

THE UNITED BASALT PRODUCTS LTD AND ITS SUBSIDIARY COMPANIES
UNAUDITED ABRIDGED GROUP INTERIM FINANCIAL STATEMENTS
QUARTER AND HALF YEAR ENDED DECEMBER 31, 2017

ABRIDGED STATEMENT OF FINANCIAL POSITION

	Unaudited		Audited
	As at December 31, 2017 Rs. ' 000	As at December 31, 2016 Rs. ' 000	As at June 30, 2017 Rs. ' 000
ASSETS			
Non-current assets	3 672 850	3 154 316	3 691 158
Current assets	1 388 220	1 110 896	1 280 196
TOTAL ASSETS	5 061 070	4 265 212	4 971 354
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of the parent	3 266 828	2 763 244	3 130 790
Non-controlling interests	51 317	54 787	42 766
TOTAL EQUITY	3 318 145	2 818 031	3 173 556
Non-current liabilities	456 267	932 349	1 005 934
Current liabilities	1 286 658	514 832	791 864
TOTAL EQUITY AND LIABILITIES	5 061 070	4 265 212	4 971 354

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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,	December 31,	December 31,	December 31,	June 30,
	2017	2016	2017	2016	2017
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Revenue	831 058	740 047	1 571 943	1 439 381	2 651 466
Operating profit	90 566	80 820	181 011	163 757	217 162
Finance income	40	103	73	166	1 347
Finance costs	(10 685)	(11 549)	(23 458)	(21 649)	(47 081)
Share of results of associates	3 820	9 177	13 250	17 763	34 280
Profit before tax	83 741	78 551	170 876	160 037	205 708
Income tax expense	(13 378)	(7 056)	(25 213)	(18 068)	(34 077)
Profit for the period / year	70 363	71 495	145 663	141 969	171 631
Other comprehensive income / (loss)					
<i>Items to be reclassified to profit or loss in subsequent periods:</i>					
Net gain / (loss) on available-for-sale investments	856	(823)	1 374	(380)	2 329
Release on disposal of available-for-sale investments	-	-	-	-	(10 813)
Exchange differences on translation of foreign operations	1 464	322	2 089	(1 418)	1 667
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	2 320	(501)	3 463	(1 798)	(6 817)
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
Re-measurement losses on defined benefit plans	-	-	-	-	(13 223)
Income tax effect on re-measurement losses on defined benefit plans	-	-	-	-	2 300
Revaluation of land and buildings	-	-	-	-	446 235
Deferred tax effect on revaluation of land and buildings	-	-	-	-	(45 411)
Share of movement in reserves of associates	(3 937)	632	(3 937)	741	42 090
Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods	(3 937)	632	(3 937)	741	431 991
Other comprehensive income / (loss) for the period / year, net of tax	(1 617)	131	(474)	(1 057)	425 174
Total comprehensive income for the period / year, net of tax	68 746	71 626	145 189	140 912	596 805
Profit for the period / year attributable to:					
Equity holders of the parent	65 949	66 670	136 586	132 580	159 669
Non-controlling interests	4 414	4 825	9 077	9 389	11 962
	70 363	71 495	145 663	141 969	171 631
Total comprehensive income for the period / year attributable to:					
Equity holders of the parent	64 306	66 816	136 038	131 763	585 467
Non-controlling interests	4 440	4 810	9 151	9 149	11 338
	68 746	71 626	145 189	140 912	596 805
Earnings per share (Rs)					
Basic, profit for the period / year attributable to ordinary equity holders of the parent	2,49	2,51	5,15	5,00	6,02

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ABRIDGED STATEMENT OF CHANGES IN EQUITY

<u>Unaudited</u>	Equity attributable to shareholders of the parent							Non-controlling Interests	Total	
	Issued Capital	Share Premium	Associate Companies	Revaluation Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings			
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000			
At July 1, 2017	265 100	7 354	106 028	1 490 537	20 129	10 655	1 230 987	3 130 790	42 766	3 173 556
Profit for the period	-	-	-	-	-	-	136 586	136 586	9 077	145 663
Other comprehensive income / (loss)	-	-	(3 937)	-	1 374	2 015	-	(548)	74	(474)
Total comprehensive income / (loss) for the period	-	-	(3 937)	-	1 374	2 015	136 586	136 038	9 151	145 189
Dividend	-	-	-	-	-	-	-	-	(600)	(600)
At December 31, 2017	265 100	7 354	102 091	1 490 537	21 503	12 670	1 367 573	3 266 828	51 317	3 318 145
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)
At December 31, 2016	265 100	7 354	64 679	1 093 038	28 233	6 266	1 298 574	2 763 244	54 787	2 818 031

ABRIDGED STATEMENT OF CASH FLOWS

	Unaudited	
	Half year ended December 31, 2017 Rs. ' 000	Half year ended December 31, 2016 Rs. ' 000
Net cash flows from operating activities	171 987	167 890
Net cash flows used in investing activities	(90 146)	(61 560)
Net cash flows from/ (used in) financing activities	33 940	(7 378)
Increase in cash and cash equivalents	115 781	98 952
MOVEMENT IN CASH AND CASH EQUIVALENTS		
At July 1,	(269 319)	(196 691)
Movement	115 781	98 952
At December 31,	(153 538)	(97 739)

The above Unaudited Abridged Group Interim Financial Statements for the half year ended December 31, 2017 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, 2017.

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SEGMENTAL INFORMATION

	Unaudited				Audited
	Quarter ended	Quarter ended	Half year ended	Half year ended	Year ended
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	June 30, 2017
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Revenue:					
Building materials - Core business	555 832	483 299	1 088 150	976 577	1 868 069
Building materials - Retail	296 048	265 002	521 665	483 270	857 224
Agriculture	33 334	36 437	61 689	67 352	100 885
Consolidation adjustments	(54 156)	(44 691)	(99 561)	(87 818)	(174 712)
Total	831 058	740 047	1 571 943	1 439 381	2 651 466
Operating profit / (loss):					
Building materials - Core business	72 988	66 520	152 597	141 743	208 396
Building materials - Retail	22 418	19 244	34 212	29 251	31 546
Agriculture	(4 840)	(4 944)	(5 798)	(7 237)	(22 780)
Total	90 566	80 820	181 011	163 757	217 162

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COMMENTS

The Group's revenue for the half year ended December 31, 2017 increased by 9.2% compared to that of the same period in 2016 whilst the Group's operating profit increased by 10.5% from Rs 163.7 million to Rs 181.0 million. This improved performance is attributable to our core business and retail segments whose revenues increased by 11.4% and 7.9% respectively for the half year period under review. Espace Maison's revenue for the month of December was the highest ever realised since the shops exist.

Although improving overall, our core business performance was impacted by the negative results of our subsidiaries operating overseas. In Madagascar, our subsidiary's performance was affected by high repairs and maintenance costs and a rise in the cost of raw-materials besides some major administrative problems. In Sri Lanka, our crushing permit is in the process of being renewed after nearly two years of tedious legal and administrative proceedings.

Our share of results from associates decreased significantly for the half year period under review compared to the same period in 2016 due to a drop in the net results from our ready-mixed concrete entity during the last quarter.

In the light of the above and taking into account the increase in effective tax rate during the period, the Group's profit increased from Rs 141.9 million for the half year ended December 31, 2016 to Rs 145.6 million for the half year period under review. Earnings per share likewise increased from Rs 5.00 in 2016 to Rs 5.15 for this period.

OUTLOOK

Our performance for the next quarter will be significantly impacted by a drop in our local core business revenue attributable to the bad weather prevailing since the beginning of the year. However, the construction industry is expected to prosper during 2018 and beyond with several announced major infrastructure and property development projects. This is very promising for our future performance although there is still some uncertainty about the realisation timing of such projects.

By Order of the Board

Bhooneshi Nemchand
Company Secretary

February 9, 2018

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.