

# Vivo Energy Mauritius Limited - Abridged Financial Statements

## INCOME STATEMENT

FOR THE THREE MONTHS ENDED 31 MARCH 2016

|                                          | Unaudited<br>Three months<br>ended<br>31 March<br>2016<br>Rs'000 | Unaudited<br>Three months<br>ended<br>31 March<br>2015<br>Rs'000 |
|------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| Sales                                    | 2,135,046                                                        | 2,379,445                                                        |
| Cost of sales                            | (1,907,469)                                                      | (2,182,076)                                                      |
| Gross profit                             | 227,577                                                          | 197,369                                                          |
| Other income                             | 20,095                                                           | 19,195                                                           |
| Other (losses)/gains on exchange - net   | (2,383)                                                          | 8,851                                                            |
| Distribution costs                       | (20,581)                                                         | (21,422)                                                         |
| Administrative expenses                  | (118,205)                                                        | (113,090)                                                        |
| Operating profit                         | 106,503                                                          | 90,903                                                           |
| Finance income                           | 1,342                                                            | 40                                                               |
| Finance costs                            | (1,074)                                                          | (3,154)                                                          |
| Finance costs - net                      | 268                                                              | (3,114)                                                          |
| Share of profit of joint ventures        | 1,484                                                            | 2,332                                                            |
| Profit before income tax                 | 108,255                                                          | 90,121                                                           |
| Income tax expense                       | (17,462)                                                         | (14,735)                                                         |
| Profit for the period                    | 90,793                                                           | 75,386                                                           |
| Basic and diluted earnings per share     | Rs 3.10                                                          | 2.57                                                             |
| Number of shares used in the calculation | 000's 29,322                                                     | 29,322                                                           |

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2016

|                                                                                          | Unaudited<br>Three months<br>ended<br>31 March<br>2016<br>Rs'000 | Unaudited<br>Three months<br>ended<br>31 March<br>2015<br>Rs'000 |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| Profit for the period                                                                    | 90,793                                                           | 75,386                                                           |
| Other comprehensive income                                                               |                                                                  |                                                                  |
| Items that will not be reclassified to profit or loss                                    |                                                                  |                                                                  |
| Re-measurements of post-employment benefit obligations                                   | (7,016)                                                          | 34,169                                                           |
| Deferred tax asset/(liability) on re-measurements of post-employment benefit obligations | 1,193                                                            | (5,809)                                                          |
| Other comprehensive income for the period                                                | (5,823)                                                          | 28,360                                                           |
| Total comprehensive income for the period                                                | 84,970                                                           | 103,746                                                          |

## STATEMENT OF FINANCIAL POSITION - 31 MARCH 2016

|                                     | Unaudited<br>31 March<br>2016<br>Rs'000 | Audited<br>31 December<br>2015<br>Rs'000 |
|-------------------------------------|-----------------------------------------|------------------------------------------|
| <b>ASSETS</b>                       |                                         |                                          |
| <b>Non-current assets</b>           |                                         |                                          |
| Property, plant and equipment       | 1,042,715                               | 1,056,118                                |
| Intangible assets                   | 1,938                                   | 2,124                                    |
| Prepaid operating leases            | 10,218                                  | 10,362                                   |
| Other long-term assets              | 5,088                                   | 6,524                                    |
| Interest in joint ventures          | 42,886                                  | 46,402                                   |
|                                     | 1,102,845                               | 1,121,530                                |
| <b>Current assets</b>               |                                         |                                          |
| Inventories                         | 575,925                                 | 619,093                                  |
| Trade and other receivables         | 665,391                                 | 690,102                                  |
| Cash and cash equivalents           | 39,521                                  | 67,664                                   |
|                                     | 1,280,837                               | 1,376,859                                |
| <b>Total assets</b>                 | <b>2,383,682</b>                        | <b>2,498,389</b>                         |
| <b>EQUITY &amp; LIABILITIES</b>     |                                         |                                          |
| <b>Equity</b>                       |                                         |                                          |
| Share capital                       | 293,223                                 | 293,223                                  |
| Retained earnings                   | 461,175                                 | 431,917                                  |
| <b>Total equity</b>                 | <b>754,398</b>                          | <b>725,140</b>                           |
| <b>LIABILITIES</b>                  |                                         |                                          |
| <b>Non-current liabilities</b>      |                                         |                                          |
| Deferred income tax liabilities     | 68,607                                  | 68,701                                   |
| Retirement benefit obligations      | 59,018                                  | 53,426                                   |
|                                     | 127,625                                 | 122,127                                  |
| <b>Current liabilities</b>          |                                         |                                          |
| Bank overdrafts                     | -                                       | 98,935                                   |
| Trade and other payables            | 1,122,571                               | 1,195,956                                |
| Deposits on LPG cylinders           | 323,395                                 | 322,134                                  |
| Current income tax liabilities      | 55,693                                  | 34,097                                   |
|                                     | 1,501,659                               | 1,651,122                                |
| <b>Total liabilities</b>            | <b>1,629,284</b>                        | <b>1,773,249</b>                         |
| <b>Total equity and liabilities</b> | <b>2,383,682</b>                        | <b>2,498,389</b>                         |

## STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 31 MARCH 2016

|                                       | Share<br>capital<br>Rs'000 | Retained<br>earnings<br>Rs'000 | Total<br>equity<br>Rs'000 |
|---------------------------------------|----------------------------|--------------------------------|---------------------------|
| <b>At 01 January 2016</b>             | 293,223                    | 431,917                        | 725,140                   |
| <b>Comprehensive income</b>           |                            |                                |                           |
| Profit for the period                 | -                          | 90,793                         | 90,793                    |
| Other comprehensive income            | -                          | (5,823)                        | (5,823)                   |
| <b>Total comprehensive income</b>     | -                          | 84,970                         | 84,970                    |
| <b>Transactions with owners</b>       |                            |                                |                           |
| Dividends declared                    | -                          | (55,712)                       | (55,712)                  |
| <b>Total transactions with owners</b> | -                          | (55,712)                       | (55,712)                  |
| <b>At 31 March 2016</b>               | 293,223                    | 461,175                        | 754,398                   |
| <b>At 01 January 2015</b>             | 293,223                    | 215,315                        | 508,538                   |
| <b>Comprehensive income</b>           |                            |                                |                           |
| Profit for the period                 | -                          | 75,386                         | 75,386                    |
| Other comprehensive income            | -                          | 28,360                         | 28,360                    |
| <b>Total comprehensive income</b>     | -                          | 103,746                        | 103,746                   |
| <b>Transactions with owners</b>       |                            |                                |                           |
| Dividends declared                    | -                          | -                              | -                         |
| <b>Total transactions with owners</b> | -                          | -                              | -                         |
| <b>At 31 March 2015</b>               | 293,223                    | 319,061                        | 612,284                   |

## STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED 31 MARCH 2016

|                                                     | Unaudited<br>Three months<br>ended<br>31 March<br>2016<br>Rs'000 | Unaudited<br>Three months<br>ended<br>31 March<br>2015<br>Rs'000 |
|-----------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| <b>Cash flows from operating activities</b>         |                                                                  |                                                                  |
| Profit before income tax                            | 108,255                                                          | 90,121                                                           |
| Adjustments for:                                    |                                                                  |                                                                  |
| Depreciation on property, plant and equipment       | 29,634                                                           | 25,586                                                           |
| Amortisation of intangible assets                   | 186                                                              | -                                                                |
| Amortisation of prepaid operating leases            | 144                                                              | 17                                                               |
| Decrease in provision for impairment of receivables | (413)                                                            | (754)                                                            |
| Interest expense                                    | 1,074                                                            | 3,154                                                            |

## STATEMENT OF CASH FLOWS (continued)

FOR THE THREE MONTHS ENDED 31 MARCH 2016

|                                                      | Unaudited<br>Three months<br>ended<br>31 March<br>2016<br>Rs'000 | Unaudited<br>Three months<br>ended<br>31 March<br>2015<br>Rs'000 |
|------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| Loss on disposal of property, plant and equipment    | -                                                                | 3                                                                |
| Interest income                                      | (1,342)                                                          | (40)                                                             |
| Unrealised loss/(gain) on exchange                   | 2,472                                                            | (8,705)                                                          |
| Share of profit of joint venture                     | (1,484)                                                          | (2,332)                                                          |
| Decrease in retirement benefit obligations           | (1,424)                                                          | (1,307)                                                          |
| <b>Cash generated before working capital changes</b> | <b>137,102</b>                                                   | <b>105,743</b>                                                   |
| Decrease in inventories                              | 43,168                                                           | 100,551                                                          |
| Decrease in receivables and prepayments              | 27,443                                                           | 227,093                                                          |
| Decrease in trade and other payables                 | (128,743)                                                        | (141,123)                                                        |
| Increase in deposits on LPG cylinders                | 1,261                                                            | 6,886                                                            |
| <b>Cash generated from operations</b>                | <b>80,231</b>                                                    | <b>299,150</b>                                                   |
| Interest paid                                        | (1,074)                                                          | (3,154)                                                          |
| Income tax received/(paid)                           | 5,235                                                            | (57)                                                             |
| <b>Net cash generated from operating activities</b>  | <b>84,392</b>                                                    | <b>295,939</b>                                                   |

### Cash flows from investing activities

|                                                         |                |                 |
|---------------------------------------------------------|----------------|-----------------|
| Proceeds from disposal of property, plant and equipment | -              | -               |
| Interest received                                       | 1,342          | 40              |
| Payments for purchase of property, plant and equipment  | (16,231)       | (23,215)        |
| Dividends received from joint venture                   | 5,000          | -               |
| <b>Net cash used in investing activities</b>            | <b>(9,889)</b> | <b>(23,175)</b> |

### Cash flows from financing activities

|                                                                    |               |                 |
|--------------------------------------------------------------------|---------------|-----------------|
| Dividends paid to Company's shareholders                           | -             | -               |
| <b>Net cash used in financing activities</b>                       | <b>-</b>      | <b>-</b>        |
| <b>Net increase in cash, cash equivalents and bank overdrafts</b>  | <b>74,503</b> | <b>272,764</b>  |
| Cash, cash equivalents and bank overdrafts at beginning of year    | (31,271)      | (360,579)       |
| Effect of exchange rate changes on cash and bank overdrafts        | (3,711)       | 1,618           |
| <b>Cash, cash equivalents and bank overdrafts at end of period</b> | <b>39,521</b> | <b>(86,197)</b> |

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED 31 MARCH 2016

### 1. GENERAL INFORMATION

Vivo Energy Mauritius Limited (the "Company") is a limited liability company listed on the Stock Exchange of Mauritius and is incorporated and domiciled in Mauritius.

This condensed interim financial information was authorised for issue by the Board of Directors on 13 May 2016.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed interim financial information for the three months ended 31 March 2016 has been prepared in accordance with and complies with International Accounting Standard IAS 34, Interim Financial Reporting. This condensed interim financial information should be read in conjunction with the audited financial statements for the year ended 31 December 2015.

The principal accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the previous year's audited financial statements.

### 3. SEGMENT INFORMATION

Three months ended 31 March 2016

|                   | Regulated<br>Rs'000 | Non-regulated<br>Rs'000 | Total<br>Rs'000  |
|-------------------|---------------------|-------------------------|------------------|
| <b>Sales</b>      | <b>1,411,808</b>    | <b>723,238</b>          | <b>2,135,046</b> |
| Segment results   | 28,563              | 95,913                  | 124,476          |
| Unallocated costs |                     |                         | (17,973)         |
| Operating profit  |                     |                         | 106,503          |

Three months ended 31 March 2015

|                   |           |         |           |
|-------------------|-----------|---------|-----------|
| <b>Sales</b>      | 1,491,510 | 887,935 | 2,379,445 |
| Segment results   | 34,446    | 74,709  | 109,155   |
| Unallocated costs |           |         | (18,252)  |
| Operating profit  |           |         | 90,903    |

31 March 2016

|                       | Regulated<br>Rs'000 | Non-regulated<br>Rs'000 | Total<br>Rs'000  |
|-----------------------|---------------------|-------------------------|------------------|
| <b>Segment assets</b> | <b>1,118,406</b>    | <b>735,872</b>          | <b>1,854,278</b> |
| Joint venture         | 16,633              | 26,253                  | 42,886           |
| Unallocated assets    |                     |                         | 486,518          |
| <b>Total assets</b>   |                     |                         | <b>2,383,682</b> |

Segment liabilities

|                          |         |         |                  |
|--------------------------|---------|---------|------------------|
| Unallocated liabilities  | 721,967 | 545,467 | 1,267,434        |
| <b>Total liabilities</b> |         |         | <b>361,850</b>   |
| <b>Total liabilities</b> |         |         | <b>1,629,284</b> |

31 December 2015

|                       |           |         |                  |
|-----------------------|-----------|---------|------------------|
| <b>Segment assets</b> | 1,132,489 | 809,045 | 1,941,534        |
| Joint venture         | 16,633    | 29,769  | 46,402           |
| Unallocated assets    |           |         | 510,453          |
| <b>Total assets</b>   |           |         | <b>2,498,389</b> |

Segment liabilities

|                          |         |         |                  |
|--------------------------|---------|---------|------------------|
| Unallocated liabilities  | 797,744 | 614,792 | 1,412,536        |
| <b>Total liabilities</b> |         |         | <b>360,713</b>   |
| <b>Total liabilities</b> |         |         | <b>1,773,249</b> |

### 4. CONTINGENT LIABILITIES

At 31 March 2016, the Company had contingent liabilities amounting to Rs 35,600,000 (31 December 2015 - Rs 35,292,000) consisting principally of VAT claimed and corporate tax on receipt of Rs 62,986,400 representing proceeds from the assignment of the Company's economic rights in the Shell trademark in 2008, which it is contesting and for which no liability has been recognised in these financial statements.

### 5. REVIEW OF RESULTS

Sales figures in the first quarter of 2016 are lower than that of same period in 2015 essentially because of the lower price of oil on the international market. More importantly, the gross margin for Q1 2016 exceeds that of 2015 by 15%, mainly driven by the good performances in the non-regulated businesses.

Other income and distribution costs have remained almost at the same level as they were in 2015. Administrative expenses have increased by 5% compared to 2015 and the main reason is an increased depreciation

following large investments done in prior years and the introduction in the last quarter of 2015 of a loyalty card, the Smart Club, which is proving to be very popular. Driven by the high gross margin, the Company has managed a net income after tax of Rs 90 m (2015 Rs 75 m) which is 20% higher than in 2015.

### 6. FUTURE DEVELOPMENTS

The construction of the 15,000 metric tons depot by the oil industry company called Mer Rouge Oil Storage Terminal Co Ltd (MOST) remains on track.

### 7. CONDENSED INTERIM FINANCIAL INFORMATION

This condensed interim financial information is unaudited.

The statement of direct and indirect interests of officers of the Company required under Rule 8 (2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, Executive Services Limited, Les Jamalacs Building, Jules Koenig Street, Port Louis.

Copies of this condensed interim financial information are available free of charge on request at the registered office of the Company, Roche-Bois, Port Louis.

This condensed interim financial information is issued pursuant to Listing Rule 12.20.

The Board of Directors of Vivo Energy Mauritius Limited accepts full responsibility for the information contained in this unaudited condensed interim financial information.

### BY ORDER OF THE BOARD

13 May 2016