

### STATEMENTS OF FINANCIAL POSITION

	GROUP	
	30 Sep 2016	31 Dec 2015
	Rs'000	Rs'000
<b>ASSETS</b>		
Non-current assets	2,393,380	2,387,200
Current assets	1,949,710	2,111,570
<b>Total assets</b>	<b>4,343,090</b>	<b>4,498,770</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Owners' interest	1,659,916	1,696,618
Non controlling interests	258,318	270,574
<b>Total equity</b>	<b>1,918,234</b>	<b>1,967,192</b>
Non-current liabilities	782,571	843,743
Current liabilities	1,642,285	1,687,835
<b>Total equity and liabilities</b>	<b>4,343,090</b>	<b>4,498,770</b>
Net assets per share(Rs)	147.43	150.68
Number of ordinary shares	11,259,388	11,259,388

### STATEMENTS OF PROFIT OR LOSS

	GROUP			
	Three months to 30 Sep 2016	Three months to 30 Sep 2015	Nine months to 30 Sep 2016	Nine months to 30 Sep 2015
	Rs'000	Rs'000	Rs'000	Rs'000
<b>Revenue</b>	<b>1,196,103</b>	1,112,587	<b>3,369,851</b>	3,221,968
<b>Profit/(loss) before finance costs</b>	<b>10,917</b>	(22,597)	<b>(3,545)</b>	(60,928)
Finance costs	(19,342)	(24,636)	(63,649)	(72,264)
Profit on disposal of investment	-	-	-	7,093
Share of result of associates	10,925	15,215	15,354	42,788
<b>Profit/(loss) before tax</b>	<b>2,500</b>	(32,018)	<b>(51,840)</b>	(83,311)
Income tax	(7,028)	(2,023)	(14,648)	(4,221)
<b>Loss for the period</b>	<b>(4,528)</b>	(34,041)	<b>(66,488)</b>	(87,532)
<b>Attributable to:</b>				
Owners of the parent	8,077	(16,311)	(22,231)	(40,443)
Non controlling interests	(12,605)	(17,730)	(44,257)	(47,089)
	<b>(4,528)</b>	(34,041)	<b>(66,488)</b>	(87,532)
Basic earnings/(loss) per share(Rs)	0.72	(1.45)	(1.97)	(3.59)

### STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Loss for the period	(4,528)	(34,041)	(66,488)	(87,532)
Other comprehensive income for the period net of tax	2,187	30,785	17,530	36,248
<b>Total comprehensive income for the period</b>	<b>(2,341)</b>	(3,256)	<b>(48,958)</b>	(51,284)
Other comprehensive income attributable to:				
Owners of the parent	(26,080)	(2,146)	(14,471)	4,544
Non controlling interests	28,267	32,931	32,001	31,704
	<b>2,187</b>	30,785	<b>17,530</b>	36,248

### STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Actuarial losses	Revaluation, Fair value and other Reserves	Retained Earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>GROUP</b>					
Balance at 1 January 2016	112,594	(51,545)	367,590	1,267,979	1,696,618
Loss for the period	-	-	-	(22,231)	(22,231)
Effect of change in ownership not resulting in loss of control	-	-	74,036	(101,944)	(27,908)
Other comprehensive income	-	-	13,437	-	13,437
<b>Balance at 30 September 2016</b>	<b>112,594</b>	<b>(51,545)</b>	<b>455,063</b>	<b>1,143,804</b>	<b>1,659,916</b>
Balance at 1 January 2015	112,594	(45,570)	389,955	1,309,942	1,766,921
Loss for the period	-	-	-	(40,443)	(40,443)
Other comprehensive income	-	-	4,544	-	4,544
Balance at 30 September 2015	112,594	(45,570)	394,499	1,269,499	1,731,022

### STATEMENTS OF CASH FLOWS

	GROUP	
	Nine months 30 Sep 2016	Nine months 30 Sep 2015
	Rs'000	Rs'000
<b>Operating activities</b>		
Net cash generated from/ (absorbed in) operating activities	10,116	(73,632)
<b>Investing activities</b>		
Net cash absorbed in investing activities	(21,389)	(1,428)
<b>Financing activities</b>		
Net cash absorbed in financing activities	(121,008)	(125,196)
<b>Decrease in cash and cash equivalents</b>	<b>(132,281)</b>	(200,256)
<b>Movement in cash and cash equivalents</b>		
At 1 January	(33,290)	73,246
Decrease	(132,281)	(200,256)
Effect of foreign exchange difference	13,116	(33,016)
<b>At 30 September</b>	<b>(152,455)</b>	(160,026)

The quarterly condensed financial statements have been prepared using the same accounting policies as for the statutory financial statements for the year ended 31 December 2015, except for the adoption of published Standards that are now effective.

#### 1. Brief review of the activity and the results

##### General context

The Harel Mallac Group, with activities in Mauritius, Burundi, Madagascar, Rwanda, Tanzania and Zambia, employs over 1500 employees and represents some 215 brands. It is mainly active in five key sectors of the economy, namely Technology, Chemicals, Retail, Engineering and Business Services.

##### Results

During the quarter under review, group revenue increased by 7.6% compared with the same period last year to reach Rs1,196 million. Group revenue has increased by 4.6% for the nine months ended 30 September 2016, compared with the corresponding period last year. This was driven by the Retail and Chemical arms which improved their sales by Rs66 million and Rs219 million respectively.

Group's operational results before finance costs for the third quarter showed an improvement of Rs33 million compared with the equivalent period in 2015. This trend is also consistent over the nine months ended 30 September 2016, which showed an improvement of Rs57 million vs. 2015, driven by a higher-margin sales mix and significant prior year foreign exchange losses dropping out.

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

The reportable segments are strategic business units that offer different products and services.

	Corporate, Property & Services	Technology	Chemical	Retail	Engineering	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Nine months ended 30 September 2016</b>							
Total segment revenues	212,602	1,043,513	1,444,797	660,705	249,075	-	3,610,692
Inter-segment revenues	(136,669)	(45,240)	(43,018)	(2,763)	(13,151)	-	(240,841)
<b>Revenues from external customers</b>	<b>75,933</b>	<b>998,273</b>	<b>1,401,779</b>	<b>657,942</b>	<b>235,924</b>	<b>-</b>	<b>3,369,851</b>
<b>Segment profit/(loss)</b>	<b>(7,891)</b>	<b>27,986</b>	<b>63,726</b>	<b>(49,370)</b>	<b>(525)</b>	<b>(37,471)</b>	<b>(3,545)</b>
Share of results of associates	48,621	-	(33,267)	-	-	-	15,354
Finance costs	(56,356)	(19,533)	(10,693)	(11,356)	(3,182)	37,471	(63,649)
<b>Profit/(loss) before tax</b>	<b>(15,626)</b>	<b>8,453</b>	<b>19,766</b>	<b>(60,726)</b>	<b>(3,707)</b>	<b>-</b>	<b>(51,840)</b>
<b>Total assets 30 September 2016</b>	<b>1,814,119</b>	<b>675,664</b>	<b>1,275,512</b>	<b>416,740</b>	<b>161,055</b>	<b>-</b>	<b>4,343,090</b>
31 December 2015	1,783,177	668,440	1,413,224	429,924	204,005	-	4,498,770
<b>Nine months ended 30 September 2015</b>							
Total segment revenues	156,619	1,188,432	1,341,040	594,245	293,128	-	3,573,464
Inter-segment revenues	(95,046)	(83,188)	(158,294)	(2,675)	(12,293)	-	(351,496)
Revenues from external customers	61,573	1,105,244	1,182,746	591,570	280,835	-	3,221,968
Segment profit/(loss)	13,649	27,637	1,469	(55,144)	(7,291)	(41,248)	(60,928)
Profit on disposal of investment	7,093	-	-	-	-	-	7,093
Share of results of associates	41,056	-	1,732	-	-	-	42,788
Finance costs	(59,158)	(28,804)	(11,709)	(10,006)	(3,835)	41,248	(72,264)
Profit/(loss) before tax	2,640	(1,167)	(8,508)	(65,150)	(11,126)	-	(83,311)
<b>Total assets 30 September 2015</b>	<b>1,710,293</b>	<b>695,371</b>	<b>1,291,505</b>	<b>410,381</b>	<b>185,783</b>	<b>-</b>	<b>4,293,333</b>
31 December 2014 (Restated)	1,771,790	700,596	1,470,101	381,096	195,206	-	4,518,789

The contribution to the group's results from our associates and joint ventures for the nine months ended 30 September 2016 has decreased to Rs15 million compared with Rs43 million in 2015, mainly attributable to adverse results from our associate in the construction industry and the reduced performance from our associate in the retail petroleum industry. Our associates in the hospitality and engineering industries continue to perform well.

The Harel Mallac Group ended the third quarter of 2016 with a loss after tax of Rs66 million compared to the prior year where it recorded a loss after tax of Rs88 million. In line with the nature of our activities, revenue in the last quarter is expected to be better than the previous individual quarters.

These unaudited quarterly financial statements and copies of the Directors' and Senior officers' statements of interests are available free of charge from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell Street, Port Louis.

This interim report is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.

The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained in this report.

By order of the Board  
**HM Secretaries Ltd**  
 Company Secretary  
 09 November 2016

