

Financial Results 2016

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Agenda

- Mauritian Economic Environment
- Financial Review
- 2016 Overview
- Review & Outlook of Operations

Mauritian Economic Environment 1 / 2

Economic growth increased slightly in 2016 to 3.6%, driven by service sector / tourism

Headline inflation remains low at 1.3%, mainly due to weaker commodity prices on international markets

The EURO weakened further v/s USD in 2016. Locally, the EURO fell slightly against the MUR, while the USD rose marginally v/s MUR

Generally, the export sector suffered from the weak Euro and GBP

Sugar prices in Europe expected to drop, construction sector expecting a growth around 7%, job creation opportunities stable; tourism activity recovered

Mauritian Economic Environment 2/2

We have reviewed our DTA with India in 2016, and still have a competitive edge vis a vis competitors like Singapore & Cyprus

Abolition of sugar quotas to be effective in October 2017, influencing sugar prices; while we experienced a recovery in 2016, we are forecasting it to drop again in 2017. We are continuously working on the diversification of our export markets

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

Agenda

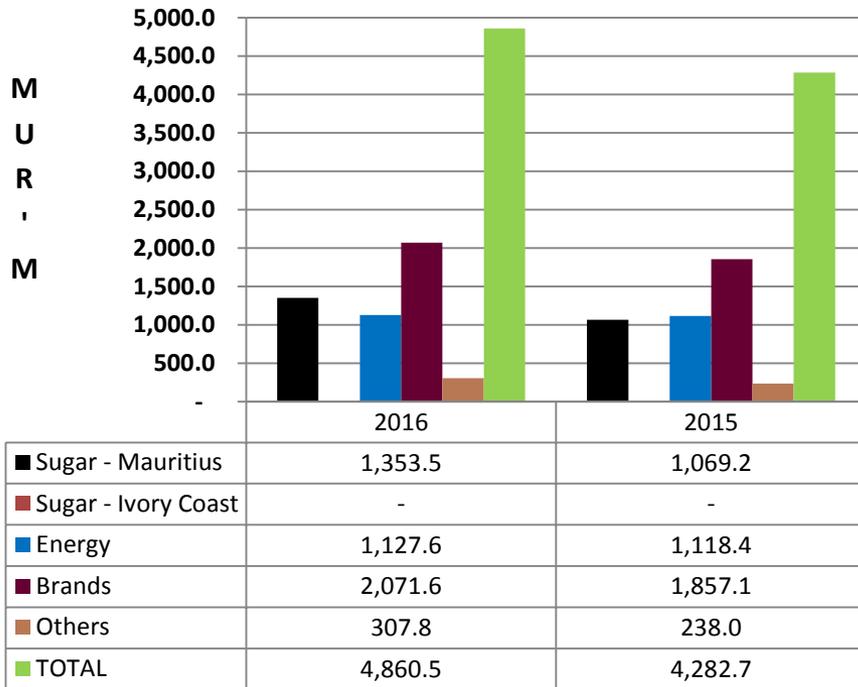
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Key figures (MUR'M)

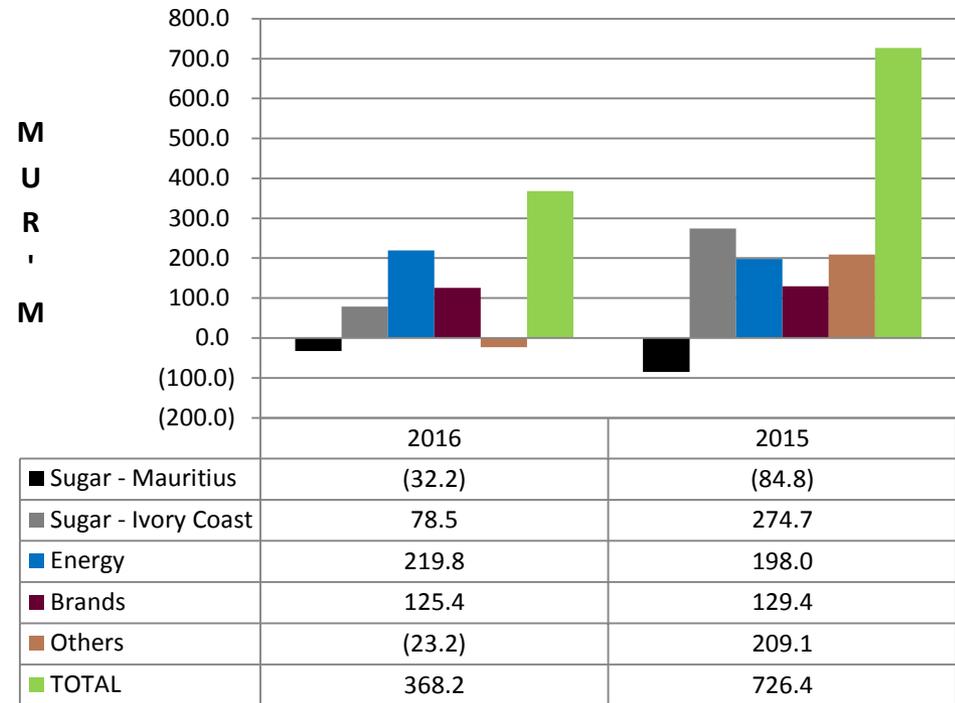
	2016	2015
Balance Sheet		
Shareholders' interest	13,306.8	16,855.1
Cash & cash equivalent	337.3	133.0
Net current assets / (liabilities)	(86.7)	25.9
Total borrowings	2,359.0	1,977.6
Income Statement		
Turnover	4,860.5	4,282.7
Profit before finance costs	459.8	403.5
Finance costs	(78.8)	(72.5)
Share of associated results	52.4	287.0
Reversal of impairment of associate	-	166.1
Profit after tax	368.2	726.4
Attributable to equity holders	219.3	597.1
Dividends	193.4	193.4

Segmental Analysis

SEGMENTAL ANALYSIS REVENUE MUR M



SEGMENTAL ANALYSIS PROFIT AFTER TAX MUR M



Agenda

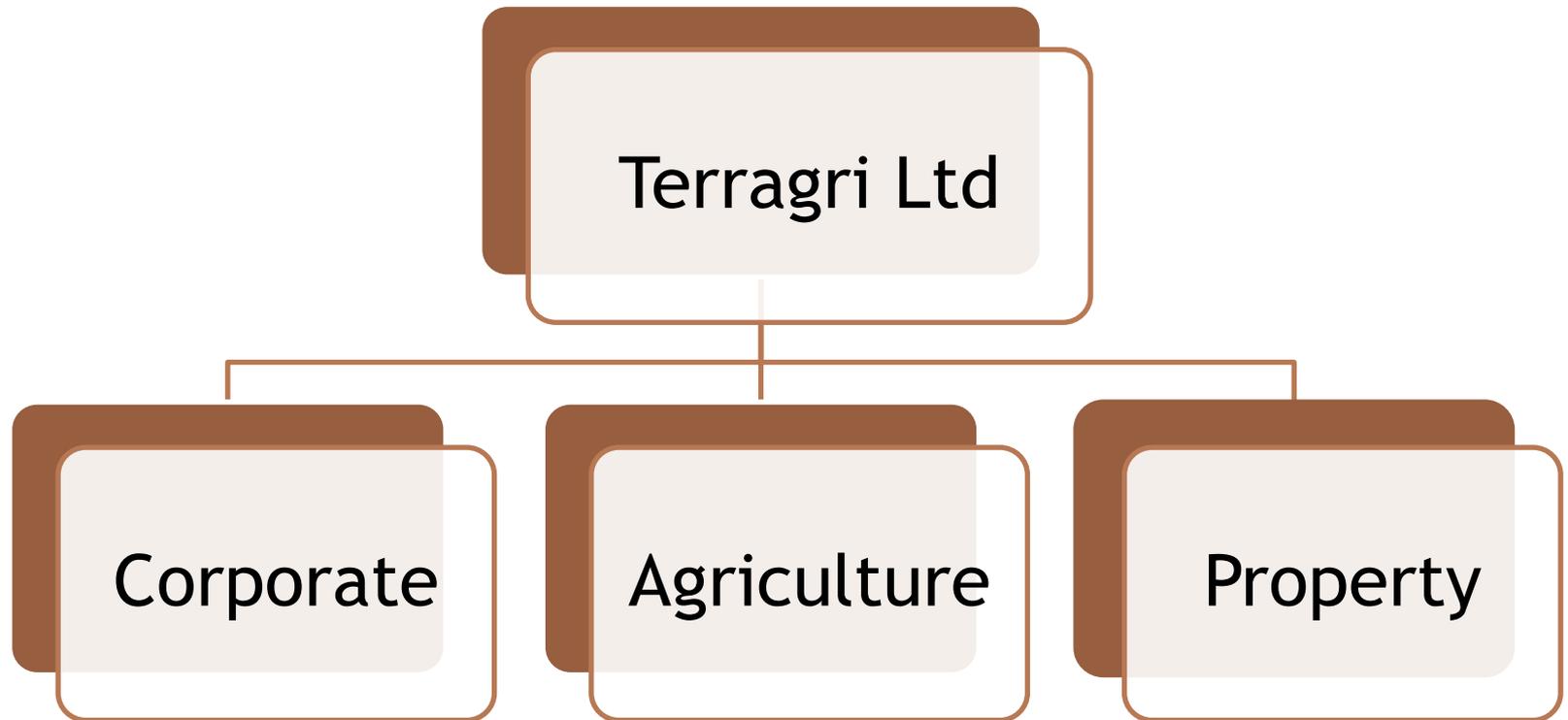
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2016 Overview

- Better operational results
- Bad year from associates
- We continue our strategy to:
FOCUS & STRENGTHEN
- Autonomous clusters:
ENGAGE & FOCUS

2016 Overview

- Terragri restructuring for better accountability culture



Agenda

- Mauritian Economic Environment
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Cane



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	2016		2015	
	MUR' M	%	MUR' M	%
<u>REVENUE</u>				
Mauritius	1,353.5	27.8%	1,069.2	25.0%
<u>PAT</u>				
Mauritius	(32.2)	(8.7%)	(84.4)	(11.6%)
Côte d'Ivoire	78.4	21.3%	274.3	37.8%
TOTAL	46.2	12.4%	189.9	26.2%

- 877K tonnes cane milled by Terra Milling - 8% decrease over 2015
- Yield: 8.77 t.s/ha (2015: 7.63 t.s/ha). Very good year for yields
- Sugar accruing to Group: 55K tonnes (2015: 50K tonnes)
- Sugar price: MUR 15,550 v/s MUR 13,200 in 2015
- One-off SIFB compensation of MUR 2,000/tonne in 2015. None in 2016
- Specialty sugars: 85K tonnes (2015: 70K tonnes)
- Sucrivoire contributed MUR 78.5 M to cluster's results (2015: MUR 108.2M)

Cane - Outlook

STRENGTHEN

- Expecting a similar year in 2017 compared to 2016 for our Mauritius operations based on :
 - Similar volume for specialty sugars (85K tonnes in 2016)
 - Similar cane length to date compared to 2016
 - Unfortunately outlook on sugar prices slightly lower in 2017
- Rise to the challenges (lower small planters volume, ageing workforce, world sugar prices)
- Modernising our operating tools and control environment with great optimism from the teams
 - This will help us to become more competitive in the future
- Côte d'Ivoire
 - Crop ending May 2017 below expectation due to late finishing of 2015-2016 crop
 - Expecting to be back on track for crop 2017 - 2018
 - Expansion of capacity from 90,000 tonnes to 160,000 tonnes p.a
- Looking for opportunities to further internationalise & strengthen team accordingly

Power

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	2016 MUR' M	2015 MUR' M
Turnover	1,141.0	1,131.3
PAT	195.9	199.4

- Record electricity off-take for 2016: 430.8 GWh (2015: 425.6 GWh)
- Availability: 99,91 % (NPO)
- Minus 6% coal consumption
- Average tariff for 2016: MUR 2.99/kWh
- Triple certification from AFNOR renewed (quality, environment, occupational safety & health)
- MUR 18 M investment in Terra Milling for an additional 2 GWh on network
- Industrial production of cane trash: 5,000 tonnes of cane trash = 4 GWh

Power - Outlook

GO GREEN

- Thermal Valorisation Ltd: commissioning in progress
(Investment of Terragen 35%)
- Massive investment for upgrading of Terra Milling to increase energy production on CEB network
(MUR 40 M for 2017: Up to 3 GWh more on network)
- Valorisation of 10,000 tonnes of cane trash
(5,500 tonnes of coal saved)

Brands

A modern wine cellar with stainless steel shelving and a large open doorway leading to another cellar. The shelves are filled with various wine bottles, some standing upright and others lying horizontally. The lighting is warm and focused on the wine.

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	2016 MUR' M		2015 MUR' M	
Turnover	2,071.0	42.6%	1,857.0	43.4%
PAT	125.4	34.1%	129.4	17.8%

- Overall performance improved on 2015, driven by a growth of 11.5% in turnover, coupled with a better product sales mix and improved margins
- All Business units performed better with improved sales mix and profits
- Food, Cosmetics and our Whisky portfolios contributed to healthy growth
- Results adversely impacted by the start of our operations in Uganda
- Associates contributed MUR 37.9 M (2015: MUR 32.4 M) (mainly New Goodwill and our affiliate in Seychelles) to the cluster's results

Brands - Outlook

OPTIMISE

- Build efficiencies in all sectors of operations
- Streamline and focus on high net contribution activities
- Growth of food & cosmetics business
- Succeed in Uganda
- Develop our export rum market
- Improved efficiency of our distilling operations

Real Estate

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Real Estate - Outlook 1 / 3

DEVELOP

TEAM :

- Full team constituted to provide services in the fields of Project Development & Finance, Property & Asset Management, Marketing & Sales, Project Management and Land Management

PROJECTS :

- BEAU PLAN SMART CITY - (228 ha) - Letter of Comfort received in December 2016



Real Estate - Outlook 2/3

PROJECTS :

- NOTRE DAME - Sales of 101 residential serviced plots successfully launched for a total of MUR 104 M
- AFRICAN LEADERSHIP COLLEGE - (53 ha) - First phase totalling some 10,700 sqm of buildings over 5 ha, to accomodate 500 students. Completion November 2017. Total project cost MUR 530 M
- HIGH END JEWELLER - 450 sqm near L'Aventure du Sucre. Project cost MUR 35 M
- RETAIL EXPERIENCE & OFFICES - (7 ha) - First phase 7,000 sqm to be developed around the main lake
- BEAU PLAN RESIDENTIAL - (21 ha) First phase - 80 Plots to be developed over 7 ha



Real Estate - Outlook 3/3

PROJECTS:

- MAJOR RESORT DEVELOPMENT AT BALACLAVA - 18-hole golf course and villas with beach access to fully complement our Smart City offer at Beau Plan



Other activities



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	2016 MUR' M		2015 MUR' M	
Turnover	307.8	29.3%	238.0	5.6%
PAT	(23.2)	(111.1%)	209.1	28.8%

Other activities made up of:

- Minor Subsidiaries - not meaningful for them to be reported in a separate cluster
- Associates

All Subsidiaries under “Other activities” achieved better results in 2016:

- Terrarock, Terra Finance, Sugarworld & AceTer Global

Segment PAT mainly impacted by lesser contribution from Associates:

	2016	2015	Variance
SWAN	77.8	88.9	(11.1)
UIL	(30.1)	49.6	(79.7)
AMCO	20.0	30.9	(10.9)
Rehm Grinaker	(55.3)	(5.8)	(49.5)
Others	(60.5)	3.0	(63.5)
TOTAL	(48.1)	166.6	(214.7)

CSR & Sustainability

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CSR & Sustainability: IMPACT

- Summary of CSR figures for Terra Foundation in 2016:

CSR budget after deduction of administrative expenses	MUR 7.4 M
Total amount sponsored	MUR 6.7 M
No. of projects sponsored in 2016	59
No. of projects sponsored in the North (57%)	33
No. of regions reached in the North	17
No. of beneficiaries reached in total	3,261
No. of beneficiaries reached in the North	1,335

- Terra sponsored the ‘Jeux du Nord’ last November thereby strengthening the presence of the Group in the 18 villages of the North
- A community day was organised with the employees of the Group at the SSR National Hospital for the renovation of a lunch room

CSR & Sustainability - Outlook

NEW CSR REGULATIONS

- With the creation of the National CSR Foundation (NCSRF) the list of priority areas have been extended and broadened
- Companies may not transfer 50% of their funds to the MRA directly and can submit their projects for approval to the NCSRF provided they fit in the government's priorities

SUSTAINABILITY

- Integrated report based on GRI Standards (which have replaced GRI-G4 guidelines) - assessing environmental and social impact - to be published for the first time
- ISO 9001 and 14001 as well as OHSAS certifications in progress at Grays Inc., Grays Distilling and Terra Milling
- Waste audit conducted across the Group and a management programme will be proposed shortly

Conclusion

- Our strategy is:
 - FOCUS
 - STRENGTHEN
 - DEVELOP OUR KNOW-HOW
 - CREATE VALUE FOR OUR STAKEHOLDERS



Thank you

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