

Mauritian Economic Environment

- The economic growth rate for 2017 has been revised downward to 3.8% whereas the GDP growth rate for 2018 is projected at 3.9% (source BoM & Statistics Mauritius). The domestic activity growth is expected to be supported by services sectors especially the "Financial and insurance activities"; followed by the tourism and the construction sectors.
- Headline inflation rose to 3.7% in 2017 v/s a lower rate of 1.3% in 2016, mainly due to recovering commodity prices on international markets, thus imported inflation.
- Snapshot on the forex markets v/s the MUR:

TT Mid Rate	Jan-17	Dec-17	Var. YoY v/s MUR
EUR	38.05	40.35	2.30
USD	36.30	33.80	-2.50
GBP	44.70	45.45	0.75

- Abolition of sugar quotas is effective since October 2017 and has significantly influenced global sugar prices on a downward trend, which is expected to extend in 2018. We are continuously working on the diversification of our export markets and improving our operational efficiency.
- Brexit challenges are still facing new development and must be tracked, since 40% of our specialty sugars are exported to UK.



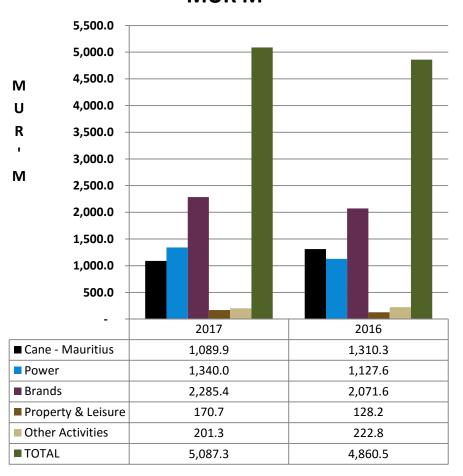
Key figures (MUR'M)

	2017	2016
Balance Sheet		
Shareholders' interest	13,258.3	13,306.8
Cash & cash equivalent	174.8	337.3
Net current assets / (liabilities)	(413.3)	(86.7)
Total borrowings	2,698.2	2,359.0
Income Statement		
Turnover	5,087.3	4,860.5
Profit before finance costs	318.7	459.8
Finance costs	(100.4)	(78.8)
Share of associated results	42.3	52.4
Profit after tax	244.3	368.2
Attributable to equity holders	85.5	219.3
Dividends	193.4	193.4

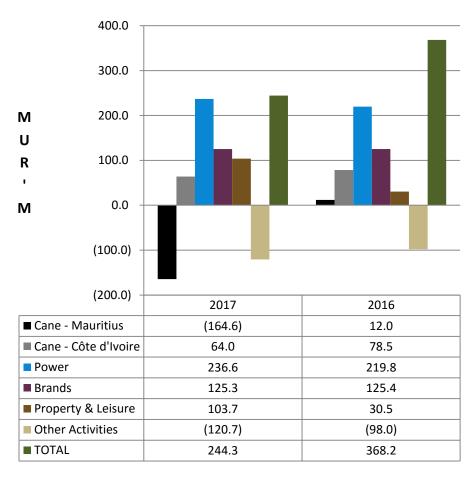


Segmental Analysis

SEGMENTAL ANALYSIS REVENUE MUR M



SEGMENTAL ANALYSIS PROFIT AFTER TAX MUR M







2017 Overview

- Sugar prices had a direct impact on results even though our efficiency is improving.
- Grays, our Brands division, improved its performance locally but had to review its strategy in Uganda.
- Our "Property & Leisure" division is now fully operational and will become a major driver for the growth of Terra.
- We continue our strategy to focus & strengthen.
- We now have autonomous clusters that are engaged & focus.
- Growth will be internal, i.e. through activities we manage and have significant strategic involvement.







	2017	2016
	MUR' M	MUR' M
<u>REVENUE</u>		
Mauritius	1,089.9	1,310.3
<u>PAT</u>		
Mauritius	(164.6)	12.0
Côte d'Ivoire	64.0	78.5
TOTAL	(100.6)	90.5

- 867,643 tonnes cane milled by Terra Milling (2016: 877,492 tonnes).
- Yield: 8.66 t.s/ha (2016: 8.77 t.s/ha).
- Sugar accruing to Group: 52,635 tonnes (2016: 55,023 tonnes).
- Sugar price: MUR 11,000/tonne (2016: MUR 15,550).
- Financial Aid from MSS: MUR 1,450/tonne in 2017.
- SIFB compensation: MUR 1,250/tonne in 2017.
- Specialty sugars: 87,974 tonnes (2016: 84,829 tonnes).
- Sucrivoire contributed MUR 64.0 M to cluster's results (2016: MUR 78.5 M).
- Productivity and efficiency gains in Mauritius and Côte d'Ivoire will remain the focus for 2018 and onwards.
- We are making good progress in our search to further internationalise our activities.
- Sucrivoire has a plan to increase its production from 90,000 tonnes to 160,000 tonnes of sugar within 5 years.

End of EU quotas

- Major restructuring of local sugar industry is urgently needed to face lower prices in the future.
- ➤ Joint committee between government (MOA) and the sugar industry has submitted its report and a ministerial committee will work on an action plan.
- We are confident that necessary measures will be taken to give a future to the sugar industry.



	2017 MUR' M	2016 MUR' M
Turnover	1,355.0	1,141.0
PAT	236.6	219.8

- We maintained a high level of production: 427.5 GWh: off-take of CEB decreased but availability of Terragen increased (record).
- Absolute record of reliability (one plant trip in one year).
- Efficiency slighty increased due to our investments in Terra Milling (spare 2,000 tonnes of coal).
- Production of 7.5 GWh from 7,500 tonnes of cane trash (spare 4,000 tonnes of coal).
- Profit after tax increased in line with the above.
- Triple certification from AFNOR renewed (quality, environment, occupational safety & health).
- CEB has notified its intention to review the PPA as from 2020.



	2017 MUR' M	2016 MUR' M
Turnover	2,284.0	2,071.0
PAT	125.3	125.4

- Overall performance improved on 2016, driven by a growth of 10.3% in turnover, mostly driven by the consolidation of our subsidiary in Seychelles.
- All Business units performed better due to improved efficiencies.
- Our Wines and Whisky brands sustained healthy growth.
- Results adversely impacted by our operations in Uganda which have been provided for.
- Associates contributed MUR 30.4 M (2016: MUR 37.9 M) (mainly New Goodwill) to the cluster's results.

Objectives:

- Reap benefits of efficiencies in all sectors of operations,
- Invest MUR 60 M in Grays Distilling Molasses storage and stable energy supply,
- Invest MUR 250 M over 4 years in a rum ageing facility (Beau Plan Cellars) to promote the category as a whole as well as the "Mauritius Origin" and supply our brands,
- Growth of food & cosmetics business.



	2017 MUR' M	2016 MUR' M
Turnover	170.7	128.2
PAT	103.7	30.5

2017 at a glance

CORPORATE IDENTITY & BRANDING: Fully autonomous department of Terragri Ltd since January 2017 and branded as Novaterra since August last.

novaterra Growing lives

TEAM: Consolidation of operations

 2 new senior managers appointed for the Marketing & Sales and Property & Asset management departments (6 new recruits in all).

PROJECTS:

BEAU PLAN SMART CITY - (211 ha) - Letter of Intent received in January 2018.

PROPERTY & LEISURE

2017 at a glance

PROJECTS:

- <u>SUGARWORLD (L'AVENTURE DU SUCRE)</u> Record PAT of MUR 12 M.
- NOTRE DAME 101 residential serviced plots infrastructure completed.
- <u>AFRICAN LEADERSHIP UNIVERSITY</u> First phase totaling some 10,700 sqm of buildings over 5 ha to accommodate 500 students. Total project cost MUR 530 M. Project handed over to tenant.
- HIGH END JEWELLER 450 sqm near Aventure du Sucre. Project cost MUR 35 M. Project handed over to tenant.
- NEW AISLE TO THE BEAU PLAN BUSINESS PARK (380 sqm) Fully let.
- <u>LE HAMEAU RESIDENTIAL ESTATE</u> (7 ha) All 62 units reserved & deposit received. Infrastructure started in April this year.





PROPERTY & LEISU

Real Estate - Outlook

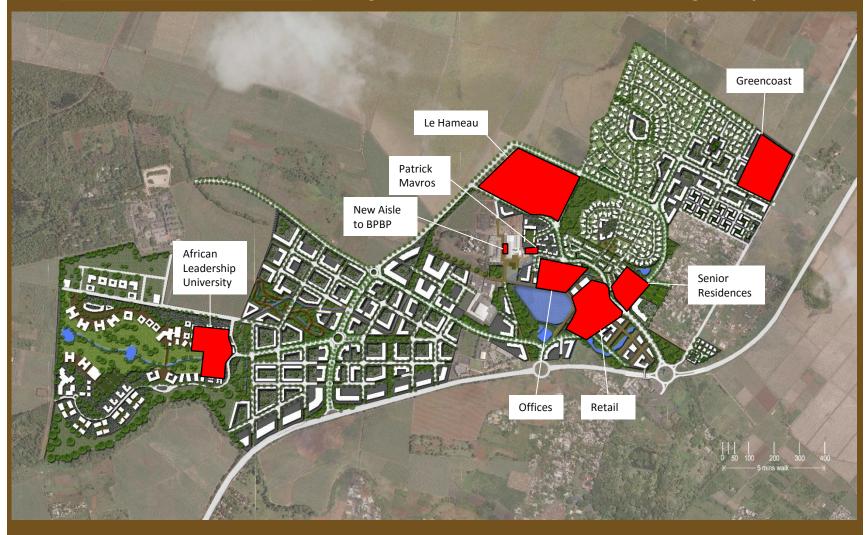
PROJECTS:

- <u>RETAIL EXPERIENCE & OFFICES</u> (7 ha) First phase 10,460 sqm of retail and 6,700 sqm of offices to be developed around the main lake. Concept plans & feasibility completed. Marketing has started in April for start of construction 2nd quarter 2019.
- GREENCOAST INTERNATIONAL PRIMARY SCHOOL- Start of construction in May for opening of pre-primary and primary in January 2019. Total investment in first phase MUR 90 M.
- <u>SENIOR RESIDENCE</u> MoU signed with important developer for some 70 units.



Real Estate - Outlook

• BEAU PLAN SMART CITY - Target to obtain certificate during 4th quarter.





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	2017 MUR' M	2016 MUR' M
Turnover	201.3	222.8
PAT	(120.7)	(98.0)

Other activities include results of subsidiaries and associates involved in Financial Services, Construction and Terra Corporate Services.

The overall profitability of that segment was negatively impacted by the poor performance of certain investments in the financial services sector.

Expecting better results in 2018.

CSR

Summary of CSR figures for Terra Foundation in 2017:

CSR & SUSTAINABILITY

Total amount sponsored	MUR 8.6 M
No. of projects sponsored in 2017 (out of which 70% in the North)	77
No. of beneficiaries reached in total	4,027

• The new legislation on 50% funds to be remitted to MRA will reduce considerably the Foundation's budget and its model and scope will have to be completely revisited.

SUSTAINABILITY

- The 2017 Annual Report follows the IIRC framework and is an integrated one. A separate sustainability report has been published online.
- Good progress was made on the QSE certification of Grays and Terra Milling, which should be completed in 2018.

Summary

CANE:

- Expecting losses due to low sugar price.
- Efficiency gains at all levels in Mauritius.
- Restructuring of local sugar industry is critical.
- Sucrivoire will increase its sugar production from 90,000 tonnes to 160,000 tonnes over 5 years.
- We are gearing up for an international strategy.

POWER:

- Maintain our efficiency level and continue to deliver world class prices to the CEB.
- Focus on green energy by using trash (paille) productions; which hopefully will benefit to all planters.
- Prepare negotiations of contract with CEB

BRANDS:

- Continue brand diversification (MAC etc).
- Continue to invest for future (e.i. Rhum ageing).

PROPERTY & LEISURE:

- Fully operational structure.
- Heavy investment in coming years.
- Will become a major driver for growth of Terra.

INVESTMENTS:

Continue rationalisation.



