



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 30 June 2016	Quarter ended 30 June 2015	6 months ended 30 June 2016	6 months ended 30 June 2015
	MUR	MUR	MUR	MUR
	Unaudited	Unaudited	Unaudited	Unaudited
Gross ticket sales	423,110,300	373,363,500	834,225,280	901,609,780
Prizes	(205,208,496)	(185,925,911)	(404,599,261)	(458,590,539)
Consolidated fund	(100,583,473)	(86,521,191)	(198,315,370)	(207,183,501)
Net income	117,318,331	100,916,398	231,310,649	235,835,740
Operating profit	33,748,891	19,884,151	65,231,694	40,602,024
Net finance income	17,912	247,883	36,645	1,303,447
Profit before exceptional item and taxation	33,766,803	20,132,034	65,268,339	41,905,471
Exceptional item	-	(32,280,840)	-	(32,280,840)
Profit/(loss) before taxation	33,766,803	(12,148,806)	65,268,339	9,624,631
Income tax expense	(6,317,249)	(4,035,036)	(11,316,064)	(8,204,622)
Profit/(loss) for the period	27,449,554	(16,183,842)	53,952,275	1,420,009
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	27,449,554	(16,183,842)	53,952,275	1,420,009
Earnings/(loss) per share	0.08	(0.05)	0.16	0.00

STATEMENT OF FINANCIAL POSITION

	30 June 2016	31 December 2015
	MUR	MUR
	Unaudited	Audited
ASSETS		
Non-current assets	126,033,241	145,977,517
Current assets	185,397,627	149,835,629
Total assets	311,430,868	295,813,146
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	100,000,000	100,000,000
Retained earnings	55,357,651	42,205,376
Total equity	155,357,651	142,205,376
Non-current liabilities	4,270,534	6,363,756
Current liabilities	151,802,683	147,244,014
Total liabilities	156,073,217	153,607,770
Total equity and liabilities	311,430,868	295,813,146

STATEMENT OF CASH FLOWS

	6 Months ended 30 June 2016	6 Months ended 30 June 2015
	MUR	MUR
	Unaudited	Unaudited
Net cash generated from/ (used in) operating activities	54,714,780	(63,434,302)
Net cash used in investing activities	(3,942,643)	(1,572,450)
Net cash used in financing activities	(40,800,000)	(55,193,201)
Net increase/ (decrease) in cash and cash equivalents	9,972,137	(120,199,953)
Cash and cash equivalents at start of the period	123,142,408	199,194,170
Cash and cash equivalents at end of the period	133,114,545	78,994,217

STATEMENT OF CHANGES IN EQUITY

	Stated capital MUR	Retained earnings MUR	Total equity MUR
	Unaudited	Unaudited	Unaudited
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/(loss) 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
Balance at 1 January 2016	100,000,000	42,205,376	142,205,376
Profit for the period	-	53,952,275	53,952,275
Other comprehensive income/(loss) for the period	-	-	-
Total comprehensive income for the period	-	53,952,275	53,952,275
Dividends	-	(40,800,000)	(40,800,000)
Balance at 30 June 2016	100,000,000	55,357,651	155,357,651

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 quarter ended 30 June 2016 amounted to MUR423.1m compared to the prior corresponding period revenue of MUR373.4m.

The profit after taxation was MUR27.4m for the three months ended 30 June 2016 compared to a loss of MUR16.2m for the last corresponding period.

Business Review

In March 2015, the Government announced budgetary measures that banned advertising of the lottery effective 24 March 2015 and the prohibition of the Quick Win category of games effective 30 June 2015. The company took immediate action to right size the business to the new reality resulting in a reduction of 30% of employees and decrease in administration costs.

The Board engaged PwC to evaluate the actual financial impact of the budgetary changes and these independent reports were submitted to the Gambling Regulatory Authority (GRA) with a view to claim compensation for inter alia the severance and Quick Win inventory write-off and to review the quantum of the contribution to the Consolidated Fund so as to restore value for all shareholders and stakeholders in the coming years.

While the 2015 budgetary measures continued to have a negative impact on the business, the first semester of 2016 was profitable for the company as a result of the restructuring of operations.

Future Outlook

The Board has not received any response from the GRA regarding its representation in respect of the review of the contribution rate to the Consolidated Fund, the quantum of the compensation receivable for the exceptional Quick Win inventory write-off and severance payments and/or the review of the structured game plan. The Board considers that it has a legitimate claim.

Following the "Mise En Demeure" served on the GRA by the Company on 21 May 2016, a Complaint With Summons has been filed on 13 June 2016 before The Supreme Court of Mauritius (Commercial Division), against the GRA and the Ministry of Finance and Economic Empowerment.

The Board continues to work with management to ensure that the company can deliver on its targets and to take appropriate actions in order to mitigate the impact and protect the value of the company.

Earnings per share

The calculation of earnings per share is based on the profit attributable to the shareholders of the company of MUR53,952,275 (June 2015: MUR1,420,009) and the number of the shares in issue of 340,000,000.

Dividend

A final dividend of MUR40,800,000 (June 2015: MUR54,400,000) was declared and paid in respect of the financial year 31 December 2015 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 2015.

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 of 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

28 July 2016

These abridged unaudited financial statements are issued pursuant to Listing Rule 12.20.

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