

eNL Commercial Limited

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2017

1. CONDENSED STATEMENTS OF FINANCIAL POSITION

| | Mar 31, 2017 | June 30, 2016 restated | June 30, 2015 restated |
|-------------------------------------|------------------|------------------------|------------------------|
| | Rs'000 | Rs'000 | Rs'000 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 728,559 | 738,224 | 752,184 |
| Investment properties | 89,639 | 106,361 | 81,792 |
| Investments and others | 171,168 | 156,385 | 160,995 |
| | 989,366 | 1,000,970 | 994,971 |
| Current assets | 1,384,910 | 1,300,552 | 1,106,140 |
| Total assets | 2,374,276 | 2,301,522 | 2,101,111 |
| EQUITY AND LIABILITIES | | | |
| Equity and reserves | | | |
| Equity holders' interests | 664,917 | 671,289 | 725,660 |
| Non-controlling interests | (1) | (31) | 8 |
| Total equity and reserves | 664,916 | 671,258 | 725,668 |
| Non-current liabilities | 845,634 | 468,451 | 348,299 |
| Current liabilities | 863,726 | 1,161,813 | 1,027,144 |
| Total equity and liabilities | 2,374,276 | 2,301,522 | 2,101,111 |

3. CONDENSED CASH FLOW STATEMENTS

| | Nine months ended Mar 31, 2017 | Nine months ended Mar 31, 2016 |
|---|--------------------------------|--------------------------------|
| | Rs'000 | Rs'000 |
| Net cash flows from operating activities | 2,321 | (51,380) |
| Net cash flows from investing activities | (40,734) | (71,802) |
| Net cash flows from financing activities | (54,337) | (16,529) |
| Net movement in cash and cash equivalents | (92,750) | (139,711) |
| Opening cash and cash equivalents | (221,855) | (190,845) |
| Closing cash and cash equivalents | (314,605) | (330,556) |

4. SEGMENTAL INFORMATION

| | Quarter ended Mar 31, 2017 | Quarter ended Mar 31, 2016 restated | Nine months ended Mar 31, 2017 | Nine months ended Mar 31, 2016 restated |
|---------------------------------------|----------------------------|-------------------------------------|--------------------------------|---|
| | Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| TURNOVER | | | | |
| Corporate office | 843 | 3,496 | 5,140 | 7,611 |
| Property | 1,345 | - | 1,345 | - |
| Automotive | 554,057 | 488,134 | 1,513,186 | 1,345,614 |
| Trading and services | 57,161 | 52,300 | 178,817 | 185,536 |
| Industry and manufacturing | 103,389 | 118,271 | 351,110 | 391,031 |
| | 716,795 | 662,201 | 2,049,598 | 1,929,792 |
| SEGMENT RESULTS AFTER TAXATION | | | | |
| Corporate office | (5,429) | (8,917) | (23,408) | (23,735) |
| Property | (29,050) | - | (29,050) | - |
| Automotive | 22,437 | 4,108 | 38,310 | (1,728) |
| Trading and services | 3,952 | (873) | 15,940 | 1,894 |
| Industry and manufacturing | 4,193 | (4,277) | (6,085) | (4,656) |
| | (3,897) | (9,959) | (4,293) | (28,225) |

5. CONDENSED STATEMENTS OF CHANGES IN EQUITY

| | Attributable to owners of the parent | | | | Non-controlling interests | Total |
|---|--------------------------------------|----------------------|-------------------------------|-------------------|---------------------------|----------|
| | Share capital | Associated companies | Fair value and other reserves | Retained earnings | | |
| | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| At July 1, 2015 as previously stated | 177,960 | (6,997) | 123,308 | 452,997 | 8 | 747,276 |
| Prior year adjustment | - | - | - | (21,608) | - | (21,608) |
| As restated | 177,960 | (6,997) | 123,308 | 431,389 | 8 | 725,668 |
| Loss for the period | - | (752) | - | (27,506) | 33 | (28,225) |
| Other comprehensive income for the period | - | (561) | - | - | - | (561) |
| Dividends | - | - | - | (13,128) | - | (13,128) |
| At Mar 31, 2016 | 177,960 | (8,310) | 123,308 | 390,755 | 41 | 683,754 |
| At July 1, 2016 as previously stated | 177,960 | (10,677) | 123,308 | 404,703 | (31) | 695,263 |
| Prior year adjustment | - | - | - | (24,005) | - | (24,005) |
| As restated | 177,960 | (10,677) | 123,308 | 380,698 | (31) | 671,258 |
| Transfer on disposal of associated company | - | 44,013 | - | (44,013) | - | - |
| Profit/(loss) for the period | - | 13,790 | - | (18,113) | 30 | (4,293) |
| Other comprehensive income for the period | - | (2,049) | - | - | - | (2,049) |
| At Mar 31, 2017 | 177,960 | 45,077 | 123,308 | 318,572 | (1) | 664,916 |

Notes:

The interim financial statements to 31 March 2017 are unaudited. They have been prepared using the same accounting policies and methods of computation followed per the audited financial statements for the year ended June 30, 2016.

These condensed financial statements are issued pursuant to Listing Rules 12.20 and 12.21 and section 88 of the Securities Act 2005.

Copies of this report are available free of charge to the public at the registered office of the company at ENL House, Vivéa Business Park, Moka.

Copies of the statement of direct and indirect interests of the senior officers of the Company pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 are available free of charge to the public upon request to the Company Secretary at the Registered Office of the Company at ENL House, Vivéa Business Park, Moka.

The Board of Directors of ENL Commercial Limited accepts full responsibility for the accuracy of the information contained in this communiqué.

Visit our website: <http://www.enl.mu/investors/enl-commercial> or contact us on investors@enl.mu

2. CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Quarter ended Mar 31, 2017 | Quarter ended Mar 31, 2016 restated | Nine months ended Mar 31, 2017 | Nine months ended Mar 31, 2016 restated |
|---|----------------------------|-------------------------------------|--------------------------------|---|
| | Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| Turnover | 716,795 | 662,201 | 2,049,598 | 1,929,792 |
| Operating profit | 7,818 | 7,681 | 39,955 | 23,769 |
| Fair value adjustments on held for trading securities | 306 | (492) | 444 | (423) |
| Impairment of goodwill | - | - | (5,382) | - |
| Profit on disposal of associated company | 6,837 | - | 6,837 | - |
| Share of results of associated companies | 3,513 | 1,553 | 13,789 | 698 |
| Finance costs | (19,133) | (18,658) | (53,117) | (51,960) |
| Profit/(loss) before taxation | (659) | (9,916) | 2,526 | (27,916) |
| Income tax expense | (3,238) | (43) | (6,819) | (309) |
| Loss for the period | (3,897) | (9,959) | (4,293) | (28,225) |
| Other comprehensive income | | | | |
| Share of comprehensive income of associates | (2,175) | 591 | (2,049) | (561) |
| Other comprehensive income for the period | (2,175) | 591 | (2,049) | (561) |
| Total comprehensive income for the period | (6,072) | (9,368) | (6,342) | (28,786) |
| Loss for the period attributable to: | | | | |
| Equity holders of the company | (3,918) | (9,975) | (4,323) | (28,258) |
| Non-controlling interests | 21 | 16 | 30 | 33 |
| | (3,897) | (9,959) | (4,293) | (28,225) |
| Total comprehensive income for the period attributable to: | | | | |
| Equity holders of the company | (6,093) | (9,384) | (6,372) | (28,819) |
| Non-controlling interests | 21 | 16 | 30 | 33 |
| | (6,072) | (9,368) | (6,342) | (28,786) |
| Per share data | | | | |
| Loss attributable to equity holders of the company (Rs '000) | (3,918) | (9,975) | (4,323) | (28,258) |
| Number of shares in issue ('000) | 29,173 | 29,173 | 29,173 | 29,173 |
| Loss per share (Rs) | (0.13) | (0.34) | (0.15) | (0.97) |
| Dividend per share (Rs) | - | - | - | 0.45 |
| Net asset value per share at Mar 31, 2017 / June 30, 2016 (Rs) | - | - | 22.79 | 23.01 |

Comments on the financial statements

The group registered a better set of results for the period under review with operating profit increasing by 68% over last year's restated figures and profit before tax of Rs 2.5m compared with a loss of Rs 28m last year.

The prior year adjustment results from a change in the accounting policy to account for investment properties by the group from the fair value model to the cost model. The accounts of the preceding year have been restated accordingly.

As mentioned in the 31 December 2016 abridged accounts, the group raised Rs 560m of floating rate notes via its wholly-owned subsidiary, Commercial Investment Property Fund Limited (CIPF), to restructure its property portfolio, thus the reporting of a property segment as from this quarter. This restructuring, which has resulted in a reduction of the debts of the group's operational subsidiaries, will enable these companies to better focus on their operational activities and will also enable a better management of the group's immovable properties.

ENL Commercial has decided not to subscribe to a rights issue by its associated company Cogir in March 2017, deciding instead to focus on its core activities. Following this rights issue, the group's holding in Cogir has been diluted to an insignificant level and as such has accounted for a deemed disposal of that company. This disposal gave rise to a profit of Rs 7m.

Automotive

The automotive segment continued on its trend since the beginning of the financial year. Turnover grew by 12.5% thanks mainly to increased vehicle sales, particularly Jaguar and Peugeot, and after sales services. Profit after taxation, which amounted to Rs 38m, was impacted positively by the release of deferred tax amounting to Rs 10.6m following the sale of the immovable properties to CIPF.

Trading and services

The trading and services segment turnover decreased marginally compared with last year with a break-even in its operational results. Profit after taxation was however significantly higher than the previous year, driven by the improved performance of the associated companies which contributed Rs 19m to share of profit compared with Rs 8m last year.

Industry and manufacturing

The industry and manufacturing segment posted a 10% decrease in turnover and increased losses after taxation compared with last year. The results were affected by the losses of Rs 11m incurred by the indoor and outdoor furnishings business which has continued to underperform.

Outlook

The group should perform well for the remaining quarter and is expected to increase its operating profits for the full year.

By order of the Board

ENL Limited

Company Secretary

12 May 2017

