

STATEMENTS OF FINANCIAL POSITION

	GROUP	
	2016	2015
	Rs'000	Rs'000
ASSETS		
Non-current assets	2,689,880	2,387,200
Current assets	2,037,534	2,111,570
Total Assets	4,727,414	4,498,770
EQUITY AND LIABILITIES		
Share capital and reserves		
Owners' interest	1,711,983	1,696,618
Non controlling interests	276,315	270,574
Total Equity	1,988,298	1,967,192
Non-current liabilities	895,786	843,743
Current liabilities	1,843,330	1,687,835
Total Equity and Liabilities	4,727,414	4,498,770
Net assets per share(Rs)	152.05	150.68
Number of ordinary shares	11,259,388	11,259,388

STATEMENTS OF PROFIT OR LOSS

	GROUP	
	2016	2015
	Rs'000	Rs'000
Revenue	4,597,947	4,635,687
Continuing operations		
Profit/(loss) before finance costs	41,792	(412)
Finance costs	(57,572)	(72,426)
Profit on disposal of investments	-	10,691
Net impairment of assets	(4,031)	(38,502)
Impairment of goodwill	(12,772)	-
Share of results of associates and joint ventures	50,019	65,640
Profit/(loss) before tax	17,436	(35,009)
Income tax	(31,778)	(12,833)
Loss for the year from continuing operations	(14,342)	(47,842)
Post tax loss from discontinued operations	(63,202)	(10,961)
Loss for the year	(77,544)	(58,803)
Attributable to:		
Owners of the parent	(33,693)	(4,562)
Non controlling interests	(43,851)	(54,241)
	(77,544)	(58,803)
Earnings per share from continuing operations(Rs/cents)	2.62	0.57
Loss per share from discontinued operations (Rs/cents)	(5.61)	(0.97)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Loss for the year	(77,544)	(58,803)
Other comprehensive income for the year net of tax	126,114	1,860
Total comprehensive income for the year	48,570	(56,943)
Attributable to:		
Owners of the parent	63,539	(32,144)
Non controlling interests	(14,969)	(24,799)
	48,570	(56,943)

STATEMENTS OF CHANGES IN EQUITY

GROUP

Balance at 1 January 2016

Loss for the year	-	-	-	(33,693)	(33,693)	(43,851)	(77,544)
Other comprehensive income/(loss) for the year	-	126,414	(29,182)	-	97,232	28,882	126,114
Total comprehensive income/(loss) for the year	-	126,414	(29,182)	(33,693)	63,539	(14,969)	48,570
Issue of shares to non-controlling shareholders	-	-	-	-	-	231	231
Movement in reserves	-	(1,714)	-	1,714	-	-	-
Change in ownership interest in subsidiary that does not result in loss of control	-	74,037	-	(101,944)	(27,907)	27,907	-
Dividends	-	-	-	(20,267)	(20,267)	-	(20,267)
Dividends payable to non controlling shareholders	-	-	-	-	-	(7,428)	(7,428)
	-	72,323	-	(120,497)	(48,174)	20,710	(27,464)

Balance at 31 December 2016

Balance at 1 January 2015

Loss for the year	-	(21,607)	(5,975)	-	(4,562)	(54,241)	(58,803)
Other comprehensive (loss)/income for the year	-	(21,607)	(5,975)	(4,562)	(32,144)	(24,799)	(56,943)
Total comprehensive loss for the year	-	(758)	-	758	-	-	-
Movement in reserves	-	-	-	-	-	(1,764)	(1,764)
Transfer	-	-	-	-	-	-	-
Dividends	-	-	-	(20,267)	(20,267)	-	(20,267)
Dividends payable to non controlling shareholders	-	-	-	-	-	(7,482)	(7,482)
	-	(22,365)	(5,975)	(24,071)	(52,411)	(34,045)	(86,456)

Balance at 31 December 2015

STATEMENTS OF CASH FLOWS

	GROUP	
	2016	2015
	Rs'000	Rs'000
Net cash generated from operating activities	254,060	44,896
Net cash absorbed in investing activities	(170,500)	(7,245)
Net cash absorbed in financing activities	(29,258)	(165,802)
Net increase/(decrease) in cash and cash equivalents	54,302	(128,151)
Movement in cash and cash equivalents		
At 1 January	(33,290)	73,246
Increase/(decrease)	54,302	(128,151)
	15,426	21,615
Effect of foreign exchange difference		
	36,438	(33,290)

Profile

Based in Mauritius, Harel Mallac Group (the Group) operates in six countries in Africa and the Indian Ocean, and employs some 1,380 people. The Group comprises three distinct clusters of operations: Manufacturing & Trading, Business Services and Asset Management.

Performance

Harel Mallac achieved a consolidated revenue of Rs4.6 billion, a level at par with 2015. The Group's operational performance improved, with the profit before finance cost increasing by Rs42 million. This improvement was mainly driven by our Chemicals, Fertilisers & Hygiene and Technology divisions, following through on our reorganised structures.

Finance costs decreased by Rs15 million, driven by lower cost of borrowings and favourable exchange differences. Impairment of intangible assets stood at Rs17 million.

Our investments in the hospitality sector continued to perform well. However, the overall contribution to the Group's results from our associates and joint ventures for the year ended 31 December 2016 decreased by Rs16 million mainly attributable to the adverse results from our associate in the construction industry.

The Group ended 2016 with a loss after tax of Rs78 million, including the losses of our retail division and the significant losses from our discontinued operations in the healthcare sector in Mauritius and in the distribution sector in Madagascar.

On a positive note, the Group's net working capital improved, with a direct impact on the net cash generated from operating activities in 2016.

Outlook

One of the key challenges for 2017 remains the improvement of our retail division's financial performance with a number of strategic actions being undertaken to address this situation. With regard to the overall performance, although operational challenges remain, management is confident that the restructuring changes completed by Harel Mallac in 2016, as well as the continuing measures planned for 2017, have set the scene for the better.

The statement of direct and indirect interests of officers of the Company required under the rule 8(2)m of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell street, Port-Louis.

Copies of the abridged audited financial statements are available free of charge upon request at the Company's registered office, 18 Edith Cavell street, Port-Louis.

This report is issued pursuant to Listing Rule 12.14 and the Securities Act 2005. The Board of Directors of Harel Mallac & Co. Ltd. accepts full responsibility for the accuracy of the information contained therein.

By order of the Board
HM Secretaries Ltd
Company Secretary
31 March 2017