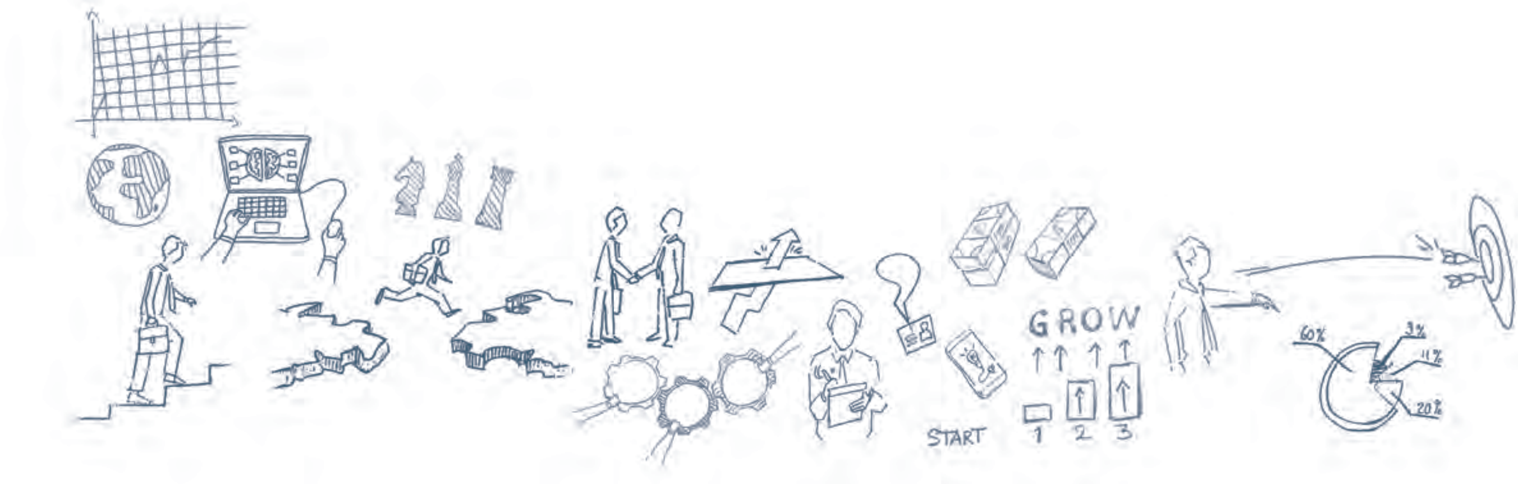


ANNUAL REPORT 2016

As part of its ongoing programme to help protect the environment, IBL Ltd subsidiaries have chosen to use Lenza Green paper for their Annual Reports.

Lenza Green paper is made from 100% recycled pulp, certified FSC (Forest Stewardship Council).

FSC is an international, non-governmental, non-profit making organisation created in 1993.

It encourages socially, ecologically and economically responsible forestry management initiatives.

Detailed Environmental Profile

Fibre source:	40 / 40
Fossil CO_2 emissions from manufacturing:	18 / 20
Waste to landfill:	10 / 10
Water pollution from bleaching:	10 / 10
Organic water pollution:	9 / 10
Environmental management systems:	10 / 10

Dear Shareholder,

The Directors are proud to present the Phoenix Beverages Limited ("PhoenixBev") Annual Report for the year ended June 30, 2016. PhoenixBev has developed a policy of openness and dialogue with all its stakeholders, seeking to bring clarification to its strategy and performance. This Annual Report provides an integrated overview of PhoenixBev's mission and its contribution to the economy, society and environment.

The preparation of this Report was inspired by the Integrated Reporting ("IR") Framework and was authored by the PhoenixBev management team. IR is a corporate reporting structure developed by the International Integrated Reporting Council (IIRC), which is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. IR promotes a more cohesive and efficient approach to corporate reporting, reflecting the integrated thinking of an organisation in its relationships between its various operating and functional units and the various forms of capitals (financial, manufactured, intellectual, human, social and natural) that the organisation uses or affects. Such integrated thinking leads to integrated decision-making and actions that consider the creation of value over the short, medium and long term. By adopting IR guidelines, PhoenixBev is seeking to communicate transparently on both financial and non-financial performance, reporting on various impacts and ongoing innovation to create further value for its stakeholders.

The adoption of Integrated Reporting was driven by our objective to address the concerns of all our stakeholders. The non-financial data are reported here as far as they are material to our business and to provide a global picture of the Company's sustainability footprint. The material factors that we have decided to report on, in addition to our financial performance, encompass economic performance, people and safety, supply chain, operational capacities and know-how, market access and customer experience. These matters can potentially affect the organisation's ability to create value over the short, medium and long term and have been disclosed accordingly. We will endeavour to constantly enhance our reporting process.

This Report was approved by the Board of Directors on September 1, 2016.

On behalf of the Board of Directors of Phoenix Beverages Limited, we invite you to join us at the Annual Meeting of the Company which will be held on:

Date: Wednesday, November 30, 2016
Time: 9.30 hours
Place: Phoenix House
Phoenix

We look forward to seeing you.

Sincerely,

Jean-Claude Béga
Chairman

SLY recycles bottle tops to create beautifully designed jewellery.
Combined with other recycled materials such as seeds and beads,
each piece becomes a fashion accessory with its own special personality.

Contents

General Information

Financial Statements

Corporate Information

Head Office

Pont Fer, Phoenix, Mauritius
BRN: C07001183
Tel: (230) 601 2000
Fax: (230) 686 6920
Email: contact@phoenixbev.mu
Website: www.phoenixbev.mu

Commercial Unit

Tel: (230) 601 2200
Fax: (230) 697 2967

Finance and Administration

Tel: (230) 601 2000
Fax: (230) 686 6920 (Administration)
(230) 697 6480 (Finance)
(230) 697 5028 (Procurement)
(230) 686 9204 (Information Technology)

Technical and Production

Tel: (230) 601 2000 (Brewery)
Fax: (230) 686 7197
Tel: (230) 601 1800 (Limonaderie)
Fax: (230) 697 1394
Tel: (230) 697 7700 (Nouvelle France)

Rodrigues Operations

Phoenix Beverages Limited
Pointe L'Herbe, Rodrigues
Tel: (230) 831 1648
Fax: (230) 831 2181

Registered Office

4th Floor, IBL House, Caudan Waterfront
Port Louis, Mauritius

Auditors

Deloitte
Chartered Accountants

Bankers

AfrAsia Bank Limited
Barclays Bank Mauritius Limited
State Bank of Mauritius Ltd
The Hong Kong and Shanghai Banking Corporation Ltd
The Mauritius Commercial Bank Ltd

Company Secretary

IBL Management Ltd
4th Floor, IBL House
Caudan Waterfront
Port Louis
Mauritius

Share Registry & Transfer Office

If you are a Shareholder and have enquiries regarding your account, or wish to change your name or address, or have questions about lost share certificates, share transfers or dividends, please contact our Share Registry and Transfer Office:

Abax Corporate Administrators Ltd
6th Floor, Tower A
1 CyberCity, Ebène
Mauritius

Our Operational Subsidiaries

The (Mauritius) Glass Gallery Ltd

Pont Fer, Phoenix, Mauritius
Tel: (230) 696 3360
Fax: (230) 696 8116

Phoenix Beverages Overseas Ltd

Pont Fer, Phoenix, Mauritius
Tel: (230) 601 2000
Fax: (230) 686 6920
Email: contact@phoenixbev.mu
Website: www.phoenixbev.mu

Phoenix Réunion SARL

10 Rue Eugène de Louise
97419 La Possession
Ile de La Réunion
Tel: (262) 262 421530
Fax: (262) 262 420502

Edena SA

10 Rue Eugène de Louise
97419 La Possession
Ile de La Réunion
Tel: (262) 262 421530
Fax: (262) 262 420502

MAURITIUS GLASS GALLERY, a subsidiary of PhoenixBev, is a glass foundry where preservation of the local environment is key.
It encourages and challenges the concept of glass recycling both in terms of design and techniques.

PhoenixBev at a Glance

PhoenixBev

Is the leading beverage company in Mauritius

BEVERAGES

Wines & Spirits

Soft drinks

Beer

Water

OUR FLAGSHIP BRAND

PHOENIX BEER

TOTAL ASSETS
Rs 5,633M — 37.8%

TURNOVER
Rs 5,515M — 9.0%

EBITDA
Rs 672M — 10.5%

PROFIT AFTER TAX
Rs 350M — 10.1%

EPS
Rs 21.36 — 9.9%

DIVIDENDS PER SHARE
Rs 9.60 — 6.7%

+100 BRANDS IN OUR PORTFOLIO

4 PRODUCTION UNITS
(including 1 in Réunion Island)

+1,300 EMPLOYEES

+10,000 CLIENTS

RECYCLING

MGG MAURITIUS GLASS GALLERY hand made art

1.5M HECTOLITRES
(Including 0.1m HL from Edena SA for the 3 month period April – June 2016)

Proud partner of

Coca-Cola — The Coca-Cola Company

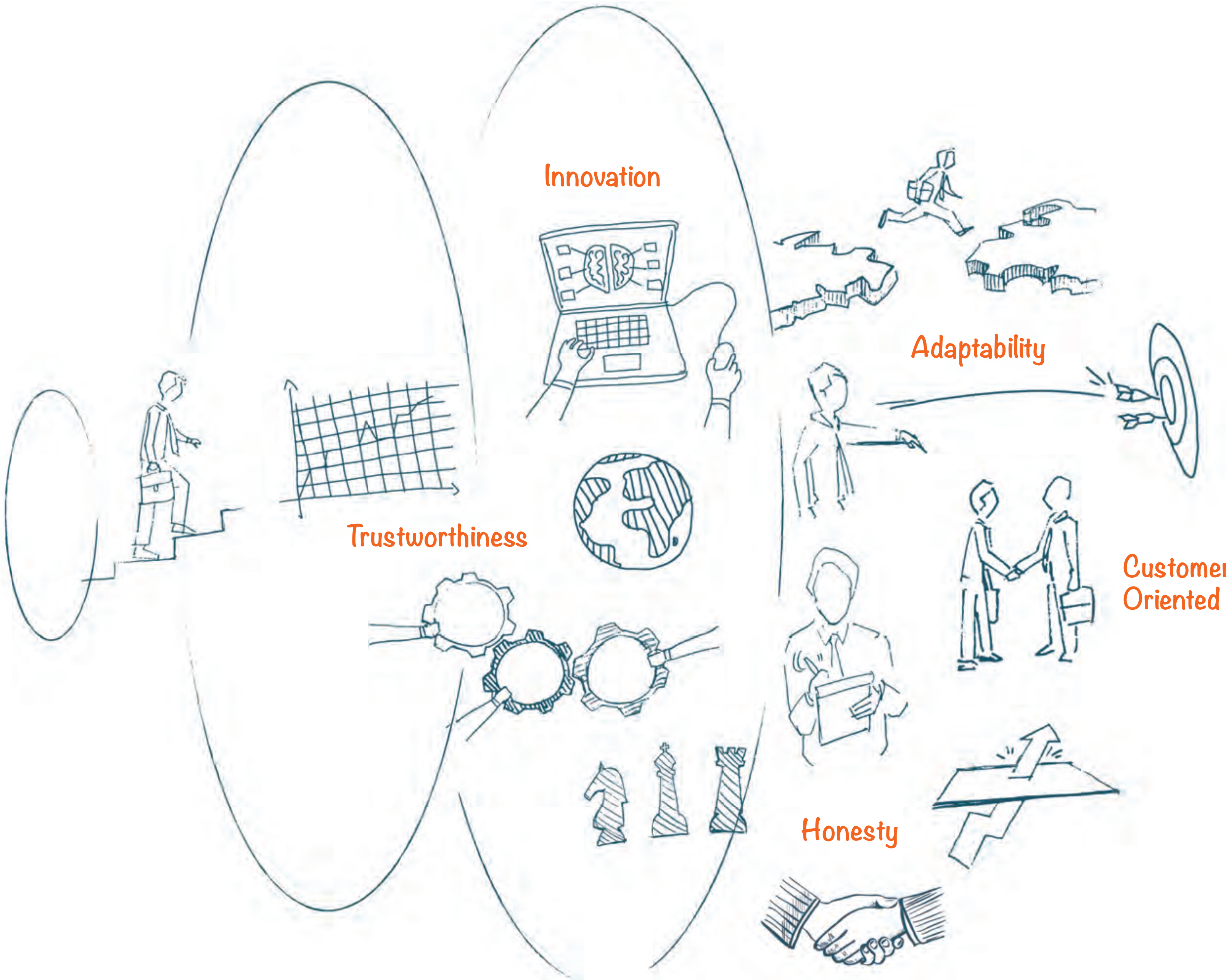
Guinness — Diageo Ireland

Orangina — Schweppes International Limited

Groupe GCF — Grand Chais de France

Our Vision & Values

Dedicated people providing world-class beverages



Group Structure

- **PHOENIX BEVERAGES LIMITED**
  - 48.00% → HELPING HANDS FOUNDATION, MAURITIUS
  - 76.00% → THE (MAURITIUS) GLASS GALLERY LTD, MAURITIUS
    - 52.00% → HELPING HANDS FOUNDATION, MAURITIUS
  - 97.33% → PHOENIX DISTRIBUTORS LTD, MAURITIUS
  - 99.96% → PHOENIX BEVERAGES OVERSEAS LTD, MAURITIUS
  - 100.00% → PHOENIX FOUNDATION, MAURITIUS
  - 100.00% → MBL OFFSHORE LTD, MAURITIUS
    - 100.00% → MAURITIUS BREWERIES INTERNATIONAL LTD, THE BRITISH VIRGIN ISLANDS
  - 100.00% → PHOENIX CAMP MINERALS OFFSHORE LTD, MAURITIUS
    - 100.00% → PHOENIX REUNION SARL, REUNION
  - 100.00% → EDENA S.A, REUNION
    - 100.00% → ESPACE SOLUTION REUNION S.A.S, REUNION
    - 100.00% → SCI EDENA, REUNION
  - 30.36% → CROWN CORKS INDUSTRIES LTD, MAURITIUS

DEENA is a mosaic artist, an art form where patience is key and materials are crucial. She designs and creates unique pieces with ceramic and soft drink bottle caps.

Chairman's Report

Dear Stakeholder,

The year 2016 has been another successful and stimulating one for PhoenixBev. Our strategic moves are taking shape and as we implement our plan, we are gaining impetus in our quest to grow our shareholder value sustainably.

When we look at the achievements of PhoenixBev since its incorporation more than six decades ago, there are numerous reasons to be proud of this truly Mauritian company. However, we must continue to build on as there is always more to do to meet future challenges. In our fast changing environment, we need to look beyond the traditional offerings of our products, as well as beyond our national boundaries.

The acquisition of Edena SA in April this year is a step forward in our objective of growing our business regionally. This move expands our reach in Réunion Island and we are currently consolidating the operational activities of Phoenix Réunion and Edena SA.

"The acquisition of Edena SA in April this year is a step forward in our objective of growing our business regionally"

In line with our ambition to provide consumers with increased beverage choices, we are investing more than Rs 400M in a new bottling line at Nouvelle France. This investment will take us one stage further on the transformation journey of our Group. The installation of the line is on target and we expect it to be operational by the end of October 2016. In addition to giving the Company opportunities to expand our portfolio in new segments, this new production unit will also give the Group added flexibility in terms of production capability.

We are also pleased to announce that The Coca-Cola Company has given our Group the licence to bottle its non-carbonated drinks for the whole Indian Ocean region, as well as the distribution of these products in both Mauritius and Réunion Island.

Based on key consumer insights, during the year, PhoenixBev has developed new products that accommodate their trends and taste preferences. The launch of GR8 Cape in August 2015 has been a real success. In addition, we will also be launching a new PhoenixBev branded wine, Trezor, by the end of September 2016. In the beer segment, we have launched Gister premium beer using the best refined ingredients. As mentioned above, we are also working with our partner, The Coca-Cola Company, to develop new categories of non-carbonated beverages for the local and regional markets. PhoenixBev is confident that entering this new category of products will offer new alternatives to our consumers and reinforce our position as the first and best beverage option on the market. Our beverages are available to consumers through more than 10,000 outlets locally and our objective is to permanently

"we must continue to build on as there is always more to do to meet future challenges"

adapt and grow with our consumers and ensure that one of our products is always on every table for every occasion.

Sustainable management of water, energy and packaging, as well as sustainable sourcing of agricultural ingredients, is key for our Group and we are committed to improving our business, our planet, and the community in which we work. Throughout the Company's history, we have strived to support the community we serve and, during the year under review, the Group has invested Rs 7.4M in CSR projects. In addition, PhoenixBev has invested some Rs 13.7M in recycling projects.

As consumers become more involved in both their personal well-being and broader global public health challenges such as alcohol effects and obesity, we are working to ensure that we do our part. We focus our efforts on providing consumers with expanded beverage choices and transparent nutrition information, while also supporting more active, healthy living programmes.

Financial Performance

Despite the challenging global macroeconomic environment, the Group continues to demonstrate its strength and resilience by delivering a solid operating performance and generating significant operating cash flow. We continue to work hard to bring the best offers to our consumers, while at the same time driving top and bottom line growth.

"Over a 10 year period, PhoenixBev has delivered a TSR of 19.6% per annum"

Group revenue grew by 9.0% and total earnings per share was up by 9.9% to reach Rs 21.36. Dividend paid for the year under review was Rs 9.60 per share, which represents a 6.7% increase over last year.

Sustainable value creation for our shareholders is best measured by Total Shareholder Return (TSR), being a combination of share price appreciation and dividends paid. Over a 10 year period, PhoenixBev has delivered a TSR of 19.6% per annum, which is an excellent performance. The TSR for the year under review was 15.6%.

Our sincere thanks

We say farewell this year to Mr Cyril Lagesse who, after 56 years of distinguished service since joining the board in 1960, has decided to step down. Throughout these years, Mr Cyril Lagesse has played a tremendous role in shaping the great Company which is PhoenixBev today. He served as Chairman between 1975 and 2007 and played a key role in all the strategic decisions of the Group. Mr Cyril Lagesse brought a keen intellect and considerable judgement into the business environment. He supported and mentored all of us at PhoenixBev, from Board members to executive teams. We wish him every success in his future endeavours.

I also wish to thank Mr Seewoocoomar Sewraz and Mr George Wiehe for their valuable contributions to the Board. Mr Seewoocoomar Sewraz served on the Board as an Independent Non-executive Director since 1982 while Mr George Wiehe served as a Non-executive Director since 1994.

Acknowledgements

I would like to express my warm thanks to all our consumers and business partners for their trust in PhoenixBev. My thanks also go to our Board members whose wide range of experience, depth of knowledge and skill have proved invaluable during the year.

Under challenging circumstances, the Group has made progress across a number of fronts in 2016. This is the result of the focus, dedication and hard work of all our people within the Group and I thank them all for this.

Jean-Claude Béga
Chairman

September 1, 2016

Our Group Through the Years

1931
Incorporation of Phoenix Camp Minerals Limited (PCM)

1953
Bottling agreement with The Coca-Cola Company

1956
Launch of Fanta

1960
Incorporation of Mauritius Breweries Limited (MBL)

1963
Inauguration of the Brewery
Birth of Phoenix Beer

1964
Stella Pils is launched on the market to extend the range of beers

1965
Launch of Sprite

1975
Launch of Guinness stout

1976
Launch of Crystal table water

1986
Launch of Diet Coke

1988
Launch of Malta Guinness

1989
Launch of Blue Marlin

1990
Introduction of PET packaging by PCM
Launch of Appletiser

1991
The (Mauritius) Glass Gallery Ltd, was set up to recycle glass waste

1993
MBL is listed on the Stock Exchange of Mauritius

1996
Introduction of the aluminium can as a new packaging container

2003
Inauguration of new distribution centre at Phoenix
Change of name of MBL to Phoenix Beverages Limited (PBL)

2005
Launch of Phoenix Special Brew

2008
Amalgamation of PBL and PCM
Launch of Phoenix Fresh

2009
Set up of Phoenix Réunion (incorporated in Réunion Island)

2014
PBL acquires Eski, the famous Mauritian brand
Installation of wine bottling line

2015
Launch of GR8 Cape wine
Agreement with Schweppes International Limited for bottling of Orangina

2016
Corporate rebranding
Launch of Gister premium beer
Acquisition of Edena SA (incorporated in Réunion Island)

2015/16 Key Accomplishments

In last year's Annual Report, we reported how our people are shaping our sustainability journey and how PhoenixBev participates actively in the social and economic development of our country and beyond. It was a worthy approach to raise awareness inside and outside PhoenixBev. This year we are consolidating our progress and our major accomplishments include:

Refocus on our Corporate Identity

Nurturing relationships with our customers is a crucial part of growing our business successfully. This is why, in January 2016, we unveiled our new Corporate Identity, PhoenixBev. We have redefined our core mission as being a Company that exists to provide beverages that are symbolic of Mauritian culture and make life better, wherever we are. This rebranding exercise is a reinforced statement of our drive to lead the beverage industry in Mauritius and across borders through innovation and by creating a better society.

Acquisition of Edena SA

On April 1, 2016 PhoenixBev acquired 100% share of Edena SA, incorporated in Réunion Island. Edena is the leader in the water beverage segment. This acquisition will enable PhoenixBev to grow regionally, develop new synergies and support our strategic objective to deliver long-term and sustainable growth.

Installation of a new non-carbonated beverage production unit at Nouvelle France

This new production unit, which will be operational in October 2016, will enable PhoenixBev to extend its offers to both local and regional consumers, thus consolidating PhoenixBev's objective to build a stronger business and meet the ever-evolving preferences of our consumers.

FSSC 22000 Certification at the Brewery

The brewery was certified FSSC 22000 in October 2015.

Based on existing ISO Standards, the FSSC 22000 Food Safety System Certification provides a framework for effectively establishing and implementing a robust food safety management system to meet the requirements of our customers and consumers.

New Partnership

In January 2016, PhoenixBev was appointed official distributor for 'La Maison du Whisky and Fine Spirits' (LMDW) in Mauritius.

Founded in 1956, LMDW is the official representative of more than 200 worldwide brands.

Products Launched

August 2015: launch of locally-bottled South African wine under the brand **GR8 Cape.**

September 2015: launch of new Fanta flavour - Apple

June 2016: launch of new premium lager beer, **Gister**

Rejuvenation of Eski brand (October 2015)

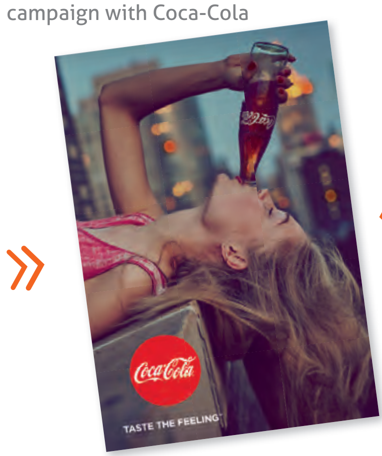
Development of an integrated communication campaign leveraging the local heritage dimension of the brand through the endorsement of ABAIM (Association pour le Bien-Etre des Aveugles de L'Ile Maurice).

This concept was acclaimed internationally with a Gold Sabre Award in Berlin in May 2016 for the Africa Region.

Major promotional campaigns during the year

The "Share a Coke" campaign (July to September 2015) was a nationwide campaign promoting cultural diversity and friendship among communities.

Taste the Feeling Mauritius was among the first in Africa to roll out the Taste the Feeling campaign with Coca-Cola



The Guinness campaign (August 2015)

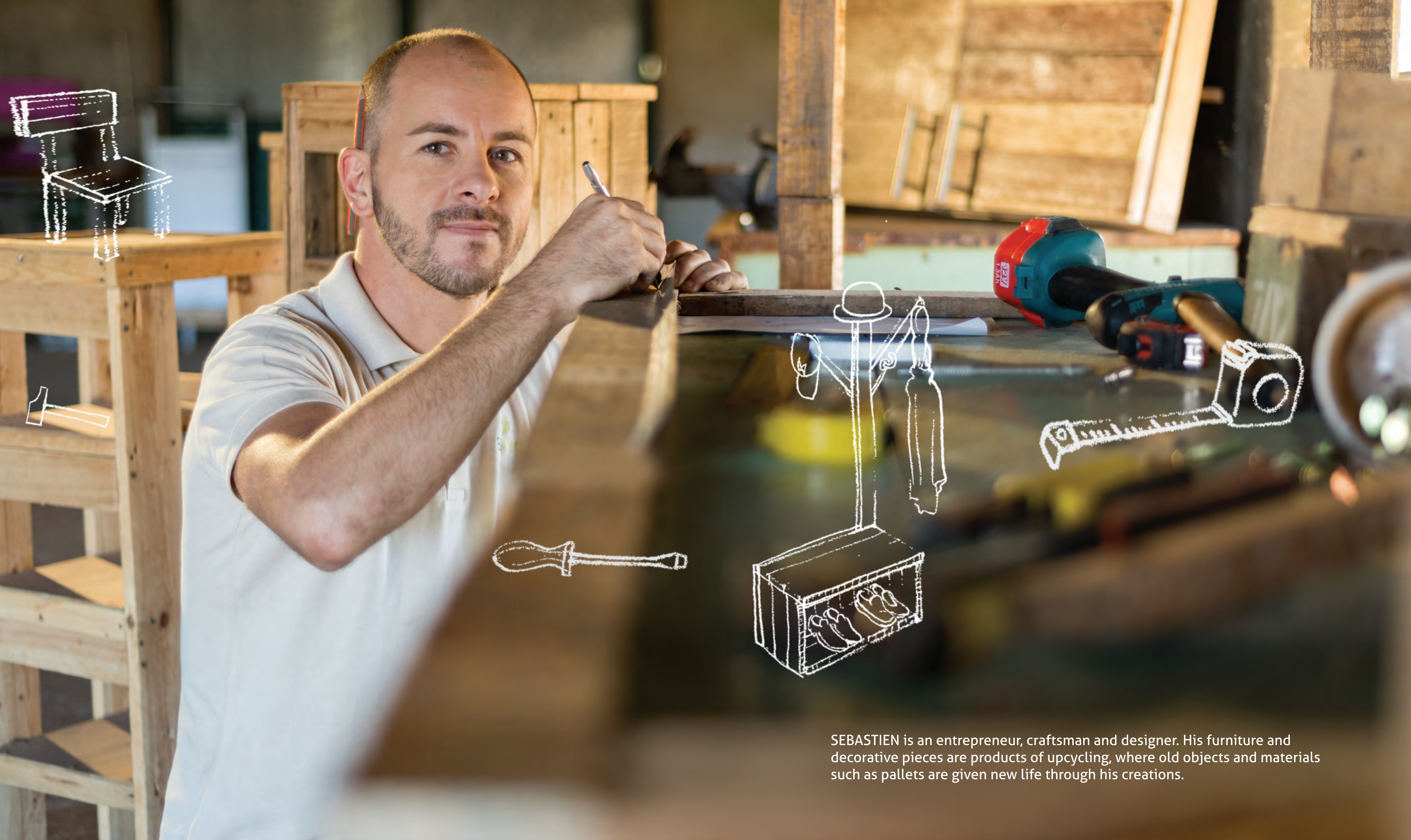
The Appletiser Colours campaign (September 2015) followed by the Appletiser 50 years campaign (January 2016).

Cultural Participation

Main sponsor of the "Porlwi By Light Festival" (December 2015).

Health & Safety

Health & Safety Week (May 2016): organisation of training and awareness sessions on various Health & Safety issues for our employees.



SEBASTIEN is an entrepreneur, craftsman and designer. His furniture and decorative pieces are products of upcycling, where old objects and materials such as pallets are given new life through his creations.

Key Performance Highlights

TURNOVER
Rs 5,515M
2015: Rs 5,061M

OPERATING PROFIT
Rs 445M
2015: Rs 397M*

EBITDA
Rs 672M
2015: Rs 608M*

NET PROFIT AFTER TAX
Rs 350M
2015: Rs 318M*

EARNINGS PER SHARE
Rs 21.36
2015: Rs 19.43*

SHAREHOLDERS' FUND
Rs 3,343M
2015: Rs 3,179M*

FREE CASH FLOW
Rs 136M
2015: Rs 213M

DIVIDENDS PER SHARE
Rs 9.60
2015: Rs 9.00

SHARE PRICE (June 30)
Rs 366
2015: Rs 325

MARKET CAPITALISATION (June 30)
Rs 6,020M
2015: Rs 5,345M

INVESTMENT
Rs 1,306M
2015: Rs 507M

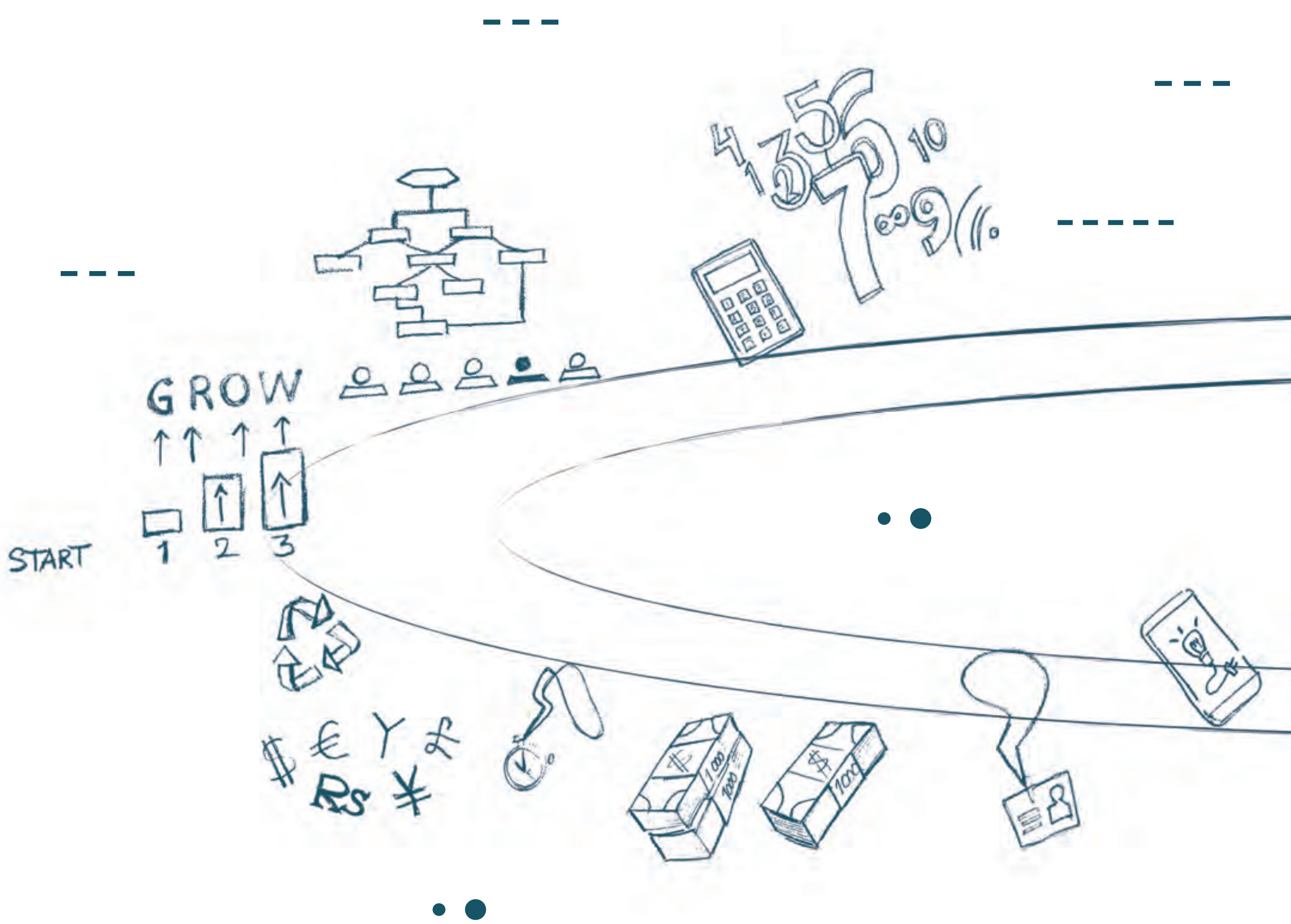
DIRECT CO_2 EMISSIONS**
0.014 ton/HL
2015: 0.014 ton/HL

	2016	2015 (Restated)	2014 (Restated)	2013 (Restated)	2012 (Restated)
Statements of profit or loss & other comprehensive income (Rs M)					
Turnover	**5,515**	5,061	4,820	4,501	4,228
Excise & other specific duties	**1,732**	1,643	1,523	1,382	1,209
Profit before taxation	**431**	392	720	267	266
Profit attributable to shareholders	**350**	318	578	99	202
Depreciation and amortisation	**226**	211	208	203	194
Net interest paid	**14**	5	21	27	26
EBITDA	**672**	608	949	497	486
Statement of financial position (Rs M)					
Total assets	**5,633**	4,087	3,987	3,817	3,249
Net indebtedness	**832**	-	-	331	365
Working capital	**414**	600	696	110	313
Shareholders' fund	**3,345**	3,180	3,014	2,589	2,067
Net asset value per share (Rs)	**203.25**	193.27	183.23	157.41	125.67
Cash flow (Rs M)					
Net cash generated from operating activities	**606**	527	533	377	293
Performance ratio					
Earnings per share (Rs)	**21.36**	19.43	39.83	13.95	12.26
Net return on equity (%)	**12.90**	12.33	23.63	10.12	12.22
Net profit margin (%)	**6.35**	6.28	11.99	2.20	4.75
Liquidity & gearing ratio					
Current ratio (%)	**144.37**	217.88	216.65	112.96	137.09
Gearing ratio (%)	**19.94**	-	-	11.34	13.80
Interest cover (times)	**31.79**	79.40	34.57	10.78	11.00
Dividends					
Dividends declared (Rs M)	**157.89**	148.02	138.16	131.58	123.35
Dividends per share (Rs)	**9.60**	9.00	8.40	8.00	7.50
Dividend yield (%)	**2.62**	2.77	4.31	3.95	3.66
Dividend cover (times)	**2.22**	2.16	4.19	0.75	1.63
Market data					
Market price per share (Rs)					
High	**400.00**	325.00	205.00	216.00	210.00
Low	**336.00**	190.00	185.00	200.00	190.00
Closing (30 June)	**366.00**	325.00	195.00	202.50	205.00
Market Capitalisation (Rs Bn)	**6.02**	5.35	3.21	3.33	3.37
P/E ratio (times)	**17.13**	16.65	4.90	14.52	16.72

* Restated figures resulting from reclassification of Corporate Social Responsibility as a tax.

** Direct CO2 emissions were calculated on the basis of available data and are thus an estimate.

Our Strategy



PhoenixBev has reviewed its strategy so as to address different risks and challenges. The strategic plan sets the direction for the coming years and serves to create forward momentum for the Group to continue its work, grow its presence and tackle emerging issues.

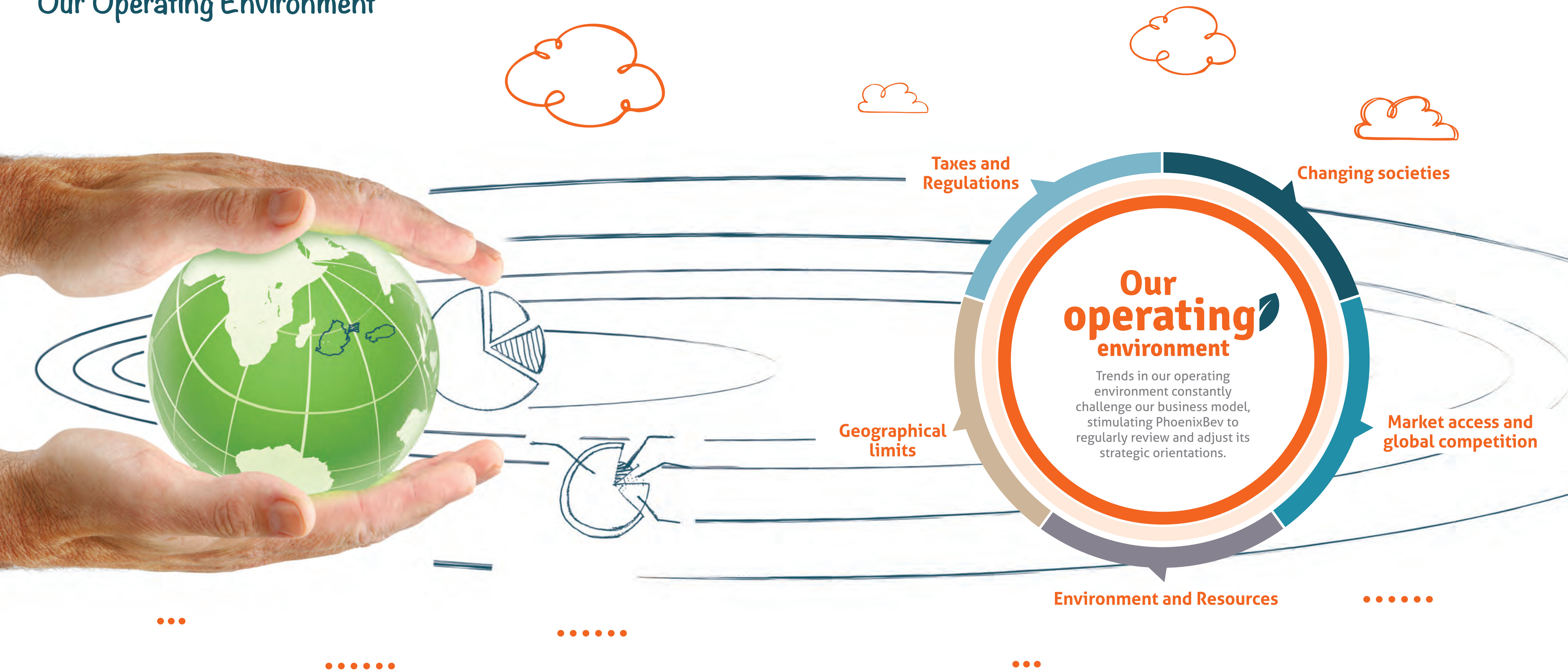
A key aspect of the process of developing our strategy was to have a wide-ranging consultation, involving all our stakeholders. The PhoenixBev growth model is based on being closer to our consumers, with product offerings that suit their needs whilst reducing our environmental footprint and increasing our positive social impact. We are developing our strategy around four main pillars:

- To enthusiastically expand our product portfolio and offering to suit the ever-changing needs of our consumers
- To go beyond our national boundaries, either through organic or inorganic growth
- To consolidate our strong corporate culture
- To invest in our talents with a view to further developing our capabilities in shaping our sustainable journey

Our three strategic objectives to support our new ambition of becoming a comprehensive regional beverage solutions provider with a strong customer relationship are:

Objectives	What it means to us	2015/16 Key initiatives
Broader regional presence	To expand regionally through organic and inorganic growth	Acquisition of Edena SA in Réunion Island Agreement with The Coca-Cola Company for new category of non-carbonated drinks: • Bottling for the Indian Ocean region • Distribution in Mauritius & Réunion Island
Stronger product and service reputation	Keep the focus on: • The quality of processes and their environmental impacts • The quality of the products inherent in the brand promises The whole being supported by a strong commitment to service and delivery	Complete rejuvenation of the Eski brand Brewery: FSSC 22000 certification Training to improve the quality of service and engagement with our clients
Extensive range of products for all occasions	Consumers display varying consumption patterns To propose a wide offering to each market segment	Installation of a new production unit at Nouvelle France to expand our product categories Launch of new products: Gister & GR8 Cape Developing new category of products for launch in 2016/17

Our Operating Environment



Challenges	Constraints	Our Approach
Changing societies	**Decreasing and ageing population** Mauritius has 1.26 million inhabitants, with a low growth rate of 0.3% per year from 2005 to 2012. Projections made by Statistics Mauritius published in 2014 forecast a population of around 1.23 million in 2035.	Building and maintaining our local customer base is the first step to consolidating our objectives. Now, we are committed to the next step, expanding our business regionally and beyond.
	Public health issues The Mauritian population is prone to a high rate of diabetes (affecting nearly 1 out of 5 Mauritians) and to cardiovascular diseases, which together are the main causes of mortality in Mauritius. With respect to alcohol consumption in Mauritius, people aged above 18 years consume on average 3.6Lts of alcohol per year according to the World Health Organization (compared to 6.0Lts for all of Africa and 6.2Lts globally).	At PhoenixBev, we recognise that the success of our business is linked to the well-being of the community we serve. The impact of diabetes and obesity on the health of our consumers directly impacts the health of our business. As people become more concerned about the public health consequences of diabetes and obesity, some researchers and health supporters have unfairly blamed the consumption of sugar-sweetened soft drinks as the cause. Such public sentiment, proposed government regulation and other measures intended to discourage the consumption of soft drinks is not only ineffective but could undermine finding a real solution. We are committed to being part of workable solutions to address this health issue, for our consumers, our employees, our community and ultimately our business. This is the reason why we strive to offer a wide variety of products, so that our consumers can choose the best hydration options for their individual needs and lifestyles. We will continue our efforts to drive a proactive approach to tackle the abuse of alcohol and position our products as the responsible choice.
	Economic and social development An improved development index, associated with higher living standards and an increase in per capita income, reflects the emergence of a larger middle class. There is however an increase in inequality (with a gender inequality index of +0.377) while the unemployment rate remains a concern.	PhoenixBev has a significant impact on local employment. It contributes significantly to government revenue through tax contributions. As a supplier to some 10,000 outlets, the Company contributes towards sustaining employment and social life in towns and villages. This catalytic effect helps to support about 2,100 full-time jobs in Mauritius according to our Local Footprint® study conducted in 2015. PhoenixBev is equally a large employer, with some 1,300 employees. In the year under review, we have created new jobs in our Group mainly to support our expansion. We ensure that the lowest wages in the Group remain above the legal minimum in the sector.

Challenges	Constraints	Our Approach
Market access and global competition	**Changes in consumer trends** • Influence of trends (alcopops, healthy drinks) • Evolution of socio-economic context and behaviour associated with social status • Influence of personal, moral or social values on consumption habits	To meet changing trends, we are innovating more than ever to provide consumers with what they want - from new beverage options that fit their lifestyles to more information regarding our products so that they can make more informed choices. The installation of new equipment (e.g. non-carbonated production unit at Nouvelle France), acquisition of new brands (e.g. Eski, Edena) and development of new products (e.g. Gister, GR8 Cape, Trezor), shows our commitment to provide beverage solutions that meet every lifestyle and occasion.
	An increase in international competition The worldwide trend is about concentration of the leading players in most industrial sectors, as recently witnessed in the brewing and beverage industry. The biggest players have a global strike force, with an ability to communicate through global mass media, to which small local producers do not have access. They also benefit from economies of scale and have strong negotiating power, which enables them to secure their supply of raw materials, which are getting more complex due to climate change and resource scarcity.	PhoenixBev benefits from a greater proximity with the final consumer, thus allowing us to build solid relationships. Our size allows us to be more flexible and responsive to changes in local demand. We have a diverse portfolio that includes many locally and internationally strong brands. We have also established an effective 'route to market' system which allows us to serve some 10,000 outlets in Mauritius. We will continue to Invest in our brands and use consumer insights to guide growth-oriented innovation. In this connection, the Company assessed its customer relationships last year. The exercise resulted in our rebranding so that, beyond the strength of our brands, PhoenixBev is also seen as a total solution provider in the beverage industry.
	With global and regional pressure driven by a desire to bring about equal opportunity for market access throughout member countries, recent changes have generally narrowed the tax differences between home and imported beverages, thereby boosting demand for the latter. However, we have noted that the ease of doing business in Mauritius is not the same when confronted with stringent regulations from some exporting countries.	At PhoenixBev we have taken steps to expand our business regionally with a view to developing synergies, minimising the impact of stiffer competition and a potential shrinking of market share. We are engaged in discussions with the authorities to have more balanced tax policies with a view to promoting local industry.

Challenges	Constraints	Our Approach
Environment and natural resources	Resource scarcity and climate change are issues that bring different risks and constraints to the country. The dependency on fossil fuels and foreign supply increase the risk exposure to fluctuation in energy prices.	Measures are being implemented to improve energy efficiency at our production sites. Reducing our energy consumption per HL of beverage production is a continuous process in our Business Operation Excellence exercise. Using energy more efficiently enables us to reduce our carbon footprint, conserve natural resources and also contain costs.
	Climate change also affects water supply in Mauritius, calling for a monitoring of water consumption. Rising consumption levels also represent threats for resource depletion, water quality and biodiversity.	Water is essential to our business and we approach water management accordingly. We are determined to reduce our water utilisation ratio. However, water utilisation ratios should not be looked at in isolation. Our main dilemma resides in the washing of returnable glass bottles v/s water utilisation ratio. If we shift more to non-returnable bottles, as most of our international competitors are doing, we will certainly drastically reduce our water utilisation ratio but, on the other hand, increase waste in the environment. At PhoenixBev we have decided, despite the various inconveniences and inherent costs, to continue to promote the use of returnable glass bottles. However, to counteract the higher water utilisation in the washing of bottles, we are concentrating our efforts on recycling wastewater, returning it to nature cleaner than required by law.
	Climate change remains a threat to crop yields for raw materials such as barley, malt and hops in producing countries.	PhoenixBev has collaborated with our gas suppliers on the development of a bio-ethanol source throughout our system. Today the CO_2 found in our sparkling beverages comes mainly from biogas sources which helps to improve our environmental footprint. We are also gradually replacing our coolers with HFC-Free equipment. We source our raw materials and grain from different parts of the world so as to reduce the risks associated with extreme weather events. The products are certified GMO-free and undergo strict monitoring for the presence of pesticides, as these can adversely affect beer fermentation.

Challenges	Constraints	Our Approach
Geographical limits	The size and remoteness of Mauritius make us economically, environmentally and socially vulnerable to changes over which we have little or no control. Moreover, sourcing of machines and raw materials tailor-made to our limited market needs is often a challenge. It is difficult for the Mauritian manufacturing sector to have the critical mass and economies of scale to compete on a level playing field with international players. Our geographical distance also results in higher freight costs for our imports and exports. The above situation places Mauritius in a vulnerable position as it becomes highly dependent on imported manufactured goods.	By producing a wide range of beverages for all occasions and lifestyles, PhoenixBev increases value creation and hence contributes to reduce the country's dependence on imports. The Company also contributes to making Mauritius a supplier of international standard, by developing a portfolio of strong locally, regionally and internationally renowned brands. With its advantages, our Company can also operate in other countries in the region which also suffer from geographical remoteness constraints. In this context, one pillar of our strategy is to grow organically and inorganically in the region and beyond.
Taxes and Regulations	Mauritian legislation does not necessarily favour a level playing field between players in the same category. Taxation negatively affects some of our products compared to other products in the same category. There is currently a tax of Rs 2.00 on PET packaging, while other containers like Tetra Pak, PVC etc. are not subject to this tax. Beer is still unfairly taxed, compared to other products with higher alcohol contents. The advertising ban on alcohol products limits the promotion of local alcoholic drinks, while global competitors still benefit from communication through international mass media.	The Company maintains an open and constructive dialogue with government authorities to promote a legal framework that would provide a level playing field.

ANNICKA is an artist who enjoys creating, whether crafts using recycled material or painting and sculpting. Annicka even uses her skills to craft fascinating creations out of ring-pulls.

Senior Managers' Profiles

1. NICOLAS CABOCHE
Senior Manager-Still Beverages & Product Development

Nicolas Caboche, born in 1976, has 16 years' working experience, with 13 years spent with Happy World Ltd in the FMCG and QSR clusters. He spent the last 3 years at Emtel working on various projects related to Mobile & Online payment. Nicolas holds a Masters in Business Administration from the University of Poitiers and joined PhoenixBev in January this year as Senior Manager–Still Beverages & Product Development.

2. FREDERIC DUBOIS
Senior Manager-Sales, Distribution and Warehousing

Frederic Dubois, born in 1979, holds a Master's degree from ISEG business school in France. He worked for more than 10 years in the FMCG sector for international companies like Bacardi Martini Group, Pernod Ricard, JTI, locally and internationally, before joining the group as Senior Manager-Sales, Distribution and Warehousing in October 2015.

3. GERARD MERLE
Senior Manager Civil Engineering and Non-Alcoholic Beverages

Gerard Merle, born in 1968, has worked in the manufacturing sector for more than 21 years. Before joining Phoenix Beverages Limited in January 2009 as Senior Manager Limo Operations, he worked for Boxmore Plastics International. He was appointed Senior Manager Civil Engineering and Non-Alcoholic Beverages in 2014.

4. RAMA NARAYYA
Senior Manager-Human Resources

Rama Narayya, born in 1967, has wide experience in the HR function in diverse industries ranging from hotels, bottling and hypermarkets to textiles and airlines. He has studied Occupational Health & Safety, Human Resources Management at the University of Mauritius and Business Administration at the University of Surrey. Rama joined the Group as Senior Manager-Human Resources in September 2014.

5. GERVAIS RAMBERT
Head Brewer

Gervais Rambert, born in 1956, joined the Brewery in 1977. He is the holder of a Certificate from the Brewing School of Diageo in Park Royal, London and from St James Gate, Dublin. He also holds a Diploma from 'L'Ecole Nationale Supérieure d'Agronomie et des Industries Alimentaires' in France and from VLB Institute and Research of Berlin. He worked in several breweries in Europe, namely Guinness Park Royal in London, Le Pécheur, Meteor and Kronenbourg Breweries in France. He has been the Group's Head Brewer since 1992.

6. PATRICK RIVALLAND
Chief Operating Officer and Chief Financial Officer

Patrick Rivalland, born in 1972, is a Fellow Member of the Chartered Association of Certified Accountants. Before joining Phoenix Camp Minerals Limited in 1999 as Finance and Administrative Manager, he worked successively for BDO & Co. and The Sugar Industry Pension Fund Board. He was appointed Group Senior Manager Finance and Administration in 2001 and Chief Operating Officer in 2014. He is a past President of the Association of Mauritian Manufacturers.

7. PATRICE SHEIK BAJEET
Senior Manager-Marketing

Patrice Sheik Bajeet, born in 1974, holds a BSc Management Degree from the University of Mauritius. After 12 years in the cellular operations industry and leading the Marketing of Emtel, he spent 4 years at The Coca-Cola Company regional office. He is also the founder of the first digital and trade marketing agency on the island. He joined Phoenix Beverages Group in January 2015 as Senior Manager-Marketing.

8. BERNARD THEYS
Chief Executive Officer

Bernard Theys, born in 1965 in Brussels, holds a diploma in Economic Science from Louvain University in Belgium. He also obtained a BBA in Business Tourism Management from ICP in 1991. He has completed several programmes of Executive & Business Education at l'Association Internationale Américaine de Management (MCE) in 1995 and at INSEAD Fontainebleau in France in 2008. Bernard Theys has had different General Management roles in the Brewery industry where he acquired great experience in the Fast Moving Consumer Goods industry.

9. ANTIS TREEBHOOBUN
Senior Manager-Business Systems

Antis Treebhoobun, born in 1959, holds a BA in Computer Science from the University of Iowa. During the period 1987 to 1991, he worked in the USA as Software Engineer on contract for Boeing Avionics Corp. and from 1991 to 2001, he was the Senior IT Manager for Rogers Aviation & Tourism. He joined the Group in 2001 as Senior Manager-Business Systems.

CEO's Interview

The rebranding of the company was an important event this year. Why these changes and what is the objective?

This rebranding became a necessity. Over the past couple of years we realised that there was a significant gap between our customers and employees perception of Phoenix Beverages and their loyalty to our brands. The Brand Love Score survey revealed that our products were highly regarded, while our customer service needed to be improved. This conclusion was contradictory to our core mission and leadership style. We are a company that was, above all, created to serve our consumers and customers.

This exercise was therefore not just a simple makeover. We seriously worked on improving the quality and proximity of our service and relationship with our stakeholders. We gave much thought on how to interact with consumers, customers and public institutions so as to improve our cooperation. This also has an indirect effect on the Mauritian economy.

The handwritten logo with its warmer colours reveals the creativity, forward looking and human side of the Company yet retains a sense of seriousness and responsibility.

Is it therefore, mainly about promoting a stronger corporate culture and way of working?

The groundwork mobilised many of the PhoenixBev teams and I thank everyone for their dedication and involvement.

Our approach to customers has already changed and we are committed to regularly evaluating how our stakeholders perceive the quality and efficiency of our services and relationships. Through this exercise, innovation has become a real engine for growth.

At the executive management level, our decision-making has become a team-based process. Teamwork is the spirit that prevails within PhoenixBev but the challenge, of course, is to remain consistent in all our internal communications.

And what actions have been taken since the rebranding?

The rebranding will continue to unfold in various forms in the coming years:

- Dialogue with our stakeholders will intensify and will be more systematic, particularly with regard to the improvement of our actual "routes-to-market".

- We will continue to monitor the social and environmental impacts of our activities, in order to be recognised as a 'green' company.
- In light of this, we will develop a strategy that will further integrate activities related to our business. In particular, this will include the recycling of plastics (PET) and glass and will enhance the role of The (Mauritius) Glass Gallery Ltd.
- We will increase our sponsorship for national recycling initiatives in order to strengthen our social commitments in the local community.
- We will continue to innovate with beverages that fulfill our consumers' needs – thirst for the best, first for you.

Does a 'green' and responsible Mauritian company also imply taking into account the plastic bottles that are found everywhere in the local environment?

PET plastic bottles have an environmental impact, but today we manage to collect about 40% of the plastic bottles we produce. This good start demonstrates that positive results are achievable through cooperation, but there is still room for improvement. We are presently working on different means and ways to further improve the recycling rate of PET plastic bottles.

The PBL Group seeks more internationalisation. You have expanded your business to Réunion Island with the acquisition of Edena SA. How will you conduct this expansion?

Firstly, it is important to note that we have been present in Réunion Island since 2009 with the commercialisation of Phoenix brands through Phoenix Réunion.

Edena leading brands and quality products are well established and appreciated in Réunion Island. Edena is a complementary business to PhoenixBev as it gives the Group flexible production facilities in that Island. In this context, the acquisition of Edena fulfills our regional ambition.

We are confident that the integration of Edena and Phoenix Réunion will generate shareholder value.

And from there, how will you ensure PhoenixBev's regionalisation?

Regionalisation is already a reality. We are present in Réunion Island and in other Indian Ocean islands. Our aim is not to target all markets at once, but we will continue to grow our business structure in the region through the development and diversification of our products portfolio.

It is strategically important to establish PhoenixBev as a leader capable of showcasing Mauritian know-how in the region. Our expertise and approach will have to reflect these ambitions in order to achieve our goals.

What is your strategy? Will you be using the same development model in each country?

Our model base is country specific, as each has a different investment context and business environment. The decision to either start a factory, a distribution network or simply to export to a wholesaler depends on a number of criteria. The investment risks, the operational guarantees, the potential partners, their ethics and values must all be taken into consideration. The market development of specific categories of products could also impact on our decision.

Through the course of this year, we have seen some product innovations, such as "Gister" beer. What is your intention behind such diversification and is there any risk of cannibalisation between all these offers?

Indeed, one of the pillars of the rebranding exercise was innovation with a consumer-centric focus. Gister is a perfect example of a systematic innovation based on deep consumer insights. Beers are different and are consumed in numerous ways and instances. These insights drove us to develop Gister. This new product has a clear positioning and complements our portfolio, filling a gap that existed in the local market for this type of product - a more premium beer. As such, there is no risk of cannibalisation.

The same approach is driving our innovation in soft drinks and still beverages. We are gearing up for a new era of beverages in Mauritius and abroad and our new state of the art factory at Nouvelle France is tangible proof of that direction.

What can you tell us about the performance of PhoenixBev in 2016?

The profit at Company level was up by 5.7% and that of the Group grew by 10.1%, to Rs 342.7M and Rs 350.4M respectively.

These results have been achieved despite the impact of the combined effect of the depreciation of the Mauritian Rupee vis-à-vis the US Dollar and the increase in the costs of some of our inputs.

We are closely monitoring these changes in input costs and we may have to adjust the price of some of our products in the coming months.

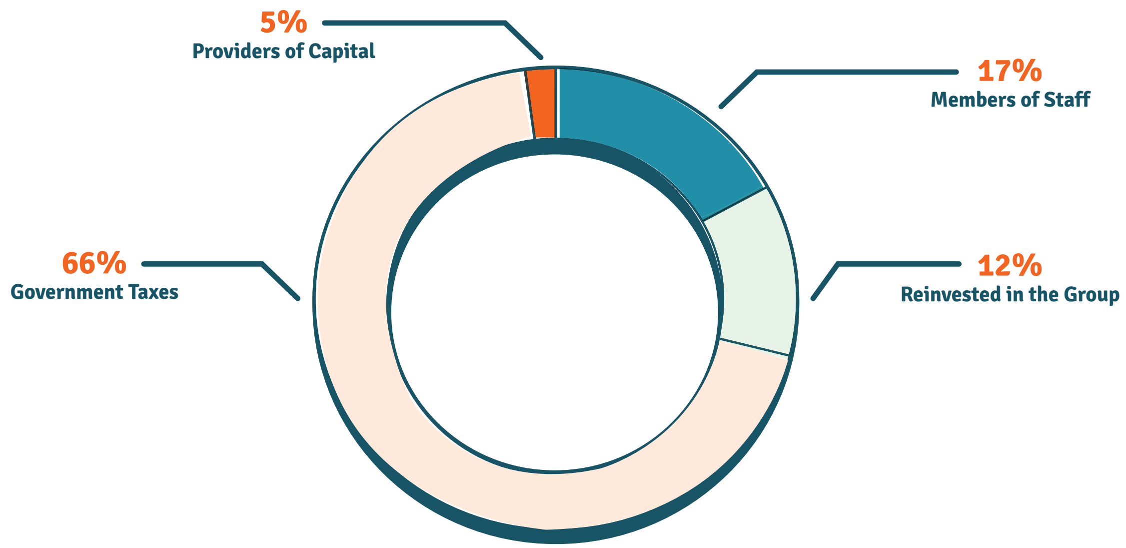
And what about your Human Capital?

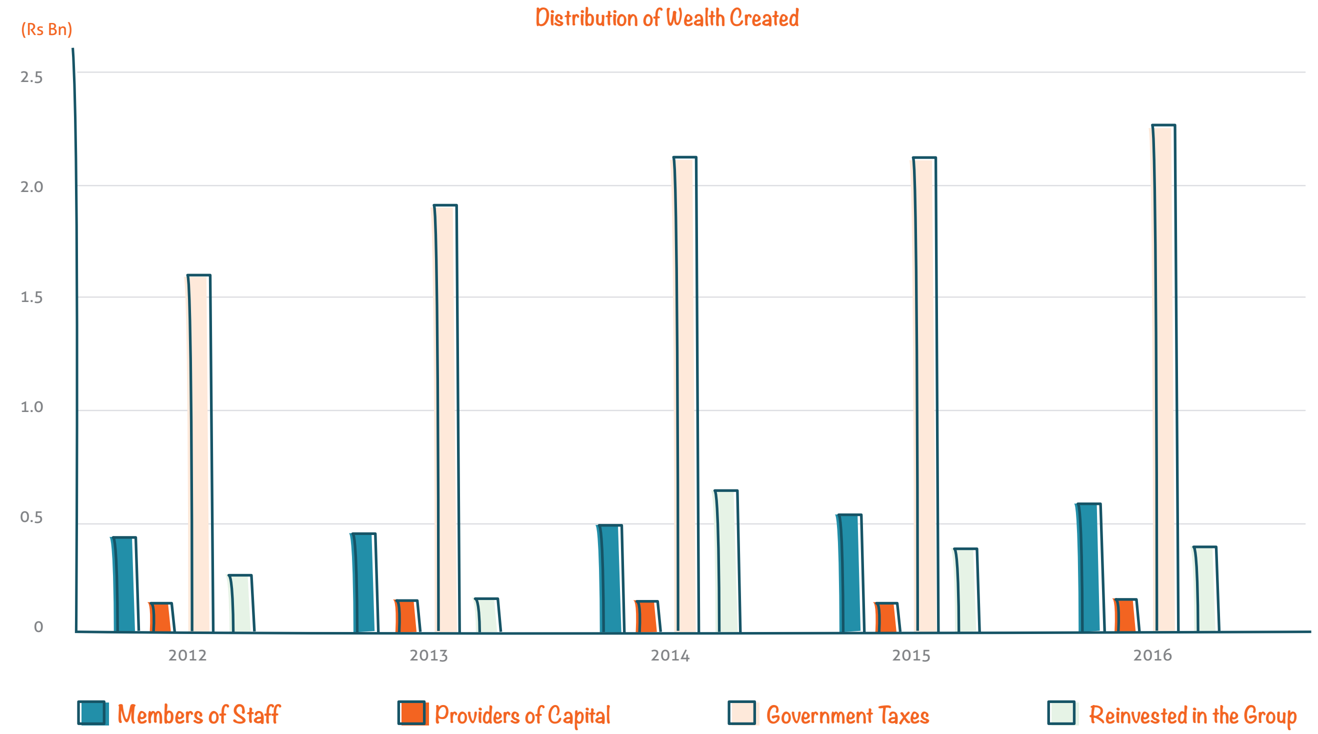
We can have high quality products and the best technology, but if we do not have the right human resources who are passionate and take pride in driving our Group, our success would not be complete and sustainable. This is why, as we expand our business, we are placing heightened focus on ensuring that we have the right talents and capabilities to foster our objectives. Over the last few years, the Group has significantly increased its investment in learning and development, by amongst others, running tailor-made programmes for high potentials and a personal development plan for all. We want our team members to grow along with the Group and we put much emphasis on performance development through our performance management system. This is the key to achieve our overall business objectives.

During their leisure time, CHRISTINE & BRIGITTE are passionate about scrapbooking. For *Koté Vins*, they developed their talent for transforming recycled materials by using over 6000 wine corks to create decorative pieces.

Value Added Statement

	2016 Rs'000	%	2015 Rs'000	%
Turnover including Value Added Tax	5,949,684		5,462,864	
Less: Paid to Suppliers for Materials and Services	(2,547,179)		(2,253,642)	
Value Added	3,402,505		3,209,222	
Other operating income	60,468		30,193	
Total wealth created	3,462,973		3,239,415	
Distributed as follows :				
Members of Staff				
Renumeration and Benefits	601,204	17	550,033	17
Providers of Capital				
Dividends	157,892		148,023	
Interest	14,379		4,732	
	172,271	5	152,755	5
Government Taxes				
Excise, Customs & Other Specific Duties	1,778,547		1,672,132	
Net Value Added Tax	434,363		401,891	
Taxation	72,937		65,311	
	2,285,847	66	2,139,334	66
Reinvested in the Group				
Depreciation and amortisation	226,237		211,262	
Retained Profit	177,414		186,031	
	403,651	12	397,293	12
Total Distributed and Retained	3,462,973	100	3,239,415	100





Government Taxes (Mauritius)

		2015/16	2014/15	2013/14	2012/13	2011/12
Excise Taxes & Other Specific Duties:	Rs'000	1,731,895	1,642,658	1,523,002	1,382,073	1,208,879
Excise Duty - Beer	Rs/litre	35.90	35.90	35.90	34.20	29.75
PET Tax	Rs/unit	2.00	2.00	2.00	2.00	2.00
Can Tax	Rs/unit	2.00	2.00	2.00	2.00	2.00
Sugar Tax	Rs/gram	0.03	0.03	0.03	0.02	1.50
Income Tax	Rs'000	58,333	51,334	50,738	51,519	35,264
	% rate	15.0	15.0	15.0	15.0	15.0
Customs Duty	Rs'000	46,652	29,474	50,350	43,208	32,583
Net Value Added Tax	Rs'000	434,363	401,891	419,188	378,471	333,974
	% rate	15.0	15.0	15.0	15.0	15.0
TOTAL	Rs'000	2,271,243	2,125,357	2,043,278	1,855,271	1,610,700

Business Review

Financial Performance

PhoenixBev delivered another good performance, despite fierce competition. Management continues to focus on elements within its control, including driving volume growth, developing new products and markets, continuous operational improvements, cost control and improving margins.

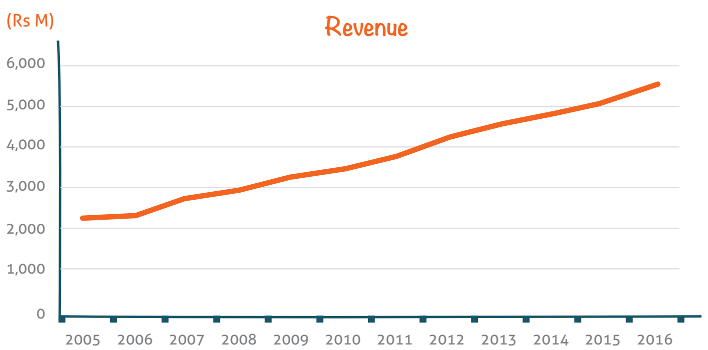
In addition to the general macroeconomic environment, PhoenixBev results are affected by exchange rates, crude oil, sugar and cereal prices.

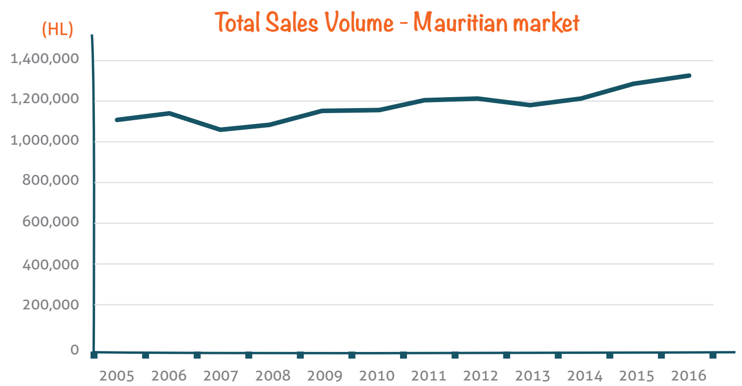
Revenue

The Group has grown its top line by 9.0% on last year, to Rs 5,515M. The newly-acquired Edena SA in Réunion Island contributed Rs 161.6M to the turnover. By excluding this inorganic growth, revenue has increased by 5.8%.

Revenue derived from the local and export markets increased by 5.5% and 20.4% respectively, driven by higher sales volume. Revenue from Phoenix Réunion increased by 14.9%.

The Group has delivered solid revenue growth over the past 12 years.

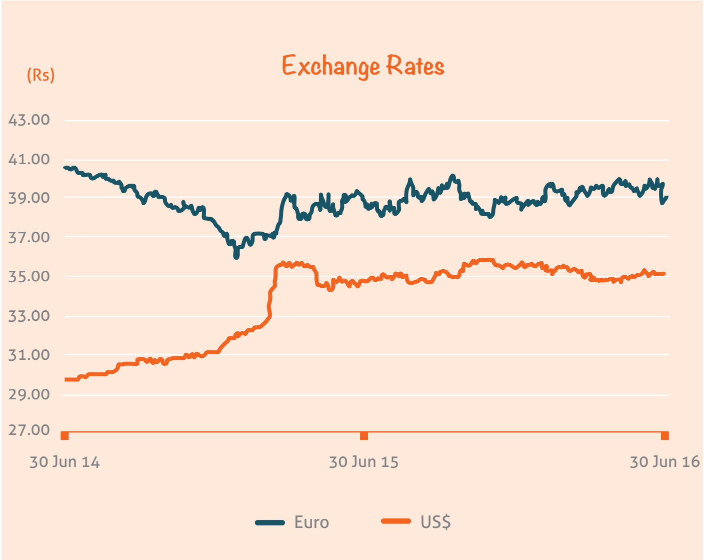




Exchange Rates & Cost of Sales

A large portion of our costs of raw and packaging materials is impacted by the MUR/US Dollar and MUR/Euro exchange rates.

During the financial year, the average MUR/US Dollar exchange rate weakened by 9.2% (2015: 7.5%). This had the effect of increasing our cost of sales this year by some Rs 65M.



Operating Costs

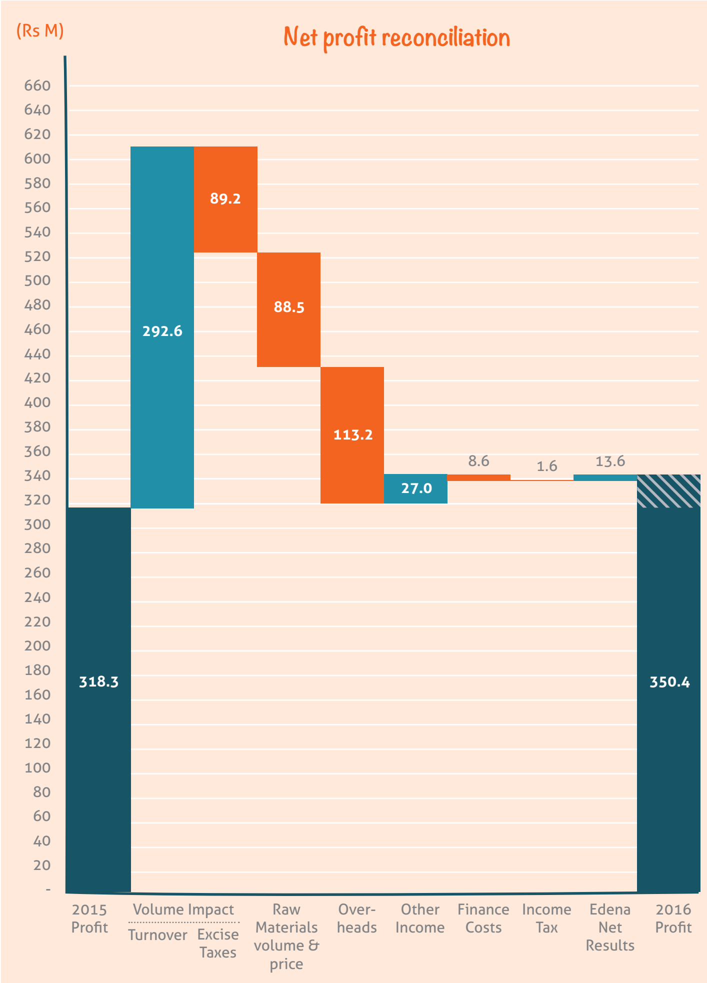
Our sustainability and competitiveness depend on our ability to optimise our operating cost base. As such, we continued to maintain strict cost discipline across the Group in 2016.

The benefits accrued from cost containment and enhanced efficiencies allow the Group to reinvest in strategic areas of the business, such as brand development and support, stepping up marketing initiatives and extending marketing, sales and 'route to market' capability.

Earnings & EBITDA

Group net profit for the year increased by 10.1% to Rs 350.4M, with Edena contributing Rs 13.6M to that result. The bottom line grew organically by 5.8% this year.

The EBITDA increased by 10.5% to Rs 672M this year.

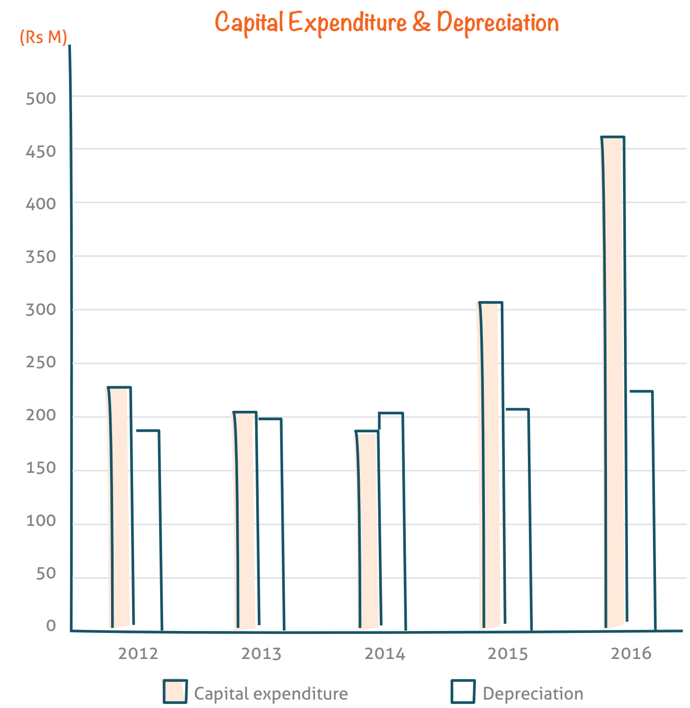


Acquisition, Capital Expenditure & Depreciation

The Group has invested a total amount of Rs 1,306M this year, including Rs 838M for the acquisition of Edena SA. This forms part of a multi-pronged strategy focused on our operations and brands in Mauritius whilst taking our activities in Réunion Island to the next level.

Rs 273M has been invested during the year in our new production unit in Nouvelle France. This new unit, which will be operational in October 2016, will enable the Group to further widen its product range in the non-carbonated beverages segment regionally whilst also mitigating manufacturing contingency.

Depreciation has increased by 7.1% this year to Rs 225.2M.



Acquisition of Edena

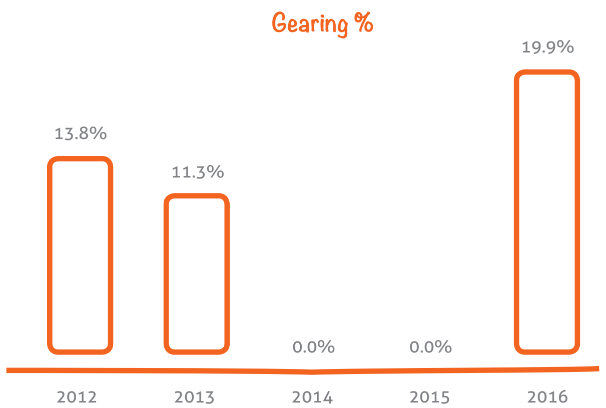
PhoenixBev achieved a major milestone during the year with the acquisition of Edena SA in Réunion Island. PhoenixBev Group's results include Edena's figures for the 3 months' period ended June 30, 2016.

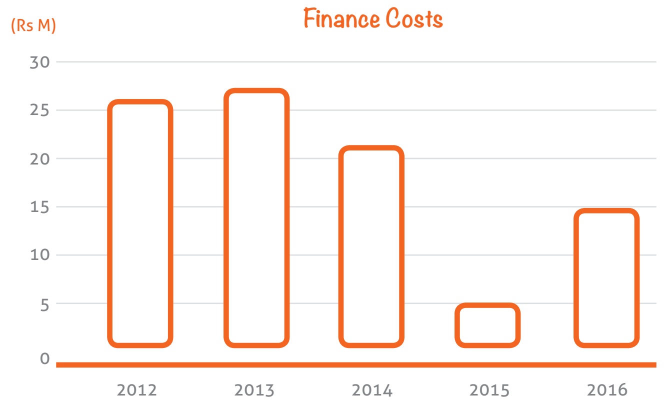
Gearing & Finance Costs

The acquisition of Edena SA in April this year, combined with the investment in our new production unit in Nouvelle France, had the effect of increasing the gearing ratio to 19.9% (2015: 0%).

Consequently, finance costs have increased from Rs 4.7M to Rs 14.4M.

By assuming no future inorganic expansion in the short term, net debt is expected to be nil by the year 2020.





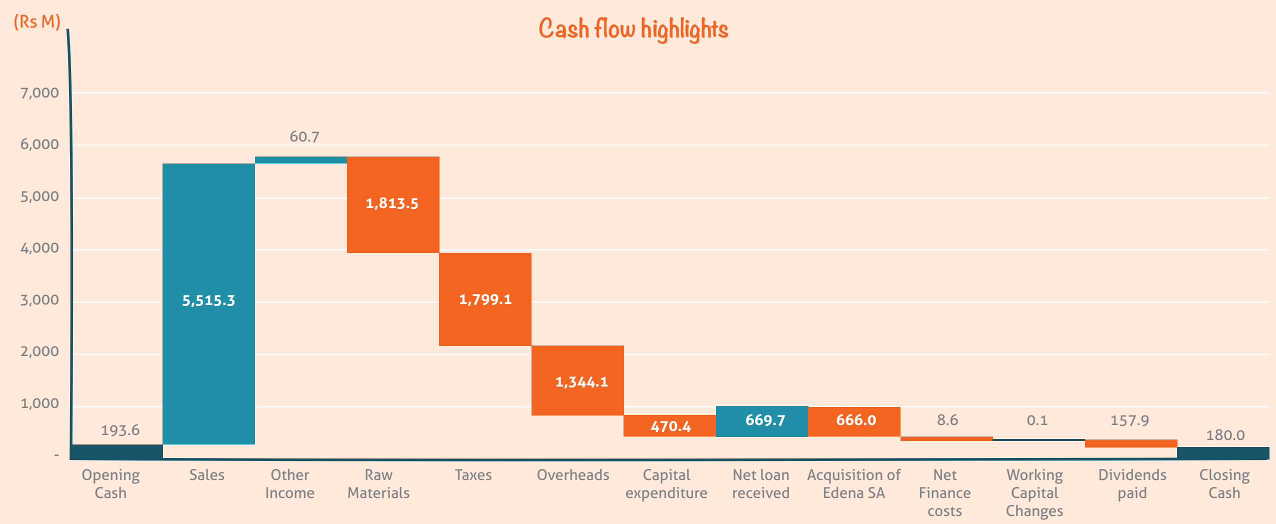
Equity and Shareholder Return

Total equity has risen by 5.2% to Rs 3,343M at June 30, 2016.
The Company has declared and paid a dividend of Rs 9.60 for the year (+6.7%)
Total shareholder return (combination of share price appreciation and dividends paid) for the year is 15.6%.

Cashflow and Cash & Cash Equivalents

Cash flow from operating activities was Rs 679.9M (2015: Rs 587.4M), i.e an improvement of Rs 92.5M on 2015.

Cash & cash equivalents decreased this year by Rs 13.6M, from Rs 193.6M to Rs 180.0M.



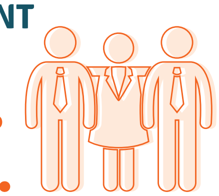
Team Members

The practice of Human Resources has evolved over time and so have the expectations of team members. PhoenixBev seeks to keep abreast of these changes and to further engage with its team members.

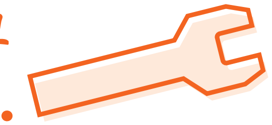
We favour the retention of our internal talents and equally welcome new entrants embracing our competencies and vision. Today, Human Resources expectations encompass a much wider spectrum and matching most of these is our daily commitment. Without qualified and talented human resources, a company will not be able to pursue its growth. We are therefore always seeking to develop our talents through a well-structured performance management system and personal development plans.

The survey that we conducted prior to the re-branding exercise has enabled us to have a better insight into how our team members are perceived by our customers and the level of service they offer. Our actions to meet both customer and team member expectations had to be reviewed to maintain this equilibrium.

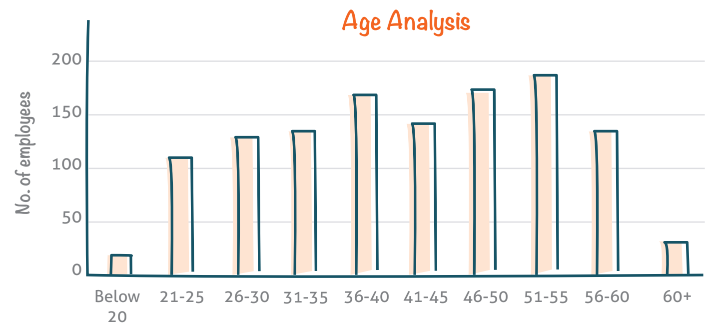
WOMEN/MEN IN MANAGEMENT TEAM
29%/71%

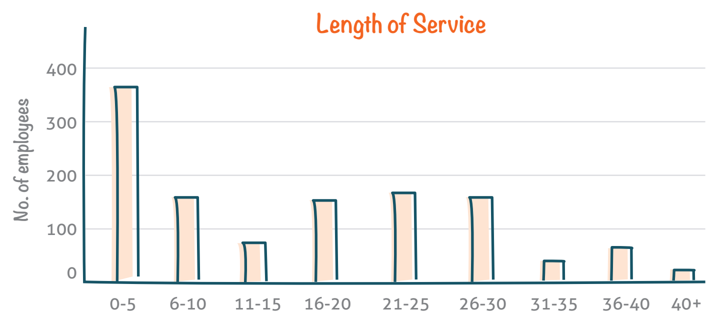


TOTAL TEAM MEMBERS TRAINED DURING THE YEAR
844



INVESTMENT IN TRAINING
Rs 8.1M





Health & Safety

Health & Safety is a very important factor at PhoenixBev, allowing us to operate within a trustworthy and respectful society. Due to the nature of the Company's activities and the risks associated in the processes, a high level of safety is always maintained. Risks are often associated with, but not limited to, the handling of chemicals or heavy objects, heavy traffic of trucks in the compound and on public roads and the operation of industrial equipment.

WORK ACCIDENTS
148

INJURY LEAVES
1,017 Man-days lost

The Company has around 300 team members circulating around the island, rendering them prone to road accidents, risks and uncertainties which are beyond the Company's supervision. Another major cause of accidents is minor cuts related to the handling of broken glass.

The Company adheres closely to OSHA 2005 and has set up a Health & Safety Committee. It comprises team member representatives, management representatives, the Health & Safety Manager and the HR Manager chairing the committee. The conditions of Health & Safety are diligently followed and, whenever necessary, further risk assessments are done to identify the root causes of accidents. Initiatives are continuously being implemented to improve Health & Safety at work. These include actions to improve infrastructure and to secure sites, the purchase of equipment, awareness-raising initiatives and training. For example, during the year we have carried out the following:

- awareness campaign for defensive driving to all drivers
- training of fire wardens and First-Aiders
- provision of a First Aid box in each commercial vehicle and training of all sales personnel

In order to reduce risks associated with driver fatigue, we have alternated long delivery routes and short routes, which also enhances the flexibility of our delivery capabilities.

As required by law, a set of medical tests are conducted every year for specific categories of personnel. This year, medical tests included sight, audiometric, blood and lung function tests.

As part of its preventive approach, PhoenixBev also organizes screening campaigns, vaccinations and medical visits for all interested team members. During this financial year, the Company organised a vaccination campaign against Hepatitis A and B for concerned team members.

Moreover, the Company covers team members' health expenses up to 80% of the total medical cost, which includes amongst others the cost of doctors, medication, eyeglasses and dental care.

Focus

Health & Safety week 25 - 29 April 2016: a new initiative at PhoenixBev

The goal was to raise awareness, educate and empower team members through prevention, screening and sensitisation. Several talks were held during the week on different topics including healthy eating, road safety, different types of cancer, cardiology and pension schemes. A two day blood donation campaign was held on our sites.

The outcome of this week in figures:

- Blood donors: 82
- Blood tests: 133
- Eye tests: 132
- Talks on different topics: 183 participants
- Tests conducted by Link to Life: 37
- More than 300 team members attended the Road Safety campaign conducted by the police force

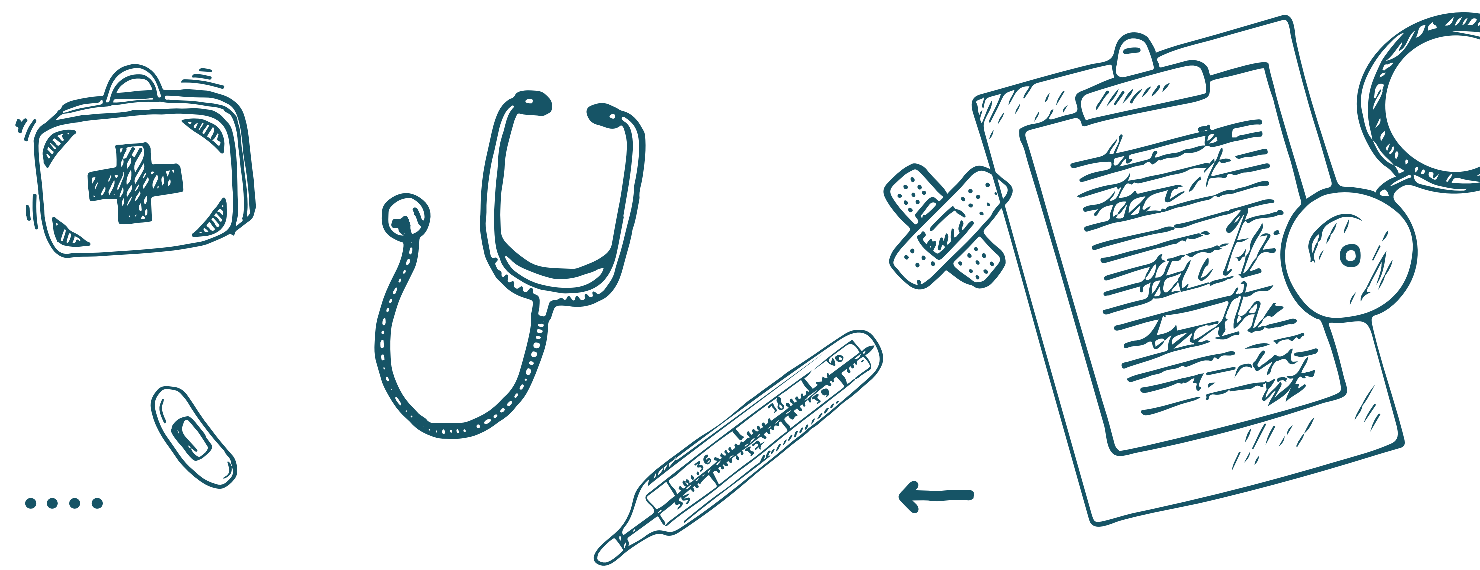
ACQUISITION OF SAFETY EQUIPMENT
Rs 1.2M

TOTAL HEALTH & SAFETY RELATED EXPENSES
(including training & awareness campaigns)
Rs 14.1M

Team Member Welfare

The objective of Team Member Welfare is to ensure work/life balance within the Company and help team members in their personal development. This is mainly done by organising sports, welfare and recreational activities. The Company has a Sports Committee, including a representative from each site, which plans various recreational activities such as pétanque, football, fun walks etc. The Company also provides access to various sports facilities, such as badminton and volley ball courts and a football ground. Weekly sessions for zumba, yoga and Pilates are also organised for the benefit of team members.

PhoenixBev is affiliated to the Fédération Mauricienne des Sports Corporatifs (FMSC) and to Curepipe Starlight Sports Club. These allow our champions to participate in competitions at national level and in different activities. Our team members also benefit from sports activities organised by Mauritius Export Association (MEXA).



Sustainable Supply Chain

Procurement and Supplier Management Programme

We believe that the enforcement of sound policies and practices in procurement and supplier management is fundamental to a sustainable supply chain. This means allowing prospective suppliers that meet our stringent quality standards to have the opportunity to participate under equitable conditions.

A key focus area is to ensure that risks are identified on a timely basis and that corrective actions are taken accordingly to ensure the continuity of supply and an effective risk management process. In order to achieve these objectives, we have put in place a strict but clear programme focusing on supplier selection, evaluation and assessment of our key suppliers.

(a) Suppliers selection and evaluation

Suppliers are selected and evaluated based on set criteria, including quality, conformance to specifications, price and total cost of ownership, brand, country of origin, payment terms, delivery options, lead time, eco-friendliness, quality certification, after sales service, warranties and any other specific item applying to the nature of the goods or service to be provided.

(b) Audit of key suppliers

During the financial year 2016, PhoenixBev has conducted 12 field audits among its key suppliers, selected for the direct contribution of their products to the quality of our beverages. The audit team has a multi-disciplinary profile with members from different backgrounds and competences built from key personnel from the engineering, quality, production, and procurement departments.

The main aspects covered by the audits are:

- Supplier's attitude, including after sales facilities, quality of consultation on product development and initiatives in cost reduction measures
- Technical ability, which comprises technical competence, process capability and control and quality measures put in place
- Commercial ability, including lead times, locations and delivery frequency, supply risk and risk response measures and pricing
- Financial health and impact on continuity of supply
- Laws, regulations and quality standards compliance. Compliance includes the accreditation of the supplier by our key partners like The Coca-Cola Company, as applicable, depending on the nature of items supplied

On the basis of audit findings, corrective action plans may be put in place, if necessary.

(c) Annual assessment of suppliers

On a yearly basis, suppliers are formally assessed by a Committee comprised of key personnel of sections involved with suppliers, including production, engineering, Human Resources, stores, procurement, technical and quality. The scope of this assessment covers ingredients, packaging, production, water treatment, cleaning, laboratory chemicals, and services.

The main criteria used to assess the performance of the suppliers are in conformance to specifications, quality, delivery time and conditions, after sales service, user feedback and any other specific aspects applicable to the item or service provided.

The suppliers assessed on an annual basis represent some 80% of the annual purchase spend of PhoenixBev.

A formal rating system is used in the process, with a minimum score required to be maintained as a PhoenixBev supplier. If a supplier falls below the minimum level and score, a corrective action plan is put in place with scheduled reviews to determine whether the supplier can be re-authorised or should instead be de-registered.

Procurement and Sourcing Challenges

The risks that affect procurement and sourcing of raw and packaging materials come from a wide range of sources. In our industry, we consider that the major challenges include:

- Natural disasters
- Fire & allied perils
- Fluctuations in the interest rate or rate of exchange, namely the MUR versus USD and EUR
- Changes in the regulatory framework including taxes and Health & Safety, amongst others
- Volatility in demand and our ability to adapt to such changes
- Level of reliance on single/few suppliers
- Labour constraints in terms of availability, management and other more complex factors to handle i.e. strikes or other industrial action
- Commodity price risk i.e. cereals, aluminium, resin, petroleum products or sweeteners.

Our approach includes:

- Global sourcing. We work with suppliers from different regions of the world. This allows a more effective competition strategy and the spread of risks linked to geographical locations. This may also impact on rate of exchange fluctuations.
- We are part of the CEPG, which is the Central Sustainable Procurement of The Coca-Cola Company.
- As a member of the CEPG, we have access to a global supplier database, approved to the stringent policies and standards of The Coca-Cola Company. We also benefit from the global terms and conditions negotiated on global volumes. This helps to address financial, operational and supply chain risks.
- We have in place Request for Information (RFI), Request for Proposals (RFP) and Request for Quotes (RFQ) to enhance competition and get the best offers. We encourage an open book policy with our main suppliers to better understand their cost structures in order to better monitor and manage the risks associated with our supplies.
- Hedging. We have established hedging strategies where applicable. These are generally translated into advance purchasing, futures for specific commodities, structured call offs and forward buying of currencies.

Monitoring the Strategic Resources Lifecycle

a. Water resource management

Water, being a strategic input for PhoenixBev, is monitored on a daily basis.

i. *Groundwater monitoring*
Every day at regular intervals, a quality control analysis is conducted on raw water drawn from our boreholes. Monthly and annual analyses are also carried out by accredited external laboratories as well as by our key partners.

A Source Vulnerability Assessment is also regularly performed to better anticipate any risk that may impact our water sources.

ii. *Water usage monitoring*
PhoenixBev produced 1.4m HL of beverages in Mauritius in 2015/16, with a water utilisation ratio of 5.8:1. This ratio is impacted by the cleaning and sterilisation of re-usable bottles which represent 40% of our production. We are committed to improve our water efficiency to reduce our impact on water resources.

There is a water management project in place to minimise water utilisation in all processes, without impacting on the quality of our products. Such measures include the introduction of new technology like a dry lubrication system for conveyor belts, saving on the time/water ratio for each bottle at sanitation and rinsing stage.

iii. *Waste water management and treatment*
All used water is treated in our effluent plants in accordance with required standards as per existing legislation.

b. Sourcing of raw materials

i. *Cereals and grains*
We have, over the years, developed trusted relationships with all our key suppliers. We ensure the quality of the materials by requesting certificates of analysis, compliance, GMO free followed by yearly crop with HACCP certificates.

ii. *Sugar*
Raw and refined sugars are now sourced locally through the Mauritius Sugar Syndicate. These supplies are in accordance with both our stringent internal and The Coca-Cola Company's specifications.

iii. *CO_2*
Part of the CO_2 used in our production is produced internally at the brewery, coming from the natural process of fermentation, while the difference is sourced locally. We have continued to improve our recovery rate and today, out of the 1,854 tons of CO_2 required in all our operations locally, 789 tons are produced internally.

iv. *Packaging*
We source our packaging materials both locally and abroad.

The focus on resource optimisation in the context of sustainable supply chain also applies to the sourcing of new packaging. The reduction in weight of our glass and plastic containers is part of our continual improvement programme.

The returnable glass bottles used for carbonated soft drinks have been converted over the past years into lightweight bottles. The weight of the 1000 ml bottle has been reduced by 9% and that of the 300ml by 26%. This has the combined benefit of using less materials and improving the carbon footprint throughout the whole supply chain.

PET preforms and bottles designs have also recently been improved for many packages. Our new Crystal bottle design, to be launched in fourth quarter of 2016, will result in a reduction of some 20% in weight.

We have other initiatives in place to further lightweight our containers. These will be implemented in third quarter of 2017.

Thinking downstream

We have started a waste segregation programme. This approach is part of the ISO 140001 Certification process with a view to better managing our environmental impact. It also aims to improve our waste and by-products strategy.

We already have a number of practices which allow the re-use of our waste:

- A large portion of broken glass is sent to The (Mauritius) Glass Gallery, another portion can be used as construction material mainly in stone crushing, with the leftover being sent to landfill
- Cartons, empty containers of raw materials and wooden pallets are all sent to recyclers
- Distillers' grain is also reused as animal feed ingredients

Further downstream in the product lifecycle, PhoenixBev funds a PET bottle recycling programme across the country, to the tune of Rs 13.7M per year. It allows the recovery of some 40% of the PET bottles produced by us.

We are working with other stakeholders to find ways to further improve this recovery rate.

Operational Capacities, Efficiencies and Know-how

New production lines

Group production capacity has expanded this year, with the acquisition of Edena SA in Réunion Island and will further increase in 2016/17 with the commissioning of our new production unit in Nouvelle France.

These new lines will enable the Group to widen its product range both locally and regionally whilst also offering contingency for our manufacturing capability.

The Company is in the process of finalising key projects to further improve production capacities and offer other opportunities.

Resource optimisation

At PhoenixBev, Operational Excellence (OE) has an important role to play in our objective to improve working efficiencies and drive continuous sustainable growth. Getting our entire organisation to excel in everything we do is not an easy task, but we are committed to achieving operational excellence with the participation of all our team members. For us, excellence is a habit that comes from the performance of small acts, by each and every team member, every day. Together with our team, we have taken up the challenge to deliver increasing levels of efficiency, innovation and dedication.

To inculcate this culture of excellence, our Group puts emphasis on training and communication. We have encouraged and invested in our team members to be certified Operational Excellence Yellow Belt, Green Belt and Black Belt with a view to having a more systematic and professional way of addressing waste elimination. We have also established an OE function within the Company to drive this process. To date, all our employees have been made aware of the opportunities that Operational Excellence can bring to the Company and to society at large. Operational Excellence displays, highlighting the various ways in which we can improve efficiency and reduce or eliminate waste, have been placed in every key area of PhoenixBev this year.

To focus our effort, we have identified eight areas of waste:

We have reviewed, reorganised and improved key areas of our operations and processes for smoother running and better efficiency. We are also guided by our partner, The Coca-Cola Company, for the setting up of best practices. This enables us to benchmark and improve the performance and efficiency of our production lines. Our vision is firmly based on process maturity, which implies doing the right thing first then continuously improving the process. Our main accomplishments this year include:

- Reducing water consumption on one of the glass bottling lines at the Brewery
- Improving line availability at the Limonaderie
- Improving net content on one of the PET lines at the Limonaderie
- Improving CO_2 consumption yield at the Limonaderie
- Improving sorting operations at the Commercial Unit
- 6S projects in Garage, Refrigeration, MGG, Limonaderie Yard and Packaging lines

The Company has identified various new OE projects which are all expected to be implemented in the next financial year. These include: improvement of empties management, improvement of line utilisation at the Limonaderie, improvement of concentrate yield at the Limonaderie, reduction of unproductive calls at refrigeration, improvement of net content on another line at the Limonaderie.

We are determined to drive our OE strategy throughout the Company and foster the required culture to support our sustainable growth. In today's competitive global marketplace, excellence is not an option; it is essential to success.

Quality Management

Our quality processes involve more than 50 types of analysis which are carried out regularly several times a day on all our production units. More than 200,000 analyses are performed each year, including physical, chemical, microbiological and organoleptic analyses. These analyses relate to raw materials, work in progress and finished goods, which bring traceability throughout the production cycle. They quickly identify any underlying variations and help to take necessary remedial measures where applicable.

This traceability is now enhanced with our FSSC 22000 certifications and ensures optimum food safety levels, safeguarding consumers from health risks.

Our international key partners are important levers for the continuous improvement of our quality procedures. At the Brewery, we have implemented new quality procedures as per Diageo's specifications, which represent a more comprehensive and detailed matrix. It is also an opportunity for the benchmarking of our operations. Regular audits are performed by our key partners to reinforce our quality systems in place.

Preservation of brewing expertise

Our know-how in the brewing industry is unique in Mauritius and is recognised worldwide. We are consistent at mastering constant beer quality and at creating fine new beers.

The rigour of our yeast management is based on a set of key actions:

- A complete set of conservation measures on site
- Daily microbiological controls
- Regular yeast propagation and storage
- Agreement with our partners to support backup preservation.

The continuous development of this expertise is critical to the future of our Company and our quality procedures are an important tool for this. The brewer profession is above all a human adventure based on talent and passion. Transmission is ensured through a master-apprentice relationship and experience, conducted within long term succession planning.

SIVA, director of Garden Makers, is an artist who uses recycled glass bottles as plant pots. Through his inspired creativity, the bottles and plants take on a personality of their own.

Corporate Governance

Compliance

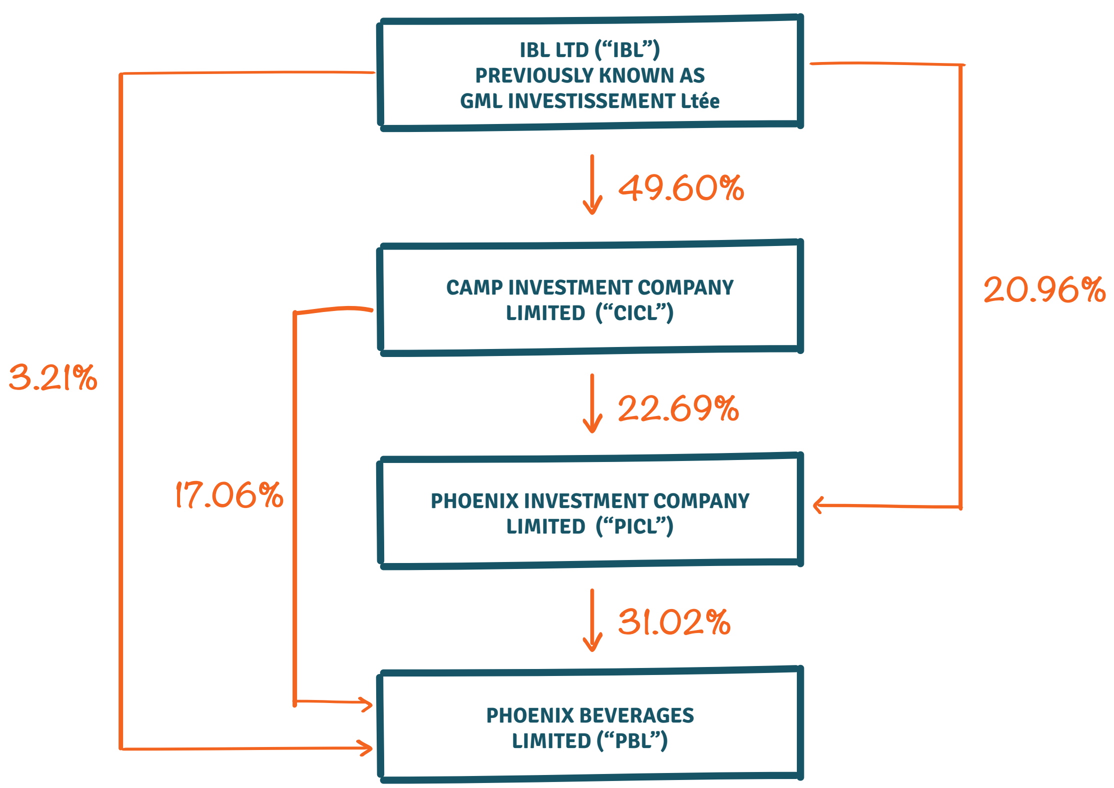
Phoenix Beverages Limited is committed to maintaining high standards of corporate governance, both at Board level and throughout the Group. The Directors see this as fundamental to the effective and responsible management of the business and for the delivery of shareholder value over the long term. Time is allocated at Board and Committee meetings to consider governance issues. The Board wishes to demonstrate ethical leadership and accordingly the Company has set out its Code of Business Ethics, which is communicated to all its employees and business partners.

Phoenix Beverages Limited has adopted most of the guidelines set out in the Code of Corporate Governance for Mauritius ('the Code'), which sets out principles and provisions relating to the good governance of companies. The Board considers that it was, throughout the year to the extent possible, compliant with the provisions set out in the Code. Compliance by the Company with each principle and provision of the Code is set out in this Report.

Cascade Holding Structure

Phoenix Beverages Limited is listed on the Official Market of the Stock Exchange of Mauritius Ltd and, at the date of this Annual Report, the Company has 16,447,000 ordinary shares of Rs 10. - each in issue and 1862 shareholders on its registry.

The cascade holding structure is as follows:



* On July 1, 2016, Ireland Blyth Limited was amalgamated with and into GML Investissement Ltée and on the same day, GML Investissement Ltée changed its name to IBL Ltd.

Common Directors

The Directors of the Company who also sit on the Boards of the holding companies are:

Directors	PBL	PICL	CICL	IBL
Jean-Claude Béga	√**	√**	√**	
Jan Boullé	√	√	√	√**
François Dalais	√	√	√	
Guillaume Hugnin	√	√*	√	
Arnaud Lagesse	√	√	√	√
Hugues Lagesse[(1)]	√	√	√	√
Thierry Lagesse	√	√	√	√

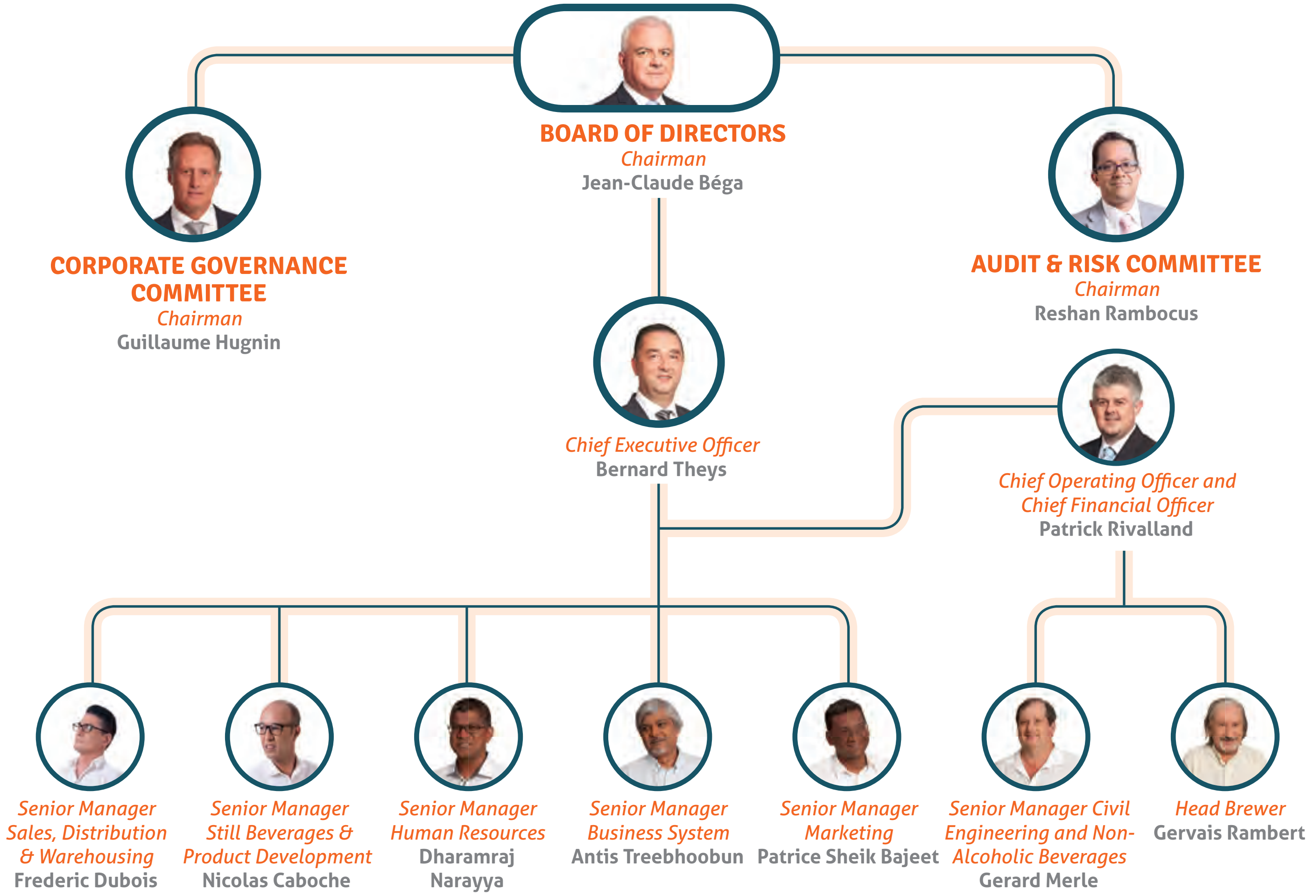
** *Chairman*
* *Alternate Director*
[(1)] Mr Hugues Lagesse was appointed Director of the Company on July 1, 2016 in replacement of Mr J. Cyril Lagesse who resigned on June 30, 2016.

Corporate Governance

Company's General Organisation Structure

The Board of Phoenix Beverages Limited is guided in its activities by the Terms of Reference of its sub-committees which are updated for any applicable latest developments in Governance.

At the date of this Report, the general organisation structure of PBL is as follows:



Board Composition

Directors:
Jean-Claude Béga
Jan Boullé
François Dalais
Guillaume Hugnin
Didier Koenig
Arnaud Lagesse
Hugues Lagesse
Thierry Lagesse
Reshan Rambocus
Patrick Rivalland
Bernard Theys

Alternate Directors:
Jean Pierre Dalais
Marguerite Hugnin

Audit & Risk Committee Composition

Members:
Reshan Rambocus
Jean-Claude Béga
Jan Boullé
Didier Koenig

Corporate Governance Committee Composition

Members:
Guillaume Hugnin
Bernard Theys

The Role of the Board

It is the Board's responsibility to ensure that there is an effective organisational and reporting structure in place such that there are clear reporting lines within the Group and well defined roles and responsibilities. This is to ensure that the right decisions are being made with involvement from the right people. The Board's ultimate responsibility is for the supervision of the Group. It has the following principal duties:

- **Strategy** – contribute to the development of, and validate, the Group's long term strategy. This includes thorough review and discussion of reports and updates at Board meetings as well as through the annual strategy review meeting which is presented to the Board.
- **Group financial and operational performance** – review and monitor the performance of the Group, through regular reporting and discussions with the senior management.
- **Senior management** – ensure that the management team has the skills and resources to deliver the strategy and that appropriate succession and contingency planning is in place.
- **Evaluation and composition** – review the performance of the Board and its Committees to ensure that they are effective. Ensure that the Board and its Committees comprise competent and capable individuals with a range of skills and experience who bring independent views to decision making.
- **Internal controls** – maintain an appropriate internal control framework.
- **Risk** – ensure that there are effective risk management policies and processes in place and an appropriate governance structure.
- **Business Continuity Planning** – ensure that procedures are implemented to safeguard staff as well as the interests of PBL through business continuity management; a process which identifies potential risks, their impacts, builds resilience and ensures capability for effective response.

The Board is assisted by various Committees of the Board which report regularly to the Board. In undertaking its duties, the Board delegates certain authorities and decisions to its Committees, notably the Corporate Governance and Audit and Risk Committees. The membership of these Committees is regularly reviewed by the Board. These Board Committees have clearly defined terms of reference.

Day-to-day management of the Group is the responsibility of the Chief Executive. To assist him in this role, the Chief Executive has established a management team. Authority for operational decisions is delegated by the Board to senior management at operating level, over which the Executive Directors exercise full supervision.

Board members have unrestricted access to the records of the Company and also have the right to seek independent professional advice, at the expense of the Company, to enable them to discharge their responsibilities effectively.

Board of Directors

The Chairman leads the Board and ensures its effectiveness. He also organises its business and sets its agenda. In addition to the Chairman, there are currently two Independent Non-Executive Directors, six Non-Executive Directors and two Executive Directors who have a range of strong and complementary skills. Their biographies are set out on pages 62 to 65. The Board is of the view that it is adequate to meet business requirements. The size and composition of the Board is supervised by the Corporate Governance Committee. Furthermore, the Board does not believe that its members should be prohibited from serving on boards of other organisations and has not adopted any guidelines limiting such activities. Each Director has a duty to act in the best interests of the Company and is expected to ensure that his or her other responsibilities do not impact on his or her responsibilities as a Director of Phoenix Beverages Limited. The Directors have made the required disclosures regarding their directorships in other listed companies.

Before each Board and Committee meeting, relevant reports and papers, including financial performance data and detailed updates on the progress and implementation of the strategic plan where appropriate, are circulated to Directors.

The Board has the opportunity to discuss these reports and updates and to challenge directly the Executive Directors who attend the Board meetings.

Board's Governance

There is a clear division of responsibility between the running of the Board and the executive responsibility for the running of the business. The Chairman's and Chief Executive Officer's roles are separate and there is a division of responsibility that is clearly established and agreed by the Board to ensure that no one person has unfettered powers of decision. The Chairman is a Non-Executive Director selected by the Board.

The Chairman of the Board

The Chairman, Mr Jean-Claude Béga, conducts Board proceedings in a manner that ensures, inter alia, that:

- Effective participation of both Executive and Non-Executive Directors is obtained;
- All Directors are encouraged to make an effective contribution, for the benefit of the Company and of the Group; and
- The Board is completely aware and in control of the Company's and Group's affairs, and assumes its obligations to all shareholders and other stakeholders.

The Chief Executive Officer

Mr Bernard Theys, the Chief Executive Officer of Phoenix Beverages Limited, is responsible for the day to day running of the Company's operation and the implementation of management strategy and policy.

He is also responsible for:

- overseeing, developing and recommending to the Board annual business plans and budgets that support the Group's long-term strategy and vision;
- ensuring continuous improvement in the quality and value of the products and capabilities of the production lines;
- ensuring that the Group has an effective management team, actively participating in the development of management and succession planning;
- promoting a corporate culture that promotes ethical practices, offers equal opportunities, encourages individual integrity and fulfils social responsibility objectives and imperatives; and
- serving as the chief spokesman for the Group on all operational and day-to-day matters.

Directors' Appointment and Re-election

The appointment of new Directors to the Board is led by the Corporate Governance Committee in its role as Nomination Committee. The Corporate Governance Committee leads the process according to the Company's Constitution and makes recommendation to the Board, either to fill a casual vacancy or as addition to the existing Directors whilst total number of Directors at any time within the twelve fixed by the Constitution.

In accordance with the Constitution of the Company, every year, three Directors submit themselves for re-election at the Annual Meeting of the Company. Furthermore, all Directors are subject to election by shareholders at the first Annual Meeting following their appointment to the Board and thereafter the same Director, if elected, shall be subject to retirement by rotation.

The Executive Directors have, based on the Company's policies, formal employment contracts with Phoenix Management Company Ltd.

Upon appointment to the Board and/or its Committees, Directors receive a complete induction pack from the Company Secretary, as well as a leaflet on her/his duties and responsibilities as Director. In addition, newly-appointed Directors are invited to meet members of the senior management in order to rapidly acquire a comprehensive view of the Company's operations, risks and strategy.

Furthermore, Phoenix Beverages Limited being listed on the Stock Exchange of Mauritius, every newly-appointed Director must submit to this authority, through the Company Secretary, a complete "Declaration of Understanding" questionnaire and a declaration of his interests in the Company.

The Company Secretary will subsequently submit to the Financial Services Commission a copy of the declaration of the Director's interests.

Finally, at the next Annual Meeting to be held on November 30, 2016, the Board of Directors will propose, following the recommendation of the Corporate Governance Committee, the re-election of Mrs Marguerite Hugnin as Alternate Director of Mr Guillaume Hugnin, under Section 138(6) of the Companies Act 2001, the appointments of Mr Hugues Lagesse and Mr Reshan Rambocus nominated by the Board and the re-appointments of Mr Jan Boullé, Mr Arnaud Lagesse and Mr Thierry Lagesse, Directors resigning by rotation.

Corporate Governance

DIRECTORS' BIOGRAPHIES

The names of all Directors and Alternate Directors, their categories and biographies and the list of their directorships in other listed companies are provided hereunder.

1. JEAN-CLAUDE BÉGA

Non-Independent Chairman - first appointed to the Board in 2011 and as Chairman on August 14, 2013

Jean-Claude Béga is a Fellow of the Association of Chartered Certified Accountants. He is presently the Group Head of Financial Services & Business Development at IBL Ltd. Jean-Claude Béga is also a Director of a number of companies including Alteo Limited, Lux Island Resorts Ltd, AfrAsia Bank Limited, Abax Corporate Services Ltd and The Emerging Africa Infrastructure Fund Limited and the Non-Executive Chairman of Phoenix Investment Company Limited, Camp Investment Company Limited and Phoenix Management Company Ltd. Jean-Claude Béga is also a member of the Audit and Risk Committee.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- Lux Island Resorts Ltd

2. JAN BOULLÉ

Non-Executive Director - first appointed to the Board in 2000

Jan Boullé is currently Head of Development and Project at Constance Group. He joined The Constance and La Gaieté Sugar Estates Co. Ltd in 1984. He is an "Ingénieur Statisticien Economiste (France)" and holds a diploma of "3ème cycle, Sciences Economiques, Université Laval, (Canada). Jan Boullé is a member of the Board of Directors of several of the country's major companies. Furthermore, he is the Non–Executive Chairman of IBL Ltd (previously known as GML Investissement Ltée). Jan Boullé is also a member of the Audit and Risk Committee of the Company.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- Belle Mare Holding Limited
- IBL Ltd

3. FRANÇOIS DALAIS

Non-Executive Director - first appointed to the Board in 1992

François Dalais holds a Diploma in Business Administration (London). He is the founder and Director of the Mauritius Freeport Development Ltd, Sugarex Ltd, Tropical Cubes Co. Ltd, Atlas Communications International Ltd and Financière Marine International Ltd. François Dalais also sits on the Board of a number of companies in Mauritius.

4. GUILLAUME HUGNIN

Non-Executive Director - first appointed to the Board in 2009

Guillaume Hugnin studied at the University of Cape Town in South Africa where he graduated with Honours in Economics. He completed his studies in 1997 by obtaining an MBA from the University of Surrey, United Kingdom. Guillaume Hugnin worked in South Africa and Australia for several years before joining the Food and Allied Group of Companies in 1993. He is currently the Group Export Manager of the Food and Allied Group. He has directorships in the hotel industry and is the past Chairman of the Mauritius Exporters Association (MEXA). He has also acted as Council member of the Joint Economic Council (JEC). Guillaume Hugnin is currently the Chairman of the Corporate Governance Committee of the Company.

5. DIDIER KOENIG

Independent Non-Executive Director - first appointed to the Board in 2001

Didier Koenig, born in 1955, is currently the "Consultant Payroll Coordinator" for Domaine de Labourdonnais Limitée, having retired as accountant of the same Company in February 2016. He is a past auditor of De Chazal Du Mée & Co. Didier Koenig is a member of the Audit and Risk Committee of the Company.

6. ARNAUD LAGESSE

Non-Executive Director - first appointed to the Board in 1998

Arnaud Lagesse, appointed as Director of the Company on March 30, 1998, holds a 'Maîtrise de Gestion' from the University of Aix-Marseille III, France and is a graduate of 'Institut Supérieur de Gestion', France. He also completed an Executive Education Program at INSEAD, Fontainebleau, France, and an Advanced Management Program (AMP180) at Harvard Business School, Boston, USA. He joined IBL Ltd – formerly known as GML – in 1993 as Finance and Administrative Director before becoming its Chief Executive Officer in August 2005. On July 1, 2016, following the amalgamation of GML Investissement Ltée and Ireland Blyth Limited, he was appointed Group CEO of the newly formed entity, IBL Ltd. Arnaud Lagesse Is a member of the Board of Directors of several of the country's major companies and is the Chairman of BlueLife Limited, Lux Island Resorts Ltd, City Brokers Ltd inter alia. He is an ex-President of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers' Association and the Sugar Industry Pension Fund.

He is the Chairman of Fondation Joseph Lagesse since July 2012.

Arnaud Lagesse has taken part in the Board Members Subcommittee of the first National Committee for Corporate Governance ('NCCG') in 2004 and was recently appointed Chairman of the NCCG.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- BlueLife Limited
- IBL Ltd
- Lux Island Resorts Ltd
- The United Basalt Products Ltd

Corporate Governance

7. HUGUES LAGESSE

Non-Executive Director - first appointed to the Board on July 1, 2016

Hugues Lagesse, born in 1975, holds a diploma in administration and finance from 'Ecole Supérieure de Gestion et Finance' in Paris, France. In September 2007, he followed a course on Management at INSEAD Fontainebleau, France and a course in Real Estate development in Paris and at Harvard Business School, Boston, USA. From 2007 to 2013 Hugues Lagesse held the "Project Executive" function at BlueLife Limited, formerly known as Indian Ocean Real Estate Company (IOREC) and since January 2014 he is the Senior Development Executive of the Company.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- IBL Ltd

8. THIERRY LAGESSE

Non-Executive Director - first appointed to the Board in 1998 and Chairman up to August 14, 2013

Thierry Lagesse was appointed Director on February 23, 1998. He holds a 'Maîtrise des Sciences de Gestion' from the University of Paris Dauphine. He was the Non-Executive Chairman of IBL Ltd (previously known as GML Investissement Ltée), Alteo Limited, Phoenix Beverages Limited and The United Basalt Products Ltd up to August 13, 2013 and a Director of several other companies quoted on the Stock Exchange of Mauritius. He is also the Executive Chairman and founder of Palmar Group of Companies and Executive Chairman of Parabole Réunion SA.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- IBL Ltd
- Lux Island Resorts Ltd
- The United Basalt Products Ltd

9. RESHAN RAMBOCUS

Independent Non-Executive Director - first appointed to the Board on January 1, 2016

Reshan Rambocus, born in 1970, is a member of the Institute of Chartered Accountants of England and Wales and a member of the Chartered Institute of Taxation. Reshan Rambocus is the Managing Director of Utilis Corporate Services Ltd and sits on a number of Board and Investment Committees of global private equity funds. He chaired various investment committees of funds including, FMCG, fast food and large scale distribution in Emerging Markets. He has been involved in all aspects of cross border investments from fund raising, bond issuance, due diligence and valuations. These funds have deployed over USD 2.0 Billion in emerging markets and, together with related entities raised over USD 1.0 Billion debt. He is Chairman of the Audit and Risk Committee of the Company since March 2016.

10. PATRICK RIVALLAND

Executive Director - first appointed to the Board on September 2, 2013

Patrick Rivalland, born in 1972, is a Fellow Member of the Chartered Association of Certified Accountants. Before joining Phoenix Camp Minerals Limited in 1999 as Finance and Administrative Manager, he worked successively for BDO & Co. and The Sugar Industry Pension Fund Board. He was appointed Group Senior Manager Finance and Administration in 2001 and Chief Operating Officer in 2014. He is a past President of the Association of Mauritian Manufacturers.

11. BERNARD THEYS

Executive Director - first appointed to the Board on July 1, 2013

Bernard Theys, born in 1965 in Brussels, holds a diploma in Economic Science from Louvain University in Belgium. He also obtained a BBA in Business Tourism Management from ICP in 1991. He has completed several programmes of Executive & Business Education at 'l'Association Internationale Américaine de Management' (MCE), in 1995 and at INSEAD Fontainebleau, France in 2008. Bernard Theys has had different General Management roles in the brewery industry where he acquired substantial experience in the Fast Moving Consumer Goods industry.

Alternate Directors' Profiles

12. JEAN-PIERRE DALAIS

Alternate Director - first appointed as Alternate Director in 1999

Jean-Pierre Dalais, is the Alternate Director of François Dalais since October 1999. After obtaining his MBA from the International University of America, San Francisco, in 1988, he began his career with Arthur Andersen in Mauritius and France before joining CIEL in 1990. Mr. Dalais is an Executive Director of CIEL Limited, an important industrial and investment Company with interests in a number of companies operating in different sectors of the Mauritian economy. He also sits on the Board of a number of well-known Mauritian companies involved in tourism, financial services, textile and healthcare.

Directorship in other listed companies on the Official Market of the Stock Exchange of Mauritius:

- Alteo Limited
- CIEL Limited
- IPRO Growth Fund Ltd
- Sun Resorts Limited

13. MARGUERITE HUGNIN

Alternate Director - first appointed to the Board in 1998 and Alternate Director in 2009

Marguerite Hugnin studied Secretariat and Management in Paris. She is a past Chairman of the 'Alliance Française de l'Ile Maurice'. Marguerite Hugnin has served as Director since 1998 and was a member of the Corporate Governance Committee of the Company. She resigned in July 2009.

Corporate Governance

Board Evaluation

The Board of Directors should regularly evaluate its work according to a structured process to get a view of the performance of the work of the Board, areas of improvement and areas for development. An internal evaluation was done in 2014 and the outcome showed that the Board is well organised and understands its role and responsibilities. The Corporate Governance Committee has recommended that the exercise be repeated in 2016/2017 by an external facilitator and the outcome will then be presented to the entire Board.

Directors' Attendance

It is the responsibility of the Directors to attend meetings. A Director of Phoenix Beverages Limited is expected to spend the time and effort necessary for him or her to properly discharge his/her responsibilities. The Non-Executive Directors have the responsibility for ensuring that the business strategies proposed are fully discussed and critically reviewed, thus helping to promote the success of the Company for the benefit of all its stakeholders. They are also responsible for overseeing the operational performance of the business.

A Director who is unable to attend a meeting is expected to notify either the Company Secretary or the Chairman of the Board or the Chairman of the appropriate Committee, in advance of such meeting.

The attendance of the Directors at meetings is set out on page 71 of the Annual Report.

Board Meetings

The Board meets at least 4 times in a financial year to consider the performance of the Group's business segments, strategy developments and to receive reports from its sub-committees. Each Board meeting includes one or more business or strategy presentations. The Board also actively communicates relevant information informally in order to keep abreast of changes affecting or potentially impacting the interests of the Group and its stakeholders. In addition to regular Board meetings, there have been a number of other meetings to deal with specific matters.

At the beginning of each financial year, the Board, in consultation with the Chief Executive Officer, sets reasonable financial and non-financial targets, in line with the short, medium and long term objectives of the Company and the Group.

The Directors receive notice with the appropriate and adequate documentation and information necessary for them to express an informed opinion on the matters submitted for their consideration. In practice, documents subject to examination by the Board shall be sent seven days prior to the meeting. In limited cases where it was not possible to send documentation this far in advance, complete information on the topic under consideration is given at the meeting, ensuring an informed decision is made.

The Minutes of each Board Meeting, recorded by the Company Secretary, are entered in the Minutes Book and are submitted for confirmation at its next meeting and signed by the Chairman and the Company Secretary.

It is the responsibility of the Directors to attend meetings. However, Directors unable to attend a meeting are advised on matters to be discussed and given the opportunity to make their own views known to the Chairman or the Chief Executive Officer prior to and/or after the meeting.

According to the Constitution of the Company, a quorum of 6 Directors is currently required for a Board meeting. The Chairman has a casting vote in case of an equal number of votes. In addition to Directors, key management personnel and outside consultants are invited to attend Board meetings when necessary.

Board Activities in 2015/2016

During the year under review, the Board met 6 times and meetings lasted 2 hours on average.

During its meetings, the Board considered, appraised and approved, amongst other items:

- the commercial performance of the Group both in local and overseas markets which is reviewed throughout the year;
- the operating and capital expenditure budget for 2015/2016
- the annual financial statements at June 30, 2015 and the relevant abridged audited consolidated results for publication;
- the unaudited quarterly and half-yearly and nine months consolidated results for publication;
- the lengthy process leading to the acquisition of 100% of the share capital of Edena SA and its subsidiaries;
- the financing of the Edena transaction for a fixed consideration of € 20,890,000.
- the amendment of the Constitution of the Company to include the re-election of 3 Directors at each Annual Meeting. These three Directors retire by rotation but are re-eligible.
- the declaration of an interim and a final dividend for the year ended June 30, 2016;
- the recommendations of the Audit and Risk Committee and of the Corporate Governance Committee.

Board Committees

The Board has, for assistance in its functions, established a Corporate Governance Committee and an Audit and Risk Committee, each of which has formal terms of reference approved by the Board of Directors. These Committees report regularly to the Board and make recommendations thereof for approval.

In order to fulfil the duties and responsibilities vested with each of the sub-committees, the Board Committees are authorised to obtain, at the Company's expense, professional advice both within and outside the Company.

The Company Secretary acts as secretary to the Board Committees. The minutes of each Board Committee meeting are submitted for consideration and approval at the following meeting and are then signed by the Chairman of the Board Committee and the Company Secretary. Each member of the Board has access to the minutes of Board Committee meetings, regardless of whether the Director is a member of such Board Committee.

Corporate Governance Committee

The composition of the Corporate Governance Committee at June 30, 2016 was as follows:

Members	Category
Guillaume Hugnin - Chairman	Non-Executive Director
J. Cyril Lagesse[1]	Non-Executive Director
Bernard Theys	Executive Director

[1] Ceased to be a member of the Committee effective June 30, 2016

To date, the Corporate Governance Committee comprises one Non-Executive Director and one Executive Director, Mr. Bernard Theys the CEO of the Company. Even though the Code recommends that the Corporate Governance Committee be chaired by an Independent Non-Executive Director, the Committee members have nominated Mr Guillaume Hugnin, a Non-Executive Director, to chair this Committee. The process of nominating two other committee members in replacement of Mr Seewoocoomar Sewraz, who resigned on December 2, 2015 and Mr J. Cyril Lagesse, is in progress.

The Corporate Governance Committee operates under the terms of reference set by the Board of Directors and the Board has decided that this Committee also acts as Nomination Committee.

The mandate of the Corporate Governance Committee is to assist the Board in fulfilling its responsibilities towards the application of the principles of good corporate governance and to ensure that the Group follows prevailing corporate governance practices.

In its role as Nomination Committee, the Corporate Governance Committee is responsible for reviewing the structure, size and composition of the Board of Directors and to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company and the Group. It establishes the principle for the selection of candidates to the Board, selects candidates for election and re-election and prepares a proposal for the Board's decision. It is also responsible for preparing the succession planning for Directors and the assessment of the independence of the Independent Non-Executive Directors. Following recommendation by the Corporate Governance Committee, appointments to the Board are approved by the Board of Directors subject to the ratification by the Shareholders at the following Annual Meeting.

During the year under review, the Committee met twice with an attendance rate of 70%. A quorum of 2 members is currently required for a Corporate Governance Committee meeting.

During its meetings, the Corporate Governance Committee has:

- approved the corporate governance section of the Annual Report 2015;
- recommended to the Board to amend the constitution of the Company in order to provide for the re-election of 3 Directors by rotation; the Directors being re-eligible;
- recommended to the Board and to the shareholders of the Company at the Annual Meeting of December 2, 2015, the re-election of an Alternate Director in accordance with Section 138(6) of the Companies Act 2001;
- made recommendations to the Board, upon adoption of the amendment of the Constitution, for the re-election of the three Directors of the Company through separate resolutions at the Annual Meeting of December 2, 2015. The Directors having the longest time of service would be the first to be re-elected at the Annual Meeting;
- assessed the various policies and procedures implemented within the Company and the Group relating to the setting up of a Risk Register;
- ensured and monitored compliance with the recommendations to the CCM regarding the policy for fridge displays;
- examined corporate governance issues;
- proposed that the CEO and his Senior management team prepares a detailed Business Continuity Plan.

The Corporate Governance Committee confirms that it has assumed its responsibilities for the year under review, in compliance with its terms of reference.

Audit and Risk Committee

In order to comply with the Code, Mr Reshan Rambocus, newly-appointed Independent Non-Executive member of the Board has replaced Mr Jean-Claude Béga as Chairperson of this Committee. Mr Rambocus has relevant financial expertise while the other members are all familiar with the issues of accounting and audit. Moreover, Mr Jean-Claude Béga will resign from this committee once the handing over has been completed.

The Board of Directors is of the view that the members of the Audit and Risk Committee have sufficient financial management expertise and experience to discharge its responsibilities properly.

Corporate Governance

The composition of the Audit and Risk Committee is as follows:

Members	Category
Reshan Rambocus[1] - Chairman	Independent Non-Executive Director
Jean-Claude Béga[2]	Non-Executive Chairman of the Board
Jan Boullé	Non-Executive Director
Didier Koenig	Independent Non-Executive Director

[1] Appointed member of the Audit Committee effective January 1, 2016 and on February 21, 2016 appointed Chairman.
[2] Ceased to be Chairman of the Committee effective February 21, 2016

The Chief Executive Officer, Mr Bernard Theys and the Chief Operating officer & Chief Financial Officer, Mr Patrick Rivalland, also attend these meetings. In addition, the External Auditors, Deloitte and the Internal Auditors BDO & Co. attend these meetings when deemed appropriate.

The Audit and Risk Committee operates under the terms of reference set by the Board and under a formally approved Audit Committee Charter, modelled closely with the provisions of the Code. The Committee meets at least once each quarter and reports on its activities to the Board and supports the Board of Directors in its supervision of financial controls.

The Audit and Risk Committee has the following distinct responsibilities:

- to oversee that management has established effective systems of internal controls;
- to report to the Board on decisions taken, including approval of the annual financial statements;
- to make recommendations to the Board regarding the nomination of external auditors to be appointed by the shareholders;
- to discuss audit procedures, including the proposed scope and results and findings of procedures performed by external auditors;
- to ensure that the external auditors findings are adequately addressed; and
- to create the environment and the structures for risk management to operate effectively.

The Audit and Risk Committee also has the authority to conduct or authorise investigations into any matters within its scope of responsibilities. It has full access to all management personnel and can call upon any member of management and staff or any member of the Board to attend its meetings. The Audit Committee regularly reports to the Board on its findings and proposes appropriate action.

The Committee met 4 times during the year under review with an attendance rate of 88%. Meetings lasted two hours on average. A quorum of two members is currently required for an Audit and Risk Committee meeting.

During the financial year ended June 30, 2016, the Audit and Risk Committee has, amongst other matters:

- reviewed and recommended to the Board for approval, the annual financial statements at June 30, 2015 and the relevant abridged audited consolidated results for publication;
- reviewed the management letter submitted by the external auditors and followed up on their recommendations;
- reviewed and recommended to the Board for approval, the unaudited quarterly and three months' consolidated results at September 30, 2015 for publication;
- examined the Reports of the internal auditors (please refer to page 68 of the report for information on the Internal Audit Function) on internal control systems arising from the fieldwork performed by them and ensured that their recommendations are implemented. The fieldwork performed during the year under review was based exclusively on audit exercises at the Company level and comprises:
  - the complete review of the Manage Distribution Centres ("MDC"); and
  - a follow up of all previous exercises.
- reviewed the Risk Register;
- reviewed and recommended to the Board for approval, the unaudited quarterly and half-yearly consolidated results at December 31, 2015 for publication;
- set up a Business Continuity Plan for the Company
- reviewed and recommended to the Board for approval, the unaudited quarterly and nine months' consolidated results at March 31, 2016 for publication.

The Audit and Risk Committee confirms that, in accordance with its terms of reference, it has fulfilled its responsibilities for the year under review.

Messrs Deloitte have been appointed as the Group's external auditors since the year ended June 30, 2009. They were subsequently re-appointed at the Company's Annual Meeting on December 2, 2015. Upon the recommendation of the Audit and Risk Committee, shareholders will be asked at the forthcoming Annual Meeting to approve the re-appointment of Messrs Deloitte as external auditors and to authorise the Board of Directors to fix the remuneration of the auditors for the ensuing year. The remuneration paid to the external auditors, Deloitte amounts to Rs 1.421M for the year ended June 30, 2016.

In 2016/17, the Audit and Risk Committee will maintain its focus on the continued examination and review of the internal control environment and risk management system within the Group.

Internal Audit Function

The Audit and Risk Committee oversees the internal audit function. The Committee is responsible for the mission and scope, accountability, independence, responsibilities and authority of internal audit.

The mission of internal audit is to:

- ensure the adequacy and effectiveness of the internal control framework;
- help in the improvement of the processes by which risks are identified and managed;
- assist in the strengthening of the organisation's internal control framework.

The internal audit function has been outsourced to BDO & Co Ltd.

Internal Auditors work an audit plan agreed with the Audit Committee. In addition, special reviews and assignments are also made at the request of management or the Audit and Risk Committee, as required.

The Internal Auditors provide regular reports on areas audited and completion status on corrective action plans. These reports are also shared with External Auditors.

The Internal Auditors have full, free and unrestricted access to the Audit and Risk Committee and to all functions, records, property and personnel of the Group.

Internal Control

Phoenix Beverages Limited has in place processes for identifying, classifying and managing significant risks. The effectiveness of the internal control systems is reviewed by the Audit and Risk Committee and provides the Board with reasonable assurance that the assets are safeguarded, that operations are carried effectively and efficiently and that the financial controls are reliable and comply with applicable laws and regulations.

The Board is responsible for the Group's system on internal controls and for reviewing its effectiveness. However, an internal control system, no matter how well conceived and operated, can provide only reasonable - not absolute - assurance to management and the Board regarding achievement of the Group's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems.

To date, no material financial problems, which would have an impact on the results as reported in these financial statements, have been identified. The Board confirms that if significant weaknesses had been identified during this review, the Board would have taken the necessary steps to remedy them.

Risk Management

At Phoenix Beverages Limited, Risk Management is an integral part of doing business – it is a responsibility of the Chief Executive Officer and his team to establish and maintain a risk management system. Risk Management falls under the supervision of the Audit and Risk Committee and subsequently the Board of Directors of Phoenix Beverages Limited.

The Chief Executive Officer, in collaboration with his Risk Management team, identifies potential risks to the Company's business and conducts a rating of the identified risks with respect to both probability of occurrence and severity of their impacts. Strategies and action plans are established and implemented to manage and mitigate the identified risks. An annual review process enables reassessment of the probability and severity of the identified risks as well as new risks and the effectiveness of implemented mitigating actions.

Among the risk areas identified and control procedures put in place, are the following:

Human Resources Risk

To limit occurrence of work-site accidents, Health & Safety procedures have been put in place upon the expertise of a full-time Health & Safety Manager and on regular independent review by third-party experts. Health surveillance is also performed regularly on employees in high risk jobs.

Product Contamination Risk

Maintaining the most stringent Food Safety and Quality standards is our prime objective since our beverages form part of the daily consumption items of thousands of consumers over the island. Annually we are subjected to audits by our esteemed partners Diageo, The Coca Cola Company & Schweppes International who validate our strict adherence to their requirements. Our Brewery & Limonaderie production sites have established and implemented Food Safety Management Systems based on ISO standards. These food safety management systems are also audited by an external certification body annually.

Water Supply Risk

Water scarcity is a contemporary concern for the whole world. Due to geography, climate change, pollution, exploding demographics and competition for resources, water is becoming a scarce commodity in some regions. This means that every year competition for a clean, adequate supply of water for the production of our beverages intensifies.

Evolving Consumer Consumption Trends

The Mauritian population is evolving in its consumption trends and some distinct needs and preferences may be observed. Consumers are nowadays much more conscious of the importance of balanced diets and leading a healthy lifestyle. New drinking trends are being adopted by the younger generation who are significantly influenced by the internet and international magazines and television channels.

We aim at a better comprehension of our consumer needs and have thus integrated the innovation facet to diversify our product portfolio and satisfy the various consumption occasion and needs of our consumers. The start-up of the non-carbonated beverages line demonstrates the move from basic hydration needs to the development of functional benefits beverages.

Regulatory Risk

The locally applicable ban on advertising of alcoholic beverages represents a real challenge for PhoenixBev. This ban restricts our potential to keep our brands alive in the minds of our customers and consumers.

Phoenix is today the number one brand on the island despite the ban on advertising of alcoholic beverages. PhoenixBev seeks to find creative solutions for communicating the required messages to our customers and consumers through the ingenious use of various media; digital platforms, trade activation and live events.

Competition from Imported Beverages

The beverages market is expanding day by day with the import of beverages which has been facilitated by free circulation on some African markets. These imported beverages are produced on a large scale and may be obtained at a relatively more competitive cost.

Since there reigns a growing acceptance of international brands now on the Mauritian market, PBL's endeavour is to cater for these international characteristics such as premiumness and image that are being sought by more enlightened consumers. The launch of the new Gister beer represents a clear example of this initiative to quench the psychological thirst of internationally influenced consumers.

Environmental Risk

Environmental risks identified are unavoidable events such as cyclones, fire, floods, tsunamis, droughts and other natural calamities. Mitigating actions for such environmental risk factors include, among others, the establishment of business continuity plans, cyclone and fire procedures. Training and emergency preparedness exercises are carried out to support the procedures and ensure insurance covers.

Production Shortfall

With high market shares in 3 major drinks segments, any shortfall in production can damage sales, market share and reputation.

Accordingly, the Company:

- maintains a preventive maintenance programme for key machinery on both production sites, utilising external expertise from Original Equipment (OE) suppliers.
- uses latest techniques in order to pre-empt customer demand and optimise its products supply chains
- increased its stock holding capacity to build buffer stocks for market peak periods
- made an important investment in a new production facility at Nouvelle France in order to meet future demands

FINANCIAL RISK MANAGEMENT

For the financial risk management, please refer to page 115 – Notes to the Financial Statements.

Statement of Remuneration Philosophy

The Annual Meeting resolves on fees to be paid to the Board Members elected by the shareholders. The Annual Meeting held on December 2, 2015, approved fee payments to the Board for the financial year ended June 30, 2016. This however, does not apply to the Executive Directors who are not granted Directors fees.

Directors who are also Board Committee members receive a fixed fee and Chairmen of these Board Committees perceive a higher remuneration fee. The Board Committees' fees are approved by the Board of Directors.

The Board and Board Committees' fees at June 30, 2016 were as follows:

Board	Meeting Fees
Annual Director's fee	Rs 150,000
Attendance fee	Rs 10,000
Corporate Governance Committee	
Chairman's fee	Rs 50,000
Member's fee	Rs 35,000
Audit and Risk Committee	
Chairman's fee	Rs 75,000
Member's fee	Rs 50,000

Furthermore, in order to meet the market norms and practices and upon the recommendation of Phoenix Management Company Limited acting as Remuneration Committee, the Board of Directors has reviewed the Directors' fees and at the next Annual Meeting of the Company, an increase of the Directors' fees will be proposed to the shareholders for approval.

The Executive Director and key management personnel of the Company are remunerated by Phoenix Management Company Ltd further to a management contract between the latter and Phoenix Beverages Limited. The remuneration package takes into consideration the financial performance of Phoenix Beverages Limited, individual performance and market norms and best practice.

Corporate Governance

Management Contract

Phoenix Management Company Ltd, in accordance with a management contract, provides the companies of the Group with a range of services including, administrative, financial, commercial, technical, marketing and communication. Phoenix Management Company Ltd employs and remunerates the executive personnel of the Group.

Please refer to page 36 of the Annual Report for the Senior Managers' biographies.

The management fee paid by Phoenix Beverages Limited during the year under review amounted to Rs 106, 2M (2015: Rs 97M) while expenses incurred by Phoenix Management Company Ltd in providing the above mentioned services amounted to Rs 61.3M (2015: Rs 70.1M) for the corresponding period.

Attendance Report and Directors' Remuneration and Benefits

The attendance report of the Directors and their remuneration and benefits for the year ended June 30, 2016 are set out in the table below:

Directors	Board	Audit and Risk Committee	Corporate Governance Committee	Annual Meeting of Shareholders (held on December 2, 2015)	Remuneration and Benefits received from the Company (MUR)
Jean-Claude Béga	6 of 6	4 of 4		Yes	276,700
Jan Boullé	5 of 6	2 of 4		No	250,000
François Dalais	5 of 6			Yes	200,000
Guillaume Hugnin	4 of 6		2 of 2	Yes	240,000
Didier Koenig	4 of 6	3 of 4		No	240,000
Arnaud Lagesse	4 of 6			Yes	190,000
J. Cyril Lagesse	4 of 6		1 of 2	No	225,000
Thierry Lagesse	6 of 6			No	210,000
Reshan Rambocus*	2 of 3	2 of 2		N/A	100,000
Patrick Rivalland	6 of 6	4 of 4****		Yes	N/A
Seewoocoomar Sewraz**	3 of 3		1 of 1	No	122,500
Bernard Theys	6 of 6	4 of 4****	2 of 2	Yes	N/A
Georges Wiehe***	2 of 4	2 of 4		No	195,000
Alternate Directors	**Board**	**Audit and Risk Committee**	**Corporate Governance Committee**	**Annual Meeting of Shareholders (held on December 2, 2015)**	**Remuneration and Benefits received from the Company**
Marguerite Hugnin	1 of 6			No	10,000
In attendance					
BDO & Co. Internal Auditors		1 of 4		No	
Deloitte External Auditors		1 of 4		Yes	

* Mr Reshan Rambocus was appointed on January 1, 2016
** Mr Sewoocoomar Sewraz resigned on December 2, 2015
*** Mr Georges Wiehe resigned on February 4, 2016
**** In attendance – not a member.

(1) Messrs Bernard Theys and Patrick Rivalland are employed and remunerated by Phoenix Management Company Ltd, the Management Company of Phoenix Beverages Limited.

The Directors of Phoenix Beverages Limited did not receive any remuneration and benefits either from the Company's subsidiaries or from companies on which the Directors serve as representatives of Phoenix Beverages Limited.

Please refer to page 92 – Statutory Disclosures.

Directors' and Officers' Insurance and Indemnification

The Directors and officers of Phoenix Beverages Limited benefit from an indemnity insurance cover for liabilities incurred while performing their duties to the extent permitted by law.

Directors' and Officers' Interest in Shares of Phoenix Beverages Limited

In accordance with the Mauritius Companies Act 2001, written records of the interests in shares of Phoenix Beverages Limited of the Directors and their related parties are kept in a Register of Directors' Interests. Consequently, as soon as a Director becomes aware that he or she is interested in a transaction, or that his or her holdings or his or her associates' holdings have changed, the interest should be reported to the Company in writing. The Register of Interests is updated with any subsequent transactions entered into by the Directors and persons closely associated with them.

All newly-appointed Directors are required to notify, in writing, to the Company Secretary their direct and indirect holdings in shares of Phoenix Beverages Limited. According to the Company's Constitution, a Director is not required to hold shares in the Company.

Phoenix Beverages Limited is registered as a reporting issuer under the Securities Act 2005 administered by the Financial Services Commission ("FSC"). As such, the Company ensures that it abides by all relevant disclosure requirements. The Company keeps a Register of its Insiders and the said register is updated upon receipt of the notification of interest in securities by the Directors, the officers and the other insiders of Phoenix Beverages Limited.

The Directors and officers of Phoenix Beverages Limited having direct and/or indirect interests in the ordinary shares of the Company at June 30, 2016 were as follows:

	Direct Interest		Indirect Interest
Directors	No. of shares	%	%
Guillaume Hugnin	3,500	0.02	-
Arnaud Lagesse	-	-	0.20
Patrick Rivalland	3,057	0.02	-
Alternate Directors			
Marguerite Hugnin	47,509	0.29	1.75

None of the Directors and officers had any interest in the equity of subsidiaries of Phoenix Beverages Limited.

Directors' and Officers' Dealings in Shares of Phoenix Beverages Limited

The Directors of Phoenix Beverages Limited endeavour to abide by the absolute prohibition principles and notification requirements of the Model Code on Securities Transactions by Directors as stipulated in Appendix 6 of the Listing Rules of the Stock Exchange of Mauritius Ltd.

Phoenix Beverages Limited has set up the appropriate procedure whereby any Director wishing to deal in the shares of the Company should first notify the Chairman of the Company and receive a dated written acknowledgement. In case the Chairman of the Company decides to deal in the shares of the Company, he should notify the Board at a Board meeting and receive a dated written acknowledgement prior to undertaking such dealing.

The Directors and officers of the Company are prohibited from dealing in the shares of Phoenix Beverages Limited at any time when they are in possession of unpublished price-sensitive information, or for the period of one month prior to the publication of the Company's quarterly and yearly results and the announcement of dividends and distributions to be paid or passed, as the case may be, and ending on the date of such publications/announcements.

Moreover, Directors and officers of Phoenix Beverages Limited are also required to comply with the insider trading laws at all times, even when dealing in securities within permitted trading periods. During the year under review, none of the Directors dealt with the shares of the Company.

The Company Secretary

The Company Secretary, IBL Management Ltd (previously known as GML Management Ltée), is the Secretary of the Board and our governance Board Committees' meetings including Audit and Risk Committee and Corporate Governance Committee. The Company Secretary reports to the Chairman and the Chief Executive Officer on governance matters, keeps the efficacy of the Company's and the Board's governance processes under review and also promotes improvements. The Company Secretary is responsible to the Board in respect of compliance with Board procedures. All our Directors have direct access to the advice and support of the Company Secretary on such matters. Our Company Secretary is also responsible for advising and keeping the Board and Board Committees up to date on legislative, regulatory and governance matters. In addition, she facilitates induction and professional development of the Directors. The Company Secretary is the primary channel of communication between the Company and the Stock Exchange of Mauritius Ltd.

Shareholders' Communication

The Board of Directors of Phoenix Beverages Limited places great importance on clear, open and transparent communication with all its Shareholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Company by official press announcements, disclosures in the Annual Report and at the Annual Meeting of Shareholders, which all Board members and Shareholders, are encouraged to attend.

The Company's Annual Meeting provides an opportunity for Shareholders to raise and discuss matters with the Board relating to the Company and its performance. The Chairmen of the Audit and Risk Committee and Corporate Governance Committee are normally available at the meeting to answer any questions relating to the work of these Board committees. The external auditors are also present. Shareholders attending the Annual Meeting can be kept up to date with the Group's strategy and goals.

In line with good corporate governance practices, the Chief Executive Officer and the Chief Operating Officer – Chief Financial Officer regularly meet institutional investors and fund managers to discuss the state of affairs of the Company, its subsidiaries and associates.

Main Shareholders

The largest shareholders of the Company at June 30, 2016 were as follows:

Main Shareholders	Number of Shares Owned	% Holding
Phoenix Investment Company Limited	5,101,137	31.02
Camp Investment Company Limited	2,805,428	17.06
National Pensions Fund	752,642	4.58
GML Investissement Ltée (now IBL Ltd)	527,659	3.21
SSB Kimberlite Frontier Africa Master Fund L.P.R. CKM	450,114	2.74
Swan Life Ltd	413,525	2.51
Hugnin Frères Ltée	325,821	1.98
Guinness Overseas Limited	316,370	1.92
Mr. Christian Marie François Ledoux	169,600	1.03
Policy Ltd	137,961	0.84

Shareholding Profile

The share ownership and categories of shareholders at June 30, 2016 are set out below:

Number of Shareholders	Size of Shareholding	Number of shares owned	% of Total number of shares issued
1,037	1 - 500 shares	158,646	0.97
198	501 - 1,000 shares	154,498	0.94
387	1,001 - 5,000 shares	895,394	5.44
93	5,001 - 10,000 shares	661,085	4.02
124	10,001 - 50,000 shares	2,485,077	15.11
9	50,001 - 100,000 shares	647,452	3.94
6	100,001 - 250,000 shares	752,152	4.57
4	250,001 - 500,000 shares	1,505,830	9.16
4	Over 500,000 shares	9,186,866	55.85
1,862		**16,447,000**	**100.00**

Number of Shareholders	Category of Shareholders	Number of Shares owned	% of Total number of shares issued
1,676	Individuals	3,694,349	22.46
10	Insurance and Assurance Companies	500,414	3.04
48	Pension and Provident Funds	1,338,489	8.14
18	Investment and Trust Companies	8,500,956	51.69
110	Other Corporate Bodies	2,412,792	14.67
1,862		**16,447,000**	**100.00**

Shares in Public Hands

In accordance with the Listing Rules of the Stock Exchange of Mauritius Ltd, at least 25% of the shareholding of Phoenix Beverages Limited is in the hands of the public.

Share Registry and Transfer Office

The Company's Share Registry and Transfer Office is administered by Abax Corporate Administrators Ltd.

Share Price Information

The share price of Phoenix Beverages Limited increased by 12.6% over the past year from Rs 325.00 at June 30, 2015 to Rs 366.00 at June 30, 2016, while the SEMDEX decreased by 12% over the same period.

To date (September 1, 2016), the share price of Phoenix Beverages Limited is quoted at Rs 420.25 on the Official Market of the Stock Exchange of Mauritius Ltd.

Date	Price (Rs)	Yearly Change (%)
June 30, 2012	205.00	(1)
June 30, 2013	202.50	(1.2)
June 30, 2014	195.00	(3.7)
June 30, 2015	325.00	66.7
June 30, 2016	366.00	12.6

For additional information on the Company's share data, please refer to page 24 of the Annual Report.

Dividend Policy

No formal dividend policy has been determined by the Board. Dividend payments are determined by the profitability of the Company, its cash flow, its future investments and growth opportunities.

The Board of Directors of Phoenix Beverages Limited has decided, based on management forecasts and the Group's profitability, to pay an interim dividend in December and a final dividend in June. Each dividend paid was subject to the satisfaction of the solvency test.

An interim dividend of Rs 3.50 per ordinary share was declared in November 2015 and a final dividend of Rs 6.10 per ordinary share was declared in May 2016, bringing the total amount of dividend declared for the financial year under review to Rs 9.60 per ordinary share.

Key dividend information over the past 5 years is shown below:

	2012	2013	2014	2015	2016
Dividend per share (Rs)	7.50	8.00	8.40	9.00	9.60
Dividend cover (Number of times)	2.16	1.48	4.19	2.17	2.23
Dividend yield (%)	3.66	3.95	4.31	2.77	2.62

To date, a small number of cheques remain outstanding. Shareholders who have not yet received their dividend cheques are requested to contact Abax Corporate Administrators Ltd, the Company's Share Registry and Transfer Office.

Total Shareholder's Return

The total return for the shareholder over the last 5 years is shown below:

	2012	2013	2014	2015	2016
Share price at June 30 - current year (Rs)	205.00	202.50	195.00	325.00	366.00
Share price at June 30 - previous year (Rs)	208.00	205.00	202.50	195.00	325.00
Increase/(decrease) in PBL share price (Rs)	(3.00)	(2.50)	(7.50)	130.00	41.00
Dividend - current year (Rs)	7.50	8.00	8.40	9.00	9.60
Total return per share (Rs)	4.50	5.50	0.90	139.00	50.60
Total return based on previous year share price	2.2%	2.6%	0.4%	71.3%	15.6%

Shareholders' Agreement

At the date of this Annual Report and to the Company's knowledge, there exists no shareholders' agreement between the Company and its shareholders.

Calendar of Forthcoming Events

November 2016	Publication of first quarter results to September 30, 2016
November 2016	Declaration of interim dividend
November 2016	Annual Meeting of Shareholders
December 2016	Payment of interim dividend
February 2017	Publication of half-year results to December 31, 2016
May 2017	Publication of third quarter results to March 31, 2017
May 2017	Declaration of final dividend
June 2017	Payment of final dividend
August 2017	Publication of abridged end-of-year results to June 30, 2017

Company's Constitution

The Constitution of Phoenix Beverages Limited is in conformity with the provisions of the Companies Act 2001 and Appendix 4 of the Listing Rules of the Stock Exchange of Mauritius Ltd.

There are no clauses of the Constitution deemed material enough for special disclosure.

A copy of the Company's Constitution is available upon request in writing to the Company Secretary at the registered office of the Company, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

Code of Ethics

Phoenix Beverages Limited believes that it is essential that all its employees act in a professional manner and extend the highest courtesy to co-workers, visitors, vendors, clients and all other stakeholders.

As such, the Phoenix Beverages Group adopted a Code of Ethics during the previous year. The Code is based on the important principle of respect. This fundamental principle applies to the consumers, customers, employees, shareholders and the community in which the Group operates.

Moreover, the Code provides guidance to employees as to how to behave both in the immediate internal environment as well as for external interactions. It also defines what is regarded as acceptable and not acceptable for the Group as a whole.

All employees are aware of and have signed the Phoenix Beverages Group's Code of Ethics and comply with it. The compliance is continuously monitored by the HR Manager.

Safety, Health and Work Environment Practices

The Group firmly believes that the security and health of its employees is a sine-qua-non obligation. As in previous years, a number of training initiatives have been carried out for employees and other persons on the Group's sites to enhance the level of safety and health in the workplace. The Group's policy also covers safety precautions and guidelines, which all contractors working on site are required to observe.

Corporate Social & Environmental Responsibility

Please refer to page 86 for information on the Group's Corporate Social & Environmental Responsibility.

Charitable donations

Please refer to page 93 of the Annual Report.

Political Contributions

The Company believes in the essential contribution of appropriate representatives and delegates to govern the country. It believes in the need for free and fair elections to be held at regular intervals. There has not been any contribution during the year under review.

Please refer to page 93 of the Annual Report.

Corporate Governance

Employee Share Option Plan

Phoenix Beverages Limited has no employee share option plan.

Provision for Pension Benefits

The details of the total amount of provisions booked or otherwise recognised by the Company for payment of pensions are provided on page 143 - Notes to the Financial Statements.

Related Party Transactions

For details on related party transactions, please refer to page 155 - Notes to the Financial Statements.

Jean-Claude Béga
Chairman

Bernard Theys
Director-Chief Executive Officer

September 1, 2016

Statement of Compliance

(Section 75 (3) of the Financial Reporting Act)

Name of PIE: Phoenix Beverages Limited

Reporting Period: 30 June 2016

We, the Directors of Phoenix Beverages Limited, confirm that to the best of our knowledge, the Company has complied with most of its obligations and requirements under the Code of Corporate Governance except for Section 3.9.2, the chairmanship of the Corporate Governance Committee. Please refer to the first paragraphs of page 67 "Corporate Governance Committee".

Jean-Claude Béga
Chairman

Bernard Theys
Director-Chief Executive Officer

September 1, 2016

Statement of Directors' Responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company and comply with the Companies Act 2001 and International Financial Reporting Standards.

They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Other main responsibilities of the Board of Directors include assessment of the management team's performance relative to corporate objectives, overseeing the implementation and upholding of good corporate governance practices, acting as the central coordination body for the monitoring and reporting of sustainability performance of the Group and ensuring timely and comprehensive communication to all stakeholders on events significant to the Group.

Accounting records to be kept

The Board of Directors shall cause accounting records to be kept that:

- correctly record and explain the transactions of the Company;
- shall at any time enable the financial position of the Company to be determined with reasonable accuracy; and
- enable the Directors to prepare financial statements that comply with the Companies Act 2001 and International Financial Reporting Standards.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether or not the Companies Act 2001 and International Financial Reporting Standards have been adhered to and explain material departures thereto; and
- prepare these financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with International Financial Reporting Standards and the responsibility of external auditors to report on these financial statements. The Board also acknowledges its responsibility for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management. The Board has appointed a firm of accountants as Internal Auditors to ensure the adequacy and effectiveness of the internal control framework.

The Board of Directors confirms that it endeavours to implement corporate governance best practice.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting policies supported by reasonable and prudent judgements. The Board estimates that they fairly present the state of affairs of the Group and the Company.

The Board of Directors confirms that it is satisfied that Phoenix Beverages Limited has adequate resources to continue in business for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

Jean-Claude Béga
Chairman

Reshan Rambocus
Director

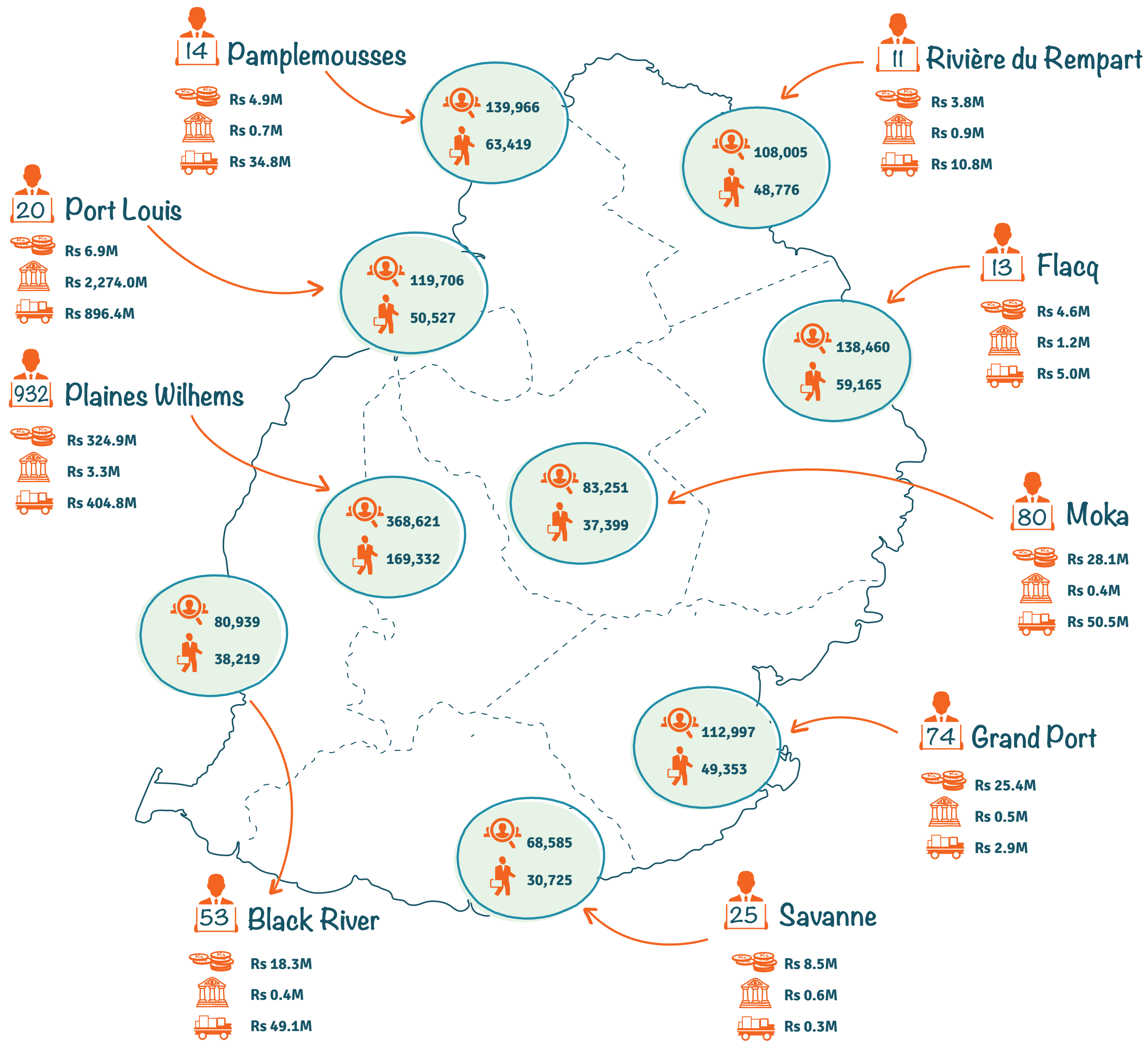
September 1, 2016

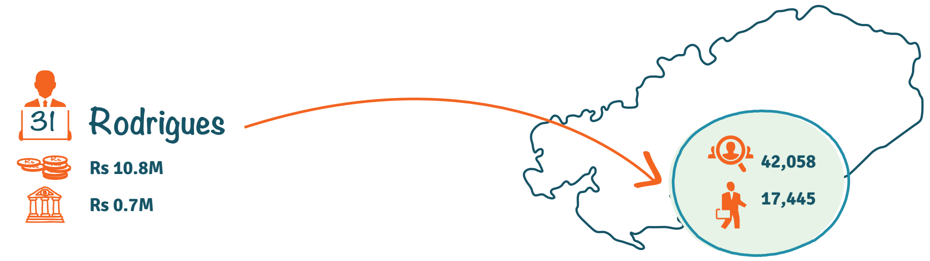
BRINDA is one of the many talented local artists who has become an entrepreneur through the coaching of the Local Hands Association. She creates trays, mirror frames and other works of art by recycling cans.

Our Local Footprint

The Local Footprint® survey published last year analysed the various socio-economic impacts of the Company, in terms of direct, indirect and induced impacts. The relevance of this study was justified in particular by the fact that PhoenixBev is a major employer and taxpayer in Mauritius. As a reminder, this study revealed that the Company supports over 13,000 jobs in Mauritius. The added value created by its activities represented a contribution of nearly Rs 6 billion to GDP in Mauritius, mainly in the form of taxes, salaries and payments to suppliers.

This year, we aim to present only our direct socio-economic impacts and their distribution across the country. These include remuneration and benefits to employees, government taxes and payments to suppliers for materials and services.





Our support to the economy	Earnings for retailers, from the sales of our products
Paid to local suppliers: **Rs 1,3 Billion**	Retailers' margin derived from the sale of our products **Rs 800 Million** (estimated)
Taxes paid to Government & other local authorities **Rs 2,3 Billion**	This amount supports wages for approximatively **2,100** persons in the country

Keys and total figures

Inhabitants (1,262,588)*	PBL employees (1,253)	Taxes paid to Government & other local authorities (Rs 2,283M)
Active population (585,134)*	Wages paid by PBL (Rs 476M)	Paid to local suppliers (Rs 1,326Bn)

**Source: Statistics of Mauritius 2015*

Our Value Chain

Value Shared

- Satisfied customers
- Refreshment and sociability for consumers
- Salaries and employment

Value Shared

- Taxes and Fees
- Payments to suppliers
- Socio-economic development
- Sustainable return to Shareholders

Main Inputs

Sourcing

Ingredients

Water, Malt, Hops, CO_2, Sweetener, Concentrates

Packaging Materials

PET, Glass, Aluminium, Labels, Carton, Bottle Closures

Resources

Water, Energy, Fuel

Value Creation

Brewing, bottling, marketing, sales & distribution

Our recipes

Production

4 production units
+1.5m HL brewed & blended

Warehousing

+40,000m²

Sales & Distribution

+90 trucks

Developing our brands

Main Outputs

Retailers & consumers

Beverages

+100 brands

+10,000 retailers

Consumers' satisfaction

Waste & Recycle

Waste

Landfill

Recycle

The (Mauritius) Glass Gallery

PET plastic bottles

CSR

Our Proud Partners

Relationships with key partners and suppliers

+3,000

Talents

+1,300 Employees

Our Proud Partners

Shareholders

1,862

Authorities

Creating an environment conducive for doing business

Consumers

+2M

Corporate Social Responsibility

At PhoenixBev, our Corporate Social Responsibility ("CSR") is based on our drive to sustain and develop our business in harmony with society, always striving to ensure that what we do is value-added to the community and to our stakeholders. We also concentrate our efforts on finding ways to minimise our social and environmental impact, by embracing new technologies and inspiring people to make conscious decisions to gear their behaviour towards an environmentally friendly approach. These are important steps and we aim to do even more in the years ahead, involving our team members, clients and partners together.

Our CSR contribution for the year under review amounted to Rs 7.4M (2015: Rs 6.9M).

Rs 3.7M was contributed to the Fondation Joseph Lagesse, which partners NGOs, government and other groups in four priority fields, namely community development, health, education and the environment.

The remaining amount (Rs 3.7M) was allocated to the Phoenix Foundation, the CSR Special Purpose Vehicle of PhoenixBev. This Foundation continued its engagement towards poverty alleviation, the environment, education, sport and the fight against cancer. In this perspective, the Foundation worked closely with NGOs such as Link to Life, Solaris and Belle Verte Ltée (an innovative company anchored in sustainable development), amongst others. Some of the projects included the direct involvement of team members, giving assistance and support to these NGOs.

Phoenix Foundation assisted Link to Life in its awareness campaign on breast and uterus cancer in Rodrigues, screening over 500 women. Similarly, the Foundation sponsored Solaris for its cancer screening campaign in Flacq.

Rivière Sèche, Phoenix

Our Foundation also supported a beach cleaning campaign in Bambous Virieux, led by the Loreto College of Mahebourg and Belle Verte Ltée. Furthermore we were involved in the cleaning and part rehabilitation of Rivière Sèche in Phoenix. Environment protection is a priority for our CSR activities.

Over and above our CSR contribution, PhoenixBev is also actively engaged in the recovery and recycling of PET. Today, we have reached a recovery rate of around 40% of PET bottles sold on the local market. Our financial participation in the programme for this year amounted to Rs 13.7M. We are also working on different ways and means to further lightweight our packaging with a view to reducing our environmental impact.

Financial Statements

Statutory Disclosures

JUNE 30, 2016
(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005)

Principal activities

The principal activities of the Group consist of:
- brewing of beer, bottling and sale of beer, soft drinks, table water and alternative beverages; and
- manufacture and sale of glass-made products.

Directors

The name of the Directors of Phoenix Beverages Limited and its subsidiaries holding office as at June 30, 2016 were as follows:

	Phoenix Beverages Limited	Phoenix Beverages Overseas Ltd	The (Mauritius) Glass Gallery Ltd	Phoenix Réunion SARL	Edena S.A.	SCI Edena	Espace Solution Réunion S.A.S	Phoenix Distributors Ltd	Phoenix Camp Minerals Offshore Ltd	MBL Offshore Ltd	Mauritius Breweries International Ltd	Phoenix Foundation	Helping Hands Foundation
Directors													
Jean-Claude Béga	☆		☆		☆								
Jan Boullé	☆												
François Dalais	☆	☆						☆		☆	☆		
Guillaume Hugnin	☆												
Didier Koenig	☆												
Arnaud Lagesse	☆									☆			
J. Cyril Lagesse	☆												
Thierry Lagesse	☆	☆							☆	☆		☆	
Charles Prettejohn			☆										
Reshan Rambocus	☆												
Patrick Rivalland	☆		☆		☆							☆	☆
Paul Rose													☆
Bernard Theys	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆
Alternate Directors													
Jean Pierre Dalais	☆												
(Alternate to François Dalais)													
Marguerite Hugnin	☆												
(Alternate to Guillaume Hugnin)													
Arnaud Lagesse	☆												
(Alternate to J. Cyril Lagesse)													

Directors' service contracts

One Director of Phoenix Beverages Limited has a service contract with an expiry term with Phoenix Management Company Ltd, a subsidiary of Camp Investment Company Limited.

One Director of Phoenix Beverages Limited has a service contract with no expiry term with Phoenix Management Company Ltd, a subsidiary of Camp Investment Company Limited.

JUNE 30, 2016
(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005)

The following changes occurred in the directorships during the year under review:

Phoenix Beverages Limited
On December 2, 2015, Mr. Seewoocoomar Sewraz resigned as Director.
On January 1, 2016, Mr. Reshan Rambocus was appointed Director.
On February 4, 2016, Mr. Georges Wiehé resigned as Director.
On June 30, 2016, Mr. J. Cyril Lagesse resigned as Director.

Directors' and Senior Officers' interests in shares

The direct and indirect interest of the Directors and Senior Officers in the securities of the Company as at June 30, 2016 were:

	Direct Interest		Indirect Interest
Directors	**No. of Shares**	**%**	**%**
Jean-Claude Béga	-	-	-
Jan Boullé	-	-	-
François Dalais	-	-	-
Guillaume Hugnin	3,500	0.02	
Didier Koenig	-	-	-
Arnaud Lagesse	-	-	0.20
J. Cyril Lagesse	-	-	0.01
Thierry Lagesse	-	-	-
Reshan Rambocus	-	-	-
Patrick Rivalland	3,057	0.02	-
Bernard Theys	-	-	-
Alternate Directors			
Jean Pierre Dalais	-	-	-
Marguerite Hugnin	47,509	0.29	2.21
Senior Managers			
Nicolas Caboche	-	-	-
Frédéric Dubois	-	-	-
Gerard Merle	-	-	-
Rama Narayya	-	-	-
Gervais Rambert	-	-	-
Patrice Sheik Bajeet	-	-	-
Antis Treebhoobun	-	-	-
Company Secretary			
IBL Management Ltd	-	-	-

The Directors, the Alternate Directors, the Senior Managers and the Company Secretary did not hold any shares in the subsidiaries of the Company whether directly or indirectly.

Contracts of significance

During the year under review, there was no contract of significance to which Phoenix Beverages Limited, or one of its subsidiaries, was a party and in which a Director of Phoenix Beverages Limited was materially interested, either directly or indirectly.

Directors' remuneration and benefits

Total of the remuneration and benefits received, or due and receivable, by the Directors from the Company and its subsidiaries are disclosed below:

	2016		2015	
	Executive Director	Non-Executive Directors	Executive Director	Non-Executive Directors
	Rs'000	Rs'000	Rs'000	Rs'000
The Company				
Phoenix Beverages Limited	-	2,259	-	2,275
The Subsidiaries				
Helping Hands Foundation	-	-	-	-
Mauritius Breweries International Ltd	-	-	-	-
MBL Offshore Ltd	-	-	-	-
Phoenix Beverages Overseas Ltd	-	-	-	-
Phoenix Camp Minerals Offshore Ltd	-	-	-	-
Phoenix Distributors Ltd	-	-	-	-
Phoenix Foundation	-	-	-	-
Phoenix Réunion SARL	-	-	-	-
The (Mauritius) Glass Gallery Ltd	-	-	-	-
Edena S.A.	-	-	-	-
Espace Solution Réunion S.A.S.	-	-	-	-
SCI Edena	-	-	-	-

All the Executive Directors are engaged in full-time employment.

Indemnity Insurance

During the year, the indemnity insurance cover was renewed in respect of the liability of the Directors and key officers of the Company and its subsidiaries.

SHAREHOLDERS

Substantial Shareholders

The following shareholders are directly interested in 5% or more of the ordinary share capital of the Company:

	Interest %	Number of shares
Camp Investment Company Limited	17.06	2,805,428
Phoenix Investment Company Limited	31.02	5,101,137

Except for the above, no shareholder has any material interest of 5% or more of the equity share capital of the Company.

Contract of significance with controlling shareholders

The Company has a management contract with Phoenix Management Company Ltd, a subsidiary of Camp Investment Company Limited. The key management personnel of the Company is remunerated by the latter.

Statutory Disclosures
JUNE 30, 2016
(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005)

DONATIONS

		2016	2015
		Rs'000	Rs'000
The Company			
Phoenix Beverages Limited	- Political	-	4,000
	- Others	8,142	7,376

The subsidiaries have not made any donation during the years 2016 and 2015.

AUDITORS' REMUNERATION

The fees payable to the auditors for audit and other services were:

	2016		2015	
	Audit	Other services	Audit	Other services
	Rs'000	Rs'000	Rs'000	Rs'000
DELOITTE				
The Company				
Phoenix Beverages Limited	1,421	97	1,341	88
The Subsidiaries				
Helping Hands Foundation	-	-	-	-
Mauritius Breweries International Ltd	6	-	6	-
MBL Offshore Ltd	20	9	19	8
Phoenix Beverages Overseas Ltd	90	9	85	8
Phoenix Camp Minerals Offshore Ltd	20	9	19	8
Phoenix Distributors Ltd	6	-	6	-
Phoenix Foundation	-	-	-	-
The (Mauritius) Glass Gallery Ltd	158	15	149	14
	1,721	139	1,625	126
EXCO REUNION AUDIT	Eur'000	Eur'000	Eur'000	Eur'000
Phoenix Réunion SARL	19	4	19	4
	19	4	19	4
EXA	Eur'000	Eur'000	Eur'000	Eur'000
Edena S.A.	24	-	-	-
Espace Solution Réunion S.A.S.	7	-	-	-
	31	-	-	-

Other services relate to tax services.

The auditor, Deloitte, has expressed its willingness to continue in office and a resolution proposing its reappointment will be submitted to the Annual Meeting of the Shareholders.

Company Secretary's Certificate

In terms of Section 166(d) of the Companies Act 2001, we certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended June 30, 2016, all such returns as are required of the Company under the Companies Act 2001.

Thierry Labat
IBL Management Ltd
Company Secretary

September 1, 2016

Independent Auditor's Report to the Shareholders of PBL

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of Phoenix Beverages Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 96 to 158 which comprise the statements of financial position at June 30, 2016 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act 2004. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements set out on pages 96 to 158 give a true and fair view of the financial position of the Group and the Company at June 30, 2016, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act 2004.

Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the Company or any of its subsidiaries other than in our capacities as auditor and tax advisor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of these records.

The Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the Annual Report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the Corporate Governance Report is consistent with the requirements of the Code.

Deloitte
Chartered Accountants

September 1, 2016

L. Yeung Sik Yuen, ACA
Licensed by FRC

Statements of Financial Position

JUNE 30, 2016

	Notes	THE GROUP 2016	THE GROUP Restated 2015	THE GROUP Restated 2014	THE COMPANY 2016	THE COMPANY Restated 2015	THE COMPANY Restated 2014
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS							
Non-current assets							
Property, plant and equipment	5	**3,483,554**	2,763,833	2,662,237	**3,013,639**	2,757,309	2,655,599
Intangible assets	6	**791,211**	203,252	10,231	**196,358**	197,050	3,997
Investments in subsidiaries	7	**-**	-	-	**918,611**	67,532	71,013
Investments in associate	8	**7,376**	7,524	9,361	**3,233**	3,110	2,955
Investments in financial assets	9	**3,409**	3,392	10,009	**2,091**	2,091	8,547
Long-term receivables	10	**-**	-	-	**85,601**	84,202	74,168
Deferred tax assets	16	**-**	-	1,802	**-**	-	-
		4,285,550	2,978,001	2,693,640	**4,219,533**	3,111,294	2,816,279
Current assets							
Inventories	11	**652,714**	566,717	567,242	**502,865**	487,186	480,435
Trade and other receivables	12	**497,448**	327,408	327,907	**301,077**	254,896	279,718
Bank and cash balances	28(b)	**196,927**	214,835	398,361	**109,810**	186,103	374,588
		1,347,089	1,108,960	1,293,510	**913,752**	928,185	1,134,741
Total assets		**5,632,639**	4,086,961	3,987,150	**5,133,285**	4,039,479	3,951,020
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital	13	**366,962**	366,962	366,962	**366,962**	366,962	366,962
Other reserves	14	**917,274**	929,563	925,828	**990,975**	977,295	983,279
Retained earnings		**2,060,983**	1,883,677	1,699,397	**2,080,676**	1,911,857	1,723,084
Equity attributable to owners of the Company		**3,345,219**	3,180,202	2,992,187	**3,438,613**	3,256,114	3,073,325
Non-controlling interests		**(2,351)**	(1,427)	(137)	**-**	-	-
Total equity		**3,342,868**	3,178,775	2,992,050	**3,438,613**	3,256,114	3,073,325
Non-current liabilities							
Borrowings	15	**866,172**	2,759	7,499	**702,709**	2,759	7,499
Deferred tax liabilities	16	**205,705**	198,247	183,386	**199,187**	198,265	183,386
Retirement benefit obligation	17	**219,547**	197,827	207,172	**218,959**	197,344	206,737
Deferred revenue	20	**65,538**	-	-	**-**	-	-
		1,356,962	398,833	398,057	**1,120,855**	398,368	397,622
Current liabilities							
Trade and other payables	18	**734,793**	470,618	499,702	**443,932**	367,480	404,985
Borrowings	15	**163,216**	25,972	85,894	**111,708**	4,740	63,624
Current tax liabilities	19(b)	**29,735**	12,763	11,447	**18,177**	12,777	11,464
Deferred revenue	20	**5,065**	-	-	**-**	-	-
		932,809	509,353	597,043	**573,817**	384,997	480,073
Total equity and liabilities		**5,632,639**	4,086,961	3,987,150	**5,133,285**	4,039,479	3,951,020

These financial statements have been approved by the Board of Directors and authorised for issue on September 1, 2016:

Jean-Claude Béga
Chairman

Reshan Rambocus
Director

The notes on pages 101 to 158 form an integral part of these financial statements.
Auditor's report on page 95.

Statements of Profit or Loss and Other Comprehensive Income

YEAR ENDED JUNE 30, 2016

	Notes	THE GROUP 2016	THE GROUP Restated 2015	THE COMPANY 2016	THE COMPANY Restated 2015
		Rs'000	Rs'000	Rs'000	Rs'000
Revenue	2(q)	**5,515,321**	5,060,973	**4,931,979**	4,673,739
Manufacturing costs	22	**(2,236,455)**	(2,088,118)	**(1,895,406)**	(1,797,973)
Excise and other specific duties	22	**(1,731,896)**	(1,642,658)	**(1,731,896)**	(1,642,658)
Cost of sales		**(3,968,351)**	(3,730,776)	**(3,627,302)**	(3,440,631)
Gross profit		**1,546,970**	1,330,197	**1,304,677**	1,233,108
Other income	24	**60,468**	30,193	**53,859**	31,159
Marketing, warehousing, selling and distribution expenses	22	**(804,222)**	(656,490)	**(627,388)**	(568,152)
Administrative expenses	22	**(357,916)**	(307,391)	**(300,515)**	(296,282)
Profit before finance costs	25	**445,300**	396,509	**430,633**	399,833
Finance costs	26	**(14,379)**	(4,732)	**(12,476)**	(3,852)
Share of results of associates	8(a)	**272**	219	**-**	-
Profit before tax		**431,193**	391,996	**418,157**	395,981
Tax expense	19(c)	**(80,838)**	(73,660)	**(75,437)**	(71,873)
Profit for the year		**350,355**	**318,336**	**342,720**	**324,108**
Other comprehensive (loss)/income:					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of post employment benefit obligations	17	**(19,360)**	15,273	**(19,288)**	15,287
Deferred tax on post employment benefit obligations	16	**3,279**	(2,596)	**3,279**	(2,599)
		(16,081)	12,677	**(16,009)**	12,688
Items that may be reclassified subsequently to profit or loss:					
Increase/(decrease) in fair value of securities		**-**	-	**13,680**	(3,326)
Reclassification adjustments for gain of financial assets included in profit or loss		**-**	(2,658)	**-**	(2,658)
Exchange differences on translating foreign operations		**(11,869)**	8,449	**-**	-
Other movements in associates	8(a)	**(420)**	(2,056)	**-**	-
		(12,289)	3,735	**13,680**	(5,984)
Total other comprehensive (loss)/income		**(28,370)**	16,412	**(2,329)**	6,704
Total comprehensive income for the year		**321,985**	334,748	**340,391**	330,812
Profit/(loss) attributable to:					
Owners of the Company		**351,262**	319,624	**342,720**	324,108
Non-controlling interests		**(907)**	(1,288)	**-**	-
		350,355	318,336	**342,720**	324,108
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**322,909**	336,038	**340,391**	330,812
Non-controlling interests		**(924)**	(1,290)	**-**	-
		321,985	334,748	**340,391**	330,812
Earnings per share (Rs.cs) - Basic and Diluted	27	**21.36**	19.43		

The notes on pages 101 to 158 form an integral part of these financial statements.
Auditor's report on page 95.

Statements of Changes in Equity

YEAR ENDED JUNE 30, 2016

THE GROUP

	Notes	Share capital Rs'000	Share premium Rs'000	Revaluation and other reserves Rs'000	Fair value reserve Rs'000	Retained earnings Rs'000	Total Rs'000	Non-controlling interests Rs'000	Total Rs'000
		(Attributable to owners of the Company)							
At July 1, 2015									
- As previously reported		164,470	202,492	931,044	2,135	1,903,386	3,203,527	(1,427)	3,202,100
- Prior year adjustment		-	-	(3,616)	-	(19,709)	(23,325)	-	(23,325)
- As restated		164,470	202,492	927,428	2,135	1,883,677	3,180,202	(1,427)	3,178,775
Profit/(loss) for the year		-	-	-	-	351,262	351,262	(907)	350,355
Other comprehensive loss for the year		-	-	(11,869)	(420)	(16,064)	(28,353)	(17)	(28,370)
Total comprehensive (loss)/ income for the year		-	-	(11,869)	(420)	335,198	322,909	(924)	321,985
Dividends	21	-	-	-	-	(157,892)	(157,892)	-	(157,892)
At June 30, 2016		**164,470**	**202,492**	**915,559**	**1,715**	**2,060,983**	**3,345,219**	**(2,351)**	**3,342,868**
At July 1, 2014									
- As previously reported		164,470	202,492	922,595	6,849	1,717,355	3,013,761	(137)	3,013,624
- Prior year adjustment		-	-	(3,616)	-	(17,958)	(21,574)	-	(21,574)
- As restated		164,470	202,492	918,979	6,849	1,699,397	2,992,187	(137)	2,992,050
Profit/(loss) for the year		-	-	-	-	319,624	319,624	(1,288)	318,336
Other comprehensive income/(loss) for the year		-	-	8,449	(4,714)	12,679	16,414	(2)	16,412
Total comprehensive income/(loss) for the year		-	-	8,449	(4,714)	332,303	336,038	(1,290)	334,748
Dividends	21	-	-	-	-	(148,023)	(148,023)	-	(148,023)
At June 30, 2015		164,470	202,492	927,428	2,135	1,883,677	3,180,202	(1,427)	3,178,775

The notes on pages 101 to 158 form an integral part of these financial statements.
Auditor's report on page 95.

THE COMPANY

	Notes	Share capital Rs'000	Share premium Rs'000	Revaluation and other reserves Rs'000	Fair value reserve Rs'000	Retained earnings Rs'000	Total Rs'000
At July 1, 2015							
- As previously reported		164,470	202,492	921,474	59,437	1,931,566	3,279,439
- Prior year adjustment		-	-	(3,616)	-	(19,709)	(23,325)
- As restated		164,470	202,492	917,858	59,437	1,911,857	3,256,114
Profit for the year		-	-	-	-	342,720	342,720
Other comprehensive income/(loss) for the year		-	-	-	13,680	(16,009)	(2,329)
Total comprehensive income for the year		-	-	-	13,680	326,711	340,391
Dividends	21	-	-	-	-	(157,892)	(157,892)
At June 30, 2016		**164,470**	**202,492**	**917,858**	**73,117**	**2,080,676**	**3,438,613**
At July 1, 2014							
- As previously reported		164,470	202,492	921,474	65,421	1,741,042	3,094,899
- Prior year adjustment		-	-	(3,616)	-	(17,958)	(21,574)
- As restated		164,470	202,492	917,858	65,421	1,723,084	3,073,325
Profit for the year		-	-	-	-	324,108	324,108
Other comprehensive (loss)/income for the year		-	-	-	(5,984)	12,688	6,704
Total comprehensive (loss)/income for the year		-	-	-	(5,984)	336,796	330,812
Dividends	21	-	-	-	-	(148,023)	(148,023)
At June 30, 2015		164,470	202,492	917,858	59,437	1,911,857	3,256,114

The notes on pages 101 to 158 form an integral part of these financial statements.
Auditor's report on page 95.

Statements of Cash Flows

YEAR ENDED JUNE 30, 2016

	Notes	THE GROUP 2016 Rs'000	THE GROUP Restated 2015 Rs'000	THE COMPANY 2016 Rs'000	THE COMPANY Restated 2015 Rs'000
Cash flows from operating activities					
Cash generated from operations	28(a)	**679,917**	587,402	**650,213**	578,691
Interest received		**5,883**	3,104	**5,819**	3,022
Interest paid		**(12,922)**	(4,732)	**(11,019)**	(3,852)
Tax paid	19(b)	**(59,788)**	(51,373)	**(58,429)**	(51,376)
CSR contribution		**(7,407)**	(6,904)	**(7,407)**	(6,904)
Net cash generated from operating activities		**605,683**	527,497	**579,177**	519,581
Cash flows from investing activities					
Purchase of property, plant and equipment		**(470,130)**	(314,143)	**(466,323)**	(312,331)
Proceeds from disposal of plant and equipment		**764**	2,961	**413**	2,745
Proceeds from disposal of other securities		**-**	6,344	**-**	6,344
Purchase of intangible assets	6	**(264)**	(193,963)	**(264)**	(193,909)
Investment in subsidiaries	29(b)	**-**	-	**(724,743)**	-
Acquisition of subsidiary, net of cash acquired	29	**(665,964)**	-	**-**	-
Dividends received		**73**	178	**73**	178
Net cash used in investing activities		**(1,135,521)**	(498,623)	**(1,190,844)**	(496,973)
Cash flows from financing activities					
Proceeds from borrowings		**693,740**	-	**693,740**	-
Repayment of borrowings		**(19,332)**	(28,500)	**-**	(28,500)
Finance leases principal payments		**(4,740)**	(14,719)	**(4,740)**	(14,719)
Dividends paid to Company's owners		**(157,892)**	(148,023)	**(157,892)**	(148,023)
Net cash generated from/(used in) financing activities		**511,776**	(191,242)	**531,108**	(191,242)
Decrease in cash and cash equivalents		**(18,062)**	(162,368)	**(80,559)**	(168,634)
Movement in cash and cash equivalents					
At July 1,		**193,603**	355,686	**186,103**	354,183
Effect of foreign exchange rate changes		**4,453**	285	**4,266**	554
Decrease		**(18,062)**	(162,368)	**(80,559)**	(168,634)
At June 30,	28(b)	**179,994**	193,603	**109,810**	186,103

The notes on pages 101 to 158 form an integral part of these financial statements.
Auditor's report on page 95.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2016

1. GENERAL INFORMATION

Phoenix Beverages Limited is a public limited company incorporated and domiciled in Mauritius. The Directors regard Phoenix Investment Company Limited and IBL Ltd (formerly GML Investissement Ltée) as the holding company and ultimate holding Company of Phoenix Beverages Limited respectively. All three Companies are incorporated in Mauritius and their registered offices are at 4th Floor, IBL House, Caudan Waterfront, Port Louis.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of owners of the Company.

The Company and its ultimate holding company are quoted on the official list of the Stock Exchange of Mauritius.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements comply with the Mauritius Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention, except that:

(i) Freehold land and buildings are carried at revalued amounts; and
(ii) Available-for-sale financial assets are stated at their fair value as disclosed in the accounting policies hereafter.

The financial statements include the consolidated financial statements of the Company and its subsidiaries (the Group) and the separate financial statements of the Company (the Company).

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Group has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on July 1, 2015.

2.1 Revised Standards applied with no material effect on the financial statements

IFRS 10 Consolidated Financial Statements - Amendments deferring the effective date of the September 2014 amendments

IAS 28 Investments in Associates and Joint Ventures - Amendments deferring the effective date of the September 2014 amendments

2.2 Relevant new and revised Standards in issue not yet effective

At the date of authorisation of these financial statements, the following relevant new and revised Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1 Presentation of financial statements - Amendments resulting from disclosure initiative (effective January 1, 2016)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 Relevant new and revised Standards in issue not yet effective (continued)

IAS 7	Statement of Cash Flows - Amendments as a result of disclosure initiative (effective January 1, 2017)
IAS 12	Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses (effective January 1, 2017)
IAS 16	Property, plant and equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective January 1, 2016)
IAS 16	Property, plant and equipment - Amendments bringing bearer plants into the scope of IAS 16 (effective January 1, 2016)
IAS 19	Employee Benefits - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective January 1, 2016)
IAS 27	Consolidated and Separate Financial Statements - Reissued as Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective January 1, 2016)
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective January 1, 2016)
IAS 39	Financial Instruments: Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective January 1, 2018)
IFRS 7	Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective January 1, 2016)
IFRS 7	Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective January 1, 2018)
IFRS 7	Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective January 1, 2018)
IFRS9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective January 1, 2018)
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (effective January 1, 2016)
IFRS 10	Consolidated Financial Statements - Amendments regarding the application of the consolidation exception (effective January 1, 2016)
IFRS 12	Disclosures of interest in other entities - Amendments regarding the application of the consolidation exception (effective January 1, 2016)
IFRS 15	Revenue from Contracts with Customers - Original issue (effective January 1, 2018)
IFRS 15	Revenue from Contracts with Customers - Clarification to IFRS 15 (effective January 1, 2018)
IFRS 15	Revenue from Contracts with Customers - Amendments to defer the effective date to January 1, 2018 (effective January 1, 2018)
IFRS 16	Leases - Original Issue (effective January 1, 2019)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

The Directors anticipate that these Standards and Interpretations will be applied on their effective dates in future periods. The Directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of Phoenix Beverages Limited, its subsidiaries and its associates using the purchase method and the equity method respectively. The results of subsidiaries and associates acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of their acquisitions or up to the date of their disposals respectively.

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company losses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non- controlling interests even if this results in the non- controlling interests having a deficit balance.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (continued)

When necessary, adjustments are made to the financial statements to the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(c) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Business combinations (continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to the replacement by the group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

(d) Investments in subsidiaries

Subsidiaries are those companies over which the Company exercises control. These are categorised as Available-for-sale (AFS) and accounted at fair value in the Company's separate financial statements. Profit or loss on fair value of investments are recognised in the statement of comprehensive income.

(e) Investments in associates

Associates are those companies which are not subsidiaries and over which the Group exercises significant influence by holding between 20% and 50% of the voting equity, unless it can be clearly demonstrated that the Group does not have significant influence.

The Company categorised its investments in associates as Available-for-sale and the same are stated at fair value which has been determined based on a cost and weighted average basis of net asset value and capitalised earnings as appropriate in the Company's separate financial statements. Profit or loss on fair value of investment in associate is recognised in the statement of comprehensive income. The Group uses the equity method of accounting to account for its associates.

Results of the associates in which the Group exercises significant influence are equity accounted for by using their most recent audited financial statements or unaudited interim statements. Under the equity method of accounting, the Group's share of the associates' profit or loss for the year is recognised in the statement of profit or loss and other comprehensive income and the Group's interest in the associates is carried in the statement of financial position at an amount that reflects the post acquisition change in the share of net assets of the associates and unimpaired goodwill.

After the Group's interest in an associate is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Losses recognised under the equity method in excess of the Company's investment are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets

(i) Computer software

Intangible assets include computer software whose estimated useful life is considered to be 5 years.

Intangible assets are initially recorded at cost and amortised using the straight-line method over their estimated useful lives.

The carrying amount of intangible assets is reviewed annually and adjusted for impairment where it is considered necessary.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(ii) Trademarks

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(iii) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(iv) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian Rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Mauritian Rupees, which is the Group's and the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(iii) Group companies

On consolidation, the assets and liabilities of the Group's overseas entities are translated at exchange rates prevailing at the end of the reporting date. Income and expense items are translated at the average exchange rates for the year. Exchange differences, if any arising, are taken to equity.

Such translation differences are recognised as income or as expense in the year in which the investment is disposed of.

(h) Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. Land and buildings are stated at their revalued amount, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost less depreciation and impairment losses.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the profit or loss.

Properties in the course of construction for production, rental or administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Depreciation on other assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

No depreciation is charged on capital expenditure in progress.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment (continued)

Depreciation is calculated on a straight line method to depreciate the cost of assets or the revalued amounts, to their residual values over their estimated useful lives as follows :

	Years
Yard	10 - 15
Freehold buildings	10 - 50
Plant and machinery	5 - 25
Motor vehicles	5 - 15
Furniture, computer, office and other equipment	2 - 10
Containers	5 - 10

Land is not depreciated.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with carrying amount and are included in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(i) Impairment of assets

Assets that have indefinite useful lives are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(j) Leases

Leases in which a significant portion of risks and rewards and ownership are retained by the lessor are classified as operating leases.

Payments made under operating lease are charged to profit or loss on a straight line basis over the period of the lease.

Leases are classified as finance lease where the terms of the lease transfer substantially all risks and rewards of ownership to the lessee.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease terms, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises all costs incurred in bringing the inventories to its present condition and location. The cost of finished goods and work in progress comprises purchase cost or raw materials, direct labour, other direct costs and related production overheads, but excludes interest expenses. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(l) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the group has become party to the contractual provisions of the financial instruments.

Except where stated separately, the carrying amounts of the group's financial instruments approximate their fair values. These instruments are measured as set out below:

(i) Financial assets

Financial assets are classified into the following specified categories: 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(a) Available-for-sale (AFS) financial assets

Listed shares held by the Group that are traded in an active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the year.

Available-for-sale investments which do not have a quoted market price and whose fair value cannot be reliably measured, are carried at cost, less any impairment loss.

(b) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (Continued)

(i) Financial assets (continued)

(d) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(ii) Financial liabilities

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(c) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(d) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or has expired.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (Continued)

(iii) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract such as, default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through other comprehensive income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Deferred tax

Deferred tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. If the deferred tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred tax is determined using tax rates that have been enacted by the end of the reporting date and are expected to apply in the period when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

(o) Retirement benefit obligations

The employees of the Group are members of Group Mon Loisir Pension Fund (GMLPF). The GMLPF is a multi-employer defined contribution pension scheme. Employees who were transferred from the ex Defined Benefit schemes are entitled to a No-Worse Off Guarantee (NWOG).

Defined contribution plan

For employees who are not entitled to the NWOG, the Group pays fixed contributions into the GMLPF, and has no other legal or constructive obligations in respect of pension benefits. The contributions paid are charged as an expense as they fall due.

Defined contribution plan with No-Worse-Off Guarantee

Employees who were transferred from the ex-Defined Benefit schemes are entitled to a NWOG whereby their respective employers are committed to top-up the Defined Contribution pension in order to meet the pension promise under their respective ex-Defined Benefit schemes. The provisions made include liabilities in respect of this NWOG and is funded by additional contributions over and above those payable under the Defined Contribution scheme.

Gratuity on Retirement

Employees covered under the GMLPF are entitled to the Retirement Gratuity as provided by Section 49 of the Employment Rights Act 2008. However, half of any lump sum and 5 years pension (relating to the employer's share of contributions only) payable from the GMLPF, is deducted from this Gratuity. Any remaining amount has to be met by the employer and is not funded, the provisions made include an amount for any such liabilities.

Other Post-Retirement Benefit Obligations

The provisions also cover pensions payable directly by the employer from its cash-flow. These pensions would stop on death of the pensioner.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Retirement benefit obligations (Continued)

Other Post-Retirement Benefit Obligations (Continued)

The pensions in respect of employees retiring from GMLPF are payable from an annuity fund within GMLPF. This annuity fund is a multi-employer fund and is currently fully funded. Therefore, no provisions have been made in respect of these pensioners.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income;
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item administrative expenses as part of staff costs. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit liability recognised in the statement of financial position represents the actual deficit or surplus in the defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(p) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Government grants (continued)

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(q) Revenue recognition

Revenue comprises the fair value for the sale of goods, net of Value Added Tax and discounts, and after eliminating sales within the Group.

Sales of goods are recognised when goods are delivered and title has passed.

Other income earned by the Group are recognised on the following bases:

- Interest income - on a time proportion basis using the effective interest method.
- Dividend income - when the shareholder's right to receive payment is established.

(r) Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(s) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(t) Related parties

Related parties are individuals and companies where the individual or Company has the ability, directly or indirectly, to control the other party or to exercise significant influence over the other party in making financial and operating decisions.

(u) Comparative figures

Comparative figures have been regrouped or rearranged, where necessary, to conform to the current year's presentation.

3. FINANCIAL RISK MANAGEMENT

A Management Risk Committee, composed of the senior managers of the Company and chaired by the Chief Executive Officer is in place, operating under the terms of reference approved by the Audit and Risk Committee. Risk in the widest sense includes market risk, credit risk, liquidity risk, operation risk and commercial risk. The most significant risks faced by the Group include those pertaining to the economic environment, the supply chain, regulations, skills and people, technology as well as foreign currency and interest rates. These risks are included in the risk management programme. Sub-committees have been set up, chaired by the respective senior managers sitting on the Management Risk Committee, to make detailed identification, assessment, measurement and finally to develop and implement risk response strategies.

3.1 Financial risk factors and risk management policies

A description of the significant risk factors is given below together with the risk management policies applicable.

The Group's activities expose it to a variety of financial risks, including:

- Market risk (including currency risk, price risk and cash flow and fair value interest rate risk);
- Credit risk; and
- Liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in note 2 to the financial statements.

(a) Market risk

(i) Currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Euro and US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Foreign currency sensitivity analysis

The Group

The following table details the Group's sensitivity to a 5% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Mauritian Rupee strengthens 5% against the relevant currencies. There would be an equal and opposite impact on the profit and other equity where the Mauritian Rupee weakens 5% against the relevant currencies, and the balances below would be negative.

Increase in profit and other equity	2016	2015
	Rs' 000	Rs' 000
United States Dollar (USD)	(884)	1,545
Euro (EUR)	(31,909)	194

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors and risk management policies (continued)

(a) Market risk (continued)

Foreign currency sensitivity analysis (continued)

The Company

The following table details the Company's sensitivity to a 5% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Mauritian Rupee strengthens 5% against the relevant currencies. There would be an equal and opposite impact on the profit and other equity where the Mauritian Rupee weakens 5% against the relevant currencies, and the balances below would be negative.

Increase/(decrease) in profit and other equity	2016	2015
	Rs' 000	Rs' 000
United States Dollar (USD)	(1,959)	1,652
Euro (EUR)	(23,1812)	(3,340)

(ii) Price risk

The Group and the Company are exposed to equity securities price risk because of investments held by the Group and the Company classified on the statement of financial position as investments in financial assets.

Equity investments are held for strategic rather than for trading purposes. The Group and the Company do not actively trade these investments.

(iii) Cash flow and fair value interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrows at both fixed and variable rates. In respect of the latter, it is exposed to risk associated with the effect of fluctuations in the prevailing level of market interest rates on its financial position and cash flows.

The risk is managed by maintaining an appropriate mix between fixed and floating interest rates on borrowings.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors and risk management policies (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk management (continued)

Interest rate sensitivity analysis

Rupee-denominated borrowings

At June 30, 2016, if interest rates on borrowings had been 50 basis points higher/lower, with all other variables held constant, profit for the year would have been lower/higher as shown in the table below, mainly as a result of higher/lower interest expense on floating rate borrowings:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Effect on profit	(954)	(27)	(882)	(27)

Other currencies-denominated borrowings

The Group and Company have borrowings amounting to Rs 346.8M denominated in EURO. However, since the interest rate is fixed, the Group and Company are not exposed to interest rate risk.

Interest rates are disclosed in note 15(e).

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties, except for the Group's largest customer which represents 6% of the trade receivables of the Group. These counterparties are unrelated and have different characteristics.

The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Credit exposure is controlled by counterparty limits that are continuously reviewed.

(c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The Group's financial liabilities analysed into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date has been disclosed in note 15(b). All trade and other payables are due within one year.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors and risk management policies (continued)

(c) Liquidity risk management (continued)

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

THE GROUP

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2016							
Non-interest bearing	-	123,575	159,091	135,311	208,147	-	626,124
Finance lease liability	8.00%	250	500	2,125	-	-	2,875
Variable interest rate	6.48%	18,468	5,296	55,514	228,260	203,997	511,535
Fixed interest rate	3.21%	3,800	24,806	68,441	326,452	189,170	612,669
		146,093	**189,693**	**261,391**	**762,859**	**393,167**	**1,753,203**
2015							
Non-interest bearing	-	104,770	194,781	83,711	-	-	383,262
Finance lease liability	8.14%	1,964	697	2,438	2,875	-	7,974
Variable interest rate	3.00%	21,232	-	-	-	-	21,232
		127,966	195,478	86,149	2,875	-	412,468

THE COMPANY

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2016							
Non-interest bearing	-	96,209	137,019	117,940	103,501	-	454,669
Finance lease liability	8.00%	250	500	2,125	-	-	2,875
Variable interest rate	6.90%	1,939	3,879	51,293	205,170	203,997	466,278
Fixed interest rate	3.65%	1,055	2,110	43,541	174,163	189,170	410,039
		99,453	**143,508**	**214,899**	**482,834**	**393,167**	**1,333,861**
2015							
Non-interest bearing	-	100,001	127,394	84,548	-	-	311,943
Finance lease liability	8.14%	1,964	697	2,438	2,875	-	7,974
		101,965	128,091	86,986	2,875	-	319,917

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Fair value estimation of financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting date. The fair value of financial instruments that are not traded in an active market is stated on a weighted average of earnings and asset value.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of those financial assets and liabilities not presented on the Group's statement of financial position at the fair values are not materially different from their carrying amounts.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

THE COMPANY

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2016				
Investments in subsidiaries	-	-	918,611	918,611
Investments in associates	-	-	3,233	3,233
Total	-	-	**921,844**	**921,844**

THE COMPANY

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2015				
Investments in subsidiaries	-	-	67,532	67,532
Investments in associates	-	-	3,110	3,110
Total	-	-	70,642	70,642

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Fair value estimation of financial instruments (continued)

Reconciliation of level 3 fair value measurements of financial assets

	THE COMPANY	
	2016	2015
	Rs'000	Rs'000
At July 1,	**70,642**	73,968
Additions	**837,522**	-
Total gains/(losses) recognised in other comprehensive income	**13,680**	(3,326)
At June 30,	**921,844**	70,642

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Fair value estimation of financial instruments (continued)

The following unobservable inputs were used to measure the financial assets measured at fair value in the Company's separate financial statements:

Description	Fair value as at June 30 2016 Rs'000	Fair value as at June 30 2015 Rs'000	Valuation techniques	Unobservable input	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unquoted investments in subsidiaries	918,611	67,532	Net assets value	N/A	N/A	N/A
			Discounted cash flows	Discount rate	2016 and 2015: 12.77% - 14.11% (13.44%)	The higher the discount rate, the lower the fair value
Investment in associates	3,233	3,110	P/E Ratio	Ratio of comparable companies	2016 and 2015 : 6.65 - 7.35 (7)	The higher the P/E Ratio the higher the fair value
			Management has taken a 25% discount on a discretionary basis			The higher the discount on a discretionary basis, the lower the fair value
			Shareholders' fund	N/A	N/A	N/A

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Capital risk management

The Group's and the Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group's and the Company's overall strategy remains unchanged from 2015.

The Group and the Company manage the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, or sell assets to reduce debt.

The Group and the Company monitor capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and bank balances. Capital structure comprises all components of equity (i.e. share capital, share premium, equity attributable to owners of the Company, retained earnings and reserves).

The gearing ratios at June 30, 2016 and June 30, 2015 were as follows:

	THE GROUP		THE COMPANY	
		Restated		Restated
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Total debt (note 15)	1,029,388	28,731	814,417	7,499
Less: bank and cash balances (note 28(b))	(196,927)	(214,835)	(109,810)	(186,103)
Net debt/(cash)	832,461	(186,104)	704,607	(178,604)
Total equity	3,342,868	3,178,775	3,438,613	3,256,114
Debt-to-equity ratio	0.25:1	-	0.20:1	-

3.4 Categories of financial instruments

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets				
Investments in subsidiaries	-	-	918,611	67,532
Investments in associates	-	-	3,233	3,110
Investments in financial assets	3,409	3,392	2,091	2,091
Loans and receivables *	667,093	528,343	387,375	513,087
	670,502	531,735	1,311,310	585,820
Financial liabilities				
Amortised costs	1,687,521	411,993	1,174,730	319,442

* Including cash and cash equivalents but excluding prepayments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill and trademarks

The Group tests annually whether goodwill and trademarks have suffered any impairment, in accordance with the accounting policy stated in Note 2(f) (ii) (iii) and 2(i) respectively.

(b) Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(c) Unquoted investments in subsidiaries and associates

Determining whether investments in subsidiaries and associates are impaired requires an estimate of the value in use of the investments. In considering the value in use, the directors have taken into consideration the audited financial statements, management accounts and expected future results of the subsidiaries and the associates. The actual results could, however, differ from the estimate.

(d) Retirement benefit obligations

The present value of the pension obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.1 Critical accounting estimates and assumptions (continued)

(e) Revaluation of freehold land and yard and freehold buildings

The Group measures land and buildings at fair value based on periodic valuations by external independent valuers.

(f) Useful life of intangible assets

As there is no foreseeable limit to the period over which the trademarks and goodwill are expected to generate net cash inflows for the group, trademarks and goodwill have been assessed as having an indefinite useful life.

5. PROPERTY, PLANT AND EQUIPMENT

2016 - THE GROUP	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture computer, office and other equipment	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) COST OR VALUATION							
At July 1, 2015	941,704	626,706	1,679,826	197,296	502,732	995,385	4,943,649
Additions	16,048	10,164	33,009	29,292	48,854	65,363	202,730
Acquisition through business combination	117,508	360,286	357,171	1,510	31,248	-	867,723
Disposals	-	-	-	(2,009)	(4,525)	-	(6,534)
Exchange differences	(738)	(5,335)	(5,760)	(24)	(465)	-	(12,322)
At June 30, 2016	**1,074,522**	**991,821**	**2,064,246**	**226,065**	**577,844**	**1,060,748**	**5,995,246**
DEPRECIATION							
At July 1, 2015	14,656	54,130	969,239	104,583	322,899	785,220	2,250,727
Charge for the year	1,602	22,784	64,942	15,465	37,008	83,376	225,177
Acquisition through business combination	-	160,574	196,696	1,483	27,947	-	386,700
Disposals	-	-	-	(1,742)	(4,525)	-	(6,267)
Exchange differences	-	(4,761)	(3,144)	(23)	(465)	-	(8,393)
At June 30, 2016	**16,258**	**232,727**	**1,227,733**	**119,766**	**382,864**	**868,596**	**2,847,944**
NET BOOK VALUE							
At June 30, 2016	**1,058,264**	**759,094**	**836,513**	**106,299**	**194,980**	**192,152**	**3,147,302**
Capital expenditure in progress	**19,543**	**31**	**306,204**	**-**	**10,474**	**-**	**336,252**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,077,807**	**759,125**	**1,142,717**	**106,299**	**205,454**	**192,152**	**3,483,554**

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2015 - THE GROUP	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipment	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(b) COST OR VALUATION							
At July 1, 2014	941,542	540,193	1,634,305	191,162	462,276	883,081	4,652,559
Additions	162	86,513	45,521	14,715	44,130	112,304	303,345
Disposals	-	-	-	(8,581)	(3,091)	-	(11,672)
Exchange differences	-	-	-	-	(583)	-	(583)
At June 30, 2015	941,704	626,706	1,679,826	197,296	502,732	995,385	4,943,649
DEPRECIATION							
At July 1, 2014	13,115	39,096	911,866	97,152	287,918	701,288	2,050,435
Charge for the year	1,541	15,034	57,373	14,185	38,257	83,932	210,322
Disposals	-	-	-	(6,754)	(2,905)	-	(9,659)
Exchange differences	-	-	-	-	(371)	-	(371)
At June 30, 2015	14,656	54,130	969,239	104,583	322,899	785,220	2,250,727
NET BOOK VALUE							
At June 30, 2015	927,048	572,576	710,587	92,713	179,833	210,165	2,692,922
Capital expenditure in progress	-	5,989	27,937	-	29,786	7,199	70,911
TOTAL PROPERTY, PLANT AND EQUIPMENT	927,048	578,565	738,524	92,713	209,619	217,364	2,763,833

2016 - THE COMPANY	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipment	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(c) COST OR VALUATION							
At July 1, 2015	941,704	625,217	1,678,198	192,245	478,885	995,385	4,911,634
Additions	16,048	9,833	31,095	29,292	48,297	65,363	199,928
Disposals	-	-	-	(2,009)	(4,596)	-	(6,605)
At June 30, 2016	**957,752**	**635,050**	**1,709,293**	**219,528**	**522,586**	**1,060,748**	**5,104,957**
DEPRECIATION							
At July 1, 2015	14,699	52,678	966,244	99,529	305,812	785,220	2,224,182
Charge for the year	1,602	16,997	56,570	15,450	35,731	83,376	209,726
Disposals	-	-	-	(1,742)	(4,596)	-	(6,338)
At June 30, 2016	**16,301**	**69,675**	**1,022,814**	**113,237**	**336,947**	**868,596**	**2,427,570**
NET BOOK VALUE							
At June 30, 2016	**941,451**	**565,375**	**686,479**	**106,291**	**185,639**	**192,152**	**2,677,387**
Capital expenditure in progress	**19,543**	**31**	**306,204**	**-**	**10,474**	**-**	**336,252**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**960,994**	**565,406**	**992,683**	**106,291**	**196,113**	**192,152**	**3,013,639**

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2015 - THE COMPANY	Freehold land and yard	Freehold buildings	Plant and machinery	Motor vehicles	Furniture, computer, office and other equipment	Containers	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(d) COST OR VALUATION							
At July 1, 2014	941,542	538,704	1,632,957	185,426	438,081	883,081	4,619,791
Additions	162	86,513	45,241	14,715	43,652	112,304	302,587
Disposals	-	-	-	(7,896)	(2,848)	-	(10,744)
At June 30, 2015	941,704	625,217	1,678,198	192,245	478,885	995,385	4,911,634
DEPRECIATION							
At July 1, 2014	13,158	37,644	909,173	91,413	271,629	701,288	2,024,305
Charge for the year	1,541	15,034	57,071	14,185	36,844	83,932	208,607
Disposals	-	-	-	(6,069)	(2,661)	-	(8,730)
At June 30, 2015	14,699	52,678	966,244	99,529	305,812	785,220	2,224,182
NET BOOK VALUE							
At June 30, 2015	927,005	572,539	711,954	92,716	173,073	210,165	2,687,452
Capital expenditure in progress	-	5,989	26,883	-	29,786	7,199	69,857
TOTAL PROPERTY, PLANT AND EQUIPMENT	927,005	578,528	738,837	92,716	202,859	217,364	2,757,309

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(e) In respect of property, plant and equipment of the Company:

- Freehold land and buildings were revalued in June 2013 by Société D'Hotman De Speville. The basis of valuation of land was arrived at by comparing the value of other land in the neighbourhood giving due consideration to their respective location, shape, extent, development and potential. The values of buildings were arrived at by taking into consideration their depreciated replacement cost after making allowance for their age, standard and state of repair. The Directors have assessed the fair value of the freehold land and buildings at June 30, 2016 and have estimated the fair value to approximate the carrying value as at that date.

In respect of property, plant and equipment of Edena S.A. and SCI Edena:

- Freehold land and buildings were revalued in March 2016 by Galtier Valuation. The basis of valuation of land and buildings was arrived at using an average of the following: comparing the value of other land and buildings in the neighbourhood giving due consideration to their respective location, shape, extent, development and potential; taking into consideration the depreciated replacement cost of buildings after making allowance for their age, standard and state of repair; and capitalised earnings. The Directors have assessed the fair value of the freehold land and buildings at June 30, 2016 and have estimated the fair value to approximate the carrying value as at that date.

(f) Fair value hierarchy measurement of freehold land and yard are classified as level 2 amounting to Rs 1,074,522,000 (2015: Rs 941,704,000) for the Group and Rs 957,752,000 (2015: Rs 941,704,000) for the Company and building as level 3 amounting to Rs 991,821,000 (2015: Rs 626,706,000) for the Group and Rs 635,050,000 (2015: Rs 625,217,000) for the Company.

(g) Bank borrowings are secured by fixed and floating charges over the assets of the Group, which include property, plant and equipment.

(h) There were no additions of assets held under finance leases during the years 2016 and 2015. Plant and machinery held under finance leases last year have been fully repaid during the year.

(i) Assets held under finance leases comprise of the following:

	Plant and machinery		Motor vehicles		Total	
	2016	2015	**2016**	2015	**2016**	2015
THE GROUP AND THE COMPANY	**Rs'000**	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Cost - capitalised finance leases	**-**	48,458	**12,417**	17,693	**12,417**	66,151
Accumulated depreciation	**-**	(9,207)	**(3,403)**	(5,297)	**(3,403)**	(14,504)
Net book value	**-**	39,251	**9,014**	12,396	**9,014**	51,647

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YEAR ENDED JUNE 30, 2016

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(j) Depreciation

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Cost of sales	**164,666**	154,776	**156,058**	154,462
Selling and distribution expenses	**40,158**	40,414	**39,254**	40,398
Administrative expenses	**20,353**	15,132	**14,414**	13,747
	225,177	210,322	**209,726**	208,607

(k) If freehold land, yard and freehold buildings were stated on the historical cost basis, the carrying amounts would be as follows:

	Freehold land and yard	Freehold buildings	Total
THE GROUP	Rs'000	Rs'000	Rs'000
At June 30, 2016			
Cost	**257,048**	**857,774**	**1,114,822**
Accumulated depreciation	**(16,752)**	**(296,908)**	**(313,660)**
Net book value	**240,296**	**560,866**	**801,162**
At June 30, 2015			
Cost	194,656	512,644	707,300
Accumulated depreciation	(15,013)	(124,889)	(139,902)
Net book value	179,643	387,755	567,398
THE COMPANY			
At June 30, 2016			
Cost	**210,704**	**522,477**	**733,181**
Accumulated depreciation	**(16,752)**	**(135,544)**	**(152,296)**
Net book value	**193,952**	**386,933**	**580,885**
At June 30, 2015			
Cost	194,656	512,644	707,300
Accumulated depreciation	(15,013)	(124,889)	(139,902)
Net book value	179,643	387,755	567,398

6. INTANGIBLE ASSETS

	THE GROUP				THE COMPANY		
	Trademarks	Computer software	Goodwill	Total	Trademarks	Computer software	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) COST							
At July 1, 2015	193,000	18,320	6,175	217,495	193,000	15,881	208,881
Additions	-	264	-	264	-	264	264
Acquisition through business combination	-	16,612	597,223	613,835	-	-	-
Exchange differences	-	(239)	(9,217)	(9,456)	-	-	-
At June 30, 2016	**193,000**	**34,957**	**594,181**	**822,138**	**193,000**	**16,145**	**209,145**
AMORTISATION							
At July 1, 2015	-	14,243	-	14,243	-	11,831	11,831
Charge for the year	-	1,060	-	1,060	-	956	956
Acquisition through business combination	-	15,848	-	15,848	-	-	-
Exchange differences	-	(224)	-	(224)	-	-	-
At June 30, 2016	**-**	**30,927**	**-**	**30,927**	**-**	**12,787**	**12,787**
NET BOOK VALUE							
At June 30, 2016	**193,000**	**4,030**	**594,181**	**791,211**	**193,000**	**3,358**	**196,358**
(b) COST							
At July 1, 2014	-	17,432	6,175	23,607	-	14,972	14,972
Additions	193,000	963	-	193,963	193,000	909	193,909
Exchange differences	-	(75)	-	(75)	-	-	-
At June 30, 2015	193,000	18,320	6,175	217,495	193,000	15,881	208,881
AMORTISATION							
At July 1, 2014	-	13,376	-	13,376	-	10,975	10,975
Charge for the year	-	940	-	940	-	856	856
Exchange differences	-	(73)	-	(73)	-	-	-
At June 30, 2015	-	14,243	-	14,243	-	11,831	11,831
NET BOOK VALUE							
At June 30, 2015	193,000	4,077	6,175	203,252	193,000	4,050	197,050

Goodwill acquired through business combination, amounting to Rs 597M, includes goodwill arising on acquisition of Rs 555M (note 29 d) and goodwill acquired of Rs 42M (note 29 c).

The directors have considered the relevant factors in respect of determining the useful life of trademarks and goodwill. As there is no foreseeable limit to the period over which the trademarks are expected to generate net cash inflows for the group, trademarks have been assessed as having an indefinite useful life.

(c) AMORTISATION

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Cost of sales	**33**	-	**-**	-
Administrative expenses	**1,027**	940	**956**	856
	1,060	940	**956**	856

6. INTANGIBLE ASSETS (CONTINUED)

(d) IMPAIRMENT TEST ON TRADEMARKS AND GOODWILL

	THE GROUP AND THE COMPANY	
	2016	2015
Trademarks	Rs'000	Rs'000
Trademarks (note (i))	193,000	193,000

	THE GROUP	
	2016	2015
Goodwill	Rs'000	Rs'000
Edena S.A. and its subsidiaries (note (i))	588,006	-
The (Mauritius) Glass Gallery Ltd (note (ii))	6,175	6,175
	594,181	6,175

The Directors have assessed impairment at the reporting date and are satisfied that no impairment loss should be recognised.

The Group tests trademarks and goodwill annually for impairment, or more frequently if there are indicators that goodwill and trademarks might be impaired. There were no indicators of any impairment of goodwill and trademarks during the two years ended June 30, 2016.

(i) The recoverable amounts of trademarks and goodwill of Edena S.A. and its subsidiaries (Edena Group), have been determined based on their value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management. Value-in-use was determined by discounting the future cash flows generated from the continuing use of trademarks and the cash generating unit of Edena Group respectively using a pre-tax discount rate.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of trademarks and Edena Group to at least maintain their respective market share. The assumptions used for the value-in-use calculations are as follows:

- cash flows were projected based on actual operating results extrapolated using an annual growth rate of 4% (2015:4%) for a period of five years;
- cash flows after the five years period were extrapolated using a perpetual growth rate of 2% (2015:2%) in order to calculate the terminal recoverable amount.

The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC) of 9.12% - 13.44% (2015: 10%). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service.

The Directors believe that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of trademarks and goodwill of Edena Group to exceed their aggregate recoverable amount.

(ii) The goodwill of The (Mauritius) Glass Gallery Ltd is not significant compared to the total carrying amount of goodwill and, as such, no further disclosure has been made.

7. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2016	2015
(a) Unquoted	Rs'000	Rs'000
At July 1,	67,532	71,013
Additions	837,522	-
Increase/(decrease) in fair value of securities	13,557	(3,481)
At June 30,	918,611	67,532

Investments in subsidiaries comprise unquoted equity securities, which are categorised as Available-for-sale (AFS) and accounted at fair value in the Company's separate financial statements.

The Directors are of the opinion that no impairment adjustment is required.

(b) Details of the Company's subsidiaries are as follows:

Name of company	Country of operation and incorporation	Year ended	Main business	Class of shares held	Share capital (Rs)	Percentage holding and voting power – The Company 2016	The Company 2015	Group companies 2016	Group companies 2015
The (Mauritius) Glass Gallery Ltd	Mauritius	June 30	Manufacture and sale of glass related products	Ordinary	5,110,000	76.00%	76.00%	-	-
MBL Offshore Ltd	Mauritius	June 30	Investment	Ordinary	27,215,400	100.00%	100.00%	-	-
Mauritius Breweries	The British					-	-	-	-
International Ltd	Virgin Islands	June 30	Investment	Ordinary	27	-	-	100.00%	100.00%
Phoenix Beverages Overseas Ltd	Mauritius	June 30	Export of beverages	Ordinary	25,000	99.96%	99.96%	-	-
Helping Hands Foundation	Mauritius	June 30	Charitable institution	Ordinary	10,000	48.00%	48.00%	52.00%	52.00%
Phoenix Camp Minerals Offshore Ltd	Mauritius	June 30	Investment	Ordinary	86	100.00%	100.00%	-	-
Phoenix Distributors Ltd	Mauritius	June 30	Distributor of beverages	Ordinary	206,000	97.33%	97.33%	-	-
Phoenix Foundation	Mauritius	June 30	Charitable institution	Ordinary	1,000	100.00%	100.00%	-	-
Phoenix Réunion SARL	Réunion	June 30	Distributor of beverages and other commodities	Ordinary	342,640	-	-	100.00%	100.00%
Edena S.A.	Réunion	June 30	Bottling and sale of soft drinks, table water and alternative beverages	Ordinary	138,594,435	100.00%	-	-	-
Espace Solution Réunion S.A.S.	Réunion	June 30	Distributor of beverages and other commodities	Ordinary	54,313,672	-	-	100.00%	-
SCI Edena	Réunion	June 30	Property holding	Ordinary	40,250	-	-	100.00%	-

The Directors are of the opinion that non-controlling interests are not material to the group.

8. INVESTMENTS IN ASSOCIATES

(a) THE GROUP

	2016	2015
	Rs'000	Rs'000
At July 1,	**7,524**	9,361
Share of results	**272**	219
Other movement in reserves	**(420)**	(2,056)
At June 30,	**7,376**	7,524

(b) THE COMPANY

	2016	2015
	Rs'000	Rs'000
At July 1,	**3,110**	2,955
Increase in fair value of securities	**123**	155
At June 30,	**3,233**	3,110

Investments in associate, at fair value, comprise unquoted equity securities.

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

(c) The associates, all of which are unlisted, are as follows:

2016

Name of company	Principal place of business and country of incorporation	Year ended	Main business	Class of shares held	% Holding and voting rights held: The Company	% Holding and voting rights held: Other Group Companies
Crown Corks Industries Ltd	Mauritius	June 30	Rental of property	Ordinary	**30.36%**	-

2015

Name of company	Principal place of business and country of incorporation	Year ended	Main business	Class of shares held	% Holding and voting rights held: The Company	% Holding and voting rights held: Other Group Companies
Crown Corks Industries Ltd	Mauritius	June 30	Rental of property	Ordinary	30.36%	-

(i) The above associate has been accounted for using the equity method.

(d) Summarised financial information

Summarised financial information in respect of the associate is set out below.

Name	Current assets	Non-current assets	Current liabilities	Revenue	Profit for the year	Other comprehensive loss for the year	Total comprehensive loss for the year	Dividends received during the year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2016								
Crown Corks Industries Ltd	**14,470**	**9,981**	**160**	**2,115**	**897**	**(1,385)**	**(488)**	-
2015								
Crown Corks Industries Ltd	13,027	11,823	71	1,883	721	(6,773)	(6,052)	-

Notes to the Financial Statements
YEAR ENDED JUNE 30, 2016

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

(e) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

Name	Opening net assets	Profit for the year	Other comprehensive loss for the year	Closing net assets	Ownership interest	Interest in associates	Goodwill	Carrying value
	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000
2016								
Crown Corks Industries Ltd	**24,779**	**897**	**(1,385)**	**24,291**	**30.36%**	**7,376**	**-**	**7,376**
2015								
Crown Corks Industries Ltd	30,831	721	(6,773)	24,779	30.36%	7,524	-	7,524

9. INVESTMENTS IN FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Available-for-sale financial assets				
At July 1,	**3,392**	10,009	**2,091**	8,547
Disposals	**-**	(6,456)	**-**	(6,456)
Exchange differences	**17**	(161)	**-**	-
At June 30,	**3,409**	3,392	**2,091**	2,091

Available-for-sale assets represents unquoted securities which are measured at cost less impairment.

Available-for-sale financial assets include the following:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost				
- Unquoted	**3,409**	3,392	**2,091**	2,091

Available-for-sale financial assets are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritian Rupee	**2,091**	2,091	**2,091**	2,091
Euro	**1,318**	1,301	**-**	-
	3,409	3,392	**2,091**	2,091

10. LONG-TERM RECEIVABLES

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Receivables from subsidiaries	**-**	-	**85,601**	84,202

The long-term receivables from subsidiaries are stated at amortised cost. The amounts due are net of provision for impairment loss of Rs 134,183,551 (2015: Rs 134,183,551).

Provision for impairment loss is determined by the company based on historical patterns of losses and on management estimates of uncollectible long term receivables.

(a) Movement in the provision for long term receivables are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**-**	-	**134,183**	114,183
Impairment loss recognised on receivables	**-**	-	**-**	20,000
At June 30,	**-**	-	**134,183**	134,183

(b) The receivables are unsecured, interest free and will not be recalled within the next twelve months.

10. LONG-TERM RECEIVABLES (CONTINUED)

(c) The carrying amounts of long term receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupee	-	-	2,915	2,915
Euro	-	-	82,686	81,287
	-	-	85,601	84,202

11. INVENTORIES

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Raw and packaging materials	266,396	272,814	218,201	269,922
Spare parts and consumables	63,903	54,031	60,934	54,031
Finished goods	272,900	206,374	174,215	129,735
Work in progress	44,748	32,610	44,748	32,610
Goods in transit	4,767	888	4,767	888
	652,714	566,717	502,865	487,186

The cost of inventory recognised as an expense includes Rs 9,206,000 (2015: Rs 13,336,320) for the Group and Rs 8,627,000 (2015: Rs 13,336,320) for the Company in respect of write-downs of inventory to net realisable value.

The inventories have been pledged as security for borrowings and are valued on a weighted average basis.

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Trade receivables (net of provisions)	410,534	257,038	181,626	156,596
Prepayments and other receivables	59,612	38,292	32,492	41,914
Receivables from group companies				
- Immediate holding company	-	220	-	220
- Enterprises in which ultimate holding Company has significant interest	26,493	31,020	26,493	31,020
- Fellow subsidiary	809	838	809	838
- Subsidiary companies	-	-	59,657	24,308
	497,448	327,408	301,077	254,896

Before accepting any new credit customer, the Group assesses the potential customer's credit worthiness and defines credit limits for the customer. Limits and scoring attributed to customers are reviewed twice a year. Out of the trade receivables balance at end of the year, Rs 22.7M (2015: Rs 26.5M) is due from the Group's largest customer. There are no other customers who represent more than 6% of the total balance of trade receivables.

The credit period is 30 days end of month for the Company and the Group.

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) At June 30, 2016, the amount of the provision was Rs 89,428,000 (2015: Rs 32,019,000) for the Group and Rs 24,608,000 (2015: Rs 21,148,000) for the Company. The individually impaired receivables are mainly related to receivables with overdue balances where recovery is expected to be remote. It was assessed that a proportion of these receivables is expected to be recovered. The ageing of these receivables is as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
2 to 6 months	9,054	10	-	-
Over 6 months	80,374	32,009	24,608	21,148
	89,428	32,019	24,608	21,148

(b) At June 30, 2016, trade receivables of Rs 27,093,000 (2015: Rs 48,210,000) for the Group and for the Company Rs 13,015,000 (2015: Rs 4,440,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
2 to 3 months	11,844	36,412	10,957	4,052
3 to 6 months	4,101	6,429	2,058	388
Over 6 months	11,148	5,369	-	-
	27,093	48,210	13,015	4,440

(c) The carrying amounts of trade receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupee	182,994	157,291	181,626	156,596
US Dollar	22,681	13,110	-	-
Euro	204,859	86,637	-	-
	410,534	257,038	181,626	156,596

(d) Movement in the provision for trade receivables are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	32,019	30,492	21,148	20,636
Acquisition through business combination	54,779	-	-	-
Impairment loss recognised on receivables	5,823	5,182	4,800	3,400
Receivables written off during the year as uncollectible	(3,193)	(3,655)	(1,340)	(2,888)
At June 30,	89,428	32,019	24,608	21,148

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

(e) The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

The carrying amount of trade and other receivables approximates their fair values.

(f) Bank borrowings are secured by fixed and floating charges over the receivables of the Group and Company.

13. STATED CAPITAL

THE GROUP AND THE COMPANY	Number of shares	Ordinary shares	Share premium	Total
Issued and fully paid		Rs'000	Rs'000	Rs'000
At July 1, and at June 30,	**16,447,000**	**164,470**	**202,492**	**366,962**

The holders of the fully paid ordinary shares are entitled to one voting right per share, carry a right to dividends but no right to fixed income.

The total number of ordinary shares issued is 16,447,000 (2015: 16,447,000) with a par value of Rs 10 per share (2015: Rs 10 per share). All issued shares are fully paid.

14. OTHER RESERVES

(a) THE GROUP

	REVALUATION AND OTHER RESERVES				
	Revaluation reserve	Capital reserve	Translation reserve	Fair value reserve	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2016					
At July 1, 2015					
- As previously reported	919,802	1,694	9,548	2,135	933,179
- Prior year adjustment	(3,616)	-	-	-	(3,616)
- As restated	916,186	1,694	9,548	2,135	929,563
Other movements in associates	-	-	-	(420)	(420)
Exchange differences	-	-	(11,869)	-	(11,869)
At June 30, 2016	**916,186**	**1,694**	**(2,321)**	**1,715**	**917,274**
2015					
At July 1, 2014					
- As previously reported	919,802	1,694	1,099	6,849	929,444
- Prior year adjustment	(3,616)	-	-	-	(3,616)
- As restated	916,186	1,694	1,099	6,849	925,828
Reclassification adjustments for gains on disposal of financial assets included in profit or loss	-	-	-	(2,658)	(2,658)
Other movements in associates	-	-	-	(2,056)	(2,056)
Exchange differences	-	-	8,449	-	8,449
At June 30, 2015	916,186	1,694	9,548	2,135	929,563

14. OTHER RESERVES (CONT'D)

(b) THE COMPANY

	REVALUATION AND OTHER RESERVES			
	Revaluation reserve	Capital reserve	Fair value reserve	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2016				
At July 1, 2015				
- As previously reported	919,642	1,832	59,437	980,911
- Prior year adjustment	(3,616)	-	-	(3,616)
- As restated	916,026	1,832	59,437	977,295
Increase in fair value of securities	-	-	13,680	13,680
At June 30, 2016	**916,026**	**1,832**	**73,117**	**990,975**
2015				
At July 1, 2014				
- As previously reported	919,642	1,832	65,421	986,895
- Prior year adjustment	(3,616)	-	-	(3,616)
- As restated	916,026	1,832	65,421	983,279
Decrease in fair value of securities	-	-	(3,326)	(3,326)
Reclassification adjustments for gains on disposal of financial assets included in profit or loss	-	-	(2,658)	(2,658)
At June 30, 2015	916,026	1,832	59,437	977,295

Revaluation reserve
Revaluation reserve relates to the revaluation of freehold land, yard and freehold buildings.

Translation reserve
Translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve
Fair value reserve comprises the cumulative net change in the fair value of subsidiaries and associates that has been recognised in other comprehensive income until the investments are derecognised or impaired.

15. BORROWINGS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
Current	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Bank overdrafts (note 28(b))	**16,933**	21,232	**-**	-
Bank loans	**104,255**	-	**69,680**	-
Other loans	**39,269**	-	**39,269**	-
Obligations under finance lease (see note (c))	**2,759**	4,740	**2,759**	4,740
	163,216	25,972	**111,708**	4,740
Non-current				
Bank loans	**790,583**	-	**627,120**	-
Other loans	**75,589**	-	**75,589**	-
Obligations under finance lease (see note (c))	**-**	2,759	**-**	2,759
	866,172	2,759	**702,709**	2,759
Total borrowings	**1,029,388**	28,731	**814,417**	7,499

(a) The borrowings include secured liabilities (bank overdrafts, bank loans, other loans and finance leases) amounting to Rs 1,029,388,000 (2015: Rs 28,731,000) for the Group and Rs 814,417,000 (2015: Rs 7,499,000) for the Company. The borrowings are secured by fixed and floating charges over the groups' assets and bearing interest at 2.00% - 8.00% per annum (2015: 3.00% - 9.00% per annum).

15. BORROWINGS (CONTINUED)

(b) The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
After one year and before two years	177,983	2,759	145,269	2,759
After two years and before three years	101,349	-	69,680	-
After three years and before five years	193,766	-	139,360	-
After five years	393,074	-	348,400	-
	866,172	2,759	702,709	2,759

(c) Finance leases liabilities - minimum lease payments:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Amounts payable				
- within one year	2,875	5,099	2,875	5,099
- after one year and before two years	-	2,875	-	2,875
	2,875	7,974	2,875	7,974
Future finance charges on finance leases	(116)	(475)	(116)	(475)
Present value of finance lease liabilities	2,759	7,499	2,759	7,499

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Representing present value of minimum lease payments:				
- within one year	2,759	4,740	2,759	4,740
- after one year and before two years	-	2,759	-	2,759
	2,759	7,499	2,759	7,499

The fair values of finance lease liabilities are approximately equal to their carrying amounts.

The average effective borrowing rate was 8.00% per annum (2015: 8.14% p.a.).

Leasing arrangements

Finance leases relate to machinery and motor vehicles with lease terms of five years. The Group has options to purchase the machinery and motor vehicles for a nominal amount at the conclusion of the lease agreements. The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

(d) Non current borrowings can be analysed as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
- After one year and before two years				
Bank loans	102,394	-	69,680	-
Other loans	75,589	-	75,589	-
	177,983	-	145,269	-
- After two years and before three years				
Bank loans	101,349	-	69,680	-
- After three years and before five years				
Bank loans	193,766	-	139,360	-
- After five years				
Bank loans	393,074	-	348,400	-

15. BORROWINGS (CONTINUED)

(e) The effective interest rates at the end of the reporting period were as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	%	%	%	%
Bank overdrafts	4.00	3.00	-	-
Bank and other loans	2.00 - 6.90	-	3.65 - 6.90	-
Finance leases	8.00	8.00 - 9.00	8.00	8.00 - 9.00

(f) The carrying amounts of the borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupee	352,759	7,499	352,759	7,499
Euro	676,629	21,232	461,658	-
	1,029,388	28,731	814,417	7,499

16. DEFERRED TAX LIABILITIES

Deferred tax liabilities and assets are offset when they relate to the same fiscal authority. The following amounts are shown in the statements of financial position:

	THE GROUP		THE COMPANY	
		Restated		Restated
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities	205,705	198,247	199,187	198,265

Deferred tax liabilities are calculated on all temporary differences under the liability method at tax rate of 17% (2015: 17%). The movements on the deferred tax account are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,				
- As previously reported	174,922	160,010	174,940	161,812
- Prior year adjustment	23,325	21,574	23,325	21,574
- As restated	198,247	181,584	198,265	183,386
Acquisition through business combination	6,595	-	-	-
Charge to profit or loss (note 19(c))	4,142	14,067	4,201	12,280
(Credit)/charge to other comprehensive income	(3,279)	2,596	(3,279)	2,599
At June 30,	205,705	198,247	199,187	198,265

Deferred tax liabilities and assets, deferred tax charge/(credit) in the statements of profit or loss and other comprehensive income are attributable to the following items:

Notes to the Financial Statements
YEAR ENDED JUNE 30, 2016

16. DEFERRED TAX LIABILITIES (CONTINUED)

(a) THE GROUP

2016	At July 1, 2015 As previously reported	Prior year adjustment	As restated	Acquisition through business combination	Charge/(credit) to profit or loss	Credit to other comprehensive income	At June 30, 2016
	Rs'000			Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities							
Accelerated tax depreciation	204,710	27,272	231,982	6,595	4,466	-	243,043
Deferred tax assets							
Retirement benefit obligations	(29,788)	(3,947)	(33,735)	-	(324)	(3,279)	(37,338)
Net deferred tax liabilities	174,922	23,325	198,247	6,595	4,142	(3,279)	205,705

2015	At July 1, 2014 As previously reported	Prior year adjustment	As restated	Charge/(credit) to profit or loss	Charge to other comprehensive income	At June 30, 2015
	Rs'000			Rs'000	Rs'000	Rs'000
Deferred tax liabilities						
Accelerated tax depreciation	192,902	25,709	218,611	13,371	-	231,982
Deferred tax assets						
Tax losses carried forward	(1,703)	-	(1,703)	1,703	-	-
Retirement benefit obligations	(31,189)	(4,135)	(35,324)	(1,007)	2,596	(33,735)
	(32,892)	(4,135)	(37,027)	696	2,596	(33,735)
Net deferred tax liabilities	160,010	21,574	181,584	14,067	2,596	198,247

(b) THE COMPANY

2016	At July 1, 2015 As previously reported	Prior year adjustment	As restated	Charge/(credit) to profit or loss	Charge to other comprehensive income	At June 30, 2016
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities						
Accelerated depreciation	204,543	27,272	231,815	4,597	-	236,412
Deferred tax assets						
Retirement benefit obligations	(29,603)	(3,947)	(33,550)	(396)	(3,279)	(37,225)
Net deferred tax liabilities	174,940	23,325	198,265	4,201	(3,279)	199,187

2015	At July 1, 2015 As previously reported	Prior year adjustment	As restated	Charge/(credit) to profit or loss	Charge to other comprehensive income	At June 30, 2015
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities						
Accelerated depreciation	192,824	25,709	218,533	13,282	-	231,815
Deferred tax assets						
Retirement benefit obligations	(31,012)	(4,135)	(35,147)	(1,002)	2,599	(33,550)
Net deferred tax liabilities	161,812	21,574	183,386	12,280	2,599	198,265

17. RETIREMENT BENEFIT OBLIGATION

	THE GROUP 2016	THE GROUP 2015	THE COMPANY 2016	THE COMPANY 2015
	Rs'000	Rs'000	Rs'000	Rs'000
Amounts recognised in the statements of financial position				
Pension scheme (note (i))	219,547	197,827	218,959	197,344
Analysed as follows:				
Non-current liabilities	219,547	197,827	218,959	197,344
Charge to profit or loss				
- Pension benefits (note (iv))	18,454	20,838	18,421	20,804
Charge/(credit) to other comprehensive income				
- Pension benefits (note (v))	19,360	(15,273)	19,288	(15,287)

Pension scheme

The assets of the funded plan are held independently in a registered superannuation fund (GML Pension Fund). Retirement benefit obligations have been provided for based on the report from The Anglo-Mauritius Assurance Society Ltd dated June 16, 2016.

(i) The amounts recognised in the statements of financial position are as follows:

	THE GROUP 2016	THE GROUP 2015	THE COMPANY 2016	THE COMPANY 2015
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligations	313,258	292,991	312,670	292,508
Fair value of plan assets	(137,195)	(137,619)	(137,195)	(137,619)
	176,063	155,372	175,475	154,889
Present value of unfunded obligations	43,484	42,455	43,484	42,455
Liability in the statements of financial position	219,547	197,827	218,959	197,344

The reconciliation of the opening balances to the closing balances for the net benefit defined liability is as follows:

	THE GROUP 2016	THE GROUP 2015	THE COMPANY 2016	THE COMPANY 2015
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	197,827	207,172	197,344	206,737
Amount recognised in other comprehensive income	19,360	(15,273)	19,288	(15,287)
Amount recognised in profit or loss (note 23)	18,454	20,838	18,421	20,804
Contributions paid *	(16,094)	(14,910)	(16,094)	(14,910)
At June 30,	219,547	197,827	218,959	197,344

*The figures are in respect of residual defined benefit liabilities on top of the defined contributions part of the GML Pension Fund and exclude cash payments which are treated as defined contributions and amounted to Rs 22,425,847 (2015: Rs 21,967,254) for the Group and Rs 21,775,273 (2015: Rs 21,591,164) for the Company.

17. RETIREMENT BENEFIT OBLIGATION (CONTINUED)

(a) Pension scheme (continued)

(ii) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligation at start of year	292,508	297,304	292,508	296,869
Present value of unfunded obligation at start of year	42,938	39,569	42,455	39,569
Current service cost	5,591	5,310	5,589	5,309
Interest cost	21,733	25,130	21,702	25,097
Liability loss/(gain) due to change in financial assumptions	7,298	(17,640)	7,226	(17,654)
Benefit paid	(13,326)	(14,227)	(13,326)	(14,227)
Balance at 30 June,	356,742	335,446	356,154	334,963

(iii) The movement in the fair value of plan assets of the year is as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July,	137,619	129,701	137,619	129,701
Interest income	8,870	9,602	8,870	9,602
Employer contributions	16,094	14,910	16,094	14,910
Benefits paid	(13,326)	(14,227)	(13,326)	(14,227)
Actuarial loss	(12,062)	(2,367)	(12,062)	(2,367)
Balance at 30 June,	137,195	137,619	137,195	137,619

(iv) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Service cost	5,591	5,310	5,589	5,309
Net interest cost	12,863	15,528	12,832	15,495
	18,454	20,838	18,421	20,804

(v) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Remeasurement on the net defined benefit liability:				
Liability experience loss/(gain) due to change in financial assumptions	12,062	(17,640)	12,062	(17,654)
Actuarial loss	7,298	2,367	7,226	2,367
Actuarial losses/(gains) recognised in other comprehensive income	19,360	(15,273)	19,288	(15,287)

17. RETIREMENT BENEFIT OBLIGATION (CONTINUED)

(vi) The fair value of the plan assets at the end of the reporting period for each category, are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalents	9,055	7,431	9,055	7,431
Equity investments categorised by industry type:				
- Banks & Insurance	16,463	19,542	16,463	19,542
- Industry	1,646	1,927	1,646	1,927
- Investment	11,662	11,422	11,662	11,422
- Leisure & Hotels	7,271	6,468	7,271	6,468
- Sugar	-	138	-	138
- Commerce	2,470	3,303	2,470	3,303
- Transport	-	413	-	413
- Others	1,372	1,651	1,372	1,651
Fixed interest instruments	41,159	31,102	41,159	31,102
Properties *(categorised by nature and location):*				
- Commercial properties in Mauritius	1,372	1,514	1,372	1,514
Investment funds	33,201	43,625	33,201	43,625
Private equity	11,524	9,083	11,524	9,083
Total Market value of assets	137,195	137,619	137,195	137,619
Actual return on plan assets	(3,192)	7,235	(3,192)	7,235

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties and derivatives are not based on quoted market prices in active markets.

(vii) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP AND THE COMPANY	
	2016	2015
	%	%
Discount rate	6.5	6.5
Expected salary increases	5.0	5.0
Expected NPS increase	5.5	5.5
Future pension increases	2.5	2.5

Expected future lifetime for a 60 year old:	2016	2015
	Years	Years
Male	21	21
Female	24	24

(viii) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
Decrease in defined benefit obligation due to 1% increase in discount rate	106,074	105,913
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	56,204	56,004

The sensitivities above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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17. RETIREMENT BENEFIT OBLIGATION (CONTINUED)

(ix) The defined benefit pension plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk and salary risk.

Longevity Risk - The liabilities disclosed are based on the mortality tables A 67/70 and PA (92). Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.

Interest Rate Risk - If the Bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.

Investment Risk - The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary Risk - If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

(x) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xi) The Group expects to pay Rs 10.5M in contributions to its post-employment benefit plans for the year ending June 30, 2017.

(xii) The weighted average duration of the defined benefit obligation is 7-14 years for the Group and 7-10 years for the Company at the end of the reporting period (2015: 8-16 years for the Group and 8-10 years for the Company).

18. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	361,660	200,572	178,883	129,657
Deposits from customers (see note (b))	55,081	48,403	55,081	48,403
Amounts due to Group companies:				
- Fellow subsidiary	2,206	1,001	2,206	1,001
- Subsidiaries	-	-	1,616	1,216
- Enterprises in which ultimate holding Company has significant interest	4,523	9,406	4,523	9,389
Accrued expenses and other payables	311,323	211,236	201,623	177,814
	734,793	470,618	443,932	367,480

The carrying amounts of trade and other payables approximate their fair values.

(a) The credit period on purchase of goods is 30 days. No interest is charged by trade payables. The Group has policies to ensure that all payables are paid within the credit timeframe.

18. TRADE AND OTHER PAYABLES (CONTINUED)

(b) Deposits from customers on containers

	THE GROUP AND THE COMPANY	
	2016	2015
	Rs'000	Rs'000
At July 1,	48,403	36,369
Net increase in deposits	6,678	12,034
At June 30,	55,081	48,403

(c) The carrying amounts of trade payables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupee	121,767	70,716	120,766	66,723
US Dollar	42,700	47,198	40,983	47,198
Euro	193,213	82,033	13,154	15,111
Other	3,980	625	3,980	625
	361,660	200,572	178,883	129,657

19. TAXATION

(a) **Income tax**
Income tax is calculated at 15% (2015: 15%) on the profit for the year as adjusted for income tax purposes.

Corporate Social Responsibility
The Company is required to set up a CSR fund equivalent to 2% of its chargeable income of the preceding year to implement a CSR programme in accordance with its own CSR framework. Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Director-General at the time of submission of the income tax return of the year under review.

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
(b) **Tax liability**				
At July 1,	12,763	11,447	12,777	11,464
Acquisition through business combination	7,588	-	-	-
Current tax on the adjusted profit for the year 15% (2015: 15%)	65,394	51,609	59,934	51,609
Underprovision in previous year	3,895	1,080	3,895	1,080
Tax deducted at source	(96)	-	(96)	-
Tax paid	(59,692)	(51,373)	(58,333)	(51,376)
Exchange difference	(117)	-	-	-
At June 30,	29,735	12,763	18,177	12,777

	THE GROUP		THE COMPANY	
		Restated		Restated
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
(c) **Tax expense**				
Current tax on the adjusted profit for the year 15% (2015: 15%)	65,394	51,609	59,934	51,609
CSR contribution	7,407	6,904	7,407	6,904
Underprovision in previous year	3,895	1,080	3,895	1,080
	76,696	59,593	71,236	59,593
Deferred tax charge to profit or loss (note 16)	4,142	14,067	4,201	12,280
Tax expense	80,838	73,660	75,437	71,873

19. TAXATION (CONTINUED)

(d) The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Group and the Company as follows:

	THE GROUP		THE COMPANY	
		Restated		Restated
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Profit before taxation	431,193	391,996	418,157	395,981
Tax calculated at the rate of 17% (2015: 17%)	73,303	66,639	71,087	67,317
Tax effect of:				
Income not subject to tax	(5,781)	(1,152)	(1,888)	(1,637)
Expenses not deductible for tax purposes	1,883	332	401	3,257
CSR Contribution	1,260	1,174	1,260	1,174
Differential in tax rate	(911)	(4,044)	-	-
Underprovision in previous year	3,895	1,080	3,895	1,080
Depreciation of non-qualifying assets	682	682	682	682
Effect of tax on associated companies	46	37	-	-
Deferred tax asset on tax losses not recognised	6,197	8,514	-	-
Deferred tax asset under provided in previous years	-	(37)	-	-
Tax losses lapsed	264	435	-	-
Tax charge	80,838	73,660	75,437	71,873

20. DEFERRED REVENUE

	THE GROUP	
	2016	2015
	Rs'000	Rs'000
Arising from government grant	70,603	-
Current	5,065	
Non current	65,538	
	70,603	-

The deferred revenue arises as a result of the benefits received on property, plant and equipment by one of the subsidiary of the groups following their capital expenditure incurred on building improvements and some plant and machinery. This deferred revenue will be released and offset against the depreciation charges over the useful life of the underlying asset.

21. DIVIDENDS

	THE COMPANY	
	2016	2015
	Rs'000	Rs'000
Dividends paid		
2016: Rs 9.60 per share (2015: Rs 9.00 per share)	157,892	148,023

22. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Depreciation (note 5)	225,177	210,322	209,726	208,607
Amortisation of intangible assets (note 6)	1,060	940	956	856
Employee benefit expense (note 23)	601,204	544,674	504,651	485,913
Changes in inventories of finished goods and work in progress	(57,219)	596	(35,173)	(3,299)
Purchases of finished goods, Raw materials and consumables used	1,813,485	1,425,295	1,290,412	1,158,973
Excise and other specific duties	1,731,896	1,642,658	1,731,896	1,642,658
Other marketing and selling expenses	385,338	269,036	320,889	258,755
Impairment loss recognised on long-term receivables	-	-	-	20,000
Other expenses	429,548	601,136	531,848	532,602
Total cost of sales, warehousing, selling and marketing and administrative expenses	5,130,489	4,694,657	4,555,205	4,305,065

23. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Wages , salaries and other employee benefits	519,662	470,652	445,329	425,539
Social security costs	40,662	31,217	19,126	17,979
Pension costs - defined benefit plans (note 17(a)(iv))	18,454	20,838	18,421	20,804
Pension costs - defined contribution plans	22,426	21,967	21,775	21,591
	601,204	544,674	504,651	485,913

24. OTHER INCOME

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	5,883	3,142	5,819	3,060
Dividend income	73	184	73	184
Profit on disposal of investment in financial assets	-	2,546	-	2,546
Profit on disposal of plant and equipment	497	948	146	731
Sundry income	27,591	16,244	24,462	11,030
Net foreign exchange gains	26,424	7,129	23,359	13,608
	60,468	30,193	53,859	31,159

25. PROFIT BEFORE FINANCE COSTS

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Profit before finance costs is arrived at after **crediting:**				
Profit on disposal of plant and equipment	497	948	146	731
Profit on disposal of investment in financial assets	-	2,546	-	2,546
Government grants release **and charging:**	2,574	-	-	-
Cost of inventories expensed	3,350,449	3,137,407	3,097,778	2,849,882
Depreciation on property, plant and equipment				
- owned assets	222,759	206,879	207,308	205,164
- leased assets under finance lease	2,418	3,443	2,418	3,443
Amortisation of intangible assets (note 6)	1,060	940	956	856
Employee benefit expense (note 23)	601,204	544,674	504,651	485,913
Impairment loss recognised on long-term receivables (note 10)	-	-	-	20,000
Impairment loss recognised on trade receivables (note 12 (d)	5,823	5,182	4,800	3,400

26. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Bank overdrafts	924	1,991	134	1,111
Bank and other loans	13,096	1,447	11,983	1,447
Finance leases	359	1,294	359	1,294
	14,379	4,732	12,476	3,852

27. EARNINGS PER SHARE

	THE GROUP	
		Restated
	2016	2015
Profit attributable to owners of the Company (Rs'000)	351,262	319,624
Number of ordinary shares in issue	16,447,000	16,447,000
Earnings per share (Rs.cs) - Basic and Diluted	21.36	19.43

28. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
		Restated		Restated
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Cash generated from operations				
Profit before taxation	431,193	391,996	418,157	395,981
Adjustments for:				
Depreciation (note 5)	225,177	210,322	209,726	208,607
Amortisation of intangible assets (note 6)	1,060	940	956	856
Impairment loss recognised on long-term receivables (note 10)	-	-	-	20,000
Profit on sale of financial asset (note 24)	-	(2,546)	-	(2,546)
Profit on sale of plant and equipment (note 24)	(497)	(948)	(146)	(731)
Exchange differences	(128)	6,126	3,963	2,360
Impairment loss recognised on trade receivables	5,823	5,182	4,800	3,400
Impairment loss recognised on inventory (note 11)	9,206	13,336	8,627	13,336
Investment income (note 24)	(73)	(184)	(73)	(184)
Interest income (note 24)	(5,883)	(3,142)	(5,819)	(3,060)
Amortisation of government grant	(2,574)	-	-	-
Increase in pension provision	2,360	5,928	2,328	5,894
Interest expense	14,379	4,732	12,476	3,852
Share of results of associates	(272)	(219)	-	-
	679,771	631,523	654,995	647,765
Changes in working capital				
- Trade and other receivables	(129,200)	(74,133)	(52,380)	(11,322)
- Inventories	(28,988)	(16,192)	(24,306)	(20,087)
- Trade and other payables	158,334	46,204	71,904	(37,665)
Cash generated from operations	679,917	587,402	650,213	578,691

28. NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Bank and cash balances	196,927	214,835	109,810	186,103
Bank overdrafts (note 15)	(16,933)	(21,232)	-	-
Cash and cash equivalents	179,994	193,603	109,810	186,103

(c) The carrying amounts of cash and cash equivalents are denominated in the following currencies.

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupee	97,386	174,497	94,203	171,293
US Dollar	2,465	14,416	1,889	14,141
Euro	77,707	4,643	11,282	622
Other currencies	2,436	47	2,436	47
	179,994	193,603	109,810	186,103

29. BUSINESS COMBINATIONS

(a) Subsidiaries acquired

	Principal activity	Date of acquisition	Proportion of voting equity interests acquired
2016			**%**
Edena S.A.	Bottling and sale of soft drinks, table water and alternative beverages	April 1, 2016	100
Espace Solution Réunion S.A.S.	Distributor of beverages and other commodities	April 1, 2016	100
SCI Edena	Property holding	April 1, 2016	100

Total consideration transferred amounted to Rs 837,522,000.

Edena S.A. was acquired so as to continue the expansion of the Group's activities on bottling and sale of beer, soft drinks, table water and alternative beverages.

(b) Consideration transferred

	Edena S.A.
	Rs'000
Cash	724,743
Deferred consideration arrangement (i)	112,779
Total consideration	837,522

(i) Under the deferred consideration arrangement, the Group is required to pay the vendor as follows:

	Rs'000
At June 30, 2017	38,633
At June 30, 2018	74,146
	112,779

The above deferred consideration bears interest at 3% per annum and the fair value of the consideration is not contingent on the occurrence of any events or circumstances.

Acquisition-related costs amounting to Rs 17,049,921 have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in the current year, within the 'administrative expenses' line item.

Notes to the Financial Statements
YEAR ENDED JUNE 30, 2016

29. BUSINESS COMBINATIONS (CONTINUED)

(c) Assets acquired and liabilities recognised at the date of acquisition

	Edena S.A.
Current assets	Rs'000
Cash and cash equivalents	58,779
Trade and other receivables	171,522
Inventories	68,629
Non-current assets	
Property, plant and equipment	481,023
Intangible assets - goodwill (note 6)	42,440
- Computer software	764
Current liabilities	
Trade and other payables	(211,659)
Deferred revenue	(5,065)
Borrowings	(205,680)
Current tax liabilities	(7,588)
Non-current liabilities	
Deferred revenue	(69,257)
Borrowings	(34,574)
Deferred tax liability	(6,595)
	282,739

At the date of acquisition, the receivables (which principally comprise of trade receivables) do not have any contractual cash flows. The carrying amounts of the receivables acquired approximate their fair values.

(d) Goodwill arising on acquisition

	Edena S.A.
	Rs'000
Consideration transferred	837,522
Less: fair value of identifiable net assets acquired	(282,739)
Goodwill arising on acquisition (note 6)	554,783

Goodwill arose in the acquisition of Edena S.A. because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Edena S.A. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on acquisition is expected to be deductible for tax purposes.

(e) Net cash outflow on acquisition of subsidiary

	2016
	Rs'000
Consideration paid in cash	724,743
Less: Cash and cash equivalent balances acquired	(58,779)
	665,964

(f) Impact of acquisition on the results of the Group

As from the acquisition date, Edena SA profit of Rs 13.6M and revenue of Rs 161.6M have been included in the consolidated statement of comprehensive income for the reporting period.

If the acquisition were to have occurred on July 1, 2015, the Group's revenue and profit for the year would have increased by Rs 534.5M and Rs 63.2M respectively. The directors consider these 'pro-forma'numbers to represent an approximate measure of the performance of the combined group on an annualised basis to provide a reference point for comparison in future periods.

30. SEGMENTAL INFORMATION

THE GROUP

Segment information

IFRS 8 requires operating segments to be identified on the basis of reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Products and services from which reportable segments derive their revenues

The information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more specifically focussed on the geographical location of operations. The principal products from which segments derive revenue are beverages and glass recycled product.

Information regarding the Group's reportable segments is presented below.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

Segment revenues and segment results	Segment Revenue		Segment Result	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000 Restated
Local	4,943,241	4,684,807	424,784	416,171
Overseas	753,033	530,093	20,516	(19,662)
Total	5,696,274	5,214,900	445,300	396,509
Intersegment revenue	(180,953)	(153,927)	-	-
	5,515,321	5,060,973	445,300	396,509
Share of results of associates			272	219
Finance costs			(14,379)	(4,732)
Profit before taxation			431,193	391,996
Tax expense			(80,838)	(73,660)
Profit for the year			350,355	318,336

Overseas revenue represents sales made through subsidiaries to the Indian Ocean Islands, Australia, Africa and Europe.

Revenue reported above represents revenue generated from external customers and amounted to Rs 5.5 billion (2015: Rs 5.1 billion).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2(s). Segment profit represents the profit earned by each segment without allocation of share of results of associates, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities	Assets		Liabilities	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000 Restated
Local	4,642,005	3,867,373	1,695,635	768,585
Overseas	990,634	219,588	594,136	139,601
Consolidated assets/liabilities	5,632,639	4,086,961	2,289,771	908,186

30. SEGMENTAL INFORMATION (CONTINUED)

For the purposes of monitoring segment performance and allocating resources between segments:
• all assets are allocated to reportable segments.
• trade and other payables are allocated to reportable segments

Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
Local	211,176	209,822	201,506	507,601
Overseas	15,061	1,440	1,488	505
	226,237	211,262	202,994	508,106

Revenue from major products and services

The Group's revenue from continuing operations from its major products and services were as follows:

	2016	2015
	Rs'000	Rs'000
Beverages	5,504,059	5,049,905
Recycled glass and related products	11,262	11,068
	5,515,321	5,060,973

Information about major customers

The Group has a diverse portfolio of domestic and foreign customers and no individual customer exceeds 10% of total revenue.

Segment assets consist primarily of property, plant and equipment, motor vehicles, intangible assets, inventories, receivables and exclude investments in associates. Segment liabilities comprise operating liabilities. Capital expenditure comprises additions to property, plant and equipment, motor vehicles, office equipment and intangible assets.

Notes to the Financial Statements
YEAR ENDED JUNE 30, 2016

31. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party respectively of the Group are Phoenix Investment Company Limited and IBL Ltd (formerly GML Investissement Ltée), both incorporated in Mauritius.

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties and outstanding balances due from/ to related parties are disclosed below:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs'000	Rs'000	Rs'000	Rs'000
(i) Dividend				
Fellow subsidiaries	27	24	27	24
(ii) Sales of				
Subsidiaries	-	-	117,707	109,778
Enterprise in which ultimate holding Company has significant interest	244,458	222,357	244,458	222,357
Fellow subsidiaries	717	699	717	699
(iii) Purchase of goods or services				
Subsidiaries	-	-	18,612	22,691
Enterprise in which ultimate holding Company has significant interest	59,200	63,840	59,169	63,642
(iv) Management fees/interest paid				
Entreprises in which ultimate holding Company has significant interest	356	1,236	356	1,236
Fellow subsidiaries	106,206	97,228	106,206	97,228
(v) Management fees/interest received				
Entreprises in which ultimate holding Company has significant interest	4,012	1,112	4,012	1,112
Fellow subsidiaries	-	6	-	6
(vi) Rechargeable cost				
Immediate holding company	780	-	780	-
Subsidiaries	-	-	27,835	19,401
(vii) Outstanding balances				
Receivables from related parties				
Subsidiaries	-	-	276,042	242,694
Immediate holding company	-	220	-	220
Entreprises in which ultimate holding Company has significant interest	26,493	31,020	26,493	31,020
Fellow subsidiary	809	838	809	838
Payables to related parties				
Subsidiaries	-	-	1,616	1,216
Entreprises in which ultimate holding Company has significant interest	4,523	9,406	4,523	9,389
Fellow subsidiary	2,206	1,001	2,206	1,001

31. RELATED PARTY TRANSACTIONS (CONTINUED)

Sales of goods or services to related parties were made at the Group's usual list prices. Purchases were made at market prices.

The amounts outstanding are unsecured, interest free and will be settled in cash. No guarantee has been given or received. Except for an amount of Rs 134,183,551 (2015: Rs 134,183,551) recognised as impairment loss in respect of amounts due from subsidiaries and associates, no other expense has been recognised for bad or doubtful debts in respect of the amounts owed by related parties.

Compensation to Key Management Personnel is borne by a subsidiary of the intermediate holding company.

32. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Capital commitments contracted for and not provided in the financial statements:				
Property, plant and equipment	**194,970**	50,925	**194,970**	50,925

33. OPERATING LEASE ARRANGEMENTS

Operating lease commitments - where the Group is the lessee.

Operating lease relates to land and motor vehicles with renewal options for the land only. The Group does not have an option to purchase the leased assets. The lease periods end between December 2016 and October 2020 for motor vehicles, for the Group and the Company.

The payment recognised as an expense under operating leases are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Payment recognised as an expense	**25,905**	17,390	**25,905**	17,390

The future aggregate minimum lease payments under operating leases are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Not later than one year	**25,786**	17,179	**20,899**	17,179
Later than one year and not later than five years	**32,735**	35,808	**29,854**	35,808
	58,521	52,987	**50,753**	52,987

34. CONTINGENT LIABILITIES

At June 30, 2016 the Group and the Company had contingent liabilities in respect of bank guarantees of Rs 226.6m (2015: Rs 33.2m) arising in the ordinary course of business.

35. PRIOR YEAR ADJUSTMENTS

In prior years, the Group and the Company used to calculate deferred tax on the actual corporate tax rate prevailing in Mauritius which is at 15%. However, following recent discussions and consultation by the directors with experts in the industry, it was agreed that the 2% Corporate Social Responsibility (CSR) Contribution as imposed by the Government should also be considered in the computation of the deferred tax.

Consequently deferred tax has been computed at 17%, and given the substantial impact of the effect of the adjustment in tax rate, amount pertaining to prior years has been accounted as a prior year adjustment. Comparative figures have been restated accordingly. CSR Contribution previously accounted under Administrative expenses has now been reclassified under Tax expense.

Impact on total comprehensive income for the year ended June 30, 2015

Impact on profit for the year	THE GROUP	THE COMPANY
	2015	2015
	Rs'000	Rs'000
Decrease in administration expenses	6,904	6,904
Increase in income tax expenses	(8,349)	(8,349)
Decrease in profit for the year	(1,445)	(1,445)
Impact on other comprehensive income for the year	2015	2015
	Rs'000	Rs'000
Increase in income tax relating to items of other comprehensive income	(306)	(306)
Decrease in other comprehensive income for the year	(306)	(306)
Decrease in total comprehensive income for the year	(1,751)	(1,751)
Impact on earnings per share		
Decrease in earnings per share (Rs.cs)	(0.11)	

Impact on assets, liabilities and equity as at July 1, 2014

	THE GROUP			THE COMPANY		
	At July 1, 2014 as previously reported	Prior year adjustments	At July 1, 2014 as restated	At July 1, 2014 as previously reported	Prior year adjustments	At July 1, 2014 as restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities	(161,812)	(21,574)	(183,386)	(161,812)	(21,574)	(183,386)
Total effect on net assets	(161,812)	(21,574)	(183,386)	(161,812)	(21,574)	(183,386)
Other reserves	929,444	(3,616)	925,828	986,895	(3,616)	983,279
Retained earnings	1,717,355	(17,958)	1,699,397	1,741,042	(17,958)	1,723,084
Total effect on equity	2,646,799	(21,574)	2,625,225	2,727,937	(21,574)	2,706,363

35. PRIOR YEAR ADJUSTMENTS (CONTINUED)

Impact on assets, liabilities and equity as at June 30, 2015

	THE GROUP			THE COMPANY		
	At July 1, 2015 as previously reported	Prior year adjustments	At July 1, 2015 as restated	At July 1, 2015 as previously reported	Prior year adjustments	At July 1, 2015 as restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities	(174,922)	(23,325)	(198,247)	(174,940)	(23,325)	(198,265)
Total effect on net assets	(174,922)	(23,325)	(198,247)	(174,940)	(23,325)	(198,265)
Other reserves	933,179	(3,616)	929,563	980,911	(3,616)	977,295
Retained earnings	1,903,386	(19,709)	1,883,677	1,931,566	(19,709)	1,911,857
Total effect on equity	2,836,565	(23,325)	2,813,240	2,912,477	(23,325)	2,889,152

Impact on assets, liabilities and equity as at June 30, 2016

	THE GROUP	THE COMPANY
	Prior year adjustments	Prior year adjustments
	Rs'000	Rs'000
Increase in deferred tax liabilities	23,325	23,325
Decrease in net assets	23,325	23,325
Decrease in other reserves	(3,616)	(3,616)
Decrease in retained earnings	(19,709)	(19,709)
Decrease in equity	(23,325)	(23,325)

Notice of Annual Meeting to Shareholders

Notice is hereby given that the Annual Meeting of Shareholders of **Phoenix Beverages Limited** will be held at Phoenix House, Phoenix on **Wednesday, November 30, 2016 at 9.30** hours to transact the following business in the manner required for the passing of the following RESOLUTIONS:

AS ORDINARY RESOLUTIONS:

1. To consider the Annual Report 2016 of the Company.
2. To receive the report of Messrs Deloitte, the auditors of the Company.
3. To consider and adopt the Group's and Company's audited financial statements for the year ended June 30, 2016.
4. To elect as Director of the Company, Mr Hugues Lagesse[1] who has been nominated by the Board and who offers himself for election.
5. To elect as Director of the Company, Mr Reshan Rambocus[1] who has been nominated by the Board and who offers himself for election.
6. To re-elect by rotation on the recommendation of the Corporate Governance Committee, Mr Jan Boullé[1] who offers himself for re-election as Director of the Company.
7. To re-elect by rotation, on the recommendation of the Corporate Governance Committee, Mr Arnaud Lagesse[1] who offers himself for re-election as Director of the Company.
8. To re-elect by rotation, on the recommendation of the Corporate Governance Committee, Mr Thierry Lagesse[1] who offers himself for re-election as Director of the Company.
9. To re-elect, on the recommendation of the Corporate Governance Committee, as Alternate Director of the Company to hold office until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001, Mrs Marguerite Hugnin[1] who offers herself for re-election.
10. To fix the remuneration of the Directors for the year to June 30, 2017 and to ratify the emoluments paid to the Directors for the year ended June 30, 2016.
11. To reappoint Messrs Deloitte as auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.
12. To ratify the remuneration paid to the auditors for the financial year ended June 30, 2016.

BY ORDER OF THE BOARD

Thierry Labat
IBL MANAGEMENT LtD
Company Secretary

September 1, 2016

NOTES:

1. *A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *The instrument appointing a proxy or any general power of attorney shall be deposited at the Share Registry and Transfer Office of the Company, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebène, by Tuesday, November 29, 2016 at 9.30 hours and in default, the instrument of proxy shall not be treated as valid.*
3. *A proxy form is included in this Annual Report and is also available at the registered office of the Company.*
4. *For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting shall be those shareholders whose names are registered in the share register of the Company as at November 4, 2016.*
5. *The minutes of the Annual Meeting held on December 2, 2015 are available for consultation by the shareholders during office hours at the registered office of the Company, IBL House, Caudan Waterfront, Port Louis.*
6. *The minutes of the Annual Meeting to be held on November 30, 2016 will be available for consultation and comments during office hours at the registered office of the Company, IBL House, Caudan Waterfront, Port Louis from February 1 to February 15, 2017.*

Footnote [1]: The profiles and categories of the Directors proposed for re-election are set out at pages 62 to 65 of the Annual Report 2016.

Shareholders' Corner

Meeting procedures

Q: Who can attend the Annual Meeting?

A: In compliance with Section 120(3) of the Companies Act 2001, the Board has resolved that anyone who is registered in the share register of Phoenix Beverages Limited as at November 4 2016 is entitled to attend the meeting.

Q: Who can vote at the Annual Meeting?

A: If you are registered on the share register of Phoenix Beverages Limited as at November 4, 2016 you have the right to vote at the meeting.

Q: How many votes does a shareholder have?

A: Every shareholder, present in person or by proxy, shall have one vote on a show of hands. Where a poll is taken, each shareholder shall have the number of votes that corresponds to the number of shares held by him/her in the Company.

Q: How many shareholders do you need to reach a quorum?

A: A quorum is reached where five (5) shareholders holding at least fifty percent (50%) of the share capital of the Company are present or represented. At the date of this report, Phoenix Beverages Limited has 16,447,000 ordinary shares in issue.

Q: How are the votes counted?

A: On a show of hands, the Chairman shall count the votes. However, if a poll is demanded, the counting will be done by the auditors of the Company who will be acting as scrutineers.

Q: How can I obtain a copy of the minutes of proceedings of the last Annual Meeting of the Company?

A: You can make such a request to the Company Secretary prior to the Annual Meeting.

Voting procedures

Q: What is the voting procedure?

A: Voting at the Annual Meeting is generally by show of hands. However, if a poll is demanded for a particular resolution, then ballot papers shall be distributed and shareholders will be requested to cast their votes thereon.

Q: How do I appoint someone else to go to the Annual Meeting and vote my share(s) for me?

A: The Chairman of the meeting has been named in the proxy to represent shareholders at the meeting. You can appoint someone else to represent you at the meeting. Just complete a proxy form by inserting the person's name in the appropriate space on the proxy form. The person you appoint does not need to be a shareholder but must attend the meeting to vote your share(s).

Q: Is there a deadline for my proxy to be received?

A: Yes. Your proxy must be received by the Company's Share Registry and Transfer Office, Abax Corporate Administrators Ltd (6th Floor, Tower A, 1 CyberCity, Ebène), no later than 9.30 hours on Tuesday November 29, 2016.

Q: How will my share(s) be voted if I return a proxy?

A: By completing and returning a proxy, you are authorising the person named in the proxy to attend the Annual Meeting and vote your share(s) on each item of business according to your instructions. If you have appointed the Chairman of the meeting as your proxy and you do not provide him with instructions, he will exercise his discretion as to how he votes.

Q: What if I change my mind?

A: If you are a registered shareholder and have voted by proxy, you may revoke your proxy by delivering to the Company's Share Registry and Transfer Office, a duly executed proxy with a later date or by delivering a form of revocation of proxy. This new proxy must be received by the Company's Share Registry and Transfer Office, Abax Corporate Administrators Ltd (6th Floor, Tower A, 1 CyberCity, Ebene), no later than 9.30 hours on Tuesday November 29, 2016.

Or, you may revoke your proxy and vote in person at the meeting, or any adjournment thereof, by delivering a form of revocation of proxy to the Company Secretary at the meeting before the vote in respect of which the proxy is to be used is taken.

In any case, you are advised to attach an explanatory note to such amended proxy form to explain the purpose of the amended document and expressly revoke the proxy form previously signed by you.

Proxy Form

I/We, ...

of ....

being a member/members of Phoenix Beverages Limited, do hereby appoint:

....

of ....

or failing him/her, ...

of ....

or failing him/her the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the **Annual Meeting** of the Company to be held at Phoenix House, Phoenix on **Wednesday, November 30, 2016 at 9.30 hours** and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

		For	Against	Abstain
1.	To consider the Annual Report 2016 of the Company.			
2.	To receive the report of Messrs Deloitte, the auditors of the Company.			
3.	To consider and adopt the Group's and Company's audited financial statements for the year ended June 30, 2016.			
4.	To elect as Director of the Company, Mr Hugues Lagesse who has been nominated by the Board and who offers himself for election.			
5.	To elect as Director of the Company, Mr Reshan Rambocus who has been nominated by the Board and who offers himself for election.			
6.	To re-elect by rotation on the recommendation of the Corporate Governance Committee, Mr. Jan Boullé who offers himself for re-election as Director of the Company			
7.	To re-elect by rotation on the recommendation of the Corporate Governance Committee, Mr. Arnaud Lagesse who offers himself for re-election as Director of the Company.			
8.	To re-elect by rotation on the recommendation of the Corporate Governance Committee, Mr. Thierry Lagesse who offers himself for re-election as Director of the Company.			
9.	To re-elect on the recommendation of the Corporate Governance Committee, as Alternate Director of the Company to hold office until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001, Mrs Marguerite Hugnin who offers herself for re-election.			
10.	To fix the remuneration of the Directors for the year to June 30, 2017 and to ratify the emoluments paid to the Directors for the year ended June 30, 2016.			
11.	To re-appoint Messrs Deloitte as auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.			
12.	To ratify the remuneration paid to the auditors for the financial year ended June 30, 2016.			

Signed this .... day of .... 2016.

Signature(s)

Notes:

1. *A member of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will be entitled to vote or abstain from voting as he/she thinks fit.*
3. *The instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the Share Registry and Transfer Office of the Company, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebène, by Tuesday, November 29, 2016 at 9.30 hours and in default, the instrument of proxy shall not be treated as valid.*

INVEST
SOLUTION
Business
Strategy
MANAGE
60%