

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

THE GROUP	Unaudited as at	Audited as at	Unaudited as at
	30 September 2014	31 December 2013	30 September 2014
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets	1,247,149	1,271,100	1,127,183
Current assets	97,283	38,255	128,654
Total assets	1,344,432	1,309,355	1,255,837
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity	1,340,103	1,305,746	1,252,914
Current liabilities	4,329	3,609	2,923
Total equity and liabilities	1,344,432	1,309,355	1,255,837
Net asset value per share - (Rs)	5.90	5.75	5.52
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 ENDED 30 SEPTEMBER 2014

THE GROUP	Unaudited	Unaudited	Audited	Unaudited	Unaudited
	Three months to	Nine months to	Year to	Three months to	Nine months to
	30 September	30 September	31 December	30 September	30 September
	2014	2014	2013	2013	2013
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Income	7,731	83,870	134,158	20,562	113,778
Operating profit	4,881	75,999	119,553	18,248	106,633
Finance income/(costs)	230	228	(146)	(27)	(145)
Profit before taxation	5,111	76,227	119,407	18,221	106,488
Taxation	(169)	(169)	(311)	(195)	(323)
Profit for the period/year	4,942	76,058	119,096	18,026	106,165
Other comprehensive income for the period/year, net of tax	36,467	(7,653)	145,308	27,426	48,660
Total comprehensive income for the period/year	41,409	68,405	264,404	45,452	154,825
Profit attributable to:					
Owners of the parent	4,942	76,058	119,096	18,026	106,165
Total comprehensive income attributable to:					
Owners of the parent	41,409	68,405	264,404	45,452	154,825
Basic earnings per share for the period/year - (Rs.)	0.02	0.34	0.52	0.08	0.47
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 QUARTER ENDED 30 SEPTEMBER 2014

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 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
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 for the year	-	-	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 2013	226,987	5,217	496,899	403,034	1,132,137
<i>Comprehensive income</i>					
Profit for the period	-	-	-	106,165	106,165
Other comprehensive income	-	-	48,660	-	48,660
Total comprehensive income for the period	-	-	48,660	106,165	154,825
<i>Transaction with owners</i>					
Dividends	-	-	-	(34,048)	(34,048)
At 30 September 2013	226,987	5,217	545,559	475,151	1,252,914

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2014

THE GROUP	Unaudited	Audited	Unaudited
	Nine months to	Year to	Nine months to
	30 September 2014	31 December 2013	30 September 2013
	Rs'000	Rs'000	Rs'000
Operating activities			
Net cash generated from operating activities	13,281	26,986	16,484
Investing activities			
Net cash generated from investing activities	75,244	83,880	133,097
Financing activities			
Net cash used in financing activities	(34,048)	(90,903)	(34,156)
Increase in cash and cash equivalents	54,477	19,963	115,425
Movement in cash and cash equivalents			
At 1 January	18,063	(1,889)	(1,889)
Increase in cash and cash equivalents	54,477	19,963	115,425
Effect of exchange difference on cash and cash equivalents	183	(11)	(10)
At 30 September/31 December	72,723	18,063	113,526

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2014

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 2013, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued and now effective.

COMMENTS AND REVIEW FOR THE QUARTER AND NINE MONTHS UNDER REVIEW

- (i) As at 30 September 2014, Net Asset Value ("NAV") per share stood at Rs. 5.90, compared to Rs. 5.75 at 31 December 2013. Owners' interest stood at Rs.1.34 billion at the end of the quarter under review as compared to Rs.1.31 billion at 31 December 2013.
- (ii) During the quarter under review, Earnings Per Share increased by Rs. 0.02 to reach Rs. 0.34 at 30 September 2014 due to higher dividend income. For the nine months ended 30 September 2014, lower dividend income and lower realised gain on disposal of investments resulted in lower profits compared to the corresponding period in 2013.
- (iii) The negative "other comprehensive income" for the nine months under review is attributable to the release of fair value reserves on disposal of investments and lower gain on fair valuation of investments.

By Order of the Board
Abax Corporate Administrators Ltd
Secretary
14 November 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 condensed consolidated 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 ended 30 September 2014

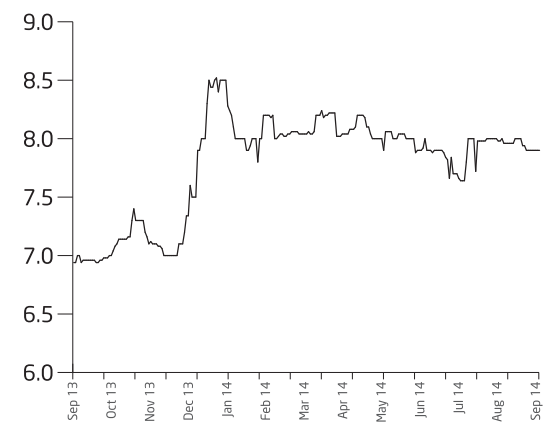
Market Review for 3Q14

The SEMTRI rose by 4.3% and the SEM-7 index, which excludes dividends, also rose by 1.5% during the third quarter 2014. Positive results from the tourism sector propelled the local indices to new highs.

Foreign market participation was dominant on MCB Group Limited with Rs.58 million of net purchases during the quarter. Of our Top 5 Holdings, Alteo, Ciel Textile and Lux* rose by 11.4%, 18.7% and 37.1% respectively while MCB and Terra shed 0.5% and 2.2% respectively.

POLICY's Net Asset Value increased by 3.1% in 3Q14.

POLICY - One-year share price evolution



Performance ratios

	Year ended 31 December							
	2009	2010	2011	2012	2013	1Q14	2Q14	3Q14
Share price ¹	58.1%	7.0%	-1.1%	-23.2%	64.6%	7.2%	0.1%	0.0%
Net Asset Value ¹	24.5%	11.1%	-2.9%	-2.5%	23.2%	1.0%	-1.5%	3.1%
Portfolio Turnover Ratio ²	32.7%	19.7%	23.2%	31.8%	27.0%	2.5%	6.6%	2.6%
Share Turnover Ratio	6.2%	4.3%	2.5%	3.4%	8.8%	0.7%	1.1%	1.0%
SEMTRI	45.7%	22.0%	-1.3%	-5.5%	24.4%	0.0%	0.5%	4.3%
SEM-7	35.0%	3.5%	-6.1%	-3.7%	19.7%	0.6%	-0.7%	1.5%
Market Turnover Ratio ³	6.9%	6.6%	8.7%	5.4%	4.9%	1.6%	2.2%	1.4%
Market Turnover Ratio ⁴	8.0%	7.1%	8.6%	5.5%	5.0%	1.6%	2.2%	1.4%

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

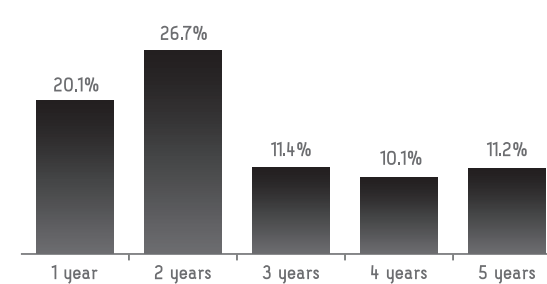
Top 5 holdings as at 30 September 2014

Company	Rs. in million	% of NAV
MCB Group Limited	622	46.4%
Alteo Ltd	94	7.0%
Terra Mauricia Ltd	84	6.3%
Ciel Textile Ltd	59	4.4%
Lux* Island Resorts Ltd	47	3.5%
Total	906	67.6%

Sector allocation as at 30 September 2014

Sector	Portfolio allocation	SEMDEX allocation
Banks, Insurance & Other Finance	52.3%	42.8%
Investments	19.4%	26.8%
Leisure & Hotels	7.9%	13.0%
Industry	4.6%	5.8%
Property Development	0.6%	1.4%
Sugar	0.0%	2.4%
Transport	0.0%	0.8%
Commerce	0.0%	7.0%
Others	4.4%	0.0%
Foreign	4.3%	0.0%
Unquoted	1.1%	0.0%
Liquidity	5.4%	0.0%
Total	100.0%	100.0%

Annualised returns as at 30 September 2014



Looking ahead

The lingering Euro crisis was brought into light again, with worrying economic data published by most European countries. As a result, the European Central Bank was forced to undertake new quantitative easing measures.

Mauritian equities are however showing more resilience. Given the trading links between Mauritius and Europe, we are implementing a cautious investment strategy, with a focus on companies having strong balance sheets.

www.policylimited.mu

Disclaimer: This Manager's report is provided by IPRO Fund Management Ltd. The information contained herein is based upon sources believed by us to be reliable but are not guaranteed of their accuracy or completeness. Any views or opinions expressed herein does not constitute investment advice or an offer or invitation to buy or sell any shares in the fund and does not have regard to the specific investment objectives and financial situation of any person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any financial instruments mentioned or recommended in this report. Any views stated in this report regarding future prospects (forward looking statements) may not be realised and may be subject to change. Investors should note that the fund's net asset value may rise or fall and that past performance is not a guide to future performance.