

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	THE COMPANY		THE GROUP
	Unaudited as at 31 March 2016	Audited as at 31 December 2015	Unaudited as at 31 March 2015
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets	1,180,513	1,236,722	1,217,189
Current assets	6,652	20,523	23,035
Total assets	1,187,165	1,257,245	1,240,224
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity	1,181,689	1,211,484	1,237,125
Current liabilities	5,476	45,761	3,099
Total equity and liabilities	1,187,165	1,257,245	1,240,224
Net asset value per share - (Rs)	5.21	5.34	5.45
No. of shares used in calculation	226,986,672	226,986,672	226,986,672

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2016

	THE COMPANY		THE GROUP
	Unaudited Three months to 31 March 2016	Unaudited Three months to 31 March 2015	Unaudited Three months to 31 March 2015
	Rs'000	Rs'000	Rs'000
Income	17,565	(10,998)	(14,836)
Operating profit/(loss)	15,197	(13,258)	(17,288)
Finance (costs)/income	(444)	1,913	1,913
Profit/(loss) before taxation	14,753	(11,345)	(15,375)
Taxation	(26)	(76)	(76)
Profit/(loss) for the period/year	14,727	(11,421)	(15,451)
Other comprehensive income for the period/year, net of tax	(44,522)	235	4,265
Total comprehensive income for the period/year	(29,795)	(11,186)	(11,186)
Profit/(loss) attributable to:			
Owners of the parent			(15,451)
Total comprehensive income attributable to:			
Owners of the parent			(11,186)
Basic earnings per share for the period/year - (Rs.)	0.06	(0.05)	(0.07)
Dividends per share - (Rs.)	-	-	-
No. of shares in issue and ranking for dividends	226,986,672	226,986,672	226,986,672

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2016

THE COMPANY	Share capital	Share premium	Fair value reserve	Retained earnings	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January 2016	226,987	5,217	556,586	422,694	1,211,484
<i>Comprehensive income</i>					
Profit for the quarter	-	-	-	14,727	14,727
Other comprehensive income	-	-	(44,522)	-	(44,522)
Total comprehensive income for the quarter	-	-	(44,522)	14,727	(29,795)
At 31 March 2016	226,987	5,217	512,064	437,421	1,181,689
At 01 January 2015	226,987	5,217	560,000	456,107	1,248,311
<i>Comprehensive income</i>					
Loss for the quarter	-	-	-	(11,421)	(11,421)
Other comprehensive income	-	-	235	-	235
Total comprehensive income for the quarter	-	-	235	(11,421)	(11,186)
At 31 March 2015	226,987	5,217	560,235	444,686	1,237,125
THE GROUP	Attributable to owners of the parent				
	Share capital	Share premium	Fair value reserve	Retained earnings	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January 2015	226,987	5,217	553,122	462,985	1,248,311
<i>Comprehensive income</i>					
Loss for the quarter	-	-	-	(15,451)	(15,451)
Other comprehensive income	-	-	4,265	-	4,265
Total comprehensive income for the quarter	-	-	4,265	(15,451)	(11,186)
At 31 March 2015	226,987	5,217	557,387	447,534	1,237,125

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2016

	THE COMPANY		THE GROUP
	Unaudited Three months to 31 March 2016	Unaudited Three months to 31 March 2015	Unaudited Three months to 31 March 2015
	Rs'000	Rs'000	Rs'000
Operating activities			
Net cash generated from/(used in) operating activities	558	1,110	(3,131)
Investing activities			
Net cash generated from/(used in) investing activities	24,950	(64,257)	(64,215)
Financing activities			
Net cash used in financing activities	(455)	-	-
Increase/(decrease) in cash and cash equivalents	25,053	(63,147)	(67,346)
Movement in cash and cash equivalents			
At 1 January	(23,582)	65,971	70,478
Increase/(decrease) in cash and cash equivalents	25,053	(63,147)	(67,346)
Effect of exchange difference on cash and cash equivalents	7	1,896	1,896
At 31 March/ 31 December	1,478	4,720	5,028

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2016

BASIS OF ACCOUNTING

The unaudited interim quarterly condensed financial statements have been prepared using the same accounting policies set out in the statutory financial statements of the Company for the year ended 31 December 2015, except for the adoption of relevant new Standards, Amendments to published Standards and Interpretations issued now effective.

The financial statements as at 31 March 2016 give information about P.O.L.I.C.Y. Limited as an individual company and do not contain consolidated financial information as the wholly owned subsidiary, UNION AND P.O.L.I.C.Y. INVESTMENT CO. LTD, is in the process of winding up. A liquidator has already been appointed.

COMMENTS AND REVIEW FOR THE QUARTER ENDED 31 MARCH 2016

- (i) The Company generated higher gains on disposal of investments during the quarter under review compared to the corresponding period in 2015. At 31 March 2016, the Net Assets Value ("NAV") per share of the Company stood at Rs. 5.21 as compared to Rs. 5.34 at 31 December 2015 and Rs. 5.45 at 31 March 2015. Shareholders' interest was Rs. 1.18 billion at 31 March 2015, as compared to Rs. 1.21 billion and Rs. 1.24 billion at 31 December and 31 March 2015 respectively.
- (ii) Negative other comprehensive income during the quarter ended 31 March 2016 resulted mainly from loss on fair valuation of investments held at the end of the period under review.

By Order of the Board
Abax Corporate Administrators Ltd
Secretary

12 May 2016

This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

The Board of Directors of P.O.L.I.C.Y. Limited accepts full responsibility for the accuracy of the information contained in these financial statements.

Copies of the full financial statements and the statement of direct and indirect interests of the Company, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available to the public, free of charge, at the registered office of the Company, c/o Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebene.

The auditors of the Company are BDO & Co.

Manager's Report for the quarter ended 31 March 2016

NAV Performance for Q1 2016

The Net Asset Value of POLICY went down by 2.4% during the first quarter 2016, while the SEMTRI posted a negative performance of 0.3%. Alteo, PBL, Lux* and MCBG posted negative returns of 13.3%, 6.5%, 2.1% and 1.2% respectively, while Terra delivered a positive return of 12.5%. After significant net sales in 2015, foreign investors were marginally net buyers during the first quarter 2016.

Outlook

The private sector in Mauritius remains in a "wait and see" mode, waiting for clarity on the "Smart City" concept and other projects. In the meantime, regional investments continue to be the preferred option for local groups.

Share price and NAV

	31-Mar-15	30-Jun-15	30-Sep-15	31-Dec-15	31-Mar-16
Share price	7.20	7.22	6.72	6.50	6.40
NAV	5.45	5.61	5.56	5.34	5.21
Premium to NAV	32.1%	28.7%	20.9%	21.7%	22.8%

Performance ratios

	Year ended 31 December						
	2011	2012	2013	2014	2015	1Q16	
POLICY	Share price ¹	-1.1%	-23.2%	64.6%	5.3%	-8.7%	-1.5%
	Net Asset Value ¹	-2.9%	-2.5%	23.2%	2.6%	3.5%	-2.4%
Local market	SEMTRI	-1.3%	-5.5%	24.4%	1.8%	-10.1%	-0.3%
	SEM-10 ²	-6.1%	-3.7%	19.7%	-4.4%	-10.2%	-0.5%

¹ Performance adjusted for dividends paid and bonus issue

² SEM-10 replaced the SEM-7 as from Oct-14

Sector allocation as at 31 March 2016	Portfolio allocation	SEMDEX allocation
Banks, Insurance & Other Finance	58.5%	41.9%
Investments	15.5%	29.0%
Leisure & Hotels	8.4%	12.4%
Industry	9.1%	6.2%
Property Development	0.3%	0.7%
Sugar	0.0%	2.2%
Transport	0.0%	0.7%
Commerce	0.2%	6.9%
Foreign	6.0%	0.0%
Unquoted	1.6%	0.0%
Liquidity	0.4%	0.0%
Total	100.0%	100.0%

Top 5 holdings as at 31 March 2016

	Rs. in million	% of NAV	1Q16 Performance
MCB Group Limited	606	51.2%	-1.2%
Lux* Island Resorts Ltd	75	6.3%	-2.1%
Alteo Ltd	68	5.7%	-13.3%
Terra Mauricia Ltd	51	4.3%	12.5%
Phoenix Beverages Ltd	49	4.2%	-6.5%
Total	849	71.7%	

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