

Vivo Energy Mauritius Limited - Abridged Financial Statements

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 Rs'000	2014 Rs'000
Sales	10,139,537	12,784,100
Cost of sales	(9,318,404)	(12,079,052)
Gross profit	821,133	705,048
Other income	76,754	60,940
Other gains/(losses) on exchange - net	5,182	(10,794)
Distribution costs	(89,655)	(93,467)
Administrative expenses	(477,980)	(480,045)
Operating profit	335,434	181,682
Finance income	1,867	677
Finance costs	(8,097)	(9,540)
Finance costs - net	(6,230)	(8,863)
Share of profit of joint ventures	10,594	10,679
Profit before income tax	339,798	183,498
Income tax expense	(57,171)	(29,167)
Profit for the year	282,627	154,331
Basic and diluted earnings per share	Rs 9.64	5.26
Number of shares used in the calculation	(000's) 29,322	29,322

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 Rs'000	2014 Rs'000
Profit for the year	282,627	154,331
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligations	22,904	27,541
Deferred tax liability on remeasurements of post employment benefit obligations	(3,894)	(4,682)
Other comprehensive income for the year	19,010	22,859
Total comprehensive income for the year	301,637	177,190

STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2015

	2015 Rs'000	2014 Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,056,118	908,682
Intangible assets	2,124	-
Prepaid operating leases	10,362	604
Other long-term assets	6,524	11,425
Interest in joint ventures	46,402	35,807
	1,121,530	956,518
Current assets		
Inventories	619,093	666,951
Trade and other receivables	690,102	1,018,886
Cash and cash equivalents	67,664	55,990
Income tax asset	-	3,587
	1,376,859	1,745,414
Total assets	2,498,389	2,701,932
EQUITY & LIABILITIES		
Equity		
Share capital	293,223	293,223
Retained earnings	431,917	215,315
Total equity	725,140	508,538
LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	68,701	60,616
Retirement benefit obligations	53,426	81,723
	122,127	142,339
Current liabilities		
Bank overdrafts	98,935	416,569
Trade and other payables	1,195,956	1,339,987
Deposits on LPG cylinders	322,134	294,499
Current income tax liabilities	34,097	-
	1,651,122	2,051,055
Total liabilities	1,773,249	2,193,394
Total equity and liabilities	2,498,389	2,701,932

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital Rs'000	Retained earnings Rs'000	Total equity Rs'000
At 01 January 2014	293,223	184,736	477,959
Comprehensive income			
Profit for the year	-	154,331	154,331
Other comprehensive income	-	22,859	22,859
Total comprehensive income	-	177,190	177,190
Transactions with owners			
Dividends declared	-	(146,611)	(146,611)
Total transactions with owners	-	(146,611)	(146,611)
At 31 December 2014	293,223	215,315	508,538

	Share capital Rs'000	Retained earnings Rs'000	Total equity Rs'000
At 01 January 2015	293,223	215,315	508,538
Comprehensive income			
Profit for the year	-	282,627	282,627
Other comprehensive income	-	19,010	19,010
Total comprehensive income	-	301,637	301,637
Transactions with owners			
Dividends declared	-	(85,035)	(85,035)
Total transactions with owners	-	(85,035)	(85,035)
At 31 December 2015	293,223	431,917	725,140

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 Rs'000	2014 Rs'000
Cash flows from operating activities		
Profit before income tax	339,798	183,498
Adjustments for:		
Depreciation on property, plant and equipment	104,063	90,568
Provision for impairment of receivables	11,224	3,715
Amortisation of intangible assets	106	-
Amortisation of prepaid operating leases	451	68
Interest expense	8,097	9,540
Profit on disposal of property, plant and equipment	(65)	(131)
Interest income	(1,867)	(677)
Unrealised (gain)/loss on exchange	(3,123)	17,108
Share of profit of joint venture	(10,594)	(10,679)
(Decrease)/increase in retirement benefit obligations	(5,393)	901
Cash generated before working capital changes	442,697	293,911
Decrease in inventories	47,858	328,501
Decrease in receivables and prepayments	321,173	158,099
(Decrease) in trade and other payables	(143,477)	(899,834)
Increase in deposits on LPG cylinders	27,635	6,748

STATEMENT OF CASH FLOWS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 Rs'000	2014 Rs'000
Cash generated from/(used in) operations	695,886	(112,575)
Interest paid	(8,097)	(9,540)
Income tax paid	(15,296)	(31,911)
Net cash generated from/(used in) operating activities	672,493	(154,026)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	68	206
Interest received	1,867	677
Loan to dealers	-	(10,800)
Dividends received from joint venture	-	10,000
Payments for purchase of property, plant and equipment and intangible assets	(263,941)	(177,368)
Investment in joint venture	-	(17,000)
Net cash used in investing activities	(262,006)	(194,285)
Cash flows from financing activities		
Dividends paid to company's shareholders	(85,035)	(175,933)
Net cash used in financing activities	(85,035)	(175,933)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	325,452	(524,244)
Cash, cash equivalents and bank overdrafts at beginning of year	(360,579)	177,018
Effect of exchange rate changes on cash and bank overdrafts	3,856	(13,353)
Cash, cash equivalents and bank overdrafts at end of year	(31,271)	(360,579)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

1. GENERAL INFORMATION

Vivo Energy Mauritius Limited (the "Company") is a limited liability company listed on the Stock Exchange of Mauritius and is incorporated and domiciled in Mauritius.

The Company's principal activity is the marketing and distribution of petroleum products. Its joint venture, Energy Storage Company Limited, is involved in the provision of LPG terminal usage facilities. The Company has invested in a new joint venture, Mer Rouge Oil Storage Terminal Co. Ltd, which is involved in the storage of petroleum products.

These summarised financial statements were authorised for issue by the board of directors on 24 March 2016.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These summarised financial statements are issued pursuant to Listing Rule 12.20 and have been derived from the full set of financial statements for the year ended 31 December 2015 which have been audited by PricewaterhouseCoopers.

The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to companies reporting under IFRS and under the historical cost convention.

The principal accounting policies applied in the preparation of the audited financial statements are the same as those applied for the preparation of the previous year's audited financial statements.

3. SEGMENT INFORMATION

Year ended 31 December 2015

	Regulated Rs'000	Non-regulated Rs'000	Total Rs'000
Sales	6,350,725	3,788,812	10,139,537
Segment results	167,936	278,517	446,453
Unallocated costs			(111,019)
Operating profit			335,434

Year ended 31 December 2014

	Regulated Rs'000	Non-regulated Rs'000	Total Rs'000
Sales	7,062,978	5,721,122	12,784,100
Segment results	155,171	158,064	313,235
Unallocated costs			(131,553)
Operating profit			181,682

31 December 2015

	Regulated Rs'000	Non-regulated Rs'000	Total Rs'000
Segment assets	1,132,489	809,045	1,941,534
Joint venture	16,633	29,769	46,402
Unallocated assets			510,453
Total assets			2,498,389

	Regulated Rs'000	Non-regulated Rs'000	Total Rs'000
Segment liabilities	797,744	614,792	1,412,536
Unallocated liabilities			360,713
Total liabilities			1,773,249

31 December 2014

	Regulated Rs'000	Non-regulated Rs'000	Total Rs'000
Segment assets	1,031,291	1,067,149	2,098,440
Joint venture	16,640	19,167	35,807
Unallocated assets			567,685
Total assets			2,701,932

	Regulated Rs'000	Non-regulated Rs'000	Total Rs'000
Segment liabilities	810,008	693,730	1,503,738
Unallocated liabilities			689,656
Total liabilities			2,193,394

4. DIVIDENDS

No final dividend was declared in 2015 in respect of the financial year ended 31 December 2014. The Company declared a total interim dividend of Rs 2.90 per share in respect of the financial year ended 31 December 2015.

5. CONTINGENT LIABILITIES

At 31 December 2015, the Company had contingent liabilities amounting to Rs 35,292,000 (31 December 2014 - Rs 34,057,000) consisting principally of VAT claimed and corporate tax on receipt of Rs 62,986,400 representing proceeds from the assignment of the Company's economic rights in the Shell trademark in 2008, which it is contesting and for which no liability has been recognised in these financial statements.

6. REVIEW OF RESULTS

Sales figures are lower in 2015 than in 2014 because of the low price of oil on the international market. However, this does not affect our margin on controlled products which is fixed per litre we sell. The gross margin exceeds that of 2014 by 16%, the main driver coming from non-regulated businesses. During 2015, we have launched not

less than 4 new shops, upgraded 5 existing ones and opened 7 so called Quick Service Restaurants (QSR). These, together with an increase in our share in an aviation joint depot, have contributed to an increase in other income by Rs 16 m (26%).

Both distribution costs and administrative expenses were contained. All this results in an operating profit which is 84% more than 2014 and a profit after tax of Rs 82 m (2014 Rs 154 m).

As announced in the previous quarter, during the fourth quarter of 2015, we opened 2 stations, one at Flacq and another one at Mare D'Albert. The Flacq Service Station has full-fledged convenience retailing including a Select shop, a QSR with Chicken Inn, a brand well established on the African continent as well as a servicing bay, QuikFix. The one at Mare D'Albert has a Shell Select Shop and a Hearty outlet. Hearty is an in-house brand developed to complete the Shell Select Shop offer with freshly baked products.

7. FUTURE DEVELOPMENTS

The construction of the 15,000 metric

tons depot by the oil industry company called Mer Rouge Oil Storage Terminal Co Ltd (MOST) remains on track.

The statement of direct and indirect interests of officers of the Company required under Rule 8 (2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, Executive Services Limited, Les Jamalacs Building, Jules Koenig Street, Port Louis.

Copies of the condensed financial statements are available free of charge on request at the registered office of the Company.

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

**BY ORDER OF THE BOARD
24 MARCH 2016**