

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”)



ABRIDGED AUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

Astoria was established in Mauritius on 20 April 2015 as a public company, limited by shares, holding a Category 1 Global Business Licence. The Company has its primary listing on the Stock Exchange of Mauritius (“SEM”) and secondary listings on both the Alternative Exchange (“AltX”) of the Johannesburg Stock Exchange (“JSE”) and the Namibian Stock Exchange (“NSX”).

The principal objective of the Company is 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.

REPORTING CURRENCY

The Company’s results are reported in United States dollars.

BUSINESS REVIEW

The year to 31 December 2016 was the first full financial year for the Company. During the year the Company established a wholly-owned Mauritian subsidiary holding a Category 1 Global Business Licence which owns the various private equity Limited Partnership interests. The Company funds its subsidiary by way of a loan.

The reported Group profit for the year ended 31 December 2016 was USD 3.87 million (2015: USD 1.67 million loss). There was a strong net gain in financial assets reflecting both the gain on the investment in Echo Polska Properties NV (“EPP”) following the private placement and listing of EPP during September 2016 and on other equity positions. The dividend income received was strong, and, in the case of the interest income, the impact of low deposit rates was evident but still positive.

The total annual costs for the Group was USD 1.81 million which was made up of management and brokerage fees of USD 1.27 million with the balance being operating expenses of USD 0.54 million. The operating expenses slightly exceeded the USD 0.5 million budget due to professional fees exceeding budget for ongoing setup costs.

The results were achieved during a period of currency volatility, particularly the Pound and the Euro, which both weakened by 6% against the USD during the fourth quarter due to Brexit. EPP’s share price declined from EUR 1.45 per share to EUR 1.35 per share during the fourth quarter. Our investment cost for the EPP shares was EUR 1.00 per share. The EPP weighting in the portfolio was reduced from 16% to 13% at the end of the year.

While the weighting of EPP remains high, it is currently trading on an attractive forward after tax dividend yield. The Board believes that the Euro yield is particularly attractive given EPP’s strong growth prospects over the medium-term. The Board is of the view that given the growth in the business, the current share price of EPP does not reflect the appropriate valuation. Astoria is a company with permanent capital and has the ability to take long-term views with regards to investments.

BUSINESS REVIEW (CONTINUED)

The EPP holding is a situation where the Board believes that the appropriate course is to be patient and to wait for the market to reflect the value of this quality asset.

As at 31 December 2016, the Company's funds were deployed as follows: listed global equities 69% (including EPP), niche funds and private equity 5% and USD cash 26%. The Board believes that USD positioning is appropriate in the rising interest rate environment in the US. It does however remain to be seen how rising rates and a consequent stronger USD will impact the earnings of US multi-nationals over time. It is clear that the 26% cash holding will act as a drag on performance until invested in higher returning assets. Again, however, the long-term orientation of the Company is better served by allocating capital to the appropriate investments in order to achieve the investment objective of a strong compound USD return and to provide shareholders with diversified exposure to global equity assets. Pending this, it is appropriate to hold higher USD cash balances.

Astoria's top 10 listed equity positions (excluding EPP) at year-end were: The Blackstone Group LP, Home Depot, Amazon, Facebook Inc, Starbucks Corp, Apple Inc, JP Morgan Chase & Co, FedEx, Philip Morris and Johnson & Johnson. Apart from the investment in EPP, none of the equity positions comprise more than 4.8% of the portfolio value.

As is evident from events post the reporting date, the Board continually assesses the merits of a share buyback by the Company on account of the large discount to net asset value at which the Company's shares have traded during the year. The Board, after consultations with institutional shareholders, and as advised by the Investment Manager, decided that a share buyback is an appropriate course of action for and in the best interests of the Company and its shareholders as a whole. It should be noted that share buybacks are not a common occurrence on the SEM and the rules are more complex than on the JSE. There is a requirement for a special meeting to be convened. The details of the share buyback and the process to be followed are contained in an Explanatory Statement and notice to shareholders which will be posted shortly.

PROSPECTS

The biggest driver for the Company's performance will be the direction of global developed equity markets. We believe we are well positioned. At the time of this report, the portfolio has benefitted meaningfully from the positive returns experienced in global markets post year-end. We also anticipate further cash calls from the cash portion ring-fenced in terms of our commitment to four global private equity firms.

NET ASSET VALUE ("NAV")

The NAV per share at 31 December 2016 was USD 1.00 (2015: USD 0.97). This represents growth in NAV per share of 3% since 31 December 2015.

EVENTS AFTER THE REPORTING DATE

At its board meeting of 24 January 2017, the Board resolved that:

1. it has authorised the targeted share buyback of up to 6 327 000 shares representing 4.99% of the issued share capital held by the public ("**Buyback Shares**") at a price between R0.01 and R11.66 on the JSE and at the Mauritian Rupee Equivalent price range on the SEM ("**Share Buyback**"). Any amendment to these terms, including without limitation the price range, will be announced on the SEM website and the Stock Exchange News Service of the JSE;
2. the shares to be bought back by Astoria under the Share Buyback will be cancelled;

EVENTS AFTER THE REPORTING DATE (CONTINUED)

3. as the Share Buyback is for less than 5% of Astoria's issued share capital, in accordance with the Securities (Purchase of Own Shares) 2008 rules made by the Stock Exchange of Mauritius Ltd and Section 13 (2)(f) of the Securities Act 2005 ("**Buyback Rules**"), (i) the proposed price range is not required to be in compliance with Section 3(d)(ii)(b) of the Buyback Rules and (ii) Astoria may terminate the Buyback at any time irrespective of whether any or all of the Buyback Shares have been repurchased; and
4. the Share Buyback is subject to the adoption of a special resolution of Astoria's shareholders and accordingly a notice convening a special meeting of shareholders, accompanied by an Explanatory Statement, will be issued in due course.

CHANGES TO THE BOARD

Mr Mattheus Lourens Geldenhuys resigned from the Board, effective 31 January 2016.

Ms Kate Alexandra Holland** resigned from the Board, effective 17 October 2016.

Mr Daniel Romburgh** was appointed to the Board, as non-executive director, effective 17 October 2016.

**Mauritian resident

BASIS OF PREPARATION

The consolidated abridged audited results have been extracted from the audited consolidated and separate financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act. The abridged consolidated audited results do not include all information and disclosures required in the audited financial statements, including IFRS 13 fair value disclosures, and should be read in conjunction with the consolidated and separate financial statements for the year ended 31 December 2016.

The Company's external auditors, KPMG, have issued an unqualified audit opinion on the consolidated and separate financial statements for the year ended 31 December 2016. The accounting policies used in the preparation of the abridged consolidated and separate audited results are consistent with those used in the audited consolidated and separate financial statements for the year ended 31 December 2016.

By order of the Board

Mauritius – 17 March 2017

Company secretary

Osiris Corporate Solutions (Mauritius) Limited

NOTES

A presentation of the Group's results is available at www.astoria.mu

Copies of this report, together with the audit report, are available to the public at the registered office of the Company, 3rd 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 3rd Floor, La Croisette, Grand Baie, Republic of Mauritius.

This announcement is issued pursuant to SEM Listing Rule 12.14 and the Mauritius Securities Act. The Board of Astoria Investments Ltd accepts full responsibility for the accuracy of the information in this announcement.

For further information please contact:

JSE sponsor

Java Capital

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Company secretary

Osiris Corporate Solutions (Mauritius) Limited

+230 650 4030

20 March 2017

ASTORIA INVESTMENTS LTD

ABRIDGED CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	The Group	The Company	
	2016	2016	2015
	\$000	\$000	\$000
ASSETS			
Non-current assets			
Investment in subsidiary company*	-	* -	-
Financial assets at fair value through profit or loss	93,909	91,628	34,730
Total non-current assets	93,909	91,628	34,730
Current assets			
Advances	-	2,194	5,000
Cash and cash equivalents	32,946	32,868	83,437
Trade and other receivables	9	15	24
Total current assets	32,955	35,077	88,461
Total assets	126,864	126,705	123,191
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	124,504	124,504	124,504
Retained earnings/(accumulated losses)	2,197	2,046	(1,671)
			-
Total equity	126,701	126,550	122,833
LIABILITIES			
Current liabilities			
Trade and other payables	163	155	358
Total current liabilities	163	155	358
Total equity and liabilities	126,864	126,705	123,191

* Investment in subsidiary company is USD 1 (less than \$1,000)

ASTORIA INVESTMENTS LTD

**ABRIDGED CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016**

	The Group	The Company	
		For the period from 20 April 2015 to 31 December 2015	
	2016 \$000	2016 \$000	\$000
REVENUE			
Dividend income	839	839	6
Net gain from financial assets at fair value through profit or loss	4,292	4,572	121
Total revenue	5,131	5,411	127
EXPENSES			
General and administrative expenses	(1,811)	(1,789)	(360)
OPERATING PROFIT/(LOSS)	3,320	3,622	(233)
Net foreign exchange loss	(212)	(212)	(1,454)
Other income	153	153	-
Net interest income	162	154	16
	3,423	3,717	(1,671)
Share of profit of equity-accounted investee, net of tax	445	-	-
PROFIT/(LOSS) FOR THE YEAR/PERIOD BEFORE TAX	3,868	3,717	(1,671)
Taxation	-	-	-
PROFIT/(LOSS) FOR THE YEAR/PERIOD AFTER TAX	3,868	3,717	(1,671)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	3,868	3,717	(1,671)
Profit/(loss) per share from continuing operations			
Basic earnings/(loss) per share (cents)	3	3	(3)
Headlines earnings/(loss) per share (cents)	3	3	(3)

Astoria has no dilutive instruments in issue.

ASTORIA INVESTMENTS LTD

RECONCILIATION OF PROFIT TO HEADLINE EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2016

	The Group	The Company	For the period from 20 April 2015 to 31 December 2015 \$000
	2016 \$000	2016 \$000	
Basic profit / (loss) from continuing operations attributable to equity holders of the Group / Company	3,868	3,717	(1,671)
Share of profit of equity-accounted investee, net of tax	(445)	(445)	-
Headline earnings / (loss) from continuing operations attributable to equity holders of the Group/Company	3,423	3,272	(1,671)
Weighted average number of shares	126,809,944	126,809,944	55,605,092
Basic profit / (loss) per share (cents)	3	3	(3)
Headline earnings/(loss) per share (cents)	3	3	(3)

ASTORIA INVESTMENTS LTD

ABRIDGED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

<u>THE GROUP:</u>	Stated capital \$000	Retained earnings/ (accumulated losses) \$000	Total \$000
At 01 January 2016	124,504	(1,671)	122,833
<i>Total comprehensive income for the year</i>			
Profit for the year	-	3,868	3,868
Total comprehensive income	124,504	2,197	126,701
At 31 December 2016	124,504	2,197	126,701

<u>THE COMPANY:</u>	Stated capital \$000	Retained earnings/ (accumulated losses) \$000	Total \$000
<i>Transactions with owners of the Company</i>			
<i>Contributions and distributions</i>			
Issue of ordinary shares	126,810	-	126,810
Share issue costs	(2,306)	-	(2,306)
Total contributions	124,504	-	124,504
<i>Total comprehensive income for the period</i>			
Loss for the period	-	(1,671)	(1,671)
Total comprehensive income	-	(1,671)	(1,671)
Balance at 31 December 2015	124,504	(1,671)	122,833
Balance at 01 January 2016	124,504	(1,671)	122,833
<i>Total comprehensive income for the year</i>			
Profit for the year	-	3,717	3,717
Total comprehensive income	-	3,717	3,717
Balance at 31 December 2016	124,504	2,046	126,550

ASTORIA INVESTMENTS LTD

**ABRIDGED CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	The Group	The Company	
	2016	2016	For the period from 20 April 2015 to 31 December 2015
	\$000	\$000	\$000
Cash flows from operating activities			
Profit/(loss) before tax	3,868	3,717	(1,671)
<i>Adjustments for:</i>			
Net gain from revaluation of financial assets at fair value through profit or loss	(4,292)	(4,572)	(121)
Share of profit of equity-accounted investee, net of tax	(445)	-	-
Interest income	-	(154)	(16)
Net foreign exchange loss	212	212	1,454
	<u>(657)</u>	<u>(797)</u>	<u>(354)</u>
<i>Changes in working capital:</i>			
Decrease/(Increase) in trade and other receivables	15	19	(24)
(Decrease)/Increase in trade and other payables	(195)	(203)	358
Interest received	-	144	16
Net cash used in operating activities	<u>(837)</u>	<u>(837)</u>	<u>(4)</u>
Cash flows from investing activities			
Acquisition of financial assets designated at fair value through profit or loss	(61,064)	(58,948)	(34,609)
Acquisition of associate	(14)	(14)	-
Proceeds on sale of financial assets	11,177	11,177	-
Proceeds from disposal of associate	459	459	-
Advances made	-	(2,194)	(5,000)
Net cash used in investing activities	<u>(49,442)</u>	<u>(49,520)</u>	<u>(39,609)</u>
Cash flows from financing activities			
Proceeds from issue of ordinary shares	-	-	126,810
Share issue costs	-	-	(2,306)
Net cash from financing activities	<u>-</u>	<u>-</u>	<u>124,504</u>
Net (decrease)/increase in cash and cash equivalents	<u>(50,279)</u>	<u>(50,357)</u>	<u>84,891</u>
Cash and cash equivalents at beginning of year/period	83,437	83,437	-
Effect on exchange rate fluctuations on cash and cash equivalents	(212)	(212)	(1,454)
Cash and cash equivalents at end of year/period	<u>32,946</u>	<u>32,868</u>	<u>83,437</u>

ASTORIA INVESTMENTS LTD

ABRIDGED CONSOLIDATED AND SEPARATE SEGMENTAL INFORMATION FOR THE YEAR ENDED 30 DECEMBER 2016

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

	The Group As at 31 December 2016 \$000	The Company As at 31 December 2016 \$000	Audited as at 31 December 2015 \$000
Profit/(Loss) before tax			
United States	2,170	2,138	33
Europe	3,541	3,633	(9)
United Kingdom	(1,570)	(1,568)	-
Asia	(116)	(116)	1
South Africa	247	25	(1,555)
Australia	(14)	(14)	-
Mauritius	(391)	(380)	(141)
	3,868	3,717	(1,671)

	The Group As at 31 December 2016 \$000	The Company As at 31 December 2016 \$000	Audited as at 31 December 2015 \$000
Total Assets			
United States	60,305	59,165	29,906
Europe	26,907	26,907	16,011
United Kingdom	8,667	7,714	-
Asia	218	30	76
South Africa	1,852	1,852	13
Australia	-	-	-
Mauritius	28,915	31,037	77,185
	126,864	126,705	123,191

COMPARATIVES

The Group was formed during the year when the Company acquired Astoria LP Holdings Ltd on 5th May 2016. Hence there are no comparatives for the Group.

The comparatives for the Company's figures are for a nine months period from 20 April 2015 (date of incorporation) to 31 December 2015 while the current year figures are for a full twelve months period ended 31 December 2016. Hence the figures for 2015 are not comparable.