

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

THE GROUP	Unaudited	Audited	Audited
	as at 30 September 2015	as at 31 December 2014	as at 30 September 2014
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets	1,245,604	1,161,576	1,247,149
Current assets	34,352	89,830	97,283
Total assets	1,279,956	1,251,406	1,344,432
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity	1,262,138	1,248,311	1,340,103
Current liabilities	17,818	3,095	4,329
Total equity and liabilities	1,279,956	1,251,406	1,344,432
Net asset value per share - (Rs.)	5.56	5.50	5.90
No. of shares used in calculation	226,986,672	226,986,672	226,986,672

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

THE GROUP	Unaudited	Unaudited	Audited	Unaudited	Unaudited
	Three months to 30 September 2015	Nine months to 30 September 2015	Year to 31 December 2014	Three months to 30 September 2014	Nine months to 30 September 2014
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Income	12,526	25,796	132,733	7,731	83,870
Operating profit	9,989	12,806	122,365	4,881	75,999
Finance income	46	1,941	327	230	228
Profit before taxation	10,035	14,747	122,692	5,111	76,227
Taxation	62	-	(247)	(169)	(169)
Profit for the period/year	10,097	14,747	122,445	4,942	76,058
Other comprehensive income for the period/year, net of tax	(21,330)	33,128	(89,085)	36,467	(7,653)
Total comprehensive income for the period/year	(11,233)	47,875	33,360	41,409	68,405
Profit attributable to:					
Owners of the parent	10,097	14,747	122,445	4,942	76,058
Total comprehensive income attributable to:					
Owners of the parent	(11,233)	47,875	33,360	41,409	68,405
Basic earnings per share for the period/year - (Rs.)	0.04	0.06	0.54	0.02	0.34
Dividends per share - (Rs.)	-	0.15	0.40	-	0.15
No. of shares in issue and ranking for dividends	226,986,672	226,986,672	226,986,672	226,986,672	226,986,672

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

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 2015	226,987	5,217	553,122	462,985	1,248,311
<i>Comprehensive income</i>					
Profit for the period	-	-	-	14,747	14,747
Other comprehensive income	-	-	33,128	-	33,128
Total comprehensive income for the period	-	-	33,128	14,747	47,875
<i>Transaction with owners</i>					
Dividends	-	-	-	(34,048)	(34,048)
At 30 September 2015	226,987	5,217	586,250	443,684	1,262,138
At 01 January 2014	226,987	5,217	642,207	431,335	1,305,746
<i>Comprehensive income</i>					
Profit for the year	-	-	-	122,445	122,445
Other comprehensive income	-	-	(89,085)	-	(89,085)
Total comprehensive income for the year	-	-	(89,085)	122,445	33,360
<i>Transaction with owners</i>					
Dividends	-	-	-	(90,795)	(90,795)
At 31 December 2014	226,987	5,217	553,122	462,985	1,248,311
At 01 January 2014	226,987	5,217	642,207	431,335	1,305,746
<i>Comprehensive income</i>					
Profit for the period	-	-	-	76,058	76,058
Other comprehensive income	-	-	(7,653)	-	(7,653)
Total comprehensive income for the period	-	-	(7,653)	76,058	68,405
<i>Transaction with owners</i>					
Dividends	-	-	-	(34,048)	(34,048)
At 30 September 2014	226,987	5,217	634,554	473,345	1,340,103

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

THE GROUP	Unaudited	Audited	Unaudited
	Nine months to 30 September 2015	Year to 31 December 2014	Nine months to 30 September 2014
	Rs'000	Rs'000	Rs'000
Operating activities			
Net cash generated from operating activities	12,353	25,617	13,281
Investing activities			
Net cash (used in)/generated from investing activities	(45,411)	117,347	75,244
Financing activities			
Net cash used in financing activities	(34,064)	(90,795)	(34,048)
(Decrease)/increase in cash and cash equivalents	(67,122)	52,169	54,477
Movement in cash and cash equivalents			
At 1 January	70,478	18,063	18,063
(Decrease)/increase in cash and cash equivalents	(67,122)	52,169	54,477
Effect of exchange difference on cash and cash equivalents	1,922	246	183
At 30 September/ 31 December	5,278	70,478	72,723

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

BASIS OF ACCOUNTING

The unaudited interim quarterly condensed consolidated financial statements have been prepared using the same accounting policies set out in the statutory financial statements of the Group for the year ended 31 December 2014, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued now effective.

COMMENTS AND REVIEW FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

- The Company posted a gross income of Rs. 25.9 million for the nine months under review, as compared to Rs. 83.9 million for the corresponding period in 2014. The reduction is due to less investments disposed of during the period under review following unfavorable market conditions. As a result, the Company generated lower operating profits.
- As at 30 September 2015, Net Asset Value ("NAV") per share stood at Rs. 5.56, compared to Rs. 5.50 at 31 December 2014. This higher NAV is attributable to increase in fair valuation of investments at 30 September 2015.

Owners' interest was Rs. 1.26 billion at 30 September 2015, as compared to Rs. 1.25 billion and Rs. 1.34 billion at 31 December and 30 September 2014 respectively.

By Order of the Board

Abax Corporate Administrators Ltd
Secretary

10 November 2015

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.

The auditors of the Group are BDO & Co.

Manager's Report for the quarter ended 30 September 2015

Market Review for Q3 15

The Net Asset Value of POLICY went down by 0.9% during the third quarter 2015, compared to a negative performance of 2.7% for the SEMTRI. Despite improved occupancy rates in the hotel industry and strong results published by MCB Group Limited, the Mauritius Stock Exchange continues its downward trend.

Outlook

We remain confident that POLICY's top holdings will continue to deliver higher returns than the market.

Share price and NAV

	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	30-Sep-15
Share price	7.90	7.50	7.20	7.22	6.72
NAV	5.90	5.50	5.45	5.61	5.56
Premium/(discount) to NAV	33.9%	36.4%	32.1%	28.7%	20.9%

Performance ratios

POLICY	Year ended 31 December							Top 5 holdings as at 30 September 2015	Rs. in million	% of NAV	3Q15 Performance	
	2010	2011	2012	2013	2014	1Q15	2Q15					3Q15
Share price ¹	7.0%	-1.1%	-2.2%	6.6%	5.3%	-4.0%	0.3%	-6.9%	MCB Group Limited	624	49.4%	-4.0%
Net Asset Value ¹	11.1%	-2.9%	-2.5%	23.2%	2.6%	-0.9%	2.9%	-0.9%	Alteo Ltd	85	6.8%	14.5%
Portfolio Turnover Ratio ²	19.7%	23.2%	31.8%	27.0%	15.8%	10.5%	3.3%	1.3%	Lux* Island Resorts Ltd	75	5.9%	-1.2%
Share Turnover Ratio	4.3%	2.5%	3.4%	8.8%	3.6%	24.3%	2.0%	1.3%	Phoenix Beverages Ltd	60	4.7%	23.1%
									Ciel Textile Ltd	57	4.5%	2.6%
									Total	901	71.3%	

Local market	Year ended 31 December							Sector allocation as at 30 September 2015	Portfolio allocation	SEMDEX allocation	
	2010	2011	2012	2013	2014	1Q15	2Q15				3Q15
SEMTRI	22.0%	-1.3%	-5.5%	24.4%	1.8%	-4.5%	0.9%	-2.7%	Banks, Insurance & Other Finance	57.5%	43.4%
SEM-10 ³	3.5%	-6.1%	-3.7%	19.7%	-4.4%	-2.5%	0.6%	-3.6%	Investments	16.8%	28.0%
Market Turnover Ratio ⁴	6.6%	8.7%	5.4%	4.9%	7.1%	2.1%	3.0%	1.6%	Leisure & Hotels	8.1%	11.3%
Market Turnover Ratio ⁵	7.1%	8.6%	5.5%	5.0%	7.1%	2.0%	3.0%	1.5%	Industry	6.3%	6.6%
									Property Development	0.4%	0.9%
									Sugar	0.0%	2.1%
									Transport	0.0%	0.5%
									Commerce	0.0%	7.1%
									Others	4.5%	0.0%
									Foreign	5.9%	0.1%
									Unquoted	1.3%	0.0%
									Liquidity	-0.8%	0.0%
									Total	100.0%	100.0%

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