



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended	Quarter ended	6 months ended	6 months ended
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	MUR	MUR	MUR	MUR
	Unaudited	Unaudited	Unaudited	Unaudited
Gross ticket sales	373,363,500	855,730,010	901,609,780	1,578,187,670
Prizes	(185,925,911)	(430,479,067)	(458,590,539)	(797,720,795)
Consolidated fund	(86,521,191)	(196,295,835)	(207,183,501)	(360,263,510)
Net income	100,916,398	228,955,108	235,835,740	420,203,365
Operating profit	19,884,151	82,164,144	40,602,024	126,009,762
Net finance income	247,883	2,084,089	1,303,447	3,709,112
Profit before exceptional items and taxation	20,132,034	84,248,233	41,905,471	129,718,874
Exceptional items*	(32,280,840)	-	(32,280,840)	-
(Loss)/profit before taxation	(12,148,806)	84,248,233	9,624,631	129,718,874
Income tax expense	(4,035,036)	(9,403,913)	(8,204,622)	(16,224,509)
(Loss)/profit for the period	(16,183,842)	74,844,320	1,420,009	113,494,365
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the period	(16,183,842)	74,844,320	1,420,009	113,494,365
(Loss)/earnings per share	(0.05)	0.22	0.00	0.33

*Exceptional items consist of inventory write off and severance allowance.

STATEMENT OF FINANCIAL POSITION

	30 June 2015	31 December 2014
	MUR	MUR
	Unaudited	Audited
ASSETS		
Non-current assets	174,203,812	202,379,471
Current assets	126,436,494	249,394,914
Total assets	300,640,306	451,774,385
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	100,000,000	100,000,000
Retained earnings	1,846,732	54,826,723
Total equity	101,846,732	154,826,723
Non-current liabilities	9,219,940	11,113,507
Current liabilities	189,573,634	285,834,155
Total liabilities	198,793,574	296,947,662
Total equity and liabilities	300,640,306	451,774,385

STATEMENT OF CASH FLOWS

	6 Months ended	6 Months ended
	30 June 2015	30 June 2014
	MUR	MUR
	Unaudited	Unaudited
Net cash (used in)/generated from operating activities	(63,434,302)	101,312,192
Net cash used in investing activities	(1,572,450)	(12,368,133)
Net cash used in financing activities	(55,193,201)	(40,627,385)
Net (decrease)/increase in cash and cash equivalents	(120,199,953)	48,316,674
Cash and cash equivalents at start of the period	199,194,170	199,032,894
Cash and cash equivalents at end of the period	78,994,217	247,349,568

STATEMENT OF CHANGES IN EQUITY

	Stated capital	Retained earnings	Total equity
	MUR	MUR	MUR
	Unaudited	Unaudited	Unaudited
Balance at 1 January 2014	100,000,000	284,912	100,284,912
Profit for the period	-	113,494,365	113,494,365
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	113,494,365	113,494,365
Balance at 30 June 2014	100,000,000	113,779,277	213,779,277
Balance at 1 January 2015	100,000,000	54,826,723	154,826,723
Profit for the period	-	1,420,009	1,420,009
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	1,420,009	1,420,009
Dividends	-	(54,400,000)	(54,400,000)
Balance at 30 June 2015	100,000,000	1,846,732	101,846,732

COMMENTS

Principal Activity

The company is the Operator of the Mauritius National Lottery on behalf of the Government of Mauritius.

Results

Gross ticket sales revenue for the six months ended 30 June 2015 amounted to MUR901.6m compared to the prior corresponding period revenue of MUR1,578.2m.

The profit after taxation was MUR1.4m for the six months ended 30 June 2015 compared to a profit of MUR113.5m for the last corresponding period. This result was driven by the measures announced in the March 2015 budget. Had there not been the impact of the exceptional items as a result of the budget measures, the company would have registered a profit before exceptional items and tax of MUR41.9m.

Business Review

The performance of the company for the period under review has been adversely affected by the budgetary measures to ban Quick Win cards and to prohibit advertising of the lottery. In addition, Loto sales for the six months ended 30 June 2015 were lower compared to the corresponding period in 2014 as the aggregate Loto jackpots were MUR576m lower.

As a result of the budgetary measures, the company has restructured its operations during the second quarter ended 30 June 2015. This restructure resulted in an employee reduction of 30% which in turn led to an exceptional severance payment of MUR6.2m. As a result of the ban on Quick Win games effective 30 June 2015, there was an exceptional inventory write off of MUR26.1m.

Future Outlook

The Board continues to work with management to ensure that the company is taking appropriate actions to mitigate the impact of the budgetary measures and protect the value of the company. An independent consulting firm was contracted to fulfill two engagements during the second quarter:

- To conduct an independent review in connection with the Quick Win inventory balance as of 2 June 2015 and severance costs payable. The company intends to seek compensation from the Gambling Regulatory Authority (GRA) for the exceptional inventory write offs and severance which were caused by the 2015 budgetary measures.
- The second engagement was to conduct a review of the contribution rate to the Consolidated Fund with a view to enabling the company to establish and negotiate independently a revised contribution rate with the GRA with regards to Lottotech's contribution to the Consolidated Fund.

The results of the negotiations with the GRA will determine the level of profitability of the company going forward.

Earnings per share

The calculation of earnings per share is based on the profit attributable to the shareholders of the company of MUR1,420,009 (June 2014: MUR113,494,365) and the number of the shares in issue of 340,000,000 (June 2014: 340,000,000 adjusted for the 3,400-for-1 share split in March 2014).

Dividend

A final dividend of MUR54,400,000 (June 2014: MURNil) was declared and paid in respect of the financial year ended 31 December 2014 during the period under review.

Others

The abridged financial statements of the company are unaudited and have been prepared using the same accounting policies as the audited statements for the year ended 31 December 2014.

Copies of the above abridged unaudited financial statements are available, free of charge, upon request made to the Company Secretary, at the registered office of the company, Royal Road, Chapman Hill, Beau Bassin, or can be viewed on the company's website www.lottotech.mu.

The statement of direct and indirect interests of insiders pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations and Reporting Issuers) Rules 2007 is available, free of charge, upon request made to the Company Secretary, at the registered office of the company.

By Order of the Board

Gamma Corporate Services Ltd
Company Secretary

4 August 2015

These abridged unaudited financial statements are issued pursuant to Listing Rule 12.14.

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