

STATEMENTS OF FINANCIAL POSITION

	GROUP	
	2016	2015
	Rs'000	Rs'000
ASSETS		
Non-current assets	2,689,880	2,387,200
Current assets	2,037,534	2,111,570
Total Assets	4,727,414	4,498,770
EQUITY AND LIABILITIES		
Share capital and reserves		
Owners' interest	1,711,983	1,696,618
Non controlling interests	276,315	270,574
Total Equity	1,988,298	1,967,192
Non-current liabilities	895,786	843,743
Current liabilities	1,843,330	1,687,835
Total Equity and Liabilities	4,727,414	4,498,770
Net assets per share(Rs)	152.05	150.68
Number of ordinary shares	11,259,388	11,259,388

STATEMENTS OF PROFIT OR LOSS

	GROUP	
	2016	2015
	Rs'000	Rs'000
Revenue	4,597,947	4,635,687
Continuing operations		
Profit/(loss) before finance costs	41,792	(412)
Finance costs	(57,572)	(72,426)
Profit on disposal of investments	-	10,691
Net impairment of assets	(4,031)	(38,502)
Impairment of goodwill	(12,772)	-
Share of results of associates and joint ventures	50,019	65,640
Profit/(loss) before tax	17,436	(35,009)
Income tax	(31,778)	(12,833)
Loss for the year from continuing operations	(14,342)	(47,842)
Post tax loss from discontinued operations	(63,202)	(10,961)
Loss for the year	(77,544)	(58,803)
Attributable to:		
Owners of the parent	(33,693)	(4,562)
Non controlling interests	(43,851)	(54,241)
	(77,544)	(58,803)
Earnings per share from continuing operations(Rs/cents)	2.62	0.57
Loss per share from discontinued operations (Rs/cents)	(5.61)	(0.97)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2016	2015
	Rs'000	Rs'000
Loss for the year	(77,544)	(58,803)
Other comprehensive income for the year net of tax	126,114	1,860
Total comprehensive income for the year	48,570	(56,943)
Attributable to:		
Owners of the parent	63,539	(32,144)
Non controlling interests	(14,969)	(24,799)
	48,570	(56,943)

STATEMENTS OF CHANGES IN EQUITY

	GROUP						
	Share Capital	Revaluation, Fair Value and Other Reserves	Actuarial Losses	Retained Earnings	Total	Non controlling Interests	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at 1 January 2016	112,594	367,590	(51,545)	1,267,979	1,696,618	270,574	1,967,192
Loss for the year	-	-	-	(33,693)	(33,693)	(43,851)	(77,544)
Other comprehensive income/(loss) for the year	-	126,414	(29,182)	-	97,232	28,882	126,114
Total comprehensive income/(loss) for the year	-	126,414	(29,182)	(33,693)	63,539	(14,969)	48,570
Issue of shares to non-controlling shareholders	-	-	-	-	-	231	231
Movement in reserves	-	(1,714)	-	1,714	-	-	-
Change in ownership interest in subsidiary that does not result in loss of control	-	74,037	-	(101,944)	(27,907)	27,907	-
Dividends	-	-	-	(20,267)	(20,267)	-	(20,267)
Dividends payable to non controlling shareholders	-	-	-	-	-	(7,428)	(7,428)
	-	72,323	-	(120,497)	(48,174)	20,710	(27,464)
Balance at 31 December 2016	112,594	566,327	(80,727)	1,113,789	1,711,983	276,315	1,988,298
Balance at 1 January 2015	112,594	389,955	(45,570)	1,292,050	1,749,029	304,619	2,053,648
Loss for the year	-	(21,607)	(5,975)	(4,562)	(4,562)	(54,241)	(58,803)
Other comprehensive (loss)/income for the year	-	(21,607)	(5,975)	-	(27,582)	29,442	1,860
Total comprehensive loss for the year	-	(43,214)	(11,950)	(4,562)	(53,736)	(24,799)	(56,943)
Movement in reserves	-	(758)	-	758	-	-	-
Transfer	-	-	-	-	-	(1,764)	(1,764)
Dividends	-	-	-	(20,267)	(20,267)	-	(20,267)
Dividends payable to non controlling shareholders	-	-	-	-	-	(7,482)	(7,482)
	-	(22,365)	(5,975)	(24,071)	(52,411)	(34,045)	(86,456)
Balance at 31 December 2015	112,594	367,590	(51,545)	1,267,979	1,696,618	270,574	1,967,192

STATEMENTS OF CASH FLOWS

	GROUP	
	2016	2015
	Rs'000	Rs'000
Net cash generated from operating activities	254,060	44,896
Net cash absorbed in investing activities	(170,500)	(7,245)
Net cash absorbed in financing activities	(29,258)	(165,802)
Net increase/(decrease) in cash and cash equivalents	54,302	(128,151)
Movement in cash and cash equivalents		
At 1 January	(33,290)	73,246
Increase/(decrease)	54,302	(128,151)
Effect of foreign exchange difference	15,426	21,615
At 31 December	36,438	(33,290)

Profile

Based in Mauritius, Harel Mallac Group (the Group) operates in six countries in Africa and the Indian Ocean, and employs some 1,380 people. The Group comprises three distinct clusters of operations: Manufacturing & Trading, Business Services and Asset Management.

Performance

Harel Mallac achieved a consolidated revenue of Rs4.6 billion, a level at par with 2015. The Group's operational performance improved, with the profit before finance cost increasing by Rs42 million. This improvement was mainly driven by our Chemicals, Fertilisers & Hygiene and Technology divisions, following through on our reorganised structures.

Finance costs decreased by Rs15 million, driven by lower cost of borrowings and favourable exchange differences. Impairment of intangible assets stood at Rs17 million.

Our investments in the hospitality sector continued to perform well. However, the overall contribution to the Group's results from our associates and joint ventures for the year ended 31 December 2016 decreased by Rs16 million mainly attributable to the adverse results from our associate in the construction industry.

The Group ended 2016 with a loss after tax of Rs78 million, including the losses of our retail division and the significant losses from our discontinued operations in the healthcare sector in Mauritius and in the distribution sector in Madagascar.

On a positive note, the Group's net working capital improved, with a direct impact on the net cash generated from operating activities in 2016.

Outlook

One of the key challenges for 2017 remains the improvement of our retail division's financial performance with a number of strategic actions being undertaken to address this situation. With regard to the overall performance, although operational challenges remain, management is confident that the restructuring changes completed by Harel Mallac in 2016, as well as the continuing measures planned for 2017, have set the scene for the better.

The statement of direct and indirect interests of officers of the Company required under the rule 8(2)m of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell street, Port-Louis.

Copies of the abridged audited financial statements are available free of charge upon request at the Company's registered office, 18 Edith Cavell street, Port-Louis.

This report is issued pursuant to Listing Rule 12.14 and the Securities Act 2005. The Board of Directors of Harel Mallac & Co. Ltd. accepts full responsibility for the accuracy of the information contained therein.

By order of the Board
HM Secretaries Ltd
Company Secretary
31 March 2017

STATEMENTS OF FINANCIAL POSITION

	GROUP	
	30 Sep 2016	31 Dec 2015
	Rs'000	Rs'000
ASSETS		
Non-current assets	2,393,380	2,387,200
Current assets	1,949,710	2,111,570
Total assets	4,343,090	4,498,770
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,659,916	1,696,618
Non controlling interests	258,318	270,574
Total equity	1,918,234	1,967,192
Non-current liabilities	782,571	843,743
Current liabilities	1,642,285	1,687,835
Total equity and liabilities	4,343,090	4,498,770
Net assets per share(Rs)	147.43	150.68
Number of ordinary shares	11,259,388	11,259,388

STATEMENTS OF PROFIT OR LOSS

	GROUP			
	Three months to 30 Sep 2016	Three months to 30 Sep 2015	Nine months to 30 Sep 2016	Nine months to 30 Sep 2015
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	1,196,103	1,112,587	3,369,851	3,221,968
Profit/(loss) before finance costs	10,917	(22,597)	(3,545)	(60,928)
Finance costs	(19,342)	(24,636)	(63,649)	(72,264)
Profit on disposal of investment	-	-	-	7,093
Share of result of associates	10,925	15,215	15,354	42,788
Profit/(loss) before tax	2,500	(32,018)	(51,840)	(83,311)
Income tax	(7,028)	(2,023)	(14,648)	(4,221)
Loss for the period	(4,528)	(34,041)	(66,488)	(87,532)
Attributable to:				
Owners of the parent	8,077	(16,311)	(22,231)	(40,443)
Non controlling interests	(12,605)	(17,730)	(44,257)	(47,089)
	(4,528)	(34,041)	(66,488)	(87,532)
Basic earnings/(loss) per share(Rs)	0.72	(1.45)	(1.97)	(3.59)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Loss for the period	(4,528)	(34,041)	(66,488)	(87,532)
Other comprehensive income for the period net of tax	2,187	30,785	17,530	36,248
Total comprehensive income for the period	(2,341)	(3,256)	(48,958)	(51,284)
Other comprehensive income attributable to:				
Owners of the parent	(26,080)	(2,146)	(14,471)	4,544
Non controlling interests	28,267	32,931	32,001	31,704
	2,187	30,785	17,530	36,248

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Actuarial losses	Revaluation, Fair value and other Reserves	Retained Earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
GROUP					
Balance at 1 January 2016	112,594	(51,545)	367,590	1,267,979	1,696,618
Loss for the period	-	-	-	(22,231)	(22,231)
Effect of change in ownership not resulting in loss of control	-	-	74,036	(101,944)	(27,908)
Other comprehensive income	-	-	13,437	-	13,437
Balance at 30 September 2016	112,594	(51,545)	455,063	1,143,804	1,659,916
Balance at 1 January 2015	112,594	(45,570)	389,955	1,309,942	1,766,921
Loss for the period	-	-	-	(40,443)	(40,443)
Other comprehensive income	-	-	4,544	-	4,544
Balance at 30 September 2015	112,594	(45,570)	394,499	1,269,499	1,731,022

STATEMENTS OF CASH FLOWS

	GROUP	
	Nine months 30 Sep 2016	Nine months 30 Sep 2015
	Rs'000	Rs'000
Operating activities		
Net cash generated from/ (absorbed in) operating activities	10,116	(73,632)
Investing activities		
Net cash absorbed in investing activities	(21,389)	(1,428)
Financing activities		
Net cash absorbed in financing activities	(121,008)	(125,196)
Decrease in cash and cash equivalents	(132,281)	(200,256)
Movement in cash and cash equivalents		
At 1 January	(33,290)	73,246
Decrease	(132,281)	(200,256)
Effect of foreign exchange difference	13,116	(33,016)
At 30 September	(152,455)	(160,026)

The quarterly condensed financial statements have been prepared using the same accounting policies as for the statutory financial statements for the year ended 31 December 2015, except for the adoption of published Standards that are now effective.

1. Brief review of the activity and the results

General context

The Harel Mallac Group, with activities in Mauritius, Burundi, Madagascar, Rwanda, Tanzania and Zambia, employs over 1500 employees and represents some 215 brands. It is mainly active in five key sectors of the economy, namely Technology, Chemicals, Retail, Engineering and Business Services.

Results

During the quarter under review, group revenue increased by 7.6% compared with the same period last year to reach Rs1,196 million. Group revenue has increased by 4.6% for the nine months ended 30 September 2016, compared with the corresponding period last year. This was driven by the Retail and Chemical arms which improved their sales by Rs66 million and Rs219 million respectively.

Group's operational results before finance costs for the third quarter showed an improvement of Rs33 million compared with the equivalent period in 2015. This trend is also consistent over the nine months ended 30 September 2016, which showed an improvement of Rs57 million vs. 2015, driven by a higher-margin sales mix and significant prior year foreign exchange losses dropping out.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

The reportable segments are strategic business units that offer different products and services.

	Corporate, Property & Services	Technology	Chemical	Retail	Engineering	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Nine months ended 30 September 2016							
Total segment revenues	212,602	1,043,513	1,444,797	660,705	249,075	-	3,610,692
Inter-segment revenues	(136,669)	(45,240)	(43,018)	(2,763)	(13,151)	-	(240,841)
Revenues from external customers	75,933	998,273	1,401,779	657,942	235,924	-	3,369,851
Segment profit/(loss)	(7,891)	27,986	63,726	(49,370)	(525)	(37,471)	(3,545)
Share of results of associates	48,621	-	(33,267)	-	-	-	15,354
Finance costs	(56,356)	(19,533)	(10,693)	(11,356)	(3,182)	37,471	(63,649)
Profit/(loss) before tax	(15,626)	8,453	19,766	(60,726)	(3,707)	-	(51,840)
Total assets 30 September 2016	1,814,119	675,664	1,275,512	416,740	161,055	-	4,343,090
31 December 2015	1,783,177	668,440	1,413,224	429,924	204,005	-	4,498,770
Nine months ended 30 September 2015							
Total segment revenues	156,619	1,188,432	1,341,040	594,245	293,128	-	3,573,464
Inter-segment revenues	(95,046)	(83,188)	(158,294)	(2,675)	(12,293)	-	(351,496)
Revenues from external customers	61,573	1,105,244	1,182,746	591,570	280,835	-	3,221,968
Segment profit/(loss)	13,649	27,637	1,469	(55,144)	(7,291)	(41,248)	(60,928)
Profit on disposal of investment	7,093	-	-	-	-	-	7,093
Share of results of associates	41,056	-	1,732	-	-	-	42,788
Finance costs	(59,158)	(28,804)	(11,709)	(10,006)	(3,835)	41,248	(72,264)
Profit/(loss) before tax	2,640	(1,167)	(8,508)	(65,150)	(11,126)	-	(83,311)
Total assets 30 September 2015	1,710,293	695,371	1,291,505	410,381	185,783	-	4,293,333
31 December 2014 (Restated)	1,771,790	700,596	1,470,101	381,096	195,206	-	4,518,789

The contribution to the group's results from our associates and joint ventures for the nine months ended 30 September 2016 has decreased to Rs15 million compared with Rs43 million in 2015, mainly attributable to adverse results from our associate in the construction industry and the reduced performance from our associate in the retail petroleum industry. Our associates in the hospitality and engineering industries continue to perform well.

The Harel Mallac Group ended the third quarter of 2016 with a loss after tax of Rs66 million compared to the prior year where it recorded a loss after tax of Rs88 million. In line with the nature of our activities, revenue in the last quarter is expected to be better than the previous individual quarters.

These unaudited quarterly financial statements and copies of the Directors' and Senior officers' statements of interests are available free of charge from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell Street, Port Louis.

This interim report is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.

The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained in this report.

By order of the Board
HM Secretaries Ltd
 Company Secretary
 09 November 2016



STATEMENTS OF FINANCIAL POSITION

	GROUP	
	30 June 2016	31 December 2015
	Rs'000	Rs'000
ASSETS		
Non-current assets	2,377,293	2,387,200
Current assets	1,836,865	2,111,570
Total assets	4,214,158	4,498,770
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,676,496	1,696,618
Non controlling interests	243,046	270,574
Total equity	1,919,542	1,967,192
Non-current liabilities	831,982	843,743
Current liabilities	1,462,634	1,687,835
Total equity and liabilities	4,214,158	4,498,770
Net assets per share(Rs)	148.90	150.68
Number of ordinary shares	11,259,388	11,259,388

STATEMENTS OF PROFIT OR LOSS

	GROUP			
	Three months to 30 June 2016	Three months to 30 June 2015	Six months to 30 June 2016	Six months to 30 June 2015
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	1,144,641	1,067,834	2,173,748	2,109,381
Loss before finance costs	(71)	(12,301)	(14,462)	(38,331)
Finance costs	(21,680)	(24,090)	(44,307)	(47,628)
Profit on disposal of investment	-	-	-	7,093
Share of result of associates	(16,177)	7,988	4,429	27,573
Loss before tax	(37,928)	(28,403)	(54,340)	(51,293)
Income tax	(4,482)	(2,279)	(7,620)	(2,198)
Loss for the period	(42,410)	(30,682)	(61,960)	(53,491)
Attributable to:				
Owners of the parent	(17,247)	(17,302)	(30,308)	(24,132)
Non controlling interests	(25,163)	(13,380)	(31,652)	(29,359)
	(42,410)	(30,682)	(61,960)	(53,491)
Basic loss per share(Rs)	(1.53)	(1.54)	(2.69)	(2.14)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Loss for the period	(42,410)	(30,682)	(61,960)	(53,491)
Other comprehensive income for the period net of tax	15,343	1,455	14,310	5,463
Total comprehensive loss for the period	(27,067)	(29,227)	(47,650)	(48,028)
Other comprehensive income attributable to:				
Owners of the parent	11,609	4,434	10,186	6,690
Non controlling interests	3,734	(2,979)	4,124	(1,227)
	15,343	1,455	14,310	5,463

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Actuarial losses	Revaluation, Fair value and other Reserves	Retained Earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
GROUP					
Balance at 1 January 2016	112,594	(51,545)	367,590	1,267,979	1,696,618
Loss for the period	-	-	-	(30,308)	(30,308)
Other comprehensive income	-	-	10,186	-	10,186
Balance at 30 June 2016	112,594	(51,545)	377,776	1,237,671	1,676,496
Balance at 1 January 2015	112,594	(45,570)	389,955	1,309,942	1,766,921
Loss for the period	-	-	-	(24,132)	(24,132)
Other comprehensive income	-	-	6,690	-	6,690
Balance at 30 June 2015	112,594	(45,570)	396,645	1,285,810	1,749,479

STATEMENTS OF CASH FLOWS

	GROUP	
	Six months 30 June 2016	Six months 30 June 2015
	Rs'000	Rs'000
Operating activities		
Net cash absorbed in operating activities	(51,646)	(153,092)
Investing activities		
Net cash from investing activities	39,492	26,986
Financing activities		
Net cash absorbed in financing activities	(93,339)	(56,550)
Decrease in cash and cash equivalents	(105,493)	(182,656)
Movement in cash and cash equivalents		
At 1 January	(33,290)	73,246
Decrease	(105,493)	(182,656)
Effect of foreign exchange difference	10,445	(965)
At 30 June	(128,338)	(110,375)

The quarterly condensed financial statements have been prepared using the same accounting policies as for the statutory financial statements for the year ended 31 December 2015, except for the adoption of published Standards that are now effective.

1. Brief review of the activity and the results

General context

The Harel Mallac Group, with activities in Mauritius, Burundi, Madagascar, Rwanda, Tanzania and Zambia, employs over 1500 employees and represents some 215 brands. It is mainly active in five key sectors of the economy, namely Technology, Chemicals, Retail, Engineering and Business Services.

Results

Group revenue for the second quarter increased by 7.2% compared to the same period last year to reach Rs1,145 million and in relation to the first quarter of this year, Group revenue has increased by 11.2%, driven by the Technology and Engineering arms which improved their sales by Rs124 million and Rs23 million respectively.

During the quarter under review, the Group's operational results before finance costs showed an improvement of Rs12 million compared to the equivalent period in 2015. This trend is also consistent over

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

The reportable segments are strategic business units that offer different products and services.

	Corporate, Property & Services	Technology	Chemical	Retail	Engineering	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Six month ended 30 June 2016							
Total segment revenues	160,116	721,948	909,485	442,365	164,846	-	2,398,760
Inter-segment revenues	(94,844)	(43,258)	(77,272)	(1,844)	(7,794)	-	(225,012)
Revenues from external customers	65,272	678,690	832,213	440,521	157,052	-	2,173,748
Segment profit/(loss)	(1,610)	19,339	27,011	(31,548)	(3,004)	(24,650)	(14,462)
Profit on disposal of investment	-	-	-	-	-	-	-
Share of result of associates	37,696	-	(33,267)	-	-	-	4,429
Finance costs	(37,478)	(13,651)	(7,956)	(7,607)	(2,265)	24,650	(44,307)
Profit/(loss) before tax	(1,392)	5,688	(14,212)	(39,155)	(5,269)	-	(54,340)
Total assets							
30 June 2016	1,820,257	647,551	1,191,538	391,269	163,543	-	4,214,158
31 December 2015	1,783,177	668,440	1,413,224	429,924	204,005	-	4,498,770
Six month ended 30 June 2015							
Total segment revenues	135,438	781,374	860,668	386,970	188,895	-	2,353,345
Inter-segment revenues	(72,944)	(57,497)	(84,937)	(1,787)	(26,799)	-	(243,964)
Revenues from external customers	62,494	723,877	775,731	385,183	162,096	-	2,109,381
Segment profit/(loss)	13,670	21,041	(2,727)	(33,994)	(7,688)	(28,633)	(38,331)
Profit on disposal of investment	7,093	-	-	-	-	-	7,093
Share of result of associates	25,841	-	1,732	-	-	-	27,573
Finance costs	(40,994)	(18,632)	(7,736)	(6,396)	(2,503)	28,633	(47,628)
Profit/(loss) before tax	5,610	2,409	(8,731)	(40,390)	(10,191)	-	(51,293)
Total assets							
30 June 2015	1,758,165	753,403	1,254,842	344,522	184,740	-	4,295,672
31 December 2014	1,768,945	700,596	1,470,101	381,096	195,206	-	4,515,944

the six months ended 30 June 2016, which show an improvement of Rs24 million vs. 2015, driven by a higher-margin sales mix and significant prior year foreign exchange losses dropping out.

The share of results (contribution) of associates and joint ventures for the six months ended 30 June 2016 has decreased to Rs4 million compared to Rs28 million in 2015, mainly attributable to adverse results from our associate undertaking in the construction industry which substantially overshadowed the better performance by those operating in the hospitality and engineering industries.

The Harel Mallac Group ended the first half of 2016 with a loss after tax of Rs62m compared to the prior year where it recorded a loss after tax of Rs53 million despite benefiting from an exceptional gain on the sale of non-core investments of Rs7 million.

These unaudited quarterly financial statements and copies of the Directors' and Senior Officers' statements of interests are available free of charge from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell Street, Port Louis.

This interim report is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.

By order of the Board
HM Secretaries Ltd
Company Secretary
12 August 2016



STATEMENTS OF FINANCIAL POSITION

	GROUP	
	31 March 2016	31 December 2015
	Rs'000	Rs'000
ASSETS		
Non-current assets	2,378,961	2,387,200
Current assets	1,876,923	2,111,570
Total assets	4,255,884	4,498,770
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,682,134	1,696,618
Non controlling interests	264,475	270,574
Total equity	1,946,609	1,967,192
Non-current liabilities	830,748	843,743
Current liabilities	1,478,527	1,687,835
Total equity and liabilities	4,255,884	4,498,770
Net assets per share(Rs)	149.40	150.68
Number of ordinary shares	11,259,388	11,259,388

STATEMENTS OF PROFIT OR LOSS

	GROUP	
	Quarter to 31 March 2016	Quarter to 31 March 2015
	Rs'000	Rs'000
Revenue	1,029,107	1,041,547
Loss before finance costs	(14,391)	(26,030)
Finance costs	(22,627)	(23,538)
Profit on disposal of investment	-	7,093
Share of result of associates	20,606	19,585
Loss before tax	(16,412)	(22,890)
Income tax	(3,138)	81
Loss for the period	(19,550)	(22,809)
Attributable to:		
Owners of the parent	(13,061)	(6,830)
Non controlling interests	(6,489)	(15,979)
	(19,550)	(22,809)
Basic loss per share(Rs)	(1.16)	(0.61)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Loss for the period	(19,550)	(22,809)
Other comprehensive income for the period net of tax	(1,033)	4,008
Total comprehensive income for the period	(20,583)	(18,801)
Other comprehensive income attributable to:		
Owners of the parent	(1,423)	2,256
Non controlling interests	390	1,752
	(1,033)	4,008

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Actuarial losses	Revaluation, Fair value and other Reserves	Retained Earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
GROUP					
Balance at 1 January 2016	112,594	(51,545)	367,590	1,267,979	1,696,618
Loss for the period	-	-	-	(13,061)	(13,061)
Other comprehensive income	-	-	(1,423)	-	(1,423)
Balance at 31 March 2016	112,594	(51,545)	366,167	1,254,918	1,682,134
Balance at 1 January 2015	112,594	(45,570)	389,955	1,292,050	1,749,029
Loss for the period	-	-	-	(6,830)	(6,830)
Other comprehensive income	-	-	2,256	-	2,256
Balance at 31 March 2015	112,594	(45,570)	392,211	1,285,220	1,744,455

	GROUP	
	Quarter to 31 March 2016	Quarter to 31 March 2015
	Rs'000	Rs'000
Operating activities		
Net cash absorbed in operating activities	(51,355)	(154,397)
Investing activities		
Net cash generated from/(used in) investing activities	9,703	(8,093)
Financing activities		
Net cash absorbed in financing activities	(19,254)	(147,861)
Decrease in cash and cash equivalents	(60,906)	(310,351)
Movement in cash and cash equivalents		
At 1 January	(33,290)	73,246
Decrease	(60,906)	(310,351)
Effect of foreign exchange difference	(1,052)	531
At 31 March	(95,248)	(236,574)

The quarterly condensed financial statements have been prepared using the same accounting policies as for the statutory financial statements for the year ended 31 December 2015, except for the adoption of published Standards that are now effective.

1. Brief review of the activity and the results

General context

The Harel Mallac Group, with activities in Mauritius, Burundi, Madagascar, Rwanda, Tanzania and Zambia, employs over 1500 employees and represents some 215 brands. It is active in various key sectors of the local economy, namely Chemicals, Information Technology, Engineering, Agribusiness, Printing, Travel and Leisure, Retail and Hospitality amongst others.

Results

Group revenue for the quarter remained fairly stable at Rs1.0 billion against strong comparatives for the same period last year, which included significant contract wins in the Technology arm. A good performance by Retail and Chemical arms, which added Rs41 million and Rs52 million to their Q1 2015 sales respectively, offset the lower sales in Technology and Engineering. During the quarter under review, which remains the most difficult quarter of the year, the Group's operational results before finance costs was negative at Rs14 million, an improvement of Rs12 million compared to the equivalent period last year.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

The reportable segments are strategic business units that offer different products and services.

	Corporate, Property & Services	Technology	Chemical	Retail	Engineering	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Quarter ended 31 March 2016							
Total segment revenues	44,763	303,339	463,682	229,036	70,548	-	1,111,368
Inter-segment revenues	(21,404)	(25,996)	(30,095)	(1,078)	(3,688)	-	(82,261)
Revenues from external customers	23,359	277,343	433,587	227,958	66,860	-	1,029,107
Continuing operations							
Segment profit/(loss)	2,873	(1,415)	17,000	(12,636)	(7,583)	(12,630)	(14,391)
Share of profit of associates	20,606	-	-	-	-	-	20,606
Finance costs	(17,725)	(7,241)	(5,415)	(3,688)	(1,188)	12,630	(22,627)
Profit/(loss) before tax	5,754	(8,656)	11,585	(16,324)	(8,771)	-	(16,412)
Total assets							
31 March 2016	1,731,323	695,771	1,260,381	395,435	172,974	-	4,255,884
31 December 2015	1,721,391	730,226	1,413,224	429,924	204,005	-	4,498,770
Quarter ended 31 March 2015							
Total segment revenues	34,948	401,346	417,043	186,800	88,593	-	1,128,730
Inter-segment revenues	(17,304)	(28,891)	(35,241)	(164)	(5,583)	-	(87,183)
Revenues from external customers	17,644	372,455	381,802	186,636	83,010	-	1,041,547
Continuing operations							
Segment profit/(loss)	732	11,052	(2,974)	(18,008)	(2,652)	(14,180)	(26,030)
Net impairment of receivables	7,093	-	-	-	-	-	7,093
Share of profit of associates	19,585	-	-	-	-	-	19,585
Finance costs	(20,213)	(10,128)	(3,651)	(2,424)	(1,302)	14,180	(23,538)
Profit/(loss) before tax	7,197	924	(6,625)	(20,432)	(3,954)	-	(22,890)
Total assets							
31 March 2015	1,727,682	774,537	1,289,077	363,494	179,826	-	4,334,616

Compared to the loss after tax of Rs23 million in the quarter to March 2015 which benefited from an exceptional gain of Rs7 million following the sale of non-core investments, the Group ended the first quarter with a loss after tax of Rs20 million.

2. Taxation has been provided at the appropriate rate in each country where we operate.

These unaudited quarterly financial statements and copies of the directors' and senior officers' statements of interests are available free of charge from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell Street, Port Louis.

This interim report is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.

The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained in this report

By order of the Board
HM Secretaries Ltd
Company Secretary
3 May 2016

