

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 NINE MONTHS ENDED 30 SEPTEMBER 2018 AND FURTHER CAUTIONARY ANNOUNCEMENT

Astoria is an investment company with the principal objective to achieve strong United States Dollar (“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. Astoria 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 USD.

BUSINESS REVIEW

As at 30 September 2018, the net asset value (“NAV”) per Astoria share was USD 1.20 (NAV per share at 30 June 2018 was USD 1.14 and NAV per share at 30 September 2017: USD 1.16).

The investment performance has been solid since the Company’s inception. The most recent quarter was positively impacted by favourable currency fluctuations and the recovery in the value of European Wealth Group Limited (now known as Kingswood Holdings Ltd). 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 funds. 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 continued to be volatile during the third quarter of 2018, a great deal of which appears to be linked to rising interest rates in the US, disruptions to the prevailing trade regime and movements in valuations generally. Astoria focuses on quality long-term investments and has maintained a relatively consistent level of equity exposure.

As at 30 September 2018, the Group’s funds were deployed as follows: listed global equities: 73.7%, niche funds and private equity: 7.9%, fixed income: 1.8% and USD cash: 16.6%.

Astoria’s top 10 direct listed equity positions as at 30 September 2018 were: Apple Inc, Kingswood Holdings Ltd, The Blackstone Group LP, Facebook Inc, EPP N.V, Admiral Group PLC, Mastercard Inc, Home Depot, Nike Inc and JP Morgan Chase. None of the equity positions comprised more than 4.5% of the portfolio value.

Operational costs for the Group were USD 2.342 million for the nine months ended 30 September 2018 (30 September 2017: USD 1.588 million). This was made up of management fees of USD 1 million with the balance being operating expenses of USD 1.342 million. As previously explained, these operating expenses include professional fees of USD 0.714 million directly relating to the previously announced RECM and Calibre Limited (“RAC”) offer, strategic review and legal advice.

RAC OFFER, THE BOARD’S STRATEGIC REVIEW AND FURTHER CAUTIONARY ANNOUNCEMENT

As announced during the period, the Company instituted legal proceedings against RAC and its subsidiary, Livingstone Investments Proprietary Limited. The announcements published on 22 August 2018 and 5 October 2018 set out the claims in considerable detail.

The board of directors of Astoria (“**Board**”) continues to engage with the major shareholders regarding their support for a proposal to effect a capital repayment to all shareholders as a route to unlock value for shareholders in light of the discount in the Astoria share price relative to NAV.

Shareholders will be kept updated in regard to the proposal and Astoria will publish regular updates of unaudited NAV estimates. In the meantime, shareholders are advised to continue to exercise caution in their dealings in Astoria shares.

NAV per share quarterly reporting:

	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18
	Audited	Unaudited	Unaudited	Unaudited
Total NAV (‘000)	\$149,628	\$147,489	\$141,279	\$147,947
Shares in issue	124,088,026	122,954,726	122,954,726	122,954,726
NAV per share	\$1.21	\$1.20	\$1.14	\$1.20

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 funds.

BASIS OF PREPARATION

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

ACCOUNTING POLICIES

These summarised unaudited consolidated results for the nine months ended 30 September 2018 were approved by the Board on 22 October 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 – 22 October 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 and the JSE Listings Requirements. The Board accepts full responsibility for the accuracy of the information in this announcement.

For further information, please contact:

JSE designated advisor



NSX sponsor



Mauritian company administrator



23 October 2018

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

	Unaudited 30 September 2018 \$000	Audited 31 December 2017 \$000	Unaudited 30 September 2017 \$000
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	122,747	129,942	121,588
Total non-current assets	122,747	129,942	121,588
Current assets			
Cash and cash equivalents	25,193	19,505	22,064
Trade and other receivables	7	181	7
Total current assets	25,200	19,686	22,071
Total assets	147,947	149,628	143,659
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	121,111	124,062	124,504
Treasury shares	(17)	(2,968)	(2,392)
Foreign currency translation reserve	164	-	-
Retained earnings	26,105	28,136	21,307
Total equity	147,363	149,230	143,419
LIABILITIES			
Current liabilities			
Trade and other payables	584	398	240
Total current liabilities	584	398	240
Total equity and liabilities	147,947	149,628	143,659

ASTORIA INVESTMENTS LTD

SUMMARISED GROUP STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018

	Unaudited for the quarter ended 30 September 2018 \$000	Unaudited for the 9 months ended 30 September 2018 \$000	Audited for the year ended 31 December 2017 \$000	Unaudited for the quarter ended 30 September 2017 \$000	Unaudited for the 9 months ended 30 September 2017 \$000
REVENUE					
Dividend income	365	2,202	2,811	692	1,921
Net gain/(loss) from financial assets at fair value through profit or loss	7,642	(1,737)	25,452	(340)	11,132
Total revenue	8,007	465	28,263	352	13,053
EXPENSES					
General and administrative expenses	(508)	(2,342)	(2,268)	(600)	(1,588)
OPERATING PROFIT/(LOSS)	7,499	(1,877)	25,995	(248)	11,465
Net foreign exchange gain/(loss)	198	(257)	61	(45)	92
Net realised (loss)/gain on disposal of investments	(671)	31	-	3,565	7,386
Other income	12	133	-	-	-
Net interest income	51	184	303	86	207
PROFIT/(LOSS) FOR THE PERIOD BEFORE TAX	7,089	(1,786)	26,359	3,358	19,150
Taxation	(72)	(245)	(420)	-	-
PROFIT/(LOSS) FOR THE PERIOD AFTER TAX	7,017	(2,031)	25,939	3,358	19,150
OTHER COMPREHENSIVE INCOME					
(Loss)/gain arising on foreign currency translation differences	(150)	164	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,867	(1,867)	25,939	3,358	19,150
Profit/(loss) per share from continuing operations					
Basic earnings/(loss) per share (cents)	5.58	(1.52)	20.64	2.67	15.17
Headline earnings/(loss) per share (cents)	5.58	(1.52)	20.64	2.67	15.17

Astoria has no dilutive instruments in issue.

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RECONCILIATION OF PROFIT/(LOSS) TO HEADLINE EARNINGS/(LOSS) FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018

	Unaudited for the quarter ended 30 September 2018 \$000	Unaudited for the 9 months ended 30 September 2018 \$000	Audited for the year ended 31 December 2017 \$000	Unaudited for the quarter ended 30 September 2017 \$000	Unaudited for the 9 months ended 30 September 2017 \$000
Basic profit/(loss) from continuing operations attributable to equity holders	6,867	(1,867)	25,939	3,358	19,150
Headline earnings/(loss) from continuing operations attributable to equity holders	6,867	(1,867)	25,939	3,358	19,150
Weighted average number of shares (units)	122,954,726	122,954,726	125,692,952	125,587,182	126,266,478
Basic profit/(loss) per share (cents)	5.58	(1.52)	20.64	2.67	15.17
Headline earnings/(loss) per share (cents)	5.58	(1.52)	20.64	2.67	15.17

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SUMMARISED GROUP STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018

	Stated capital \$000	Translation reserve \$000	Treasury shares \$000	Retained earnings \$000	Total \$000
Balance at 1 July 2018	121,111	314	(17)	19,088	140,496
<i>Total comprehensive income for the period</i>					
Profit for the quarter	-	(150)	-	7,017	6,867
Total comprehensive income	-	(150)	-	7,017	6,867
Balance at 30 September 2018 (Unaudited)	121,111	164	(17)	26,105	147,363
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	-	164	-	(2,031)	(1,867)
Total comprehensive income	-	164	-	(2,031)	(1,867)
Balance at 30 September 2018 (Unaudited)	121,111	164	(17)	26,105	147,363
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	-	-	(2,392)	-	(2,392)
Total transactions with owners of the Group	-	-	(2,392)	-	(2,392)
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	19,150	19,150
Total comprehensive income	-	-	-	19,150	19,150
Balance at 30 September 2017 (Unaudited)	124,504	-	(2,392)	21,307	143,419

ASTORIA INVESTMENTS LTD

**SUMMARISED GROUP STATEMENTS OF CASH FLOWS FOR THE QUARTER AND NINE MONTHS
ENDED 30 SEPTEMBER 2018**

	Unaudited for the quarter ended 30 September 2018	Unaudited for the 9 months ended 30 September 2018	Audited for the year ended 31 December 2017	Unaudited for the quarter ended 30 September 2017	Unaudited for the 9 months ended 30 September 2017
	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities					
Profit/(loss) before tax	7,089	(1,786)	26,359	3,358	19,150
<i>Adjustments for:</i>					
Net (gain)/loss from revaluation of financial assets at fair value through profit or loss	(7,642)	1,737	(19,769)	340	(11,132)
Net loss/(gain) on disposal of investments	671	(31)	(5,683)	(3,565)	(7,386)
Dividend received	(293)	(293)	-	-	-
Interest income	(51)	(184)	(303)	-	-
Net foreign (gain)/exchange loss	(198)	257	(61)	45	(92)
	(424)	(300)	543	178	540
<i>Changes in working capital:</i>					
Decrease/(increase) in trade and other receivables	76	244	(172)	8	(6)
(Decrease)/increase in trade and other payables	(268)	63	235	-	85
Interest received	51	184	303	-	-
Withholding tax suffered on dividend income	(72)	(245)	(420)	-	-
Net cash (used in)/generated from operating activities	(637)	(54)	489	186	619
Cash flows from investing activities					
Acquisition of financial assets designated at fair value through profit or loss	(5,178)	(27,626)	(56,501)	(17,346)	(43,151)
Proceeds on sale of financial assets	13,562	32,175	45,920	13,899	33,689
Dividend received	293	1,450	-	-	261
Net cash generated from/(used in) investing activities	8,677	5,999	(10,581)	(3,447)	(9,201)
Cash flows from financing activities					
Repurchase of treasury shares	-	-	(3,393)	(1,767)	(2,392)
Repurchase of treasury shares costs	-	-	(17)	-	-
Net cash used in financing activities	-	-	(3,410)	(1,767)	(2,392)
Net increase/(decrease) in cash and cash equivalents	8,040	5,945	(13,502)	(5,028)	(10,974)
Cash and cash equivalents at beginning of period	16,955	19,505	32,946	27,137	32,946
Effect on exchange rate fluctuations on cash and cash equivalents	198	(257)	61	(45)	92
Cash and cash equivalents at end of period	25,193	25,193	19,505	22,064	22,064

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SUMMARISED GROUP SEGMENTAL INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 September 2018	Unaudited for the 9 months ended 30 September 2018	Audited for the year ended 31 December 2017	Unaudited for the quarter ended 30 September 2017
	\$000	\$000	\$000	\$000
Profit/(loss) before tax				
United States	5,778	537	16,802	3,014
United Kingdom	1,324	(1,986)	3,046	414
Europe	505	2,801	1,596	172
South Africa	(23)	(1,873)	(40)	2
Mauritius	(456)	(1,357)	4,540	(198)
Far East	-	-	(2)	-
Australia	(111)	(153)	(3)	(46)
	7,017	(2,031)	25,939	3,358

	Unaudited as at 30 September 2018	Audited as at 31 December 2017	Unaudited as at 30 September 2017
	\$000	\$000	\$000
Total Assets			
United States	77,509	76,303	69,045
United Kingdom	49,574	24,765	19,492
Europe	5,616	25,584	31,138
South Africa	7,795	2,968	4,821
Mauritius	6,367	16,942	19,163
Far East	-	3,066	-
Australia	1,086	-	-
	147,947	149,628	143,659