

STATEMENT OF FINANCIAL POSITION

The Group	Audited	Audited
	31 December 2013	31 December 2012
	Rs'000	Rs'000
ASSETS		
Non-current assets	1,271,100	1,121,293
Current assets	38,255	38,004
Total assets	1,309,355	1,159,297
EQUITY AND LIABILITIES		
Capital and reserves		
Total equity	1,305,746	1,132,137
Current liabilities	3,609	27,790
Total equity and liabilities	1,309,355	1,159,297
Net asset value per share - (Rs)	5.75	4.99
No. of shares used in calculation	226,986,672	226,986,672

STATEMENT OF COMPREHENSIVE INCOME

The Group	Audited Year to 31 December 2013	Audited Year to 31 December 2012
	Rs'000	Rs'000
Income	134,158	116,394
Operating profit	119,553	100,406
Finance costs	(146)	(560)
Profit before taxation	119,407	99,846
Income tax expense	(311)	(139)
Profit for the year	119,096	99,707
Other comprehensive income for the year	145,308	(128,101)
Total comprehensive income for the year	264,404	(28,394)
Profit attributable to:		
Owners of the parent	119,096	99,707
Total comprehensive income attributable to:		
Owners of the parent	264,404	(28,394)
Basic Earnings per share - (Rs.)	0.52	0.44
Dividends per share - (Rs.)	0.40	0.37
Adjusted dividends per share - (Rs.) *	N/A	0.33
No. of shares in issue and ranking for dividends	226,986,672	226,986,672

* Adjusted for bonus issue made in 2012

STATEMENT OF CHANGES IN EQUITY

The Group	Attributable to owners of the parent				
	Share capital	Share premium	Fair value reserve	Retained earnings	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January 2013	226,987	5,217	496,899	403,034	1,132,137
<i>Comprehensive income</i>					
Profit for the year	-	-	-	119,096	119,096
Other comprehensive income	-	-	145,308	-	145,308
Total comprehensive income	-	-	145,308	119,096	264,404
<i>Transaction with owners</i>					
Dividends	-	-	-	(90,795)	(90,795)
At 31 December 2013	226,987	5,217	642,207	431,335	1,305,746
At 01 January 2012	170,240	61,964	625,000	378,800	1,236,004
<i>Comprehensive income</i>					
Profit for the year	-	-	-	99,707	99,707
Other comprehensive income	-	-	(128,101)	-	(128,101)
Total comprehensive income	-	-	(128,101)	99,707	(28,394)
<i>Transaction with owners</i>					
Bonus issue	56,747	(56,747)	-	-	-
Dividends	-	-	-	(75,473)	(75,473)
Total transaction with owners	56,747	(56,747)	-	(75,473)	(75,473)
At 31 December 2012	226,987	5,217	496,899	403,034	1,132,137

STATEMENT OF CASH FLOWS

The Group	Audited Year to 31 December 2013	Audited Year to 31 December 2012
	Rs'000	Rs'000
Operating activities		
Net cash generated from operating activities	26,986	29,181
Investing activities		
Net cash generated from investing activities	83,880	15,569
Financing activities		
Net cash used in financing activities	(90,903)	(135,500)
Increase/(decrease) in cash and cash equivalents	19,963	(90,750)
Movement in cash and cash equivalents		
At 1 January	(1,889)	88,728
Effect of exchange difference on cash and cash equivalents	(11)	133
Increase/(decrease) in cash and cash equivalents	19,963	(90,750)
At 31 December	18,063	(1,889)

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

AUDITED ABRIDGED FINANCIAL STATEMENTS

The Directors are pleased to present the audited Abridged Financial Statements of the Group for the year ended 31 December 2013.

BASIS OF ACCOUNTING

The Financial Statements comply with International Financial Reporting Standards (IFRS) and are prepared under the historical cost convention as modified by the fair valuation of investments.

COMMENTS AND REVIEW

(i) As at 31 December 2013, Net Asset Value ("NAV") per share stood at Rs. 5.75, compared to Rs. 4.99 at 31 December 2012.

Owners' interest stood at Rs. 1.3 billion at the end of the year under review as compared to Rs. 1.1 billion at 31 December 2012.

The growth in NAV and owners' interest arises from an increase in other comprehensive income by Rs. 273 million to Rs. 145 million.

(ii) Dividend income and profit on disposal of investments in 2013 were higher compared to 2012, resulting in higher profits for the year, thus bringing an increase in Earnings Per Share from Rs. 0.44 to Rs. 0.52.

(iii) Dividends per share were as follows:

	2013	2012
	Rs.	Rs.
Interim	0.15	0.15
Final	0.25	0.22
Total dividends	0.40	0.37

By Order of the Board

Abax Corporate Administrators Ltd
Secretary

20 March 2014

This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

The Board of Directors of P.O.L.I.C.Y. Limited accepts full responsibility for the accuracy of the information contained in these financial statements. Copies of the full financial statements and the statement of direct and indirect interests of the Company, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available to the public, free of charge, at the registered office of the Company, c/o Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebene.

Manager's Report for the quarter and year ended 31 December 2013

REVIEW

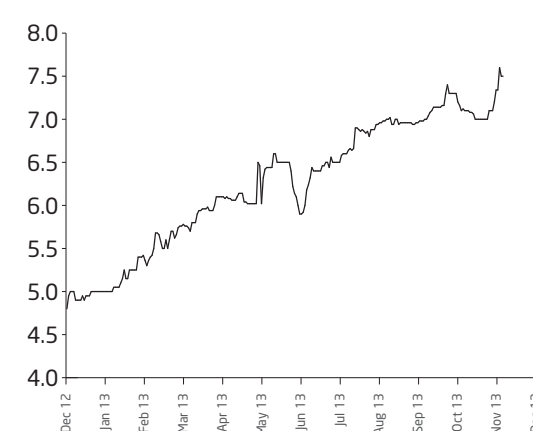
As at 31 December 2013, the Net Asset Value ("NAV") per share of P.O.L.I.C.Y. Limited ("POLICY") stood at Rs. 5.75 compared to Rs. 5.52 as at 30 September 2013, which represents an increase of 4.2% over the quarter. A final dividend per share of Rs. 0.25 was declared and paid in December 2013, compared to Rs. 0.22 in December 2012.

Banks, Insurance & Other Finance sector accounted for 56.6% of the portfolio. The share price of the Mauritius Commercial Bank Ltd, which is POLICY's top holding, increased by 10.1% during the quarter.

As at 31 December 2013, POLICY's shares were trading at Rs. 7.50, a premium of 30.3% to the NAV.

The stock market in Mauritius continued its rally during the last quarter, with the SEMDEX just shy of its all-time high marked in 2011. The rally was again mostly fuelled by financial services and hotel stocks.

SHARE PRICE EVOLUTION



PERFORMANCE FIGURES AND RATIOS

	2008	2009	2010	2011	2012	2013	3Q 2013	4Q 2013
LOCAL MARKET								
SEMTRI	-33.6%	45.7%	22.0%	-1.3%	-5.5%	24.4%	3.8%	7.9%
SEM-7	-44.0%	35.0%	3.5%	-6.1%	-3.7%	19.7%	1.7%	5.9%
Market Turnover Ratio ³	10.4%	6.9%	6.6%	8.7%	5.4%	4.9%	1.0%	1.5%
Market Turnover Ratio ⁴	8.1%	8.0%	7.1%	8.6%	5.5%	5.0%	1.1%	1.5%
POLICY								
Share price ¹	-9.5%	58.1%	7.0%	-1.1%	-23.2%	64.6%	6.8%	11.7%
Net Asset Value ¹	-24.8%	24.5%	11.1%	-2.9%	-2.5%	23.3%	3.8%	8.8%
Portfolio Turnover Ratio ²	31.4%	32.7%	19.7%	23.2%	31.8%	27.0%	1.9%	4.1%
Share Turnover Ratio	11.5%	6.2%	4.3%	2.5%	3.4%	8.8%	0.9%	0.6%

1 Performance adjusted for dividends paid and bonus issue

2 Total value of purchases and sales divided by the average NAV

3 Turnover (in Rs.) divided by the market capitalisation at period end

4 Turnover (in Rs.) divided by the average market capitalisation

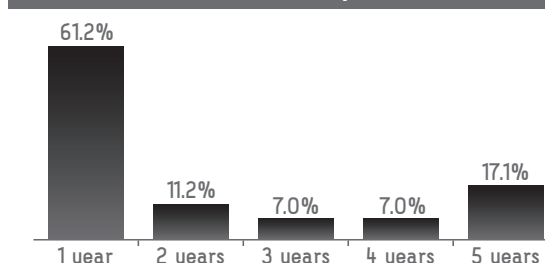
Top 5 holdings as at 31 December 2013

	Rs. in million	% of NAV
The Mauritius Commercial Bank Ltd	674	51.6%
Terra Mauricia Ltd	96	7.3%
Alteo Limited	90	6.9%
Phoenix Beverages Ltd	37	2.9%
Mauritian Eagle Insurance Co. Ltd	36	2.7%
Total	933	71.4%

Sector allocation as at 31 December 2013

	Portfolio allocation	SEMDEX allocation
Banks & Insurance & Other Finance	56.6%	48.0%
Investments	18.9%	18.1%
Leisure & Hotels	7.2%	11.2%
Industry	4.2%	5.8%
Sugar	0.1%	8.2%
Commerce	0.0%	7.0%
Transport	0.0%	0.8%
Property Development	0.0%	0.9%
Foreign	5.7%	0.0%
Others	3.4%	0.0%
Unquoted	2.3%	0.0%
Liquidity	1.6%	0.0%
Total	100.0%	100.0%

Annualised returns as at 30 September 2013



LOOKING AHEAD

In an environment of still relatively low interest rates, we expect local equities to be well supported.

We remain however cautious for the local economy and continue to closely monitor a number of local and international factors, like GDP in the Eurozone and the potential turn-around in investments by the local private sector.

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