

The United Basalt Products Limited and Its Subsidiary Companies

Unaudited Abridged Group Interim Financial Statements

Quarter Ended September 30, 2018

ABRIDGED STATEMENT OF FINANCIAL POSITION

	Unaudited		Audited
	As at September 30, 2018 Rs. ' 000	As at September 30, 2017 Rs. ' 000	As at June 30, 2018 Rs. ' 000
ASSETS			
Non-current assets	3,602,148	3,639,990	3,669,519
Current assets	1,351,796	1,434,716	1,317,608
TOTAL ASSETS	4,953,944	5,074,706	4,987,127
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of the parent	3,166,375	3,202,522	3,087,456
Non-controlling interests	43,509	47,477	37,174
TOTAL EQUITY	3,209,884	3,249,999	3,124,630
Non-current liabilities	525,224	1,008,111	518,339
Current liabilities	1,218,836	816,596	1,344,158
TOTAL EQUITY AND LIABILITIES	4,953,944	5,074,706	4,987,127

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Unaudited									
	Equity attributable to shareholders of the parent									
	Share 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 Equity Rs. ' 000
At July 1, 2018	265,100	7,354	101,822	1,488,373	11,444	(250)	1,213,613	3,087,456	37,174	3,124,630
Profit for the period	-	-	-	-	-	-	75,056	75,056	5,469	80,525
Other comprehensive income	-	-	-	-	-	3,863	-	3,863	866	4,729
Total comprehensive income for the period	-	-	-	-	-	3,863	75,056	78,919	6,335	85,254
At September 30, 2018	265,100	7,354	101,822	1,488,373	11,444	3,613	1,288,669	3,166,375	43,509	3,209,884
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

ABRIDGED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited		Audited
	Quarter ended September 30, 2018 Rs. ' 000	Quarter ended September 30, 2017 Rs. ' 000	Year ended June 30, 2018 Rs. ' 000
Revenue	810,301	740,885	2,927,055
Operating profit	92,114	90,445	219,200
Finance income	6	33	1,442
Finance costs	(11,071)	(12,773)	(46,861)
Share of results of associates	11,609	9,430	14,458
Profit before tax	92,658	87,135	188,239
Income tax expense	(12,133)	(11,835)	(44,014)
Profit for the period / year	80,525	75,300	144,225
Other comprehensive income			
<i>Items to be reclassified to profit or loss in subsequent periods:</i>			
Net gain on available-for-sale investments	-	518	5,632
Release on disposal of available-for-sale investments	-	-	(14,317)
Exchange differences on translation of foreign operations	4,729	625	(14,619)
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	4,729	1,143	(23,304)
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement losses on defined benefit plans	-	-	(71,017)
Income tax effect on re-measurement losses on defined benefit plans	-	-	12,171
Share of movement in reserves of associates	-	-	(4,206)
Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods	-	-	(63,052)
Other comprehensive income / (loss) for the period / year, net of tax	4,729	1,143	(86,356)
Total comprehensive income for the period / year, net of tax	85,254	76,443	57,869
Profit for the period / year attributable to:			
Equity holders of the parent	75,056	70,637	131,078
Non-controlling interests	5,469	4,663	13,147
	80,525	75,300	144,225
Total comprehensive income for the period / year attributable to:			
Equity holders of the parent	78,919	71,732	49,451
Non-controlling interests	6,335	4,711	8,418
	85,254	76,443	57,869
Earnings per share (Rs)			
Basic, profit for the period / year attributable to ordinary equity holders of the parent	2.83	2.66	4.94

ABRIDGED STATEMENT OF CASH FLOWS

	Unaudited	
	Quarter ended September 30, 2018 Rs. ' 000	Quarter ended September 30, 2017 Rs. ' 000
Net cash flows from operating activities	151,062	85,033
Net cash flows used in investing activities	(42,020)	(29,462)
Net cash flows (used in) / from financing activities	(156,743)	33,145
(Decrease) / increase in cash and cash equivalents	(47,701)	88,716
MOVEMENT IN CASH AND CASH EQUIVALENTS		
At July 1,	(184,230)	(269,319)
Exchange difference	(392)	(3,262)
Movement	(47,701)	88,716
At September 30,	(232,323)	(183,865)

SEGMENTAL INFORMATION

	Unaudited		Audited
	Quarter ended September 30, 2018 Rs. ' 000	Quarter ended September 30, 2017 Rs. ' 000	Year ended June 30, 2018 Rs. ' 000
Revenue:			
Building materials - Core business	619,181	532,318	2,100,777
Building materials - Retail	209,952	225,617	922,488
Agriculture	28,986	28,355	96,208
Consolidation adjustments	(47,818)	(45,405)	(192,418)
Total	810,301	740,885	2,927,055
Operating profit / (loss):			
Building materials - Core business	90,877	79,609	201,498
Building materials - Retail	1,489	11,794	36,521
Agriculture	(252)	(958)	(18,819)
Total	92,114	90,445	219,200

The above Unaudited Abridged Group Interim Financial Statements for the quarter ended September 30, 2018 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, 2018.

COMMENTS

The Group's revenue for the quarter ended September 30, 2018 increased by 9.4% compared to that of the same quarter in 2017 whilst the Group's operating profit increased marginally from Rs 90.4 million to Rs 92.1 million. As shown in the segmental information disclosure, this improved profit is attributable to our core business segment whose revenue increased by 16.3% for the quarter under review compared to the same period in 2017. Conversely, the revenue from our retail segment dropped by 6.9% due to lower sales in September whilst the operating profit was significantly reduced by one-off administrative and marketing expenses.

Although improving overall, our core business performance was still impacted by the negative results of our overseas entities. In Madagascar, our subsidiary's performance was affected by the unavailability of raw-materials on one of our main sites. In Sri Lanka, our subsidiary resumed production but is still operating at a loss due to a pending permit for the production of premium manufactured sand, which is subject to a court decision.

Our share of results from associates increased for the period under review compared to the same period in 2017 due to the improved performance of our ready-mixed concrete entity.

In the light of the above, the Group's profit increased from Rs 75.3 million for the quarter ended September 30, 2017 to Rs 80.5 million for the quarter under review. Earnings per share likewise increased from Rs 2.66 in 2017 to Rs 2.83 for this quarter.

OUTLOOK

The construction industry's forecasted growth rate for 2018 stands at 9.5%. With the several announced major public infrastructure and property development projects spanning over several years, our future performance is promising despite the difficult situation overseas.

By Order of the Board

Bhoonshi Nemchand
Company Secretary

November 6, 2018

The above Unaudited Abridged Group Interim Financial Statements are issued pursuant to Listing Rule 12.20 of the Stock Exchange of Mauritius Ltd 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.