

**THE UNITED BASALT PRODUCTS LIMITED AND ITS SUBSIDIARY COMPANIES**  
**UNAUDITED ABRIDGED GROUP INTERIM FINANCIAL STATEMENTS**  
**QUARTER AND HALF YEAR ENDED DECEMBER 31, 2016**

**ABRIDGED STATEMENT OF FINANCIAL POSITION**

	Unaudited		Audited
	As at December 31, 2016 Rs. ' 000	As at December 31, 2015 Rs. ' 000 (Restated)	As at June 30, 2016 Rs. ' 000
<b>ASSETS</b>			
Non-current assets	3 154 316	3 160 582	3 165 563
Current assets	1 110 896	1 317 684	1 140 922
<b>TOTAL ASSETS</b>	<b>4 265 212</b>	<b>4 478 266</b>	<b>4 306 485</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to shareholders of the parent	2 763 244	2 690 260	2 631 481
Non-controlling interests	54 787	52 339	46 238
<b>TOTAL EQUITY</b>	<b>2 818 031</b>	<b>2 742 599</b>	<b>2 677 719</b>
Non-current liabilities	932 349	1 050 519	917 876
Current liabilities	514 832	685 148	710 890
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 265 212</b>	<b>4 478 266</b>	<b>4 306 485</b>

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**ABRIDGED STATEMENT OF COMPREHENSIVE INCOME**

	Unaudited				Audited
	Quarter ended	Quarter ended	Half year ended	Half year ended	Year ended
	December 31, 2016 Rs. ' 000	December 31, 2015 Rs. ' 000	December 31, 2016 Rs. ' 000	December 31, 2015 Rs. ' 000	June 30, 2016 Rs. ' 000
<b>Revenue</b>	<b>740 047</b>	<b>778 485</b>	<b>1 439 381</b>	<b>1 439 964</b>	<b>2 636 450</b>
<b>Operating profit</b>	<b>80 820</b>	<b>96 968</b>	<b>163 757</b>	<b>184 270</b>	<b>254 324</b>
Finance income	103	228	166	294	2 473
Finance costs	(11 549)	(12 341)	(21 649)	(25 911)	(51 633)
Share of results of associates	9 177	(1 965)	17 763	2 526	(6 367)
<b>Profit before tax</b>	<b>78 551</b>	<b>82 890</b>	<b>160 037</b>	<b>161 179</b>	<b>198 797</b>
Income tax expense	(7 056)	(11 203)	(18 068)	(21 239)	(40 694)
<b>Profit for the period / year</b>	<b>71 495</b>	<b>71 687</b>	<b>141 969</b>	<b>139 940</b>	<b>158 103</b>
<b>Other comprehensive income / (loss)</b>					
<i>Items to be reclassified to profit or loss in subsequent periods:</i>					
Net (loss) / gain on available-for-sale investments	(823)	197	(380)	(2 344)	(8 002)
Exchange differences on translation of foreign operations	322	(2 357)	(1 418)	(7 643)	(10 089)
<b>Net other comprehensive loss to be reclassified to profit or loss in subsequent periods</b>	<b>(501)</b>	<b>(2 160)</b>	<b>(1 798)</b>	<b>(9 987)</b>	<b>(18 091)</b>
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
Re-measurement gains on defined benefit plans	-	-	-	-	21 731
Income tax effect on re-measurement gains on defined benefit plans	-	-	-	-	(2 730)
Share of movement in reserves in associates	632	(1 538)	741	(1 538)	(1 538)
<b>Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods</b>	<b>632</b>	<b>(1 538)</b>	<b>741</b>	<b>(1 538)</b>	<b>17 463</b>
<b>Other comprehensive income / (loss) for the period / year, net of tax</b>	<b>131</b>	<b>(3 698)</b>	<b>(1 057)</b>	<b>(11 525)</b>	<b>(628)</b>
<b>Total comprehensive income for the period / year, net of tax</b>	<b>71 626</b>	<b>67 989</b>	<b>140 912</b>	<b>128 415</b>	<b>157 475</b>
<b>Profit for the period / year attributable to:</b>					
Equity holders of the parent	66 670	62 916	132 580	126 227	136 346
Non-controlling interests	4 825	8 771	9 389	13 713	21 757
	<b>71 495</b>	<b>71 687</b>	<b>141 969</b>	<b>139 940</b>	<b>158 103</b>
<b>Total comprehensive income for the period / year attributable to:</b>					
Equity holders of the parent	66 816	61 011	131 763	116 324	137 075
Non-controlling interests	4 810	6 978	9 149	12 091	20 400
	<b>71 626</b>	<b>67 989</b>	<b>140 912</b>	<b>128 415</b>	<b>157 475</b>
<b>Earnings per share (Rs)</b>					
Basic, profit for the period / year attributable to ordinary equity holders of the parent	2,51	2,37	5,00	4,76	5,14

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**ABRIDGED STATEMENT OF CHANGES IN EQUITY**

<b>Unaudited</b>	<b>Equity attributable to shareholders of the parent</b>							<b>Non-controlling Interests</b>	<b>Total</b>	
	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Associate Companies</b>	<b>Revaluation Reserve</b>	<b>Fair Value Reserve</b>	<b>Translation Reserve</b>	<b>Retained Earnings</b>			
	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>			
At July 1, 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
Profit for the period	-	-	-	-	-	-	132 580	132 580	9 389	141 969
Other comprehensive income / (loss)	-	-	741	-	(380)	(1 178)	-	(817)	(240)	(1 057)
Total comprehensive income / (loss) for the period	-	-	741	-	(380)	(1 178)	132 580	131 763	9 149	140 912
Dividend	-	-	-	-	-	-	-	-	(600)	(600)
<b>At December 31, 2016</b>	<b>265 100</b>	<b>7 354</b>	<b>64 679</b>	<b>1 093 038</b>	<b>28 233</b>	<b>6 266</b>	<b>1 298 574</b>	<b>2 763 244</b>	<b>54 787</b>	<b>2 818 031</b>
At July 1, 2015	265 100	7 354	65 476	1 093 038	36 615	62 631	1 192 814	2 723 028	57 132	2 780 160
- As previously reported	-	-	-	-	-	(47 287)	(101 805)	(149 092)	(16 284)	(165 376)
- Prior year adjustment	-	-	-	-	-	-	-	-	-	-
- As restated	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 period	-	-	-	-	-	-	126 227	126 227	13 713	139 940
Other comprehensive loss	-	-	(1 538)	-	(2 344)	(6 021)	-	(9 903)	(1 622)	(11 525)
Total comprehensive (loss) / income for the period	-	-	(1 538)	-	(2 344)	(6 021)	126 227	116 324	12 091	128 415
Dividend	-	-	-	-	-	-	-	-	(600)	(600)
<b>At December 31, 2015</b>	<b>265 100</b>	<b>7 354</b>	<b>63 938</b>	<b>1 093 038</b>	<b>34 271</b>	<b>9 323</b>	<b>1 217 236</b>	<b>2 690 260</b>	<b>52 339</b>	<b>2 742 599</b>

**ABRIDGED STATEMENT OF CASH FLOWS**

	<b>Unaudited</b>	
	<b>Half year ended</b>	<b>Half year ended</b>
	<b>December 31, 2016</b>	<b>December 31, 2015</b>
	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>
Net cash flows from operating activities	167 890	215 120
Net cash flows used in investing activities	(61 560)	(124 700)
Net cash flows (used in) / from financing activities	(7 378)	57 498
<b>Increase in cash and cash equivalents</b>	<b>98 952</b>	<b>147 918</b>
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>		
At July 1,	(196 691)	(251 506)
Movement	98 952	147 918
At December 31,	(97 739)	(103 588)

The above Unaudited Abridged Group Interim Financial Statements for the half year ended December 31, 2016 have been prepared in compliance with International Financial Reporting Standards and on a basis consistent with that of the latest Audited Group Financial Statements for the year ended June 30, 2016.

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**SEGMENTAL INFORMATION**

	<b>Unaudited</b>				<b>Audited</b>
	<b>Quarter ended</b>	<b>Quarter ended</b>	<b>Half year ended</b>	<b>Half year ended</b>	<b>Year ended</b>
	<b>December 31, 2016</b>	<b>December 31, 2015</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>	<b>June 30, 2016</b>
	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>
<b>Revenue:</b>					
Building materials - Core business	<b>483 299</b>	526 806	<b>976 577</b>	1 014 003	1 900 111
Building materials - Retail	<b>265 002</b>	291 155	<b>483 270</b>	499 493	871 313
Agriculture	<b>36 437</b>	24 351	<b>67 352</b>	38 972	71 291
Consolidation adjustments	<b>(44 691)</b>	(63 827)	<b>(87 818)</b>	(112 504)	(206 265)
<b>Total</b>	<b>740 047</b>	778 485	<b>1 439 381</b>	1 439 964	2 636 450
<b>Operating profit:</b>					
Building materials - Core business	<b>66 520</b>	84 704	<b>141 743</b>	167 538	244 036
Building materials - Retail	<b>19 244</b>	18 086	<b>29 251</b>	27 244	28 894
Agriculture	<b>(4 944)</b>	(5 822)	<b>(7 237)</b>	(10 512)	(18 606)
<b>Total</b>	<b>80 820</b>	96 968	<b>163 757</b>	184 270	254 324

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**COMMENTS**

The Group's revenue for the half year ended December 31, 2016 was comparable to that of the same period in 2015 whilst the Group's operating profit decreased from Rs 184.2 million to Rs 163.7 million. This drop in result is attributable to our core business segment which was impacted by an increase in doubtful debts provision and a shortage of our dry mortar products caused by our factory's upgrading project. Besides, our retail segment posted improved results despite a drop in revenue during the last quarter.

In terms of overseas core business operations, our subsidiary company operating in Madagascar posted positive results for the half year period under review whilst our subsidiary in Sri Lanka continued to incur losses due to the non-renewal of its crushing permit.

Our subsidiary Cie de Gros Cailloux Ltée implemented a VRS in December 2016 at a net cost of Rs 12.3 million which was capitalised as land conversion cost to be used for any potential future land development project.

Our share of results from associates increased by Rs 15.2 million for the period under review compared to the same period in 2015 due mainly to the improved performance of our ready-mixed concrete entity.

Consequently, the Group's profit increased from Rs 139.9 million for the half year ended December 31, 2015 to Rs 141.9 million for the half year period under review. Earnings per share attributable to shareholders of the parent company (UBP) increased from Rs 4.76 in 2015 to Rs 5.00 for this period.

**OUTLOOK**

Our future performance locally still remains dependent on the level of property development and public infrastructure projects. The construction industry's growth rate for 2017 is forecasted at 7% which is very encouraging but there is still no clear visibility on the timing of the various announced projects.

**By Order of the Board**

**Bhooneshi Nemchand**  
Company Secretary

**February 8, 2017**

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The above Unaudited Abridged Group Interim Financial Statements are issued pursuant to Listing Rule 12.20 of the Stock Exchange of Mauritius and to Section 88 of the Securities Act 2005.

The Board of Directors of The United Basalt Products Ltd accepts full responsibility for the accuracy of the information contained in these Unaudited Abridged Group Interim 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.*