

ALTEO LIMITED
(PREVIOUSLY KNOWN AS DEEP RIVER-BEAU CHAMP LIMITED)
AND ITS SUBSIDIARIES

AUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2013

CONDENSED STATEMENTS OF FINANCIAL POSITION - JUNE 30, 2013

	THE GROUP		THE COMPANY	
	Audited 30 Jun 13 Rs'000	Audited 30 Jun 12 Rs'000	Audited 30 Jun 13 Rs'000	Audited 30 Jun 12 Rs'000
ASSETS EMPLOYED				
Non-current assets				
Property, plant and equipment	16,420,306	7,113,194	11,609,836	4,459,566
Land-projects	5,853	6,961	-	-
Investment properties	1,722,677	758,038	1,845,607	756,833
Non current asset held for sale	-	-	-	39,000
Intangible assets	-	20,000	33,400	33,400
Investment in subsidiary companies	-	-	8,420,643	6,129,341
Investment in associated companies	46,392	126,954	37,677	-
Investment in joint ventures	985,420	663,469	1,043,206	1,021,999
Investment in available-for-sale financial assets	139,605	52,931	117,632	36,977
Bearer biological assets	552,678	328,006	317,968	117,054
Deferred expenditure and other non current receivables	915,120	801,448	718,358	552,600
	20,788,051	9,871,001	24,144,327	13,146,770
Current assets	4,642,496	2,619,989	1,724,413	482,141
Total assets	25,430,547	12,490,990	25,868,740	13,628,911
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	8,991,595	1,869,867	8,991,595	1,869,867
Revaluation and other reserves	4,579,042	3,699,569	11,435,919	8,880,835
Retained earnings	2,541,162	1,644,222	2,083,623	1,700,573
Shareholders' interests	16,111,799	7,213,658	22,511,137	12,451,275
Loans	55,951	44,488	-	-
Non-controlling interests	2,322,890	1,488,797	-	-
	18,490,640	8,746,943	22,511,137	12,451,275
Non-current liabilities				
Borrowings	2,628,198	1,265,504	1,383,495	637,573
Deferred tax liabilities	873,305	702,406	-	-
Retirement benefit obligations	356,003	200,512	220,705	103,821
	3,857,506	2,168,422	1,604,200	741,394
Current liabilities	3,082,401	1,575,625	1,753,403	436,242
Total equity and liabilities	25,430,547	12,490,990	25,868,740	13,628,911

CONDENSED INCOME STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

	THE GROUP		THE COMPANY	
	Audited 30 Jun 13 Rs 000	Audited 30 Jun 12 Rs 000	Audited 30 Jun 13 Rs 000	Audited 30 Jun 12 Rs 000
TURNOVER	6,066,307	3,673,435	1,234,311	377,937
Operating profit/(loss)	1,908,439	1,401,463	266,687	(30,577)
Finance costs	(323,068)	(190,546)	(186,984)	(62,235)
Amortisation of VRS and centralisation costs	(73,453)	(21,471)	(57,585)	(21,471)
Gain on fair value of investment property	108,971	-	141,927	-
Share of results of joint ventures	102,133	(12,806)	-	-
Share of results of associates	2,182	15,220	-	-
Impairment of investments in subsidiaries and joint ventures	-	-	(20,000)	(221,126)
Impairment of goodwill	(20,000)	(24,382)	-	-
Gain on fair value remeasurement from associate to subsidiary	46,636	-	-	-
Investment income	6,942	21,283	414,733	262,521
Profit on disposal of assets	61,796	-	-	-
Profit before tax	1,820,578	1,188,761	558,778	(72,888)
Taxation	(413,015)	(488,400)	63,141	3,071
Profit for the period	1,407,563	700,361	621,919	(69,817)
Attributable to:				
Owners of the parent	830,622	168,534	621,919	(69,817)
Non-Controlling interests	576,941	531,826	-	-
	1,407,563	700,361	621,919	(69,817)
DATA PER SHARE				
EARNINGS PER SHARE - Rs	2.61	0.89	1.95	(0.39)
NET ASSETS PER SHARE - Rs	50.59	38.66	70.68	66.72
DIVIDENDS PER SHARE - Rs	0.75	0.60	0.75	0.60
NUMBER OF SHARES USED IN CALCULATION 000	318,492	186,611	318,492	186,611

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2013

	THE GROUP		THE COMPANY	
	Audited 30 Jun 13 Rs 000	Audited 30 Jun 12 Rs 000	Audited 30 Jun 13 Rs 000	Audited 30 Jun 12 Rs 000
Profit for the period	1,407,563	700,361	621,919	(69,817)
Other comprehensive income:				
Deferred tax on revaluation of land	-	687,938	-	687,938
Surplus on revaluation of land	1,368,474	-	1,335,518	-
Fair value on transfer of property, plant and equipment	-	12,596	-	12,596
Fair value on available-for-sale financial assets	(18,148)	(6,983)	(8,045)	(5,711)
Fair value on investment in subsidiaries	-	-	519,821	4,869,462
Fair value on investment in joint venture	-	-	17,457	78,730
Fair value on investment in associates	-	-	8,076	-
Currency translation difference	3,339	208,886	-	-
Movement in reserves of associates and joint ventures	(12,456)	18,317	-	-
Other comprehensive income for the period	1,341,209	920,755	1,872,827	5,643,015
Total comprehensive income for the period	2,748,772	1,621,116	2,494,746	5,573,198
Total comprehensive income attributable to:				
Owners of the parent	2,169,545	972,854	2,494,746	5,573,198
Non-Controlling interests	579,227	648,260	-	-
	2,748,772	1,621,114	2,494,746	5,573,198

SEGMENTAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2013

	THE GROUP	
	Audited 30 Jun 13 Rs 000	Audited 30 Jun 12 Rs 000
Segment revenue		
Sugar cane growing and sugar milling	4,122,561	2,855,835
Power generation	1,155,025	352,524
Property development	205,797	317,538
Refinery	296,532	-
Inter segment revenue	(115,414)	-
Others	401,806	147,538
Total revenue	6,066,307	3,673,435
Geographical revenue		
Mauritius	3,916,522	1,522,261
Tanzania	2,149,785	2,151,174
Total revenue	6,066,307	3,673,435
Segment results		
Sugar cane growing and sugar milling	1,091,576	891,250
Power generation	151,885	(5,023)
Property development	(168,122)	(117,339)
Refinery	122,235	-
Profit on disposal of assets	61,796	-
Impairment of goodwill	(20,000)	(24,382)
Others	63,878	(46,559)
	1,303,248	697,947
Share of results of associates	2,182	15,220
Share of results of joint ventures	102,133	(12,806)
Profit after tax	1,407,563	700,360
Geographical results		
Mauritius	623,196	(257,728)
Tanzania	784,367	958,088
Profit after tax	1,407,563	700,360

CONDENSED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2013

	THE GROUP		THE COMPANY	
	Audited 30 Jun 13 Rs 000	Audited 30 Jun 12 Rs 000	Audited 30 Jun 13 Rs 000	Audited 30 Jun 12 Rs 000
Net cash flow from/(used in) operating activities	1,643,430	1,098,139	516,516	(3,846)
Net cash flow (used in)/from investing activities	(367,139)	(623,938)	110,851	106,658
Net cash flow used in financing activities	(905,477)	(551,587)	(232,744)	(217,696)
Net (decrease)/increase in cash and cash equivalents	370,814	(77,386)	394,623	(114,884)
Cash and cash equivalents at July 1,	(263,694)	(85,676)	(182,184)	(67,300)
Amalgamation adjustment	(251,072)	-	(157,659)	-
Effect of non cash transaction	-	(100,632)	-	-
Cash and cash equivalents at June 30,	(143,952)	(263,694)	54,780	(182,184)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2013

THE GROUP	Attributable to owners of the parent						Total equity Rs'000	
	Share Capital Rs'000	Revaluation and other Reserves		Retained Earnings Rs'000	Total Rs'000	Other Loans Rs'000		Non-Controlling Interests Rs'000
		Rs'000	Rs'000					
Balance at July 1, 2012	1,869,867	3,699,569	1,644,224	7,213,660	44,488	1,488,796	8,746,944	
Total comprehensive income for the period	-	1,338,923	830,622	2,169,545	-	579,227	2,748,772	
Loan received	-	-	-	-	11,463	-	11,463	
Consolidation adjustment	-	-	78,045	78,045	-	52,114	130,159	
Movement in reserves	-	-	227,140	227,140	-	-	227,140	
Dividends	-	-	(238,869)	(238,869)	-	(415,553)	(654,422)	
Issue of shares	7,121,728	-	-	7,121,728	-	-	7,121,728	
Amalgamation adjustments	-	(459,450)	-	(459,450)	-	618,306	158,856	
Balance at June 30, 2013	8,991,595	4,579,042	2,541,162	16,111,799	55,951	2,322,890	18,490,640	
Balance at July 1, 2011	93,600	3,783,329	2,485,461	6,362,390	44,637	1,162,021	7,569,048	
Total comprehensive income for the period	-	804,320	168,535	972,855	-	648,260	1,621,115	
Loan received	-	-	-	-	7,118	-	7,118	
Loan repayment	-	-	-	-	(7,267)	-	(7,267)	
Movement in reserves	-	-	(9,350)	(9,350)	-	-	(9,350)	
Dividends	-	-	(112,235)	(112,235)	-	(321,485)	(433,720)	
Conversion premium	(107)	107	-	-	-	-	-	
Bonus issue	1,776,374	(888,187)	(888,187)	-	-	-	-	
Balance at June 30, 2012	1,869,867	3,699,569	1,644,224	7,213,660	44,488	1,488,796	8,746,944	

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2013

THE COMPANY	Share Capital Rs'000	Revaluation and other Reserves		Retained Earnings Rs'000	Total Rs'000
		Rs'000	Rs'000		
	Balance at July 1, 2012	1,869,867	8,880,835	1,700,573	12,451,275
Total comprehensive income for the period	-	1,872,827	621,919	2,494,746	
Dividends	-	-	(238,869)	(238,869)	
Amalgamation adjustments	-	682,257	-	682,257	
Issue of shares	7,121,728	-	-	7,121,728	
Balance at June 30, 2013	8,991,595	11,435,919	2,083,623	22,511,137	
Balance at July 1, 2011	93,600	4,125,900	2,770,812	6,990,312	
Total comprehensive income for the period	-	5,643,015	(69,817)	5,573,198	
Dividends	-	-	(112,235)	(112,235)	
Conversion premium	(107)	107	-	-	
Bonus issue	1,776,374	(888,187)	(888,187)	-	
Balance at June 30, 2012	1,869,867	8,880,835	1,700,573	12,451,275	

COMMENTS

The audited comparative figures of the company and group for the year ended June 2012 presented herewith are those of ex-Deep River-Beau Champ and its subsidiaries only. For the financial year ended June 30, 2013, the results incorporate those of ex-DRBC and ex-FUEL together with their respective subsidiaries.

Financial Results

Group

Group turnover stood at Rs 6,066M (2012: Rs 3,673M) and the profit after tax stood at Rs 1,407M (2012: Rs 700M), a significant increase resulting from (i) the amalgamation, (ii) better operational performance and (iii) profit on disposal of assets and gain on fair value of investment properties. At operational level, higher final sugar price in Mauritius led to a positive impact. The refinery and power generation activities also recorded improved results in the fourth quarter, whereas the property sector showed a larger deficit as a result of sales which materialised after year end. Following amalgamation, the discount rate applied by the directors to third party land valuation was aligned throughout the group. This is largely responsible for the surplus on revaluation of land of Rs 1,368M stated in the other comprehensive income.

Company

The profit after tax stood at Rs 622M (2012: loss Rs 69M). Operating profit reached Rs 267M (2012: loss Rs 31M). This results largely from the amalgamation and a better sugar price for the year. The company adopts a policy of carrying its investment in subsidiaries, associates and joint ventures at fair value in the separate financial statements as opposed to cost. This exercise has led to a positive fair value movement in the other comprehensive income of Rs 545M (2012: Rs 4,948M).

Prospects

Sugar and Energy

In Mauritius, an average overall sugar crop is expected which should yield fair results provided export prices to the EU are not too adversely affected by the depressed world market. Energy results are likely to remain in line with the previous years on the basis of foreseeable sluggish coal prices. In Tanzania, a very good crop is anticipated against more difficult market conditions.

Property

The sector remains challenging. However, the recent improved trend is expected to gain in momentum towards the end of the year with the expected launch of our new product offering Amalthea.

By Order of the Board
Navitas Corporate Services Ltd
Company Secretary

September 20, 2013

Copies of the above condensed audited financial statements, of the full audited financial statements and of the statement of direct and indirect interests of officers of the Company are available free of charge from the Company Secretary at the registered office of the Company, Vivea Business Park, Saint Pierre.

The above condensed audited financial statements are issued pursuant to Listing Rule 12.14 and Section 88 of the Securities Act 2005.

The Board of Directors of Alteo Limited accepts full responsibility for the accuracy of the information contained in these condensed audited financial statements.

