

INNODIS LTD (formerly Happy World Foods Limited) - GROUP RESULTS FOR THE YEAR ENDED 30 JUNE 2006 (UNAUDITED)

ABRIDGED INCOME STATEMENT

	GROUP 30 June 06 Rs'000	GROUP 30 June 05 Rs'000	COMPANY 30 June 06 Rs'000	COMPANY 30 June 05 Rs'000
Turnover	2,012,805	1,678,935	1,581,265	1,429,721
Cost of sales	(1,698,165)	(1,389,270)	(1,304,245)	(1,165,885)
Gross profit	314,640	289,665	277,020	263,836
Other income	27,684	14,505	26,443	17,385
Operating expenses	342,324	304,170	303,463	281,221
Provision for impairment of investment	(300,899)	(279,982)	(244,841)	(248,095)
Provision for impairment of receivables from subsidiaries	-	-	-	(9,725)
Provision for impairment of property, plant and equipment	(763)	(707)	(2,129)	(4,406)
Operating profit	40,662	15,642	56,493	18,995
Finance costs	(57,917)	(53,226)	(42,403)	(44,831)
Share of profits before tax of associates	9,698	10,317	-	-
(Loss) / profit from ordinary activities before taxation	(7,557)	(27,267)	14,090	(25,836)
Taxation	789	12,716	(1,106)	8,338
Group	(1,405)	(957)	-	-
Associates	-	-	-	-
(Loss) / profit after tax	(8,173)	(15,508)	12,984	(17,498)
Minority interest	12,565	3,251	-	-
Net profit / (loss)	4,392	(12,257)	12,984	(17,498)
Number of shares	36,730,266	36,730,266		
Earnings / (Loss) per share (Rs)	0.12	(0.33)		
Dividend per share (Rs)	-	0.60		
Net asset value per share (Rs)	24.24	24.07		

ABRIDGED CASH FLOW STATEMENT

	GROUP 30 June 06 Rs'000	GROUP 30 June 05 Rs'000	COMPANY 30 June 06 Rs'000	COMPANY 30 June 05 Rs'000
Cash flow from operating activities				
(Loss) / profit on ordinary activities before taxation	(7,557)	(27,267)	14,090	(25,836)
Adjustments	131,941	129,920	110,186	127,949
Operating profit before working capital changes	124,384	102,653	124,276	102,113
Net increase in working capital	53,813	(73,278)	21,644	(120,905)
Cash generated from / (used in) operations	178,197	29,375	145,920	(18,792)
Interest paid	(73,359)	(66,431)	(53,875)	(56,898)
Net cash from / (used in) operating activities	104,838	(37,056)	92,045	(75,690)
Net cash used in investing activities	(92,417)	(139,518)	(18,008)	(89,387)
Net cash (used in) / from financing activities	(13,612)	65,254	6,218	41,125
Net (decrease) / increase in cash and cash equivalents	(1,191)	(111,320)	80,255	(123,952)
Cash and cash equivalents at beginning of year	(208,359)	(97,039)	(223,447)	(99,495)
Cash and cash equivalents at end of year	(209,550)	(208,359)	(143,192)	(223,447)

ABRIDGED BALANCE SHEET

	GROUP 30 June 06 Rs'000	GROUP 30 June 05 Rs'000	COMPANY 30 June 06 Rs'000	COMPANY 30 June 05 Rs'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,287,629	1,264,324	791,866	825,907
Intangible assets	75,054	54,095	50,778	50,778
Investments	55,549	51,793	206,329	180,719
Receivables	23,720	24,295	39,002	67,170
Deferred taxation	16,111	14,257	-	-
	1,458,063	1,408,764	1,087,975	1,124,574
Current assets				
Inventories	353,154	349,520	284,378	293,573
Receivables and prepayments	240,994	193,418	370,495	362,126
Cash and cash equivalents	13,274	24,406	1,251	6,188
	607,422	567,344	656,124	661,887
Total assets	2,065,485	1,976,108	1,744,099	1,786,461
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	367,303	367,303	367,303	367,303
Share premium	5,308	5,308	5,308	5,308
Revaluation reserve	239,527	242,960	237,732	241,165
Foreign exchange translation reserve	1,425	(443)	-	-
Retained earnings	276,950	269,125	301,334	284,917
	890,513	884,253	911,677	898,693
Minority interest	122,998	94,689	-	-
Non-current liabilities				
Retirement benefit obligations	36,063	35,222	34,799	35,222
Deferred taxation	33,963	32,857	33,963	32,857
Borrowings	315,203	299,531	297,193	251,574
	385,229	367,610	365,955	319,653
Current liabilities				
Trade and other payables	286,433	202,056	209,356	186,411
Taxation	190	-	-	-
Borrowings	380,122	427,500	257,111	381,704
	666,745	629,556	466,467	568,115
Total liabilities	1,051,974	997,166	832,422	887,768
Total equity and liabilities	2,065,485	1,976,108	1,744,099	1,786,461

Note

Copies of the financial statements are available to the public, free of charge, at the branch office of the Company, Caudan, Port Louis.

COMMENTS

The Group turnover reached the Rs 2 billion mark, representing a growth of 20% compared to last year.

Our Group showed resilience during a financial year that was characterised by periods of uncertainty both in the domestic and in the world economy. Our margins were kept under pressure by the prevalence of unfavourable conditions, such as rising operational costs and the internal challenges that we faced from our restructuring and consolidation strategy.

Group profit before finance charges (EBIT) increased to Rs 40.6M (2005 - Rs 15.6M). Overall, the Company made a net profit of Rs 13 M (2005 - loss of Rs17.5 M), whilst the Group made a net profit of Rs 4.3M (2005 - loss of Rs 12.2M), mainly attributable to the expected loss of our Mozambican subsidiary in its initial stage of operations.

This financial performance confirms that we are on the right track to restore profitability and to improve shareholder value.

Coupled with the recent change of company name from Happy World Foods Limited to Innodis Ltd, we now look at the future with confidence to grow our businesses in Mauritius and in the region.

By order of the Board

Anex Corporate Services Ltd
Corporate secretary

This report is pursuant to Listing Rule 12.20. The above financial statements have been prepared in compliance with International Financial Reporting Standards and are unaudited. The Board of Directors of Innodis Ltd accepts full responsibility for the accuracy of the information contained in the financial statements.

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Share capital Rs'000	Share premium Rs'000	Revaluation reserve Rs'000	Foreign exchange translation reserve Rs'000	Retained earnings Rs'000	Total Rs'000
GROUP						
At 01 July 2004	367,303	5,308	246,393	125	299,987	919,116
Net loss	-	-	-	-	(12,257)	(12,257)
Dividends	-	-	-	-	(22,038)	(22,038)
Foreign exchange translation difference	-	-	-	(568)	-	(568)
Transfers	-	-	(3,433)	-	3,433	-
At 30 June 2005	367,303	5,308	242,960	(443)	269,125	884,253
Net profit	-	-	-	-	4,392	4,392
Foreign exchange translation difference	-	-	-	1,868	-	1,868
Transfers	-	-	(3,433)	-	3,433	-
At 30 June 2006	367,303	5,308	239,527	1,425	276,950	890,513
COMPANY						
At 1 July 2004	367,303	5,308	244,598	-	321,020	938,229
Net loss	-	-	-	-	(17,498)	(17,498)
Dividends	-	-	-	-	(22,038)	(22,038)
Transfers	-	-	(3,433)	-	3,433	-
At 30 June 2005	367,303	5,308	241,165	-	284,917	898,693
Net profit	-	-	-	-	12,984	12,984
Transfers	-	-	(3,433)	-	3,433	-
At 30 June 2006	367,303	5,308	237,732	-	301,334	911,677

SEGMENT INFORMATION

	Revenues		Results	
GROUP	30 June 06 Rs'000	30 June 05 Rs'000	30 June 06 Rs'000	30 June 05 Rs'000
Poultry and frozen foods	1,111,067	937,817	13,689	24,926
Consumer goods	772,729	610,935	37,130	1,186
Others	129,009	130,183	(10,157)	(10,470)
Total	2,012,805	1,678,935	40,662	15,642