

# 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
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>3,672,850</b>	3,154,316	3,691,158
<b>Current assets</b>	<b>1,388,220</b>	1,110,896	1,280,196
<b>TOTAL ASSETS</b>	<b>5,061,070</b>	4,265,212	4,971,354
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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
<b>TOTAL EQUITY</b>	<b>3,318,145</b>	2,818,031	3,173,556
<b>Non-current liabilities</b>	<b>456,267</b>	932,349	1,005,934
<b>Current liabilities</b>	<b>1,286,658</b>	514,832	791,864
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,061,070</b>	4,265,212	4,971,354

#### ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Unaudited									
	Equity attributable to shareholders of the parent								Non-controlling interests	
	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	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	-	-	-	-	-	-	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)
<b>At December 31, 2017</b>	<b>265,100</b>	<b>7,354</b>	<b>102,091</b>	<b>1,490,537</b>	<b>21,503</b>	<b>12,670</b>	<b>1,367,573</b>	<b>3,266,828</b>	<b>51,317</b>	<b>3,318,145</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>

#### ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited				Audited
	Quarter ended December 31, 2017 Rs. ' 000	Quarter ended December 31, 2016 Rs. ' 000	Half year ended December 31, 2017 Rs. ' 000	Half year ended December 31, 2016 Rs. ' 000	Year ended June 30, 2017 Rs. ' 000
<b>Revenue</b>	<b>831,058</b>	740,047	<b>1,571,943</b>	1,439,381	2,651,466
<b>Operating profit</b>	<b>90,566</b>	80,820	<b>181,011</b>	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
<b>Profit before tax</b>	<b>83,741</b>	78,551	<b>170,876</b>	160,037	205,708
Income tax expense	(13,378)	(7,056)	(25,213)	(18,068)	(34,077)
<b>Profit for the period/year</b>	<b>70,363</b>	71,495	<b>145,663</b>	141,969	171,631
<b>Other comprehensive income/(loss)</b>					
<b>Items to be reclassified to profit or loss in subsequent periods:</b>					
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
<b>Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>	<b>2,320</b>	(501)	<b>3,463</b>	(1,798)	(6,817)
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>					
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
<b>Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b>	<b>(3,937)</b>	632	<b>(3,937)</b>	741	431,991
<b>Other comprehensive income/(loss) for the period/year, net of tax</b>	<b>(1,617)</b>	131	<b>(474)</b>	(1,057)	425,174
<b>Total comprehensive income for the period/year, net of tax</b>	<b>68,746</b>	71,626	<b>145,189</b>	140,912	596,805
<b>Profit for the period/year attributable to:</b>					
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
<b>70,363</b>	<b>71,495</b>	<b>145,663</b>	<b>141,969</b>	<b>171,631</b>	
<b>Total comprehensive income for the period/year attributable to:</b>					
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
<b>68,746</b>	<b>71,626</b>	<b>145,189</b>	<b>140,912</b>	<b>596,805</b>	
<b>Earnings per share (Rs)</b>					
Basic, profit for the period/year attributable to ordinary equity holders of the parent	2.49	2.51	5.15	5.00	6.02

#### ABRIDGED STATEMENT OF CASH FLOWS

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

#### SEGMENTAL INFORMATION

	Unaudited			Audited	
	Quarter ended December 31, 2017 Rs. ' 000	Quarter ended December 31, 2016 Rs. ' 000	Half year ended December 31, 2017 Rs. ' 000	Half year ended December 31, 2016 Rs. ' 000	Year ended June 30, 2017 Rs. ' 000
<b>Revenue:</b>					
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)
<b>Total</b>	<b>831,058</b>	<b>740,047</b>	<b>1,571,943</b>	<b>1,439,381</b>	<b>2,651,466</b>
<b>Operating profit/(loss):</b>					
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)
<b>Total</b>	<b>90,566</b>	<b>80,820</b>	<b>181,011</b>	<b>163,757</b>	<b>217,162</b>

The above Unaudited Abridged Group Interim Financial Statements for the quarter and 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.

#### 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 Limited 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.