



Annual Report 2015

24h

of tenacity

terra

organigram

AGENDA

- Mauritian Economic Environment
- Financial review
- Review of operations
- Outlook

Mauritian Economic Environment 1/2

Economic growth remained stagnant in 2015 at 3.1%.

Inflation fell to 1.3%, mainly due to reduction in oil prices compared to 3.2% in 2014.

The EURO weakened further v/s USD in 2015. Locally, both the EURO and the USD rose v/s MUR.

As a result, the export sector benefited from the rise of both the EURO & USD.

Improved sugar prices in Europe, contraction in construction sector, uncertainties around international treaties, job creation opportunities low; Tourism activity recovered.

Mauritian Economic Environment 2/2

The end in 2016 of the Tax Treaty between India and Mauritius : The Double Taxation Avoidance Agreement (DTAA) gives rise to uncertainties as regards its long term effect on the economy.

Abolition of sugar quotas to be effective in October 2017, influencing sugar prices, sharp drop in 2014 with a recovery in 2016, but forecasted to drop again in 2017.

Brexit should be dealt with closely, since 40% of our special sugars are exported to UK.

AGENDA

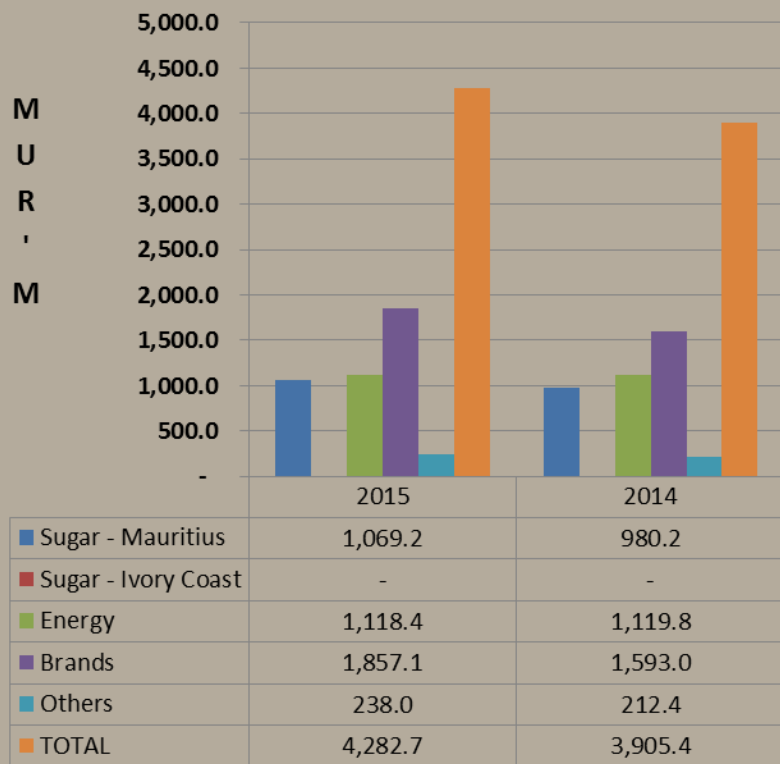
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Key figures (MUR' M)

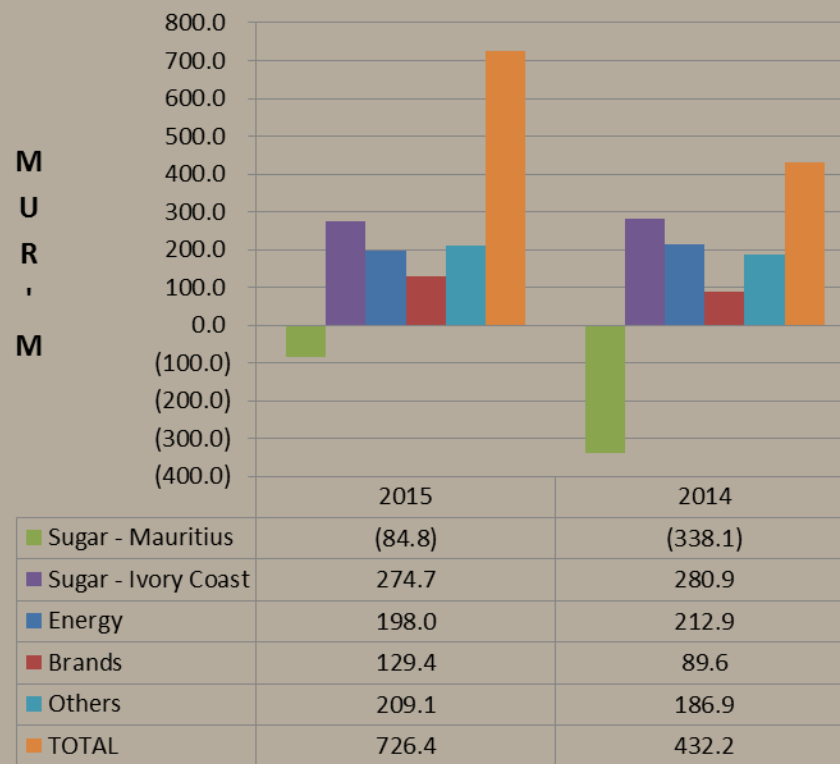
	2015	2014
Balance Sheet		
Shareholders' interest	17,810.6	17,459.4
Cash & cash equivalent	133.0	115.2
Net current assets	25.9	213.6
Total borrowings	1,977.6	1,600.1
Income Statement		
Turnover	4,282.7	3,905.4
Profit before finance costs	403.5	70.2
Finance costs	(72.5)	(66.8)
Share of associated results	287.0	296.5
Reversal of impairment of associate	166.1	166.3
Profit after tax	784.1	432.2
Attributable to equity holders	597.1	317.3
Dividends	193.4	182.0

Segmental Analysis

SEGMENTAL ANALYSIS REVENUE MUR M



SEGMENTAL ANALYSIS PROFIT AFTER TAX MUR M



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A low-angle, backlit photograph of several people harvesting sugarcane. The scene is dominated by the bright, glowing sun in the center, which creates a strong lens flare and silhouettes the workers. One worker in the foreground on the left is carrying a large bundle of harvested cane stalks on their shoulder. Another worker is visible on the right, and a third is further back. The sky is a deep blue with wispy white clouds. The overall mood is one of early morning labor.

06:35

Cane

	2015		2014	
	MUR' M		MUR' M	
Turnover	1,069.2	25.0%	980.2	25.1%
PAT - Mauritius	(84.8)	(44.6)%	(338.1)	(591.1)%
PAT - Côte d'Ivoire	274.7	144.6%	280.9	491.1%
PAT - Cane	189.9	26.1%	(57.2)	(13.2)%

- 952K tonnes cane milled by Terra Milling - 5.2% increase over 2014
- Yield: 7.63 t.s/ha (2014: 7.77 t.s/ha)
- Sugar accruing to group: 50.0K tonnes (slightly better than last year)
- Sugar price: MUR 13,200 v/s MUR 12,500 in 2014
- One-off SIFB compensation of MUR 2,000/tonne, for 2015 & 2014
- Specialty sugars: 70.1K tonnes \pm same as last year, facing strong competition from central America & other ACP (Malawi & Swaziland)
- Sucrivoire contributed MUR 109.2 M to cluster' s results (2014: MUR 115 M)
- Reversal of impairment of Sucrivoire: MUR 166.1 M

23:50

Power



	2015 MUR' M		2014 MUR' M	
Turnover	1,118.4	26.1%	1,119.8	28.7%
PAT	198.0	27.3%	212.9	49.3%

- Record electricity off-take for 2015: 425.6 GWh (2014: 400.8 GWh)
- Average tariff for 2015: MUR 2.45/kWh, the lowest by far, save for hydro power
- Triple certification from AFNOR renewed (quality, environment, occupational safety & health)
- Experiments conducted on alternative biomass sources

16:15

Brands



	2015 MUR' M		2014 MUR' M	
Turnover	1,857.1	43.4%	1,593.0	40.8%
PAT	129.4	17.8%	89.6	20.7%

- Overall performance improved on 2014, driven by a growth of 16.6% in turnover, coupled with a better product sales mix and improved margins
- Shift towards low value brands continues
- Diversification of brands portfolio (food & comestics) contributed to healthy growth
- Associates contributed MUR 32.4 M (2014: MUR 33.6 M) (Mainly New Goodwill) to the cluster's results

A construction worker wearing a yellow hard hat and a blue long-sleeved shirt is using a yellow spirit level to check the alignment of a rebar grid. The rebar grid is made of rusty metal rods and is set against a wall of grey concrete blocks. The background shows a clear blue sky and more rebar structures. The worker is wearing white gloves and has a mustache. The text '12:00' is overlaid in the top right corner.

12:00

Property
Management
& Construction

OTHER ACTIVITIES 1/2

	2015 MUR' M		2014 MUR' M	
Turnover	238.0	5.6%	212.4	5.4%
PAT	209.1	28.8%	186.9	43.2%

- Land: disposals of MUR 116.9 M translated into a profit of MUR 59.3 M (2014: MUR 17.4 M)
- Sagiterra earned fees and commission income of MUR 21.5 M & recorded a loss of MUR 0.5 M (2014: profit of MUR 4.2 M)
- Terrarock's turnover decreased by 12.2% to MUR 147 M, while profit after tax increased by 9.3% to MUR 16.4 M

18:00

Leisure,
Finance
& Investments



OTHER ACTIVITIES 2/2

	2015 MUR' M		2014 MUR' M	
Turnover	238.0	5.6%	212.4	5.4%
PAT	209.1	28.8%	186.9	43.2%

- Sugarworld: Turnover increased by 14% to MUR 70.0 M while profit after tax dropped by 15.4% to MUR 3.0 M
- Contribution of associates to this segment's PAT

	2015	2014
• Swan	88.9	83.4
• UIL	49.6	45.4
• AMCO	30.9	19.8
• RG	(5.8)	8.9
• Orange	3.0	12.9
TOTAL	166.6	170.4

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Outlook

Focus

- Concentrate on core strengths to develop
- Rationalise investment portfolio

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Outlook Cane

- Expecting a better year for our Mauritian sugar operations based on :
 - Better extraction rate
 - Improved sugar prices MUR 15,000 / tn for 2016 (MUR 13,200 / tn for 2015). One off compensation of MUR 2,000 / tn was paid in 2015
- Volume of special sugars expected to be above 80,000 tn in 2016 (70,079 tn in 2015)
- Looking for opportunities to further internationalise & strengthen team accordingly
- Get ready for 2017 (improve competitiveness & value added products)

Outlook Energy

- Investment in Thermal Valorisation Ltd, 35%
- Commissioning of CBO plant will start September 2016
- CBO will burnt 25 000 tons of coal ashes / year from Terragen
- Project for new biomass - cane trash

Outlook Brands

- Consolidation of spirits portfolio
- Growth of food & cosmetics business
- Started operations in Uganda
- Develop our export rum market
 - International recognition of New Grove
- Improved efficiency of our distilling operations

Outlook - Real Estate

New Core Activity

- Setting up of Real Estate team (24 members) - Providing services in the fields of Project Development & Management, Marketing & Sales, Land management and Finance.

PROJECTS :



- BEAU PLAN SMART CITY - (294 ha) - The initial master plan is being revisited to adapt to the new legislation concerning smart cities and to new market perspectives.
- AFRICAN LEADERSHIP UNIVERSITY - (53 ha) - First phase totalling some 17,000 sqm of buildings over 5 ha, to accommodate 1,000 students.
- COMMERCIAL CENTRE & OFFICES - (7 ha) - 25,000 sqm to be developed around the main lake, including a medium sized conference centre.
- BELLE VUE- (12 ha) 80 Villas to be developed and sold under the Property Development Scheme.

Thank you



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