



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 30 September 2016	Quarter ended 30 September 2015	9 months ended 30 September 2016	9 months ended 30 September 2015
	MUR	MUR	MUR	MUR
	Unaudited	Unaudited	Unaudited	Unaudited
Gross ticket sales	348,075,000	360,390,512	1,182,300,280	1,262,000,292
Prizes	(168,816,375)	(175,121,524)	(573,415,636)	(633,712,064)
Consolidated fund	(82,745,781)	(85,518,581)	(281,061,152)	(292,702,082)
Net income	96,512,844	99,750,407	327,823,492	335,586,146
Operating profit	20,645,878	12,592,799	85,877,572	20,913,984
Net finance income	12,531	16,349	49,176	1,319,795
Profit before income tax	20,658,409	12,609,148	85,926,748	22,233,779
Income tax expense	(4,951,691)	(676,253)	(16,267,755)	(8,880,875)
Profit for the period	15,706,718	11,932,895	69,658,993	13,352,904
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	15,706,718	11,932,895	69,658,993	13,352,904
Earnings per share	0.05	0.04	0.20	0.04

STATEMENT OF FINANCIAL POSITION

	30 September 2016	31 December 2015
	MUR	MUR
	Unaudited	Audited
ASSETS		
Non-current assets	163,351,557	145,977,517
Current assets	151,021,050	149,835,629
Total assets	314,372,607	295,813,146
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	100,000,000	100,000,000
Retained earnings	20,064,369	42,205,376
Total equity	120,064,369	142,205,376
Non-current liabilities	4,179,523	6,363,756
Current liabilities	190,128,715	147,244,014
Total liabilities	194,308,238	153,607,770
Total equity and liabilities	314,372,607	295,813,146

STATEMENT OF CASH FLOWS

	9 months ended 30 September 2016	9 months ended 30 September 2015
	MUR	MUR
	Unaudited	Unaudited
Net cash generated from/(used in) operating activities	117,305,599	(15,246,357)
Net cash used in investing activities	(27,163,509)	(2,248,461)
Net cash used in financing activities	(91,800,000)	(55,234,603)
Net decrease in cash and cash equivalents	(1,657,910)	(72,729,421)
Cash and cash equivalents at start of the period	123,142,408	199,194,170
Cash and cash equivalents at end of the period	121,484,498	126,464,749

STATEMENT OF CHANGES IN EQUITY

	Stated capital	Retained earnings	Total equity
	MUR	MUR	MUR
	Unaudited	Unaudited	Unaudited
Balance at 1 January 2015	100,000,000	54,826,723	154,826,723
Profit for the period	-	13,352,904	13,352,904
Other comprehensive income/(loss) for the period	-	-	-
Total comprehensive income for the period	-	13,352,904	13,352,904
Dividends	-	(54,400,000)	(54,400,000)
Balance at 30 September 2015	100,000,000	13,779,627	113,779,627
Balance at 1 January 2016	100,000,000	42,205,376	142,205,376
Profit for the period	-	69,658,993	69,658,993
Other comprehensive income/(loss) for the period	-	-	-
Total comprehensive income for the period	-	69,658,993	69,658,993
Dividends	-	(91,800,000)	(91,800,000)
Balance at 30 September 2016	100,000,000	20,064,369	120,064,369

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 September 2016 amounted to MUR348.1m compared to the prior corresponding period revenue of MUR360.4m.

The profit after taxation was MUR15.7m for the quarter ended 30 September 2016 compared to a profit of MUR11.9m 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. Two independent reports were submitted to the Board and subsequently 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.

Subsequently, the GRA has appointed an independent consultant to conduct a full evaluation on Lottotech's current situation and advise the authority of findings, proposals and recommendations on the claims made/submitted by Lottotech.

While the 2015 budgetary measures continued to have a negative impact on the business, the company continues to be profitable during the current year as a result of the restructuring of operations.

Future Outlook

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.

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 Plaintiff 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.

Earnings per share

The calculation of earnings per share is based on the profit attributable to the shareholders of the company of MUR69,658,993 (September 2015: MUR13,352,904) and the number of the shares in issue of 340,000,000.

Dividend

A final dividend of MUR40,800,000 (September 2015: MUR54,400,000) was declared and paid in respect of the financial year 31 December 2015, and an interim dividend of MUR51,000,000 in September 2016 (September 2015: MURNil) was declared and paid 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

4 November 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.