

THE UNITED BASALT PRODUCTS LIMITED AND ITS SUBSIDIARY COMPANIES
AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

ABRIDGED STATEMENT OF FINANCIAL POSITION

	Audited	Audited	Audited
	As at	As at	As at
	June 30, 2016	June 30, 2015	June 30, 2014
	Rs. ' 000	Rs. ' 000	Rs. ' 000
		(Restated)	(Restated)
ASSETS			
Non-current assets	3 165 563	3 162 353	3 060 055
Current assets	1 140 922	1 121 923	1 188 325
Assets held for sale	-	-	80 000
TOTAL ASSETS	4 306 485	4 284 276	4 328 380
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of the parent	2 631 481	2 573 936	2 617 380
Non-controlling interests	46 238	40 848	39 298
TOTAL EQUITY	2 677 719	2 614 784	2 656 678
Non-current liabilities	917 876	910 303	894 133
Current liabilities	710 890	759 189	777 569
TOTAL EQUITY AND LIABILITIES	4 306 485	4 284 276	4 328 380

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AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	Audited	Audited
	Year ended	Year ended
	June 30, 2016	June 30, 2015
	Rs. ' 000	Rs. ' 000
Revenue	2 636 450	2 355 240
Operating profit	254 324	164 423
Finance income	2 473	2 990
Finance costs	(51 633)	(60 706)
Share of results of associates	(6 367)	(3 163)
Profit before tax	198 797	103 544
Income tax expense	(40 694)	(20 432)
Profit for the year	158 103	83 112
Other comprehensive income		
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		
Net loss on available-for-sale investments	(8 002)	(640)
Reclassification of fair value of available-for-sale investments	-	(1 560)
Exchange differences on translation of foreign operations	(10 089)	301
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(18 091)	(1 899)
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>		
Re-measurement losses on defined benefit plans	21 731	(30 963)
Income tax effect on re-measurement losses on defined benefit plans	(2 730)	4 732
Reversal of revaluation on land and buildings	-	(760)
Share of movement in reserves in associates	(1 538)	(10 630)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	17 463	(37 621)
Other comprehensive loss for the year, net of tax	(628)	(39 520)
Total comprehensive income for the year, net of tax	157 475	43 592
Profit for the year attributable to:		
Equity holders of the parent	136 346	67 850
Non-controlling interests	21 757	15 262
	158 103	83 112
Total comprehensive income for the year attributable to:		
Equity holders of the parent	137 075	29 459
Non-controlling interests	20 400	14 133
	157 475	43 592
Earnings per share (Rs)		
Basic, profit for the year attributable to ordinary equity holders of the parent.	5,14	2,56

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AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

ABRIDGED STATEMENT OF CHANGES IN

ABRIDGED STATEMENT OF CHANGES IN	Audited									
	Equity attributable to shareholders of the parent							Non-		
	Share Capital	Share Premium	Associate Companies	Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total	controlling Interests	Total Equity
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
As restated at July 1, 2015	265 100	7 354	65 476	1 093 038	36 615	15 344	1 091 009	2 573 936	40 848	2 614 784
Profit for the year	-	-	-	-	-	-	136 346	136 346	21 757	158 103
Other comprehensive (loss)/income	-	-	(1 538)	-	(8 002)	(7 900)	18 169	729	(1 357)	(628)
Total comprehensive (loss)/income for the year	-	-	(1 538)	-	(8 002)	(7 900)	154 515	137 075	20 400	157 475
Dividend	-	-	-	-	-	-	(79 530)	(79 530)	(15 010)	(94 540)
At June 30, 2016	265 100	7 354	63 938	1 093 038	28 613	7 444	1 165 994	2 631 481	46 238	2 677 719
At July 1, 2014	265 100	7 354	76 106	1 173 574	38 815	60 645	1 144 878	2 766 472	55 582	2 822 054
- As previously reported	-	-	-	-	-	(47 287)	(101 805)	(149 092)	(16 284)	(165 376)
- Prior year adjustment	265 100	7 354	76 106	1 173 574	38 815	13 358	1 043 073	2 617 380	39 298	2 656 678
- As restated	-	-	-	-	-	-	67 850	67 850	15 262	83 112
Profit for the year	-	-	-	-	-	-	67 850	67 850	15 262	83 112
Other comprehensive (loss)/income	-	-	(10 630)	(760)	(2 200)	1 986	(26 787)	(38 391)	(1 129)	(39 520)
Total comprehensive (loss)/income for the year	-	-	(10 630)	(760)	(2 200)	1 986	41 063	29 459	14 133	43 592
Transfer	-	-	-	(79 776)	-	-	79 776	-	-	-
Dividend	-	-	-	-	-	-	(72 903)	(72 903)	(12 583)	(85 486)
As restated at July 1, 2015	265 100	7 354	65 476	1 093 038	36 615	15 344	1 091 009	2 573 936	40 848	2 614 784

ABRIDGED STATEMENT OF CASH FLOWS

	Audited Year ended June 30, 2016 Rs. ' 000	Audited Year ended June 30, 2015 Rs. ' 000
Net cash from operating activities	413 530	338 418
Net cash used in investing activities	(251 785)	(254 633)
Net cash used in financing activities	(102 588)	(124 412)
Increase/(Decrease) in cash and cash equivalents	59 157	(40 627)
MOVEMENT IN CASH AND CASH EQUIVALENTS		
At July 1,	(251 506)	(209 464)
Movement	59 157	(40 627)
Exchange difference	(4 342)	(1 415)
At June 30,	(196 691)	(251 506)

Notes

- The above Audited Abridged Group Financial Statements for the year ended June 30, 2016 have been prepared in compliance with International Financial Reporting Standards.

- The Statement of Financial Position and the Statement of Changes in Equity for prior years were restated further to an adjustment of Rs 165.4 million arising on the consolidation of group results.

THE UNITED BASALT PRODUCTS LIMITED AND ITS SUBSIDIARY COMPANIES
AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

SEGMENTAL INFORMATION

	Audited	Audited
	Year ended	Year ended
	June 30, 2016	June 30, 2015
	Rs. ' 000	Rs. ' 000
Revenue:		
Building materials - Core business	1 900 111	1 743 168
Building materials - Retail	871 313	727 890
Agriculture	71 291	71 838
Consolidation adjustments	<u>(206 265)</u>	<u>(187 656)</u>
Total	<u>2 636 450</u>	<u>2 355 240</u>
Operating profit/(loss):		
Building materials - Core business	244 036	183 192
Building materials - Retail	28 894	7 429
Agriculture	<u>(18 606)</u>	<u>(26 198)</u>
Total	<u>254 324</u>	<u>164 423</u>

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AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

COMMENTS

The Group's revenue for the year ended June 30, 2016 increased by 11.9% to Rs 2.6 billion whilst the Group's operating profit increased from Rs 164.4 million in 2015 to Rs 254.3 million this year, a rise of 54.7%. As shown in the segmental information disclosure, this improved performance is attributable mainly to our core business and retail segments whose revenues increased by 9% and 19.7% respectively for the year under review.

The above results were achieved despite the negative performance of our overseas core business subsidiaries operating in Madagascar and Sri Lanka, as a result of poor market conditions prevailing and due to administrative constraints imposed by local authorities. Furthermore, the investment of our Sri Lankan company in two subsidiaries was impaired by Rs 14.5 million at June 30, 2016 to reflect the uncertainty around the realisable value of assets held by these subsidiaries.

Our share of results from associates for the year dropped by Rs 3.2 million compared to prior year due mainly to losses incurred by our ready-mixed concrete entity attributable to a non-recurrent bad debt provision of Rs 13.2 million during the year.

Despite the above, the Group's profit increased from Rs 83.1 million for the year ended June 30, 2015 to Rs 158.1 million for the year under review. Earnings per share likewise increased significantly from Rs 2.56 in 2015 to Rs 5.14 this year.

OUTLOOK

The Group's revenue since July 2016 denotes an improvement over that of the corresponding period in 2015. Our future performance locally remains dependent on the level of investment in property development and public infrastructure projects which in turn depends on the prevailing economic conditions. However, the Group is committed to pursue its development plan by focussing on innovation and potential synergies within its entities and by seeking new growth opportunities. Overseas, the situation remains challenging, mainly in Sri Lanka.

By Order of the Board

Bhooneshi Nemchand
Company Secretary

27 September 2016

The above Audited Abridged Group Financial Statements have been extracted from the Audited Financial Statements for the year ended June 30, 2016, which have been prepared in accordance with International Financial Reporting Standards and have been audited by Messrs Ernst & Young.

The Audited Abridged Group Financial Statements are issued pursuant to Listing Rule 12.14 of the Stock Exchange of Mauritius and to Section 88 of the Securities Act 2005.

The Board of Directors of The United Basalt Products Limited accepts full responsibility for the accuracy of the information contained in these Audited Abridged Group Financial Statements.

The statement of direct and indirect interests of insiders required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request, free of charge, at the registered office of the Company, Trianon, Quatre Bornes.

Copies of this report are available to the public, free of charge, at the registered office of the Company, Trianon, Quatre Bornes.