	332,197	-	825,709	1,530,517	-	1,530,517
Total comprehensive income for the period	-	-	-	-	105,823	105,823	-	105,823
Total other comprehensive income for the period	-	-	1,103	-	2,025	3,128	-	3,128
Revaluation reserve realised	-	-	(4,106)	-	4,106	-	-	-
At 31 Mar 2016	367,303	5,308	329,194	-	937,663	1,639,468	-	1,639,468

COMMENTS

Group turnover for the nine months ended 31 March 2016 increased by 5.6% to reach Rs3.42 billion against Rs3.24 billion for the corresponding period last year. Operating profit reached Rs179.7 million (2015: Rs176.7 million).

However, Group net profit dropped to Rs54.9 million (2015: Rs102.2 million), mainly due to a provision of Rs61.5M in the net finance expense relating to an unrealised loss on exchange following the depreciation of the Mozambican currency (Metical) against the USD.

Compared to Rs2.28 last year, earnings per share (EPS) now stands at Rs1.51. Had we not provided for the above unrealised loss on exchange, EPS would have stood at Rs2.35.

As from 1st January 2016, the activities of poultry have been taken over by Innodis Poultry Ltd, a fully owned subsidiary of the company - a restructuring exercise which allows for improved overall efficiency. The financial results from our poultry activities are no longer accounted in the books of the company, thus resulting in a drop in its turnover and profit for the quarter.

A slight improvement has been recorded in the operational performance of Moçambique Farms Limitada in the quarter ended 31 March 2016.

Locally, given the competitive nature of the market, we have had to reduce some of our prices to maintain market share, and this consequently impacted on our margins. Market conditions are unlikely to change in the near future, but we believe that our strategy geared at enhancing our product offering and diversifying our operations in a sustainable manner should yield more positive results in the future.

By order of the Board

Box Office Ltd
Corporate Secretary
11th May 2016

Copies of this report are available free of charge at the registered office of the Company. 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, at the registered office of Innodis Ltd.

This report is pursuant to Listing Rule 12.20 and Securities Act 2005. The Board of Directors of Innodis Ltd accepts full responsibility for the accuracy of the information contained in this communiqué.