

The United Basalt Products Ltd And Its Subsidiary Companies

Unaudited Abridged Group Interim Financial Statements

Quarter Ended September 30, 2017

ABRIDGED STATEMENT OF FINANCIAL POSITION

	Unaudited		Audited
	As at September 30, 2017 Rs. ' 000	As at September 30, 2016 Rs. ' 000	As at June 30, 2017 Rs. ' 000
ASSETS			
Non-current assets	3,639,990	3,148,383	3,691,158
Current assets	1,434,716	1,102,097	1,280,196
TOTAL ASSETS	5,074,706	4,250,480	4,971,354
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of the parent	3,202,522	2,696,428	3,130,790
Non-controlling interests	47,477	50,577	42,766
TOTAL EQUITY	3,249,999	2,747,005	3,173,556
Non-current liabilities	1,008,111	941,668	1,005,934
Current liabilities	816,596	561,807	791,864
TOTAL EQUITY AND LIABILITIES	5,074,706	4,250,480	4,971,354

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Unaudited									
	Equity attributable to shareholders of the parent									
	Issued Capital Rs. ' 000	Share Premium Rs. ' 000	Associate Companies Rs. ' 000	Revaluation Reserve Rs. ' 000	Fair Value Reserve Rs. ' 000	Translation Reserve Rs. ' 000	Retained Earnings Rs. ' 000	Total Rs. ' 000	Non-controlling Interests Rs. ' 000	Total 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	-	-	-	-	-	-	70,637	70,637	4,663	75,300
Other comprehensive income	-	-	-	-	518	577	-	1,095	48	1,143
Total comprehensive income for the period	-	-	-	-	518	577	70,637	71,732	4,711	76,443
At September 30, 2017	265,100	7,354	106,028	1,490,537	20,647	11,232	1,301,624	3,202,522	47,477	3,249,999
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	-	-	-	-	-	-	65,910	65,910	4,564	70,474
Other comprehensive income/(loss)	-	-	109	-	443	(1,515)	-	(963)	(225)	(1,188)
Total comprehensive income/(loss) for the period	-	-	109	-	443	(1,515)	65,910	64,947	4,339	69,286
At September 30, 2016	265,100	7,354	64,047	1,093,038	29,056	5,929	1,231,904	2,696,428	50,577	2,747,005

ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited		Audited
	Quarter ended September 30, 2017 Rs. ' 000	Quarter ended September 30, 2016 Rs. ' 000	Year ended June 30, 2017 Rs. ' 000
Revenue	740,885	699,334	2,651,466
Operating profit	90,445	82,937	217,162
Finance income	33	63	1,347
Finance costs	(12,773)	(10,100)	(47,081)
Share of results of associates	9,430	8,586	34,280
Profit before tax	87,135	81,486	205,708
Income tax expense	(11,835)	(11,012)	(34,077)
Profit for the period/year	75,300	70,474	171,631
Other comprehensive income/(loss)			
<i>Items to be reclassified to profit or loss in subsequent periods:</i>			
Net gain on available-for-sale investments	518	443	2,329
Release on disposal of available-for-sale investments	-	-	(10,813)
Exchange differences on translation of foreign operations	625	(1,740)	1,667
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	1,143	(1,297)	(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 on land and buildings	-	-	446,235
Deferred tax effect on revaluation of land and buildings	-	-	(45,411)
Share of movement in reserves of associates	-	109	42,090
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	109	431,991
Other comprehensive income/(loss) for the period/year, net of tax	1,143	(1,188)	425,174
Total comprehensive income for the period/year, net of tax	76,443	69,286	596,805
Profit for the period/year attributable to:			
Equity holders of the parent	70,637	65,910	159,669
Non-controlling interests	4,663	4,564	11,962
	75,300	70,474	171,631
Total comprehensive income for the period/year attributable to:			
Equity holders of the parent	71,732	64,947	585,467
Non-controlling interests	4,711	4,339	11,338
	76,443	69,286	596,805
Earnings per share (Rs)			
Basic, profit for the period/year attributable to ordinary equity holders of the parent	2.66	2.49	6.02

ABRIDGED STATEMENT OF CASH FLOWS

	Unaudited	
	Quarter ended September 30, 2017 Rs. ' 000	Quarter ended September 30, 2016 Rs. ' 000
Net cash flows from operating activities	81,771	129,952
Net cash flows used in investing activities	(29,462)	(74,562)
Net cash flows from financing activities	33,145	52,467
Increase in cash and cash equivalents	85,454	107,857
MOVEMENT IN CASH AND CASH EQUIVALENTS		
At July 1,	(269,319)	(196,691)
Movement	85,454	107,857
At September 30,	(183,865)	(88,834)

SEGMENTAL INFORMATION

	Unaudited		Audited
	Quarter ended September 30, 2017 Rs. ' 000	Quarter ended September 30, 2016 Rs. ' 000	Year ended June 30, 2017 Rs. ' 000
Revenue:			
Building materials - Core business	532,318	493,278	1,868,069
Building materials - Retail	225,617	218,268	857,224
Agriculture	28,355	30,915	100,885
Consolidation adjustments	(45,405)	(43,127)	(174,712)
Total	740,885	699,334	2,651,466
Operating profit/(loss):			
Building materials - Core business	79,609	75,223	208,396
Building materials - Retail	11,794	10,007	31,546
Agriculture	(958)	(2,293)	(22,780)
Total	90,445	82,937	217,162

The above Unaudited Abridged Group Interim Financial Statements for the quarter ended September 30, 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.

COMMENTS

The Group's revenue for the quarter ended September 30, 2017 increased by 5.9% compared to that of the same quarter in 2016 whilst the Group's operating profit increased from Rs 82.9 million to Rs 90.4 million, a rise of 9.1%. As shown in the segmental information disclosure, this improved performance is attributable mainly to our core business and retail segments whose revenues increased by 7.9% and 3.4% respectively for the quarter under review compared to the same period in 2016.

The above results were achieved despite the negative performance of our overseas core business subsidiaries due to the poor market conditions prevailing in Madagascar and the non-renewal of our crushing permit in Sri Lanka. Consequently, the Board is very much concerned about the ease of doing business in Sri Lanka and is seriously reconsidering our presence there, should our permit not be renewed shortly.

Our share of results from associates increased slightly for the period under review compared to the same period in 2016.

In the light of the above, the Group's profit increased from Rs 70.5 million for the quarter ended September 30, 2016 to Rs 75.3 million for the quarter under review. Earnings per share likewise increased from Rs 2.49 in 2016 to Rs 2.66 for this quarter.

OUTLOOK

Unlike the past five years, the construction industry's growth rate for 2017 is positive. This is very promising for our future performance although some delay is being experienced in the realisation timing of the announced infrastructure projects.

By Order of the Board

Bhooneshi Nemchand
Company Secretary

November 7, 2017

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.