

ASTORIA INVESTMENTS LTD

(Incorporated in the Republic of Mauritius)

(Registration number 1297585 C1/GBL)

SEM share code: ATIL.N0000

JSE share code: ARA NSX share code: ARO

ISIN: MU0499N00007

(“Astoria” or “the Company” or “the Group”)



SUMMARISED UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2018

Astoria is an investment company with a principal objective to achieve strong USD capital appreciation over the medium to long-term by investing in global, equity-dominated holdings of primarily direct, high-quality listed businesses that are located primarily in developed markets. The Company has primary listings on the Stock Exchange of Mauritius (“SEM”) and the Alternative Exchange (“AltX”) of the Johannesburg Stock Exchange (“JSE”) and a secondary listing on the main board of the Namibian Stock Exchange (“NSX”).

REPORTING CURRENCY

The Group’s results are reported in United States dollars (“USD”).

BUSINESS REVIEW

As at 30 June 2018, the net asset value (“NAV”) per Astoria share was USD 1.14 (30 June 2017: USD 1.12).

While the investment performance has been solid since inception, the most recent quarter was negatively impacted by negative currency fluctuations (particularly on EPP N.V, the Company’s Pound-denominated assets and the small South African Rand exposure), the reduction in the value of European Wealth Group Limited (albeit still above purchase price – 2.2% of portfolio value) and extraordinary costs. The performance of the equity component, since inception, is ahead of the MSCI World Index, which is one of the objectives of the business. The cash holding generates a low return, but a portion is ring-fenced for private equity commitments to four large global private equity components. The accretion in the value of the private equity component is anticipated to materialise over time, as opposed to the more volatile nature of the direct equity component.

The markets were volatile during the second quarter of 2018, a great deal of which appears to be linked to rising interest rates, disruptions to the prevailing trade regime and valuation. Astoria focuses on great long-term businesses and has maintained a fairly consistent level of equity exposure.

As at 30 June 2018, the Group’s funds were deployed as follows: listed global equities: 78.5%, niche funds and private equity: 8.1%, fixed income: 1.9% and USD cash: 11.5%.

Astoria’s top 10 direct listed equity positions as at 30 June 2018 were: EPP N.V, Facebook Inc, Apple Inc, The Blackstone Group LP, Admiral Group PLC, Home Depot, Nike Inc, Mastercard Inc, JP Morgan Chase & Co and Hastings Group Holdings PLC. None of the equity positions comprised more than 4.7% of the portfolio value.

Operational costs for the Group were USD 1.835 million for the six months ended 30 June 2018 (30 June 2017: USD 0.988 million). This was made up of management fees of USD 0.666 million with the balance being operating expenses of USD 1.169 million. These operating expenses includes professional fees of USD 0.704 million of which USD 0.450 million is accrued for further expenses directly relating to the previously announced RECM and Calibre Limited (“RAC”) offer, strategic review and legal advice.

RAC OFFER, THE BOARD'S STRATEGIC REVIEW, CAUTIONARY ANNOUNCEMENT

On 4 May 2018, RAC announced its intention to make a voluntary offer to Astoria shareholders. To date, no such offer has been forthcoming. However, on 26 July 2018, RAC stated publicly that it is “currently finalising documentation with the Mauritian Financial Services Commission in order to be able to post the full offer document to Astoria shareholders”.

The board of directors of the Company (“**Board**”) has reservations about RAC’s intentions and the contemplated structure of the offer. Whilst the Board’s views will be fully communicated in response to any offer, Astoria shareholders are referred to the Company’s announcement of 7 May 2018 which contains preliminary views on RAC’s announcement of its intentions.

As indicated earlier this year, the Board is mindful of the discount in the Astoria share price to NAV and has identified strategies and initiatives to unlock value for Astoria shareholders. Whilst the RAC process has restricted Astoria’s ability to provide further details, the Board hopes to be in a position to make an announcement regarding these strategies and initiatives as soon as possible. In the meantime, and whilst the Board awaits clarity from RAC on its intentions regarding any offer, shareholders are reminded that the Company is under cautionary.

PROSPECTS

The biggest driver for the Group’s performance will be the direction of global developed equity markets. The Group also anticipates further cash calls from the cash portion ring-fenced in terms of its commitment to four global private equity firms.

BASIS OF PREPARATION

These summarised unaudited consolidated results for the six months ended 30 June 2018 have been prepared in accordance with the requirements of IFRS, particularly IAS34 – Interim Financial Reporting the SEM Listing Rules, and the Securities Act of Mauritius 2005 and the JSE Listings Requirements.

ACCOUNTING POLICIES

These summarised unaudited consolidated results for the six months ended 30 June 2018 were approved by the Board on 23 July 2018. The summarised results below have not been reviewed or reported by the Group’s external auditors, KPMG Mauritius. The accounting policies adopted are consistent with those published in the audited financial statements for the year ended 31 December 2017, except for new standards and interpretations effective as from 1 January 2018.

By order of the Board

Mauritius – 8 August 2018

Company secretary

Osiris Corporate Solutions (Mauritius) Limited

NOTES

Copies of this report are available to the public at the registered office of the Company, B45 Twenty Foot Road, 5th Floor, La Croisette, Grand Baie, Republic of Mauritius.

Copies of the statement of direct or indirect interest of the Senior Officers of the Company pursuant to rule 8(2)(m) of the Securities (Disclosure of Obligations of Reporting Issuers) Rules 2007 are available to the public upon request to the Company Secretary at the Registered Office of the Company at B45 Twenty Foot Road, 5th Floor, La Croisette, Grand Baie, Republic of Mauritius.

This announcement is issued pursuant to SEM Listing Rules 12.20 and 12.21 and section 88 of the Securities Act 2005 of Mauritius. The Board accepts full responsibility for the accuracy of the information in this announcement.

For further information, please contact:

JSE designated advisor

JAVACAPITAL

NSX sponsor

NEB
NAMIBIA EQUITY BROKERS

Mauritian company administrator

OSIRIS
INTERNATIONAL GROUP

ASTORIA INVESTMENTS LTD
SUMMARISED GROUP STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Unaudited 30 June 2018	Audited 31 December 2017	Unaudited 30 June 2017
	\$000	\$000	\$000
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	124,312	129,942	114,916
Total non-current assets	124,312	129,942	114,916
Current assets			
Cash and cash equivalents	16,954	19,505	27,137
Trade and other receivables	13	181	16
Total current assets	16,967	19,686	27,153
Total assets	141,279	149,628	142,069
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	121,111	124,062	124,504
Treasury shares	(17)	(2,968)	(625)
Foreign currency translation reserve	314	-	-
Retained earnings	19,088	28,136	17,949
Total equity	140,496	149,230	141,828
LIABILITIES			
Current liabilities			
Trade and other payables	783	398	241
Total current liabilities	783	398	241
Total equity and liabilities	141,279	149,628	142,069

ASTORIA INVESTMENTS LTD
SUMMARISED GROUP STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2018

	Unaudited for the quarter ended 30 June 2018 \$000	Unaudited for the 6 months ended 30 June 2018 \$000	Audited for the year ended 31 December 2017 \$000	Unaudited for the quarter ended 30 June 2017 \$000	Unaudited for the 6 months ended 30 June 2017 \$000
REVENUE					
Dividend income	1,354	1,837	2,811	678	1,229
Net (loss)/gain from financial assets at fair value through profit or loss	(6,399)	(8,556)	25,452	7,930	15,293
Total revenue	(5,045)	(6,719)	28,263	8,608	16,522
EXPENSES					
General and administrative expenses	(1,265)	(1,835)	(2,268)	(511)	(988)
OPERATING (LOSS)/PROFIT	(6,310)	(8,554)	25,995	8,097	15,534
Net foreign exchange (loss)/gain	(730)	(454)	61	157	137
Net interest income	69	133	303	68	121
(LOSS)/PROFIT FOR THE PERIOD BEFORE TAX	(6,971)	(8,875)	26,359	8,322	15,792
Taxation	6	(173)	(420)	-	-
(LOSS)/PROFIT FOR THE PERIOD AFTER TAX	(6,965)	(9,048)	25,939	8,322	15,792
OTHER COMPREHENSIVE INCOME					
Gain arising on foreign currency translation differences	209	314	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(6,756)	(8,734)	25,939	8,322	15,792
(Loss)/profit per share from continuing operations					
Basic (loss)/earnings per share (cents)	(5.49)	(7.10)	20.64	6.57	12.47
Headline (loss)/earnings per share (cents)	(5.49)	(7.10)	20.64	6.57	12.47

Astoria has no dilutive instruments in issue.

ASTORIA INVESTMENTS LTD
RECONCILIATION OF (LOSS)/PROFIT TO HEADLINE (LOSS)/EARNINGS FOR THE
QUARTER AND SIX MONTHS ENDED 30 JUNE 2018

	Unaudited for the quarter ended 30 June 2018 \$000	Unaudited for the 6 months ended 30 June 2018 \$000	Audited for the year ended 31 December 2017 \$000	Unaudited for the quarter ended 30 June 2017 \$000	Unaudited for the 6 months ended 30 June 2017 \$000
Basic (loss)/profit from continuing operations attributable to equity holders	(6,756)	(8,734)	25,939	8,322	15,792
Headline (loss)/earnings from continuing operations attributable to equity holders	(6,756)	(8,734)	25,939	8,322	15,792
Weighted average number of shares (units)	122,954,726	122,954,726	125,692,952	126,636,106	126,636,106
Basic (loss)/profit per share (cents)	(5.49)	(7.10)	20.64	6.57	12.47
Headline (loss)/earnings per share (cents)	(5.49)	(7.10)	20.64	6.57	12.47

ASTORIA INVESTMENTS LTD
SUMMARISED GROUP STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER AND SIX
MONTHS ENDED 30 JUNE 2018

	Stated capital	Translation reserve	Treasury shares	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000
Balance at 1 April 2018	122,108	105	(1,014)	26,053	147,252
<i>Transactions with owners of the Group</i>					
Cancellation of shares	(997)	-	997	-	-
Total transactions with owners of the Group	(997)	-	997	-	-
<i>Total comprehensive income for the period</i>					
Loss for the quarter	-	209	-	(6,965)	(6,756)
Total comprehensive income	-	209	-	(6,965)	(6,756)
Balance at 30 June 2018 (Unaudited)	121,111	314	(17)	19,088	140,496
Balance at 1 January 2018	124,062	-	(2,968)	28,136	149,230
<i>Transactions with owners of the Group</i>					
Cancellation of shares	(2,951)	-	2,951	-	-
Total transactions with owners of the Group	(2,951)	-	2,951	-	-
<i>Total comprehensive income for the period</i>					
Loss for the period	-	314	-	(9,048)	(8,734)
Total comprehensive income	-	314	-	(9,048)	(8,734)
Balance at 30 June 2018 (Unaudited)	121,111	314	(17)	19,088	140,496
Balance at 1 January 2017	124,504	-	-	2,197	126,701
Adjustment to opening balance	-	-	-	(40)	(40)
<i>Transactions with owners of the Group</i>					
Repurchase of shares	-	-	(625)	-	(625)
Total transactions with owners of the Group	-	-	(625)	-	(625)
<i>Total comprehensive income for the period</i>					
Profit for the quarter	-	-	-	15,792	15,792
Total comprehensive income	-	-	-	15,792	15,792
Balance at 30 June 2017 (Unaudited)	124,504	-	(625)	17,949	141,828

ASTORIA INVESTMENTS LTD
SUMMARISED GROUP STATEMENTS OF CASH FLOWS FOR THE QUARTER AND SIX MONTHS
ENDED 30 JUNE 2018

	Unaudited for the quarter ended 30 June 2018	Unaudited for the 6 months ended 30 June 2018	Audited for the year ended 31 December 2017	Unaudited for the quarter ended 30 June 2017	Unaudited for the 6 months ended 30 June 2017
	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities					
(Loss)/profit before tax	(6,971)	(8,875)	26,359	8,322	15,792
<i>Adjustments for:</i>					
Net loss/(gain) from revaluation of financial assets at fair value through profit or loss	5,214	9,378	(19,769)	(4,816)	(11,472)
Net loss/(gain) on disposal of investments	1,226	(702)	(5,683)	(3,114)	(3,821)
Interest income	(69)	(133)	(303)	-	-
Foreign currency translation reserve	208	102	-	-	-
Net foreign exchange loss/(gain)	730	454	(61)	(154)	(129)
	338	224	543	238	370
<i>Changes in working capital:</i>					
Decrease/(increase) in trade and other receivables	2	168	(172)	2	(14)
Increase/(decrease) in trade and other payables	517	333	235	5	85
Interest received	69	133	303	-	-
Withholding tax suffered on dividend income	6	(173)	(420)	-	-
Net cash (used in)/generated from operating activities	932	685	489	245	441
Cash flows from investing activities					
Acquisition of financial assets designated at fair value through profit or loss	(5,376)	(22,448)	(56,501)	(11,621)	(25,805)
Proceeds on sale of financial assets	7,824	18,510	45,920	10,672	19,790
Dividend received	1,157	1,157	-	261	261
Net cash generated from/(used in) investing activities	3,605	(2,781)	(10,581)	(688)	(5,754)
Cash flows from financing activities					
Repurchase of treasury shares	-	-	(3,393)	(625)	(625)
Repurchase of treasury shares costs	-	-	(17)	-	-
Net cash used in financing activities	-	-	(3,410)	(625)	(625)
Net increase/(decrease) in cash and cash equivalents	4,537	(2,096)	(13,502)	(1,068)	(5,938)
Cash and cash equivalents at beginning of period	13,147	19,505	32,946	28,051	32,946
Effect on exchange rate fluctuations on cash and cash equivalents	(730)	(455)	61	154	129
Cash and cash equivalents at end of period	16,954	16,954	19,505	27,137	27,137

ASTORIA INVESTMENTS LTD
SUMMARISED GROUP SEGMENTAL INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED
30 JUNE 2018

The Group reports segmental information in terms of geographical location. Geographical location is split between United States, United Kingdom, Europe, South Africa, Mauritius, Far East and Australia. The Group has investments in high-quality global growth businesses.

	Unaudited for the quarter ended 30 June 2018	Unaudited for the 6 months ended 30 June 2018	Audited for the year ended 31 December 2017	Unaudited for the quarter ended 30 June 2017
	\$000	\$000	\$000	\$000
(Loss)/profit before tax				
United States	(832)	(5,241)	16,802	7,494
United Kingdom	(3,063)	(3,308)	3,046	812
Europe	(66)	2,295	1,596	(67)
South Africa	(1,849)	(1,738)	(40)	4
Australia	(42)	(84)	(3)	(43)
Mauritius	(1,113)	(972)	4,540	122
Far East	-	-	(2)	-
	(6,965)	(9,048)	25,939	8,322

	Unaudited as at 30 June 2018	Audited as at 31 December 2017	Unaudited as at 30 June 2017
	\$000	\$000	\$000
Total Assets			
United States	74,067	76,303	75,074
United Kingdom	39,089	24,765	12,916
Europe	17,572	25,584	31,793
South Africa	5,791	2,968	1,572
Mauritius	3,604	16,942	20,714
Far East	-	3,066	-
Australia	1,156	-	-
	141,279	149,628	142,069