

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

THE GROUP	Unaudited as at 30 September 2013	Audited as at 31 December 2012	Unaudited as at 30 September 2012
	Rs'000	Rs'000	Rs'000
<b>ASSETS</b>			
Non-current assets	1,127,183	1,121,923	1,119,247
Current assets	128,654	38,004	24,262
<b>Total assets</b>	<b>1,255,837</b>	<b>1,159,927</b>	<b>1,143,509</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Total equity	1,252,914	1,132,137	1,136,165
Current liabilities	2,923	27,790	7,344
<b>Total equity and liabilities</b>	<b>1,255,837</b>	<b>1,159,927</b>	<b>1,143,509</b>
<b>Net asset value per share - (Rs)</b>	<b>5.52</b>	<b>4.99</b>	<b>5.01</b>
No. of shares used in calculation	<b>226,986,672</b>	<b>226,986,672</b>	<b>226,986,672</b>

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2013

THE GROUP	Unaudited Three months to 30 September 2013	Unaudited Nine months to 30 September 2013	Audited Year to 31 December 2012	Unaudited Three months to 30 September 2012	Unaudited Nine months to 30 September 2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Income</b>	<b>20,562</b>	<b>113,778</b>	<b>116,394</b>	<b>48,239</b>	<b>99,788</b>
<b>Operating profit</b>	<b>18,248</b>	<b>106,633</b>	<b>100,406</b>	<b>41,542</b>	<b>82,064</b>
Finance costs	(27)	(145)	(560)	(236)	(358)
<b>Profit before taxation</b>	<b>18,221</b>	<b>106,488</b>	<b>99,846</b>	<b>41,306</b>	<b>81,706</b>
Taxation	(195)	(323)	(139)	(32)	(35)
<b>Profit for the period/year</b>	<b>18,026</b>	<b>106,165</b>	<b>99,707</b>	<b>41,274</b>	<b>81,671</b>
Other comprehensive income for the period/year, net of tax	<b>27,426</b>	<b>48,660</b>	<b>(128,101)</b>	<b>(86,023)</b>	<b>(155,974)</b>
<b>Total comprehensive income for the period/year</b>	<b>45,452</b>	<b>154,825</b>	<b>(28,394)</b>	<b>(44,749)</b>	<b>(74,303)</b>
<b>Profit attributable to:</b>					
Owners of the parent	<b>18,026</b>	<b>106,165</b>	<b>99,707</b>	<b>41,274</b>	<b>81,671</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent	<b>45,452</b>	<b>154,825</b>	<b>(28,394)</b>	<b>(44,749)</b>	<b>(74,303)</b>
<b>Basic earnings per share for the period/year - (Rs.)</b>	<b>0.08</b>	<b>0.47</b>	<b>0.44</b>	<b>0.18</b>	<b>0.36</b>
<b>Dividends per share - (Rs.)</b>	<b>-</b>	<b>0.15</b>	<b>0.37</b>	<b>-</b>	<b>0.15</b>
<b>Adjusted dividends per share - (Rs.) *</b>	<b>-</b>	<b>0.15</b>	<b>0.33</b>	<b>-</b>	<b>0.15</b>
No. of shares in issue and ranking for dividends	<b>226,986,672</b>	<b>226,986,672</b>	<b>226,986,672</b>	<b>226,986,672</b>	<b>226,986,672</b>
*Adjusted for bonus issue made in 2012					

All components of other comprehensive income are potentially reclassifiable to profit or loss

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2013

THE GROUP	Unaudited Nine months to 30 September 2013	Audited Year to 31 December 2012	Unaudited Nine months to 30 September 2012
	Rs'000	Rs'000	Rs'000
<b>Operating activities</b>			
Net cash generated from operating activities	16,484	29,181	20,826
<b>Investing activities</b>			
Net cash generated from/(used in) investing activities	133,097	15,569	(17,711)
<b>Financing activities</b>			
Net cash used in financing activities	(34,156)	(135,500)	(85,460)
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>115,425</b>	<b>(90,750)</b>	<b>(82,345)</b>
<b>Movement in cash and cash equivalents</b>			
<b>At 1 January</b>	<b>(1,889)</b>	<b>88,728</b>	<b>88,728</b>
Increase/(decrease) in cash and cash equivalents	115,425	(90,750)	(82,345)
Effect of exchange difference on cash and cash equivalents	(10)	133	(18)
<b>At 30 September/ 31 December</b>	<b>113,526</b>	<b>(1,889)</b>	<b>6,365</b>

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2013

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
<b>Comprehensive income</b>					
Profit for the period	-	-	-	106,165	106,165
Other comprehensive income	-	-	48,660	-	48,660
<b>Total comprehensive income for the period</b>	-	-	48,660	106,165	154,825
<b>Transaction with owners</b>					
Dividends	-	-	-	(34,048)	(34,048)
<b>Total transaction with owners</b>	-	-	-	(34,048)	(34,048)
At 30 September 2013	<b>226,987</b>	<b>5,217</b>	<b>545,559</b>	<b>475,151</b>	<b>1,252,914</b>
At 01 January 2012	170,240	61,964	625,000	378,800	1,236,004
<b>Comprehensive income</b>					
Profit for the year	-	-	-	99,707	99,707
Other comprehensive income	-	-	(128,101)	-	(128,101)
<b>Total comprehensive income for the year</b>	-	-	(128,101)	99,707	(28,394)
<b>Transaction with owners</b>					
Dividends	-	-	-	(75,473)	(75,473)
Bonus issue	56,747	(56,747)	-	-	-
<b>Total transaction with owners</b>	56,747	(56,747)	-	(75,473)	(75,473)
At 31 December 2012	<b>226,987</b>	<b>5,217</b>	<b>496,899</b>	<b>403,034</b>	<b>1,132,137</b>
At 01 January 2012	170,240	61,964	625,000	378,800	1,236,004
<b>Comprehensive income</b>					
Profit for the period	-	-	-	81,672	81,672
Other comprehensive income	-	-	(155,974)	-	(155,974)
<b>Total comprehensive income for the period</b>	-	-	(155,974)	81,672	(74,302)
<b>Transaction with owners</b>					
Dividends	-	-	-	(25,536)	(25,536)
Bonus issue	56,747	(56,747)	-	-	-
<b>Total transaction with owners</b>	56,747	(56,747)	-	(25,536)	(25,536)
At 30 September 2012	<b>226,987</b>	<b>5,217</b>	<b>469,026</b>	<b>434,936</b>	<b>1,136,165</b>

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2013

#### 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 2012, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued now effective.

#### COMMENTS AND REVIEW - FOR THE QUARTER UNDER REVIEW

- As at 30 September 2013, Net Asset Value ("NAV") per share, stood at Rs. 5.52, compared to 4.99 at 31 December 2012 following the increase in fair value of investment.  
  
Owners' interest stood at Rs.1,253 million at the end of the quarter under review as compared to Rs. 1,132 million at 31 December 2012.
- Higher sales during the quarter to 30 September 2012 generated additional income of Rs. 28 million.
- Earnings Per Share during the quarter under review increased by Rs. 0.08 to reach Rs. 0.47 for the nine months to 30 September 2013 due to dividend income.

#### By Order of the Board

#### Abax Corporate Administrators Ltd

#### Secretary

Date 11 November 2013

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 ended 30 September 2013

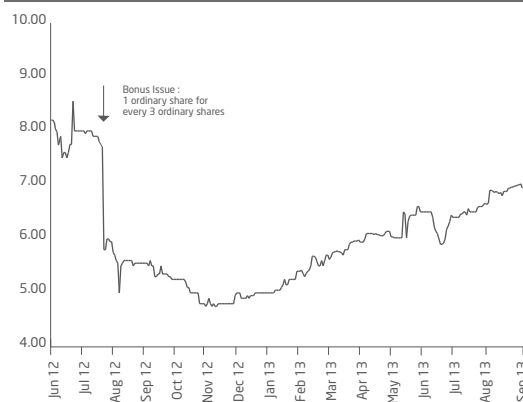
#### REVIEW

As at 30 September 2013, the Net Asset Value ("NAV") per share of P.O.L.I.C.Y. Limited ("POLICY") stood at Rs.5.52 compared to Rs.5.32 as at 30 June 2013, which represents an increase of 3.8% over the quarter.

As at 30 September 2013, the Banks, Insurance & Other Finance sector accounted for 54.6% of the portfolio. The share price of the Mauritius Commercial Bank Ltd, which is POLICY's top holding, increased by 5.9% during the quarter.

As at 30 September 2013, POLICY's shares were trading at a premium of 25.7% to the NAV.

#### SHARE PRICE EVOLUTION



### PERFORMANCE FIGURES AND RATIOS

	2008	2009	2010	2011	2012	2Q 2013	3Q 2013
<b>POLICY</b>							
Share price <sup>1</sup>	-9.5%	58.1%	7.0%	-1.1%	-23.2%	16.7%	6.8%
Net Asset Value <sup>1</sup>	-24.8%	24.5%	11.1%	-2.9%	-2.5%	-1.1%	3.8%
Portfolio Turnover Ratio <sup>2</sup>	31.4%	32.7%	19.7%	23.2%	31.8%	13.9%	1.9%
Share Turnover Ratio	11.5%	6.2%	4.3%	2.5%	3.4%	1.9%	0.9%
<b>LOCAL MARKET</b>							
SEMTRI	-33.6%	45.7%	22.0%	-1.3%	-5.5%	-0.3%	3.8%
SEM-7	-44.0%	35.0%	3.5%	-6.1%	-3.7%	-2.1%	1.7%
Market Turnover Ratio <sup>3</sup>	10.4%	6.9%	6.6%	8.7%	5.4%	1.1%	1.1%
Market Turnover Ratio <sup>4</sup>	8.1%	8.0%	7.1%	8.6%	5.5%	1.2%	1.1%

<sup>1</sup> Performance adjusted for dividends paid and bonus issue

<sup>2</sup> Total value of purchases and sales divided by the average NAV

<sup>3</sup> Turnover (in Rs.) divided by the market capitalisation at period end

<sup>4</sup> Turnover (in Rs.) divided by the average market capitalisation

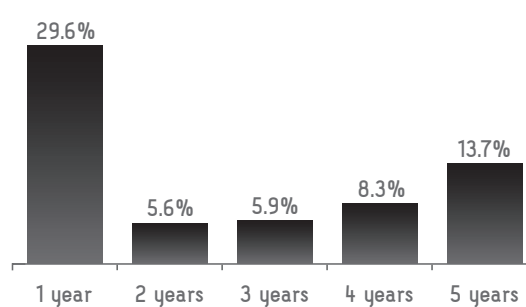
### Top 5 holdings as at 30 September 2013

	Rs. in million	% of NAV
The Mauritius Commercial Bank Ltd	621	49.5%
Terra Mauricia Ltd	100	8.0%
Alteo Limited	76	6.1%
Mauritian Eagle Insurance Co. Ltd	33	2.7%
Ciel Textile	33	2.7%
<b>Total</b>	<b>864</b>	<b>69.0%</b>

### Sector allocation as at 30 September 2013

	Portfolio allocation	SEMDEX allocation
Banks & Insurance & Other Finance	54.6%	48.4%
Investments	18.3%	18.9%
Leisure & Hotels	5.6%	10.3%
Industry	1.3%	5.8%
Sugar	0.1%	8.4%
Commerce	0.0%	7.1%
Transport	0.0%	0.7%
Property Development	0.0%	0.3%
Foreign	5.6%	0.0%
Others	3.2%	0.0%
Unquoted	2.5%	0.0%
Liquidity	8.6%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Annualised returns as at 30 September 2013



### LOOKING AHEAD

A number of local equities are now trading at their all-time high. In this low interest rate environment, stocks are becoming more attractive to institutional and private investors looking for yields.

This local stock market performance, which needs to be confirmed, is very much in line with the current positive global growth trend.

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